

27

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

CRIMINAL NO. 14-20599

Plaintiff,

HON. STEPHEN J. MURPHY, III

v.

VIOLATIONS: 18 U.S.C. § 1349
18 U.S.C. § 1343
18 U.S.C. § 1956

- D-6 EREZ ARSONI,
a/k/a "Jack Gibbs," "Michael Shore," "Joe Epstein," "Mike Montgomery," "David Singer"
- D-7 GREGORY SWARN,
a/k/a "Todd English," "Bruce Stafford," "Steve Diamond," "Greg Prince," "Mel Paulson"
- D-8 JOSEPH ARSENAULT,
a/k/a "Joey Ace," "Kenneth Frue"
- D-9 RICHARD SILVERSTEIN,
a/k/a "Jeff Stevens," "Mark Stern"
- D-10 MICHELLE PINTADO,
a/k/a "Kristin"
- D-11 JOHN TRUMBLE,
a/k/a "Paul Gold," "Jonathan Andrews," "John Cronin"
- D-12 WAYNE SCOTT SIMPSON,
a/k/a "Scott Green"
- D-13 THEODORE JACOBS,
- D-14 JOSEPH HADEN
- D-15 SCOTT LIPMAN
a/k/a "Michael Ross," "Robert Kaye"
- D-16 STEVEN GOLDSTEIN
a/k/a "Steven Sommers"

Defendants.

FILED
2014 NOV 19 P 3:36
U.S. DIST. COURT CLERK
EAST DIST. MICH.
DETROIT

FIRST SUPERSEDING INDICTMENT

THE GRAND JURY CHARGES:

GENERAL ALLEGATIONS

1. Investors were lured into purchasing residential properties in Detroit, Michigan and elsewhere based upon false representations and pretenses, including falsehoods concerning the homes' values and status as bank-owned properties. By using sham transactions, the scheme also induced investors into believing that there is a ready market and process for "flipping" these same residential properties to purported hedge funds and foreign investors, which had the desired effect of encouraging the scheme's investors to purchase multiple homes.
2. **The Telemarketing Operation:** The following corporations were doing business as telemarketing firms that made unsolicited telephone calls to potential investors in order to convince them to purchase real estate in Detroit, Michigan: Nation's Trust; Nationwide REO Group; Prudential REO Group; First Choice REO Group; Continental REO Group; Allstate REO Group; American Real Estate Advisors; Blackstone Real Estate Group; and Cambridge Real Estate Group (hereinafter collectively referred to as the "Telemarketing Operation").

- a. The companies involved in the Telemarketing Operation operated primarily from call centers in Florida and New York.
- b. The Telemarketing Operation employed sales agents or “brokers”, “closers,” “loaders,” and managers.
 - i. Sales agents or “brokers” made initial contact with potential investors via unsolicited telephone calls. The broker, working from a scripted sales pitch, would attempt to entice investors to purchase real estate—primarily real estate located in Detroit, Michigan.
 - ii. “Closers” spoke with investors after the broker made the initial sales pitch. The closer, representing that he was a more senior representative of the company, would persuade the investor to purchase one or more properties.
 - iii. “Loaders” next spoke with investors who either expressed interest in purchasing real estate or had made an initial purchase of real estate. The loader’s task was to convince the investor to make a more substantial investment in real estate by encouraging the investor to purchase a package containing multiple single-family homes.

iv. Managers supervised the call centers, responded to investors' complaints or questions, and ensured that brokers, closer, and loaders received commissions for the investors who they were able to convince to make purchases.

3. **The Holding Companies:** Employees of the Telemarketing Operation characterized the following companies as regional mortgage lenders that were willing to sell bank-foreclosed properties for discounted prices: Chase REO Group, Hartwell Mortgage Group, and U.S. Mortgage Specialists (hereinafter collectively referred to as the "Holding Companies"). In reality, these companies were not regional mortgage lenders, but instead were holding companies that were controlled by the same individuals who controlled the Telemarketing Operation.
4. **The Shell Buyers:** Employees of the Telemarketing Operation led investors to believe that their homes were quickly sold or "flipped" to foreign investors or hedge funds, including companies named First Trans Global and Global Contracting Group (hereinafter collectively referred to as the "Shell Buyers"). In reality, these companies were not foreign investors or hedge funds, but instead were shell companies controlled by the same individuals who controlled the Telemarketing Operation. The Shell Buyers had few assets, no employees, and insignificant funds.

