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8 UNITED STATES DISTRICT COURT

9 DISTRICT OF NEVADA

10 UNITED STATES OF AMERICA )

11 Plaintiff, )

12 v. )

13 KAREN TAPPERT, )

14 Defendant. )

2:10-cr-00286-PMP-RJJ

PLEA MEMORANDUM

15 The United States, by and through Daniel G. Bogden, United States Attorney, and Michael  
16 Chu, Assistant United States Attorney, Karen Tappert ("defendant") and Osvaldo Fumo, Esq., counsel  
17 for defendant, submit this plea memorandum.

18 I.

19 PLEA AGREEMENT

20 The United States and defendant have reached the following plea agreement, which is not  
21 binding on the Court:

22 A. The Plea

23 Defendant will plead guilty to the Indictment, which charges defendant with violating 18  
24 U.S.C. §1341 (mail fraud) (Counts 1-2), as well as violating 18 U.S.C. § 1343 (wire fraud) (Counts  
25 3-6). Defendant will also admit the forfeiture allegations in the Indictment and the bill of particulars.  
26

**B. Additional Charges**

The United States Attorney's Office for the District of Nevada ("United States") will bring no additional charge or charges against defendant arising out of the investigation in the District of Nevada which culminated in this Plea Memorandum.

**C. Sentencing Guideline Calculations**

1. Defendant understands that the Court is required to consider United States Sentencing Guidelines ("U.S.S.G." or "Sentencing Guidelines") among other factors in determining defendant's sentence. Defendant understands that the Sentencing Guidelines are advisory, and that after considering the Sentencing Guidelines, the Court may be free to exercise its discretion to impose any reasonable sentence up to the maximum set by statute for the crimes of conviction.

2. Defendant and the United States agree and stipulate to the following applicable sentencing guideline factors:

Counts 1 to 6 (mail and wire fraud)

Base Offense Level [U.S.S.G. § 2B1.1]	7
Loss between \$2.5 million to \$7 million [U.S.S.G. § 2B1.1(b)(1)(J)]	+18
More than 10 victims [U.S.S.G. § 2B1.1(b)(2)]	+2
Sophisticated means [U.S.S.G. § 2B1.1(b)(9)]	+2
Organizer of 5+ participants	+4
Acceptance of Responsibility [U.S.S.G. § 3E1.1(a)]	-2
<u>Timely Plea [U.S.S.G. § 3E1.1(b)]</u>	<u>-1</u>
<b>Total Offense Level:</b>	<b>30</b>

3. The parties agree that no other specific offense characteristics apply.

4. The parties agree that the base offense level reflects the readily provable conduct which is attributable to the defendant.

1           5. Pursuant to U.S.S.G. § 3E1.1(a), the United States will recommend that defendant  
2 receive a two-level adjustment for acceptance of responsibility unless defendant (a) fails to make a  
3 complete factual basis for the guilty plea at the time it is entered; (b) is untruthful with the Court or  
4 probation officers; (c) denies involvement in the offense or provides conflicting statements regarding  
5 defendant's involvement; (d) attempts to withdraw the guilty plea; (e) engages in criminal conduct;  
6 (f) fails to appear in court; or (g) violates the conditions of pretrial release.

7           6. Pursuant to U.S.S.G. § 3E1.1(b), the United States, in its discretion, may make a  
8 motion for an additional 1 point adjustment in the event of a timely plea.

9           7. Defendant's Criminal History Category, if any, will be determined by the Court  
10 pursuant to Chapter Four of the Sentencing Guidelines.

11           8. Defendant agrees that the Court may consider any counts dismissed under this  
12 agreement, along with all other relevant conduct whether charged or uncharged, in determining the  
13 applicable sentencing guidelines range, the propriety and extent of any departure from that range, and  
14 the determination of the sentence to be imposed after consideration of the sentencing guidelines and  
15 all other relevant factors.

16 **D. Other Sentencing Matters**

17           1. The United States will recommend that defendant be sentenced to the low-end of the  
18 Guideline range unless defendant commits any of the acts that could result in a loss of the downward  
19 adjustment for acceptance of responsibility. In exchange for the recommendation, the defendant will  
20 not seek a downward adjustment pursuant to Title 18, United States Code, Section 3553 from any  
21 sentence that may be imposed within the Guideline range contemplated by the parties.

22           2. The parties agree that the Guideline calculations are based on information now known  
23 and could change upon investigation by the United States Probation Office. It is possible that factors  
24 unknown or unforeseen by the parties to the plea agreement may be considered in determining the  
25  
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1 offense level, specific offense characteristics, and other related factors. In that event, defendant will  
2 not withdraw defendant's plea of guilty.

