


AFFIDAVIT IN SUPPORT OF ARREST WARRANTS

FILED

12 DEC 27 AM 10:00

Case # 145277

CLERK OF THE SUPERIOR COURT
COUNTY OF STANISLAUS

BY  DEPUTY

STATE OF CALIFORNIA)

(SS

COUNTY OF STANISLAUS)

I, Glenn Gulley of the Stanislaus County District Attorney's Office, declare:

That I have conducted an investigation, and believe and thereupon allege:

That Defendant, **Blas G. Arreola**, is described as a Hispanic male, 5'5", 145 lbs., black hair, brown eyes, DOB: 2/3/1975, identified by California Driver License #A9916371. That Defendant, **Nancy I. Arreola**, is described as a Hispanic female, 5'3", 130 lbs., brown hair, brown eyes, DOB: 8/29/1978, identified by California Driver License #B5941887.

That Defendant, **Blas G. Arreola** was arrested and booked, based on information and belief, on June 28, 2012, for seven (7) counts of Section 115 (a) of the California Penal Code,¹ Filing False Documents With The Local County Recorder's Office; seven (7) counts of Section 460 (b), Burglary; and seven (7) counts of Section 470 (a), Forgery.

That Defendant, **Nancy I. Arreola** has not been previously arrested, booked, and/or released on the within described offense(s).

I, Glenn Gulley, am a Criminal Investigator with the Stanislaus County District Attorney's Office, and have been so employed for over six years. I am a Special Deputy with the United States Marshal's Office and assigned to a Federal Mortgage Fraud Task Force. I am a court recognized expert in the area of real estate fraud. Prior to my employment with the Stanislaus County District Attorney's Office, I was employed by the Oakdale Police Department as a police

¹All further references are to the California Penal Code unless otherwise indicated.

1 officer for over 30 years, including 20 years as a police sergeant. I was a detective
2 with the Oakdale Police Department for approximately two years. Since June 2006,
3 I have been assigned to the investigation of real estate fraud and mortgage fraud,
4 and have investigated and/or reviewed several hundred real estate fraud cases. I
5 work closely with the Federal Bureau of Investigation, Federal Housing Finance
6 Agency Office of Inspector General, United States Treasury Department,
7 California Attorney General's Office, California Department of Real Estate, and
8 other law enforcement agencies that investigate mortgage fraud. I also work
9 closely with real estate fraud investigators and prosecutors in Northern California.

10 In connection with violations of the following California Penal Code
11 sections(s): 530.5(a), Identity Theft; 115(a), Filing False Documents With The
12 Local County Recorder's Office; 531, Defeat, Hinder or Delay Creditors; 472,
13 Counterfeit Seal; 182/531, Conspiracy to Delay Creditors; 664/115, Attempted
14 Filing of False Documents; and 12022.1 as to Defendant Blas Arreola, Offense
15 While on Bail or Own Recognizance; I declare as follows:

16 I, Criminal Investigator Glenn Gulley, a sworn California Peace Officer, am
17 your affiant. Your affiant is a Criminal Investigator with the Stanislaus County
18 District Attorney's Office, assigned to the Northern California Real Estate Fraud
19 Prosecution Unit, and a Task Force Officer with the Federal Bureau of
20 Investigation assigned to investigating mortgage fraud.

21 On December 8, 2011, Paul Tunison, the owner of a regional eviction service
22 company, reported Blas and Nancy Arreola filed and recorded false and fictitious
23 documents with the Stanislaus County Recorder's Office to delay or stall
24 foreclosure at 4640 Crimson Way, Turlock, Stanislaus County, CA. Blas and
25 Nancy Arreola later filed and recorded false and fictitious documents to delay or
stall foreclosure at their second home located at 400 Hedstrom Road, Turlock,
Stanislaus County, CA.

