

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon. Peter G. Sheridan
v. : Criminal Number: 11-
ARA MESROPIAN : Title 18, United States Code,
Section 1349

INFORMATION
(Conspiracy to Commit Wire Fraud)

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

Background

1. At times relevant to this Information:

- a. Defendant ARA MESROPIAN, was a mortgage broker and resided in Paramus, New Jersey.
- b. Co-conspirator ED, an individual not named as a defendant herein, was purportedly in the real estate business and resided in Sewaren, New Jersey.
- c. Co-conspirator FC, an individual not named as a defendant herein, was a mortgage broker and resided in Maywood, New Jersey.

The Conspiracy

2. From in or about March 2008 through in or about January 2009, in the District of New Jersey and elsewhere, defendant

ARA MESROPIAN

knowingly and intentionally conspired and agreed with ED, FC, and others to devise a scheme and artifice to defraud lenders who made mortgage loans, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and to transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce writings, signs and signals for the purpose of executing such scheme and artifice, contrary to Title 18, United States Code, Section 1343.

Object of the Conspiracy

3. The object of the conspiracy was for defendant ARA MESROPIAN and his co-conspirators to fraudulently procure millions of dollars in home loans by making misrepresentations which induced mortgage lenders to grant credit they otherwise would not have granted, and in amounts they otherwise would not have offered.

Manner and Means of the Conspiracy

4. It was part of the conspiracy that ED arranged to purchase in his own name properties owned by financial institutions, also known as real estate owned properties (“REO properties”).

5. It was further part of the conspiracy that FC and other co-conspirators recruited individuals to purchase those same properties (“the borrowers”) at or around the time that ED purchased them.

6. It was further part of the conspiracy that ED and FC obtained from the various borrowers certain bank statements, W-2 Forms, pay stubs, and other documents to support residential loan applications (“supporting financial documents”).

7. It was further part of the conspiracy that ED and other co-conspirators caused the supporting financial documents to be altered reflecting inflated income and asset amounts.

8. It was further part of the conspiracy that defendant ARA MESROPIAN, FC, ED and other co-conspirators caused the fraudulent residential loan applications to be completed. Specifically, the applications contained the following material misrepresentations: (a) that the borrower put cash down at the closing; (b) that the property would be the primary residence of the borrower; (c) that the borrower possessed inflated assets, usually a bank account; (d) that the borrower earned more than he or she actually did; and (e) an inflated sales price.

9. It was further part of the conspiracy that two attorney co-conspirators held themselves out to the mortgage lenders as the closing attorneys for the various borrowers. To that end, the attorney co-conspirators created fraudulent HUD-1 settlement statements (“HUD-1s”) which were submitted to the mortgage lenders in connection with the loan applications. The HUD-1s contained the following material misrepresentations: (a) that the purchasers of the REO properties were the borrowers and not ED; (b) that the borrowers provided cash down payments at closing; (c) inflated purchase prices which on average were twice what ED actually paid for the REO properties; and (d) disbursement amounts listed as paid to the financial institution selling the REO property (“REO bank”) instead were paid to ED, FC and their co-conspirators.

10. It was further part of the conspiracy that when the mortgage lenders approved the loans, the loan amounts were at times wired from outside New Jersey into the attorney co-conspirators’ trust accounts in New Jersey. Then, at ED’s direction, the attorney co-conspirators disbursed the proceeds of the loans. After paying closing expenses, the attorney co-conspirators retained sufficient funds to purchase in ED’s name the REO property from the REO bank. Then

remaining proceeds of the fraud to ED, FC and their co-conspirators.

11. It was further part of the conspiracy that the attorney co-conspirators then represented ED with respect to his purchase of the REO properties. To that end, the attorney co-conspirators arranged closings with the attorneys representing the REO banks. At the closings, the attorney co-conspirators provided to the REO bank attorneys a check drawn from their attorney trust accounts. In exchange, the REO bank attorneys provided the deeds to the REO properties to the attorney co-conspirators.

12. It was further part of the conspiracy that the attorney co-conspirators provided the deeds to ED who then caused them to be altered. Specifically, the deeds were altered to reflect a sale of the REO property from the REO bank to the borrowers arranged by FC and other co-conspirators. The deeds were further altered to reflect the inflated purchase price listed on the fraudulent residential loan application and the fraudulent HUD-1s.

13. It was further part of the conspiracy that the attorney co-conspirators would file the altered deeds and the mortgages in the counties where the properties were located, thus leaving ED's name out of the title history.

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



PAUL J. FISHMAN
United States Attorney