3 3. The stipulations in this agreement do not bind either the United States Probation Office  
4 or the Court. Both defendant and the United States are free to: (a) supplement the facts by supplying  
5 relevant information to the United States Probation Office and the Court, and (b) correct any and all  
6 factual misstatements relating to the calculation of the sentence.

7 **E. Fines and Special Assessment**

8 1. Defendant agrees that the Court may impose a fine due and payable immediately upon  
9 sentencing.

10 2. Defendant will pay the special assessment of \$100 per count of conviction at the time  
11 of sentencing.

12 **F. Restitution**

13 Defendant agrees to make full restitution in an amount to be determined by the Court. In  
14 return for defendant agreeing to make restitution for relevant conduct, the United States agrees not  
15 to bring separate charges against defendant for the conduct giving rise to the relevant conduct.  
16 Defendant understands that any restitution imposed by the Court may not be discharged in whole or  
17 in part in any present or future bankruptcy proceeding.

18 As part of her restitutionary efforts to victims, defendant further agrees to provide an  
19 affidavit as to her participation to assist in quiet title actions relating to the properties set forth in the  
20 list to be submitted to the Court.

21 **G. Waiver of Appeal**

22 1. In exchange for the concessions made by the United States in this plea agreement,  
23 defendant knowingly and expressly waives the right to appeal any sentence that is imposed within  
24 or below the applicable Sentencing Guideline range as determined by the Court, further waives the  
25 right to appeal the manner in which that sentence was determined on the grounds set forth in 18  
26

1 U.S.C. § 3742, and further waives the right to appeal any other aspect of the conviction or  
2 sentence, including any order of restitution. Defendant also waives all collateral challenges,  
3 including any claims under 28 U.S.C. § 2255, to her conviction, sentence and the procedure by  
4 which the Court adjudicated guilt and imposed sentence, except non-waivable claims of  
5 ineffective assistance of counsel.

6 2. If defendant, in breach of this agreement, files an appeal or a collateral attack  
7 (including a petition for relief pursuant to title 28 U.S.C. § 2255) challenging either the sentence  
8 or conviction, the United States has the right, in its sole discretion, to move for dismissal of the  
9 appeal or to withdraw from the plea agreement.

10 **H. Additional Promises, Agreements, and Conditions**

11 1. In exchange for the United States entering into this agreement, defendant agrees  
12 that (a) the facts set forth in Section IV of this Plea Agreement shall be admissible against  
13 defendant under Fed. R. Evid. 801(d)(2)(A) in the following circumstances: (1) for any purpose at  
14 sentencing; and (2) in any subsequent proceeding, including a trial in the event defendant does not  
15 plead guilty or withdraws defendant's guilty plea, to impeach or rebut any evidence, argument or  
16 representation offered by or on defendant's behalf; and (b) defendant expressly waives any and all  
17 rights under Fed. R. Crim. P. 11(f) and Fed. R. Evid. 410 with regard to the facts set forth in  
18 Section IV of the Plea Agreement to the extent set forth above.

19 2. The parties agree that no promises, agreements, and conditions have been entered  
20 into other than those set forth in this plea memorandum, and none will be entered into unless in  
21 writing and signed by all parties.

22 **I. Result of Vacatur, Reversal or Set-Aside**

23 Defendant agrees that if any count of conviction is vacated, reversed, or set aside (or  
24 enhancement imposed by the Court to which the Parties stipulated in this agreement is vacated or  
25 set aside), the United States may: (a) ask the Court to re-sentence defendant on any remaining  
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1 count[s] of conviction, with both the United States and defendant being released from any  
2 stipulations regarding sentencing contained in this agreement, (b) ask the Court to void the entire  
3 plea agreement and vacate defendant's guilty plea[s] on any remaining count[s] of conviction,  
4 with both the United States and defendant being released from all of their obligations under this  
5 agreement, or (c) leave defendant's remaining conviction[s], sentence, and plea agreement intact.  
6 Defendant agrees that the choice among these three options rests in the exclusive discretion of the  
7 United States.

8 **J. Forfeiture**

9 1. Defendant knowingly and voluntarily agrees to the abandonment, the civil  
10 administrative forfeiture, the civil judicial forfeiture, or the criminal forfeiture of the following  
11 property:

12 A. The assets seized from 24/7 Private Vaults, 3110 E. Sunset Road, Las  
13 Vegas, Nevada 89120 Vault #0055 on July 7, 2010:

14 a) \$135,000.00 in United States Currency;

15 b) 2,525,000 Iraqi Dinars; and

16 c) Collectable Coins itemized as follows:

17 i) Eighteen (18) Silver Dollars;

18 ii) Three (3) Indian Head Pennies years 1901, 1903, and 1907; and

19 iii) Two (2) Nickels years 1926 and 1937;

20 B. \$11,657.95 in United States Currency seized from Karen L. Tappert on June  
21 29, 2010, at the time of her arrest.

