

SEARCH WARRANT ON WRITTEN AFFIDAVIT

COPY

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| UNITED STATES DISTRICT COURT | CENTRAL DISTRICT OF CALIFORNIA |
| UNITED STATES OF AMERICA v. | DOCKET NO. 12-1398M MAGISTRATE'S CASE NO. |
| THE PREMISES KNOWN AS: 1221 East Dyer Road, Suite 110, Santa Ana, California, 92705 | TO: ANY SPECIAL AGENT(S) WITH THE FBI OR ANY OTHER AUTHORIZED OFFICER |

Affidavit having been made before me by the below-named affiant that he has reason to believe that on the premises known as

SEE ATTACHMENT A

in the Central District of California

there is now being concealed certain property, namely:

SEE ATTACHMENT B*

and as I am satisfied that there is probable cause to believe that the property so described is being concealed on the person or premises above-described and the grounds for application for issuance of the search warrant exist as stated in the supporting affidavit, which are incorporated herein by reference and attached hereto.

YOU ARE HEREBY COMMANDED to search on or before fourteen (14) days (not to exceed 14 days) the person or place named above for the property specified, serving this warrant and making the search (in the daytime--6:00 A.M. to 10:00 P.M.) (at any time in the day or night)** and if the property be found there to seize it, leaving a copy of this warrant and receipt for the property taken, and prepare a written inventory of the property seized [in accordance with the procedures set forth in the application] and promptly return this warrant to the duty U.S. Magistrate Judge as required by law.

| | | |
|---|---|---|
| NAME OF AFFIANT FBI SA PATRICK BALDREE | SIGNATURE U.S. MAGISTRATE JUDGE *** ANDREW J. WISTRICH | DATE/TIME ISSUED <u>12:15</u> <u>6-13-2012</u> |
|---|---|---|

* If sophisticated hashing tools are to be used, they have to be listed in Attachment B and incorporated as part of the warrant
 ** If a search is to be authorized "at any time in the day or night" pursuant to Federal Rules of Criminal Procedure Rule 41(e)(2)(A)(ii), show reasonable cause therefor.
 *** United States Judge or Judge of a State Court of Record.

AUSA: A. Neuman *AN*

RETURN

DATE WARRANT RECEIVED

DATE AND TIME WARRANT EXECUTED

**COPY OF WARRANT AND RECEIPT
FOR ITEMS LEFT WITH**

INVENTORY MADE IN THE PRESENCE OF

INVENTORY OF PROPERTY TAKEN PURSUANT TO THE WARRANT

CERTIFICATION

I swear that this inventory is a true and detailed account of all the property taken by me on the warrant.

Subscribed, sworn to, and returned before me this date.

U.S. JUDGE OR MAGISTRATE

DATE

RETURN FOR DIGITAL DEVICES

INVENTORY OF PROPERTY TAKEN PURSUANT TO THE WARRANT

INVENTORY OF PROPERTY RETURNED

DEVICES AND DATA RETAINED PURSUANT TO COURT ORDER

CERTIFICATION

I swear that this inventory is a true and detailed account of all digital data that was seized as falling within the items to be seized in the warrant. To my knowledge, the government has destroyed or returned all copies of data that it was not otherwise entitled to keep pursuant to the warrant or other court order.

Subscribed, sworn to, and returned before me this date.

U.S. JUDGE OR MAGISTRATE

DATE

ATTACHMENT A

SUBJECT PREMISES TO BE SEARCHED

1. SUBJECT PREMISES 1 is more particularly described as follows:

a. SUBJECT PREMISES 1 is located at 1 Taiga, Coto De Caza, CA 92679 and includes the main residence and all attached ~~and unattached~~ rooms, attics, garages and storage areas, safes, lockers, briefcases, containers, trash bags, trash, ^{and} trash areas aΔW and ~~vehicles~~ ₂ located on the premises.

b. SUBJECT PREMISES 1 is a two story house, light tan in color, and the surrounding premises. A flag-shaped driveway, approximately 75-100 feet long leads up to the house. The driveway turns to the right as it nears the residence in SUBJECT PREMISES 1. Based on an overhead photograph of SUBJECT PREMISES 1, it appears that two garages, one to the right and the other to the left, sit next to the main entrance to the residence in SUBJECT PREMISES 1. Although it is unclear based on the photographs whether the garages are attached or detached from the residence, these garages are part of SUBJECT PREMISES 1 due to the fact that the garages are in the control of known subjects and the items to be seized may be located inside these garages.

c. A public records search indicates the residence in SUBJECT PREMISES 1 is a 5,880 sq. foot house with 5 bedrooms and 5 1/2 bathrooms.

d. SUBJECT PREMISES 1 is located inside a gated residential community named Coto De Caza in Orange County, California.

2. SUBJECT PREMISES 2 is more particularly described as follows:

a. SUBJECT PREMISES 2 is located at 13841 Tustin East Drive, Unit Number 56, Tustin, CA 92780 and includes all attached and unattached rooms, attics, garages and storage areas, safes, lockers, briefcases, containers, trash bags, trash, ^{and} trash areas ~~and vehicles~~ located ⁱⁿ parking spots ^{or other areas} assigned to SUBJECT PREMISES 2. ^{within the premises or in}

agw

b. SUBJECT PREMISES 2 is an apartment, unit number 56, located on the second story of a multi-unit building. The building is tan and red/dark brown in color. Stairs lead up to the one and only entrance to SUBJECT PREMISES 2. The stairs and the entrance to SUBJECT PREMISES 2 face southeast.

c. On September 16, 2011 and May 30, 2012, I interviewed an individual who was formerly a maintenance technician employed to care for the apartment complex located at 13841 Tustin East Drive, Tustin, CA. During this conversation the maintenance technician advised the following:

i. SUBJECT PREMISES 2 is an apartment located in the Avalon Communities apartment complex.

ii. SUBJECT PREMISES 2 consists of one living room, one kitchen, one bedroom and one bathroom. SUBJECT

PREMISES 2 has one entrance/exit and does not have a "slider."

iii. SUBJECT PREMISES 2 is approximately 685-700 square feet in livable space.

3. SUBJECT PREMISES 3 is more particularly described as follows:

a. SUBJECT PREMISES 3 is office space located at 1221 East Dyer Road, Suite 110, Santa Ana, California, 92705, and includes all attached ~~and unattached~~ rooms, storage areas, safes, lockers, briefcases, containers, trash bags, trash, and trash areas located on the premises.

gfw

b. SUBJECT PREMISES 3 is a unit (numbered 110) located inside a two story beige office building which is part of the "Orange County Business Park" with tinted windows surrounding the building on each floor. There is a double glass-door entrance on the ground floor of the south side of the building. Through these double glass-doors, the entrance to suite 110 is the first door to the right. The entrance to suite 110 is a light colored wood door with black metal trim. To the left of the door, a clear plastic plate displays the numbers "110" in black letters. Suite 110 does not have any signs or markings, outside or inside, indicating a name of a company or the function or type of the business. Several work-station cubicles and multiple offices are located inside SUBJECT PREMISES 3.

ATTACHMENT B

ITEMS TO BE SEIZED

1. The items to be seized are as follows:

a. Any and all records dating from April 1, 2010 to the present relating to the below-listed properties including, but not limited to: grant deeds, deeds of trust, mortgage notes, loan applications, purchase offers, purchase contracts/agreements, short sale applications, short sale approval letters; escrow documents to include buyer/seller instructions, escrow receipt of funds, and escrow disbursements/schedules; title insurance company records including preliminary title reports and title policies; appraisal/broker price opinion documents, and MLS records/listings:

1. 1 Taiga, Coto De Caza, CA
2. 72530 Greenbriar Lane, Palm Desert, CA
3. 11645 Montana Ave # 340, Los Angeles, CA
4. 11725 Concord St., Cerritos, CA
5. 219 Pauline Place, Costa Mesa, CA
6. 23044 Victory Blvd., Woodland Hills, CA
7. 29857 Quail Run Dr, Agoura Hills, CA
8. 3120 Colebrook Lane, Dublin, CA
9. 4024 Channel Place, Newport Beach, CA
10. 459 County Rd., Pomona, CA
11. 460 S Paseo Bandera, Anaheim, CA

12. 6153 Turnberry Ct., Dublin, CA
13. 12233 Octagon St., Los Angeles, CA
14. 1344 Raymond Ave., Glendale, CA
15. 13939 Branton Place, Sherman Oaks, CA
16. 5436 Woodman Ave., Sherman Oaks, CA
17. 1952 Stradella Rd., Los Angeles, CA
18. 4427 Mary Ellen Street, Sherman Oaks, CA
19. 4421 Mary Ellen Street, Sherman Oaks, CA
20. 4465 Gould Avenue, La Canada-Flintridge, CA
21. 28130 Ambergate Drive, Rancho Palos Verdes,
CA
22. 1239 N. Hoover Street, Los Angeles, CA
23. 1875 Loma Vista Drive, Beverly Hills, CA
24. 13870 Valley Vista Blvd., Sherman Oaks, CA
25. 1524 Util Circle, Oxnard, CA
26. 306 Coronado Street, Newport Beach, CA
27. 22964 Aspan Street, Lake Forest, CA

b. Any and all corporate documents dating from April 1, 2010 to the present relating to the ownership of corporate entities including but not limited to: articles of incorporation, articles of organization, certificates and statements of corporate signers and other corporate documents indicating the owners and/or authorized signers of the corporation for the following entities:

1. Discounted Property Investments

2. Management Resource Group
3. Newport Assets, LLC
4. Lexington Group, Inc.
5. Lexington Group, LLC
6. BTF Capital Partners, L.P.

c. Records, documents, programs and applications pertaining to personal and company finances, to include financial statements, balance sheets, accounting ledgers, financial receipts and banking records, to include bank statements, credit cards and checks;

d. Communications, or records of communications, to include email correspondence and attachments, with individuals or other entities concerning real estate transactions, including records or applications on cellular telephones containing or evidencing text messages, email messages, telephone number or address records, and records of calls or communications transmitted or received;

this category limited to 4/1/2010 to present a/w

e. Any of the following valuable items, if valued at over \$1,000:

- 1) Cash
- 2) Gold and/or other valuable metals
- 3) Jewelry
- 4) Luxury clothing
- 5) Electronics
- 6) Casino chips

f. Any computer or cellular telephone used to facilitate the above-listed violations and forensic copies thereof.

g. Identification documents which contain name(s) or other mean(s) of identification which are different than the true legal names or means of identification of individuals located at the SUBJECT PREMISES 1, 2, and 3.

h. With respect to any digital devices containing evidence falling within the scope of the foregoing search categories, records, documents, programs, applications or materials, or evidence of the absence of same, sufficient to show the actual user(s) of the digital device during the time period between April 1, 2010 and present.

i. As used above and below, the terms records, documents, programs, applications or materials include records, documents, programs, applications or materials created, modified or stored in any form, including in digital form on any digital device and any forensic copies thereof. As used both above and below, the term "digital device" includes any electronic system or device capable of storing and/or processing data in digital form, including: central processing units; laptop or notebook computers; personal digital assistants; wireless communication devices such as telephone paging devices, beepers, and mobile telephones; peripheral input/output devices such as keyboards, printers, scanners, plotters, monitors, and drives intended for

removable media; related communications devices such as modems, cables, and connections; storage media such as hard disk drives, floppy disks, compact disks, magnetic tapes used to store digital data (excluding analog tapes such as VHS), and memory chips; and security devices.

2. In searching for digital devices and in searching digital data stored on digital devices, law enforcement personnel executing this search warrant will employ the following procedure:

a. Law enforcement personnel or other individuals assisting law enforcement personnel will, in their discretion, either search the digital device(s) on-site or seize and transport the device(s) to an appropriate law enforcement laboratory or similar facility to be searched at that location. The team of law enforcement personnel, which may include the investigating agent(s), and/or individuals assisting law enforcement personnel searching the digital device(s) shall complete the search as soon as is practicable but not to exceed 60 days from the date of execution of this warrant. If additional time is needed, the government may seek an extension of this time period from the Court within the original 60 day period from the date of execution of the warrant.

b. The team searching the digital devices will do so only by using search protocols specifically chosen to identify only the specific items to be seized under this warrant.

i. The team may subject all of the data contained in the digital device capable of containing items to be seized as specified in this warrant to the protocols to determine whether the digital device and any data falls within the items to be seized as set forth herein. The team searching the digital device may also search for and attempt to recover "deleted," "hidden" or encrypted data to determine, pursuant to the protocols, whether the data falls within the list of items to be seized as set forth herein.

ii. The team searching the digital device also may use tools to exclude normal operating system files and standard third-party software that do not need to be searched.

c. When searching a digital device pursuant to the specific protocols selected, the team searching the digital device shall make and retain notes regarding how the search was conducted pursuant to the selected protocols.

d. If the team searching a digital device pursuant to the selected protocols encounters immediately apparent contraband or other evidence of a crime outside the scope of the items to be seized, the team shall immediately discontinue its search of that digital device pending further order of Court and shall make and retain notes detailing how the contraband or other evidence of a crime was encountered, including how it was immediately apparent contraband or evidence of a crime.

e. At the conclusion of the search of the digital

devices as set forth in subparagraph (a) above, any digital device determined to be itself an instrumentality of the offense(s) and all the data thereon shall be retained by the government until further order of court or one year after the conclusion of the criminal case/investigation.

f. Notwithstanding the above, after the completion of the search of the digital devices as set forth in subparagraph (a) above, the government shall not access digital data falling outside the scope of the items to be seized in this warrant on any retained digital devices or digital data absent further order of court.

g. If the search team determines that a digital device is not an instrumentality of any offense under investigation and does not contain any data falling within the list of items to be seized pursuant to this warrant, the government will as soon as practicable return the digital device and delete or destroy all the forensic copies thereof.

h. If the search determines that the digital device or the forensic copy does contain data falling within the list of the items to be seized pursuant to this warrant, the government may retain the digital device and the forensic copy without further order of the court.

3. In order to search for data that is capable of being read or interpreted by a digital device, law enforcement personnel are authorized to seize the following items, subject to

the procedures set forth above:

- a. Any digital device capable of being used to commit, further or store evidence of the offense listed above;
- b. Any equipment used to facilitate the transmission, creation, display, encoding or storage of digital data, including word processing equipment, modems, docking stations, monitors, printers, plotters, encryption devices and optical scanners;
- c. Any magnetic, electronic or optical storage device capable of storing data, such as floppy disks, hard disks, tapes, CD-ROMs, CD-R, CD-RWs, DVDs, optical disks, printer or memory buffers, smart cards, PC cards, memory calculators, electronic dialers, electronic notebooks, cellular telephones and personal digital assistants;
- d. Any documentation, operating logs and reference manuals regarding the operation of the digital device or software used in the digital device;
- e. Any applications, utility programs, compilers, interpreters and other software used to facilitate direct or indirect communication with the digital device;
- f. Any physical keys, encryption devices, dongles and similar physical items that are necessary to gain access to the digital device or data stored on the digital device; and
- g. Any passwords, password files, test keys, encryption codes or other information necessary to access the digital device or data stored on the digital device.

4. The special procedures relating to digital media found in this warrant govern only the search of digital media pursuant to the authority conferred by this warrant and do not apply to any search of digital media pursuant to any other court order.

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A F F I D A V I T

I, Patrick Baldree, being duly sworn, hereby depose and state:

I. INTRODUCTION

1. I am a Special Agent ("SA") with the Federal Bureau of Investigation ("FBI") presently assigned to the FBI's Los Angeles Division-Santa Ana Resident Agency, and have been so employed since March of 2004. I am currently assigned to a white collar crime squad. Prior to joining the FBI, I worked for a financial institution for approximately two years. During the sixteen weeks of training I completed at the FBI Academy in Quantico, Virginia, I received specific training in the areas of financial institution fraud, securities fraud, credit card fraud, and other white collar federal offenses. Since becoming an SA, I have attended various fraud seminars and classes, including specific training in corporate fraud, financial institution fraud, mortgage fraud, and short sale fraud as well as general white collar crime investigative training sponsored by the FBI and other law enforcement organizations. I am responsible for, and have been trained in, the investigation of fraud cases like this investigation. I have investigated and actively participated in numerous white collar crime cases using a variety of investigative techniques, including interviews and interrogations, subpoenas, search warrants, records analysis, public records searches, surveillance, Title III wiretaps,

consensual recordings and more. As a member of a white collar crime squad, my duties are to investigate violations of federal statutes including, but not limited to, bank fraud (18 U.S.C. § 1344), mail fraud (18 U.S.C. § 1341), wire fraud (18 U.S.C. § 1343), loan fraud (18 U.S.C. § 1014) and other related financial crimes.

2. The information in this affidavit is based on my personal participation in this investigation and knowledge obtained by reviewing documents, such as escrow files and bank records, and electronic surveillance, such as consensual audio and video recordings; by speaking with witnesses, victims, cooperating targets, and other special agents and investigators; and based on my training and personal experience. This affidavit is intended to show only that there is sufficient probable cause for the requested warrants and does not purport to set forth all of my knowledge of, or investigation into, this matter. Unless specifically indicated otherwise, all conversations and statements described in this affidavit are related in substance and in part only.

3. This affidavit is made in support of an application for warrants to search the following locations:

a. The house and surrounding premises located at 1 Taiga, Coto De Caza, California 92679 ("SUBJECT PREMISES 1").

b. The apartment located at 13841 Tustin East Drive, Unit number 56, Tustin, California 92780 ("SUBJECT PREMISES 2").

c. The office space located at 1221 East Dyer Road, Suite 110, Santa Ana, California, 92705 ("SUBJECT PREMISES 3"). SUBJECT PREMISES 1, 2 and 3 are further described in Attachment A, which is incorporated by reference into this affidavit.

