



Department of Justice

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Middle District of Florida

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FORMER FLORIDA REALTOR INDICTED ON CONSPIRACY AND BANK FRAUD CHARGES

Tampa, Florida - United States Attorney A. Lee Bentley, III announces the unsealing of an indictment charging Joseph Pasquale (38, Worcester, MA) with one count of mortgage fraud conspiracy involving bank fraud and two counts of bank fraud. He faces a maximum penalty of 30 years' imprisonment for each count. The indictment also notifies Pasquale that the United States is seeking a money judgment for the proceeds of the mortgage fraud conspiracy.

According to the indictment and court proceedings, in 2005, entities controlled by co-conspirators entered into a contract to purchase The Arbors, an apartment complex in Hillsborough County. The new owners of The Arbors then engaged in a plan to convert the complex from rental apartment units to condominium units.

Pasquale's co-conspirator, Brenden Bolger, aided the developers in the sale of numerous condominium units at The Arbors through his company, Capital Management Guarantee, LLC. In order to induce buyers to purchase units, Bolger created an addendum to the purchase contract that offered buyers various incentives such as rental supplements, money to defray maintenance costs, and a design credit to upgrade the unit's amenities. When the buyers cancelled the design credit within 10 days of signing the addendum, Bolger paid a kickback for the amount of the design credit to the buyer

from Capital Management's bank account. In this manner, Bolger, Pasquale, and other co-conspirators failed to disclose to buyers' mortgage lenders material facts about the financing of the sale of The Arbors condominium units.

Pasquale's alleged role in the conspiracy consisted of marketing The Arbors units. He did so by promising buyers closing cash and undisclosed incentives, providing closing cash to borrowers who purchased units at The Arbors, facilitating the payment of kickbacks to his clients via Capital Management Guarantee, and facilitating the submission of false loan applications to FDIC insured financial institutions.

Bolger previously pleaded guilty for his role in this scheme. He is scheduled to be sentenced on June 22, 2015.

An indictment is merely a formal charge that a defendant has committed a violation of federal criminal laws, and every defendant is presumed innocent unless, and until, proven guilty.

This case was investigated by the Federal Bureau of Investigation and the Federal Housing Finance Agency, Office of Inspector General. It is being prosecuted by Special Assistant United States Attorney Chris Poor and Assistant United States Attorney Jay Hoffer.