22 C. \$8,500.00 in United States Currency turned over on September 29, 2010, to  
23 the Federal Bureau of Investigation by Anis Abi Zeid who was holding cash  
24 for Karen L. Tappert.

- 1 D. 2005 Black Mercedes Benz Coupe bearing California license 6LOV031,  
2 VIN WDBTK75JX5F132543 seized on September 16, 2010.
- 3 E. Three Netspend Debit Cards seized on September 22, 2010, itemized list as  
4 follows:  
5 a) Netspend Account #6129295271;  
6 b) Netspend Account #4266373211;  
7 c) Netspend Account #7540449876;
- 8 F. \$19,171.53 in United States Currency seized from Bank of America  
9 Account #26323-69598 in the name Panic Room Productions and Studios,  
10 signer: Janice McClinton, on December 6, 2010.

11 (“property”)

12 2. Defendant knowingly and voluntarily agrees to abandon or to forfeit the property to  
13 the United States.

14 3. Defendant knowingly and voluntarily agrees to relinquish all right, title, and  
15 interest in the property.

16 4. Defendant knowingly and voluntarily agrees to waive her right to any abandonment  
17 proceedings, any civil administrative forfeiture proceedings, any civil judicial forfeiture  
18 proceedings, or any criminal forfeiture proceedings (“proceedings”) of the property.

19 5. Defendant knowingly and voluntarily agrees to waive service of process of any and  
20 all documents filed in this action or any proceedings concerning the property arising from the facts  
21 and circumstances of this case.

22 6. Defendant knowingly and voluntarily agrees to waive any further notice to her, her  
23 agents, or her attorney regarding the abandonment or the forfeiture and disposition of the property.

24 7. Defendant knowingly and voluntarily agrees not to file any claim, answer, petition,  
25 or other documents in any proceedings concerning the property.

26

1           8.       Defendant knowingly and voluntarily agrees to waive the statute of limitations, the  
2 CAFRA requirements, Fed. R. Crim. P. 7 and 32.2, the constitutional requirements, and the  
3 constitutional due process requirements of any abandonment proceeding or any forfeiture  
4 proceeding concerning the property.

5           9.       Defendant knowingly and voluntarily agrees to waive her right to a jury trial on the  
6 forfeiture of the property.

7           10.      Defendant knowingly and voluntarily agrees to waive (a) all constitutional, legal,  
8 and equitable defenses, (b) any constitutional or statutory double jeopardy defense or claim  
9 concerning, and (c) any claim or defense under the Eighth Amendment to the United States  
10 Constitution, including, but not limited to, any claim or defense of excessive fine in any  
11 proceedings concerning the property.

12          11.      Defendant knowingly and voluntarily agrees to the entry of an Order of Forfeiture  
13 of the property to the United States.

14          12.      Defendant knowingly and voluntarily agrees and understands the abandonment, the  
15 civil administrative forfeiture, the civil judicial forfeiture, or the criminal forfeiture of the property  
16 shall not be treated as satisfaction of any assessment, fine, restitution, cost of imprisonment, or  
17 any other penalty this Court may impose upon the defendant in addition to the abandonment or the  
18 forfeiture.

19 **K. Limitations**

20           This Plea Agreement is limited to the United States Attorney's Office for the District of  
21 Nevada and cannot bind any other federal, state or local prosecuting, administrative, or regulatory  
22 authority. However, this Plea Memorandum does not prohibit the United States through any  
23 agency thereof, the United States Attorney's Office for the District of Nevada, or any third party  
24 from initiating or prosecuting any civil proceeding directly or indirectly involving defendant,  
25  
26



1 including but not limited to, proceedings under the False Claims Act relating to potential civil  
2 monetary liability or by the Internal Revenue Service relating to potential tax liability.

3 **L. Cooperation**

4 1. Defendant agrees, if requested by the United States, to provide complete and  
5 truthful information and testimony concerning her knowledge of all other persons who are  
6 committing or have committed offenses against the United States, and agrees to cooperate fully  
7 with the United States in the investigation and prosecution of such persons. Defendant agrees that  
8 the information she provides can be used against her to establish relevant conduct. Defendant  
9 understands that her cooperation is based on the following terms and conditions:

10 (a) Defendant shall cooperate truthfully, completely and forthrightly with the  
11 United States Attorney's Office for the District of Nevada (this Office) and other Federal, state  
12 and local law enforcement authorities identified by this Office in any matter as to which the  
13 United States deems the cooperation relevant.

14 (b) Defendant shall promptly turn over to the United States or other law  
15 enforcement authorities or direct such law enforcement authorities to any and all evidence of  
16 crime; all contraband and proceeds of crime; and all assets traceable to such proceeds of crime.