5. **The Escrow Agent:** First Metro Real Estate Services, Northwest Real Estate Services, and Access Property Services, companies headquartered in Detroit, Michigan, operated as the escrow agent for the Telemarketing Operations' property sales. Investors were advised to send, via mail or wire transfer, funds for the purchase of property to First Metro Real Estate Services. Investors were also told that the funds that they were to receive from the sale of their properties to foreign investors and hedge funds would be deposited and held by the escrow agent.
6. From December 2009 through March 2014, the Telemarketing Operation sold over 2,000 properties totaling over \$20 million to over 290 investors from 46 states and Canada.
7. All dollar amounts in the indictment and all dates are approximate. All dates in the indictment are alleged to be "on or about" the specific date stated.
8. During the time period relevant to this First Superseding Indictment, the defendants served in the following roles:
 - a. EREZ ARSONI managed the Telemarketing Operation's call center in New York. In this role, ARSONI exercised control over the Telemarketing Operation and had knowledge of and directed its business and marketing practices. ARSONI also personally solicited investors as a broker, closer, and loader. ARSONI utilized the following aliases when

- conducting business with investors for the scheme: Jack Gibbs, Michael Shore, Joe Epstein, Mike Montgomery, and David Singer. ARSONI also assisted in the formation of the Holding Companies and Shell Buyers.
- b. GREGORY SWARN personally solicited investors as a broker, closer, and loader. SWARN utilized the following aliases when conducting business with investors for the scheme: Greg Prince, Todd English, Bruce Stafford, Mel Paulson, and Steve Diamond. SWARN assisted in developing the Telemarketing Operation's sales pitch that contained misrepresentations. SWARN also contacted victims posing as a realtor or a foreign investor offering to purchase an investor's property.
- c. JOSEPH ARSENAULT posed as a foreign investor offering to purchase an investor's property. ARSENAULT utilized the alias Kenneth Frue when conducting business with investors for the scheme.
- d. RICHARD SILVERSTEIN personally solicited investors as a broker and loader. SILVERSTEIN utilized the aliases of Jeff Stevens and Mark Stern when conducting business with investors for the scheme.
- e. MICHELL PINTADO assisted in daily operations for the Telemarketing Operation's call center in Florida. PINTADO had knowledge of each co-conspirator's aliases and directed investors to their designated broker, closer, or loader based on those aliases. PINTADO utilized the alias of

Kristen when conducting business with investors, vendors, and others for the scheme.

- f. JOHN TRUMBLE personally solicited investors as a broker and closer, and assisted in developing the Telemarketing Operation's sales pitch that contained misrepresentations. TRUMBLE utilized the following aliases when conducting business with investors for the scheme: Paul Gold, Jonathan Andrews, and John Cronin.
- g. WAYNE SCOTT SIMPSON personally solicited investors as a broker and closer. SIMPSON utilized the alias Scott Greene when conducting business with investors for the scheme.
- h. THEODORE JACOBS personally solicited investors as a broker. JACOBS also established an entity named United Advisory Services, which contacted defrauded investors and offered to investigate their claims in exchange for payments. In reality, United Advisory Services was a scheme to extract additional money from defrauded investors. United Advisory Services took no steps to investigate the fraud or recoup investors' money, which prolonged the underlying fraud.
- i. JOSEPH HADEN personally solicited investors as a broker. HADEN also established corporations utilized in the scheme, including Nationwide REO Group and Prudential REO Group.

- j. SCOTT LIPMAN personally solicited investors as a broker. LIPMAN utilized the aliases Michael Ross and Robert Kaye when conducting business with investors for the scheme.
- k. STEVEN GOLDSTEIN personally solicited investors as a broker. GOLDSTEIN utilized the alias Steven Sommers when conducting business with investors for the scheme.

