

AFFIDAVIT OF WILLIAM A WHITE

I, William A White, do hereby aver this 17TH day of October, 2013, under penalty of perjury, that the following is true to the best of my knowledge and ability:

Sources

My primary sources of information are two series of bank statements provided by Wells Fargo Bank, NA. One set is for William A White, Debtor-in-Possession, account #1010201778560 at Wachovia Bank, NA, and the other is for White Homes and Land, LLC, account #2000031717917, also at Wachovia Bank, NA. These statements run from October 1, 2008, to September 28, 2010, the date of closure, for account #1010201778560, and from October 1, 2008, to April 30, 2011, for #2000031717917.

These statements were obtained, in part, by subpoena. Meghan White, using her authority as a Wachovia Branch Manager, has stated that she used her access to Wachovia to avoid the normal power-of-attorney process to access the accounts in October 2008. At some point, according to statements made by Wachovia to Catherine White, Meghan White limited my access to these accounts. Meghan White also refused a discovery request in Roanoke City Circuit Court, case number CL11001069-00, to produce these and other related financial records. As a result, records which would have assisted in analysis of the bank statements were largely unavailable. A request has been made to Wells Fargo Bank, NA, for all cancelled checks.

However, records filed in US Bankruptcy Court case number 08-71107 were consulted. Also, conversations with Meghan White, Catherine C White, William D White, and my own personal recollections were used in interpreting these records.

Background

From January 1, 2004, to October 17, 2008, I bought real property in the City of Roanoke, Virginia. These properties were bought in my own name and that of White Homes and Land, LLC. Most of the 25 properties I purchased were purchased with 10% to 20% of the sale price down. One property was bought with 100% financing. Several properties were bought with 100% cash, and most properties were distressed and received a substantial cash investment.

In 2007, my gross cash inflow from all business activity was approximately \$556,000.00. About \$500,000 of that was from real estate activities. 60%-67% of that was from construction-related activities, 33%-40% came from rental activities. The rental business was always profitable. Most of my cash flow, though, came from construction.

In January 2008, I was sued by the federal government, defrauded by a contractor, and had my wife and daughter become deathly ill. I incurred over \$42,000 in legal fees, lost \$45,000 in the fraud, and was limited in my ability to work due to Meghan and Brenna's illness. As a result, the portion of my business which I owned personally filed Chapter 11 bankruptcy. The rental portion of my business remained profitable throughout.

The Transfer to Meghan White

On October 17, 2008, my business was turned over to Meghan White. Shortly afterwards, she gained access to the two checking accounts. After all outstanding checks were paid, and one bad check which had been deposited was returned, there was \$74,329.99 in account # 1010201778560 and \$4945.27 in account # 2000031717917, for a total of \$12,378.26.

Between October 1, 2008, and October 17, 2008, after considering one returned check, \$15,075 in rents and deposits had been collected. \$3,910 was due and deemed collectible, \$1,535, including the bad check, was due and deemed uncollectible. Vacant apartments worth \$5929 that month were available to be rented. Between October 17, 2008, and October 31, 2008, Meghan White collected \$3280 in rent, for a total rent collected of \$18,355.00 that month.

Though I had already paid myself \$3,208.48 that month, and paid our rent and monthly bills, Meghan White appears to have paid herself an additional \$4353.49 before the month's end.

Meghan White's Management

Meghan White had effective control of the company from October 17, 2008, to April 20, 2011, with a one-week break in September 2009. An effort to remove her, which she resisted, was begun in June and July 2010. By November 30, 2010, Meghan White appears to have ceased all

management of the company.

Between October 1, 2008, and November 30, 2010, Meghan White handled \$225,614.36 in cash receipts which passed through accounts #1010201778560 and #2000031717917. All but about \$4000 of this cash was received between October 1, 2008, and July 31, 2010. \$165,137.42 was received in account # 1010201778560 and \$60,476.94 was received in account # 2000031717917.