17 (c) Defendant shall submit a full and complete accounting of all her financial  
18 assets, whether such assets are in her name or in the name of a third party.

19 (d) Defendant shall testify fully and truthfully before any Grand Jury in the  
20 District of Nevada, and elsewhere, and at all trials of cases or other Court proceedings in the  
21 District of Nevada and elsewhere, at which her testimony may be deemed relevant by the United  
22 States.

23 (e) Defendant agrees not to commit any criminal violation of local, state or  
24 federal law during the period of her cooperation with law enforcement authorities pursuant to this  
25 Agreement or at any time prior to the sentencing in this case. The commission of a criminal  
26

1 offense during the period of her cooperation or at any time prior to sentencing will constitute a  
2 breach of this plea agreement and will relieve the United States of all of its obligations under this  
3 agreement. However, defendant acknowledges and agrees that such a breach of this Agreement  
4 will not entitle her to withdraw her plea of guilty. Defendant further understands that, to establish  
5 a breach of this agreement, the United States need only prove defendant's commission of a  
6 criminal offense by a preponderance of the evidence.

7       2. Defendant acknowledges and understands that during the course of the cooperation  
8 outlined in this agreement defendant will be interviewed by law enforcement agents and/or  
9 attorneys for the United States, and that defendant has the right to have defense counsel present  
10 during these interviews. After consultation with counsel, and with counsel's concurrence,  
11 defendant knowingly and voluntarily waives this right and agrees to meet with law enforcement  
12 agents and prosecutors outside of the presence of counsel. If at some future point counsel or  
13 defendant desire to have counsel present during interviews by law enforcement agents and/or  
14 prosecutors, the United States will honor this request, and this change will have no effect on any  
15 other terms and conditions of this Agreement.

16       3. Defendant knowingly and voluntarily waives or gives up all of defendant's  
17 constitutional and statutory rights to a speedy trial and speedy sentence, and agrees that the plea of  
18 guilty pursuant to this agreement will be entered at a time decided upon by the United States with  
19 the concurrence of the Court. Defendant also agrees that the sentencing in this case may be  
20 delayed until defendant's cooperation has been completed, as determined by attorneys for the  
21 United States, so that the Court will have the benefit of all relevant information before a sentence  
22 is imposed. Defendant understands that the date for sentencing will be set by the Court.

23       4. Defendant understands that the sentence in this case will be imposed in accordance  
24 with the United States Sentencing Commission's Guidelines Manual. Defendant further  
25 understands that the sentence to be imposed is a matter solely within the discretion of the Court.  
26

1 Defendant acknowledges that the Court is not obligated to follow any recommendation of the  
2 United States at the time of sentencing or to grant a downward departure based on defendant's  
3 substantial assistance to the United States, even if the United States files a motion pursuant to 18  
4 U.S.C. § 3553 (e)(1) and/or Section 5K1.1 of the Federal Sentencing Guidelines.

5 5. Defendant understands that even if this Office informs the Court of defendant's  
6 cooperation, substantial or otherwise, this Office reserves its full right of allocution for purposes  
7 of sentencing in this matter. In particular, the United States reserves its right to recommend a  
8 specific period of incarceration and fine up to the maximum sentence of incarceration and fine  
9 allowable by law. In addition, if in this plea agreement the United States has agreed to  
10 recommend or refrain from recommending to the Court a particular resolution of any sentencing  
11 issue, the United States reserves its right to full allocution in any post-sentence litigation in order  
12 to defend the Court's ultimate decision on such issues. Defendant further understands that the  
13 United States retains its full right of allocution in connection with any post-sentence motion which  
14 may be filed in this matter and/or any proceeding(s) before the Bureau of Prisons. In addition,  
15 defendant acknowledges that the United States is not obligated and does not intend to file any  
16 post-sentence downward departure motion in this case pursuant to Rule 35(b) of the Federal Rules  
17 of Criminal Procedure.

18 6. Defendant understands and agrees that defendant will not be allowed to withdraw  
19 the guilty plea entered under this agreement solely because of the harshness of the sentence  
20 imposed. Such a motion to withdraw shall constitute a breach of this agreement.

21 7. In the event the United States Attorney decides in his sole discretion that the  
22 assistance provided by defendant amounts to "substantial assistance" pursuant to Section 5K1.1 of  
23 the Sentencing Guidelines and Title 18, United States Code, Section 3553(e), the United States  
24 will file a motion with the Court to allow the Court to consider a downward departure at the time  
25 of sentencing.  
26

1           8.       It is understood and agreed that a motion for departure based on substantial  
2 assistance shall not be made under any circumstances unless defendant's cooperation is deemed to  
3 be substantial assistance by the United States Attorney. The United States has made no promise,  
4 implied or otherwise, that defendant will be granted a departure for substantial assistance.  
5 Further, no promise has been made that a motion will be made for departure even if defendant  
6 complies with all of the terms of this plea agreement in all respects but has been unable to provide  
7 substantial assistance as determined in the sole discretion of the United States Attorney.

