

Session 2:

Adaptable World of Fraudsters

The Adaptable World of Fraudsters

You can't say civilization don't advance ...
in every war they kill you in a new way.

WILL ROGERS, Dec. 23, 1929

Naked Sats

A Recorded Mortgage Satisfaction with
no other document of record to support
its authenticity

- The record does not show a recorded mortgage that refinanced the satisfied mortgage
- The record does not show a deed for value that paid off the satisfied mortgage

DOC# [REDACTED] : 5907
02/18/2012 09:16:05 AM Page 1 of 1
Fee Fee: \$10.00
Martha D. Reavis, Comptroller
Orange County, CA
RA - Ret To: Wachovia Bank National Assn

Recording Requested By:
Wachovia Bank, National Association

And When Recorded Mail To:
Wachovia Bank, National Association
1262 Marina Village Parkway
Alameda, California 94501

Loan#: 0638390228 RLS#: 137389

SATISFACTION OF MORTGAGE

KNOW ALL MEN BY THESE PRESENTS: that the undersigned, holder of a certain mortgage, whose parties, dates and recording information are below, does hereby acknowledge that it has received full payment and satisfaction of the same. Accordingly, the County Recorder is hereby authorized and directed to discharge the same upon the record of said mortgage.

Original Mortgage: ALTHEA [REDACTED]
UNDIVIDED AS JOINT TENANTS
Original Mortgage: WACHOVIA BANK, NATIONAL ASSOCIATION
Mortgage Dated: JANUARY 18, 2007
Recorded on: FEBRUARY 06, 2007
as Instrument No. [REDACTED] Page No. 1108

County of ALAMEDA, State of CALIFORNIA.
IN WITNESS WHEREOF, THE UNDERSIGNED, BY THE OFFICER DULY AUTHORIZED, HAS DULY EXECUTED THE FOREGOING INSTRUMENT ON AUGUST 12, 2012
WACHOVIA BANK, NATIONAL ASSOCIATION

By: TAMARA [REDACTED]
TAMARA [REDACTED] ASSISTANT VICE PRESIDENT


Witness:
MARC [REDACTED]
MARC [REDACTED]

State of CALIFORNIA
County of ALAMEDA

On AUGUST 12, 2012, before me, KEVIN [REDACTED] Notary Public, personally appeared TAMARA [REDACTED] personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

(Notary Name): KEVIN [REDACTED]
PREPARED BY: Wachovia Bank, National Association
1262 Marina Village Parkway
Alameda, California 94501
San Antonio, Texas 78241
JESSE WEIN (WACHOVIA/ANA)



DOF: 09252012	PR: OR 10446	5907	SR: CN 2012 0512146	DOI: 08122012
TOI: SM	DESC:		MIN:	
1ST PARTY:	WACHOVIA BK NATL ASSN			
2ND PARTY:	ALTHEA [REDACTED]			
AMOUNT:	NAME:		TYPE:	
REFERENCE:	OR 9101/1108			
DOF: 02032012	PR: OR 10327	4814	SR: CN 2012 0058990	DOI: 12242011
TOI: MD	DESC:		MIN:	
1ST PARTY:	ALTHEA [REDACTED]			
2ND PARTY:	THINK [REDACTED]			
FL 33021				
AMOUNT:	NAME:		TYPE:	
REFERENCE:	70 NAMR: THINK [REDACTED]			
DOF: 02232007	PR: OR 9128	73	SR: CN 2007 0120582	DOI: 02222007
TOI: SM	DESC:		MIN:	
1ST PARTY:	OPTION 1 MTG CORP			
2ND PARTY:	ALTHEA [REDACTED]			
AMOUNT:	NAME:		TYPE:	
REFERENCE:	OR 7883/1447			
DOF: 02062007	PR: OR 9101	1108	SR: CN 2007 0082704	DOI: 01182007
TOI: M	DESC:		MIN:	
1ST PARTY:	ALTHEA [REDACTED]			
2ND PARTY:	WACHOVIA BK NATL ASSN 301 S COLLEGE ST VA 0343 CHARLOTTE NC 28288-0343			
AMOUNT:	NAME:		TYPE:	
REFERENCE:	190327.66 NAME: WACHOVIA BK			
DOF: 03222005	PR: OR 7883	1447	SR: CN 2005 0197365	DOI: 11092004
TOI: M	DESC:		MIN:	
1ST PARTY:	ALTHEA [REDACTED]			
2ND PARTY:	OPTION 1 MTG CORP 3 ADA IRVINE CA 92618			
AMOUNT:	NAME:		TYPE:	
REFERENCE:	186000.00 NAME: OPTION 1 MTG			
DOF: 03222005	PR: OR 7883	1446	SR: CN 2005 0197364	DOI: 11092004
TOI: MD	DESC:		MIN:	
1ST PARTY:	TOUSA [REDACTED] D/B/A [REDACTED]			
2ND PARTY:	ALTHEA [REDACTED]			
AMOUNT:	NAME:		TYPE:	
REFERENCE:	1449.00 NAME: UNIVERSAL LAND TITLE			

