

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
 v.)
 PETER W. HAYES,)
 Defendant.)

Criminal Action No. 14-

39

REDACTED

FILED
CLERK U.S. DISTRICT COURT
DISTRICT OF DELAWARE
2014 JUL 15 PM 1:34

INDICTMENT

The Grand Jury for the District of Delaware charges that:

INTRODUCTION

At all times material to this Indictment:

COMMON INDIVIDUALS AND ENTITIES

1. Wilmington Trust Corporation (“WL”), headquartered in Wilmington, Delaware, was a Bank Holding Company whose securities were traded on the New York Stock Exchange under the trading symbol “WL.”

2. Wilmington Trust Company (“WTC”) comprised WL’s Delaware-based, wholly-owned retail and commercial banking subsidiary and was a financial institution, as defined by Title 18, United States Code, Section 20, with deposits insured by the Federal Deposit Insurance Corporation. Beginning in or around December 2008, WTC participated in the Department of the Treasury’s Capital Purchase Program (“CPP”), a subset of the Troubled Asset Relief Program (“TARP”).

3. PETER W. HAYES (“Hayes” or “defendant”) was employed by WTC in various capacities during the relevant time period of at least 1991 through 2011, including as a Relationship Manager (“RM”), or loan officer, in the Delaware Commercial Real Estate

Division. HAYES served as the RM for CUSTOMER A from in or around 2002 until in or around March 2009. As the RM for CUSTOMER A, HAYES was responsible for seeking approval for new loans, overseeing existing loans, determining whether to fund draw requests on existing loans, and otherwise providing general oversight of CUSTOMER A's loan portfolio.

4. CUSTOMER A was a homebuilder in Delaware. S.A. was the President of CUSTOMER A during the relevant time period. F.G. served as the Director of Finance for CUSTOMER A until at least December 2008. Between 2001 and 2011, CUSTOMER A obtained financing from WTC for over 20 projects, totaling over \$195 million in loan commitments, including lines of credit, for which S.A. or CUSTOMER A was the borrower or guarantor in whole or in part. CUSTOMER A was one of WTC's largest lending relationships. CUSTOMER A had several bank accounts with WTC, including an "operating" account and a "payroll" account.

FACTS COMMON TO THE INDICTMENT

5. As set forth below, HAYES engaged in a scheme and artifice to defraud WTC by: (1) accepting and soliciting from CUSTOMER A investment opportunities in CUSTOMER A's real estate developments, in which HAYES received monthly rental income sufficient to pay his mortgage plus expenses on an investment property purchased from CUSTOMER A; (2) soliciting and accepting a favorable loan to pay off HAYES' investment losses; (3) concealing from WTC the fact that HAYES had financial interests in CUSTOMER A's projects and had received consideration from CUSTOMER A in the form of monthly rental income and a favorable loan; (4) knowingly causing WTC loan funds to be disbursed to CUSTOMER A for purposes that were not authorized by WTC's loan agreements with CUSTOMER A; (5) failing to conduct basic due diligence required by WTC procedures and industry standards with respect to draw requests against CUSTOMER A's loans or the issuance of new loans; and (6) submitting false information in support of draw requests to provide funding to CUSTOMER A.

A. LOAN APPROVAL AND DRAW REQUEST PROCESSES AT WTC

6. The WTC Loan Committee was generally responsible for approving new loans for Commercial Real Estate clients. To initiate a new loan request, an RM would usually submit a Loan Approval Data Sheet (“LADS”) and a memorandum to the WTC Loan Committee. Once approved, the customer and WTC would execute a loan agreement. WTC’s Lending Policy prohibited material changes to previously approved loans without proper authorization.

7. The “Ten Percent Rule” (“TPR”) was a WTC Lending Policy that permitted an RM to extend credit up to ten percent (10%) of the total commitment of a customer relationship without approval of the WTC Loan Committee. Under WTC’s Lending Policy, the TPR applied to the extension of new credit, up to the total amount of \$1,000,000.00. The TPR could be utilized only if the customer relationship had \$5,000,000.00 or more in total credit, and the relationship had been approved by WTC’s Loan Committee for new or renewed credit within the past twelve months. Prior to December 2008, extensions of credit under the TPR required only the approval of an RM and a Division Manager.