8           9.       The United States agrees to consider the totality of the circumstances, including but  
9 not limited to the following factors, in determining whether, in the sole discretion of the United  
10 States Attorney, defendant has provided substantial assistance which would merit a motion by the  
11 United States for a downward departure from the applicable guidelines sentencing range:

12               (a)     The United States' evaluation of the significance and usefulness of  
13 defendant's assistance;

14               (b)     The truthfulness, completeness, and reliability of any information or  
15 testimony provided by defendant;

16               (c)     The nature and extent of defendant's assistance;

17               (d)     Any injury suffered, or any danger or risk of injury to defendant or  
18 defendant's family resulting from defendant's assistance;

19               (e)     The timeliness of defendant's assistance.

20           10.       It is understood and agreed that in the event a motion for departure is made by the  
21 United States based upon defendant's perceived substantial assistance, the United States reserves  
22 the right to make a specific recommendation to the Court regarding the extent of the substantial  
23 assistance departure; however, the final decision as to how much, if any, reduction in sentence is  
24 warranted because of that assistance rests solely with the Court. Defendant specifically  
25  
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1 acknowledges that she has been advised that in any event, the United States will not recommend  
2 probation, but will in fact recommend a prison term.

3 **II.**

4 **PENALTY**

5 1. The maximum penalty for violating Title 18, United States Code, Sections 1341  
6 (mail fraud) and 1343 (wire fraud) is a term of imprisonment of no more than 20 years, a fine of  
7 not more than \$250,000, or both.

8 2. Defendant is subject to supervised release for a term not exceeding three (3) years.  
9 Supervised release is a period of time following imprisonment during which defendant will be  
10 subject to various restrictions and requirements. Defendant understands that if defendant violates  
11 one or more of the conditions of any supervised release imposed, defendant may be returned to  
12 prison for all or part of the term of supervised release, which could result in defendant serving a  
13 total term of imprisonment greater than the statutory maximum stated above.

14 3. Defendant must pay a special assessment of \$100 for each count of conviction.

15 4. Defendant is required to pay for the costs of imprisonment, probation, and  
16 supervised release, unless the defendant establishes that defendant does not have the ability to pay  
17 such costs, in which case the Court may impose an alternative sanction such as community  
18 service.

19 **III.**

20 **ELEMENTS**

21 **A. Mail fraud**

22 The essential elements for the crime of mail fraud, in violation of Title 18, United States Code,  
23 Section 1341, are the following:

24 First, the defendant knowingly participated in, devised, or intended to devise, a scheme or plan  
25 to defraud, or a scheme or plan for obtaining money or property by means of false or  
26 fraudulent pretenses, representations, or promises;

1 Second, the statements made or facts omitted as part of the scheme were material; that is, they  
2 had a natural tendency to influence, or were capable of influencing, a person to part with  
money or property;

3 Third, the defendant acted with the intent to defraud; that is, the intent to deceive or cheat; and

4 Fourth, the defendant used, or caused to be used, the mails to carry out or attempt to carry out  
an essential part of the scheme.

5 Ninth Cir. Model Criminal Jury Instr. 8.121 (2010).

6 **B. Wire fraud**

7 The essential elements for the crime of wire fraud, in violation of Title 18, United States Code,  
8 Section 1343, are the following:

9 First, the defendant knowingly participated in, devised, or intended to devise, a scheme or plan  
10 to defraud, or a scheme or plan for obtaining money or property by means of false or  
fraudulent pretenses, representations, or promises;

11 Second, the statements made or facts omitted as part of the scheme were material; that is, they  
12 had a natural tendency to influence, or were capable of influencing, a person to part with  
money or property;

13 Third, the defendant acted with the intent to defraud; that is, the intent to deceive or cheat; and

14 Fourth, the defendant transmitted or caused to be transmitted by wire in interstate some  
15 communication for the purpose of executing an essential part of the scheme.

16 Ninth Cir. Model Criminal Jury Instr. 8.121, 8.124 (2010); *United States v. Woods*, 335 F.3d  
17 993, 998 (9<sup>th</sup> Cir. 2003).

18 **IV.**

19 **FACTS THAT SUPPORT GUILTY PLEA**

20 1. Defendant is pleading guilty because Defendant is guilty of the charged offense.

21 2. In pleading to the offense, Defendant acknowledges that if Defendant elected to go to  
22 trial instead of entering this plea, the United States could prove facts sufficient to establish  
23 Defendant's guilt beyond a reasonable doubt.