... were paid outside the closing; they are shown here for informational purposes and are not included in the total.

Amounts paid to and by the settlement agent are shown.

D. Name and Address of Borrower: NICOLE M. [REDACTED] 355 [REDACTED] [REDACTED] FL 32780		E. Name and Address of Seller: JANIS [REDACTED] [REDACTED] FL 32746		F. Name and Address of Lender: FD [REDACTED] [REDACTED] ORLANDO, FL 32801	
G. Property Location: ORLANDO [REDACTED] Orange County, Florida		H. Settlement Agent: [REDACTED] FL 32746 Place of Settlement: [REDACTED] FL 32746		I. Settlement Date: February 26, 2013	

J. Summary of Borrower's transactions 120. Gross Amount Due from Borrower: 121. Contract sales price 209,000.00 123. Escrowed amount 124. Settlement Charges to Borrower (Line 1400) 6,594.53 125. Adjustments for items paid by Seller in advance 126. City/Town Taxes to 127. County Taxes to 128. Assessments to 129. 130. 131. 132.		K. Summary of Seller's transactions 426. Gross Amount Due to Seller: 427. Contract sales price 209,000.00 428. Personal property 429. 430. Adjustments for items paid by Seller in advance 426. City/Town Taxes to 427. County Taxes to 428. Assessments to 429. 430. 431. 432.	
126. Gross Amount Due from Borrower 215,894.53 206. Amounts Paid by or in Behalf of Borrower 207. Deposit or earnest money to 2,000.00 208. Principal amount of new loan(s) 198,100.00 209. Existing loan(s) taken subject to 210. 204. CREDIT FROM BUYERS REALTOR 500.00 205. 206. SELLER CREDIT OWNERS TITLE 1,120.00 207. Adjustments for items unpaid by Seller 210. City/Town Taxes to 211. County Taxes 01/01/13 to 02/27/13 477.58 212. Assessments to 213. 214. 215. 216. 217. 218. 219.		426. Gross Amount Due to Seller 209,000.00 509. Reductions in Amount Due Seller: 501. Excess deposit (see instructions) 502. Settlement charges to Seller (Line 1400) 7,775.50 503. Existing loan(s) taken subject to 504. Payoff First Mortgage 505. Payoff Second Mortgage 506. 507. (Deposit date, see proceeds) 508. SELLER CREDIT OWNERS TITLE 1,120.00 509. Adjustments for items unpaid by Seller 510. City/Town Taxes to 01/01/13 to 02/27/13 477.58 511. County Taxes 01/01/13 to 02/27/13 477.58 512. Assessments to 513. 514. 515. 516. 517. 518. 519.	
220. Total Paid by/Borrower 182,197.56 300. Cash at Settlement from/Borrower 301. Gross amount due from Borrower (line 120) 215,894.53 302. Less amount paid by/Borrower (line 220) (32,697.00) 303. Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower 23,696.57		520. Total Reduction Amount Due Seller 9,373.08 600. Cash at settlement to/from Seller 601. Gross amount due to Seller (line 426) 209,000.00 602. Less reductions due Seller (line 520) (9,373.08) 603. Cash <input checked="" type="checkbox"/> To <input type="checkbox"/> From Seller 199,626.94	

* Part outside of closing by borrower(s), seller(s), lender(s), or escrow agent(s)