8. WTC established a policy and procedure governing when funds could be advanced on a site improvement or construction loan. The borrower would first submit a draw request for expense reimbursements, typically supported by documentation of actual expenses incurred, such as invoices, work orders and/or receipts. For advances to fund “soft” costs (such as engineering, architectural fees, permits, etc.), WTC’s Construction Loan Administration group had to ensure the project budget had adequate funds to cover the costs by checking WTC’s internal budget maintenance system. For “hard” costs, an inspection was required to verify that the work conformed to the draw schedule and the loan advance request. The inspection report would include detailed observations, and often photographs, of the property reflecting the

progress of the work performed to date. The RM responsible for the loan was required to review and sign the inspection forms, confirming that “[t]he draw request and inspection report have been reviewed by me, and I hereby authorize payment as requested. . . .” In the case of disbursements without inspection, WTC had a separate form by which an RM could authorize payment without a property inspection.

9. WTC established a Code of Conduct and Ethics which provided that WTC employees must “[a]void actual or the appearance of any conflicts of interest” and must “[n]ot use corporate opportunities or property inappropriately or for personal gain.” WTC also developed a “A Staff Member Guide to Our Code of Conduct and Ethics,” which stated that employees must “not accept personal fees, commissions, or any form of remuneration in connection with any transactions on behalf of Wilmington Trust or any of our clients, except those approved by management and which are received in the ordinary course of business. The above prohibition includes special terms or price concessions obtained from any client.” This Staff Member Guide prohibited employees from accepting loans from WTC clients, noting that a loan is “similar to a gift and may appear to be intended to influence you in the performance of your responsibilities at Wilmington Trust. The loan may create a potential conflict of interest between your interests, the client’s interest and those of Wilmington Trust.”

B. HAYES’ PURCHASE OF INVESTMENT PROPERTIES FROM CUSTOMER A

10. In or around November 2005, HAYES, together with a co-investor, M.D., entered into an Agreement of Sale to purchase two model homes, otherwise known as “spec homes,” from CUSTOMER A for a total price of \$518,326.00. The “spec homes” were located in Millsboro, Delaware, in the community known as the Village at Radish Farm development (the

“Radish Farm Spec Homes”). HAYES was the WTC RM for CUSTOMER A’s Radish Farm development in which HAYES invested.

11. In or around November 2005, HAYES and CUSTOMER A entered into a two-year “lease-back” arrangement by which CUSTOMER A agreed to pay HAYES and M.D. rent for use of the Radish Farm Spec Homes. Contemporaneous emails show that the monthly payment was set at an amount to cover HAYES’ monthly mortgage payments for the Radish Farm Spec Homes.

12. In or around February 2006, HAYES received a loan to finance the purchase of the Radish Farm Spec Homes from Artisans’ Bank in the amount of \$532,614.00. Artisans’ Bank secured this loan with a second lien on HAYES’ personal residence.

13. In furtherance of this lease-back arrangement, each month, from in or around January 2006 through June 2006, HAYES received a \$4,325.12 payment by check from CUSTOMER A, signed by S.A. The lease-back agreement was amended in or around June 2006, to increase the monthly payment to \$4,730.38, beginning in or around August 2006, and the monthly payments in that amount continued until February 2008. These checks were written from CUSTOMER A’s operating account held at WTC, and were deposited it into HAYES’ own WTC account using an ATM. Typically within several days, HAYES then paid the monthly mortgage on the Radish Farm Spec Homes to Artisans’ Bank.

14. The purchase and lease-back arrangement allowed HAYES to participate in an investment opportunity through his customer, CUSTOMER A, spending little (if any) of his own funds.

15. After purchasing the Radish Farms Spec Homes, HAYES continued as the RM for Customer A. HAYES never informed his supervisors at WTC about his financial relationship with Customer A, including his purchase and lease-back agreement for the Radish Farms Spec Homes.

16. In early 2008, HAYES learned that the Radish Farm Spec Homes had decreased to a value below the purchase price HAYES paid for them. Thus, in early January 2008, HAYES began discussing with CUSTOMER A, through S.A. and F.G., HAYES' interest in rolling the loss from the Radish Farm Spec Homes into the purchase of a new model home, "Lot 69," in CUSTOMER A's Belden development in Newark, Delaware (hereinafter "Lot 69"). HAYES was also the loan officer for CUSTOMER A's Belden development in which he sought to invest.

17. In March 2008, HAYES sold his Radish Farm Spec Homes for approximately 14% less than the purchase price, resulting in a \$69,141.00 shortfall in the mortgage payoff due to Artisans' Bank for these properties. HAYES received a loan modification from Artisans' Bank extending the maturity date of the remaining mortgage balance on the Radish Farm Spec Homes until May 4, 2008.