COUNT ONE

(18 U.S.C. § 1349 - *Conspiracy to Commit Mail and Wire Fraud*)

- D-6 EREZ ARSONI**
- D-7 GREGORY SWARN**
- D-8 JOSEPH ARSENAULY**
- D-9 RICHARD SILVERSTEIN**
- D-10 MICHELL PINTADO**
- D-11 JOHN TRUMBLE**
- D-12 WAYNE SCOTT SIMPSON**
- D-13 THEODORE JACOBS**
- D-14 JOSEPH HADEN**
- D-15 SCOTT LIPMAN**
- D-16 STEVEN GOLDSTEIN**

- 9. The general allegations contained in paragraphs 1 through 8, above, are hereby realleged and incorporated by reference as if fully set forth herein.
- 10. From December 2009 through March 2014, in the Eastern District of Michigan, Southern Division and elsewhere, the defendants, EREZ ARSONI, GREGORY SWARN, JOSEPH ARSENAULT, RICHARD SILVERSTEIN,

MICHELLE PINTADO, JOHN TRUMBLE, WAYNE SCOTT SIMPSON, THEODORE JACOBS, JOSEPH HADEN, SCOTT LIPMAN, STEVEN GOLDSTEIN, and others did knowingly and willfully conspire, combine, and agree with each other to devise and execute a scheme and artifice to defraud and to obtain money and property from investors by means of false and fraudulent material pretenses, representations, and promises.

11. For the purpose of executing and attempting to execute the scheme, the defendants did transmit and cause to be transmitted by means of wire communications in interstate commerce, writings, signs, signals and sounds, in violation of Title 18, United States Code, Section 1343 (wire fraud) and knowingly caused to be delivered by mail the following items: real estate deeds, commission statements, property sheets, marketing material, investment checks, and banking documents, in violation of Title 18, United States Code, Section 1341 (mail fraud).

PURPOSE OF THE CONSPIRACY

12. It was the purpose of the conspiracy for the defendants to defraud and obtain money by making false and fraudulent material representations to investors in order to induce or encourage investors to purchase real estate properties for greater than their fair market value. It was further the purpose of the conspiracy for the defendants to use the proceeds and profits of the fraud

obtained from investors for the defendants' personal benefit, use, and enrichment.

MANNER AND MEANS OF THE CONSPIRACY

13. From December 2009 through March 2014, in the Eastern District of Michigan, Southern Division and elsewhere, the defendants and others willfully agreed to participate and did participate in a scheme to defraud investors, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises. The defendants solicited funds under false pretenses, misled investors into paying greater than fair market value for real estate in Detroit, Michigan, and misappropriated and converted investors' proceeds for the defendants' personal benefit.
14. The defendants and others at the Telemarketing Operation solicited funds from prospective investors, and made representations regarding investments in real estate in Detroit, Michigan via interstate telemarketing calls. Additionally, the fraudulent scheme, with the assistance of the Holding Companies, Shell Buyers, and Escrow Agent used interstate mail and wires to collect investor proceeds, purchase real estate to sell to investors, and generally disperse funds in furtherance of the scheme.

The Defendants' Affirmative Representations to Investors

15. During telemarketing calls, the defendants and others made the following affirmative representations, among others, to investors:
 - a. The Telemarketing Operation represented that it could purchase bank-foreclosed residential properties for its investors at extremely low prices based upon the Telemarketing Operation's purported "relationship" with the banks that own the properties after foreclosure. Moreover, the telemarketers told investors that the prices at which they can purchase the residential properties are a fraction of the mortgage balances left on the properties.
 - b. The Telemarketing Operation represented that it was prohibited from directly purchasing the residential properties itself because federal law purportedly prohibited any one person or company from purchasing more than 10% of a bank's distressed assets. Accordingly, the Telemarketing Operation stated that it needed to work through individual clients (*i.e.*, the investors) to purchase these homes. Thus, the Telemarketing Operation represented that, through the investors' participation, it was able to purchase all of the bank's distressed assets, thereby convincing the banks to provide even greater discounts to the Telemarketing Operation's investors.

- c. The Telemarketing Operation represented that, upon purchasing the property for the investor at a purportedly favorable price, the Telemarketing Operation would then resell the houses to so-called hedge funds or foreign investment companies at a significant profit. Moreover, the Telemarketing Operation represented that it bundles its various investors' purchased homes into blocks, often consisting of groups of approximately forty homes, and thereafter sells them in bulk to the hedge funds or foreign investors.
- d. The Telemarketing Operation represented to the investors that it did not make any money on the investor's purchase, but would receive a twenty percent commission on the resale of the investor's recently-acquired property which, according to the Telemarketing Operation's representations, usually took only a few weeks or less.
- e. The Telemarketing Operation encouraged investors to start with a single residential real estate purchase which could be obtained for between \$10,000 to \$15,000. Shortly after the purchase, the Telemarketing Operation notified the investor that there had been an "offer" or multiple "offers" on his/her residential property. The investor was encouraged to accept the offer, but then reinvest or roll their "profits" on the single transaction into the subsequent purchase of multiple houses. The

Telemarketing Operation referred to the reinvestment of an investor's purported profits into the purchase of multiple houses as "the load."

