

Colleyville Businessman Who Owned Metro Buys Homes Pleads Guilty to Federal Mail Fraud Charge

Defendant Faces Up to 20 Years in Federal Prison

**U.S. Attorney's
Office** February 10, 2011

• **Northern District of
Texas** (214) 659-8600

DALLAS—David Boles, 52, of Colleyville, Texas, who owned Metro Buy Homes, LLC., pleaded guilty this afternoon before U.S. Magistrate Judge Irma C. Ramirez to one count of mail fraud, announced U.S. Attorney James T. Jacks of the Northern District of Texas. Boles faces a maximum statutory sentence of 20 years in prison and a \$250,000 fine. In addition, as part of his plea agreement with the government, Boles agrees to pay restitution for losses resulting from all of his criminal conduct and not just limited to losses stemming from his conviction offense. Boles is scheduled to be sentenced by U.S. District Judge Jane J. Boyle on May 26, 2011.

According to documents filed in the case, from January 2008 through August 2010, Boles ran a scheme to defraud a number of investors by making materially false representations to them. For instance, he advised that invested money would be used to buy real estate and that investments would be secured by real estate. To further the scheme, Boles sent Deeds of Trust and Real Estate Liens that purportedly gave investors liens against specific properties in exchange for their investment. However, Boles did not own a number of the properties that were supposedly used to secure the investments, and some of the Deeds of Trust and Real Estate Lien Notes that he sent investors were fraudulent. Boles also sent checks to investors and advised them that the checks represented profits from their investments. However, in many cases the checks were simply drawn from the principal investments made by the investor. On other occasions, Boles funded checks written to one investor with money received from other investors. Boles believed that telling the investors that the checks represented earnings on their investments would encourage them to invest more money.

Boles also set up a website which he occasionally used to deceive investors by posting fictitious figures showing investments to be profitable when they were not, again to encourage investors to invest more money.

This law enforcement action is part of President Barack Obama's Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

The case is being investigated by the FBI. Assistant U.S. Attorney Jay S. Weimer is in charge of the prosecution.

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