Until the cancelled checks are received, I cannot determine how \$65,766.92 of this was spent. I could determine how much was spent on mortgages by looking for checks in the amount of the mortgage payments. All cash withdrawals were assumed to be payments to Meghan White, as there were no business payments that required cash. All debit transactions at non-business vendors - Lane Bryant, Kay Jewelers, Red Lobster - were assumed to be personal payments. Large and round number checks were assumed to be personal payments, as transactions over \$500 in the business were rare. After this method was applied to payments from account #1010201778560 for June 2009, and compared to Meghan White's itemized account filed in Bankruptcy Case 08-71107, it was accurate within about 15%.

From October 1, 2008, to April 20, 2011, \$38,079.92 was spent on mortgage payments. \$2,431.92 was spent on my maintenance or on costs related to visiting me. \$7,500 was paid towards my defense in a civil lawsuit. An estimated total of \$88,398.00 was paid to Meghan White, all but about \$1400 before July 31, 2010. \$40,153.14 of that was in cash withdrawals or debit transactions. \$48,244.86 appears to have been paid by check. The balance of expenditures were for business purposes, including overdraft and bad check fees.

Be sides money on the books, Meghan White received cash off the books as well. William D White paid an estimated \$6356.79 in mortgage payments for her. Catherine C. White paid an estimated \$3000 in taxes and \$5000 in water bills, as well as at least \$2200 in Meghan White's personal rent and other personal expenses. Meghan White also received additional personal gifts. Overall, over \$16,500 in gift income is estimated to have been received between October 1, 2008, and November 30, 2010.

By her own admission, Meghan White also received off the books cash. From discrepancies between her bank records and bankruptcy reportings, some of this seems to have occurred throughout.

However, after efforts were begun to remove her, and she stopped making deposits to #1010201778560, the pace of these activities increased. After the account was closed July 31, 2010, and before she was compelled to cease business November 30, 2010, an estimated \$15,000.00 was likely received.

Overall, Meghan White's gross cash receipts from my estate, my business, and my friends and family from October 1, 2008, to November 30, 2010, was in excess of an estimated \$256,500.00.

Taxes and Meghan White's Personal Finances

Of the estimated \$256,500.00 Meghan White handled from October 1, 2008 to November 30, 2010 - a 26-month period - Meghan White put an estimated \$106,500.00 towards her personal expenses, an average of over \$4,000 per month. In addition, Meghan White received a pre-tax and benefits disability package from Wachovia Bank, NA, of approximately \$3000 per month. Meghan White's pre-tax income during this period was an average of over \$7000 per month, or \$84,000 per year.

McGhan White has refused discovery requests to produce her tax returns for 2008 to 2012. The IRS has not yet responded to my request for my tax returns or a certification of non-filing during this period.

Initially, Meghan White informed me she filed joint returns during this period. Later, she stated that she filed a joint return for tax year 2008, then filed individual returns which did not reflect income from my business. However, Meghan White should have reported all income she paid to herself, as she was not a member of the LLC, as self-employment income for this period. In the bankruptcy proceedings, Meghan White identified payments to her personally as payments to White Homes and Land, LLC. However, these payments were not deposited to account # 2000031717917.

Including \$15,000 in off the books cash and excluding the gifts from Catherine White and others, Meghan White failed to pay taxes on an estimated \$87,856.45 in personal income in 2009 and 2010, and failed to report and itemize deductions on \$180,037.25 in gross business income earned in my name in 2009 and 2010. At a base 28% tax rate and with a 10% self-employment tax, Meghan White failed to pay an estimated \$33,385.10 in federal income tax. At a 7% tax rate, Meghan White failed to pay an estimated \$6,149.95 in Virginia state income tax.

Meghan White took substantial steps to weaken her personal financial situation in 2009. On October 17, 2008, Meghan White and I owned two cars free and clear, a 2000 Dodge Caravan and a 2004 Toyota Solara. We also owned all of the furniture in our apartment. In January 2009, Meghan purchased approximately \$6000 in furniture at 100% financing at 23% interest, throwing out the paid for furniture. In July 2009, Meghan purchased a Kia SUV for approximately \$18,000 at 100% financing at 18% interest. She also incurred substantial credit card debt.