Falsehoods, Misrepresentations and Omissions

16. These affirmative representations were false and misleading. In addition, the defendants and others failed to disclose, or omitted, material facts necessary for investors to determine that the representations were false and misleading.
17. In reality, the Telemarketing Operation designed the original single residential real estate investment to falsely portray the ability of the Telemarketing Operation to produce quick profits so that it could further lure investors into making more substantial purchases of multiple homes.
 - a. Contrary to the representations made to investors, the properties were not bank-owned and were not being made available to investors for a fraction of the mortgage balance left on the properties. Instead, the properties were recently-purchased homes (or as-of-yet-to-be purchased homes) owned, not by any bank whatsoever, but by the aforementioned Holding Companies which were controlled by members of the scheme. Moreover, the homes were routinely purchased by one of the Holding Companies for much less (*e.g.*, \$500) and then quickly resold to the investors for much more (*e.g.*, \$10,000 to \$15,000).

b. Contrary to the representations made to investors, the properties were not quickly sold or “flipped” to hedge funds or foreign investors as part of a block of properties. Instead, they were sold to Shell Buyers for little or no consideration in an attempt to portray a ready market for flipping homes in Detroit, Michigan, which would encourage the investors to purchase larger quantities of real estate from the Telemarketing Operation.

Notwithstanding this fact, the investors were falsely told that the property had received a so-called “offer” or multiple “offers” and that it was ultimately sold for a profit. Thereafter, the investors were sent “Commission Statements” that showed the purchase price and the balance that the investor purportedly had in an escrow account held by the Escrow Agent, which consisted of the original amount paid for the property and the purported “profit” earned on the flip/sale. The Escrow Agent failed to collect any payments from the “buyer” who purchased the property (*i.e.*, the Shell Buyers) and no such amounts were actually held in escrow for the investors.

c. After the investor was fraudulently induced into believing there is a ready-market for flipping foreclosed or distressed residential properties for a profit in Detroit, sales agents from the Telemarketing Operation then attempted to convince the investor to use their purported “profits” in

escrow to purchase even more properties. Numerous investors declined to withdraw the money that they were led to believe was in their escrow accounts, and instead sent substantial additional sums to the Telemarketing Operation (through the Escrow Agent) for additional property purchases.

- d. Once the Telemarketing Operation convinced the investors to purchase a larger block of homes in Detroit (*i.e.*, “the load”), the Telemarketing Operation failed to flip the properties and, contrary to the agent’s sales pitch, did not make any additional efforts to resell the properties.

Communications with the sales agent then became increasingly more difficult and eventually ceased altogether. The investors were then left possessing multiple Detroit residential properties with little value (*i.e.* \$500-\$1,000 each).

- e. Sales agents of the Telemarketing Operation also engaged in a marketing practice that they called “the reload,” which targeted investors who were previously defrauded into buying a block of properties in Detroit. Sales agents would contact these investors and falsely claim that they had a hedge fund or foreign investors who were purchasing blocks of properties in a specific number (*e.g.*, a block of eight homes). The investor victim, who was previously defrauded into buying a smaller block of homes (*e.g.*,

five homes), would be encouraged to purchase more homes so that he/she would have the requisite number of homes so that he/she could sell the entire block to the hedge fund or foreign investor. As with the previous sales pitches, there were no hedge funds or foreign investors involved in the transaction and the sales pitch was false.

f. Throughout the sales pitches, investors were led to believe that arms-length transactions are taking place between the various entities, but in reality, all of the companies involved in the scheme were interconnected and controlled by the same individuals.

18. Sales agents or “brokers”, “closers,” “loaders,” and managers of the Telemarketing Operation frequently used aliases to conceal their identity from investors.
19. As the number of investors who were defrauded increased, the Telemarketing Operation and Holding Companies frequently changed names to avoid negative reviews and attention.
20. The co-conspirators shared in the proceeds of the fraud.

All in violation of Title 18, United States Code, Section 1349.