II. SUBJECT PREMISES TO BE SEARCHED

4. SUBJECT PREMISES 1 is more particularly described as follows:

a. SUBJECT PREMISES 1 is located at 1 Taiga, Coto De Caza, CA 92679 and includes the main residence and all attached and unattached rooms, attics, garages and storage areas, safes, lockers, briefcases, containers, trash bags, trash, trash areas and vehicles located on the premises.

b. SUBJECT PREMISES 1 is a two story house, light tan in color, and the surrounding premises. A flag-shaped driveway, approximately 75-100 feet long leads up to the house. The driveway turns to the right as it nears the residence in SUBJECT PREMISES 1. Based on an overhead photograph of SUBJECT PREMISES 1, it appears that two garages, one to the right and the other to the left, sit next to the main entrance to the residence in SUBJECT PREMISES 1. Although it is unclear based on the photographs whether the garages are attached or detached from the residence, these garages are part of SUBJECT PREMISES 1 due to the fact that the garages are in the control of known subjects and the items to be seized may be located inside these garages.

c. A public records search indicates the residence in

SUBJECT PREMISES 1 is a 5,880 sq. foot house with 5 bedrooms and 5 ½ bathrooms.

d. SUBJECT PREMISES 1 is located inside a gated residential community named Coto De Caza in Orange County, California.

5. SUBJECT PREMISES 2 is more particularly described as follows:

a. SUBJECT PREMISES 2 is located at 13841 Tustin East Drive, Unit number 56, Tustin, CA 92780 and includes all attached and unattached rooms, attics, garages and storage areas, safes, lockers, briefcases, containers, trash bags, trash, trash areas and vehicles located in parking spots assigned to SUBJECT PREMISES 2.

b. SUBJECT PREMISES 2 is an apartment, unit number 56, located on the second story of a multi-unit building. The building is tan and red/dark brown in color. Stairs lead up to the one and only entrance to SUBJECT PREMISES 2. The stairs and the entrance to SUBJECT PREMISES 2 face southeast.

c. On September 16, 2011 and May 30, 2012, I interviewed an individual who was formerly a maintenance technician employed to care for the apartment complex located at 13841 Tustin East Drive, Tustin, CA. During this conversation the maintenance technician advised the following:

i. SUBJECT PREMISES 2 is an apartment located in the Avalon Communities apartment complex.

ii. SUBJECT PREMISES 2 consists of one living room, one kitchen, one bedroom and one bathroom. SUBJECT PREMISES 2 has one entrance/exit and does not have a "slider."

iii. SUBJECT PREMISES 2 is approximately 685-700 square feet in livable space.

6. SUBJECT PREMISES 3 is more particularly described as follows:

a. SUBJECT PREMISES 3 is office space located at 1221 East Dyer Road, Suite 110, Santa Ana, California and includes all attached and unattached rooms, storage areas, safes, lockers, briefcases, containers, trash bags, trash, and trash areas located on the premises.

b. SUBJECT PREMISES 3 is a unit (numbered 110) located inside a two story beige office building which is part of the "Orange County Business Park" with tinted windows surrounding the building on each floor. There is a double glass-door entrance on the ground floor of the south side of the building. Through these double glass-doors, the entrance to suite 110 is the first door to the right. The entrance to suite 110 is a light colored wood door with black metal trim. To the left of the door, a clear plastic plate displays the numbers "110" in black letters. Suite 110 does not have any signs or markings, outside or inside, indicating a name of a company or the function or type of the business. Several work-station cubicles and multiple offices are located inside SUBJECT PREMISES 3.

III. ITEMS TO BE SEIZED

7. The items to be seized are defined in Attachment B.

8. The items to be seized are evidence, fruits, and/or instrumentalities of violations of 18 U.S.C. §§ 1343 (Wire Fraud), 1344 (Bank Fraud), and 1349 (Conspiracy to Commit Wire Fraud and Bank Fraud), as set forth below and in Attachment B.

IV. DESCRIPTION OF RELEVANT TERMS

9. This search warrant is sought as part of a real estate and mortgage fraud investigation focused on the activities of several individuals and their involvement in fraudulent real-property transactions. Explaining the various real estate transactions in question will require the use of various common, as well as uncommon, real estate terms. In order to facilitate the reading of this affidavit I will define several relevant terms which will be used throughout this affidavit. The definitions included herein are based on my training and experience, interviews I have conducted relating to this case and information readily available on various real estate related websites. Based on those sources, the following terms are defined as follows for purposes of this affidavit:

a. Title: Generally every parcel of land with designated boundaries, whether developed or undeveloped, has a title of ownership. In the United States, title of ownership is generally overseen and maintained by the county within which the specific parcel is located. A county recorder's office generally

maintains records relating to any and all land improvements, specific descriptions of the property (for example whether a particular parcel of land has a single family residence located on the property), changes of ownership, and liens, judgements or encumbrances filed against the property. These records, organized chronologically, are commonly referred to as the "chain of title." In California, the law requires that any change to the title of a property be recorded by the county recorder's office.

b. Grant Deed: A grant deed is a real estate instrument used to record a change of ownership from one party to another. This form is generally used when a property is sold for consideration from one party to another. The seller, or grantor, must sign the grant deed. Counties within the state of California require the signature on a grant deed to be notarized.

c. Deed of Trust: A deed of trust, or trust deed, is an instrument used to record a loan secured against a specific property, such as a mortgage. The deed of trust indicates the amount and terms of the loan, and must be signed by the borrower. The signature of the borrower on a deed of trust is often, if not always, notarized. Upon repayment of a mortgage note or other loan secured against the property, the deed of trust should be reconveyed and removed from the title of the property. A property can have multiple deeds of trust recorded against it at the same time. Generally, the deeds of trust are referred to in

the order they were filed against the property, for example first trust deed, second trust deed and so on.

d. Escrow Company: In California, escrow companies are used as settlement agents for real estate transactions. The primary responsibility of an escrow company is to act as a fiduciary agent between the various parties to a real estate transaction and make sure the proper documents are filled out and executed by the responsible parties. Escrow companies maintain escrow trust bank accounts which are used to maintain security and control over the monies received and disbursed by the escrow company. In order to open escrow on a real estate transaction, the seller and buyer must execute a purchase contract, indicating, among other things, the sales price. Also, in order to open the escrow file, an earnest money deposit into the escrow trust bank account is generally required from the buyer. In California, escrow companies are responsible for executing a HUD-1 Settlement Statement which is used to record and disclose all receipts and disbursements of funds relating to a specific real estate transaction. The accuracy of the HUD-1 is relied upon by the various parties to the transaction.

e. Title Insurance Company: The responsibility of a title company is to provide insurance to a buyer as well as any and all lenders on a real estate transaction. A title company policy insures clear title, that is, that the seller has the power to convey the property, among other things. Generally the

seller pays for the buyer's title policy and the buyer pays for the lenders' policy. Title companies often provide a "Preliminary Title Report" which is used and relied upon by the various parties leading up to the closing of a real estate transaction, prior to the title insurance policies taking effect. In California, the title insurance companies are typically responsible for paying off any and all secured liens on a property during a sale transaction, prior to closing. After all secured liens are paid off, the title insurance company will forward any and all sale proceeds to the escrow company for disbursement. The escrow company disburses the remaining funds to various unsecured payees pursuant to the escrow instructions (for example seller proceeds, broker commission payments and any and all additional fees).

f. Short Sale Transaction: A short sale transaction is one in which a lender, holding a deed of trust on a property, agrees to accept a lesser amount than what is owed to the lender pursuant to the note in exchange for the property. A short sale generally occurs when the value of a property has dropped below the principal amount owed on one or more of the mortgage notes on the same property. Due to various factors, including a distressed homeowner and/or a non- or underperforming note, a lender may agree to a short sale. Generally, when a lender agrees to a short sale transaction, the lender will issue a "short sale approval letter" which indicates the price the lender

is willing to accept from a prospective buyer in order to release its interest in the property (through the reconveyance of its lien(s)).

g. Hard-money Lender: A hard-money lender is a party that issues a loan against a property based primarily on the property's value and the amount of the homeowner's equity in the property. Hard-money lenders are typically less concerned with credit scores or other qualification requirements than conventional lenders since they lend strictly on the value of the subject property which acts as collateral for the subject loan. Due to the risks incurred by this type of lending, a hard-money lender typically charges higher interest rates and fees than a conventional mortgage lender. It is common practice for a hard-money lender to record a deed of trust against the subject property for the amount of its loan, which provides the lender with the recourse of foreclosing on the property in case of a default on the terms of the loan. Hard-money loans typically have a shorter term than conventional mortgage loans.

h. Transactional Lender: A transactional lender is similar to a standard hard-money lender, in that a transactional lender is willing to lend based on the value of the subject property. A transactional lender, however, provides short-term "bridge" financing to individuals who need capital to effect a purchase. These types of loans are typically sought in a situation of arbitrage when individuals are executing on a front-

end, or "A-B" transaction, when a back-end, or "B-C" transaction, has been agreed to and is ready to close immediately upon the closing of the "A-B".¹ Transactional loans generally have extremely short terms, such as 48 or 72 hours. Due in part to the short-term nature of their loans, transactional lenders will often not record a deed of trust against the title of the subject property. Most often, a deed of trust will be executed and held by the escrow company or title company for the term of the loan. As long as the transactional lender is made whole on their note within the terms of the loan, the deed of trust is never filed. However, in case of a default, the transactional lender will instruct escrow or title to record the deed of trust, thereby allowing the transactional lender to pursue recourse through foreclosure. In order to qualify for a transactional loan, the borrower on the "A-B" transaction is often required to provide proof that the "B-C" leg of the transaction is legitimate and ready to close. This type of proof often includes escrow receipts of deposit, bank statements and loan approvals for the "C" borrower/buyer. Like hard-money lenders, transactional lenders often charge high interest rates, points and fees due to the risks they assume on their loans.

¹ A-B and B-C transactions are referred to throughout this affidavit. For clarity, these refer to real estate transactions where homeowner "A" sells a property to buyer "B" (the "A-B transaction") who then, as part of a separate, usually pre-arranged transaction, sells the property to another buyer "C" (the "B-C transaction").

V. PROBABLE CAUSE

8. This affidavit focuses primarily on the actions of two individuals: ATIQULLAH NABIZADA ("NABIZADA"), also known as ("aka") "Gio Khair," aka "Avon Tess," aka "Kevin Smith," aka "Ralph Aduchi," aka "Victor Cruz," and KENNETH FREDERICK MOORE ("MOORE"), aka "David Brown," aka "Lloyd Holbrook." Based upon interviews with witnesses, and a review of bank records and other documents, I am aware that NABIZADA and MOORE own, operate, and/or control businesses, including Discounted Property Investments ("DPI"), Management Resource Group ("MRG"), Newport Assets, LLC, Lexington Group, and others known and unknown, which they have used as shell companies in the course of certain fraudulent real estate schemes.

9. I am aware, based on observations of law enforcement personnel, information obtained from public records and the California Department of Motor Vehicles ("DMV"), and interviews of witnesses, that NABIZADA currently resides at SUBJECT PREMISES 1, MOORE currently resides at SUBJECT PREMISES 2, and NABIZADA and MOORE use the office space that constitutes SUBJECT PREMISES 3. The basis for this knowledge is set forth in greater detail below. As discussed herein, there is probable cause to believe that each of these locations contains fruits, evidence, and/or instrumentalities of the identified criminal violations.

10. On June 1, 2012, a federal grand jury returned an indictment charging NABIZADA and MOORE each with one count of

violating 18 U.S.C. § 1349: conspiracy to commit wire fraud, and each with one count of violating 18 U.S.C. § 1028A(a)(1): aggravated identity theft. That indictment is currently under seal, but is expected to be unsealed upon the arrest of NABIZADA and MOORE, which agents hope to accomplish on the same day that the instant search warrants are executed (if approved). That indictment is based on their actions related to the property on Ambergate Drive in Rancho Palos Verdes, California (the "Ambergate Property"), which is discussed below.

11. Based on what I have discovered during this investigation, and as set forth herein, there is probable cause to believe that NABIZADA and MOORE have been involved in a variety of real estate fraud schemes involving multiple properties and victims, as well as millions of dollars of losses. These are in addition to the attempted transaction related to the Ambergate Property for which NABIZADA and MOORE have been indicted. For purposes of this affidavit, I will describe three distinct real estate schemes which appear to be orchestrated by NABIZADA and MOORE together with other individuals. I will refer to these three schemes as follows: 1) Fictitious Short Sale Approval Letter Fraud, 2) Transactional Funding Fraud and 3) Title Takeover Fraud. These three schemes are further defined and described below.

12. The information in this affidavit is based on various investigative steps taken during the course of this

investigation, including interviews of victims, witnesses, subjects and targets, including the cooperator discussed in the following paragraph, a review of bank records, a review of public records, analysis of escrow records and several undercover communications such as recordings of in-person meetings and telephone calls, emails and text messages, including with the cooperator discussed below. Where possible, I have attempted to provide the source of any information contained herein.

Summaries of the various fraudulent schemes are based on the entirety of the information and all of the evidence that I and other investigators have collected, and are intended to be summaries and generalizations of how the schemes operated, rather than detailed analysis of the schemes, which usually contained minor (and sometimes major) variations in their executions.

13. One of the co-conspirators in these schemes began cooperating with law enforcement during the course of this investigation, following the execution of a search warrant at that person's home. The co-conspirator, who will not be identified by name herein because of safety concerns but who will be referred to as the "cooperator," is represented by counsel and has been told that he/she will be charged with felony criminal violations related to his/her participation in the fraudulent schemes identified herein. The cooperator has participated in numerous proffers of information with agents and government counsel, and has, at the direction of agents, also participated

in surreptitiously recorded telephone conversations and in-person meetings with NABIZADA, MOORE, and other co-conspirators. The cooperator has also participated in email and text message exchanges with these individuals, and the messages have been provided to the FBI and I have reviewed those pertinent to this affidavit. The cooperator is cooperating with law enforcement with the understanding that his/her cooperation will be brought to the attention of the United States district court judge who eventually sentences the cooperator for his/her role in the identified fraudulent schemes, and in the hopes of eventual leniency at the time of sentencing.

a. During the course of recorded conversations with the cooperator, which I have reviewed, NABIZADA and MOORE have each acknowledged, to varying degrees, their involvement in the schemes described below.

b. Based on the investigation to date, including the recordings of the conversations involving the cooperator as well as independent investigation by law enforcement, the cooperator has been shown to be reliable, in that the information that he/she has provided to date has been independently verified to the extent possible, and has turned out to be truthful as far as I know.

A. FICTITIOUS SHORT SALE APPROVAL LETTER FRAUD

14. Based on my training and experience, I know the following:

a. In order for a legitimate short sale to take place, one or more of the lenders holding notes against a particular residential property must agree to allow the homeowner to sell that property for less than what is owed on the notes.

b. The lender, or lenders, must approve the amount agreed upon by the seller and the buyer. Generally, lenders will provide a "short sale approval letter" to indicate their approval of a short sale price and their agreement to accept an amount of money less than they are owed in order to reconvey their liens on the subject property.

c. In addition, the homeowner who is defaulting on the loans must approve the sales price. In most cases of a short sale, such approval is predicated on approval of the sales price from the bank. Because the property is "under water," the homeowner will not receive any proceeds from a short sale. The benefit of a short sale to the homeowner is that they avoid foreclosure and its negative effects on their credit and are released from the loan(s). Thus, the homeowner in a short sale transaction will generally approve any reasonable sales price which they believe the lenders to whom they owe money will approve or have approved.

15. Based on the investigation to date, I am aware that the Fictitious Short Sale Approval Letter Fraud scheme works in substance as set forth below. This is a general outline of the scheme and is not intended to set forth all of my knowledge of

the scheme or all of the steps taken by NABIZADA, MOORE, and/or others to effect the fraudulent scheme:

a. NABIZADA, MOORE, and others have been involved in the fabrication and circulation of fraudulent short sale approval letters. These letters, purportedly drafted by Bank of America ("BoFA") personnel, indicate an approval for a short sale of a particular property for a particular amount. In fact, BoFA did not issue the letters and did not approve the particular short sales for the amounts listed in the letters. NABIZADA, MOORE, and others used these fraudulent approval letters to conduct fraudulent real estate transactions in a basic two-step process. First, NABIZADA, MOORE, and others use the fraudulent approval letters to purchase short sale properties for much less than the fair market value of the property (the "A-B transaction"). Second, they immediately turn around and sell the properties at a significant profit or refinance the properties and pull out the created equity in the form of cash (the "B-C transaction"). For purposes of this affidavit, "Party A" is the seller on the A-B transaction, "Party B" is the buyer on the A-B transaction and the seller on the B-C transaction, and "Party C" is the buyer on the B-C transaction (typically the end buyer).

b. NABIZADA, MOORE, and others identify a property, typically encumbered by one or more BoFA liens in default, which is or will be listed for sale. NABIZADA, MOORE, and/or others approach Party A, the sellers, or the sellers' realtor, and

present them with a purchase offer. NABIZADA, MOORE, and/or others often claim to have special relationships with BofA through which they are able to obtain short sale approvals for low prices in a timely manner. NABIZADA, MOORE and others make an agreement with Party A for a particular purchase price, which for the purpose of this affidavit is referred to as "the perceived price."

c. At or about the same time NABIZADA, MOORE, and others are negotiating the purchase contract with Party A, they often find other bonafide real estate investors or individuals wanting to purchase a home, Party C.² In some cases, NABIZADA, MOORE, and others then set up purported purchase contracts between Party A and themselves as Party B and/or shell entities owned and/or controlled by them as Party B, and separate purported purchase contracts between Party B and Party C. In other cases, NABIZADA, MOORE and others set up a purported purchase contract directly between Party A and Party C with the perceived price as the purported transaction amount, and insert themselves or their entities as Party B in the middle of the transaction at the last moment. In either case, both Party A and Party C believe the actual transaction amount is the perceived

² Although referred to herein as a "bonafide buyer," based on the evidence obtained to date, it appears that some of these individuals are in fact bonafide buyers in that they are innocent parties, while others appear to be co-conspirators in the fraudulent scheme who are willing to purchase the properties and assume the risk of ensuing litigation as a "cost of business."

price, and that they have a contract with each other. Also in either case, NABIZADA, MOORE, others, and the shell entities they own/control, are the Party B on the A-B and B-C transactions. The price on the A-B transaction, which for purposes of this affidavit is referred to as "the fraudulent approval price," is set at an amount far below the perceived price. Party A and Party C appear to be unaware of the fraudulent approval price.