24 3. Defendant specifically admits and declares under penalty of perjury that all of the facts  
25 set forth below are true and correct:  
26

1           1.       From in or about late 2007, to in or about November 2009, Karen Tappert offered, by  
2 word of mouth, a mortgage rescue service, but the way she "rescued" mortgages was by recording  
3 fraudulent deeds that purported to convey the property from the true title holder to an entity that she  
4 controlled. This conduct forms the basis for Counts One to Three, and involves the following  
5 properties:

6                   Counts 1-2:   3012 Amari Avenue, Las Vegas, NV 89141

7                   Count 3:     1601 Imperial Cup Dr., Las Vegas, NV 89117

8           2.       Tappert also engaged in a "Squatter's scheme" whereby she squatted on abandoned  
9 properties in which she had no ownership right. From in or around December 2009, to at least  
10 February 2010, Tappert found properties that had already been foreclosed upon, and filed fraudulent  
11 deeds that purported to convey the property from the true title holder to an entity that she controlled.  
12 Tappert gained use of the property and, if she could, either rented out the property – or sold it. This  
13 conduct forms the basis for Counts Four to Six, and involves the following properties:

14                   Count 4:     32 Via Vasari #28106, Henderson, NV 89011

15                   Count 5:     612 Diamond St., Farmington, NM 87401

16                   Count 6:     675 Gregory Circle, Corona, CA 92881  
17

18           3.       Among the entities that Tappert controlled and used to further her scheme to defraud  
19 include: Amari Group, Reification Group Trust, Saraland Investments, Deschutes River Title  
20 Associates, Northwest Properties Associates and Northwest Properties Associates, Asset-Backed  
21 Certificates, Series 2006-FF1.

22           4.       Tappert also controlled "Federal National Mortgage Association," an entity that  
23 conducted business at 284C East Lake Mead Dr. #173, Henderson, NV 89015, and which is not  
24 related to the identically-named government-sponsored enterprise chartered by Congress.  
25  
26

1     **A.   Counts 1 and 2: 3012 Amari Avenue, Las Vegas, NV 89141**

2             1.       Prior to 2007, E.G. purchased 3012 Amari Avenue, but E.G. fell behind on mortgage  
3     payments and learned that the mortgage holder intended to foreclose. E.G. heard that Tappert rescued  
4     mortgages, so E.G. contacted Tappert.

5             2.       In late 2007 or 2008, E.G. met Tappert. Tappert explained to E.G. that she would mail  
6     letters to the entities relating to E.G.'s mortgage. E.G. paid Tappert \$750.00, and at Tappert's request,  
7     allowed Tappert to live in 3012 Amari Avenue in lieu of further payment.

8             3.       From in or about November 2009 to in or about April 2010, the tenant, at Tappert's  
9     request, mailed rent checks of \$1,000.00 per month to Tappert in care of Amari Group.

10            4.       In or about January 2009, 3012 Amari Avenue was foreclosed upon and title was  
11    conveyed to Deutsche Bank National Trust Company, as trustee under the Pooling and Servicing  
12    Agreement relating to IMPAC Secured Assets Corp., Mortgage Pass-Through Certificates, Series  
13    2006-2.

14            5.       On or about April 27, 2009, Tappert fraudulently obtained the property by causing a  
15    fraudulent deed to be filed with the Clark County Recorder's Office. This fraudulent deed purported  
16    to convey "Deutsche Bank National Trust Company"'s interest in the property to Reification Group  
17    Trust, an entity that Tappert controlled, in exchange for "Zero (\$0.00)." Tappert acted as notary  
18    public to notarize the signature of "Arthur L. Davis," the purported representative of Deutsche Bank  
19    National Trust Co. In reality, however, Deutsche Bank National Trust Co. did not convey the  
20    property to Reification Group Trust, Tappert or any entity controlled by her, nor authorized anyone  
21    to do so.

22            6.       Tappert caused her fraudulent deed to be filed on or about April 27, 2009, but  
23    apparently, it was not recorded in the Clark County real property records. On or about June 8, 2009,  
24    Tappert caused the fraudulent deed to be re-filed with the Clark County Recorder's Office.



1     **B.     Count 3: 1601 Imperial Cup Dr., Las Vegas, NV 89117**

2             1.       Prior to October 2009, 1601 Imperial Cup was owned by K.G., but K.G. fell behind  
3     on mortgage payments and learned that the mortgage holder intended to foreclose. K.G. learned that  
4     Tappert would rescue his mortgage in exchange for \$1,800.00. K.G. met with a representative of the  
5     Amari Group named "Howard." K.G. refused to pay this fee, but signed a quitclaim deed that  
6     "Howard" produced, conveying what rights K.G. had in this property to the Amari Group.

