

**RECEIVED**

**AUG 27 2009**

**CLERK U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF IOWA**

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF IOWA

UNITED STATES OF AMERICA,	)	
	)	CRIMINAL NO. 4: 09-cr-131
Plaintiff,	)	
	)	
v.	)	<u>INDICTMENT</u>
	)	18 U.S.C. § 215
BRIAN JERMAINE WILLIAMS,	)	18 U.S.C. § 1014
RUMEAL ROBINSON,	)	18 U.S.C. § 1343
STEPHENIE HODGE,	)	18 U.S.C. § 1344
	)	18 U.S.C. § 1349
Defendants.	)	

**THE GRAND JURY CHARGES:**

**INTRODUCTORY ALLEGATIONS**

1. In or about August 2001, defendant BRIAN JERMAINE WILLIAMS began working as a Commercial Loan Officer for Community State Bank, a financial institution insured by the Federal Deposit Insurance Corporation, in Ankeny, Iowa. In or about January 2004, he was promoted to the position of Vice-President/Senior Loan Officer.

2. In his position as Vice-President/Senior Loan Officer, defendant WILLIAMS had the power to authorize commercial loans of up to \$500,000 without needing further approval from anyone at Community State Bank. Loans above \$500,000 had to be referred to a committee for approval. All loans to a single borrower were aggregated to determine whether the \$500,000 threshold had been reached.

3. In or about April or May 2004, defendant WILLIAMS was introduced by telephone to defendant RUMEAL ROBINSON by a mutual acquaintance ("Borrower A") whose

identity is known to the Grand Jury. Borrower A was interested in obtaining a loan from Community State Bank to invest in a start-up company, Megaladon Development, Inc. (“Megaladon”), controlled by defendant ROBINSON. During the phone call, defendant ROBINSON described to defendant WILLIAMS Megaladon’s pursuit of a real estate development project in Jamaica for which Megaladon needed financing. The project in Jamaica involved the development of land into a luxury vacation resort and would eventually become known as the “Harmony Cove” project.

4. On or about May 13, 2004, defendant WILLIAMS authorized a loan of \$37,000 from Community State Bank to Borrower A, with knowledge that Borrower A would invest the money into Megaladon for its pursuit of the Harmony Cove project in Jamaica. The loan had a maturity date of July 13, 2004, which was later extended. The collateral for the loan was Borrower A’s assignment of a contract (entitled, “Investor Fee Agreement”) between Borrower A and Megaladon. Defendant ROBINSON signed the Investor Fee Agreement on behalf of Megaladon.

5. During the ensuing months, defendant WILLIAMS and defendant ROBINSON had further communications regarding Megaladon’s business. Defendant WILLIAMS ended up playing an active role in Megaladon’s business, including, in particular, the company’s efforts to obtain financing for the Harmony Cove project. Beginning no later than March 2005, and continuing into 2006, defendant WILLIAMS held himself out on multiple occasions as an officer of Megaladon and participated in meetings and correspondence with third-parties regarding the Harmony Cove project.

6. On or about October 25, 2004, defendant WILLIAMS authorized a \$377,000 loan

from Community State Bank to Megaladon for Megaladon to use to continue its pursuit of the Harmony Cove project. Defendant ROBINSON signed the loan documents on behalf of Megaladon and provided an individual guaranty on the loan. The maturity date of the loan was October 25, 2005, which was later extended on multiple occasions.

7. The loan proceeds for the \$377,000 loan to Megaladon were disbursed on or about October 26, 2004, as follows:

- \* \$2,000 to Community State Bank for loan fees;
- \* \$38,264.16 to payoff the principal and interest due and owing on the May 13, 2004 loan to Borrower A; and
- \* \$336,735.84 wired to Megaladon's business account at Bank of America.

Defendant ROBINSON controlled Megaladon's business account.

8. One day after the disbursement of the loan proceeds for the \$377,000 loan, defendant ROBINSON wired \$100,000 from the Megaladon business account to the personal bank account of defendant WILLIAMS at Community First National Bank, Boulder, Colorado.

9. By January 2005, defendant ROBINSON had spent all of the proceeds from the \$377,000 loan on items related and unrelated to the Harmony Cove project. Defendant ROBINSON's expenditures included direct and indirect payments to defendant STEPHENIE HODGE, with whom Robinson lived and had a romantic relationship.

10. On or about January 10, 2005, defendant WILLIAMS authorized a second loan from Community State Bank to Megaladon, this time in the amount of \$80,022. Defendant ROBINSON signed the loan documents on behalf of Megaladon. The maturity date of the loan was April 10, 2005, which was later extended on multiple occasions.

