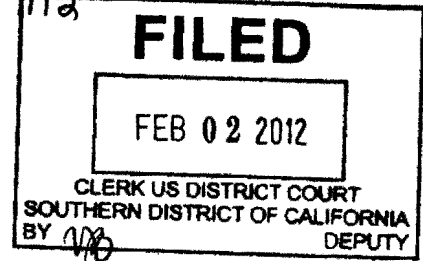


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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

July 2010 Grand Jury

'12 CR 0403 IEG

UNITED STATES OF AMERICA,	)	Case No. _____
)	
Plaintiff,	)	<u>I N D I C T M E N T</u>
)	
v.	)	Title 18, U.S.C., Sec. 371 -
	)	Conspiracy to Commit Mail Fraud,
	)	Wire Fraud, and Money Laundering;
SIMON SAED ALIZADEH (1),	)	Title 18, U.S.C., Sec. 1341 -
KIAN ASHKANIZADEH (2),	)	Mail Fraud; Title 18, U.S.C.,
	)	Sec. 1343 - Wire Fraud; Title 18,
Defendants.	)	U.S.C., Sec. 1956(a)(1)(B)(i) -
	)	Money Laundering; Title 18,
	)	U.S.C., Sec. 2 - Aiding and
	)	Abetting; Title 18, U.S.C.,
	)	Sec. 981(a)(1) and 981(a)(1)(C),
	)	and Title 28, U.S.C.,
	)	Sec. 2461(c) - Criminal
	)	Forfeiture

The Grand Jury charges, at all times material:

ALLEGATIONS COMMON TO ALL COUNTS

1. Defendants SIMON SAED ALIZADEH and KIAN ASHKANIZADEH operated a company called Southern California Finance & Realty ("Southern California Finance"), located at 7084 Miramar Road, Suite 400, in San Diego, California.

2. Defendants SIMON SAED ALIZADEH and KIAN ASHKANIZADEH worked as mortgage brokers at Southern California Finance, that is, they assisted clients with the preparation and submission of residential loan applications to financial institutions and other lenders.

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1 representations and promises, and the concealment of material facts,
2 and in executing such scheme, to knowingly use, and cause to be used,
3 interstate wire communications, in violation of Title 18, United
4 States Code, Section 1343; and

5 (c) Money Laundering, that is, to knowingly conduct and
6 attempt to conduct a financial transaction affecting interstate
7 commerce, knowing that the transaction involved the proceeds of some
8 form of unlawful activity, and which in fact involved the proceeds of
9 specified unlawful activity, that is, wire fraud in violation of
10 Title 18, United States Code, Section 1343, and mail fraud in
11 violation of Title 18, United States Code, Section 1341, and knowing
12 that each transaction was designed in whole or in part to conceal and
13 disguise the nature, location, source, ownership, and control of the
14 proceeds of said Specified Unlawful Activities, in violation of
15 Title 18, United States Code, Section 1956(a)(1)(B)(i).

16 MANNER AND MEANS OF THE CONSPIRACY

17 6. The principal goal of the conspiracy was to deceive mortgage
18 lenders into loaning millions of dollars to unqualified or
19 under-qualified borrowers to purchase properties in the Black Rail
20 Ridge development, on Triton Street in Carlsbad, California, and then
21 to divert hundreds of thousands of dollars from the loan proceeds to
22 defendants using false consulting agreements, intermediaries, and
23 transfers among multiple bank accounts. To accomplish this purpose,
24 it was part of the conspiracy that defendants SIMON SAED ALIZADEH and
25 KIAN ASHKANIZADEH:

26 (a) arranged for the purchase of four properties on Triton
27 Street: 1560 Triton Street, which closed on December 28, 2006;
28 1572 Triton Street, which closed on January 3, 2007; 1584 Triton

1 Street, which closed on February 1, 2007; and 1564 Triton Street,
2 which closed on February 6, 2007;

3 (b) recruited family members and friends to supply their
4 names and signatures on mortgage loan applications as the purported
5 buyers for the Triton Street properties;

6 (c) prepared and submitted, to financial institutions and
7 other mortgage lenders, residential mortgage loan applications in the
8 names of the purported buyers, which applications contained false
9 representations and omitted material facts regarding buyers'
10 employment, income, assets, and liabilities;