COUNT TWO THROUGH SIXTEEN(18 U.S.C. §§ 1343, 2 - *Wire Fraud; Aiding and Abetting*)

21. The allegations contained in paragraphs 1 through 20, above, are hereby realleged and incorporated by reference as if fully set forth herein.
22. The defendants knowingly devised and executed, and aided and abetted each other, and others known and unknown to the grand jury, in devising and executing, a scheme or artifice to defraud and to obtain money from individuals by means of material false and fraudulent pretenses, representations and promises. The defendants acted with the intent to defraud.
23. On the dates set forth below, in the Eastern District of Michigan, Southern Division, and elsewhere, the named defendants transmitted and caused to be transmitted by means of wire or radio communication in interstate or foreign commerce, writings, signs, signals, pictures or sounds in furtherance of and to execute the scheme.
24. Each of the following constitutes a separate count of this Indictment:

Count	Defendants	Victim	Approx Date	Wire Info
2	Erez Arsoni Scott Lipman John Trumble	S.R.	5/24/2011	E-mail sent from Florida to Michigan with purchase agreement for 25 properties
3	Joseph Arsenault	S.R.	5/26/2011	E-mail sent from

				Florida to Michigan with Exhibit A – List of 25 Properties
4	Erez Arsoni	P.M.	8/5/2013	E-mail sent from Florida to Michigan with Deed Requirements Worksheet
5	John Trumble	L.B	2/7/2013	E-mail sent from Florida to Michigan with Deed Requirements Worksheet
6	Gregory Swarn	D.T.	7/19/2012	E-mail sent from Florida to Michigan with Deed Requirements Worksheets for sale of 1 property and purchase of 15 properties
7	Erez Arsoni Wayne Scott Simpson	D.H.	2/1/2013	\$13,000 interstate wire transfer to Northwest Real Estate Services at JP Morgan Chase Bank
8	Erez Arsoni Wayne Scott Simpson	M.T.	3/26/2013	\$15,000 interstate wire transfer to Northwest Real Estate Services at JP Morgan Chase Bank
9	Erez Arsoni Gregory Swarn	M.S.	5/23/2013 and 6/19/2013	E-mail sent from Florida to Michigan with Deed Requirements Worksheets for sale of 1 property and purchase

				of 11 properties; \$125,000 interstate wire transfer to Northwest Real Estate Services at JP Morgan Chase Bank
10	Erez Arsoni Wayne Scott Simpson	M.G	6/12/2013 10/16/2013	Interstate wire transfers of \$15,000 and \$55,500 to Northwest Real Estate Services at JP Morgan Chase Bank
11	Erez Arsoni Steven Goldstein	J.C.	8/22/2013	\$15,000 interstate wire transfer to Northwest Real Estate Services at JP Morgan Chase Bank
12	Gregory Swarn John Trumble	T.W.	10/10/2013	E-mail sent from Florida to Michigan with Deed Requirements Worksheet for the purchase of 6 properties
13	Erez Arsoni Gregory Swarn John Trumble	B.K.	12/9/2013	\$70,000 interstate wire transfer to Access Property Services at JP Morgan Chase Bank
14	Erez Arsoni Theodore Jacobs Scott Lipman	H.C.	7/2/2013	E-mail sent from Florida to Michigan with Deed Requirements Worksheet for the purchase of 4 properties
15	Erez Arsoni Gregory Swarn John Trumble	P.M.	10/15/2013 and 10/16/2013	\$122,500 interstate wire transfer to Northwest Real Estate Services at

				JP Morgan Chase Bank; E-mail sent from Florida to Michigan with Deed Requirements Worksheet for the purchase of 9 properties
16	Richard Silverstein	K.B.	2/25/2014	E-mail sent from Florida to Michigan with Deed Requirements Worksheet for the purchase of 15 properties

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

COUNT SEVENTEEN

(18 U.S.C. § 1956(h) – *Conspiracy to Launder Monetary Instruments*)

D-6 EREZ ARSONI

D-7 GREGORY SWARN

THE CONSPIRACY

25. The allegations contained in paragraphs 1 through 20, above, are hereby realleged and incorporated by reference as if fully set forth herein.
26. From in or about May 2013 through September 2013, in the Eastern District of Michigan and elsewhere, the defendants EREZ ARSONI and GREGORY SWARN did knowingly combine, conspire, and agree with each other and with

other persons known and unknown to grand jury to commit offense against the United States in violation of Title 18, United States Code, Section 1956(a)(2)(A), to wit:

- a. to transport, transmit, and transfer, and attempt to transport, transmit, and transfer a monetary instrument or funds involving the proceeds of specified unlawful activity, that is, conspiracy to commit mail/wire fraud and wire fraud in violation of Title 18, United States Code, Sections 1341, 1343 and 1349, from a place in the United States to or through a place outside the United States, knowing that the funds involved in the transportation, transmission, and transfer represented the proceeds of some form of unlawful activity and knowing that such transportation, transmission, and transfer was designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(2)(B)(i)

MANNER AND MEANS

27. The manner and means used to accomplish the objective of the conspiracy included, among others, the following:
 - a. The defendants, EREZ ARSONI and GREGORY SWARN, as well as other individuals involved in the scheme, instructed victim investors to

send funds for the purchase of properties to the escrow agents—First Metro Real Estate Services, Northwest Real Estate Services, and Access Property Services, companies headquartered in Detroit, Michigan.

- b. Once the funds were received by the escrow agents, the agents would transfer the funds to the bank accounts for the Holding Companies, which included U.S. Mortgage Specialist.
- c. On or about May 24, 2013, EREZ ARSONI directed another individual to wire \$20,100 to an account ending in 0286-9 at Maybank in the Philippines. Although the account at Maybank was not in GREGORY SWARN's name, the funds were being transmitted to GREGORY SWARN, who had access to the account at Maybank.
- d. On or about May 29, 2013, the amount of \$20,100 was transferred via wire from U.S. Mortgage Specialists account to Maybank in the Philippines.
- e. On or about June 10, 2013, EREZ ARSONI directed another individual to wire \$13,700 to an account ending in 0241-08 at the Bank of Philippines. Although the account at the Bank of Philippines was not in GREGORY SWARN's name, the funds were being transmitted to GREGORY SWARN, who had access to the account at the Bank of Philippines.
- f. On or about June 11, 2013, the amount of \$13,700 was transferred via wire from U.S. Mortgage Specialists account to the Bank of Philippines.

- g. On or about July 10, 2013, the amount of \$15,000 was transferred via wire from U.S. Mortgage Specialists account to Maybank in the Philippines.
- h. On or about September 10, 2013, the amount of \$8,700 was transferred via wire from U.S. Mortgage Specialists account to Maybank in the Philippines.

All in violation of Title 18, United States Code, Sections 1956(h).

FORFEITURE ALLEGATIONS

(18 U.S.C. § 982(a)(8), 18 U.S.C. § 981(a)(1)(C), 28 U.S.C. § 2461 & 18 U.S.C. § 982(a)(1) - *Criminal Forfeiture*)

- 28. The allegations contained in paragraphs 1 through 27, above, are hereby realleged and incorporated by reference as if set forth in full herein, for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Sections 981 and 982(a), and Title 28, United States Code, Section 2461.
- 29. Upon conviction of the offense in violation of Title 18, United States Code, Sections 1349 or 1343, as set forth in Counts One and Two through Sixteen of this First Superseding Indictment, the defendants shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(8), Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461, any property, real or personal, which constitutes or is derived

from, or traceable to, the gross proceeds obtained, directly or indirectly, as a result of such violations. Upon conviction of the offenses set forth in Count One and Two through Sixteen, the defendants shall also forfeited to the United States any property used or intended to be used to commit, to facilitate, or to promote the commission of such violations.

30. Upon conviction of the offense in violation of Title 18, United States Code, Section 1956, as set forth in Count Seventeen of this First Superseding Indictment, the defendants, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), any property, real or personal, involved in the offense, or any property traceable to such property.
31. If any of the property described above as subject to forfeiture, as a result of any act or omission of the defendant:
 - (a) Cannot be located upon the exercise of due diligence;
 - (b) Has been transferred or sold to, or deposited with, a third party;
 - (c) Has been placed beyond the jurisdiction of the Court;
 - (d) Has been substantially diminished in value; or
 - (e) Has been commingled with other property that cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) as incorporated by Title 18, United States Code, Section

982(b), and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the Defendants up to the value of the above forfeitable property and, in addition, to require the Defendants to return any such property to the jurisdiction of the Court for seizure and forfeiture.

32. Money Judgment. Upon conviction of one or more violations alleged in this Indictment, the Government will seek a forfeiture money judgment against the Defendants in an amount as is proved at trial in this matter representing the total amount of gross proceeds obtained as a result of the violations alleged in Counts One through Sixteen.

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

THIS IS A TRUE BILL.