1 Initially, I determined that Blas and Nancy Arreola filed and recorded five (5)
2 false and fictitious fractional interest Grant Deed Transfers with the Stanislaus
3 County Recorder's Office, and caused the false and fictitious documents to be
4 placed into five (5) different bankruptcies to stall or delay foreclosure. The
5 fraudulent practice of causing the false documents to be placed into others
6 bankruptcies is known by the United States Bankruptcy Court as "Bankruptcy
7 Dumping."² The Arreolas have stalled foreclosure at 4640 Crimson Way, Turlock,
8 CA since March 2009. The Arreolas have stalled foreclosure on a second home
9 located at 400 Hedstrom Road, Turlock, CA since February 2012.

10 Blas and Nancy Arreola purchased **4640 Crimson Way, Turlock, Stanislaus**
11 **County, CA** on September 23, 2005. The purchase price was \$520,000. The
12 Arreolas' obtained a loan of \$416,000 from Washington Mutual Bank, now named
13 JP Morgan Chase Bank. On June 19, 2007, the Arreolas refinanced the Washington
14 Mutual Bank loan and obtained two new loans from JP Morgan Chase Bank. One
15 loan was for \$416,000 and the second loan was a home equity line of credit
16 (HELOC) totaling \$52,000. On March 9, 2009, Chase Home Loan Finance LLP
17 recorded a Notice of Default on the \$416,000 loan because the Arreolas stopped
18 making their mortgage payments. On August 18, 2011, a Notice of Trustee's Sale
19 was recorded. The Arreolas owed JP Morgan Chase Bank \$456,203.

20 Blas and Nancy Arreola stopped making their mortgage payments to JP Morgan
21 Chase Bank, and Roni Roberts then purchased the property, 4640 Crimson Way,
22 Turlock, CA at a Trustee's Sale on or about September 12, 2011. The sale was
23 rescinded by the foreclosing company because of the false and fictitious documents
24 recorded at the Stanislaus County Recorder's Office and placed into the listed

25 ²Under Title 18 U.S.C. 157, a person commits bankruptcy fraud if he, having devised or intending to devise a
scheme or artifice to defraud and for the purpose of executing or concealing such a scheme or artifice or attempting
to do so... (3) makes a false or fraudulent representation, claim, or promise concerning or in relation to a
proceeding under title 11, at any time before or after the filing of the petition, or in relation to a proceeding falsely
asserted to be pending under such title . . .

1 debtor's bankruptcies by Blas and Nancy Arreola. Roni Roberts was stopped from
2 making a legitimate purchase of the property after Blas and Nancy filed the false
3 and fictitious documents. As of September 4, 2012, Blas and Nancy Arreola had
4 filed and recorded, or attempted to file and record, approximately nineteen (19)
5 false and fictitious documents to delay or stall foreclosure regarding the two
6 homes. The documents were 1% fractional interest Grant Deed Transfers to
7 persons in bankruptcy, and false and fictitious Grant Deed Transfers representing
8 sales of the two properties to Blacks Edition, LLC.

9 Blas and Nancy Arreola purchased **400 Hedstrom Way, Turlock, Stanislaus**
10 **County, CA** on April 5, 2002. The purchase price was \$169,000. The Arreolas
11 obtained a loan from Sierra Pacific Mortgage Company for \$135,200. On July 22,
12 2003, the Arreolas refinanced with INSTFI for \$135,500. The Arreolas stopped
13 making their mortgage payments. On February 22, 2012, a Notice of Default was
14 recorded by Citi Mortgage Incorporated. That would indicate City Mortgage had
15 acquired the Sierra Pacific Mortgage loan. On May 25, 2012, a Notice of Trustee's
16 Sale was recorded. Blas and Nancy Arreola owed \$125,738 at that time. On
17 August 29, 2012, Blas and Nancy Arreola filed and recorded a false and fictitious
18 Grant Deed Transfer indicating they had sold the home to Blacks Edition, LLC for
19 \$47,000. Blas and Nancy Arreola also recorded a Preliminary Change of
20 Ownership (PCOR). A PCOR is a document filed with the Stanislaus County Tax
21 Assessor's Office along with a Grant Deed further describing sale transaction
22 details. The sales of 4640 Crimson Way, Turlock, CA and 400 Hedstrom Road,
23 Turlock, CA were not legitimate sales. Blas and Nancy Arreola filed the PCOR
24 documents because the Stanislaus County Recorder's Office requires the document
25 be filed and recorded when property legitimately changes ownership.