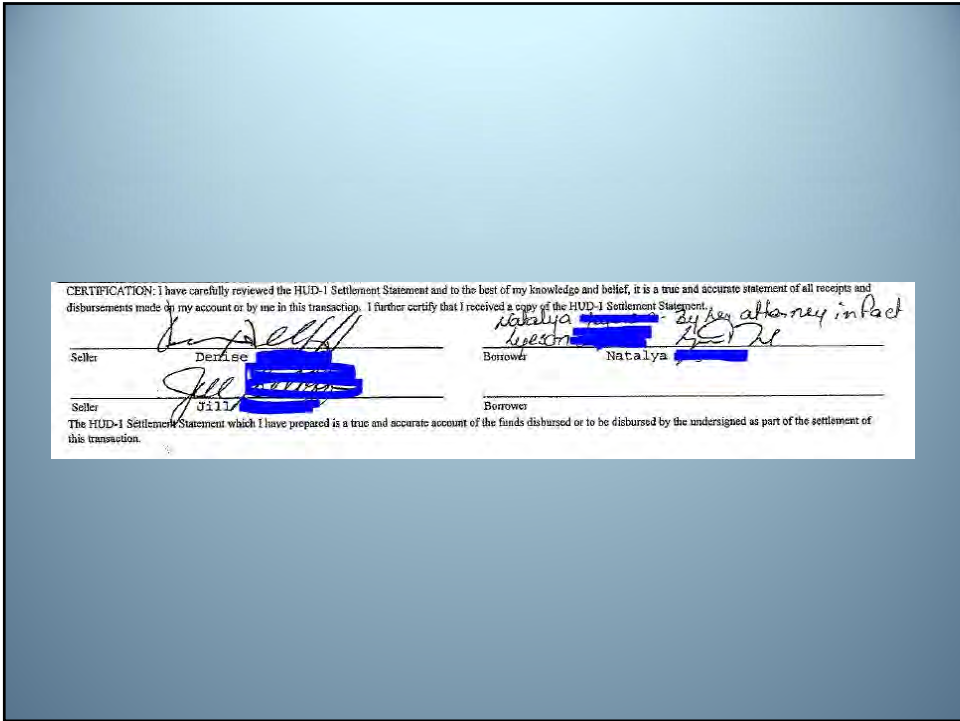
Red Flags

1. There is no document of record from which the satisfaction resulted.
2. A recent satisfaction of a mortgage and a large cash out.
3. Recent and multiple flips

Foreclosure Rescues

- A mortgage Fraud in which a borrower is in foreclosure and unable to refinance
- In order to induce a lender to loan money, the borrower conveys to a straw with good credit
- The borrower enters into a lease and repurchase agreement with the straw
- After a couple of years and the borrower's credit is restored he/she repurchases the property from the straw

J. SUMMARY OF BORROWER'S TRANSACTION		K. SUMMARY OF SELLER'S TRANSACTION	
100. GROSS AMOUNT DUE FROM BORROWER:		400. GROSS AMOUNT DUE TO SELLER:	
101. Contract sales price	508,000.00	401. Contract sales price	508,000.00
102. Personal property		402. Personal property	
103. Settlement charges to borrower (Line 1400)	29,905.91	403.	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance	
106. City/town taxes 02/24/2006-03/31/2006	574.09	406. City/town taxes 02/24/2006-03/31/2006	574.09
107. County taxes		407. County taxes	
108. Assessments		408. Assessments	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. GROSS AMOUNT DUE FROM BORROWER	538,480.00	420. GROSS AMOUNT DUE TO SELLER	508,574.09
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:		500. REDUCTIONS IN AMOUNT DUE TO SELLER:	
201. Deposit or earnest money		501. Excess deposit	
202. Principal amount of new loan(s)	508,000.00	502. Settlement charges to seller (Line 1400)	6,908.46
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first mortgage loan AMC Mortgage	305,044.05
205.		505. Payoff of second mortgage loan	
206.		506. State of NJ Div. of Taxation	18,459.00
207.		507. DC-008996-04 DJ-058695-05	1,750.00
208.		508. Final Water & Sewer ESCROW	750.00
209. Seller's Concession	30,480.00	509. Seller's Concession	30,480.00
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller	
210. City/town taxes		510. City/town taxes	
211. County taxes		511. County taxes	
212. Assessments		512. Assessments	
213.		513. ESCROW TO ENSURE PAYOFF	5,000.00
214.		514. SAME DAY COURIER TO JOHN CARR	250.00
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. TOTAL PAID BY/FOR BORROWER	538,480.00	520. TOTAL REDUCTION AMOUNT DUE SELLER	368,641.51
300. CASH AT SETTLEMENT FROM/TO BORROWER		600. CASH AT SETTLEMENT FROM/TO SELLER	
301. Gross amount due from borrower (Line 120)	538,480.00	601. Gross amount due to seller (Line 420)	508,574.09
302. Less amount paid by/fro borrower (Line 220)	538,480.00	602. Less reduction in amount due seller (Line 520)	368,641.51
303. CASH FROM BORROWER		603. CASH TO SELLER	139,932.58