11 (d) supplied the down payment or other purchase money
12 needed for purported buyers' purchases, and concealed the source of
13 the funds to the financial institutions and other lenders;

14 (e) arranged to have a \$200,000 "consulting fee" paid to
15 Sterling Stone Realty for each fraudulent transaction, and to have
16 this "consulting fee" paid out of the loan proceeds, even though
17 Sterling Stone did not provide any consulting services for the
18 transaction;

19 (f) arranged to have a total of approximately \$45,000 for
20 "flooring upgrades" and/or "landscaping upgrades" paid to
21 "Construction and Development" for each fraudulent transaction, and
22 to have this fee paid out of the loan proceeds, even though
23 "Construction and Development" did not provide such services;

24 (g) caused to be prepared and submitted, to financial
25 institutions and other mortgage lenders, "HUD-1 Settlement Statements"
26 which fraudulently represented that \$200,000 out of the sellers' funds
27 at closing would be paid to Sterling Stone Realty, purportedly for
28 consulting services, and fees totaling approximately \$45,000 would be

1 paid to "Construction and Development," purportedly for flooring and
2 landscaping services;

3 (h) arranged for most of the \$200,000 in "consulting fees"
4 paid to Sterling Stone Realty to be wire-transferred to bank accounts
5 owned and controlled by friends and relatives of defendants, including
6 "M.S.," "F.A.," and "N.K.," from which defendants would withdraw the
7 funds or cause them to be withdrawn, and then deposit those same funds
8 into their own accounts;

9 (i) caused lenders, brokers escrow agents and others to use
10 interstate wire transmissions of funds, and to send and receive mail
11 matter via the United States mails and private and commercial
12 interstate carrier, in order to fraudulently obtain loan proceeds and
13 conceal defendants' profits; and

14 (j) using the means and methods described above,
15 fraudulently obtained residential mortgage loans from financial
16 institutions and other lenders totaling approximately \$4.93 million,
17 and caused approximately \$776,620 in hidden payments to be funneled
18 to defendants using sham "consulting fees," "flooring upgrades," and
19 "landscaping fees," which concealed from lenders the extent of
20 defendants' profit from the transactions.

21 7. In furtherance of the conspiracy and to effect and
22 accomplish the objects thereof, the following overt acts, among
23 others, were committed within the Southern District of California, and
24 elsewhere:

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1 (a) On or about December 20, 2006, defendant KIAN
2 ASHKANIZADEH caused to be submitted to a mortgage lender a false and
3 fraudulent loan application and supporting documentation for a
4 \$984,000 first mortgage loan in the name of borrower L.A. for the
5 purchase of 1572 Triton Place.

6 (b) On or about December 21, 2006, defendant SIMON SAED
7 ALIZADEH caused to be submitted to a mortgage lender a false and
8 fraudulent loan application and supporting documentation for a
9 \$992,000 first mortgage loan in the name of borrower A.A. for the
10 purchase of 1560 Triton Street.

11 (c) In or about December 2006, defendants caused Southern
12 California Finance to submit to a mortgage lender altered bank
13 statements for borrower L.A.

14 (d) In or about December 2006, defendants caused a \$45,000
15 check payable to "Construction and Development" to be deposited into
16 Southern California Finance's business bank account.

17 (e) On or about January 3, 2007, defendants caused a
18 \$200,000 "consulting fee" to be sent by wire transmission to an
19 account in the name of Sterling Stone Realty.

20 (f) On or about January 3, 2007, defendants caused Sterling
21 Stone Realty to transfer \$200,000 to a bank account in the name of
22 "F.A."

23 (g) On or about January 3, 2007, defendant SIMON SAED
24 ALIZADEH caused "F.A." to withdraw \$197,620, to be deposited into an
25 account belonging to SIMON SAED ALIZADEH.

26 (h) On or about January 4, 2007, defendants caused a
27 \$200,000 "consulting fee" to be sent by wire transmission to an
28 account in the name of Sterling Stone Realty.

1 (i) On or about January 5, 2007, defendants caused Sterling
2 Stone Realty to transfer \$190,000 to a bank account in the name of
3 "N.K."