18. On March 5, 2008, HAYES wrote an email to S.A. and F.G. stating that he was "going to be about \$62,000.00 under water on the sale of the Radish lots." In the email, HAYES requested that S.A. and F.G. "build the \$62,00[0] into the Belden model," and allow HAYES and M.D. to "make up the difference to [CUSTOMER A] upon the ultimate sale of the Belden model." F.G. responded by asking "[d]o you need us to front the cash?" and stated that the "Belden CO [Certificate of Occupancy] is projected for May 9th."

19. Later in 2008, but not until after at least June 2008, it became apparent to HAYES that he would be unable to secure financing for the purchase of the Belden property, in part because Artisans' Bank refused to extend a loan to HAYES unless he could provide proof that HAYES' supervisors were aware of the transaction. HAYES could not provide such proof because his supervisors were not, in fact, informed of his attempt to purchase Lot 69 from CUSTOMER A, nor were they aware of his prior investment in the Radish Farm Spec Homes.

20. On June 11, 2008, HAYES received another loan modification from Artisans' Bank extending the maturity date to September 4, 2008, for HAYES to repay the \$69,140.77 balance remaining on the Radish Farm Spec Homes' mortgage.

21. In September 2008, HAYES asked CUSTOMER A, through F.G. and S.A., to pay off the remaining balance on the Artisans' Bank mortgage, so that HAYES could avoid defaulting on the loan and losing his primary residence.

22. On October 7, 2008, S.A. wrote a \$70,429.20 check (#16491) from CUSTOMER A's operating account with WTC to Artisans' Bank to satisfy the remaining balance on HAYES' mortgage for the Radish Farms Spec Homes. On the remittance portion of CUSTOMER A's check, the description read: "10/7/08 HAYES PAYOFF." This check, however, was not immediately sent to Artisans' Bank by CUSTOMER A.

23. On November 3, 2008, HAYES emailed F.G. at CUSTOMER A and requested that CUSTOMER A pay the Artisans' Bank loan balance. F.G., on behalf of CUSTOMER A, agreed.

24. On November 5, 2008, HAYES and M.D. signed an unsecured demand note, promising to repay CUSTOMER A the \$70,429.20 with interest of 5% per year.

25. On November 10, 2008, Artisans' Bank cashed the check written from CUSTOMER A's operating account, which satisfied the remaining balance on the loan for HAYES' Radish Farm Spec Homes.

26. On February 2, 2009, HAYES deposited a cashiers' check in the amount of \$70,700.00 directly into CUSTOMER A's operating account at WTC to satisfy HAYES' debt to CUSTOMER A. HAYES thus ultimately paid a total of \$271.00 in interest, which equated to less than a 2 percent interest rate on the \$70,429.20 loan, well below the market rate for an unsecured demand note.

C. HAYES' FUNDING OF CUSTOMER A: JANUARY 2008-DECEMBER 2008

27. As detailed further below, between January and December 2008, HAYES authorized and caused to be authorized a total of more than \$50 million in draws on existing CUSTOMER A loans, and more than \$15 million of new loan funding, including the following:

BELDEN DEVELOPMENT

28. On January 3, 2008, HAYES funded a new \$5,000,000.00 loan to CUSTOMER A, to fund 44 homes and two speculative units at Customer A's Belden development.

29. On February 11, 2008, HAYES authorized a \$100,000.00 draw to fund CUSTOMER A from the Sapphire Lake/Belden loan (Loan No. 7502109-1001). Sapphire Lake was a land development company co-owned by S.A. Sapphire Lake had purchased the land for the Belden development. The only documentation provided in support of this draw was a handwritten note, initialed by HAYES, indicating that WTC should "Fund \$100,000 to Interest Reserve." No inspection was performed prior to this request and no additional supervisory approvals were sought or provided.

30. On February 26, 2008, HAYES approved, by email, a \$179,000.00 draw request for CUSTOMER A's Belden development loan (Loan No. 7502109-1001), notwithstanding the fact that two units failed inspection. The draw included funding for Lot 69, HAYES' prospective investment property.

31. Between January 2008 and December 2008, HAYES funded at least 25 draws, totaling approximately \$4 million to fund the Belden development, which included funding for Lot 69, which HAYES sought to purchase from CUSTOMER A.