Market Conditions

- A lot of equity
- Relaxed lender underwriting standards
- Continuous growth in property values

Market Conditions

- ~~A lot of equity~~
- ~~Relaxed lender underwriting standards~~
- ~~Continuous growth in property values~~

Red Flags

- Recorded foreclosure *lis pendens*
- Seller confused about deed vs. mortgage
- Seller lease back and repurchase agreements
- Requests to disburse contrary to the HUD1

New red flags old rescues being flipped

- Known difficult tenants in possession
- Planned evictions
- Seller represented by a Power of Attorney that is controlling the transaction

Short Sale Frauds

A Lender agrees to release its mortgage for less than its payoff amount

The lender is fraudulently induced to release its mortgage based on:

- Misrepresented purchase price
- Misrepresented property value
- Misrepresented borrower assets
- Fraudulent conveyance to a straw

Market Conditions

- A sudden drop in real estate values
- Prior inflated values
- Lenders with a large influx of underperforming loans above property values
- Lenders trying to unload bad mortgages off their books

[REDACTED] Street
80 One Park, NY 11420

Dear Rudy,

GRP will accept a discounted payoff in the amount of *505,195.00* NET on the above referenced loan. The certified funds must be in the form of bank wire, bank check, cashless check only and must be received no later than August 24, 2007 OR THE AGREEMENT IS NULL AND VOID! NO MORE EXTENSIONS!

This is contingent on all the seller and buyer closing costs including delinquent and pro-rata taxes, broker commission, any other liens or judgments, etc. all being paid at closing from the sales price or by the buyer.

This is also contingent on the fact that GRP will not have to pay anything out of pocket at the closing or for anything associated with this deal.

Upon receipt of payoff funds, GRP will advise the foreclosure attorney office to cancel the lis pendens, close file, cancel foreclosure action and issue a satisfaction of mortgage!

Sincerely,
[REDACTED]
[REDACTED]
AGM Manager

1. Meet all the requirements of the payoff letter

Common Requirements

- Send a copy of HUD1 for approval
- Contract amount cannot exceed...
- Seller cannot receive any funds
- Parties cannot change
- No third party disbursements without approval

2. Have the letter sent to you

- Do not rely on short sale letter brought in by the seller
- Seller could manipulate letter or remove a page with requirements
- Make sure you have all the pages

3. If you know it is a short sale and seller is receiving a disbursement, get written authorization from lender to allow disbursement to seller

4. Beware of disbursements to 3rd parties

5. Do not close if you know of a subsequent flip

Flips

A flip is a process in which an investor purchases a property and quickly sells it for a profit

A flip becomes fraudulent when an investor artificially inflates the value of the property in order to make a profit

A New Era of Fraudulent Flips

Why a New Era?

- Tightened Lender underwriting standards have avoided the traditional fraudulent flip
- Lenders are weary to finance if a transaction occurred within the last 12 months
- Flips thrive in quickly appreciating Real Estate Markets

Distressed Property Flips

Market Conditions

- Lenders with large books of REO properties
- Discounted values resulting from distressed status
- Slow Real Estate Market

Distressed Property Flip

- Eddie enters into a purchase agreement with an REO Lender for \$225,000.00
- Eddie recruits an “investor” to flip the property for \$425,000.00
- Eddie realizes at \$200,000.00 profit


Eddie Adapted The Forged Deed Flip (FDF)

Unable to obtain financing for the obvious flip, Eddie had to get creative.

Eddie hid the flip by simply forging/manipulating the original deed from the REO lender to look like one transaction.

- Altered the Grantee to his “investor”
- Altered the Consideration to the inflated amount

Bargain and Sale Deed
(Covenant as to Grantor's Acts)

Prepared by: 

DEED

This Deed is made on NOV 12 2008

BETWEEN

Wells Fargo Bank, National Association, As Trustee, by: EMC MORTGAGE CORPORATION, as attorney in fact, whose address is 2780 Lake Vista Drive, Lewisville, TX 75067, referred to as the Grantor.