4 (j) On or about January 5, 2007, defendant KIAN
5 ASHKANIZADEH caused "N.K." to wire transfer \$190,000 to an account
6 belonging to defendant KIAN ASHKANIZADEH.

7 (k) On or about January 29, 2007, defendant KIAN
8 ASHKANIZADEH caused to be submitted to a mortgage lender a false and
9 fraudulent loan application and supporting documentation for a
10 \$984,000 first mortgage loan in the name of borrower M.M. for the
11 purchase of 1584 Triton Street.

12 (l) On or about January 30, 2007, defendant SIMON SAED
13 ALIZADEH caused to be submitted to a mortgage lender a false and
14 fraudulent loan application and supporting documentation for a
15 \$984,000 first mortgage loan in the name of borrower R.Q. for the
16 purchase of 1564 Triton Street.

17 (m) On or about February 1, 2007, defendant SIMON SAED
18 ALIZADEH withdrew \$70,056.48 from his US Bank account for the purchase
19 of a cashier's check to be used towards M.M.'s down payment.

20 (n) On or about February 5, 2007, defendant KIAN
21 ASHKANIZADEH withdrew \$37,582.53 from the business account of Southern
22 California Finance, for the purchase of a cashier's check to be used
23 towards R.Q.'s down payment.

24 (o) On or about February 6, 2007, defendants caused a Deed
25 of Trust to be mailed from the San Diego County Recorder to New
26 Century Mortgage Corporation.

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1 (p) On or about February 6, 2007, defendants caused a
2 \$200,000 "consulting fee" to be sent by wire transmission to an
3 account in the name of Sterling Stone Realty.

4 (q) On or about February 7, 2007, defendants caused a
5 \$200,000 "consulting fee" to be sent by wire transmission to an
6 account in the name of Sterling Stone Realty.

7 (r) On or about February 9, 2007, defendants caused Sterling
8 Stone Realty to transfer \$190,000 to a bank account in the name of
9 "F.A."

10 (s) On or about February 13, 2007, defendants caused
11 Sterling Stone Realty to transfer \$190,000 to a bank account in the
12 name of "M.S."

13 (t) On or about February 14, 2007, defendant SIMON SAED
14 ALIZADEH caused "F.A." to withdraw \$189,000, to be deposited into an
15 account belonging to defendant SIMON SAED ALIZADEH.

16 (u) On or about February 16, 2007, defendant KIAN
17 ASHKANIZADEH caused \$20,000 to be withdrawn from an account belonging
18 to "M.S."

19 (v) In or about February 2007, defendants caused checks
20 totaling \$45,000 payable to Construction and Development to be
21 deposited into Southern California Finance's bank account.

22 All in violation of Title 18, United States Code, Section 371.

23 Count 2

24 MAIL FRAUD
25 [18 U.S.C. § 1341]

26 8. The allegations contained at paragraphs 1 through 3 are
27 realleged and incorporated by reference.

28 //

1 9. Beginning on a date unknown to the grand jury, but no later
 2 than December 2006, and continuing through at least February 16, 2007,
 3 in the Southern District of California and elsewhere, defendants SIMON
 4 SAED ALIZADEH and KIAN ASHKANIZADEH with the intent to defraud,
 5 devised and intended to devise a scheme to defraud as to material
 6 matters and to obtain money and property by means of materially false
 7 and fraudulent pretenses, representations, and promises, and the
 8 concealment of material facts.

9 10. The allegations contained at paragraphs 6(a) through 6(j)
 10 of this Indictment are realleged as more fully describing the scheme.

11 MAILING IN FURTHERANCE OF THE SCHEME

12 11. For the purpose of executing the above-describe scheme to
 13 defraud and to obtain money and property by materially false and
 14 fraudulent pretenses, representations, and promises, as well as
 15 omissions of material facts, on or about the following date, in the
 16 Southern District of California and elsewhere, defendants SIMON SAED
 17 ALIZADEH and KIAN ASHKANIZADEH caused to be placed in a United States
 18 post office and other authorized depository for mail matter, items to
 19 be sent and delivered by the United States Postal Service, as set
 20 forth below.