d. NABIZADA and others create a fraudulent BofA short sale approval letter listing the fraudulent approval price as the amount BofA has approved for the short sale. NABIZADA, MOORE, and others hide the fact that the fraudulent short sale approval letters indicate an approval amount much lower than the perceived price agreed to by Party A and Party C. This way the short sale seller, Party A, and the bonafide buyer, Party C, do not become suspicious that the short sale approval letters from BofA are fraudulent. For instance, if Party A or Party C were aware that a purported short sale approval letter approved a price of approximately \$150,000 for a property that was worth approximately \$1,000,000, they would likely sense something was wrong and could potentially cause the fraudulent scheme to stop by withdrawing from the transaction.

e. The purpose of the fraudulent short sale approval letter is largely to fool the title company that is involved in the A-B transaction. That is, as described above, in California it is the responsibility of the title company to disburse funds

from a real estate transaction to the lenders in order to secure the reconveyance of all liens. In a short sale, the title companies will not wire the money to the lenders to pay off the loans without a short sale approval letter. In the case of a fraudulent short sale approval letter, the title company wires the fraudulent approval price to the lender under the impression that it has been approved. The title company will then assure the parties that title is clear and the property can be transferred in a subsequent B-C transaction. In the case of a BofA short sale, due to the volume of short sales happening during the relevant time period, title companies often did not wait for BofA to actually reconvey the deeds of trust prior to moving forward with the B-C transaction. Thus, in the case of fraudulent short sale approval letters, a title company, fooled into thinking that BofA had approved the short sale and would at a certain point reconvey their liens against the specific property, would allow the B-C transaction to move forward without receiving clearance from BofA in the form of a reconveyance of the deed of trust.

f. Once NABIZADA, MOORE, and others purchase the property in a short sale transaction under the name of Party B, they immediately sell the property to Party C, the bonafide purchaser. This sale is the "B-C" transaction. The A-B and the B-C transactions close almost concurrently. The difference between the fraudulent approval price and the perceived price is

often in the hundreds of thousands of dollars. This difference is provided to NABIZADA, MOORE, and others by a co-conspirator escrow agent and constitutes the proceeds of the fraudulent transactions.

g. In some cases, the A-B and B-C transactions are arranged as a single transaction ("A-C"), with a Party B inserted in the middle without the knowledge of Parties A or C. The scheme works the same in all other respects.

h. As part of the scheme, several of the escrow companies used by NABIZADA, MOORE, and others conspire to conceal the discrepancy between the fraudulent approval prices and the perceived prices from both the short sale seller, Party A, and the bonafide buyer, Party C. The escrow officers concealed this information by producing and circulating fraudulent HUD-1 Settlement Statements.

i. At the closing of the A-B transaction, the title company sends payoff wires to BofA for the amounts listed on the fabricated short sale approval letters. The title of the subject properties then transfers to Party B, the short sale buyer controlled by NABIZADA, MOORE, and others. As a result of sending the payoff wires to BofA, the title companies believe the pre-existing BofA liens will be reconveyed. However, since the approval letters are fraudulent, the amounts listed in them are not actually approved by BofA as short sale prices for the properties. Due to the number of BofA short sale properties and

the inundation of BofA's short sale department, the fraudulent payoff wires went undetected in some cases for two or three weeks. This window of time allows NABIZADA, MOORE, and others to re-sell, or "flip," the properties and receive the illicit proceeds.

j. Subsequent to the closing of the A-B transaction, NABIZADA, MOORE, and others usually flip the properties to bonafide buyers in the B-C transaction. In other instances, refinance loans are effected, almost immediately, by NABIZADA, MOORE, and others to pull the equity out of the properties. The proceeds from the B-C transactions or from the refinances go to NABIZADA, MOORE, and others. The title company on the B-C transaction at this point believes that Party B is the owner of the property free and clear and thus the transaction or refinancing is approved.

k. Ultimately, BofA identifies the wires received from the A-B transactions which are based on the fraudulent short sale approval letters. After detection, BofA rejects the wires and the funds are wired back to the title insurance companies. BofA does not reconvey the liens held against the subject properties. At that point, title has been clouded, NABIZADA, MOORE and other co-conspirators have fraudulently collected funds from the B-C transaction (sale and/or refinance), and the short sale seller Party A, BofA, the title insurance company and the bonafide purchaser Party C are left to sort out what has

happened.

1. NABIZADA, MOORE, and others often do not use their true names when communicating with other parties on these transactions. NABIZADA, MOORE, and others take on multiple names and pretend to be multiple people in order to accomplish the fraudulent scheme.

m. As noted above, this is a general description of the Fictitious Short Sale Approval Letter Fraud. Based on the investigation to date, it appears that NABIZADA, MOORE and others were involved in approximately 22 separate transactions that involved some variation of this scheme. These transactions involved many different homeowners/sellers (Party A), end-buyers (Party C), middle-buyers/companies (Party B, controlled by NABIZADA, MOORE and others), listing and selling real estate agents, title insurance representatives and escrow companies. As a result, each transaction may have slight variations (and sometimes major variations) in how it was executed and carried out by NABIZADA, MOORE and others. As such, the description above is general and is not an exact description of the scheme in every instance.

B. EVIDENCE AND EXAMPLES OF THE FICTITIOUS SHORT SALE APPROVAL LETTER FRAUD

16. On August 15, 2011, I interviewed Bert Autore ("Autore"), majority owner of Point Break Escrow ("PBE"). During this interview, Autore indicated that he had learned that JACKIE

BURCHELL ("BURCHELL"), an escrow officer and the office manager at PBE, had been involved in a number of short sale transactions wherein fraudulent short sale approval letters from BofA were used during the course of the transaction. Autore indicated that he had identified approximately 35 suspect transactions, several of which involved wires that BofA returned to PBE because BofA records indicated the short sale approval letters were false. Autore stated that when he and the attorney for PBE confronted BURCHELL about these transactions, she indicated the fraudulent short sale letters had come from an individual named "Kevin Smith." Autore and BURCHELL had previously discussed the fact that "Kevin Smith" and another individual she worked with, who is the cooperator identified herein, may in fact be the same person, and both Autore and BURCHELL believed them to be the same person, though Autore thought the cooperator's real name was "Kevin Smith" as opposed to the vice-versa reality.³ Autore believed that "Kevin Smith" was a bank negotiator, that is, an individual who works with or on behalf of a bank to negotiate short sale approvals, among other things. After learning of the fraudulent letters, Autore had BURCHELL place a call to "Kevin Smith" in the presence of Autore, during which Autore informed "Kevin Smith" of the problems with the short sale approval letters. "Kevin Smith" responded by saying that is impossible and added, "we do

³ As discussed below, BURCHELL knew that "Kevin Smith" was an alias used by the cooperator.

thousands of these a day." When Autore asked to be put in touch with the individual at BofA who had apparently signed the letters, "Kevin Smith" told Autore that the individual could only be reached via text message because he is so busy, but upon being pressured, said that he would have the individual call Autore. Autore never received any further contact from "Kevin Smith" or the individual purportedly at BofA who signed the letters.

17. On August 17 and September 9, 2011, I interviewed BURCHELL. During these interviews she advised me that she had worked as an escrow officer on many real estate transactions brought to her by the cooperator, who had been introduced to BURCHELL by an individual named "Gio Khair," with whom BURCHELL had worked for a number of years. "Gio Khair" has since been identified as NABIZADA, as discussed below.⁴ BURCHELL apparently does not know his true identity. NABIZADA had followed BURCHELL as she moved to different escrow companies. BURCHELL had worked on double-escrow transactions for NABIZADA, which she called "double closing" transactions. BURCHELL provided the interviewing agents with a hypothetical example of how one of these types of short sale, double-escrow transactions worked:

- a. NABIZADA would give BURCHELL a purchase contract

⁴ For ease of reference, all individuals are generally referred to by their true names throughout this affidavit after the aliases by which they may have been known are identified. Thus, although several individuals only know NABIZADA as "Gio Khair," he is referred to throughout, including in the summaries of the statements given by those individuals, as NABIZADA.

for \$400,000 for a particular property that was the subject of a short sale.

b. Later NABIZADA would give BURCHELL a purchase contract for that same property listing, but with a purchase price of \$100,000, which was the amount stated on the bank's short sale approval letter. BURCHELL said this was done so that the purchase contract and the HUD that went to the bank matched the approval letter.

c. The transaction would close for the lower amount, \$100,000. At the same time the \$100,000 transaction, or A-B transaction, closed, another transaction, the B-C, would close on that same property for \$400,000. The seller on the A-B and the buyer on the B-C often did not know that the short sale purchase amount was \$100,000.

18. During the August 17 and September 9, 2011 interviews, BURCHELL stated that NABIZADA and the cooperator often asked BURCHELL to do such double-escrow transactions. BURCHELL was aware that lenders do not allow double-escrows on short sale transactions because it indicates a party would be willing to pay more for the property than what the bank is receiving.⁵ It was very common for the cooperator, NABIZADA, and BURCHELL to make

⁵ Based on my training and experience, I know that double-escrow transactions are generally not allowed unless the fact that the transaction is a double-escrow is disclosed to all parties involved. Additionally, the purchase funds from the back-end transaction ("B-C") can not be used to fund the front-end transaction ("A-B").

false statements and provide misinformation to the parties involved in their double-escrow transactions, including the short sale lenders. BURCHELL said that at times she prepared "silent-transfer" forms, based on requests from NABIZADA and the cooperator, on their transactions. She indicated that a "silent-transfer" is a transaction in which the transfer tax on the deed is concealed from public record. NABIZADA and the cooperator requested silent-transfers in an effort to conceal the actual sales price on a transaction from the various parties involved. In about November 2010, BURCHELL began working for PBE, and NABIZADA and the cooperator followed her to her new employer with their real estate transactions. NABIZADA immediately brought her approximately six transactions. According to BURCHELL, although the details of each transaction NABIZADA and the cooperator effected were different, the end result was basically the same: the sellers on the A-B transaction and the buyers on the B-C transactions were often duped with regards to the real A-B purchase price. BURCHELL admitted preparing false HUD-1 settlement statements in order to conceal facts about the transactions from certain parties.

19. During the August 17 and September 9, 2011 interviews, BURCHELL said that NABIZADA told her that he and the cooperator were bribing insiders at BofA for the fraudulent short sale approval letters. BURCHELL recalled that in about March 2011, NABIZADA, who was working with the cooperator at the time, told

BURCHELL about a bank contact to whom he and/or the cooperator were paying a lot of money. NABIZADA told BURCHELL that he had given \$250,000 to the cooperator, some of which went to "someone in the bank" to get the "Turnberry deal" approved, a reference to a transaction on which BURCHELL worked involving a property on a street named "Turnberry." In another case, involving a property on a street called "Paseo Bandera," BURCHELL was surprised that NABIZADA and the cooperator were able to get a short sale approval letter for approximately \$110,000 for a property in what BURCHELL knew to be a fairly expensive neighborhood. At or about the beginning of 2011, NABIZADA told BURCHELL that he had lost his inside contact at BofA. Prior to losing his contact at the bank, NABIZADA brought BURCHELL approximately six deals that went through. However, after NABIZADA lost his contact at BofA, the payoff wires sent from the title insurance companies to BofA started getting rejected.

20. During my August 17 and September 9, 2011 interviews with BURCHELL, she told me that the cooperator at times used the alias "Kevin Smith" during his interactions with her and others relating to his real estate transactions. According to BURCHELL, the cooperator admitted using the alias and explained to BURCHELL that he/she needed to use a different identity when dealing with the banks on short sales. BURCHELL stated that NABIZADA communicated with BURCHELL from email address "secpropertyinv@gmail.com," and the cooperator communicated with

BURCHELL from email address "kevinsmithshortsale@gmail.com."
NABIZADA also used the name "Avon Tess" when acting as an asset manager. NABIZADA told BURCHELL he used the name "Avon Tess" to help keep the business straight. BURCHELL received the short sale approval letters for the NABIZADA and cooperator transactions from the email address kevinsmithshortsale@gmail.com. Eventually BURCHELL learned that the short sale approval letters she received for the NABIZADA transactions were fraudulently manufactured and did not really come from BofA.

21. On December 2 and December 6, 2011, as well as on January 5, 2012, I interviewed the cooperator. During these interviews, the cooperator told me the following, among other pieces of information:

a. The cooperator reviewed a DMV photograph of NABIZADA, CA driver license number ("CDL") BXXX1481 (three digits redacted), and identified the individual in this photograph as the person he/she knows as "Gio Khair." The cooperator was not sure if "Gio Khair" was NABIZADA's true name since NABIZADA was very secretive. The cooperator knew that NABIZADA used the alias of "Avon Tess," and an email address of secpropertyinv@gmail.com while on the phone and in emails relating to BofA short sales.

b. The cooperator participated in several real estate transactions with NABIZADA and also did several transactions with BURCHELL who was with PBE. Most of the deals the cooperator did

with NABIZADA and BURCHELL were identified and brought in by NABIZADA.

c. The cooperator knew the BofA short sale approval letters that went through PBE were fraudulent in one way or another. At the time the transactions were going through, the cooperator believed the approval letters were authentically issued by an employee of BofA as a result of bribe payments. The cooperator has since discovered the short sale approval letters were fabricated and altered. The cooperator believes the approval letters were altered by NABIZADA or NABIZADA's brother-in-law, Waheed "Dean" NOORY ("NOORY"). The cooperator admitted to using names other than his/her true name during the PBE transactions.

d. The cooperator indicated that NABIZADA at times used an email address of kevin-smith-shortsale@gmail.com, as did other co-conspirators. The cooperator could not recall who established this email address, however, NABIZADA used it to act as "Kevin Smith" during some of the BofA short sale transactions. The cooperator or NABIZADA set up the Kevin Smith email address to distance themselves from the BOA short-sale transactions.

e. NABIZADA did several transactions in which the cooperator was not involved. The cooperator estimated NABIZADA did approximately 30 transactions not involving the cooperator.

f. The cooperator knows that NABIZADA owned at least two companies: Management Resource Group ("MRG") and Discounted

Property Investments ("DPI"). NABIZADA used companies he owned and controlled, including DPI and MRG, as the buyers on the A-B transactions.

g. The cooperator described a typical NABIZADA transaction as follows:

i. For a property worth \$800,000, a B-C buyer would be found to buy the property for a price at or near the market price of \$800,000.

ii. NABIZADA would create a purchase contract for \$600,000 with his own company, either MRG or DPI, acting as the B buyer.

iii. NABIZADA would then obtain a BofA short-sale approval for \$300,000. BURCHELL would make a HUD-1 to match the wire to BofA for \$300,000.

iv. After NABIZADA effected the A-B front-end purchase, which appeared to the other parties (except BofA) as a \$600,000 purchase, he would then flip the property to the B-C buyer. The profit made in this transaction was split amongst NABIZADA and all the other involved parties. In the end, the B-C buyer purchased a house for \$800,000, but the original BofA short-sale approval was issued for \$300,000.

v. NABIZADA always provided the short sale approval letters.

22. During the course of this investigation, FBI investigators have identified a number of property transactions

for which NABIZADA, MOORE, and others conducted the Fraudulent Short Sale Approval Fraud. Below, I provide some examples of those transactions. The information set forth below is not meant to be an exhaustive review of the information known to me or other investigators regarding these transactions or the entire fraudulent scheme.

(1) **The Greenbriar Lane Property**

23. One of the real estate transactions that has been identified as involving a fraudulent BofA short sale approval letter involves a property located at 72530 Greenbriar Lane, Palm Desert, CA ("the Greenbriar Lane property"). The cooperator has told me that he/she was not involved in this transaction, but that he/she recalls seeing this property mentioned in the Kevin Smith email account. According to the cooperator, the Greenbriar short sale was one of NABIZADA's transactions. On March 20, 2012, I interviewed G.S. and R.S.⁶ regarding the Greenbriar Lane property. During this interview I learned the following:

a. G.S. and R.S. officially live in New Jersey, however, several years ago they decided to move to Palm Desert, California, and retire. In approximately March 2011, G.S. and R.S. took a trip to Palm Desert. On or about March 24, 2011, their Palm Desert-based realtor, Edward Tunison ("Tunison"), and his wife, Sherrie Tunison, contacted G.S. and R.S. to tell them

⁶ Only the initials of victims are used in this document.

Tunison had found a house for them to purchase. Subsequently, Tunison took G.S. and R.S. to see the Greenbriar Lane property.

b. Tunison told G.S. and R.S. that the Greenbriar Lane property was a short sale listing. Tunison told G.S. and R.S. that BofA had pre-approved a short sale price of \$599,000, even though BofA maintained over \$800,000 in liens against the home. Edward Canas ("Canas") was the listing real estate agent on the Greenbriar Lane property, and it was from Canas that Tunison learned the information about the BofA approved short sale price of \$599,000. G.S. and R.S. felt \$599,000 was a fair price and they decided to submit an offer.

c. Escrow for this transaction was initially going to be handled by Realty Escrow. During the course of the transaction, however, Tunison informed G.S. and R.S. that the escrow company needed to be changed to PBE. Although Tunison did not provide a full explanation, he told G.S. and R.S. that in order to get the deal they needed to use PBE.

d. It was G.S. and R.S.'s impression that they were purchasing the Greenbriar Lane property directly from Glen and Betty Hale, the owners of the property who were in default. No one ever told G.S. and R.S. the transaction was going to have or need a middle buyer in between the Hales and G.S. and R.S.

e. Initially, the Greenbriar Lane property transaction went relatively smoothly from G.S. and R.S.'s perspective. G.S. and R.S. had previously provided a \$5,000

check to PBE in the form of an earnest money deposit. The transaction closed on April 12, 2011 after G.S. and R.S. wired \$598,202.09 from their personal bank account to PBE's bank account at Citizen's Business Bank.

f. A few weeks after the Greenbriar Lane property transaction closed, G.S. and R.S. received a letter from Commonwealth Title, aka Fidelity National Title Group, stating that BofA had rejected their offer. G.S. and R.S. learned that a short sale approval letter authorizing a purchase of the Greenbriar Lane property for \$150,000 had been fabricated and submitted to BofA. BofA returned the \$150,000 wire which was sent to BofA since it was based on a fraudulent approval letter. Hence, G.S. and R.S. are currently the owners on title of the Greenbriar Lane property, but BofA still maintains over \$800,000 in liens against the property and is thus possibly in a position to foreclose and cause G.S. and R.S. to lose all the money they have put into the transaction.