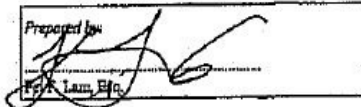
AND

EDDIE [REDACTED], whose address is [REDACTED], referred to as the Grantee.

The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. This transfer is made for the sum of **NINETY-FIVE THOUSAND (\$95,000.00)** dollars. The Grantor acknowledges receipt of this money.

Bargain and Sale Deed
(Covenant as to Grantor's Acts)

Prepared by: 
[REDACTED] Law, P.C.

DEED

This Deed is made on November 25 2008

BETWEEN

Wells Fargo Bank, National Association, As Trustee, by: EMC MORTGAGE CORPORATION, as attorney in fact, whose address is 2780 Lake Vista Drive, Lewisville, TX 75067, referred to as the Grantor.

AND

CRAIG [REDACTED], whose address is [REDACTED], referred to as the Grantee.

The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. This transfer is made for the sum of **THREE HUNDRED TWENTY FIVE THOUSAND (\$325,000.00)** dollars. The Grantor acknowledges receipt of this money.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SETTLEMENT STATEMENT

A. TYPE OF LOAN: 1. FHA 2. CPUSA 3. Other Unit 4. Other Unit 5. Other Unit 6. File Number 7. Loan Number

B. TYPE OF LOAN: 1. FHA 2. CPUSA 3. Other Unit 4. Other Unit 5. Other Unit 6. File Number 7. Loan Number

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "paid" were paid outside the closing. They are shown here for informational purposes and are not included in the table.

D. NAME AND ADDRESS OF BORROWER: 1. NAME, ADDRESS AND TIN OF SELLER: 2. NAME AND ADDRESS OF LENDER:

E. PROPERTY LOCATION: 3. SETTLEMENT AGENT NAME, ADDRESS AND TIN: 4. PLACE OF SETTLEMENT: 5. SETTLEMENT DATE: 6. FUNDING DATE:

F. SUMMARY OF BORROWER'S TRANSACTION: 7. SUMMARY OF SELLER'S TRANSACTION:

G. AMOUNTS PAID BY OR IN BEHALF OF BORROWER: 8. REDUCTIONS IN AMOUNT DUE TO SELLER:

H. CASH AT SETTLEMENT FROM TO BORROWER: 9. CASH AT SETTLEMENT FROM TO SELLER:

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SETTLEMENT STATEMENT

A. TYPE OF LOAN: 1. FHA 2. CPUSA 3. Other Unit 4. Other Unit 5. Other Unit 6. File Number 7. Loan Number

B. TYPE OF LOAN: 1. FHA 2. CPUSA 3. Other Unit 4. Other Unit 5. Other Unit 6. File Number 7. Loan Number

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "paid" were paid outside the closing. They are shown here for informational purposes and are not included in the table.

D. NAME AND ADDRESS OF BORROWER: 1. NAME, ADDRESS AND TIN OF SELLER: 2. NAME AND ADDRESS OF LENDER:

E. PROPERTY LOCATION: 3. SETTLEMENT AGENT NAME, ADDRESS AND TIN: 4. PLACE OF SETTLEMENT: 5. SETTLEMENT DATE: 6. FUNDING DATE:

F. SUMMARY OF BORROWER'S TRANSACTION: 7. SUMMARY OF SELLER'S TRANSACTION:

G. AMOUNTS PAID BY OR IN BEHALF OF BORROWER: 8. REDUCTIONS IN AMOUNT DUE TO SELLER:

H. CASH AT SETTLEMENT FROM TO BORROWER: 9. CASH AT SETTLEMENT FROM TO SELLER:

Fatal Forged Deed Flip (FFDF)

- Backed up log of properties stuck in foreclosure
- Scrutinized appraisals
- A rebounding real estate market
- A market rich with real estate investors eager to catch the wave at the initial upward trend

FFDF

- The fraudster identifies vacant real estate in which an REO lender has stalled before marketing the property or quickly perpetrates against a recent foreclosure
- Fraudster forges a deed from the REO lender into an individual, trust or other entity
- Fraudster recorded a few more deeds purportedly flipping the property
- Fraudster conveys out of the last controlled entity into an eager property investor

State Printed / CTG

For official use by Clerk's office only

SPECIAL WARRANTY DEED
(Corporate Seller)

THIS INDENTURE, made this 3rd day of December 2012, between **WELLS FARGO BANK, N.A. SUCCESSOR BY MERGER TO WACHOVIA BANK, NA**, whose post-office address is 2480 Singscooch Circle, Frederick, MD 21701 ("Grantor"), to **BRENT**, whose address is [REDACTED] second party ("Grantee").