PARKSIDE DEVELOPMENT

32. On February 6, 2008, HAYES sent an email to the Division Manager of WTC's Delaware Commercial Real Estate Division seeking authorization to release \$900,000.00 in funding to CUSTOMER A from the land and site loan for the Parkside development ("Parkside")

in Middletown, Delaware (Loan No. 88978-5901). The Division Manager approved the request for funding by email on February 6, 2008.

a. HAYES' email stated that the Parkside development included "55 lots... that are currently improved and at the permit stage." But, contrary to this email, the lots owned by CUSTOMER A were not fully "improved" and "at the permit stage." HAYES' statement thus had the effect of falsely inflating the value of the lots and, therefore, materially overstating CUSTOMER A's purported "equity" in the lots.

b. HAYES' email further stated that CUSTOMER A had requested "that we fund \$900,000.00 today to replace internal cash used for lot purchases and work in progress." HAYES knowingly omitted the material fact that the CUSTOMER A's bank accounts had been overdrawn by over \$900,000.00 at the time of the funding request. HAYES' failure to disclose the overdraft, or negative balance, was significant because it hid that the purpose of the draw was to cover a negative balance and because it prevented HAYES' Division Manager and WTC from learning of CUSTOMER A's financial difficulties.

c. Neither HAYES nor CUSTOMER A provided supporting documentation for this draw nor was an inspection performed, in contravention of WTC lending policy.

d. HAYES knew that the funding request was in contravention of the Parkside loan agreement for Loan No. 88978-5901, which limited funding to "work actually done" on the Parkside development. The loan agreement for Loan No. 88978-5901 did not authorize draws to cover the negative balance on CUSTOMER A's bank accounts, or CUSTOMER A's general operating expenses, nor did the agreement allow CUSTOMER A to take equity advances.

PARKWAYS AT SOUTHRIDGE DEVELOPMENT ("SOUTHRIDGE")

33. On February 18, 2008, HAYES sent an email to WTC's Delaware Market Manager requesting a \$1,000,000.00 draw to CUSTOMER A from the Parkways at Southridge

Development (“Southridge”) construction loan, Loan No. 88978-7501. The Delaware Market Manager approved the request, and the \$1,000,000.00 was deposited in CUSTOMER A’s bank accounts the same day.

a. HAYES’ email requesting the \$1,000,000 draw stated that “[CUSTOMER A] owns 121 improved townhome lots in the Parkway at South ridge [sic] project in Middletown. Site improvements are substantially complete with all 121 lots at or near permit stage... the per lot value is \$90,000 for a total value of \$10,890,000. At 75% LTV [Loan-to-Value] the lendable amount is \$8,167,500.” In fact, contrary to HAYES’ email, the 121 lots were not improved, meaning that site improvements for the lots had not yet begun and the lots were not “at or near permit stage.” This had the effect of falsely inflating the value of the lots and, therefore, materially overstating CUSTOMER A’s purported “equity” in the lots.

b. HAYES stated in the email that “today the [CUSTOMER A’s] DDA accounts are overdrawn \$745,870.” The \$1,000,000.00 draw that resulted from this request paid the negative balance on CUSTOMER A’s operating and payroll accounts.

c. Neither HAYES nor CUSTOMER A provided supporting documentation for this draw nor was an inspection performed, in contravention of WTC lending policy.

d. HAYES knew that funding request was in contravention of the Southridge construction loan agreement for Loan No. 88978-7501, which limited funding to “work actually done” on the Southridge development. The loan agreement for Loan No. 88978-7501 did not authorize draws to cover the negative balance on CUSTOMER A’s bank accounts or CUSTOMER A’s general operating expenses, nor did the agreement allow CUSTOMER A to take equity advances.

SUMMERCREST DEVELOPMENT

34. On March 7, 2008, HAYES authorized a \$480,000.00 draw from the CUSTOMER A’s Summercrest land and site loan (Loan No. 88978-7301), which was used to

pay down CUSTOMER A's general working capital line of credit, rather than to pay for actual site development work in the Summercrest development. In connection with the transaction:

- a. Neither HAYES nor CUSTOMER A provided supporting documentation for the draw, nor was an inspection performed, in contravention of WTC's lending policy;
- b. HAYES knew that the \$480,000.00 draw was in contravention of the Summercrest loan agreement for (Loan No. 88978-7301), which limited funding to "work actually done" on the Summercrest development, and did not authorize equity advances on the loan, the use of loan proceeds to pay CUSTOMER A's working capital debt or other general operating expenses.