18. During the March 20, 2012 meeting with G.S. and R.S., they provided copies of several documents they received both during and after the Greenbriar Lane property transaction. Amongst these documents were the following:

a. A copy of a residential purchase agreement representing an offer from G.S. and R.S. to purchase the Greenbriar Lane property for \$599,000, dated March 25, 2011. Within their files there was a purchase agreement signed only by

G.S. and R.S. and not by the seller. The seller's name is not listed on this copy. Also in G.S. and R.S.'s files is a copy of a purchase agreement signed by both G.S. and R.S. as well as the seller, Discounted Real Estate Capital. "David C. Brown" signed as the seller on this document. Based on my training, experience, and knowledge of the facts of this investigation, it appears that G.S. and R.S. signed a purchase contract without the seller's information or signature on the form, and subsequently received a fully executed purchase contract with both party's signatures.

b. Copies of at least two grant deeds, the first of which was filed with the Riverside County Recorder's Office on April 15, 2011. This grant deed, purportedly signed by Glen and Betty Hale, gave title to the Greenbriar Lane property to "Discontinued Property Investments, LLC A Wyoming Corporation" (it appears Discounted was misspelled on this document). The second grant deed was filed with the Riverside County Recorder's Office on April 20, 2011. This grant deed transferred title to the Greenbriar Lane property from Discounted Property Investments (the words "Discounted Real Estate Capital, Inc" were type written on this document but were crossed out and the words "Discounted Property Investments, LLC A Wyoming Limited Liability Company" were handwritten in) to G.S. and R.S., Husband and Wife as Joint Tenants. This grant deed, dated April 12, 2011, was signed by "David C. Brown," and notarized by Albert E. Eid on

April 14, 2011.

c. A copy of a purported BofA short sale approval letter, which was apparently provided to G.S. and R.S.'s attorney after they discovered the transaction was fraudulent. This short sale approval letter indicates that BofA approved the short sale of the Greenbriar Lane property from Glen A. Hale and Betty S. Hale to Discount Real Estate Capital, LLC at the sales price of \$150,000.

i. On May 31, 2012, I received an email from Elizabeth Tooley ("Tooley"), fraud investigator for BofA. Tooley indicated that the short sale approval letter mentioned above does not exist in BofA's system and therefore it is not a valid letter. Tooley also indicated that at no time did BofA approve a short sale price of \$150,000 on the Greenbriar Lane property.

24. I received and reviewed a copy of PBE's files for the Greenbriar Lane property, which consisted of two file numbers 12929-JB (A-B transaction) and 12941-JB (B-C transaction). During this review, I noted the following:

a. The "Final" HUD-1 Settlement Statement for escrow number 12929-JB dated April 15, 2011, showed the Greenbriar Lane property being sold by Glen A. Hale and Betty S. Hale to Discounted Property Investments, LLC for the amount of \$150,000.00. Also found within the 12929-JB escrow file was a Residential Purchase Agreement between Glen and Betty Hale and Discounted Real Estate Capital. Although, initials for Glen and

Betty Hale are found throughout this document, their signatures are not found on the signature page. In section 1(C), the purchase price is written in as "Four Hundred Fifty Thousand;" however, the field containing the numeric version of this number reads "\$150,000." Based on my training and experience, it appears to me that the original typed numbers have been whited-out or otherwise erased, and \$150,000 was typed in after the fact since the font of this number does not match the rest of the document.

b. The "Estimated" HUD-1 Settlement Statement for escrow number 12941-JB dated April 13, 2011, showed the Greenbriar Lane property being sold by Discounted Real Estate Capital, Inc. to G.S. and R.S. for the amount of \$599,000.00.

c. Copies of PBE's "Check Register" and related financial documents show that on April 14, 2011, PBE received a wire transfer from G.S. and R.S. in the amount of \$598,202.09. Subsequently, on April 19, 2011, PBE wire transferred \$552,301.61 to BofA account number XXXXXX5597 payable to Discounted Property Investments. Together with the "Wire Verification" and "Outgoing Wire-Advice of Debit" for this wire transfer is an email to BURCHELL from secpropertyinv@gmail.com (as discussed above, a known email address for NABIZADA), with a subject line of "Discounted Property Investments LLC Wire info," which provided the banking account information in the body of the email. This email is signed "Avon Tess" (the alias used by NABIZADA, as

described above).

25. I have reviewed BofA records relating to the Discounted Property Investments LLC account number XXXXXX5597. Based on this review, I have learned the following:

a. This account was opened at BofA on April 11, 2011. The signer on this account is MOORE, who was purported to be the "Managing Member" of Discounted Property Investments LLC.

b. On April 19, 2011, a wire transfer credit in the amount of \$552,301.61 was received into this account from PBE's Citizen Business Bank account. The memo on this wire transfer reads "Greenbriar Sale." Based on financial analysis conducted regarding this transaction and considering both escrow and bank records, it appears that this wire constituted illicit proceeds received by NABIZADA and MOORE as a result of the fraudulent Greenbriar transaction.

c. I and other law enforcement officers made requests to BofA for bank surveillance video and/or photographs relating to withdrawals from and/or deposits to this account. At the time these requests were made, BofA no longer maintained surveillance records pertaining to withdrawals made at or about the time the abovementioned \$552,301.61 wire transfer was credited to this account. However, BofA provided several recent photographs of individuals conducting transactions on the BofA account number XXXXXX5597 in the name of DPI. Based on a review of these photographs and a comparison with CA DMV photographs, it appears

that MOORE conducted transactions on this account on the following dates: 08/17/2011, 08/31/2011, 09/07/2011, 09/12/2011, 09/13/2011, 10/24/2011, 10/25/2011, 10/26/2011 and 11/18/2011. Present with MOORE on several of these dates, and captured in several of the BofA surveillance photographs, was NABIZADA.

26. On March 28, 2012, and again on April 19, 2012, I interviewed Albert Eid ("Eid"), California notary public. During the March 28 interview, I received two of Eid's notary journals, one of which logged Eid's notarial acts from approximately September 2010 to November 2011. The other logged Eid's notarial acts from approximately November 2011 to March of 2012. Based on a review of Eid's notary journals, I learned the following:

a. On April 14, 2011, at approximately 4:30pm, Eid notarized a document, described as a "Grant Deed," for "David C. Brown," CDL number D4561210. Next to the purported signature of David C. Brown was a right thumb print.

b. Besides the April 14th journal entry, Eid's two notary journals contained at least three additional entries for notarial acts performed for David Brown, CDL number D4561210. The address associated with Brown in three of these entries was 125 Wilshire Blvd., Los Angeles CA 90016; on the fourth, the address provided for Brown was 65 Wilshire Blvd., Los Angeles, CA 90016.

c. In addition to the entries mentioned above, Eid's notary journals contained two entries for notarial acts performed

for David C. Brown, CDL number 2754090 (different CDL number than the other entries), with an address of 1428 W. Tigertail Rd., Los Angeles, CA 90016.

d. All six of the entries discussed above display right thumb prints next to each of the associated signatures.

27. During the March 28th interview, Eid did not initially recall the name David Brown. During my interview with Eid on April 19th, however, he advised that two days prior, on April 17, 2012, David C. Brown came into his store to request a notary. Eid immediately recognized the individual since he had come into his store in the past to have documents notarized. Although Eid did not remember Brown's name, he knew Brown's face. Per Eid, Brown often wears a diamond earring in his right ear.

a. Based on my review of several photographs of MOORE, including photographs provided by BofA, it appears that MOORE often wears a fairly large diamond earring in his right ear.

28. On March 29, 2012, I sent copies of all six right thumb-prints mentioned above (for David Brown and David C. Brown) to the Special Processing Center, which is an FBI fingerprint laboratory located in Clarksburg, West Virginia. I requested the six thumb-prints be compared to known fingerprints of MOORE. On that same date, I received a report from the Special Processing Center which indicated that all six prints are identical to MOORE's known prints.

(2) The 4427 Mary Ellen Street Property

29. Another fraudulent transaction involving a fictitious BofA short sale approval letter occurred on the property located at 4427 Mary Ellen Street, Sherman Oaks, California ("the 4427 Mary Ellen property"). On March 20, 2012, I interviewed Rosmawaty Lawah, aka "Rosy Law" ("Lawah"), a real estate agent licensed with the California Department of Real estate ("DRE"). During this interview I learned the following, among other pieces of information:

a. Lawah worked as a real estate agent on two real estate transactions, wherein she dealt with an individual known to her as Rus Avon Aduchi, who went by the name "Avon" (as discussed above, "Avon Tess" is a known alias used by NABIZADA, per BURCHELL and the cooperator). These transactions involved two properties: a property located 4421 Mary Ellen Street, Sherman Oaks, California (the "4421 Mary Ellen property") and the 4427 Mary Ellen property. (Although it appears, based on investigation and analysis, that both of these properties involved fictitious BofA short sale approval letters, for purposes of this affidavit I will only focus on the 4427 Mary Ellen property.)

b. Lawah learned of Rus Avon Aduchi (who, based on the totality of the evidence, I believe to be NABIZADA) through her friend, Nadia Houp ("Houp"), who is also a licensed realtor and with whom Lawah worked on another transaction. Houp told

Lawah she worked with an investor named "Avon," who could help them sell BofA short sale properties. Per Houp, Avon purchased bad loans in bulk from BofA, and therefore he was able to buy loans outside BofA's Equator system "faster" and "better" than normal. Houp explained to Lawah the process of how a transaction worked through Avon. The process required a double closing in which there was an "A-B" and a "B-C" transaction.

c. Lawah never met Avon in person and only spoke with him over the phone. Houp, however, did meet with Avon in person. Houp drove to Irvine, CA, and met with Avon briefly. Lawah spoke with Avon for the first time over the phone sometime between about August 6 to August 8, 2011.

d. The 4421 Mary Ellen property transaction closed in August 2011, and Lawah continued to be in contact with Avon. Avon told Lawah she could work directly with him in the future rather than going through Houp. Lawah and Avon proceeded to effect the 4427 Mary Ellen property transaction.

e. Luda Armonik ("Armonik") was a client of Lawah's who owned the 4427 Mary Ellen property. At the time, Armonik was in default to BofA on the 4427 Mary Ellen property, and she and her family walked away from the property and moved to Texas. Armonik asked Lawah to list the 4427 Mary Ellen property. Lawah went directly through Avon for the negotiation of the BofA short sale on the 4427 Mary Ellen property transaction. Although the escrow was initially opened with Metro Escrow, the transaction

eventually closed through New Venture Escrow in San Diego, California.

f. The middle buyer, or Party B, on the 4427 Mary Ellen property transaction was Newport Assets LLC, with a signatory by the name of Lloyd Holbrook ("Holbrook"). During the transaction, Avon emailed Lawah a copy of Holbrook's California driver's license. Avon sent the email to rosylaw03@yahoo.com. Although Holbrook was the signer for Newport Assets, LLC, it appeared to Lawah that Avon controlled the company. As discussed below, Holbrook has since been identified as MOORE.

g. Lawah brought in an investor, B.R., with whom she had worked in the past, as the "C" buyer on the 4427 Mary Ellen transaction. B.R. agreed to pay \$585,000 for the 4427 Mary Ellen property, which was to be purchased in the name of his company, Letscal Investments.

h. The 4427 Mary Ellen property transaction was set up as a double-escrow. The purchase price for the A-B transaction, from Armonik to Newport Assets, LLC, was \$145,000, and the purchase price for the B-C transaction, from Newport Assets, LLC to B.R., was \$585,000. The fair market value of the 4427 Mary Ellen property was approximately \$700,000 at the time of these transactions. Lawah is not sure if B.R. knew MOORE was purchasing the 4427 Mary Ellen property for \$145,000.

i. Lawah thought Avon's true name was "Rus Avon Aduchi" because this was the signature on his emails. Lawah is

not sure if this is his true name because she cannot find any information about him through searching public records.

j. MOORE called Lawah once or twice during the 4427 Mary Ellen property transaction, presenting himself as Holbrook. Additionally, Lawah met with MOORE twice in Irvine, CA when she went to pick up two checks totaling \$46,000 (discussed below). Lawah showed the interviewing agents a copy of a driver license of the person identified as Holbrook, which Avon emailed to her. Per Lawah this is the individual who gave her the two checks. They met outside of a restaurant at a shopping center in Irvine. When the man with the checks approached her, Lawah asked him if he was "Lloyd." The man said no. However, Lawah believes the man who gave her the checks closely resembled the individual in the Holbrook driver license, which was emailed to Lawah from Avon. Avon had told Lawah to wait outside of the restaurant and that his assistant would deliver the checks to her.

k. At this point in the interview, the interviewing agents showed Lawah a copy of a DMV photograph for CA driver's license number DXXX1524 (belonging to MOORE) (three characters redacted). Immediately upon seeing the photograph, Lawah positively identified the individual in the photograph as the individual who brought her the aforementioned checks and who she recognized as Holbrook from the license photo; Lawah was "absolutely sure" it was him.

l. After receiving the checks and taking them to her

bank, Lawah found out she could not deposit the checks. The checks were made payable to "Rosy Homes," and since her account is not a business account, the Wells Fargo teller told her she could not deposit them into her account. Afterwards, Lawah contacted Avon and told him the checks would not work and she needed new checks made payable to her name. Avon told her he would prepare new checks and instructed her to meet his assistant at the same location. Subsequently, Lawah went to the same place to receive the checks. The same individual, believed by Lawah to be Lloyd Holbrook but in fact MOORE, showed up with replacement checks made payable to Lawah.

m. At a certain point, after the 4421 Mary Ellen property and the 4427 Mary Ellen property transactions closed, Lawah discovered that the short sale approval letters used to close both transactions were fake. Therefore, BofA did not remove their liens against either property.

30. Lawah provided me with several copies of documents relating to the 4421 Mary Ellen property and 4427 Mary Ellen property transactions. Among the documents I received from Lawah are copies of email correspondence to and from Lawah and Avon. Avon was using the email address of secpropertyinv@gmail.com (an email address known to be used by NABIZADA, as discussed above). Based on my review of these emails, I learned the following:

a. On October 5, 2011, Lawah received an email to her address named rosy@rosyhomes.com from Avon Properties using the

address secpropertyinv@gmail.com. The subject of the email reads "lloyd DL," and the body of the email reads "Here is LLOYD DL make sure escrow wires the money to your buyer."

b. Attached to the email mentioned above was a jpeg photograph of a purported California driver license number B5656723 in the name of Lloyd Holbrook. The address on the driver's license was 17835 Rayman St., Northreng [sic], CA 91325.

31. Based on my review of the photograph in the Lloyd Holbrook driver license mentioned above, and my familiarity with MOORE's known California DMV photograph, I am confident the individual in the Holbrook CDL is MOORE.

31. Among the documents provided to me by Lawah was an electronic copy of a purported BofA short sale approval letter for the 4427 Mary Ellen property (Mary is mis-spelled "Marry" on this letter). This letter indicates that "Luda Armonik" was authorized to sell the Mary Ellen property to Lets Cal Investment Corp. for \$145,000.

a. On May 31, 2012 I received an email from Tooley, the BofA fraud investigator discussed above. In her email, Tooley advised that the short sale approval letter provided by Lawah to me does not exist in BofA's system and therefore is not a valid letter. Tooley also indicated that BofA never approved a short sale, for any amount, on the 4427 Mary Ellen property.

32. On February 27, 2012, I interviewed B.R. During this

interview, I learned the following, among other pieces of information:

a. B.R. did not pay close attention to the initial offer he signed on the 4427 Mary Ellen property transaction. However, B.R. figured Holbrook was in fact the seller of the property, as stated in the purchase contract.

b. Initially, Lawah did not explain to B.R. that she had a special relationship with an individual who claimed to have access to good deals at BofA. However, later in the process Lawah communicated this to B.R. At a certain point during the 4427 Mary Ellen property transaction, Lawah brought up the name "Avon," whose last name B.R. did not know. According to Lawah, Avon was an individual who was able to facilitate BofA short-sales. According to Lawah, Avon helped them get a "good bargain" on the 4427 Mary Ellen property, and Lawah suggested they give Avon a present such as a Louis Vuitton bag. A bag like that can easily cost upwards of \$5,000. Avon told Lawah she would need to get him a really nice gift because he has "high tastes."

c. During the process of working with Lawah, B.R. understood Avon's role in the process as one of possibly two variations as follows: 1) Avon was an employee of BofA, or 2) Avon was an investor who bought in bulk and therefore he was able to get good prices. B.R. was not sure which variation was correct, although he was leaning more toward the latter.

d. B.R. did not recall hearing Lloyd Holbrook's name until Lawah "broke the news" about the deal being fraudulent and not going through. B.R. had recently returned from a vacation in New York when he received the phone call from Lawah. Lawah told B.R. she had some urgent news she wanted to discuss with him in person. Subsequently, B.R. and Lawah met at a Starbucks location. Lawah proceeded to tell B.R. that Avon had deceived them and they were "victims." She told him the transaction actually recorded for approximately \$140,000, however, it was being rejected by BofA.

e. After B.R. found out about the fraud on the 4427 Mary Ellen property transaction, he went to the manager of Chase Bank to see if the bank had any information about what occurred. The manager at Chase Bank looked up a document from public records which stated that the transfer price of the 4427 Mary Ellen property was \$140,000 (B.R. used the \$140,000 figure, though the transaction closed for \$145,000).

f. B.R. believed the purchase price on the 4427 Mary Ellen property was \$585,000. No one, including Lawah, ever told B.R. that approximately \$398,000 of his purchase money was going to Newport Assets, LLC, nor would B.R. have authorized this disbursement. After B.R. returned from New York and met with Lawah the first time, Lawah told B.R. about an "A-B" and "B-C" transaction. Prior to this conversation, B.R. knew nothing about there being two transactions or a middle buyer. B.R. thought the

entire \$585,000 he paid was going to either the bank or the seller. Lawah never told B.R. how the money was going to be split among the bank and the other party, or that there was a Party B in the middle of the transaction.