Despite ~~her~~ her substantial personal income, Meghan White twice decided she "could not afford" to pay her rent and personal utility bills. In September 2009 and October 2009, Meghan White claimed she "could not afford" her rent. In September 2009, Meghan White paid herself an estimated \$1150 from the business and received approximately \$3000 in disability payments, for a total of \$4,150 in personal estimated pre-tax income. In October 2009, Meghan White received an estimated \$1,622.56 from the business and approximately \$3000 in disability payments, for a total of \$4,622.56 in personal estimated pre-tax income.

In March and April 2010, a prostitute named Jodi MacFarland moved in with Meghan White. Meghan White's payments to herself skyrocketed. Meghan White paid herself an estimated \$7,474.98 in March 2010, \$6,755.79 in April 2010, \$4,631.44 in May 2010, and \$7,529.70 in June 2010. With her disability income, this represents a personal income of \$7,600 - \$10,500 per month. However, during this period, Meghan White failed to pay her rent and utility bills, was evicted from her home, and moved in with her mother in Stuarts Draft, Virginia. Meghan White also claims \$8500 in jewelry, \$500 in guns, and \$2000 in electronics were "stolen" during this period, though I suspect they were pawned. My 2004 Toyota Solara was also given to Jodi MacFarland during this period. In May and June 2010, Meghan White called a number of my friends and family, claimed she was "starving", and begged for money. Bank records show Meghan was often eating at restaurants as much as twice a day.

Fraud And The Failure Of The Rental Business

In December 2008, Meghan White manufactured a problem with the rental business that

led to the business's eventual failure. On December 1, 2008, Meghan White had \$6447.20 in her business accounts and \$6356.79 in mortgages due. She received \$14,217.00 in gross income from the business between December 1, 2008, and December 31, 2008. Meghan paid herself an estimated \$4,318.48 during this period. On December 31, 2008, she had \$11,921.77 in the bank. Yet, Meghan White made no mortgage payments and, apparently, no utility payments. She resumed payments January 1, 2009, as if nothing had happened.

This appears to have caught up with her in April 2009. Tenants suddenly stopped paying rent. Utilities may have been interrupted and foreclosure notices may have issued. Meghan White borrowed an estimated \$6356.79 from William D White to pay the December 2008 mortgage payment, but did not make the April ²⁰⁰⁹ payments. Meghan paid herself an estimated \$4,380.42.

Eviction was an important part of property management. Approximately 3 completed evictions a month would have been typical, and 78 evictions would have been expected from October 1, 2008 to November 30, 2010. Meghan White filed a total of about 3 evictions during this period. This also contributed to the failure to collect rent, along with a failure to perform background ^{checks}.

^{Beginning} In March and April 2010, despite increasing her salary to as much as about 75% of gross receipts, Meghan White ceased regular utility payments. Yet, she borrowed approximately \$5000.00 from Catherine White for this purpose.

During the entire period of her management, Meghan misled me as to the state of the business. She provided me fake financial documents and misled me as to how much money was in the bank and how much she paid herself.

Meghan White's fraud was discovered in the summer of 2010. In June 2010, my wife informed me she was moving in with her mother. I became suspicious. She then refused to visit me several weeks in a row, lying and claiming she had mononucleosis. I wrote letters in July 2010 revoking her power of attorney and her access to my bank accounts. This prompted her to empty account # 1010201778560 and abandon it. On August 15, 2010, I received a letter from Edward Jones that Meghan had emptied and closed my brokerage account. That day, I indicated that I wanted a divorce.

Meghan White had told me she had \$20,000 in savings in Edward Jones. In reality, between March 1, 2010, and May 31, 2010, Meghan White withdrew \$10,231.99 from the Edward Jones account. This money had been saved as payment to my civil counsel, John Weber. However, instead of paying Weber \$10,000 as agreed, Meghan White paid Weber \$7,500 and retained the balance for herself. She later paid Weber \$1000 and stiffed him for the balance. As a result, a \$255,000.00 judgment entered against me became an \$860,000 judgment after court costs and legal fees.

From January 1, 2010, to March 31, 2010, I received two letters from Meghan White claiming she "wasn't being paid enough." During this period, I recommended Meghan pay herself about \$1000 per month in addition to her disability income. She did pay herself an estimated \$14,659.35.