Blas and Nancy Arreola purchased the two properties; the Arreolas obtained
loans on the two properties. The loans were secured by Deeds of Trust which are

1 security instruments. The Deeds of Trust detail the loan conditions agreed upon
2 and accepted by the Arreolas; the Deeds of Trust were signed by Blas and Nancy
3 Arreola. The Deeds of Trust indicate a transfer of ownership cannot occur without
4 lender approval. The Arreolas used the names of Lilia Tapia and Artemio Nuestro,
5 among others, without their consent, to transfer a fractional interest of their homes
6 to them, and used their bankruptcy proceedings to stop the Trustee's Sales and
7 delay foreclosure.

8 These Grant Deed Transfers are "false" because Defendants had neither the
9 right nor the intent to transfer any interests in their properties. First, the Deeds of
10 Trusts securing the loans on the two properties prohibited transfer of any interest in
11 those properties without the lenders' consent, usually given upon the borrowers
12 satisfying their mortgage first. Defendants did not pay off their mortgage and
13 procure such consent and, therefore, could not have legally transferred any
14 interests via Grant Deed. Second, as will be seen below, after having recorded
15 these and other Grant Deeds transferring fractional interests to bankruptcy
16 petitioners, Defendants attempted to record "Revocations" of these transfers,
17 giving rise to the inference that they never intended to transfer property in the first
18 instance. For purposes of violating Section 115, in the case of a deed, the crime is
19 complete when the deed has been prepared so that upon its face it will have the
20 effect of defrauding one who acts upon it as genuine. Should the grantees learn of
21 the transfers, they could erroneously believe they have an interest in the properties
22 and act upon that accordingly, e.g., by conveying it away. (*Generes v. Justice*
Court (1980) 106 Cal.App.3d 678.)

23 Foreclosure is delayed because, under federal law, when any interest in real
24 property is owned by someone in bankruptcy, the company foreclosing on that
25 property must stay foreclosure proceedings until the conclusion of the bankruptcy
proceedings. By sending their lenders copies of the recorded documents indicating

1 a person in bankruptcy has an interest in the properties, Defendants are unlawfully
2 trying to delay and defraud creditors. They are not paying their creditors and,
3 instead, are executing a legal instrument in connection with the creditors' collateral
4 that purports to transfer property to someone in bankruptcy so that Defendants may
5 enjoy the legal protections and procedures of that bankruptcy petitioner.

6 Defendants have no legitimate claim to such protections. They are also disrupting
7 the orderly proceedings of those real petitioners in bankruptcy. Each transfer and
8 recording of the fractional interests delays foreclosure for at least 30 days. In this
9 manner, the Arreolas have stalled foreclosure on 4640 Crimson Way, Turlock, CA
10 since March 2009, and on 400 Hedstrom Road, Turlock, CA since February 2012.

11 The bankruptcy actions were filed with a date consistent with the dates the
12 fraudulent documents were filed and recorded with the Stanislaus County
13 Recorder's Office. A synopsis of the fraudulent recording transactions at the
14 Stanislaus County Recorder's Office and the Eastern District United States
15 Bankruptcy Court as of June 15, 2012, with the document number, recording date,
16 beneficiary/bankruptcy petitioner, and bankruptcy period, is as follows:

- 17 1. 2011-74064-00, 09-7-2011, Josephine Mirando, Aug. 2011 to Jan. 2012
- 18 2. 2011-83532-00, 10-7-2011, Francisco J. Godinez, Sept. to Nov. 2011
- 19 3. 2011-95210-00, 11-17-2011, Heriberta Orozco, Oct. 2011 to Mar. 2012
- 20 4. 2011-98164-00, 11-30-2011, Seddrick Henderson, Nov. 2011 to Feb. 2012
- 21 5. 2011-104144-00, 12-20-2011, Lilia H. Tapia, Dec. 2011 to Feb. 2012
- 22 6. 2012-31799-00, 04-12-2012, Ty Ung, Apr. to Jun. 2012
- 23 7. 2012-42260-00, 05-14-2012, Pedro Serna, May to Aug. 2012
- 24 8. 2012-51973-00, 06-12-2012, Artemio Nuestro, Jun. to Sept. 2012