11. The proceeds of the \$80,022 loan were disbursed as follows:

- \* \$80,000 wired to Megaladon's business account at Bank of America, N.A.;
- \* \$22 for fees for having documents sent by overnight delivery.

12. By March 2005, defendant ROBINSON had spent all of the proceeds from the \$80,022 loan on items related and unrelated to the Harmony Cove project. However, Megaladon had taken out loans totaling \$457,022 plus interest and therefore was approaching the \$500,000 limit of defendant WILLIAMS' personal lending authority.

13. To avoid exceeding the limit of defendant WILLIAMS' personal lending authority, defendant WILLIAMS, defendant ROBINSON, and an unindicted co-conspirator ("Co-Conspirator A"), whose identity is known to the Grand Jury, arranged to have one of Co-Conspirator A's relatives ("Borrower B"), whose identity is known to the Grand Jury, act as a nominee borrower.

14. On April 26, 2005, defendant WILLIAMS authorized a \$150,000 loan from Community State Bank to Borrower B. The loan proceeds were never intended for Borrower B and were instead wired directly to Megaladon's business account at Bank of America, N.A. The collateral for the loan to Borrower B was a contract between Borrower B and Co-Conspirator A. Defendant WILLIAMS notarized the signature of Co-Conspirator A.

15. By July 2005, defendant ROBINSON had spent all of the proceeds from the \$150,000 loan on items related and unrelated to the Harmony Cove project. On or about August 1, 2005, defendant WILLIAMS authorized a loan from Community State Bank to defendant HODGE in the amount of \$85,000. Defendant HODGE had already taken out a loan from Community State Bank on July 15, 2005, in the amount of \$65,000. Most of the proceeds from the \$85,000 loan went to pay off the principal and interest on the \$65,000 loan.

16. The remainder of the August 1, 2005 loan, \$19,769.80, went into defendant HODGE's personal bank account at Wachovia Bank. On or about August 4, 2005, defendant HODGE wired \$16,700 from her Wachovia Bank account into the Megaladon account at Bank of America.

17. By September 2005, defendant ROBINSON had spent all of the proceeds from the \$16,700 wire from defendant HODGE. On or about September 29, 2005, defendant WILLIAMS authorized a loan from Community State Bank to defendant HODGE in the amount of \$111,027.08. Most of the proceeds went to pay off the principal and interest on the \$85,000 loan.

18. The remainder of the September 29, 2005 loan, \$25,000, went into defendant HODGE's personal bank account at Wachovia Bank. On or about October 3, 2005, defendant HODGE wired \$6,100 from her Wachovia Bank account into the Megaladon account at Bank of America.

19. By November 2005, defendant ROBINSON had spent all of the proceeds from the \$6,100 wire from defendant HODGE. In addition, defendant ROBINSON and defendant WILLIAMS had been largely unsuccessful in obtaining financing for the Harmony Cove project. They continued to pursue financing for that project, but also pursued other investment opportunities.

20. On or about November 10, 2005, defendant WILLIAMS entered an agreement with Borrower C and Attorney A, whose identities are known to the Grand Jury. Borrower C and Attorney A held themselves out as the Chief Executive Officer and Attorney, respectively, for a company called Fairway Energy, LLC.

21. The November 10, 2005 agreement called for defendant WILLIAMS to authorize a loan of \$495,000 from Community State Bank to Fairway Energy, LLC. In exchange, Fairway Energy would pay \$495,000 to whomever defendant WILLIAMS wanted. The \$495,000 payment to whomever defendant WILLIAMS wanted was separate and apart from the repayment of the \$495,000 loan plus interest and fees to Community State Bank.

22. On or about November 16, 2005, defendant WILLIAMS authorized a loan of \$495,000 from Community State Bank to Fairway Energy, LLC.

23. On or about February 17, 2006, defendant WILLIAMS sent an email to Borrower C in which Defendant WILLIAMS instructed Borrower C to wire \$241,249 to defendant ROBINSON's personal account at Community State Bank, \$161,934 to Borrower B's loan account at Community State Bank, and the balance of \$91,817 to defendant WILLIAMS' personal account at Wells Fargo Bank. Collectively, these three amounts equal \$495,000.

24. Defendant WILLIAMS and defendant ROBINSON never received any payments from Borrower C or Fairway Energy. On or about February 28, 2006, defendant WILLIAMS received an email from Borrower C stating, among other things: "This deal had to be slowed down as we owe the underwriter \$100,000 that we have been unable to pay. . . Ron has been running ragged trying to find this \$100,000 while I keep both deals moving."

