

**BEFORE THE HEARING BOARD  
OF THE  
ILLINOIS ATTORNEY REGISTRATION  
AND  
DISCIPLINARY COMMISSION**

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In the Matter of:

DAVID WILLIAM BELCONIS,  
  
Attorney-Respondent,  
  
No. 6193077.

Comm. No. 2019PR00058

**RESPONDENT'S ANSWER TO THE COMPLAINT**

Now comes the Respondent, David William Belconis, by his attorney, Mary Robinson, of Robinson, Stewart, Montgomery & Doppke LLC, denying the allegation of the prefatory paragraph to the effect that he engaged in any conduct that subjects him to discipline pursuant to Rule 770, and states, in answer to the Administrator's Complaint, as follows:

*(Conviction for mail and wire fraud and making materially false statements)*

A. *Procedural History of Respondent's Criminal Case*

1. On July 1, 2015, a special federal grand jury in the Northern District of Illinois charged Respondent and five other individuals in a 25-count criminal indictment. That indictment charged Respondent with the offenses of mail fraud, and making false statements on settlement statements in connection with the sales of condominiums. The clerk of the court docketed the matter as *United States of America v. Belconis, et al.*, case number 15 CR 399.

**ANSWER: Admit.**

2. Between September 11, 2017 and October 3, 2017 a jury trial was held in U.S. v. Belconis. On October 16, 2017, the jury returned a partial verdict against Respondent on Counts 10, 13, 21, 22, and 24 of the indictment, finding Respondent guilty of one count (Count 10) of mail fraud in violation of Title 18, United States Code, Section 1341; one count (Count 13) of wire fraud in violation of Title 18, United States Code, Section 1343; and three counts (Counts

21, 22, and 24) of making false statements in violation of Title 18, United States Code, Sections 1014 and 2. A mistrial was declared as to Counts 1, 2, 4, 5, 6, 8 and 18, and they were dismissed.

**ANSWER: Admit.**

3. On October 9, 2018, the Honorable Manish S. Shah imposed judgment (which was then entered on October 17, 2018) in case number 15 CR 399 adjudicating Respondent guilty of mail fraud, wire fraud and making false statements in residential real estate settlement statements, in violation of Title 18, United States Code, Sections 1341, 1343, 1014 and 2, as alleged in Counts 10, 13, 21, 22, and 24 of the 25-count criminal indictment. On that date, Judge Shah sentenced Respondent to be imprisoned for one day, time considered served, to be followed by two-year term of supervised release subject to conditions, including a period of six months of home confinement and that Respondent pay \$190,485 in restitution, \$500 in special assessments, and \$10,000 in fines.

**ANSWER: Admit.**

*B. Summary of the Criminal Charges*

4. The July 1, 2015 indictment charged that between 2007 and 2009, Respondent participated in a scheme to defraud condominium buyers, borrowers, banks and mortgage lenders (including lenders and entities that purchased mortgage loans in the secondary loan market) in connection with a residential real estate development in Palatine, Illinois, and known as the Woods at Countryside ("the Woods"). The indictment charged that Respondent and the other defendants caused banks and mortgage lenders to fund risky investment deals that were supported by inadequate collateral, because the unpaid mortgage balances exceeded the market values of the condominiums. As a result of their conduct, the lenders originating the loans and entities purchasing those loans in the secondary loan market incurred losses of more than \$16,000,000. (Count 1, ¶ 45 (a-f) of the indictment)

**ANSWER: Admit that the indictment so charged. Stating affirmatively, the evidence demonstrated that Respondent was not involved in the vast majority of the transactions that were alleged to have resulted in the alleged losses.**

5. Specifically, the indictment charged that the Woods' real estate developers solicited and induced investors to purchase condominiums in the Woods by misrepresenting: the

amount of rental income investors would collect; the amount of risk involved in purchases (*Id.*, at ¶ 5(a)); and guaranteeing to investors {who did not have the financial ability to pay to purchase multiple condominium units) that if they purchased multiple units, the developers would refund down payments and make payments of all property costs, including property taxes, assessments and mortgage payments for a two-to three-year time period in exchange for possessory and equity interests in the properties. (*Id.*, at ¶ 3(a), 5(a), 7 and 9(c)) In the real estate contracts for these condominium purchases, the developers did not disclose the down payment refunds and other financial inducements they provided to investors, (which effectively reduced the purchase price of those properties), or that the developers retained possessory and equity interests in the properties. (*Id.*, at ¶ 9(a-c))