35. On March 24, 2008, HAYES authorized a separate \$480,000.00 draw from CUSTOMER A's Summercrest construction loan (Loan No. 88978-6401) which was used to pay down the Summercrest land and site loan (Loan No. 88978-7301), thus moving the \$480,000.00 loan balance to the Summercrest construction loan (Loan No. 88978-6401).

- a. On the same day, March 24, 2008, HAYES sought and received approval from his WTC supervisor, via email, to allow the bank to fund construction for up to eight unsold homes --- homes that are constructed without an agreement of sale or purchase by a customer --- on the Summercrest development. WTC had previously authorized funding for only six unsold homes within the Summercrest development.

- b. HAYES, moreover, did not state in this email to his WTC supervisor, that the \$480,000.00 in funding for these unsold homes already had been disbursed on March 7, 2008 from the Summercrest land and site loan (Loan No. 88978-7301). HAYES further omitted from his email the fact that the funding was used for payment of CUSTOMER A's working capital line of credit, and not for site development or construction of homes with the Summercrest development.

c. In addition, HAYES falsely stated in the email that the eight unsold homes were “currently under construction.” HAYES did so knowing that construction had not started on at least five of the funded, but unsold, lots.

d. HAYES knew that the March 24, 2008, disbursement of the additional \$480,000.00 was in contravention of the Summercrest construction loan agreement for Loan No. 88978-6401, which limited funding to “work actually done” on the Summercrest development and did not authorize equity advances on the loan.

TPR LOANS AND OTHER FINANCING

36. In October 2008, HAYES sought and received approval for four TPR loans from WTC, which authorized \$800,000.00 in funding to CUSTOMER A and \$419,000.00 in funding to S.A., in his personal capacity. In or around December 2008, HAYES sought and received approval for a fifth loan from WTC which authorized \$930,000.000 in additional funding to S.A. in his personal capacity. These TPR loans included the following:

a. On October 9, 2008, HAYES sought approval to issue two TPR loans for CUSTOMER A’s project at Willow Grove totaling \$1,030,000.00. The first TPR loan in the amount of \$800,000.00 was to CUSTOMER A. The second TPR loan, in the amount of \$230,000.00, was to a separate real estate company wholly owned by S.A. and S.A’s spouse (“S.A’s COMPANY”). This \$230,000.00 TPR loan provided 100% financing for S.A’s COMPANY to purchase a model home at CUSTOMER A’s Willow Grove development, which S.A’s COMPANY then leased back to CUSTOMER A.

b. On October 28, 2008, HAYES sought approval for two more TPR loans, totaling \$189,000.00, to S.A’s COMPANY, which provided 100% financing for S.A’s COMPANY to acquire a model home at CUSTOMER A’s Worthington development, which S.A’s COMPANY then leased back to CUSTOMER A.

c. On December 23, 2008, HAYES sought approval for a loan, totaling \$930,000.00, to S.A's COMPANY. The loan provided financing for S.A's COMPANY to acquire five additional townhomes at the Willow Grove project, which S.A's COMPANY then planned to lease for approximately \$1,700 per month per unit.

D. LOSSES ATTRIBUTABLE TO CUSTOMER A

37. In or around March 2010, WTC entered into a loan modification agreement with CUSTOMER A, that extended the maturity dates for all CUSTOMER A loans until December 31, 2011, required the principals of CUSTOMER A and CUSTOMER A's partners to contribute new capital and collateral, and restructured the terms of CUSTOMER A loans.

38. In 2012, CUSTOMER A's loans were sold to a third party at a net loss of over 50 percent of the principal loan balance. For the Southridge, Parkside, and Summercrest loans discussed above, over \$12 million in loan balances were charged off.

COUNT 1

(18 U.S.C. § 1005: Fraudulently Benefitting from a Loan by a Federally Insured Institution)

39. The allegations set forth in paragraphs 1-38 of this Indictment are realleged and incorporated by reference as if fully set forth herein.

40. From in or around December 2005 through February 2008, in the District of Delaware, PETER W. HAYES, defendant herein, an officer and employee of WTC, a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation, knowingly and with the intent to defraud WTC, participated and received, directly and indirectly, money, profit and property through transactions and loans provided by WTC to CUSTOMER A, to wit, by entering into a "lease-back" arrangement with CUSTOMER A, by which CUSTOMER A paid defendant at least \$4,325.12 monthly from its bank accounts, which

monthly payments were funded by WTC loans that were overseen and managed by defendant in defendant's capacity as the WTC Relationship Manager for CUSTOMER A.