WITNESSETH, that the said first party, for and in consideration of the sum of Ten Dollars (\$10.00), in hand paid by the said second parties, the receipt whereof is hereby acknowledged, does hereby remise, release, and quit-claim unto the said second parties forever, all the rights, title, interest, claim, and demand which the said first party has in and to the following described lot, piece or parcel of land, situate, lying and being in the County of Duval, State of Florida, to wit:

[REDACTED] Page 92, 92A through 92C, of the Public Records of Duval County, Florida

Having an address [REDACTED]

Tax Parcel Identification Number [REDACTED]

SUBJECT, however to all restrictions, covenants, conditions, restrictions and encumbrances of the record and to all applicable zoning ordinances and/or restrictions or requirements imposed by governmental authorities, if any;

TOGETHER, with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining;

TO HAVE AND TO HOLD the same together with all and singular the appurtenances thereunto belonging or in anywise appertaining, and all the estate, right, title, interest, lien, equity and claim whatsoever of the said first party, either in law or equity, to the only proper use, benefit and behoof of the said second party, their heirs, successors and assigns forever.

IN WITNESS WHEREOF, the said first party has signed and sealed the day and year first above written.

Signed, sealed and delivered
in the presence of:

Witness [REDACTED]

WELLS FARGO BANK, NA SUCCESSOR BY MERGER TO WACHOVIA BANK, NA
By: [Signature]
Its: Assistant Secretary

Witness [REDACTED]

This Warranty Deed

Made this 16th day of January, 2013 by **BRENT**

hereinafter called the grantor; to **JEFFREY**

whose post office address is [REDACTED]

hereinafter called the grantee:
(Whenever used herein the terms "grantor" and "grantee" include all the parties to this instrument and the heirs, legal representatives and assigns of individuals, and the successors and assigns of corporations)

Witnesseth, that the grantor, for and in consideration of the sum of \$150,000.00 and other valuable considerations, receipt whereof is hereby acknowledged, hereby grants, bestows, sells, assigns, remises, releases, conveys and confers unto the grantee, all that certain land situate in DUNAL, County, Florida, viz:

[REDACTED] books

Subject to covenants, restrictions and encumbrances of record and laws for the current year.

Said property is set the homestead of the Grantor(s) under the laws and constitution of the state of Florida in that neither Grantor(s) nor any members of the household of Grantor(s) reside therein.

Tax Parcel Identification Number [REDACTED]

TOGETHER, with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining;

TO HAVE AND TO HOLD the same in fee simple forever.

AND the grantor hereby covenants with said grantee that the grantor is lawfully seized of said land in the absolute; that the grantor has good right and lawful authority to sell and convey said land; that the grantor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whatsoever; and that said land is free of all encumbrances except taxes accruing subsequent to December 31, 2012

IN WITNESS WHEREOF, the said first party has signed and sealed the day and year first above written.

[Signature]
BRENT
Grantor

Signed, sealed and delivered in the presence of:

Witness Print Name [REDACTED]

Witness Print Name [REDACTED]

04/09/2013 04:12:08 PM, MON JEFFREY CLEMENS CIRCULAR BOOK DUVAL COUNTY
RECORDING \$27.00 DEED DOC BY: \$945.00

INSURED

WARRANTY DEED

PREPARED BY AND RETURN TO:
DUANE [REDACTED]
[REDACTED]
JACKSONVILLE, FL 32210
Parcel Identification Numbers: [REDACTED]

THIS WARRANTY DEED made this 25th day of March, 2013, by Jeffrey [REDACTED] hereinafter called the Grantor, and William [REDACTED] dated March 25, 2013, hereinafter referred to as Grantee or Trustee, with full power and authority to protect, conserve and to sell, or to lease or to encumber, or to otherwise manage and dispose of the property hereinafter described pursuant to Florida Statute 689.071 and whose mailing address is [REDACTED].