BARBARA L. MCQUADE
United States Attorney

s/Grand Jury Foreperson
GRAND JURY FOREPERSON

s/John Neal
JOHN NEAL
Chief, White Collar Crime Unit
Assistant United States Attorney

s/Louis P. Gabel
LOUIS P. GABEL
Assistant United States Attorney

Date: November 19, 2014

ORIGINAL

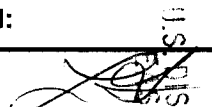
United States District Court
Eastern District of Michigan

Criminal Case Cover Sheet

Case Number

NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to complete it accurately in all respects.

Reassignment/Recusal Information This matter was opened in the USAO prior to August 15, 2008 []

Companion Case Information	Companion Case Number:
This may be a companion case based upon LCrR 57.10 (b)(4) ¹ :	Judge Assigned:
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	AUSA's Initials: 

FILED
 2014 NOV 19 P 3 36
 U.S. DIST. COURT
 E. DIST. MICH.
 DETROIT

Case Title: USA v. Ishak Halbani, et. al.

County where offense occurred : Oakland, Macomb and Wayne County

Check One: **Felony** **Misdemeanor**

Indictment/ Information --- **no prior complaint.**
 Indictment/ Information --- **based upon prior complaint [Case number: 12-mj-30443]**
 Indictment/ Information --- **based upon LCrR 57.10 (d) [Complete Superseding section**

below].

Superseding Case Information

Superseding to Case No: 14-20599

Judge: Stephen J. Murphy

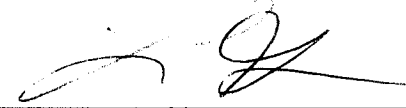
- Original case was terminated; no additional charges or defendants.
- Corrects errors; no additional charges or defendants.
- Involves, for plea purposes, different charges or adds counts.
Embraces same subject matter but adds the additional defendants or charges below:

<u>Defendant name</u>	<u>Charges</u>	<u>Prior Complaint (if applicable)</u>
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See Attachment

Please take notice that the below listed Assistant United States Attorney is the attorney of record for the above captioned case.

November 19, 2013
Date


 Louis P. Gabel
 Assistant United States Attorney
 211 W. Fort Street, Suite 2001
 Detroit, MI 48226-3277
 Phone: (313) 226-9696
 Fax: (313) 226-3265
 E-Mail address: Louis.gabel.gov

¹ Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, (2) the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.

ATTACHMENT TO CRIMINAL CASE COVER SHEET FOR
US v. ISHAK HILBANI et. al., Case Number: 14-20599

D-6	EREZ ARSONI, a/k/a "Jack Gibbs," "Michael Shore," "Joe Epstein," "Mike Montgomery," "David Singer"	18 U.S.C. § 1349 18 U.S.C. § 1343 18 U.S.C. § 1956(h)
D-7	GREGORY SWARN a/k/a "Todd English," "Bruce Stafford," "Steve Diamond," "Greg Prince," "Mel Paulson"	18 U.S.C. § 1349 18 U.S.C. § 1343 18 U.S.C. § 1956(h)
D-8	JOSEPH ARSENAULT, a/k/a "Joey Ace," "Kenneth Frue"	18 U.S.C. § 1349 18 U.S.C. § 1343
D-9	RICHARD SILVERSTEIN, a/k/a "Jeff Stevens," "Mark Stern"	18 U.S.C. § 1349 18 U.S.C. § 1343
D-10	MICHELLE PINTADO, a/k/a "Kristin"	18 U.S.C. § 1349 18 U.S.C. § 1343
D-11	JOHN TRUMBLE, a/k/a "Paul Gold," "Jonathan Andrews"	18 U.S.C. § 1349 18 U.S.C. § 1343
D-12	WAYNE SCOTT SIMPSON, a/k/a "Scott Green"	18 U.S.C. § 1349 18 U.S.C. § 1343
D-13	THEODORE JACOBS,	18 U.S.C. § 1349 18 U.S.C. § 1343
D-14	JOSEPH HADEN	18 U.S.C. § 1349 18 U.S.C. § 1343
D-15	SCOTT LIPMAN a/k/a "Michael Ross," "Robert Kaye"	18 U.S.C. § 1349 18 U.S.C. § 1343
D-16	STEVEN GOLDSTEIN a/k/a "Steven Sommers"	18 U.S.C. § 1349 18 U.S.C. § 1343