1 On June 28, 2012, Blas and Nancy Arreola attempted to transfer 1% ownership
2 of 400 Hedstrom Road, Turlock, CA to Artemio Nuestro. There is no document
3 number because the document was not recorded. I arrested Blas Arreola while he
4 was attempting to file and record this false and fictitious document.

5 Section 18 of the Arreola's Deed of Trust from JP Morgan Chase Bank in the
6 amount of \$416,000, states no interest in the property can be transferred without
7 the lender's approval. The document number is 2005-174704-00. An Assignment
8 of Deed of Trust recorded June 11, 2012, indicates Federal Home Loan Mortgage
9 Corporation, also known as Freddie Mac now owns the loan. The same or similar
10 language is contained within the Deed of Trust related to Blas and Nancy Arreola's
11 property located at 400 Hedstrom Road, Turlock, CA.

12 On January 9, 2012, DA Investigator Jacobson and I met with Nancy Arreola at
13 4640 Crimson Way, Turlock, CA. Nancy Arreola stated she and Blas Arreola have
14 not made their house payments for about a year, but are working with their lender
15 to save their home from foreclosure. I told Nancy Arreola 4640 Crimson Way,
16 Turlock, CA had been through the foreclosure process and had been sold to
17 someone else at a Trustee's Sale. Nancy Arreola told me I needed to speak to her
18 husband because he handled everything. Nancy Arreola's husband is Blas Arreola.

19 Blas Arreola "dumped" fraudulent documents into the listed bankruptcies as
20 well as recorded false and fictitious documents regarding the listed people. I asked
21 Nancy Arreola if she knew Josephine Mirando, Francisco Godinez, Heriberta
22 Orozco or Seddrick Henderson. Nancy Arreola stated she did not know any of
23 them. These were names of people in bankruptcy and names of people Blas and
24 Nancy Arreola had transferred a 1% ownership of their homes to, without their
25 consent or knowledge.

Nancy Arreola stated Blas Arreola recorded all four documents related to the
fractional interest Grant Deed Transfers to Josephine Mirando, Francisco Godinez,

1 Heriberta Orozco, and Seddrick Henderson. Nancy Arreola stated she and Blas
2 Arreola recorded the documents at the Stanislaus County Recorder's Office. The
3 fifth (5th) fraudulent document had not been recorded by the Arreolas at the time I
4 spoke to Nancy Arreola.

5 As for the Grant Deed Transfer to Henderson, document number
6 2011-98164-00, recorded on November 30, 2011, the notary public was Mark
7 Kleingartner, who was also the notary public for other recordings by Defendants.
8 Kleingartner checked his journal and found entries related to three Grant Deed
9 transfers by Defendants but no entry for the transfer to Henderson. That Grant
10 Deed is of very poor quality and somewhat illegible. The document also had two
11 notary stamps instead of one. The above indicates to your affiant that the notary
12 seal was cut and pasted onto the document, i.e., a forgery.

13 I asked Nancy Arreola if anyone assisted Blas Arreola with filing bankruptcy or
14 recording the documents at the Recorders Office. Nancy Arreola stated a friend
15 helped Blas Arreola, but I would have to speak to Blas Arreola to determine the
16 friend's name.

17 Nancy Arreola told us where Blas Arreola was employed. I told Nancy Arreola
18 to have Blas Arreola call me so I did not have to contact him at his place of
19 employment. Blas Arreola did not contact me.