Witnessed: That the Grantor for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable considerations, receipt of which is hereby acknowledged, hereby grants, bargains, sells, alien, renounces, releases, conveys and confirms unto the grantee, all that certain land situate in DUVAL County, Florida, viz: [REDACTED] Florida 32226

[REDACTED] to the plat thereof, as recorded in Plat [REDACTED] of the public records of Duval County, Florida.

This property is not the homestead property of Grantor in that neither the grantor nor any member of his family resides thereon.

TO HAVE AND TO HOLD the premises with the appurtenances upon the trust and for the uses and purposes set forth in this Deed and in that certain [REDACTED] dated March 25, 2013 establishing [REDACTED]

Authority of Trustee

Full power and authority is granted to the Trustee to: (a) improve, manage, protect, and subdivide the premises or any part of the premises; (b) dedicate parks, streets, highways, or alleys and vacate any subdivision, and to re-subdivide the property as often as desired; (c) contract to sell; (d) grant options to purchase; (e) sell on any terms; (f) convey either with or without consideration; (g) convey the premises or any part to a successor or successors in trust and to grant to the successor or successors in trust all of the title, estate, powers, and authorities vested in the Trustee; (h) donate, dedicate, mortgage, pledge, or otherwise encumber the property, or any part; (i) lease the property, or any part, from time to time, in possession or reversion, by leases to commence in the present or in the future, and on any terms and for any period or periods

Red Flags

- Lender completes its foreclosure and quickly conveys the property for little to no value
- Often subsequent flips before proposed insured transaction

Ghost Agents

A Ghost Agent is fraudulent title agent created to appear like a legitimate and licensed title agent

- Similar Name
 - Green Title, Inc. Vs. Green Title, LLC
- Similar Addresses – the ghost agent will rent space near the legitimate agent on the same street and city
 - 1250 Chesnutt Ave vs. 1350 Chesnutt Ave

Typically a Quick Fraud

- The ghost agent forges Closing Protection Letters and Commitments
- The ghost agent conducts several quick transactions and flees before detection with the mortgage proceeds

The Long Term Ghost Agent

Rather than fleeing, these ghost agents will continue the fraud and conduct multiple closings over a long period of time

- Identify properties with mortgages of record but paid off
- They will conduct sham transactions with real lenders who believe they are paying off active mortgages
- The real owners are unaware of the transaction and the mortgages are forged

Red Flags

If you gain any knowledge of a ghost agent notify your underwriters and licensing authorities immediately

- Inc., Company, LLC, etc...
- If you are contacted to issue a policy and it is not your commitment
- Employees diverting product

Cyber Fraud

**CHOICE ESCROW v. BANCORPSOUTH BANK
2013 WL 1121339 – US DC Missouri**

As a general rule, unless otherwise provided in the UCC, the risk of loss for unauthorized transfers lies with a bank

- The security procedure is a commercially reasonable method of providing security against unauthorized payment orders.
- The result is not wholly unjust. The experts in this case agree that the fraud would not likely have occurred if Choice had utilized the “Dual Control.” It elected not to ... twice.

*****DDA TRANSACTIONS*****

BALANCE	CHECKS/OTHER DEBITS	DEPOSITS/OTHER CREDITS	BALANCE
LAST STATEMENT	NO. TOTAL AMOUNT	NO. TOTAL AMOUNT	THIS STATEMENT
555579.45	41 1347591.05	7 684209.33	107802.27-

DATE	CHECK#	AMOUNT	TYPE	TRANSACTION DESCRIPTION	BALANCE
08/08		211979.40	WIRE XFER	- in	
- 08/08	2491711.00	248711.00	WIRE XFER		
- 08/08	931866.04	201255.00	WIRE XFER	out - all wire transfers	
- 08/08	481911.04	98080.00	WIRE XFER		
- 08/08		49887.00	WIRE XFER		

Administrative Control Options

Standard Control Feature A single individual, the System Administrator, has full authority to manage the [redacted] with the power to create and entitle additional users.

System Administrator	Email Address
[redacted]	[redacted]

OR

Dual Control Feature This feature adds another layer of review and control over the adminis of the [redacted]. Two individuals, a User Manager and an Approval Manager need to be designated.

User Manager	Approval Manager
Email Address:	Email Address:
[redacted]	[redacted]

Unless otherwise instructed, the existing System Administrator will become the User Manager selection of the Dual Control feature.

Protect Your Company

- If your bank offers security options, accept them
- While an extra cost or step might be involved with some security options, they will still likely be commercially reasonable