Between May 1, 2010, and July 31, 2010, Meghan White wrote two letters to the Bureau of Prisons claiming, falsely, that I was involved in "white supremacist gang activity" and claiming I would "retaliate against federal officials" if released. The intent appears to have been to prevent my halfway house release to avoid discovery of her fraud. The effort was successful and I was not released.

In September and October 2010, I suggested selling writing to the American Free Press and Occidental Quarterly as a way to earn money to reduce the alleged high costs associated with my imprisonment. Meghan White later claimed this was the suggested "gang activity."

In November 2010, my mother deposited \$1012.00 into account # 2000031717917. The money was to provide me a hotel room and plane ticket upon release. Meghan White withdrew the majority of this money, \$750, on February 1, 2011, just before surrendering my debit card.

In 2010, Meghan White used my identity to pass 28 bad checks, for a total of \$8828.09. This involved 9 electronic and 19 paper checks. The money was tendered for her personal cellphone, personal car insurance, and JC Penney's, among other bills. Some of these checks remained unpaid in 2012. I have been subject to collection efforts and threats of prosecution as a result.

End of the Business and Divorce

To stop Meghan White's embezzlement and the confidence schemes she was deploying against

my mother, I ordered the water - which had not been paid for months and was in my name - disconnected to all properties in November 2010.

Prior to this, most of my real property had been condemned. One building had its ceiling and floors collapse due to a roof leak. Others had been abandoned with the doors thrown open. Several had been stripped of wire or copper pipe. Three buildings were the subject of arson or attempted arson.

By April 20, 2011, 39 of the 40 rental units were condemned. Many of the buildings were so badly damaged that, after I persuaded the bank to foreclose, they had no residual value and had to be given to charity.

In May 2011, I again asked Meghan for a divorce. I suggested a no-fault, no-money divorce. She refused, swearing she would have "revenge" on me and "send me to prison forever." Meghan then took off with my daughter, sued for divorce, and demanded money.

And, having so averred, I sayeth no more.

Sworn,

William A White

William A White

DEPOSITS	DIP	ED. JONES	TRANSFERS	WHL	TOTAL
7/1 - 7/31/08	\$12,942.00		UNK	UNK	~\$12,942.00
8/1 - 8/31/08	\$12,430.98		UNK	UNK	~\$12,430.98
9/1 - 9/30/08	\$11,403.00		UNK	UNK	~\$11,403.00
10/1 - 10/31/08	\$12,159.00		← 1000	\$6,196.00	\$18,355.00
11/1 - 11/30/08	\$8,433.00		← 300 1329.40 →	\$5,572.11	\$14,005.11
12/1 - 12/31/08	\$9,082.00			\$5,135.00	\$14,217.00
Total 2008	\$66,449.98		UNK	UNK	~\$83,353.09
Total 10/1/08 - 12/31/08	\$29,674.00		← 1300 1329.40 →	\$16,903.11	\$46,577.11

1/1 - 1/31/09	\$8,889.00		500 →	\$4,335.80	\$13,224.80
2/1 - 2/28/09	\$8,987.21		← 700 400 →	\$3,814.00	\$12,801.21
3/1 - 3/31/09	\$8,901.00		← \$89.10	\$2,710.00	\$11,611.00
4/1 - 4/30/09	\$6,744.57		← 200	\$1,313.50 200	\$8,058.07
5/1 - 5/31/09	\$8,296.00		← 30 525 →	\$0.00 200	\$8,296.00
6/1 - 6/30/09	\$7,176.70		485 →	\$1,900.00 200	\$9,076.70
7/1 - 7/31/09	\$5,601.00		1530 →	\$0.00 200	\$5,601.00
8/1 - 8/31/09	\$6,744.50		← 18215 1046.05 →	\$325.00 200	\$7,069.50
9/1 - 9/30/09	\$7,250.00		150 →	\$0.00 200	\$7,250.00
10/1 - 10/31/09	\$7,249.00		← 12051 230 →	\$4,397.24	\$12,646.24
11/1 - 11/30/09	\$6,431.00	6500 →	← 775	\$3,973.42	\$10,404.42
12/1 - 12/31/09	\$3,762.00			\$3,765.25	\$7,527.25
Total 2009	\$86,021.98	6500 →	← 2596.76 4866.05 →	\$26,534.21	\$113,566.19