20 On May 10, 2012, I ran an Old Republic Title Company property profile for
21 4640 Crimson Way, Turlock, CA. I learned once again the Arreolas had recorded
22 additional false and fictitious fractional interest Grant Deed Transfers with the
23 Stanislaus County Recorder's Office to stall foreclosure. I learned that on April 12,
24 2012, document number 2012-31799-00 was recorded. The document is a Grant
25 Deed Transfer of 1% interest in the property from Blas and Nancy Arreola to Ty
Ung. There is no transfer tax and no Deed of Trust(s) listed with the transfer
indicating no money was exchanged. None of the Grant Deed Transfers had a

1 transfer tax, which indicates no money was exchanged on any of the fractional
2 interest transfers.

3 On May 10, 2012, I interviewed Blas Arreola at his place of employment. I
4 identified myself and told Blas Arreola I had visited his wife in January and asked
5 her to have him call me. I told Blas Arreola I was present to talk about the
6 documents he had been recording at the Recorder's Office. Blas Arreola stated,
7 "uh huh." I asked Blas Arreola to explain the purpose of recording the documents
8 at the Recorder's Office, Blas Arreola stated, "Because I'm trying to save my
9 house." I asked Blas Arreola how he thought the documents would save his house,
10 Blas Arreola stated, "Buys me time." Blas Arreola stated the documents have
11 delayed and stalled foreclosure for about four months.

12 I asked Blas Arreola if he prepared the documents or was somebody preparing
13 them for him. Blas Arreola stated, "I got help." I asked Blas Arreola how he found
14 the help. Blas Arreola stated, "From a friend that knows a friend." I asked for
15 names of his friends, but he would not offer any names. However, he did state the
16 name of the company, Document Recovery Forensic, LLC. Blas Arreola stated he
17 did not know the phone number for Document Recovery Forensic, LLC; however
18 it was located within the 909 area code. Blas Arreola stated he had been speaking
19 to "Ellie" at Document Recovery Forensic, LLC in Southern California. I learned
20 from e-mail correspondence that Blas and Nancy Arreola had been communicating
21 with Aide and Jacob Orona from Highland, CA and San Bernardino, CA. I found
22 evidence that Aide Orona had sent Blas and Nancy Arreola fractional interest
23 Grant Deed Transfers that Blas and Nancy Arreola had admitted to filing and
24 recording with the Stanislaus County Recorder's Office to stop or stall foreclosure.

25 Blas Arreola stated he did not believe Document Recovery Forensic, LLC was
on the internet and he had not communicated on the internet with them. I asked
Blas Arreola what "Ellie" or someone at Document Recovery Forensic, LLC did

1 for him. Blas Arreola stated, "They got a system to save your house." I asked Blas
2 Arreola if they claimed whether to save his house, or simply stall the foreclosure
3 process. Blas Arreola stated, " No, save it, but in the beginning you need to buy
4 time to like law suit or something, I don't know if it's to sue the bank or something
5 like that, too, like there was fraud committed." I asked Blas Arreola if Document
6 Recovery Forensic, LLC stated they would sue the bank on his behalf. Blas
7 Arreola stated, "Something of that sort." I asked Blas Arreola how much money he
8 has paid Document Recovery Forensic, LLC. Blas Arreola stated he did not recall,
9 but then stated \$1,000 per month for six months. I asked Blas Arreola how he paid
10 Document Recovery Forensic, LLC. Blas Arreola stated he initially deposited cash
11 into a Wells Fargo Bank account for Document Recovery Forensic, LLC and an
12 account for "WFI." Blas Arreola went to the Wells Fargo branch on Geer Road,
13 Turlock, CA. I obtained bank records indicating Blas and Nancy Arreola had paid
14 Jacob and Aide Orona of Document Recovery Forensic and World Financial
15 Investments more than \$6,000.

16 I showed Blas Arreola the 1% fractional interest Grant Deed Transfers he had
17 recorded at the Stanislaus County Recorder's Office. I had four (4) of the first five
18 (5) documents with me. I did not have the 1% fractional Grant Deed Transfer
19 document for Ty Ung at the time.