C. SCOPE OF THE FICTITIOUS SHORT SALE LETTER SCHEME

33. Based on a review of documents, including PBE escrow files, documents provided by buyers and buyers' attorneys, bank records and public records including documents filed with various county recorders' offices, as well as information I have received from several interviews, including of the cooperator, I am aware that NABIZADA, MOORE, and others were involved in several fraudulent short sale transactions similar to the transactions described above. Specifically, based on the evidence I have reviewed to date, I believe that fraudulent transactions through which PBE was used as the escrow/settlement agent and which involved fraudulent short sale approval letters, similar to those mentioned above, occurred on at least the following list of properties:

| | |
|----|--|
| 1 | 1 Taiga, Coto De Caza (SUBJECT PREMISES 1) |
| 2 | 11645 Montana Ave #340, Los Angeles |
| 3 | 11725 Concord St., Cerritos |
| 4 | 219 Pauline Place, Costa Mesa |
| 5 | 23044 Victory Blvd., Woodland Hills |
| 6 | 29857 Quail Run Dr., Agoura Hills |
| 7 | 3120 Colebrook Lane, Dublin |
| 8 | 4024 Channel Place, Newport Beach |
| 9 | 459 County Rd., Pomona |
| 10 | 460 S. Paseo Bandera, Anaheim |
| 11 | 6153 Turnberry Ct., Dublin |
| 12 | 72530 Greenbriar Lane, Palm Desert |
| 13 | 12233 Octagon St., Los Angeles |
| 14 | 1344 Raymond Ave., Glendale |
| 15 | 13939 Branton Place, Sherman Oaks |
| 16 | 5436 Woodman Ave., Sherman Oaks |
| 17 | 1952 Stradella Rd., Los Angeles |

34. Based on information received from BURCHELL, the cooperator, and other witnesses, in addition to an analysis of bank records, escrow records, public documents and documents received from witnesses, I believe that NABIZADA controlled the corporate entities of DPI, MRG, and Newport Assets, LLC. Based on this information, I am also aware that:

a. MRG maintained a bank account at BofA, account number XXXXXX1384. The signers on this account were Frishta A. Noory (NABIZADA's wife) and NOORY (NABIZADA's brother-in-law).

b. A review of BofA records for both the DPI account XXXXXX5597 (mentioned and described above) and the MRG account XXXXXX1384 reveals that both of these accounts were used extensively to receive the illicit proceeds from fraudulent transactions on the seventeen properties listed above. Based on analysis to date, between the time period of approximately May

2010 through October/November of 2011 the DPI account XXXXXX5597 and the MRG account XXXXXX1384 received in excess of \$1.2 million and \$2.3 million, respectively, from PBE in the form of credits, predominantly in the form of incoming wire transfers, as the proceeds from PBE real estate transactions.

c. Although it appears, based on the information above, that NABIZADA, MOORE, and others may have received in excess of over \$3.5 million in fraudulent proceeds from PBE short sale transactions, the losses due to these transactions could well exceed between \$5 to 7 million.

35. I have also received information and documents from Detective Chris Derry of the Los Angeles County Sheriff's Department relating to this case. From this information, it appears that NABIZADA and MOORE were also involved in a fraudulent BofA short sale approval transaction involving a property located at 4465 Gould Avenue, La Canada-Flintridge, CA ("the Gould property"). The scheme in this transaction appears to be very similar to those used in the transactions mentioned above, including the fabrication and production of a fictitious BofA short sale approval letter. Based on interviews conducted by Detective Derry, as well as a review of several documents including real estate documents, title documents, escrow files and bank records, it appears that NABIZADA and MOORE received approximately \$545,000, at the close of the Gould transaction, from Oshana Escrow, the settlement agent who handled the

transaction. These proceeds were received, by wire transfer, to the DPI BofA account, number XXXXXX5597 (account mentioned above). Bank surveillance photographs received from BofA show two individuals who appear to be NABIZADA and MOORE withdrawing cash received from the Gould Avenue property transaction from BofA on several occasions.

36. As discussed above, I have reviewed information indicating that NABIZADA and MOORE were involved in two additional fraudulent BofA short sale approval letter transactions on the 4421 Mary Ellen and the 4427 Mary Ellen properties. Based on interviews of Lawah, B.R. and others as well as records I have reviewed, I learned the following:

a. The 4421 Mary Ellen property transactions closed through Cal Choice Escrow in August of 2011. It appears that this transaction was an A-B and B-C transaction in which Party B was DPI. Although a complete financial analysis of this transaction has not been completed, due to the fact that the front-end transaction closed for approximately \$100,000 and the back-end closed for approximately \$465,000, the fraudulent proceeds obtained as a result of said transaction are estimated to be approximately \$365,000.

b. The 4427 Mary Ellen property transaction closed through New Venture Escrow in October of 2011. Based on bank records and escrow records, it appears that a Union Bank account ending in 9970 in the name of Newport Assets LLC received

approximately \$398,094.77. A review of Union Bank account records show MOORE as the authorized signer for this account. Further, video/photographic surveillance records were provided by Union Bank regarding this account. Based on my review of these surveillance records, I am aware that individuals appearing to be MOORE and NABIZADA conducted a teller-assisted transaction on the account on October 20, 2011. A review of the records for this account indicate that a significant amount of money was withdrawn from this account during the 4427 Mary Ellen property transaction. Specifically, on October 20, 2011 the following amounts of money were withdrawn from Union Bank account ending in 9970, and converted to cashier's checks made payable to the associated entities:

- i. \$180,000 to DPI.
- ii. \$147,183.86 to DPI
- iii. \$33,000 to RosyHomes
- iv. \$13,000 to RosyHomes
- v. \$25,000 to Luda Armonik

D. FINANCIAL ANALYSIS RELATING TO THE FICTITIOUS SHORT SALE APPROVAL LETTER SCHEME

37. Based on interviews of several witnesses and co-conspirators, a review of several undercover and consensual recordings of both in-person and telephone conversations, analysis conducted by an FBI forensic accountant in relation to the known fraudulent transactions which I have reviewed, and a

review of escrow records, public documents, bank records and records received from buyers (Party C) on various transactions, I am aware of the following:

a. It appears that NABIZADA, MOORE and others completely dedicate themselves to the planning and execution of various fraudulent schemes. In other words, it does not appear that NABIZADA and/or MOORE are legitimately employed or receive income from legitimate business transactions. This assumption is made in part due to the fact that an analysis of bank accounts known to be controlled and used by NABIZADA and MOORE do not show what appear to be any legitimate sources of income.

b. In addition to the BofA MRG account ending in 1384 and the DPI account ending in 5597, it is believed that NABIZADA, MOORE and/or others used another BofA account in the name of Nabinor LLC ("Nabinor") ending in 3350, for the time period of September 17, 2010, to December 30, 2011. The two authorized signers on this account were Frishta Angela Noory (NABIZADA's wife) and NABIZADA.

c. The Nabinor account ending in 3350 was, in effect, used as a "slush fund" to facilitate fraudulent real estate transactions, to include several of the PBE transactions listed above. Approximately 90% of all credits to this account, which totaled more than \$1.8 million, can be traced to proceeds obtained from the back-end, or B-C, closings of a series of real estate transactions. Approximately 60%, or about \$1.2 million,

was used to pay for the front end, or A-B, closings of numerous property acquisitions, including several of the PBE transactions mentioned above.

d. An analysis of the DPI, MRG and Nabinor accounts, coupled with a review of PBE escrow records show, that NABIZADA, MOORE and others were using the fraudulent proceeds of prior, B-C, real estate transactions to fund the front-end, or A-B, legs of newer fraudulent real estate transactions. Generally, I believe that most if not all monies flowing through the DPI, MRG and Nabinor accounts mentioned above was, at a certain point, the proceeds of fraud.

E. TRANSACTIONAL FUNDING FRAUD

38. Based on the investigative steps outlined above, I am also aware that NABIZADA, MOORE, and others have orchestrated a separate scheme through which transactional lenders and hard-money lenders are being defrauded and which works in substance as set forth below, though this is a general outline of the scheme and is not intended to set forth all of my knowledge of the scheme or all of the steps taken by NABIZADA, MOORE, or others to effect the fraudulent scheme:

a. NABIZADA, MOORE, and others identify a piece of property to use for the transaction. Subsequently, paperwork for two transactions is drawn up and executed - again, A-B and B-C transactions. NABIZADA, MOORE, and others act as the "B" buyer in the "A-B" transaction, sometimes using straw purchasers to

distance themselves from the transaction, though NABIZADA, MOORE, and others do not intend to close the "B-C" leg of the transactions in this scheme. The documents relating to the "B-C" transactions are often entirely fabricated.

b. In this scheme, the "A-B" transaction closes with a transactional lender providing a loan to Party B to be used to pay off the liens on the subject property, with the transactional lender assuming that the "B-C" transaction will close and will allow the lender to be paid back. As discussed above, due to the short-term nature of their loans, it is not uncommon for transactional funders to not record a deed of trust on their note. Often the deed of trust is held with the escrow company. If the transactional funder is paid back from the proceeds of the "B-C" transaction, the deed of trust is never recorded. However, in case of a default the transactional funder instructs escrow to record their deed of trust.

c. Once the loan from the transactional lender funds the "A-B" transaction, because the transactional lender does not record a deed of trust in the interim, and because the fact that the "A-B" transaction is being funded through a loan is not disclosed by NABIZADA, MOORE, and others, it appears that buyer "B" (NABIZADA, MOORE, and others) now owns the property free and clear.

d. NABIZADA, MOORE, and others obtain fraudulent proceeds as a result of these transactions by two separate means,

depending on how the transactions are set up.

i. In one instance, NABIZADA, MOORE, and others create a fictitious escrow company which purportedly acts as the settlement agent for the A-B, and in most cases, the B-C transaction. NABIZADA, MOORE, and others identify a bank account, which they control, and instruct the transactional lender to wire the loan funds for the A-B transaction to that account. Since the A-B transaction is often a completely fabricated contract, and NABIZADA, MOORE, and others do not really intend to close this transaction, when the transactional lender wires the proceeds, NABIZADA, MOORE, and others simply withdraw the funds and walk away with the loan proceeds.

ii. In other instances, NABIZADA, MOORE, and others use a legitimate escrow company, which may or may not be a co-conspirator in the scheme. In this scenario, the A-B transaction closes upon the transactional lender funding the loan. Because the property appears to be owned free and clear by Party B as a result of the loan paying off the previous seller and any and all liens held against the title to the property, NABIZADA, MOORE, and others are in a position to sell the property to an unwitting buyer without the transactional lender knowing about it. In these instances, NABIZADA, MOORE, and others attempt to, and in some cases successfully do, sell the property to a buyer and simply "pocket" the cash from the seller without paying the transactional lender back. Since the

transactional lender's deed of trust was not recorded on the title of the property, it is difficult and slow for the transactional lender to foreclose on the property. When this occurs, the transactional lender will often resort to filing a lawsuit against the parties involved in the fraud. Because NABIZADA, MOORE, and others have used fictitious names and/or shell entities, they are often difficult to identify in a civil suit. When they are identified, they see default and/or settlement of the claims as a "cost of doing business" for their fraudulent scheme.

e. NABIZADA, MOORE, and others often do not use their true names, and act in other aliases, in order to conceal their involvement in these particular transactions.

F. EVIDENCE AND EXAMPLE OF THE TRANSACTIONAL FUNDING FRAUD SCHEME

39. The following is a summary of an attempted execution of the Transactional Funding Fraud Scheme, which forms the basis of the indictment, discussed above, of NABIZADA and MOORE. This relates to the Ambergate Property identified above.

40. On September 6, 2011, I interviewed M.Z., Vice President of Funding Operations, Tempo Funding LLC ("Tempo Funding"). During this interview, I learned that Tempo Funding is a company involved in hard-money and transactional lending. M.Z. is based in New York City, NY and has a virtual office. M.Z. had recently been contacted by an individual purporting to

be J.M., a licensed real estate agent in California, now identified as NABIZADA. NABIZADA sought transactional funding for an A-B real estate transaction, where the second leg of the transaction, the B-C transaction, supposedly already had funding in place. The idea presented, essentially, was that NABIZADA's client would purchase a bank-owned property located at 28130 Ambergate Drive, Rancho Palos Verdes, CA, 90275 (the "Ambergate Property") for \$750,000 using a loan from Tempo Funding (the A-B Transaction), and would immediately turn around and sell it to a third party for \$905,000 in cash (the B-C Transaction). The cash would then be used to repay the loan from Tempo Funding. NABIZADA was requesting a loan in the amount of \$677,665 on behalf of his client, Phh Alternative CA-18, LLC (the purported B buyer/seller).

41. M.Z. stated that as part of the efforts to secure the loan, NABIZADA represented to Tempo Funding that escrow accounts related to these transactions were opened with Federal Escrow, and that an individual named Rick Wolpert was the escrow officer. However, NABIZADA provided a telephone number and email address that are different than the actual numbers/email addresses used at Federal Escrow. M.Z. did an internet search for Federal Escrow instead of calling the number provided by NABIZADA, called the true Federal Escrow, asked for Rick Wolpert, and was told that no such person worked at Federal Escrow and that Federal Escrow was not involved in any transactions related to the

Ambergate Property. Based on this, Federal Escrow and Tempo Funding realized that Tempo Funding was the intended victim of a fraudulent scheme to obtain a loan.

42. On September 6, 2011, I had a phone conversation with the owners of Federal Escrow, located in Los Angeles County, as well as Federal Escrow's office manager ("the Federal Escrow representatives"). Subsequent to this phone call, the Federal Escrow representatives sent me copies of several email messages between J.M. (NABIZADA) and M.Z. I have learned the following from the phone conversation as well as a review of the email correspondence between NABIZADA and M.Z.:

a. NABIZADA, acting in the name of J.M., a real estate salesperson with California Department of Real Estate license number XXXX8037 (first four digits redacted), was attempting to obtain funding, in the amount of approximately \$677,000, for the purchase of a property located at 28130 Ambergate Dr, Rancho Palos Verdes, CA 90275 ("the Ambergate property"). NABIZADA sent several fake documents to M.Z. via email including purchase contracts, settlement statements, a fabricated proof of receipt from Federal Escrow showing \$75,000 had been received by Federal Escrow as an earnest money deposit and wiring instructions for the requested loan. NABIZADA sent these documents as proof that he represented a party - Phh Alternative CA-18, LLC - that was under contract to purchase said property and that he had opened escrow files at Federal Escrow in

furtherance of this transaction. In fact, Federal Escrow had opened no such escrow files. Federal Escrow was completely unaware of any current or past transaction occurring on the Ambergate property. They had not received any earnest money, and hence, the receipt showing Federal Escrow had received \$75,000 was fabricated.

b. The documents emailed by NABIZADA to M.Z., in furtherance of the loan request purported that Federal Escrow had opened up two escrow files, one for the "A-B" transaction and the other for the "B-C" transaction. The A-B transaction was purportedly a sale of the Ambergate property from the seller, HSBC Bank USA Trust, to the buyer, Phh Alternative CA-18. The B-C transaction was purportedly a sale of the Ambergate property from the seller, Phh Alternative CA-18, to the buyer, Eric Tomlinson. The documents sent to M.Z. purported that the escrow officer on these files was "Rick Wolpert." The documents also showed that Tomlinson had deposited \$905,000 in cash into the escrow account for the B-C transaction, which would purportedly be used to pay back the Tempo Funding loan; these documents were fabricated as well.

c. Federal Escrow does not have, nor have they ever had, any employee by the name of Rick Wolpert. Although the escrow documents listed Federal Escrow's correct address, the phone number listed for Federal Escrow on the fake escrow documents was not Federal Escrow's true phone number. The logo

on the Federal Escrow documents emailed by NABIZADA to M.Z. was Federal Escrow's true logo.

d. The Federal Escrow representatives were concerned because someone had their corporate identity and could potentially cause damage to Federal Escrow and/or others.

43. Subsequently, Tempo Funding agreed to allow me to act in an undercover capacity (as a "UC") to pose as an associate of the firm in the Los Angeles area who would be tasked to handle the transaction. The UC was assigned a Tempo Funding email address. As mentioned above, Federal Escrow had previously forwarded all of the emails which NABIZADA, as J.M., had sent to Tempo Funding to me. NABIZADA's emails had as attachments documents purporting to show that the A-B and B-C Transaction contracts were in place and ready to close, including purchase agreements/contracts, a list of "comps," an escrow deposit receipt purporting to show that \$75,000 had been deposited in the escrow account as a deposit on the A-B Transaction, a certificate of liability insurance, preliminary title report, purported Federal Escrow wire instructions for the loan from Tempo Funding, and escrow deposit receipts showing that the \$905,000 in cash for the B-C Transaction had been deposited in an escrow account. On the purchase agreements was listed the California Department of Real Estate license number of the real J.M.

44. The UC and NABIZADA then engaged in a number of email and text message exchanges, as well as recorded telephone

conversations, wherein NABIZADA continued to make the same representations identified above, and provided additional documentation to the UC that he was told was necessary to close the deal. Included in those documents were the articles of organization and operating agreement of the Phh Alternative CA-18, LLC (the B buyer/seller who was the intended recipient of the loan from Tempo Funding). Those documents showed K.J.W. to be one of two members of the LLC. The UC also emailed with and called the telephone number provided for Rick Wolpert, the supposed escrow officer, and spoke to Wolpert in recorded conversations. Based on a review of that recording and a review of the cooperator's voice which I have previously heard, I know that the individual who presented himself on the telephone as Rick Wolpert was the cooperator. The cooperator has also identified the cooperator as the person purporting to be Wolpert, and NABIZADA's recorded voice as the person purporting to be J.M.