25. On March 1, 2006, defendant WILLIAMS authorized a loan of \$101,044 to Borrower C. The loan proceeds were disbursed as follows:

- \* \$1,000 to Community State Bank for loan origination fees;
- \* \$44 for two overnight fees; and
- \* \$100,000 to an account in the name of "Windham Securities, Inc." at North Fork Bank, Brooklyn, New York.

**THE GRAND JURY FURTHER CHARGES:**

**COUNT 1  
(Conspiracy to Commit Bank Fraud)  
(Against All Defendants)**

1. The Grand Jury realleges paragraphs 1-25 of the Introductory Allegations as though fully set forth herein.

2. Beginning no later than October 2004, defendant WILLIAMS, defendant ROBINSON and defendant HODGE did unlawfully, willingly and knowingly reach an agreement and understanding with each other and other persons known and unknown to the Grand Jury to commit bank fraud; that is, to obtain any of the monies, funds, credits, assets, securities or other property owned by, or under the custody or control of, Community State Bank, a federally insured financial institution, by means of false and fraudulent pretenses, representations and promises.

**Manner and Means**

3. Loans to Unqualified Borrowers. It was a part of the conspiracy that defendant WILLIAMS used his position at Community State Bank to authorize loans to borrowers, including Megaladon, defendant HODGE, and Borrower B, that did not provide adequate security for those loans and would not have qualified for them under Community State Bank's normal lending guidelines and policies.

4. Nominee Borrowers - Megaladon. It was a part of the conspiracy that defendant WILLIAMS and defendant ROBINSON, with defendant HODGE beginning no later than August 1, 2005, would arrange to have loans taken out in the names of borrowers other than Megaladon, including defendant HODGE and Borrower B, with knowledge that the proceeds of the loans would be used by Megaladon and repayment was expected to come from Megaladon.

5. Nominee Borrower - Fairway Energy. It was a part of the conspiracy that defendant WILLIAMS authorized a loan in the name of Borrower C with knowledge that the proceeds of the loan would be used by Fairway Energy and repayment was expected to come from Fairway Energy.

6. Structuring. It was a part of the conspiracy that defendant WILLIAMS and defendant ROBINSON, with defendant HODGE beginning no later than August 1, 2005, would structure the loans so that no more than \$500,000 was ever taken out in the name of any single borrower, thus keeping the loans to each named borrower within the limits of defendant WILLIAMS' personal lending authority and helping to insulate the loans from oversight by other Community State Bank officers and directors.

7. Loan Lapping. It was a part of the conspiracy that defendant WILLIAMS, defendant ROBINSON and defendant HODGE would use some of the proceeds from later loans to pay off earlier loans so that the earlier loans would appear to have been paid off in full, thus helping to insulate the loans from oversight by other Community State Bank officers and directors.

8. Change of Terms Agreement. It was a part of the conspiracy that defendant WILLIAMS and defendant ROBINSON would have Megaladon and Borrower B enter "Change in Terms Agreements" with Community State Bank that would extend the maturity date of outstanding loans so that the loans would not appear to be past due, thus helping to insulate the loans from oversight by other Community State Bank officers and directors. Megaladon and Borrower B would enter these Change in Terms Agreements despite not providing consideration to Community State Bank.



9. Undisclosed Conflict of Interest - Loans to Megaladon, Borrower B and defendant HODGE. It was a part of the conspiracy that defendant WILLIAMS and defendant ROBINSON would use part of the proceeds of the loans to Megaladon, Borrower B and defendant HODGE to compensate defendant WILLIAMS directly and to pursue the Harmony Cove project, in which defendant WILLIAMS had substantial personal involvement, without disclosure of defendant WILLIAMS' conflict of interest to Community State Bank.

10. Undisclosed Conflict of Interest - Loan to Fairway Energy. It was a part of the conspiracy that defendant WILLIAMS and defendant ROBINSON expected Fairway Energy to compensate them, directly and indirectly, in exchange for defendant WILLIAMS' authorization of a \$495,000 loan from Community State Bank to Fairway Energy.