20 Blas Arreola viewed each of the four (4) documents. Blas Arreola stated
21 sometimes he prepared the document and sometimes they were prepared for him.
22 Blas Arreola stated he recorded each of the documents. Blas Arreola initially stated
23 his wife, Nancy Arreola was present, but changed his statement stating he was by
24 himself when the documents were recorded. Blas Arreola stated the signatures on
25 the documents were in fact his and Nancy Arreola's. Blas Arreola stated each
document was notarized; therefore both of their names will be in the Notary
Publics' notary journals. I confirmed Blas and Nancy Arreola's signatures were

1 contained within several notary journals. Blas Arreola knew each document was a
2 Grant Deed Transfer that transferred 1% ownership in his home to the debtors in
3 bankruptcy. Blas Arreola stated he did not know any of the five (5) persons he had
4 transferred 1% ownership of his home to.

5 I asked Blas Arreola what he thought document number 2011-74064-00 (Grant
6 Deed Transfer to Mirando) was going to accomplish, Blas Arreola stated, "Buy me
7 time so they can do the process they are doing." I should note that all five (5)
8 documents are 1% fractional interest transfers from the Arreolas to the debtors in
9 bankruptcy. As of June 15, 2012, Blas Arreola had filed and recorded eight (8)
10 false and fraudulent documents at the Stanislaus County Recorder's Office, after I
11 warned him to stop.

12 I asked Blas Arreola if it seemed unusual to grant 1% ownership of his home to
13 someone he did not know, Blas Arreola stated, "Yeah, but they say they would put
14 it all back, just me, after everything went through." Blas Arreola stated this whole
15 process was to eliminate his mortgage or something similar to that. Blas Arreola
16 stated he believed that at the end of the process he would have a smaller monthly
17 payment that he could afford.

18 I asked Blas Arreola if he had any documentation indicating Document
19 Recovery Forensic, LLC was suing his bank. Blas Arreola stated, "No." I asked
20 what documentation he had been given by Document Recovery Forensic, LLC.
21 Blas Arreola stated he may have something at home, but he would have to look.
22 Blas and Nancy Arreola did not provide me any documentation they had from
23 Document Recovery Forensic or World Financial Investments. I found
24 documentation based on e-mail correspondence between Blas and Nancy Arreola
25 and Jacob and Aide Orona.

1 I asked Blas Arreola if he paid any additional fees other than the \$1,000 per
2 month for about six months. Blas Arreola stated, "No." I found evidence Blas and
3 Nancy Arreola had paid additional money to this scheme.

4 I asked Blas Arreola if he knew the documents were part of others' bankruptcy
5 actions. There was a long pause, then Blas Arreola stated, "I don't know."

6 I showed Blas Arreola each document with the exception of the Ty Ung
7 document and documents I obtained after this interview. Blas Arreola admitted
8 signing each document and stated his wife signed each document. Blas Arreola
9 admitted to recording each document at the Stanislaus County Recorder's Office.

10 I asked Blas Arreola why he would record another document in April 2012,
11 after I had been to his home in January 2012, and asked his wife about the first
12 four documents that were recorded. Blas Arreola stated, "We are just trying to save
13 our house."

14 Blas Arreola stated he has owned two homes in the past. Blas Arreola stated
15 he has a high school GED, and now he is a forklift driver. Blas Arreola speaks and
16 writes the English language fluently.

17 On May 10, 2012, at 2:15 pm, Blas Arreola called me stating he wanted to
18 clarify something. Blas Arreola said he wanted to tell me his payments to "WFI"
19 were donations. Blas Arreola said that if I wanted any further correspondence with
20 him it would be in writing, he then hung up the phone.

21 I immediately called Blas Arreola at 209-632-3056. Blas Arreola answered the
22 phone. I clarified the donation verses payment. I asked Blas Arreola what the
23 difference between a donation and a payment was. Blas Arreola stated he could not
24 help me if I did not know the difference.

25 I told Blas Arreola I was not going to communicate with him by mail as he
demanded. I told Blas Arreola I was going to seek a warrant for his arrest. I asked

1 Blas Arreola if he was willing to surrender himself once I had obtained an arrest
2 warrant for his arrest. Blas Arreola did not answer my question.

