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FORMER COAST BANK OFFICER AGREES TO PLEAD GUILTY TO FRAUD AND MONEY LAUNDERING

Tampa, Florida - United States Attorney A. Brian Albritton today announced the filing of a Criminal Information against Philip William Coon, a 55 year old resident of Bradenton, Florida, which charges Coon with conspiracy to commit wire fraud and private sector honest services fraud and money laundering. Coon has agreed to plead guilty. The maximum penalties Coon faces are five years of imprisonment, followed by three years of supervised release, a fine of \$250,000, and forfeiture.

According to the Information and Plea Agreement, Coon was the Executive Vice-President, Mortgage Lending Department, of Coast Bank ("Coast"). As such, he owed a fiduciary duty to act honestly and faithfully in all of his dealings with Coast and to transact business in the best interests of Coast, which included a duty to make full and fair disclosure to Coast of any personal interest, profit, or kickback he expected to, or did, derive from any transaction in which he participated during the course of his employment.

In late 2004, Coon used his position with Coast to request that a coconspirator, John Robert Miller, the president of American Mortgage Link (AML), charge AML's clients who wanted residential home loans from Coast a mortgage brokerage fee that was one percent more than AML would otherwise have charged, and to pay three-quarters of the additional

one percent to the defendant. Miller agreed. The additional one percent charged as a result of the conspiracy did not affect the amount paid by the borrower as the builder/seller was responsible for the payment of all closing costs.

Coon and Miller split the proceeds of the additional percentage point. Coon received three-quarters, and Miller received one-quarter, of each additional percentage point. Then Miller transferred, via various means, Coon's share of the proceeds into checking accounts in the name of a shell corporation.

Coon prepared and transmitted, via e-mail and other means, instructions to Miller to make checks drawn on the accounts in the name of the shell corporation payable to, among others, various of Coon's creditors, charities, and family members. Miller gave Coon a debit/ATM card, along with the accompanying personal identification number ("PIN"), for the same accounts, and Coon used the debit/ATM card and PIN to make purchases of goods and services and to withdraw funds from the accounts.

In total, Miller transferred to Coon \$1,146,462.35 in proceeds from the additional percentage point. Coon used the proceeds to, among other things, finance domestic and international travel, purchase real estate, a piano, jewelry, clothing and wine, make significant charitable contributions to a church and its food pantry, pay down mortgages, and provide financial support to family members.

The scheme gave Coon incentive to deal with AML, which resulted in Coast having a higher concentration of loans in one particular area with one particular builder than was prudent. The scheme also exposed Coast to the risk of litigation brought by one or more of the participants in the residential development/home loan program from which Coon procured the illicit proceeds. Coon reasonably should have foreseen that Coast might

suffer an economic harm as a result of his breach of fiduciary duty.

Miller pleaded guilty to conspiracy to commit wire fraud on September 18, 2008. He is scheduled to be sentenced on January 13, 2009, at 8:45 a.m., by U.S. District Judge James S. Moody, Jr.

The case was investigated by the Federal Bureau of Investigation, Internal Revenue Service - Criminal Investigation, and the Federal Deposit Insurance Corporation, Office of Inspector General, and is being prosecuted by Assistant United States Attorneys Rachelle DesVaux Bedke and Robert A. Mosakowski.