#### **Overt Acts**

11. In furtherance of the conspiracy, and to achieve its objects, defendant WILLIAMS, defendant ROBINSON and defendant HODGE knowingly and wilfully committed and caused to be committed the following overt acts, among others, in the Southern District of Iowa and elsewhere, beginning in or about October 2004:

11.1. On or about the specified dates, defendant WILLIAMS authorized the following loans from Community State Bank:

<b>DATE</b>	<b>BORROWER</b>	<b>AMOUNT</b>
October 25, 2004	Megaladon	\$377,000
January 10, 2005	Megaladon	\$80,022
April 26, 2005	Borrower B	\$150,000
August 1, 2005	Defendant HODGE	\$85,000
September 29, 2005	Defendant HODGE	\$111,027.08
November 16, 2005	Fairway Energy	\$495,000
March 1, 2006	Borrower C	\$101,044

11.2. On or about the specified dates, defendant WILLIAMS knowingly caused the following wire transfers from Community State Bank:

<b>DATE</b>	<b>TRANSFEEE</b>	<b>AMOUNT</b>	<b>BORROWER NAME</b>
October 26, 2004	Megaladon	\$336,735.84	Megaladon
January 10, 2005	Megaladon	\$80,000	Megaladon
April 27, 2005	Megaladon	\$150,000	Borrower B
August 1, 2005	Defendant HODGE	\$19,769.80	Defendant HODGE
September 29, 2005	Defendant HODGE	\$25,000	Defendant HODGE
November 16, 2005	Fairway Energy	\$495,000	Fairway Energy
March 1, 2006	Windham Securities	\$100,000	Borrower C

11.3 On or about October 27, 2004, defendant ROBINSON knowingly caused a wire transfer in the amount of \$100,000 to be made from Megaladon's business account at Bank of America to defendant WILLIAMS' personal account at Community First National Bank, Boulder, Colorado.

11.4 On or about the specified dates, defendant HODGE knowingly caused wire transfers to be made from her personal account at Wachovia Bank to Megaladon's business account at Bank of America:

<b>DATE</b>	<b>TRANSFEEE</b>	<b>AMOUNT</b>
August 4, 2005	Megaladon	\$16,700
October 3, 2005	Megaladon	\$6,100

11.5 On or about the specified dates, defendant WILLIAMS knowingly caused Community State Bank to enter a “Change in Terms Agreement” with the following borrowers to extend the maturity dates for loans:

<b>DATE</b>	<b>BORROWER</b>	<b>OLD MATURITY DATE</b>	<b>NEW MATURITY DATE</b>
April 11, 2005	Megaladon (\$80,022 loan)	April 10, 2005	July 11, 2005
June 6, 2005	Borrower B	May 26, 2005	July 6, 2005
July 6, 2005	Megaladon (\$80,022 loan)	July 11, 2005	October 4, 2005
August 4, 2005	Borrower B	July 6, 2005	October 3, 2005
September 29, 2005	Borrower B	October 3, 2005	December 26, 2005
October 26, 2005	Megaladon (\$80,022 loan)	October 4, 2005	December 26, 2005
November 15, 2005	Megaladon (\$377,000 loan)	October 25, 2005	December 26, 2005
January 17, 2006	Fairway Energy	January 15, 2006	February 16, 2006
January 31, 2006	Megaladon (\$377,000 loan)	December 26, 2005	February 10, 2006
January 31, 2006	Borrower B	December 26, 2005	February 10, 2006
January 31, 2006	Megaladon (\$80,022 loan)	December 26, 2005	February 10, 2006
March 1, 2006	Fairway Energy	February 16, 2006	April 16, 2006

11.6 On or about April 11, 2005; July 6, 2005; October 26, 2005; November 15, 2005; and January 31, 2006, defendant ROBINSON, acting on behalf of Megaladon, executed “Change in Terms Agreements” with Community State Bank.

12. All this is in violation of Title 18, United States Code, Sections 1344 and 1349.

**THE GRAND JURY FURTHER CHARGES:**

**COUNT 2  
(Bank Bribery)  
(Against Defendant ROBINSON)**

1. The Grand Jury realleges paragraphs 1-25 of the Introductory Allegations as though fully set forth herein.
2. On or about October 27, 2004, defendant ROBINSON corruptly gave and offered to give something of value in excess of \$1,000 to defendant WILLIAMS, an officer, director and employee of Community State Bank, a financial institution insured by the Federal Deposit Insurance Corporation, with the intent to influence and reward defendant WILLIAMS in connection with a loan from Community State Bank to Megaladon Development, Inc.
3. This is a violation of Title 18, United States Code, Section 215.

**THE GRAND JURY FURTHER CHARGES:**

**COUNT 3  
(Bank Bribery)  
(Against Defendant WILLIAMS)**

1. The Grand Jury realleges paragraphs 1-25 of the Introductory Allegations as though fully set forth herein.
2. On or about October 27, 2004, defendant WILLIAMS, being an officer, director and employee of Community State Bank, a financial institution insured by the Federal Deposit Insurance Corporation, corruptly accepted and agreed to accept something of value in excess of \$1,000 with the intent to be rewarded and influenced in connection with a loan from Community State Bank to Megaladon Development, Inc.
3. This is a violation of Title 18, United States Code, Section 215.