45. Based on an interviews of Maria C. Perez ("Perez") and Robert Severt on September 13th and 14th of 2011, I learned the following, among other pieces of information: On September 10, 2011, an individual (later identified as MOORE) presented himself to Perez, a notary public, in Tustin, California as K.J.W., a signer for Phh Alternative CA-18, LLC. MOORE presented a California Drivers License with K.J.W.'s true name, address and date of birth to Perez. The CDL number on the presented license is assigned to yet another person, A.P. MOORE, as K.J.W., signed

the documents necessary to obtain the loan from Tempo Funding on behalf of the LLC, and placed his thumb print in the notary's book.

46. After obtaining a copy of Perez's notary journal, I took it to a San Bernardino County Sheriff's Department ("SBCSD") fingerprint laboratory and requested that SBCSD analyze said thumb-print. Subsequently, an SBCSD fingerprint specialist ran the print, provided to Perez by the individual purporting to be K.J.W. The thumb-print was identified as a print belonging to MOORE.

47. As mentioned above, the UC exchanged several email communications and phone calls with "Rick Wolpert." The individual purporting to be Wolpert used an email address of rickwolpert@federalescrow-ca.com and a phone number of (888) 908-6515. The UC also exchanged several email communications with J.M. at julio.mendoza2525@gmail.com. Several records were obtained relating to these email addresses and phone number. Based on a review of these records, I learned the following:

a. According to records from GoDaddy, a well known domain name provider, the domain name of federalescrow-ca.com was registered on August 23, 2011 by an individual purporting to be "David Brown." As discussed herein related to the Greenbriar property, this is a known alias used by MOORE. During the registration process, MOORE provided an address of 6153 Turnberry Ct., Dublin, CA 94568 (this address is listed above relating to a

fictitious BofA short sale approval letter) and paid with a credit card ending in 0925.

i. According to the cooperator, the 6153 Turnberry address is the home of NABIZADA's family members.

b. According to records obtained from Ring Central, a telecommunications company which provides business phone systems, among other services, an account establishing services for telephone number (888) 908-6515 was created on August 23, 2011. This account was created in the name of "Federal Escrow" also with an address of 6153 Turnberry Ct., Dublin, CA 94568. Payment to establish this account was also made by an individual purporting to be "David Brown" at the 6153 Turnberry address using a credit card ending in 0925.

c. Based on records received from Google Inc., the email account of julio.mendoza2525@gmail.com was accessed on September 8, 2011 (which is a date corresponding with the Ambergate transaction) from an IP address of 68.96.75.150 (IP address stands for Internet Protocol, and it is a number assigned to an internet user by an internet service provider). According to records obtained from Cox Communications, an internet service provider, as of August 30, 2011, the IP address of 68.96.75.150 was assigned to Cox Communications subscriber Zarui Zarkisyan at 1 Taiga, Coto De Caza, CA 92679 (SUBJECT PREMISES 1), the known address for NABIZADA.

G. GRANT DEED/TITLE TAKEOVER FRAUD

48. Based on the investigative steps detailed herein, I am also aware that NABIZADA, MOORE and others have been, and currently are, engaged in yet another type of fraudulent scheme which involves the fraudulent conveyance of real estate property titles, and which works in substance as set forth below, though this is a general outline of the scheme and is not intended to set forth all of my knowledge of the scheme or all of the steps taken by NABIZADA, MOORE, and/or others to effect the fraudulent scheme:

49. In general, NABIZADA, MOORE and/or others identify a piece of property that is either owned free and clear or has a significant amount of equity. Once the property is identified, NABIZADA, MOORE and others either fraudulently convey the property to an individual under their control by forging a grant deed, or they take control of the title to said property by stealing and assuming the identity of the owner of record. In either case, the true owner of the property is unaware that title to the property is being controlled by NABIZADA, MOORE, and their co-schemers. Once apparently in control of the title to the property, NABIZADA, MOORE and others will either sell the property to an unwitting bonafide purchaser or refinance the property and pull out significant amounts of equity in the form of a new deed of trust. Since NABIZADA, MOORE and others typically execute these transactions while using aliases, they

are generally able to walk away from the transactions without the victims finding out their true identities. The true owner is thus left with a property that has apparently been sold out from under them or for which a new lien has been filed. The buyers or lenders are left having purchased or refinanced a property which the true owner never intended to sell or refinance.

H. EVIDENCE AND EXAMPLE OF GRANT DEED/TITLE TAKEOVER FRAUD

50. NABIZADA and MOORE have effected a transaction involving Title Takeover Fraud as recently as January and February 2012. In December 2011, the cooperator informed me that NABIZADA had recently approached him/her about assisting in a transaction involving a property located on "Hoover," a street in Los Angeles, California. At the time, the cooperator did not have the full address of the property. When NABIZADA initially approached the cooperator about this transaction, he told the cooperator that the Hoover property was owned "free and clear" by a business entity and he wanted the cooperator to help find him an individual who could act as a signer for said entity, essentially to take over the title of the property. Although at the time the cooperator was unsure exactly what NABIZADA intended to do with the property, based on their previous dealings and interactions, the cooperator assumed that NABIZADA, once in control of the property, would either refinance it and pull out the equity or fraudulently sell the property to a third party. Based on a variety of factors, including that he had only

recently begun cooperating with law enforcement, the cooperator was not able to insert himself/herself into this transaction to assist the investigation. As a result, I did not learn the full address of the property until approximately late February or early March 2012 (after the fraud had transpired). At that point I learned the following about the Hoover property transaction, among other pieces of information:

51. Based on information I have obtained from Detective Robert Zaun of the Glendale Police Department ("GPD") and SA Terence O'Rourke of the United States Secret Service ("USSS"), I am aware of the following facts:

a. In March 2012, the USSS initiated an investigation regarding an individual identified as Anne ROYSTON ("ROYSTON"), following a referral by the GPD who, on February 7, 2012, responded to Citibank on 414 N. Central Ave., Glendale, CA 91203, regarding a fraud-in-progress. The GPD report documented that ROYSTON had entered the Citibank branch to withdraw cash. Prior to this date, ROYSTON had been identified by Citibank employees as the sole signer and controller of an active checking account under the name "BTF Capital Partners, LP" ("BTF Capital") and ending in 4750. She had also subsequently opened a checking and savings account under her own name with Citibank, the checking account ending in 3776 and the savings account ending in 1022. On December 21, 2011, ROYSTON deposited a check worth \$244,539.54 into the checking account ending in 4750 under the BTF Capital

name. From this deposit, ROYSTON then made approximately 10 large cash withdrawals which she deposited into her new checking account ending in 3776 under her own name. Over the next several months, ROYSTON would come into the Citibank branch at 414 N. Central Ave. in Glendale to make cash withdrawals or large transfers to her savings account ending in 1022, which was also under her own name.

b. Approximately one month after Royston's initial December 21, 2011 deposit of \$244,539.54 into the BTF Capital account ending in 4750, A.F. received a demand letter from Capital Finance. A.F. is one of the partners of BTF Capital. The letter alleged that BTF Capital was late on payment for a \$265,000.00 loan, secured against a property located at 1239 N. Hoover Street, Los Angeles, CA ("the Hoover Street property"), extended to BTF Capital by Capital Finance weeks before. The Hoover Street property is owned by BTF Capital. A.F. could not make sense of this letter as he had no prior contact with Capital Finance nor had his business applied for any loans in recent months, including any loans using the Hoover Street property as collateral. Following receipt of this demand letter, A.F. obtained copies of loan documents regarding the refinancing of the Hoover Street property, which indicated that Capital Finance had issued a loan secured by the property which had been negotiated and transacted through Placer Title Co. escrow company. The documents indicated that the majority of the funds

from the refinancing had been deposited into a Citibank account held in the name of "BTF Capital Partners, LP" and ending in 4750 (the account opened by ROYSTON, as discussed above). From these records, A.F. was able to deduce that the person who had taken out the loan without authorization had an account open with Citibank and had deposited the loan funds into that account posing as a representative of his company BTF Capital. Based on his position with BTF Capital, A.F. knew that this account had not in fact been opened on behalf of BTF Capital. On February 7, 2012, A.F. visited the Citibank branch at 414 N. Central Ave. in Glendale, CA, where the various ROYSTON accounts had been opened, and asked several managers if they knew who was entering the branch for the purposes of accessing the BTF Capital account ending in 4750 which had been fraudulently opened under his business's name. Coincidentally, ROYSTON walked through the front door ten minutes later to ask a question of a Citibank representative relating to the account ending in 4750, while A.F. was in the branch making his inquiry. All parties at the bank recognized ROYSTON as the person A.F. was inquiring about and GPD responded immediately.

c. On February 8, 2012, ROYSTON was in GPD custody, was advised of her Miranda rights and agreed to be interviewed without an attorney present. She explained to GPD officers that she opened the account in the name of BTF Capital but that she did it at the direction of two men whom ROYSTON knew as "Gio

Khair" and "David Brown" (the known aliases for NABIZADA and MOORE, respectively, as discussed herein).. During this interview, ROYSTON described Khair as a Middle Eastern male, approximately 30 years old, green eyes, long hair, approximately 5'8" tall, 140 lbs, well dressed, good looking, lives in Orange County, self employed investor.

i. I have reviewed NABIZADA's California DMV driver license photograph. Based on this review as well as a review of video recordings of NABIZADA, I am aware that NABIZADA has long hair and green eyes.

ii. As mentioned above, BURCHELL and the cooperator know NABIZADA as "Gio Khair."

d. During GPD's February 8, 2012 interview with ROYSTON, she advised that she had a photograph of Brown in her purse, which she was willing to give to GPD. ROYSTON's purse had been secured and booked by GPD at the time of ROYSTON's arrest.. On February 17, 2012, Detective Zaun obtained a copy of MOORE's California DMV photograph. Based on a comparison of the photograph of Brown obtained from ROYSTON's purse and MOORE's California DMV photograph, Detective Zaun was able to determine that Brown and MOORE were the same person.

i. In addition to Detective Zaun's photograph comparison of MOORE and Brown, I believe they are the same person due to the fact that MOORE is known to have used the name "David Brown" in the past on several real estate transactions, including

the Greenbriar Lane Property fraud described above.

e. During ROYSTON's interview on February 8, 2012, she stated that NABIZADA and MOORE approached her with the proposition of participating in a real estate transaction. After agreeing to assist NABIZADA and MOORE with the real estate transaction, ROYSTON met with MOORE. During this meeting, MOORE explained that he and NABIZADA had added her to their partnership, BTF Capital. Subsequently, MOORE provided ROYSTON with documents relating to BTF Capital and asked her to open a corporate account for them, using identifiers they provided to her. With the information she was provided, ROYSTON was able to open a corporate checking account with Citibank. MOORE provided ROYSTON with a check in the amount of \$245,000.00 and asked ROYSTON to deposit the check into the BTF Capital account she was to open. ROYSTON deposited the \$245,000 check into the account. ROYSTON later made several cash withdrawals from this account which she provided to NABIZADA and MOORE. ROYSTON admitted that she was aware that what she had done was illegal, but she stated that based on prior interactions with NABIZADA and MOORE, she was afraid to turn them down.

i. Based on my training, experience, and knowledge of the facts of the investigation, I believe that NABIZADA and MOORE fraudulently obtained control of and used the BTF Capital corporate identity, took out a loan secured by the Hoover Street property, directed ROYSTON to open an account into

which the loan funds could be deposited, and then used ROYSTON to withdraw the funds. All of this was done without the knowledge or permission of BTF Capital, and with no intention to repay the loan secured by the Hoover Street property.

I. ADDITIONAL FRAUDULENT SCHEMES BY NABIZADA AND MOORE

52. I have been investigating NABIZADA's real estate transactions since in or about August 2011 up until the present day. During this investigation, I have learned that NABIZADA has been involved in several different fraudulent real estate schemes.

a. For example, I am aware based on information provided to me by FBI SA Ryan Bell, reports of investigation that I have reviewed, and information provided to me by the cooperator, that NABIZADA was involved in a series of fraudulent transactions involving properties located at 1875 Loma Vista Drive, Beverly Hills, California ("the Loma Vista property") and 13870 Valley Vista Blvd., Sherman Oaks, California. I believe, based on interviews and a review of records, that both of these properties were sold by NABIZADA and others "out from under" the true owners without their consent. Specifically, with regards to the Loma Vista property I am aware of the following.

i. In 2008, the Loma Vista property, which was valued at or about \$2.5 million, was owned free and clear by individuals residing in Saudi Arabia. Through a series of fraudulent transactions, NABIZADA and others sold the Loma Vista

property without the true owners' knowledge and/or consent.

ii. The property was subsequently transferred multiple times. According to interviews I have conducted and documents I have reviewed, NABIZADA provided falsely signed and notarized documents, deeding the title to the Loma Vista property to individuals who were not the true owners.

iii. Through these series of transactions on the Loma Vista property NABIZADA and others obtained approximately \$1,371,413.02 in fraudulent proceeds.

b. During the course of this investigation, I am aware that NABIZADA and MOORE have been in frequent communication with other individuals who are subjects and targets of this case, as well as related federal investigations. All of NABIZADA's known business associates are suspected of being involved in a wide variety of fraudulent schemes.

c. Throughout this investigation, all of the known real estate transactions involving NABIZADA and MOORE have been revealed to be fraudulent to one extent or another. I have not learned about or been made aware of any legitimate real-estate transaction orchestrated by NABIZADA and/or MOORE.

d. During the course of this investigation and at the direction of law enforcement, the cooperator asked NABIZADA if they could do a real estate transaction together similar to the fictitious short sale approval letter transactions described above. On or about January 3, 2012, NABIZADA agreed to do a

transaction with the cooperator through the use of a fabricated BofA short sale approval letter. NABIZADA suggested they use a property located at 1524 Util Circle, Oxnard, California ("the Util property"). After NABIZADA and the cooperator agreed to effect this transaction, and upon a request from the government, the cooperator suggested that NABIZADA and the cooperator use a particular lender and escrow company. Unbeknownst to NABIZADA, the individuals and entities suggested by the cooperator were controlled by the FBI and included undercover agents. In the process of trying to effect this transaction, NABIZADA communicated several times with the cooperator via email, text message, telephone calls and in person meetings, all of which were recorded and saved and reviewed by agents, including myself. During these communications, NABIZADA and the cooperator agreed that they should not use their true names during any communications or on any document related to the Util property transaction. In addition, NABIZADA sent the cooperator several fraudulent documents, including executed purchase contracts showing Party B as Lexington Group, Inc, a corporation purportedly controlled by NABIZADA, MOORE and others. On or about February 2, 2012, NABIZADA or others acting at the direction of NABIZADA sent an email to the cooperator attaching a fraudulent and fictitious BofA short sale approval letter to be used to close the A-B Util property transaction. Prior to sending the approval letter, NABIZADA told the cooperator during

a recorded phone call to check his/her email and added something to the effect of, "The missing piece should be with you soon." In the process of this transaction, the government's undercover lender had several phone calls with individuals related to the Util property transaction. On February, 13, 2012, the undercover lender had a recorded telephone conversation with an individual purporting to be Thomas Harrison ("T. Harrison"), the signer for Lexington Group, Inc. Based on a comparison of the recording of this call with other known recordings of MOORE's voice, I believe T. Harrison was actually MOORE. Based on the investigation, it appears that NABIZADA, MOORE and others intended for the Util property transaction to close, and by so doing they would have obtained several hundreds of thousands of fraudulent proceeds. Investigators did not allow this transaction to close, and a ruse was presented to end the transaction so NABIZADA would not detect the criminal investigation or the cooperator's cooperation.

e. On May 30, 2012, I received a phone call from Tooley, the BofA investigator mentioned above. During this call Tooley informed me that an individual purporting to be "Victor Cruz" ("Cruz") was in the process of trying to effect a transaction on a property located in Newport Beach, California with the use of a fraudulent BofA short sale approval letter. Tooley suggested I contact Ralph Khelil ("Khelil"), title officer with Provident Title. I subsequently contacted Khelil and he informed me that Cruz was actually attempting to obtain title

policies for two transactions related to the following addresses 306 Coronado Street, Newport Beach, California ("the Coronado property") and 22964 Aspan Street, Lake Forest, California ("the Aspan property"). Khelil provided the following information regarding these two properties:

i. In the course of attempting to effect a transaction on the Coronado property, Cruz sent a BofA short sale approval letter to the escrow company, Canon Escrow. Khelil and/or others researched this letter with BofA and determined that the letter was fabricated and no such approval existed.

ii. In the course of attempting to effect a transaction on the Aspan property, Cruz provided a deed purportedly signed by the seller Patricia Anderson. Khelil believes the signatures on this deed were forged.

iii. Newport Assets, LLC and Lexington Group, LLC, were provided to Khelil as sellers and/or buyers participating in these two transactions.

f. On May 31, 2012 and again on June 1, 2012, Khelil, at the direction of the FBI, recorded telephone calls with Cruz. During these telephone calls, Cruz acknowledged his role in the pending transactions. I have listened to these telephone calls and, based on a comparison to prior recordings of NABIZADA which I have reviewed, I believe the individual acting in the name of Cruz is in fact NABIZADA.

g. Although it appears that the Aspan property

transaction is no longer viable for NABIZADA, MOORE and/or others, NABIZADA is currently trying to effect the Coronado property transaction.

VI. THE SUBJECT PREMISES

53. Based on my review of records and recorded statements, I am aware that NABIZADA and MOORE often use mobile devices, including multiple cellular phones, to send and receive emails and text messages with others parties and/or co-conspirators relating to real-estate transactions. I am also aware that they regularly use computers for these purposes.