**ANSWER: Admit that the indictment so charged.**

6. In furtherance of the scheme, the indictment charged that the mortgage loan broker prepared mortgage loan applications on behalf of the investors which falsely stated the employment income and assets information for the buyers, that the condominiums would be used as the buyers' primary residences, and that did not disclose the developers' refunds of down payments or the buyers' additional mortgages in connection with purchases of other units. (*Id.*, at , ¶ 14(a-d)) The loan applications also included the real estate contracts containing false statements and material omissions. (*Id.*, at ¶ 15) The false loan applications were designed to induce lenders to approve non-conforming loans and to disburse millions of dollars in loan proceeds to unqualified borrowers. (*Id.*)

**ANSWER: Admit that the indictment so charged.**

7. The developers then referred the investors to Respondent and his title company, Classic Title, LLC, for the closings on the properties. (Count 1, ¶ 16 of the indictment) Between December 2007 and January 2008, in connection with the closings on two properties at the Woods, Respondent assisted in the developers' in their fraudulent scheme by causing false closing documents (including false settlement statements) to be submitted to Wells Fargo Home Mortgage (a division of Wells Fargo Bank) and Countrywide Bank. The settlement statements falsely stated that one buyer had paid \$25,337 and the other \$16,043 in cash at the closings, when Respondent knew that the developers, through corporate entities and shell companies, were the source of those funds and that they would be reimbursed the down payment amount from the

fraudulently-obtained mortgage loans. (*Id.*, at Count 10 at ¶2, Count 21 at , ¶ 2 and Count 24 at ¶2 ) The settlement statement Respondent submitted to the lender also falsely stated that one of the buyers had paid the cash from her checking or savings account, when Respondent knew that the developers' company had paid the funds. (*Id.*, at Count 22 at ¶2) Further, Respondent caused Countrywide Bank to disburse by wire transfer \$142,162 in mortgage loan proceeds to fund one of the fraudulent loans. (*Id.*, at Count 13 at ¶2)

**ANSWER: Admit that the indictment alleged that as part of their scheme, the principals referred investors to Respondent and Classic Title, LLC, stating further that only 19 of 254 closings identified as part of the scheme occurred through Classic Title, that the indictment charged that Respondent was involved in connection with only 9 closings, 7 of which occurred at Classic Title, and that the jury returned guilty verdicts on charges involving only two closings one of which occurred at Classic Title. Admit that the jury's guilty verdicts as to Counts 10, 21 and 22 represent findings that Respondent was responsible for sending by common carrier a package of closing documents including a loan application and settlement statement which falsely asserted that the buyer paid the \$25,337 down payment with funds from a checking or savings account for a transaction closed by Chicago Title & Trust at which Respondent appeared with power of attorney to act on behalf of the buyer. Admit that the jury's guilty verdicts as to Counts 13 and 24 represent findings that Respondent was responsible for submission of a false statement that the buyer had provided \$16,043 cash at closing to a mortgage lender and causing the lender to wire transfer loan funds to another financial institution in connection with a transaction closed by Classic Title for which Respondent was not present.**

8. As a result of the order of conviction described above, Respondent has engaged in the following misconduct:

- a. committing a criminal act that reflects adversely on the lawyer's honesty, trustworthiness or fitness as a lawyer

in other respects, by conduct including committing the offenses of mail fraud, wire fraud, and false statements violation of Title 18, United States Code, Sections 1341, 1343, and 1014 and 2, respectively, in violation of in violation of 8.4(a)(3) of the Illinois Rules of Professional Conduct (1990); and

b. Conduct involving dishonesty, fraud, deceit or misrepresentation by conduct including making false statements about the source of the funds provided by the purchasers on settlement statements and transmitting those false documents to lenders so that the lenders would fund fraudulent loans violation of Title 18, United States Code, Sections 1341, 1343, and 1014 and 2, respectively, in violation of Rule 8.4(a)(4) of the Illinois Rules of Professional Conduct (1990).

**ANSWER: Neither admit nor deny, in that the allegations of paragraph 8 are not factual but state conclusions of law.**

Respectfully submitted,

David William Belconis

/s/ Mary Robinson  
Mary Robinson

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