3 Blas Arreola ignored my warnings and recorded another 1% fractional interest
4 Grant Deed Transfer to Pedro Serna on May 14, 2012. Pedro Serna has not
5 responded to my requests for contact.

6 On June 12, 2012, Blas Arreola recorded another fraudulent 1% fractional
7 interest Grant Deed Transfer to Artemio Nuestro. Artemio Nuestro told me he does
8 not know Blas and Nancy Arreola, and did not give them consent to use his
9 identity.

10 On June 28, 2012, at approximately 1420 hours, Judy Eden of the Stanislaus
11 County Recorder's Office called me stating Blas Arreola was once again at the
12 front counter of the Stanislaus County Recorder's Office trying to record another
13 1% fractional interest Grant Deed Transfer. Alejandra Arenivaz was the clerk that
14 met with Blas Arreola. DAI Hilgart and I responded from the District Attorney's
15 Office.

16 Upon arrival I saw Blas Arreola at the front counter attempting to record a
17 Grant Deed Transfer of 1% fractional interest to Artemio Nuestro. Blas Arreola
18 listed Artemio Nuestro's address as 400 Hedstrom Road, Turlock, CA. 400
19 Hedstrom Road, Turlock, CA is a second home owned by Blas and Nancy Arreola.
20 Artemio Nuestro lives in Riverside, CA and had filed bankruptcy on June 11,
21 2012.

22 I took the unrecorded document as evidence. Blas Arreola had a multi-colored
23 folder that contained the receipts from the UPS Store located at 3220 W. Monte
24 Vista Avenue, Turlock, CA. The receipt was for the notary associated to the Grant
25 Deed Transfers Blas Arreola filed on June 12, 2012. The receipt number was
82000723104578888385 001. The receipt indicates "Tarron" on it. "Tarron" was
the notary for The UPS Store. Blas Arreola also had the receipts from the

1 Recorder's Office showing he recorded three documents on June 12, 2012. The
2 Recorder's Office receipt numbers were 3224645, 3224646, and 3224647.

3 I asked Blas Arreola why he was still recording documents when I had told him
4 it was unlawful and further advised him I was going to get a warrant for his arrest.
5 Blas Arreola stated he was simply trying to save his house.

6 I told Blas Arreola he was under arrest for filing false documents. I arrested
7 Blas Arreola for seven (7) counts of filing false documents, forgery, and burglary.
8 MPD Officer Ramirez transported Blas Arreola to the county jail. DAI Hilgart and
9 I booked him. Blas Arreola had approximately \$2,600 in cash on his person. A
10 criminal complaint was not immediately issued by the Stanislaus County District
11 Attorney's Office. Follow-up investigation related to this arrest indicated Blas and
12 Nancy Arreola were part of a larger foreclosure rescue/bankruptcy fraud scheme
13 originating in San Bernardino, CA. Additional follow-up investigation was
14 conducted prior to obtaining a criminal complaint.

15 On July 2, 2012, I met with Lilia Tapia at her home in American Canyon, CA.
16 It was at this time I learned that Blas and Nancy Arreola were involved in a large
17 foreclosure rescue scheme operated by Jacob Orona and others representing
18 themselves to be Document Recovery Forensic and World Financial Investments
19 located in Highland and San Bernardino, CA. Lilia Tapia had been solicited to the
20 same scheme, but immediately ceased participation in the scheme when I advised
21 her it was unlawful.

22 Lilia Tapia had filed bankruptcy. Lilia Tapia did not know Blas or Nancy
23 Arreola, but may have seen him at a seminar promoting this scheme. Lilia Tapia
24 did not give Blas or Nancy Arreola consent to use her identity. Lilia Tapia did not
25 give consent to anyone transferring a fractional interest in their homes to her.