54. Based upon my training, experience, knowledge of the facts of this investigation, information provided to me by agents and others involved in the investigation of real-estate fraud schemes, information provided by the cooperator and BURCHELL, and information provided by other cooperating targets both in this case and in other investigations, I know that individuals involved in schemes such as those conducted by NABIZADA and MOORE described herein receive and send large amounts of paperwork and records related to their real-estate transactions as part of conducting these transactions. I also know that such individuals maintain these documents --- both in electronic format and in hard-copy format --- at their office and home locations so that they can be readily accessible. During previous search warrants of residences and office spaces used by individuals involved in schemes like those described herein, I and other agents have

regularly recovered documents and electronic records documenting subjects' involvement in the relevant fraudulent schemes. This is especially true in the case of individuals like NABIZADA and MOORE, who are not known to be involved in any legitimate business transactions. In this case, a previous search warrant executed at the cooperator's residence in fact yielded significant evidence of his/her involvement in the schemes.

55. Further, I know that real-estate transactions often require preparation and planning to ensure that funding and/or other contingencies are in place. Therefore, records relating to a transaction may be created well in advance of that transaction occurring and must be maintained in order to be available at the necessary time. Real-estate agents and others involved in real-estate transactions, whether fraudulent or legitimate, often work irregular schedules, meaning that they rarely work Monday through Friday, 9-5 schedules. Instead, those involved in the real estate business often work on their deals in the evening and on the weekends. They often carry documents with them or store documents on portable electronic devices such as mobile telephones, I-Pads, and laptop computers, so that they can access the documents at any time in order to work on their transactions. Income from such transactions, again whether fraudulent or legitimate, is often based on an individual's ability to "close a deal" at a moment's notice. Accordingly, constant access to records related to previous and pending deals is necessary. I

also know that for these same reasons, individuals involved in real-estate transactions often have home offices consisting of desktop and laptop computers, as well as filing systems, in addition to their professional workspace. I also know that, in the Los Angeles area, the items described herein which are necessary for the execution of the schemes are often, if not always, transported between meetings and between offices in private vehicles, and sometimes are left in the vehicles overnight whether purposefully or not.

56. Further, I know that individuals involved in these types of transactions, again whether legitimate or fraudulent, do not normally delete or destroy the records of their transactions. Often, such as in this case, civil litigation ensues as a result of a real estate transaction. Based on the investigation to date, I know that NABIZADA and MOORE, and their co-conspirators, continue to engage in discussions and communications about the fraudulent activity described herein. Much of the fraudulent activity has resulted in lawsuits, and the co-conspirators appear to be blaming each other for their resulting legal problems and seeking reimbursement or payment for monetary losses they have or expect to experience. Thus, although some of the transactions described herein occurred several months ago, I believe that records of these transactions will still be maintained at the SUBJECT PREMISES, whether in electronic or hard copy format.

57. I also know that much of the fraudulent activity in

which NABIZADA and MOORE have engaged involves the use of certain "form" documents, such as fraudulent short sale approval letters, purchase contracts, etc. I know that individuals tend to keep such documents as "samples" to be updated and used in future real estate transactions. In my previous investigations, I have found that individuals involved in real estate fraud and bank fraud tend to keep such records so that they do not have to "reinvent the wheel" each time they engage in another fraudulent transaction.

58. In this case, as described herein, NABIZADA and MOORE continue to engage in fraudulent activity similar to the schemes described herein. As discussed herein, in my previous experience executing search warrants in cases like the instant investigation, and in the experience with other agents with whom I have discussed the matter, we have found that individuals involved in on-going real estate fraud schemes maintain records related to their activities both at their home offices and at any rented office space they may be using. Based on the investigation, and a review of records related to transactions mentioned in the affidavit, I am aware that the initial fraudulent real-estate transactions relating to this case, and specifically this search warrant, as early as approximately June 2010. Given that the duration of real-estate transactions can in some instances last for several months, and that it is not uncommon for documents related to a real-estate transaction to be

prepared weeks and sometimes months in advance to the transaction closing, it is likely that NABIZADA and MOORE maintain documents dated back to approximately April 2010. Therefore, they likely maintain files of such activity at the three SUBJECT PREMISES in order to effect and facilitate the pending fraudulent transactions.

59. As noted above, the DPI, MRG and Newport Asset, LLC bank accounts controlled and utilized by NABIZADA and MOORE were predominantly used to both fund the front-end of fraudulent real-estate transactions and receive the proceeds of fraudulent real-estate transactions. As described above, a financial analysis of these accounts, and others controlled by NABIZADA, MOORE and other co-conspirators in this case, show that a large percentage of the proceeds of the aforementioned real-estate transactions was withdrawn from these bank accounts in cash. Based on my training and experience, I know that it is very common for individuals involved in real-estate fraud and other types of white-collar crime to deal in cash as a way to prevent being associated by a "money trail." Therefore, it is very common for individuals involved in crimes, similar to those described above, to keep and retain large amounts of cash on their persons, and in their homes. Additionally, based on my training and experience, as well as information provided to me by other law enforcement officers, I am aware that individuals who are involved in the types of crimes similar to those described

above will often use the proceeds of the crimes to purchase high-end items such as luxury vehicles, gold and/or other valuable metals, jewelry and luxury clothing. I am specifically aware, based on information from the cooperator and the FBI's financial investigators, that NABIZADA and MOORE often take and maintain their fraudulent proceeds in the form of cash and luxury goods which they purchase with cash.

60. Based on my training and experience, I know that individuals involved in fraudulent transactions that generate significant proceeds often use casinos to launder the illicit proceeds. This is done by taking cash or wiring money, the proceeds of the fraud, to a casino and purchasing casino chips. Individuals then will either gamble with those casino chips or simply hold them for a period of time. Upon cashing out the chips, the individuals are able to say that the money received constitutes gambling winnings, and they are then able to place the proceeds into a bank account. In an effort to avoid detection and to avoid reporting requirements, individuals will sometimes cash out the casino chips over a period of time. Accordingly, these individual will often retain the casino chips at their homes and in other locations for a period of time prior to cashing out the chips. (Casinos do not require that chips be cashed out within a particular period of time, and thus the chips essentially have the same value as cash.)

i. During a June 7, 2012 interview of the cooperator,

I learned the following, among other facts: NABIZADA has, in the past, told the cooperator that NABIZADA wired approximately \$2 million to a casino in Las Vegas as part of an effort to launder the proceeds of his fraudulent transactions. NABIZADA and others spent a few days gambling and cashing out the remaining chips. NABIZADA told the cooperator that he purposefully lost approximately \$100,000 to make it look like NABIZADA and others were gambling legitimately.

ii. During a December 14, 2012 recorded conversation between NABIZADA and the cooperator, the cooperator expressed his/her disbelief that NABIZADA was able to cash out approximately \$2 million at a casino in Las Vegas. NABIZADA said that he in fact had done just that.

A. SUBJECT PREMISES 1

61. As discussed above, SUBJECT PREMISES 1, located at 1 Taiga, Coto de Caza (an exclusive Orange County residential community), California is known to be NABIZADA's residence. This is based on the following facts:

a. On December 19, 2011, a surveillance by law enforcement officers was conducted in the vicinity of SUBJECT PREMISES 1. This surveillance was initiated at approximately 8:30 am. At approximately 10:28 am, an individual, later identified as NABIZADA, was seen leaving the driveway of the SUBJECT PREMISES 1 while driving a black 2-door S-Class Mercedes Benz with California license plate 5PUW045. Due to the long

driveway that turns to the right leading up to SUBJECT PREMISES 1, NABIZADA was not seen coming out of the residence. However, based on the location from which he came, the only reasonable conclusion is that he came from inside SUBJECT PREMISES 1.

b. On March 22, 2012, at approximately 6:30 am, another law enforcement surveillance was conducted in the vicinity of SUBJECT PREMISES 1. At approximately 6:40 am, the following vehicles were seen parked in the driveway of SUBJECT PREMISES 1: A grey over black Maybach (license plate not visible), a black Mercedes Benz (plate not visible) and a black Toyota 4-Runner bearing a paper plate that read "Power Toyota." At approximately 9:37 am, NABIZADA, as a sole occupant, was seen driving the black Toyota 4-Runner leaving the eastside gate of the Coto de Caza community. Based on information provided by the cooperator, as well as observations made while NABIZADA met with the cooperator on a prior occasion during which NABIZADA arrived in the black Toyota 4-Runner, I am aware that NABIZADA is known to occasionally drive the black Toyota 4-Runner. Also, according to the cooperator and information obtained from the Orange County Sheriff's Department, the black Maybach mentioned above is a vehicle known to be driven by NABIZADA's brother-in-law, NOORY, who is also being investigated as a co-conspirator of NABIZADA's on several fraudulent real estate transactions.

c. On May 31, 2012 at approximately 7:23 am, a drive-by surveillance was conducted at SUBJECT PREMISES 1. At the time

of this drive-by, the three vehicles mentioned above were seen parked in the vicinity of SUBJECT PREMISES 1: 1) a black Maybach with California plate 6TKS741, 2) a Toyota 4-Runner with a paper plate that read "Power Toyota," and 3) a Mercedes Benz sedan with California plate 5PUW045. CA DMV registration records for the Maybach show that it is registered to Estate Venture Group, LLC, with NOORY's (NABIZADA's brother-in-law believed to be involved in the schemes) California Driver's License number noted on an application for replacement plates. CA DMV registration records show that the Mercedes is registered to Nooria Noory (believed to be a relative of NABIZADA's wife and brother-in-law). Because the 4-runner had paper plates at the time of surveillance, registration is unknown; however, NABIZADA has been seen driving this vehicle by agents on surveillance and Nooria Noory has a 2010 Toyota 4-Runner registered in her name.

62. As mentioned above, records received from Cox Communications, an internet service provider, indicate that an account in the name of Zarui Sarkisyan for services at SUBJECT PREMISES 1 had assigned an IP address of 68.96.75.150, to the account as of August 30, 2011. Based on records received from Google, emails from addresses julio.mendoza2525@gmail.com and secpropertyinv@gmail.com, both of which are known addresses used by NABIZADA, were sent using IP address 68.96.75.150.

63. The owner of SUBJECT PREMISES 1 per title records is MRG, which, as discussed herein, is one of the entities used by

NABIZADA in the course of his fraudulent schemes. As discussed above, based on the investigation to date including this fact, I believe SUBJECT PREMISES 1 was the subject of a fraudulent short sale approval transaction.

64. Based on the foregoing, there is probable cause to believe that NABIZADA resides at SUBJECT PREMISES 1, conducts his fraudulent schemes from this location and others, and uses this location to further and facilitate his fraudulent real estate transactions.

B. SUBJECT PREMISES 2

65. As discussed above, SUBJECT PREMISES 2, located at 13841 Tustin East Drive, Unit Number 56, Tustin, CA 92780 (an apartment complex named Avalon Communities), is known to be MOORE's residence. This is based on the following facts:

a. As mentioned above, I interviewed an individual who, until approximately one month ago, was a maintenance technician employed to care for the apartment complex located at 13841 Tustin East Drive, Tustin, CA. I interviewed the maintenance technician on a few separate occasions, and learned the following:

i. On September 16, 2011, the maintenance technician stated that MOORE leases unit 56, which is SUBJECT PREMISES 2. The carport assigned to MOORE is space "92." In a subsequent conversation later the same day, the maintenance technician informed me that he had "just" seen MOORE driving a

black two-door Mercedes Benz coupe with a license plate of 5PUW045 (the car recently seen at SUBJECT PREMISES 1) at the Avalon Communities apartment complex.

ii. On December 19, 2011, I again spoke with the maintenance technician. The maintenance technician advised that MOORE renewed his lease at unit 56 and continues to reside there. MOORE continues to drive the black Mercedes Benz mentioned above.

iii. On March 14, 2012, I spoke to the maintenance technician again. At the time, MOORE continued to live at SUBJECT PREMISES 2; however, the maintenance technician had not recently seen MOORE driving the black Mercedes Benz. The maintenance technician noted that MOORE was often picked up by another vehicle from the street in front of his residence.

iv. On May 31, 2012, I spoke with the maintenance technician. The maintenance technician left approximately one month prior to take over an apartment complex in the eastern United States. At the time the maintenance technician left, MOORE continued to reside at SUBJECT PREMISES 2.

66. On March 3, 2012, surveillance was conducted by law enforcement in the vicinity of SUBJECT PREMISES 2. During this surveillance, the following activity was noted:

a. At approximately 9:44am, MOORE exited the apartment complex in which SUBJECT PREMISES 2 is located carrying what appeared to be rolled up papers. He walked out to the street and met with an individual matching the description of

NABIZADA, who was driving a black Toyota 4-Runner with plates that read "Power Toyota." A few minutes later, MOORE walked back into the apartment complex containing SUBJECT PREMISES 2 carrying an unidentified item or items in his hand. The individual who appeared to be NABIZADA left in the black Toyota 4-Runner.

67. On May 31, 2012, at approximately 7:10 am, a drive-by surveillance was conducted in the vicinity of SUBJECT PREMISES 2. At the time of this drive-by, a gray Range Rover, with California license plate 6VLY048, was parked in parking space 92. Vehicle registration records show this Range Rover as registered to MOORE. As noted above, space 92 is assigned to MOORE and to SUBJECT PREMISES 2.

68. On June 5, 2012, I again saw MOORE's Range Rover parked in space 92 of the complex, the space which is assigned to SUBJECT PREMISES 2.

69. As noted above, it is believed that MOORE has used several identities while effecting several fraudulent real estate transactions with NABIZADA. Based on interviews and documents I have reviewed, I believe that MOORE has or had in his possession several identification cards displaying his own photograph, but with the identifying information of another individual. Based on my training and experience, individuals who use aliases and stolen identities often obtain fake identification cards and driver licenses to further their fraudulent objectives. Often, these types of individuals will carry these identification cards

with them, or they will leave them in their vehicle or residence. Based on the fact that MOORE does not appear to drive only one vehicle, I believe it is likely MOORE will have fake identification cards in his residence, SUBJECT PREMISES 2, or on his person.

70. Based on the foregoing, there is probable cause to believe that MOORE and others use SUBJECT PREMISES 2 to conduct their fraudulent real estate transactions and to further and facilitate their fraudulent real estate transactions.

C. SUBJECT PREMISES 3

71. As discussed above, SUBJECT PREMISES 3 is an office space located at 1221 East Dyer Road, Suite 110, Santa Ana, California (inside a two story beige office building which is part of the "Orange County Business Park" with tinted windows surrounding the building on each floor) is known to be an office location where NABIZADA, MOORE and others work on and carry out some of the fraudulent real estate transactions mentioned above. This is based on the following facts:

a. On December 19, 2011 (same date as surveillance mentioned above on SUBJECT PREMISES 1) a law enforcement surveillance was conducted in the vicinity of SUBJECT PREMISES 3. During this surveillance, the following observations were made:

i. A black Mercedes Benz SL 500, California license plate number 5PUW045 (the vehicle seen being driven by NABIZADA earlier that same morning), was parked in the parking

lot outside of SUBJECT PREMISES 3.

ii. A black Maybach, California license plate 6TKS741 (the vehicle seen parked at SUBJECT PREMISES 1 and later driven, earlier that same morning, by NOORY, NABIZADA's brother-in-law) was parked in the parking lot outside of SUBJECT PREMISES 3.

iii. SA Bell entered SUBJECT PREMISES 3 on foot, through the double glass doors that lead into the building. He has told me what he observed. SUBJECT PREMISES 3, which is Suite 110, was the first door on the right which had a light colored wood door with black metal trim. SA Bell entered SUBJECT PREMISES 3, which did not have any signs or markings, outside or inside, indicating a name of the company or the function of the business. After entering SUBJECT PREMISES 3, SA Bell noted an office on the right side with a glass wall with a desk, immediately upon entering the suite. SA Bell saw what appeared to be loose papers and files on the desk. A laptop computer was also on top of the desk. Past the first office on the right side next to the window of the suite was a row of approximately four cubicles. The cubicles appeared to be empty. There were two or three cubicles on the left side of the suite upon entering which also appeared to be empty. In the back of the suite was another office with a desk and a computer on top of it. There appeared to be loose papers and files on that desk as well. SA Bell saw an individual, who based on a comparison with his California DMV

photograph, appeared to be NOORY. Upon entering the suite, SA BELL said "Hello" to alert anyone in the office to his arrival. NOORY came out of his office and NABIZADA came around a corner. SA Bell acted as if he had entered the wrong business and asked if "Orange County Technical Labs" was located in suite 110. Both individuals said no.

b. On March 22, 2012, a law enforcement surveillance was conducted in Orange County. The surveillance was initiated in the vicinity of SUBJECT PREMISES 1, where NABIZADA was seen leaving the vicinity of SUBJECT PREMISES 1 while driving a black Toyota 4-Runner with paper plates that read "Power Toyota." After leaving SUBJECT PREMISES 1 at approximately 9:37 am, the same vehicle arrived in the vicinity of SUBJECT PREMISES 3 and parked in the parking lot outside at approximately 10:03 am. NABIZADA exited the black 4-Runner and entered the building in which SUBJECT PREMISES 3 is located, on the southeast side lobby of the building. At approximately 10:04 am the black Maybach, California license plate 6TKS741, was seen parked on the northwest side of the same building.

c. On May 31, 2012, at approximately 12:58 pm, a drive-by surveillance was conducted in the vicinity of SUBJECT PREMISES 3. During this surveillance, it was noted that the grey Range Rover with CA license plate 6VLY048 (seen earlier the same day parked in MOORE's parking spot in the vicinity of SUBJECT PREMISES 2 as mentioned above), was parked outside the building

in which SUBJECT PREMISES 3 is located.

d. Based on a review of email correspondence and attachments as well as a review of undercover and consensual recordings, I am aware that NABIZADA used an email address of shortsalegame@yahoo.com during the controlled/undercover transaction involving the Util property. On April 16, 2012 I received records from Yahoo! relating to this email address. According to these records, IP address 66.85.122.234 was used during every login to that email address during the time period of November 30, 2011 to April 5, 2012. Based on records obtained from Google on March 21, 2012, the same IP address was used several times to login and out of the email account of assetresource.ca@gmail.com, an email address that NABIZADA and/or others used during the same transaction. Records received from TelePacific Communications, an internet service provider, on February 14, 2012 indicated that since November 29, 2011, this IP address, 66.85.122.234, was assigned by Telepacific Communications to account holder "Waheed Noory" (NOORY) at SUBJECT PREMISES 3.

e. Based on the foregoing, I believe that NABIZADA, MOORE and others use SUBJECT PREMISES 3 to conduct, further, and facilitate their fraudulent real estate transactions.