DEPOSITS	DIP	ED. JONES XFER	TRANSFERS	WHL	TOTAL
1/1 - 1/31/10	\$5,120.00		← 1000	\$3,781.62	\$8,901.62
2/1 - 2/28/10	\$5,550.00		775 →	\$3,385.00	\$8,935.00
3/1 - 3/31/10	\$10,743.80	← 1000	525 →	\$2,527.00	\$13,260.80
4/1 - 4/30/10	\$9,311.62	← 7485	← 200 20 →	\$705.00	\$10,016.62
5/1 - 5/31/10	\$5,361.00	← 174699	350 →	\$900.00	\$6,261.00
6/1 - 6/30/10	\$8,089.77		← 947.53 1915 →	\$1,705.00	\$9,794.77
7/1 - 7/31/10	\$5,265.25			\$0.00	\$5,265.25
8/1 - 8/31/10	\$0.00			\$0.00	\$0.00
9/1 - 9/30/10	\$0.00			\$1,499.00	\$1,499.00
10/1 - 10/31/10	—			\$1,525.00	\$1,525.00
11/1 - 11/30/10	—			\$1,012.00	\$1,012.00
12/1 - 12/31/10	—			\$0.00	\$0.00
Total 2010	\$49,441.44	← 19,231.99	← 2147.53 3585 →	\$17,039.62	\$66,471.06
1/10 - 1/31/11	—			\$0.00	\$0.00
2/1 - 2/28/11	—			\$0.00	\$0.00
3/1 - 3/31/11	—			\$0.00	\$0.00
4/1 - 4/30/11	—			\$0.00	\$0.00
Total 2011	—			\$0.00	\$0.00
Total 10/1/08 - 4/20/11	\$165,137.42	← 19,231.99	← 6044.29 9780.45 →	\$60,476.94	\$225,614.36

<u>OUTFLOWS</u>	<u>Mortgages</u>	<u>Personal (Est / Known)</u>	<u>Bill</u>	<u>Bus. Expenses</u>	<u>Unknown</u>
7/1 - 7/31/08					
8/1 - 8/31/08					
9/1 - 9/30/08					
10/1 - 10/31/08	\$6356.79	\$7,561.97 (0 7561.97)	\$0	\$1238.03	\$4879.22
11/1 - 11/30/08	\$6356.79	\$4,318.48 (4139.40 189.08)	\$0	\$759.11	\$4089.40
12/1 - 12/31/08	\$ 0.00	\$3,751.00 (3751.00 0)	\$0	\$477.12	\$5615.74
Total 2008	\$12,713.58	\$15,531.45 (7990.40 7751.05)	\$0	\$2474.26	\$14,584.36

1/1 - 1/31/09	\$5654.84	\$3,301.00 (3301 0)	\$0.00	\$899.11	\$8,299.78
2/1 - 2/28/09	\$5654.84	\$5,620.76 (3364.76 2256.00)	\$0.00	\$394.25	\$3,844.90
3/1 - 3/31/09	\$5654.84	\$3,553.56 (2200 1353.56)	\$158.95	\$199.20	\$2,769.58
4/1 - 4/30/09	\$ 0.00	\$4,380.42 (3048.75 1331.67)	\$81.95	\$1,007.01	\$1,117.15
5/1 - 5/31/09	\$1470.40	\$3,709.95 (800.00 2909.95)	\$56.95	\$1,467.00	\$1,992.26
6/1 - 6/30/09	\$2315.80	\$2,035.33 (0 2035.33)	\$0.00	\$3,636.16	\$1,221.21
7/1 - 7/31/09	\$1287.28	\$1,464.73 (1430 34.73)	\$81.95	\$1,977.04	\$1,872.90
8/1 - 8/31/09	\$ 0.00	\$2,150.44 (2129.95 20.49)	\$220.85	\$2,108.70	\$1,941.46
9/1 - 9/30/09	\$2771.88	\$1,150.00 (1150 0)	\$0.00	\$360.53	\$3,051.85
10/1 - 10/31/09	\$ 556.46	\$1,622.56 (1270 352.56)	\$172.00	\$1,263.52	\$3,165.61
11/1 - 11/30/09	\$ 0.00	\$3,659.96 (1865 1794.96)	\$136.00	\$689.03	\$1,814.43
12/1 - 12/31/09	\$ 0.00	\$2,177.22 (1640 537.22)	\$319.27	\$2,603.02	\$2,019.12
Total 2009	\$25,366.34	\$34,826.43 (27199.46 12,626.97)	\$1227.92	\$15,604.57	\$33,110.25