**THE GRAND JURY FURTHER CHARGES:**

**COUNT 4  
(Bank Bribery)  
(Against Defendant WILLIAMS)**

1. The Grand Jury realleges paragraphs 1-25 of the Introductory Allegations as though fully set forth herein.
2. On or about November 15, 2005, defendant WILLIAMS, being an officer, director and employee of Community State Bank, a financial institution insured by the Federal Deposit Insurance Corporation, corruptly solicited and agreed to accept something of value in excess of \$1,000 with the intent to be rewarded and influenced in connection with a loan from Community State Bank to Fairway Energy, LLC.
3. This is a violation of Title 18, United States Code, Section 215.

**THE GRAND JURY FURTHER CHARGES:**

**COUNT 5  
(False Statement to Financial Institution)  
(Against Defendant ROBINSON)**

1. The Grand Jury realleges paragraphs 1-25 of the Introductory Allegations as though fully set forth herein.
2. On or about October 24, 2004, defendant ROBINSON knowingly made a false statement to Community State Bank, a financial institution insured by the Federal Deposit Insurance Corporation, with the intent to influence the action of Community State Bank in connection with a loan to Megaladon Development, Inc., when he falsely stated in the Promissory Note that the specific purpose of the loan was "Short-Term Working Capital."
3. This is a violation of Title 18, United States Code, Section 1014.

**THE GRAND JURY FURTHER CHARGES:**

**COUNTS 6-11**

**(Wire Fraud)**

**(Against Defendant WILLIAMS and Defendant ROBINSON)**

1. The Grand Jury realleges paragraphs 1-25 of the Introductory Allegations as though fully set forth herein.

2. On or about the following dates, in the Southern District of Iowa and elsewhere, defendant WILLIAMS and defendant ROBINSON, having devised a scheme and artifice to defraud and obtain money by materially false and fraudulent pretenses, representations and promises, did knowingly and wilfully cause to be transmitted by means of wire communication in interstate or foreign commerce, certain signs, signals and sounds; namely, the wire transfers of monies between banks, for the purpose of executing that scheme and artifice, each such wire communication being a separate Count of this Indictment:

COUNT	DATE OF WIRE	FROM	TO	AMOUNT
6	October 26, 2004	Community State Bank, Ankeny, Iowa	Bank of America (Megaladon account)	\$336,735.84
7	October 27, 2004	Bank of America (Megaladon account)	Community First National Bank (defendant WILLIAMS account)	\$100,000
8	January 10, 2005	Community State Bank, Ankeny, Iowa	Bank of America (Megaladon account)	\$80,000
9	April 27, 2005	Community State Bank, Ankeny, Iowa	Bank of America (Megaladon account)	\$150,000
10	November 16, 2005	Community State Bank, Ankeny, Iowa	Wachovia Bank (Fairway Energy, LLC account)	\$495,000
11	March 1, 2006	Community State Bank, Ankeny, Iowa	North Fork Bank, Brooklyn, New York (Windham Securities, Inc. account)	\$100,000

3. Each Count is a violation of Title 18, United States Code, Section 1343.

**THE GRAND JURY FURTHER CHARGES:**

**COUNTS 12-13  
(Wire Fraud)  
(Against All Defendants)**

1. The Grand Jury realleges paragraphs 1-25 of the Introductory Allegations as though fully set forth herein.

2. On or about the following dates, in the Southern District of Iowa and elsewhere, defendant WILLIAMS, defendant ROBINSON and defendant HODGE, having devised a scheme and artifice to defraud and obtain money by materially false and fraudulent pretenses, representations and promises, did knowingly and wilfully cause to be transmitted by means of wire communication in interstate or foreign commerce, certain signs, signals and sounds; namely, the wire transfers of monies between banks, for the purpose of executing that scheme and artifice, each such wire communication being a separate Count of this Indictment:

<b>COUNT</b>	<b>DATE OF WIRE</b>	<b>FROM</b>	<b>TO</b>	<b>AMOUNT</b>
12	August 1, 2005	Community State Bank, Ankeny, Iowa	Wachovia Bank (Defendant HODGE account)	\$19,769.80
13	September 29, 2005	Community State Bank, Ankeny, Iowa	Wachovia Bank (Defendant HODGE account)	\$25,000

3. Each Count is a violation of Title 18, United States Code, Section 1343.

**A TRUE BILL.**

/s/  
FOREPERSON

Matthew G. Whitaker  
United States Attorney

By: /s/ Stephen H. Locher  
Stephen H. Locher  
Assistant United States Attorney