

## **Failing to Disclose Concurrent Purchases Basis of Indictment**

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**Jamie Hollingsworth** and **Chris Young** were indicted in the United States District Court for the District of South Carolina and charged with conspiracy to make false statements on loan applications. The indictment also seeks forfeiture.

According to the indictment:

Hollingsworth, a real estate agent, decided to purchase three separate residential properties on the Isle of Palms, South Carolina. Young, a mortgage broker and originator, agreed to obtain financing for the purchases.

Hollingsworth falsely stated on the loan application for one of the properties that he intended to use it as his primary residence. Young falsely stated on the other two applications that Hollingsworth intended to use those properties as his primary residence. They knew these statements were false.

Hollingsworth obtained a first and second mortgage for each of the properties, which Young originated. Despite the fact that the properties were purchased all at once, Hollingsworth and Young failed to disclose to each of the financial institutions that Hollingsworth was purchasing two other residential properties at the same time. By failing to disclose the other purchases, they concealed Hollingsworth's financial liabilities for the other concurrently closing loans.

Hollingsworth arranged for all three of the transactions to close simultaneously on the same day so the financial institutions would not be aware of the concurrent borrowing. The loans were closed at different law firms.

Soon after closing, Hollingsworth was unable to sell the properties and defaulted on the loans, causing substantial losses to the financial institutions.