21	<u>COUNT</u>	<u>DATE</u>	<u>SENDER</u>	<u>ADDRESSEE</u>	<u>ITEM</u>
22	2	2/6/07	San Diego County Recorder	New Century Mortgage Corp, Irvine, CA	Deed of Trust

23
 24 All in violation of Title 18, United States Code, Sections 1341 and 2.

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COUNT	DATE	SENDER	RECIPIENT	ITEM
3	2/6/07	Chicago Title Co., Rancho Bernardo, CA	Sterling Stone Realty, Antioch, CA	\$200,000 interstate wire transfer of consulting fee for 1584 Triton
4	2/7/07	Chicago Title Co., Rancho Bernardo, CA	Sterling Stone Realty, Antioch, CA	\$200,000 interstate wire transfer of consulting fee for 1564 Triton

All in violation of Title 18, United States Code, Sections 1343 and 2.

Counts 5-8

MONEY LAUNDERING

[18 U.S.C. § 1956(a)(1)(B)(i)]

16. The allegations contained at paragraphs 1 through 3 are realleged and incorporated by reference.

17. On or about the following dates, within the Southern District of California and elsewhere, defendants SIMON SAED ALIZADEH and KIAN ASHKANIZADEH did knowingly conduct and attempt to conduct the following financial transactions affecting interstate commerce, knowing that each transaction involved the proceeds of some form of unlawful activity, and which in fact involved the proceeds of specified unlawful activity, that is, Mail Fraud and Wire Fraud in violation of Title 18, United States Code, Sections 1341 and 1343, and knowing that each transaction was designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said specified unlawful activities:

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COUNT	DATE	FINANCIAL TRANSACTION
5	2/9/07	Wire transfer of \$190,000 from Sterling Stone Realty to F.A.
6	2/13/07	Wire transfer of \$190,000 from Sterling Stone Realty to M.S.
7	2/14/07	Withdrawal of \$189,000 from F.A.'s US Bank account
8	2/16/07	Withdrawal of \$20,000 from M.S.'s Union Bank account

All in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

FORFEITURE ALLEGATIONS

18. The allegations contained in Counts 1 through 4 of this Indictment are re-alleged and incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c). The allegations contained in Counts 5 through 8 are re-alleged and incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 982(a)(1).

19. Upon conviction of the offenses of conspiracy to commit mail fraud, wire fraud and money laundering, in violation of Title 18, United States Code, Section 371, as set forth in Count 1, or mail fraud, in violation of Title 18, United States Code, Section 1341, as set forth in Count 2, or wire fraud, in violation of Title 18, United States Code, Section 1343, as set forth in Counts 3 and 4, defendants SIMON SAED ALIZADEH and KIAN ASHKANIZADEH shall forfeit to the United States any property constituting or derived from proceeds traceable to such offense, including but not limited to a sum of money equal to

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1 the total amount of proceeds obtained directly or indirectly as a
2 result of the offenses.

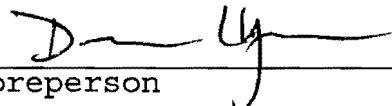
3 20. Upon conviction of the offense of money laundering, in
4 violation of Title 18, United States Code, Section 1956(a)(1)(B)(i),
5 as set forth in Counts 5 through 8, defendants SIMON SAED ALIZADEH and
6 KIAN ASHKANIZADEH shall forfeit to the United States any real or
7 personal property involved in such offense or traceable to such
8 property.

9 21. Pursuant to Title 21, United States Code, Section 853(p),
10 the defendants shall forfeit substitute property, up to the value of
11 the amount described above, if, as a result of any act or omission of
12 the defendants, the property described above, or any portion thereof,
13 cannot be located upon the exercise of due diligence; has been
14 transferred, sold to, or deposited with a third party; has been placed
15 beyond the jurisdiction of this court; has been substantially
16 diminished in value; or has been commingled with other property which
17 cannot be divided without difficulty.


18 All pursuant to Title 18, United States Code, Sections 982(a)(1) and
19 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).


20 DATED: February 2, 2012.

21 A TRUE BILL:

22 
23 _____
Foreperson

24 LAURA E. DUFFY
25 United States Attorney

26 By: 
27 VALERIE H. CHU
Assistant U.S. Attorney

28 By: 
STEPHEN P. CLARK
Assistant U.S. Attorney