VII. INFORMATION RELATED TO THREATS

72. During the course of this investigation, I have been made aware that NABIZADA, MOORE and other co-conspirators in this

case have made several threats of violence. Specifically, I have learned the following:

a. On January 5, 2012 I interviewed the cooperator. During that interview, the cooperator discussed a meeting he/she had with NABIZADA and MOORE at a restaurant located in the San Fernando Valley called "The Spot." During this meeting, NABIZADA told the cooperator something to the effect of "You don't wanna mess with KENNY MOORE or the guys he deals with." The cooperator understood this statement to mean that MOORE was potentially a dangerous guy who acted as an "enforcer" for NABIZADA. Although he/she could not recall specifics, it was clear to the cooperator that MOORE was familiar with weapons and violence.

b. On May 8, 2012, MOORE and the cooperator had a recorded telephone conversation. I have listened to the recording. During this call, MOORE discussed some associates to whom NABIZADA owes money. Per MOORE, these associates damaged NABIZADA's vehicle because they are upset that they had not yet received their money. During this call, MOORE insinuated that "these guys" were going to get to know NABIZADA and "the name they keep hearing (the cooperator's)" from NABIZADA on a much more "closer" level. MOORE suggested that the cooperator should give money to NABIZADA so that he could give it to these "guys." According to MOORE, the "guys" indicated they will go directly to the cooperator if they do not get the money from NABIZADA and insinuated that they would use violence to extract the money from

the cooperator. Per MOORE, NABIZADA is telling the "guys" that he is waiting on the cooperator to get him the money. When the cooperator asked what would happen if the "guys" do not get the money, MOORE said he did not want to talk about that, and added that the "guys" are not going to just "talk" about this much longer. MOORE indicated that the "guys," who are acquaintances of his from New York, are looking for the cooperator's house.

c. On December 21, 2011, the cooperator had a recorded telephone conversation with NABIZADA. I have reviewed that recording. I am aware that NABIZADA and the cooperator discussed an individual they referred to as "Tariq," who I know to be Ahmed Tariq ASGHARI ("ASGHARI"), a co-conspirator who was indicted on Friday, June 1, 2012 for attempted bank fraud and aggravated identity theft. NABIZADA and the cooperator discussed the fact that ASGHARI is angry because of the way some of their real estate transactions ended up. During this call, NABIZADA said something to the effect of "If he wants someone to whoop his ass, you call me. I promise you I'll have people whoop the fuck out of him, cause you know I know bad-ass mother fucking people, ok?" NABIZADA later talked about a trip he was planning to take. NABIZADA told the cooperator he did not want to cancel his trip to go "whoop someone's ass."

d. On December 27, 2011, the cooperator had another recorded telephone conversation with NABIZADA. I have listened to the call and am aware they discussed ASGHARI. During this

call, NABIZADA said something to the effect of "Man . . . you have no idea how many people I fucking know; They'll fucking eat him up and spit him back the fuck out, and Tariq will be fucking sucking my dick for another hundred years just so he doesn't fucking have to fucking deal with that kind of shit." In reference to the day ASGHARI was threatening to go to Orange County to look for NABIZADA, NABIZADA said, "I called one of my boys, I was like, hey, if this mother fucker even remotely thinks he can come this way, uh, I want you to come fuck him up. And they said, what the f..., no questions asked." Also during this call, NABIZADA said to the cooperator something to the effect of, "Even if we get locked up in jail, buddy, like I said we didn't kill anyone, we'll be out two days later with the bail." Speaking in regards to ASGHARI, NABIZADA told the cooperator that "I promise you, I can have him wiped off the face of the planet if we want. . . ."

VIII. TRAINING AND EXPERIENCE ON DIGITAL DEVICES

73. As used below, the term "digital device" includes any electronic system or device capable of storing and/or processing data in digital form, including: central processing units; laptop or notebook computers; personal digital assistants; wireless communication devices such as telephone paging devices, beepers, and mobile telephones; peripheral input/output devices such as keyboards, printers, scanners, plotters, monitors, and drives intended for removable media; related communications devices such

as modems, cables, and connections; storage media such as hard disk drives, floppy disks, compact disks, magnetic tapes used to store digital data (excluding analog tapes such as VHS), and memory chips; and security devices. Based on my knowledge, training, and experience, as well as information related to me by agents and others involved in the forensic examination of digital devices, I know that data in digital form can be stored on a variety of digital devices and that during the search of the premises it is not always possible to search digital devices for digital data for a number of reasons, including the following:

a. Searching digital devices can be a highly technical process that requires specific expertise and specialized equipment. There are so many types of digital devices and software in use today that it is impossible to bring to the search site all of the necessary technical manuals and specialized equipment necessary to conduct a thorough search. In addition, it may also be necessary to consult with specially trained personnel who have specific expertise in the type of digital device, software application or operating system that is being searched.

b. Digital data is particularly vulnerable to inadvertent or intentional modification or destruction. Searching digital devices can require the use of precise, scientific procedures that are designed to maintain the integrity of digital data and to recover "hidden," erased, compressed,

encrypted or password-protected data. As a result, a controlled environment, such as a law enforcement laboratory or similar facility, is essential to conducting a complete and accurate analysis of data stored on digital devices.

c. The volume of data stored on many digital devices will typically be so large that it will be highly impractical to search for data during the execution of the physical search of the premises. A single megabyte of storage space is the equivalent of 500 double-spaced pages of text. A single gigabyte of storage space, or 1,000 megabytes, is the equivalent of 500,000 double-spaced pages of text. Storage devices capable of storing 500 gigabytes (GB) of data are now commonplace in desktop computers. Consequently, each non-networked, desktop computer found during a search can easily contain the equivalent of 240 million pages of data, that, if printed out, would completely fill three 35' x 35' x 10' rooms to the ceiling. Further, a 500 GB drive could contain as many as approximately 450 full run movies or 450,000 songs.

d. Electronic files or remnants of such files can be recovered months or even years after they have been downloaded onto a hard drive, deleted or viewed via the Internet. Electronic files saved to a hard drive can be stored for years with little or no cost. Even when such files have been deleted, they can be recovered months or years later using readily-available forensics tools. Normally, when a person

deletes a file on a computer, the data contained in the file does not actually disappear; rather, that data remains on the hard drive until it is overwritten by new data. Therefore, deleted files, or remnants of deleted files, may reside in free space or slack space, i.e., space on the hard drive that is not allocated to an active file or that is unused after a file has been allocated to a set block of storage space for long periods of time before they are overwritten. In addition, a computer's operating system may also keep a record of deleted data in a swap or recovery file. Similarly, files that have been viewed via the Internet are automatically downloaded into a temporary Internet directory or cache. The browser typically maintains a fixed amount of hard drive space devoted to these files, and the files are only overwritten as they are replaced with more recently viewed Internet pages. Thus, the ability to retrieve residue of an electronic file from a hard drive depends less on when the file was downloaded or viewed than on a particular user's operating system, storage capacity, and computer habits. Recovery of residue of electronic files from a hard drive requires specialized tools and a controlled laboratory environment.

e. Although some of the records called for by this warrant might be found in the form of user-generated documents (such as word processor, picture, and movie files), digital devices can contain other forms of electronic evidence as well.

In particular, records of how a digital device has been used, what it has been used for, who has used it, and who has been responsible for creating or maintaining records, documents, programs, applications and materials contained on the digital devices are, as described further in the attachments, called for by this warrant. Those records will not always be found in digital data that is neatly segregable from the hard drive image as a whole. Digital data on the hard drive not currently associated with any file can provide evidence of a file that was once on the hard drive but has since been deleted or edited, or of a deleted portion of a file (such as a paragraph that has been deleted from a word processing file). Virtual memory paging systems can leave digital data on the hard drive that show what tasks and processes on the computer were recently used. Web browsers, e-mail programs, and chat programs store configuration data on the hard drive that can reveal information such as online nicknames and passwords. Operating systems can record additional data, such as the attachment of peripherals, the attachment of USB flash storage devices, and the times the computer was in use. Computer file systems can record data about the dates files were created and the sequence in which they were created. This data can be evidence of a crime, indicate the identity of the user of the digital device, or point toward the existence of evidence in other locations. Recovery of this data requires specialized tools and a controlled laboratory environment.

f. Further, evidence of how a digital device has been used, what it has been used for, and who has used it, may be the absence of particular data on a digital device. For example, to rebut a claim that the owner of a digital device was not responsible for a particular use because the device was being controlled remotely by malicious software, it may be necessary to show that malicious software that allows someone else to control the digital device remotely is not present on the digital device. Evidence of the absence of particular data on a digital device is not segregable from the digital device. Analysis of the digital device as a whole to demonstrate the absence of particular data requires specialized tools and a controlled laboratory environment.

g. The United States has not attempted to obtain this data by other means.

IX. ITEMS TO BE SEIZED

74. Based on the foregoing, there is probable cause to believe that the following items, which constitute evidence, fruits, and/or instrumentalities of violations of Title 18 U.S.C. §§ 1343 (Wire Fraud), 1344 (Bank Fraud), and 1349 (Conspiracy to Commit Wire and/or Bank Fraud) will be found at SUBJECT PREMISES 1, 2, & 3, and I request permission to seize these items:

a. Any and all records dating from April 1, 2010 to the present relating to the below-listed properties including, but not limited to: grant deeds, deeds of trust, mortgage notes,

loan applications, purchase offers, purchase contracts/agreements, short sale applications, short sale approval letters; escrow documents to include buyer/seller instructions, escrow receipt of funds, and escrow disbursements/schedules; title insurance company records including preliminary title reports and title policies; appraisal/broker price opinion documents, and MLS records/listings:

1. 1 Taiga, Coto De Caza, CA (SUBJECT PREMISES 1)
2. 72530 Greenbriar Lane, Palm Desert, CA
3. 11645 Montana Ave # 340, Los Angeles, CA
4. 11725 Concord St., Cerritos, CA
5. 219 Pauline Place, Costa Mesa, CA
6. 23044 Victory Blvd., Woodland Hills, CA
7. 29857 Quail Run Dr, Agoura Hills, CA
8. 3120 Colebrook Lane, Dublin, CA
9. 4024 Channel Place, Newport Beach, CA
10. 459 County Rd., Pomona, CA
11. 460 S Paseo Bandera, Anaheim, CA
12. 6153 Turnberry Ct., Dublin, CA
13. 12233 Octagon St., Los Angeles, CA
14. 1344 Raymond Ave., Glendale, CA
15. 13939 Branton Place, Sherman Oaks, CA
16. 5436 Woodman Ave., Sherman Oaks, CA
17. 1952 Stradella Rd., Los Angeles, CA

18. 4427 Mary Ellen Street, Sherman Oaks, CA
19. 4421 Mary Ellen Street, Sherman Oaks, CA
20. 4465 Gould Avenue, La Canada-Flintridge, CA
21. 28130 Ambergate Drive, Rancho Palos Verdes, CA
22. 1239 N. Hoover Street, Los Angeles, CA
23. 1875 Loma Vista Drive, Beverly Hills, CA
24. 13870 Valley Vista Blvd., Sherman Oaks, CA
25. 1524 Util Circle, Oxnard, CA
26. 306 Coronado Street, Newport Beach, CA
27. 22964 Aspan Street, Lake Forest, CA

b. Any and all corporate documents dating from April 1, 2010 to the present relating to the ownership of corporate entities including but not limited to: articles of incorporation, articles of organization, certificates and statements of corporate signers and other corporate documents indicating the owners and/or authorized signers of the corporation for the following entities:

1. Discounted Property Investments
2. Management Resource Group
3. Newport Assets, LLC
4. Lexington Group, Inc.
5. Lexington Group, LLC
6. BTF Capital Partners, L.P.

c. Records, documents, programs and applications pertaining to personal and company finances, to include financial

statements, balance sheets, accounting ledgers, financial receipts and banking records, to include bank statements, credit cards and checks;

d. Communications, or records of communications, to include email correspondence and attachments, with individuals or other entities concerning real estate transactions, including records or applications on cellular telephones containing or evidencing text messages, email messages, telephone number or address records, and records of calls or communications transmitted or received;

e. Any of the following valuable items, if valued at over \$1,000:

- 1) Cash
- 2) Gold and/or other valuable metals
- 3) Jewelry
- 4) Luxury clothing
- 5) Electronics
- 6) Casino chips

f. Any computer or cellular telephone used to facilitate the above-listed violations and forensic copies thereof.

g. Identification documents which contain name(s) or other mean(s) of identification which are different than the true legal names or means of identification of individuals located at the SUBJECT PREMISES 1, 2, and 3.

h. With respect to any digital devices containing evidence

falling within the scope of the foregoing search categories, records, documents, programs, applications or materials, or evidence of the absence of same, sufficient to show the actual user(s) of the digital device during the time period between April 1, 2010 and present.

74. As used above and below, the terms records, documents, programs, applications or materials include records, documents, programs, applications or materials created, modified or stored in any form, including in digital form on any digital device and any forensic copies thereof. As used both above and below, the term "digital device" includes any electronic system or device capable of storing and/or processing data in digital form, including: central processing units; laptop or notebook computers; personal digital assistants; wireless communication devices such as telephone paging devices, beepers, and mobile telephones; peripheral input/output devices such as keyboards, printers, scanners, plotters, monitors, and drives intended for removable media; related communications devices such as modems, cables, and connections; storage media such as hard disk drives, floppy disks, compact disks, magnetic tapes used to store digital data (excluding analog tapes such as VHS), and memory chips; and security devices.

75. In searching for digital devices and in searching digital data stored on digital devices, law enforcement personnel executing this search warrant will employ the following

procedure:

a. Law enforcement personnel or other individuals assisting law enforcement personnel will, in their discretion, either search the digital device(s) on-site or seize and transport the device(s) to an appropriate law enforcement laboratory or similar facility to be searched at that location. The team of law enforcement personnel, which may include the investigating agent(s), and/or individuals assisting law enforcement personnel searching the digital device(s) shall complete the search as soon as is practicable but not to exceed 60 days from the date of execution of this warrant. If additional time is needed, the government may seek an extension of this time period from the Court within the original 60 day period from the date of execution of the warrant.

b. The team searching the digital devices will do so only by using search protocols specifically chosen to identify only the specific items to be seized under this warrant.

i. The team may subject all of the data contained in the digital device capable of containing items to be seized as specified in this warrant to the protocols to determine whether the digital device and any data falls within the items to be seized as set forth herein. The team searching the digital device may also search for and attempt to recover "deleted," "hidden" or encrypted data to determine, pursuant to the protocols, whether the data falls within the list of items to be

seized as set forth herein.

ii. The team searching the digital device also may use tools to exclude normal operating system files and standard third-party software that do not need to be searched.

c. When searching a digital device pursuant to the specific protocols selected, the team searching the digital device shall make and retain notes regarding how the search was conducted pursuant to the selected protocols.

d. If the team searching a digital device pursuant to the selected protocols encounters immediately apparent contraband or other evidence of a crime outside the scope of the items to be seized, the team shall immediately discontinue its search of that digital device pending further order of Court and shall make and retain notes detailing how the contraband or other evidence of a crime was encountered, including how it was immediately apparent contraband or evidence of a crime.

e. At the conclusion of the search of the digital devices as set forth in subparagraph (a) above, any digital device determined to be itself an instrumentality of the offense(s) and all the data thereon shall be retained by the government until further order of court or one year after the conclusion of the criminal case/investigation.

f. Notwithstanding the above, after the completion of the search of the digital devices as set forth in subparagraph (a) above, the government shall not access digital data falling

outside the scope of the items to be seized in this warrant on any retained digital devices or digital data absent further order of court.

g. If the search team determines that a digital device is not an instrumentality of any offense under investigation and does not contain any data falling within the list of items to be seized pursuant to this warrant, the government will as soon as practicable return the digital device and delete or destroy all the forensic copies thereof.

h. If the search determines that the digital device or the forensic copy does contain data falling within the list of the items to be seized pursuant to this warrant, the government may retain the digital device and the forensic copy without further order of the court.

76. In order to search for data that is capable of being read or interpreted by a digital device, law enforcement personnel are authorized to seize the following items, subject to the procedures set forth above:

a. Any digital device capable of being used to commit, further or store evidence of the offense listed above;

b. Any equipment used to facilitate the transmission, creation, display, encoding or storage of digital data, including word processing equipment, modems, docking stations, monitors, printers, plotters, encryption devices and optical scanners;

c. Any magnetic, electronic or optical storage device

capable of storing data, such as floppy disks, hard disks, tapes, CD-ROMs, CD-R, CD-RWs, DVDs, optical disks, printer or memory buffers, smart cards, PC cards, memory calculators, electronic dialers, electronic notebooks, cellular telephones and personal digital assistants;

d. Any documentation, operating logs and reference manuals regarding the operation of the digital device or software used in the digital device;

e. Any applications, utility programs, compilers, interpreters and other software used to facilitate direct or indirect communication with the digital device;

f. Any physical keys, encryption devices, dongles and similar physical items that are necessary to gain access to the digital device or data stored on the digital device; and

g. Any passwords, password files, test keys, encryption codes or other information necessary to access the digital device or data stored on the digital device.

77. The special procedures relating to digital media found in this warrant govern only the search of digital media pursuant to the authority conferred by this warrant and do not apply to any search of digital media pursuant to any other court order.

X. CONCLUSION

78. Based on the foregoing, there is probable cause to believe that evidence, fruits, and/or instrumentalities of violations of 18 U.S.C. §§ 1343 (Wire Fraud), 1344 (Bank Fraud), and 1349 (Conspiracy to Commit Bank and Wire Fraud) will be found at SUBJECT PREMISES 1, 2, & 3.

19/
PATRICK BALDREE
Special Agent
Federal Bureau of Investigations

Subscribed and Sworn to before me
on this 17 day of June 2012

ANDREW J. WISTRICH

UNITED STATES MAGISTRATE JUDGE
CENTRAL DISTRICT OF CALIFORNIA