7             2.       Later, 1601 Imperial Cup was foreclosed upon, and in or about November 2009, title  
8     was conveyed to the true Federal National Mortgage Association, more commonly known as "Fannie  
9     Mae."

10            3.       On or about November 21, 2009, Tappert caused a fraudulent UCC-1 financing  
11    statement to be filed from Nevada with the Washington State Department of Licensing in Olympia,  
12    Washington. This financing statement falsely claimed that Federal National Mortgage Association  
13    owed a \$335,000 debt to the Amari Group and an unindicted co-conspirator.

14            4.       On or about November 25, 2009, Tappert fraudulently obtained the property by causing  
15    a fraudulent deed to be filed with the Clark County Recorder's Office. This fraudulent deed purported  
16    to convey Federal National Mortgage Association's interest in 1601 Imperial Cup to Amari Group.  
17    Tappert signed the deed, falsely representing herself as the "authorized agent" for the Federal National  
18    Mortgage Association. As part of her scheme, she used the following wire: November 25, 2009 debit  
19    card payment for online filing of fraudulent UCC-1 with Washington State Department of Licensing,  
20    sent from Nevada to Bank of America account, xxxx-xxxx-6853.

21            5.       In reality, however, the true Federal National Mortgage Association did not convey  
22    the property to Amari Group, Tappert or any entity controlled by her, nor authorized anyone to do so.

23                    **Manner and Means of the "Squatter's Scheme" to Defraud**

24            As part of the "Squatter's scheme" to defraud, defendant did all of the following:  
25  
26

1     **C.     Count 4: 32 Via Vasari #28106, Henderson, NV 89011**

2             1.       In or about September 2009, 32 Via Vasari #28106 was foreclosed upon, and title  
3       was conveyed to Deutsche Bank National Trust Company, as trustee of IndyMac INDX Mortgage  
4       Loan Trust 2006-AR-15, Mortgage Pass-Through Certificates, Series 2006-AR15 under the  
5       Pooling and Servicing Agreement dated May 1, 2006.

6             2.       On or about December 22, 2009, Tappert fraudulently obtained the property by  
7       causing a fraudulent deed to be filed with the Clark County Recorder's Office. Tappert caused  
8       this fraudulent deed to be filed online, via SimpliFile, an online filing system whose servers are  
9       located in Utah. In turn, SimpliFile in Utah electronically filed Tappert's fraudulent deed with the  
10      Clark County Recorder's Office. It was the online filing of fraudulent deed, sent from SimpliFile  
11      in Utah to Clark County Recorder's Office in Nevada, that constituted a wire in furtherance of her  
12      scheme.

13            3.       This fraudulent deed purported to convey IndyMac's interest in 32 Via Vasari,  
14      # 28106 to "Federal National Mortgage Association," at 284C East Lake Mead Dr. #173,  
15      Henderson, NV, an entity and address that Tappert controlled. Unlike the true Federal National  
16      Mortgage Association (more commonly known as "Fannie Mae"), Tappert's "Federal National  
17      Mortgage Association" is not related to the identically-named government-sponsored enterprise  
18      chartered by Congress.

19            4.       Tappert signed the fraudulent deed, falsely representing herself as the "authorized  
20      agent" for Deutsche Bank National Trust Co. In reality, the true Deutsche Bank National Trust  
21      Co. did not convey the property to the "Federal National Mortgage Association," Tappert or any  
22      entity controlled by her, nor authorized anyone to do so.

1     **D.     Count 5: 612 Diamond St., Farmington, NM 87401**

2             1.       In or about September 2009, 612 Diamond St. was foreclosed upon, and title was  
3 conveyed to Deutsche Bank National Trust Company, as trustee for Saxon Asset Securities Trust  
4 2007-2.

5             2.       On or about February 16, 2010, Tappert fraudulently obtained the property by  
6 causing a fraudulent deed to be filed with the San Juan County Clerk's Office. Tappert caused  
7 this deed to be filed via SimpliFile, the online filing system whose servers are located in Utah. In  
8 turn, SimpliFile in Utah electronically filed Tappert's fraudulent deed with the Clark County  
9 Recorder's Office. (One of the wires that defendant used in furtherance of her scheme was her  
10 December 18, 2009 online filing of fraudulent deed, sent from SimpliFile in Utah to San Juan  
11 County Clerk's Office in New Mexico.)

12            3.       This fraudulent deed purported to convey the interest of Deutsche Bank National  
13 Trust Company, as trustee for Saxon Asset Securities Trust 2007-2 in 612 Diamond St. to  
14 Saraland Investments, an entity controlled by Tappert. Although a "Henry Malchovich, Special  
15 Master," purported to sign the deed for Deutsche Bank National Trust Co., Tappert signed the  
16 deed as notary public.