On July 10, 2012, Artemio Nuestro called me and stated he was in foreclosure
and had filed bankruptcy. Nuestro stated he lost his home to foreclosure and has

1 since been evicted. Nuestro did not know Blas or Nancy Arreola. Nuestro had no
2 idea why Blas and Nancy Arreola would transfer a fractional interest in their
3 homes to him. Nuestro did not give consent to anyone transferring a fractional
4 interest in their homes to him.

5 On August 1, 2012, I went to San Bernardino, CA with the California
6 Department of Justice, the Federal Housing Finance Agency Office of Inspector
7 General and other law enforcement agencies to investigate this scheme further. I
8 obtained evidence and documentation that clearly indicates Blas and Nancy
9 Arreola are involved with Jacob and Aide Orona, including this foreclosure rescue
10 fraud and bankruptcy fraud scheme.

11 On August 27, 2012, Blas and Nancy Arreola tried to file and record nine (9)
12 more false documents by mail bringing the total to nineteen (19) false documents.
13 Eight (8) of the documents were rejected by the Stanislaus County Recorder's
14 Office because they did not meet the state mandated recording requirements. The
15 eight (8) documents were attempts to rescind the prior 1% fractional Grant Deed
16 Transfers to the listed persons. Blas and Nancy Arreola wanted to rescind the 1%
17 fractional Grant Deed Transfers to the debtors in bankruptcy, so they could file and
18 record a ninth Grant Deed that fraudulently reflects an actual sale took place
19 between the Arreolas and Blacks Edition, LLC. Although the document was false
20 and fictitious it met the state mandated recording requirements, therefore the Grant
21 Deed Transfer was accepted and recorded indicating Blas and Nancy Arreola sold
22 4640 Crimson Way, Turlock, CA to Blacks Edition, LLC for \$55,000. The home is
23 worth approximately three to four times that value. Blacks Edition, LLC is part of
24 this same foreclosure rescue scheme and bankruptcy fraud scheme from San
25 Bernardino, CA.

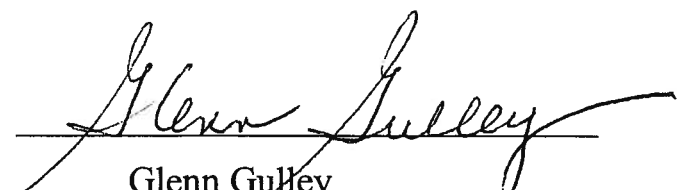
On August 29, 2012, Alejandra Arenivaz of the Stanislaus County Recorder's
Office contacted me once again to report Blas and Nancy Arreola had recorded

1 another fraudulent document by mail. The document is another Grant Deed
2 Transfer that indicates Blas and Nancy Arreola sold their second home located at
3 400 Hedstrom Road, Turlock, CA to Blacks Edition, LLC for \$47,000. The home
4 is worth much more than \$47,000. Blas and Nancy Arreola cannot sell either home
5 because they are encumbered with other loans that are senior in regard to the chain
6 of title. Both Grant Deed Transfers to Blacks Edition, LLC are false and fictitious.
7 Blacks Edition, LLC, a Nevada Limited Liability Company is owned by Jacob and
8 Aide Orona, operators of this foreclosure rescue scheme in Highland and San
9 Bernardino, CA. Neither the sale of 4640 Crimson Way nor the sale of 400
10 Hedstrom Road, Turlock, CA went through a title or escrow company because they
11 are not legitimate sales and no title and escrow company would provide title
12 insurance because of the fraudulent activity.

13 Blas Arreola continued to file and record the false and fictitious documents
14 after he had been warned by me not to and later arrested by me when he continued
15 to file and record the false and fictitious documents. Even after Blas Arreola was
16 arrested by me, he continued to file and record the false and fictitious documents to
17 stop or stall foreclosure and defraud the lenders.

18 I declare under a penalty of perjury that the foregoing is true and correct, except
19 as to those matters stated upon information and belief, and as to those matters, that
20 I believe them to be true.

21 Executed this 27 the day of December, 2012 at Modesto, Stanislaus County,
22 State of California.

23
24
25

Glenn Gulley