All in violation of Title 18, United States Code, Sections 1005 and 2.

COUNT 2

(18 U.S.C. § 1005: Fraudulently Benefitting from a Loan by a Federally Insured Institution)

41. The allegations set forth in paragraphs 1-38 of this Indictment are realleged and incorporated by reference as if fully set forth herein.

42. From in or around October 2008 through February 2, 2009, in the District of Delaware, PETER W. HAYES, defendant herein, an officer and employee of WTC, a financial institution the deposits of which were insured by the Federal Deposit Insurance Corporation, knowingly and with the intent to defraud WTC, participated and received, directly and indirectly, money, profit and property, through transactions and loans provided by WTC to CUSTOMER A, to wit, by soliciting and accepting a loan of \$70,429.20 paid from CUSTOMER A's WTC bank account, which was funded by WTC loans that were overseen and managed by defendant in defendant's capacity as the WTC Relationship Manager for CUSTOMER A.

All in violation of Title 18, United States Code, Sections 1005 and 2.

COUNT 3

(Bank Bribery: 18 U.S.C. § 215(a)(2))

43. The allegations set forth in paragraphs 1-38 of this Indictment are realleged and incorporated by reference as if fully set forth herein.

44. From in or around January 2008 through at least June 2008, in the District of Delaware, PETER W. HAYES, defendant herein, an officer and employee of WTC, a financial institution as defined by Title 18, United States Code, Section 20, corruptly solicited and demanded for the benefit of himself, intending to be influenced and rewarded in connection with

a transaction and the business of his employer WTC, the purchase of an investment property from CUSTOMER A in the Belden development.

All in violation Title 18, United States Code, Sections 215(a)(2) and 2.

COUNT 4

(Bank Bribery: 18 U.S.C. § 215(a)(2))

45. The allegations set forth in paragraphs 1-38 of this Indictment are realleged and incorporated by reference as if fully set forth herein.

46. From in or around October 2008 through February 2, 2009, in the District of Delaware, PETER W. HAYES, defendant herein, an officer and employee of WTC, a financial institution as defined by Title 18, United States Code, Section 20, corruptly solicited and demanded for the benefit of himself and corruptly accepted and agreed to accept from CUSTOMER A and its employees, intending to be influenced and rewarded in connection with a transaction and the business of his employer, WTC, by accepting a loan of \$70,429.20 from CUSTOMER A.

All in violation Title 18, United States Code, Sections 215(a)(2) and 2.

COUNTS 5-7

(Bank Fraud: 18 U.S.C. § 1344(2))

47. The allegations set forth in paragraphs 1-38 of this Indictment are realleged and incorporated by reference as if fully set forth herein.

48. With respect to each of the counts and date ranges set forth below, PETER W. HAYES, defendant herein, in the District of Delaware, engaged in a scheme and artifice to defraud WTC, and to obtain any of the moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, WTC, a financial institution the deposits of which were insured by the Federal Deposit Insurance Corporation, by means of materially false and fraudulent pretenses, representations, and promises.

49. It was part of the scheme and artifice to defraud that, for each of the counts, defendant engaged in the conduct listed therein:

Count	Date (on or about)	Financial Institution	Description/Loan No.	Conduct as alleged in the listed paragraphs, incorporated herein
5	February 6, 2008	WTC	Parkside Land/Site Loan No. 88978-5901	32
6	February 18, 2008	WTC	Southridge Construction Loan No. 88978-7501	33
7	March 24, 2008	WTC	Summercrest Construction Loan No. 88978-6401	34-35

All in violation of Title 18, United States Code, Sections 1344(2) and 2.

NOTICE OF FORFEITURE

Notice of Forfeiture for Counts 1-7

Upon conviction of the offenses alleged in Counts 1-7 of this Indictment, defendant PETER W. HAYES shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 982(a)(2), any property constituting, or derived from, proceeds obtained, directly or indirectly, as a result of such violations.

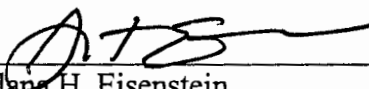
If any of the forfeitable property, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided with difficulty;

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1) and Title 28, United States Code, Section 2461(c).

CHARLES M. OBERLY, III
United States Attorney

By:



Ilana H. Eisenstein
Robert F. Kravetz
Lesley F. Wolf
Assistant United States Attorneys

Dated: July 15, 2014