17            4.       In reality, the true Deutsche Bank National Trust Co. did not convey the property to  
18 Saraland Investments, Tappert or any entity controlled by her, nor authorized anyone to do so.

19            5.       Subsequently, Tappert rented out the property, in return for a one-time fee of  
20 \$4,050.

21     **E.     Count 6: 675 Gregory Circle, Corona, CA 92881**

22             1.       In or about September 2009, 675 Gregory Circle was foreclosed upon, and title was  
23 eventually conveyed to ReconTrust Company, N.A.

1           2.       On or about February 16, 2010, Tappert fraudulently obtained the property by  
2 causing a fraudulent deed to be filed with the Riverside County Assessor-County Clerk-  
3 Recorder's Office.

4           3.       This fraudulent deed purported to convey the interest of "Recon Trust Company  
5 N.A." [sic] in 675 Gregory Circle to "Northwest Properties Associates, Asset-Backed Certificates,  
6 Series 2006-FF1," an entity controlled by Tappert. A "Joseph Michaels," purported to sign the  
7 deed on behalf of "Recon Trust Company N.A." In reality, the true ReconTrust Company N.A.  
8 did not convey the property to "Northwest Properties Associates, Asset-Backed Certificates,  
9 Series 2006-FF1," Tappert or any entity controlled by her, nor authorized anyone to do so.

10          4.       Subsequently, Tappert caused the property to be sold. On or about February 20,  
11 2010, Tappert, on behalf of "Northwest Properties Associates," entered into an agreement to sell  
12 this property for \$490,000.

13          5.       This sale closed on or about March 12, 2010. Tappert, on behalf of "Northwest  
14 Properties Associates," caused the escrow company to disburse this \$490,000 to several of  
15 Tappert's nominees. For example, in furtherance of her scheme, defendant caused the following  
16 wire: on or about March 12, 2010, \$60,000.00 of the proceeds was wired from the escrow  
17 company in California to Deschutes River Title Associates of Nevada, Bank of America account  
18 xxxx-xxxx-7755.

19          For each of these counts, most of defendant's foregoing acts occurred in the state and  
20 Federal District of Nevada. Altogether, by her acts, defendant caused a loss of over \$2.5 million  
21 to at least <sup>10</sup> ~~50~~ victims. Moreover, to aid in her scheme, Tappert organized at least 5 participants in  
22 the scheme.

23 //

24 //

25 //

26

V.

ACKNOWLEDGMENT

1. Defendant acknowledges by defendant's signature below that defendant has read this Memorandum of Plea Agreement, that defendant understands the terms and conditions and the factual basis set forth herein, that defendant has discussed these matters with defendant's attorney, and that the matters set forth in this memorandum, including the facts set forth in Part IV above, are true and correct.

2. Defendant acknowledges that defendant has been advised, and understands, that by entering a plea of guilty defendant is waiving, that is, giving up, certain rights guaranteed to defendant by law and by the Constitution of the United States. Specifically, defendant is giving up:

a. The right to proceed to trial by jury on the original charges, or to a trial by a judge if defendant and the United States both agree;

b. The right to confront the witnesses against defendant at such a trial, and to cross-examine them;

c. The right to remain silent at such trial, with such silence not to be used against defendant in any way;

d. The right, should defendant so choose, to testify in defendant's own behalf at such a trial;

e. The right to compel witnesses to appear at such a trial, and to testify in defendant's behalf; and

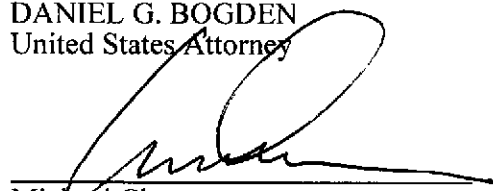
f. The right to have the assistance of an attorney at all stages of such proceedings.

3. Defendant, defendant's attorney and the attorney for the United States acknowledge that this Plea Memorandum contains the entire agreement negotiated and agreed to


1 by and between the parties, and that no other promise has been made or implied by either  
2 defendant, defendant's attorney, or the attorney for the United States.

3  
4 DANIEL G. BOGDEN  
United States Attorney

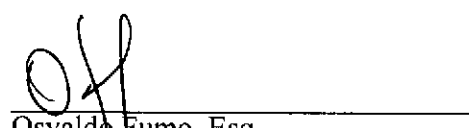
5  
6 7/18/11  
7 DATED

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9   
10 Michael Chu  
Assistant United States Attorney

11  
12 7-18-11  
13 DATED

14  
15   
16 Karen Tappert  
17 Defendant

18  
19 7-18-11  
20 DATED

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22   
23 Osvaldo Fumo, Esq.  
24 Counsel for defendant  
25  
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