OUT FLOWS	Mortgages	Personal (Est / Known)	Bill	Bus Expenses	Unknown
1/1 - 1/31/10	\$0	\$4748.39 (3720 1028.39)	\$134.00	\$1,629.16	\$3,689.59
2/1 - 2/28/10	\$0	\$2435.98 (1550 885.98)	\$877.18	\$1,768.88	\$3,356.00
3/1 - 3/31/10	\$0	\$7474.98 (6500 974.98)	\$298.00	\$1,832.37	\$5,952.20
4/1 - 4/30/10	\$0	\$6755.79 (4100 2655.79)	\$0.00	\$1,733.88	\$958.07
5/1 - 5/31/10	\$0	\$4631.44 (1265 3566.44)	\$8029.37	\$1,732.57	\$2,760.30
6/1 - 6/30/10	\$0	\$7529.70 (1020 6509.70)	\$463.07	\$1,490.57	\$1,091.15
7/1 - 7/31/10	\$0	\$2818.49 (0 2818.49)	\$102.38	\$1,605.17	\$265.00
8/1 - 8/31/10	\$0	\$6.18 (0 6.18)	\$0.00	\$502.24	\$0.00
9/1 - 9/30/10	\$0	\$0.00 (0 0)	\$0.00	\$1,102.48	\$0.00
10/1 - 10/31/10	\$0	\$397.61 (0 397.61)	\$0.00	\$555.78	\$0.00
11/1 - 11/30/10	\$0	\$181.46 (0 181.46)	\$0.00	\$24.13	\$0.00
12/1 - 12/31/10	\$0	\$0.00 (0 0)	\$0.00	\$12.00	\$0.00
Total 2010	\$0	\$37,280.02 (18,155.90 19,025.12)	\$9,704.00	\$13,989.23	\$18,672.31
1/1 - 1/31/11	\$0	\$0.00 (0 0)	\$0	\$12.00	\$0
2/1 - 2/28/11	\$0	\$750.00 (0 750)	\$0	\$12.00	\$0
3/1 - 3/31/11	\$0	\$0.00 (0 0)	\$0	\$12.00	\$0
4/1 - 4/30/11	\$0	\$0.00 (0 0)	\$0	\$12.00	\$0
Total 2011	\$0	\$750.00 (0 750)	\$0	\$48.00	\$0

2010 BADCHECKS PASSED BY MEGHAN WHITE

account # 1010201778560

account # 2000031717917

8/24	Geico (elec.)	\$61.07
8/24	AEP (elec.)	\$139.48
8/24	AEP (elec.)	\$500.00
8/24	Bill Matrix (elec.)	\$295
7/27	Lowes (elec.)	\$133.10
7/21	JC Penney (elec.)	\$228.00
7/12	#1322	\$12.06
6/22	#1319	\$83.10
6/17	#1316	\$72.10
6/17	#1313	\$75.00
6/17	#1309	\$25.00
6/17	#1317	\$25.00
6/1	#1299	\$350.00
5/26	#1292	\$48.00
4/30	#1284	\$550.00
3/15	#1266	\$455.00
3/03	#1262	\$248.50
3/03	#1259	\$200.00
1/05	#1804	\$3000.00

9/15	T-Mobile (elec.)	\$225.29
8/9	Check Pcd. (elec.)	\$50.00
8/2	Apple Market	\$23.20
7/30	#5075	\$37.00
7/27	#5073	\$167.50
7/19	#5014	\$900.00
7/19	WVWA (elec.)	\$91.74
5/21	#5015	\$900.00
<u>8 items</u>		<u>\$2394.73</u>

20 items \$6433.36
\$2394.73
 Total \$8828.09