

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS**

UNITED STATES OF AMERICA,

Plaintiff,

v.

Case No.: 16-20101-CM/TJJ

**TYLER KORN,
AMJAD DAOUD,
and RUBY PRICE.**

Defendant.

INDICTMENT

THE GRAND JURY CHARGES THAT:

COUNT ONE

Introduction

1. At all times material herein:

a. Defendants **TYLER KORN, AMJAD DAOUD, and RUBY PRICE**, did business as

b. Reliant Home Financial Group, hereafter RHFG, was a Missouri for-profit corporation company, formed on November 1, 2010. Its managing members included defendants Tyler Korn and Amjad Daoud. RHFG was operated out of the St. Louis, Missouri metro area, but the address was listed as 7113 135th Street, Suite 371, Overland Park, Kansas, which was a UPS store.

c. The Arize Group, Incorporated, hereafter AGI, was a Kansas for-profit incorporated company, formed on November 1, 2010. Its managing members included defendants Ruby Price and others. The address was listed as 7300 West 110th Street, Suite 700, Overland Park, Kansas, which was a Regus Group rental office space.

The Conspiracy and Its Object

2. Between approximately November 2010 and November 2011, the exact dates being unknown to the Grand Jury, at Kansas City, in the District of Kansas, and elsewhere, defendants,

TYLER KORN, AMJAD DAOUD, and RUBY PRICE,

conspired and agreed with each other and others known and unknown to the Grand Jury, to execute and participate in a scheme to defraud homeowners and other debtors who were in financial distress, and their lenders, the Federal Housing Administration, Fannie Mae (formerly known as the Federal National Mortgage Association) and Freddie Mac (formerly known as the Federal Home Loan Mortgage Corporation) and to obtain money from these owners and debtors, by means of material false and fraudulent pretenses, representations, and promises, and by the concealment of material facts, and in the execution of such scheme to commit offenses against the United States, that is,

a. To knowingly and willingly cause mail matter to be delivered by the United States Postal Service according to the directions thereon in furtherance of and for the purpose of executing the scheme, in violation of Title 18, United States Code, Sections 1341, and

b. To knowingly and willfully transmit and cause to be transmitted in interstate commerce, wire communications, that is, electronic mail (e-mail), in furtherance of and for the purpose of executing the scheme, in violation of Title 18, United Sections 1343.

The Purpose of the Conspiracy

3. The purpose of the conspiracy was to obtain money from victim homeowners by means of material false and fraudulent pretenses, representations, and promises for the financial benefit of the defendants.

The Manner and Means of the Conspiracy

4. The manner and means by which the defendants sought to accomplish the objects of the conspiracy included the following, among other things:

a. It was part of the conspiracy that the defendants, RHFG, and AGI would and did recruit and target homeowners and others who were in financial difficulties with promises that the homeowners and others would be rescued from their homeowner financial problems.

b. It was further part of the conspiracy that the defendants would and did advertise their fraudulent scheme, including through the internet, e-mail, United States mail, internet websites, and word of mouth.

c. It was further part of the conspiracy that the defendants and others would and did knowingly make and cause to be made materially false and fraudulent representations and promises, and omissions of facts, to financially-distressed homeowners, including among other things, that:

i. The defendants, RHFG, and AGI would drastically lower their mortgage interest rates, lower their monthly mortgage payments, and/or obtain a loan modification for them;

ii. In some instances, the homeowners would stop making payments to their lenders;

iii. In some instances, the homeowners would make their monthly payments to RHFG and AGI and the defendants.

d. It was further part of the conspiracy that the defendants provided bogus documents that were created on victims' behalf to ensure victims felt the "process" was working until their final payments were received.

e. It was further part of the conspiracy that the defendants represented to some of the victims that RHFG and AGI had "legal counsel" and a paralegal that reviewed documents and issues that arose.

f. It was further part of the conspiracy that when homeowners contacted the defendants and advised they had received notice that their homes were being foreclosed, the defendants reassured them, saying "not to worry, that was part of the process."

g. It was further part of the conspiracy that the defendants represented to individuals who were in financial difficulties, that:

i. The defendants, RHFG, and AGI would refinance their home loans for a lower amount and interest rate:

ii. RHFG and AGI would lower the monthly payments and interest rate;

iii. The victims would not lose their homes.

j. It was further part of the conspiracy that the defendants used the United States mail to send documents to victims and lenders; caused victims to use the United States mail to send payments, correspondence, and documents to the defendants, RHFG, and AGI; and sent e-mails to victims, all in furtherance of the conspiracy.

k. It was further part of the conspiracy that the defendants used monies received from the victims for the defendants' personal use.

l. It was further part of the conspiracy that victims and financial institutions as defined in Title 18, United States Code, Section 20, suffered losses as a result of the conspiracy, including loss of homes.

This was done in violation of Title 18, United States Code, Section 1349 and 2.

COUNTS 2 and 3
(Mail Fraud)

5. The Grand Jury re-alleges and incorporates by reference the allegations in paragraphs 1 through 4 of Count One of this Indictment as the scheme to defraud.

6. On or about the dates listed below, in the District of Kansas, and elsewhere, defendants,

TYLER KORN, AMJAD DAOUD, and RUBY L. PRICE,

in furtherance of and for the purpose of executing the aforesaid scheme, knowingly and willfully caused to be delivered by the United States Postal Service according to the directs thereon, letters addressed to victims in the cities listed below, and caused victims to:

Count	Date	Description of Mailing
2	03/24/2011	Letter mailed from AGI to Thomas M., Manchester, CT, transmitting a formal offer and demand letter.

3	11/01/2011	Letter sent from defendant Ruby Price to Thomas M., Manchester, CT, transmitting a representative demand letter.
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This was done in in violation of Title 18, United States Code, Sections 1341 and 2.

COUNTS 4 through 8
(Wire Fraud)

7. The Grand Jury re-alleges and incorporates by reference the allegations in paragraphs 1 through 4 of Count One of this Indictment as the scheme to defraud.

8. On or about the dates listed below, in the District of Kansas, and elsewhere, defendants,

TYLER L. KORN, and RUBY L. PRICE,

in furtherance of and for the purpose of executing the aforesaid scheme, knowingly and willfully transmitted and caused to be transmitted by means of wire communication in interstate commerce between the District of Kansas and writings, signs, signals, and pictures, that is, e-mails, as described below, for the purpose of executing such scheme:

Count	Date	Description of Mailing
4	03/18/2011	E-mail from RHFG, on behalf of AGI to Tammy A., Waldorf, MD, transmitting a loan modification package.
5	04/12/2011	E-mail from Stephanie P., to William B., Leonard, MD, welcoming him to AGI and transmitting the loan restructure agreement.
6	04/25/2011 through 08/08/2011	Series of e-mails between defendant Ruby Price and Bruce S., Norwich, CT, regarding transmission of various loan modification documents and updates on the status of the modification.
7	04/26/2011	E-mail from defendant Ruby Price to William and Mary Jane B. transmitting a draft formal offer and remand letter.
8	11/17/2011	E-mail from defendant Ruby Price to Tammy A., Waldorf, MD, responding to Ms. A.'s request to cease the loan modification and her request for a refund.

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

FORFEITURE ALLEGATION

The allegations contained in Counts 1 through 8 of this Indictment are hereby re-alleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Sections 982(a)(2)(B) and 492; and Title 28, United States Code, Section 2461(c).

Upon conviction of the offenses set forth in Counts 1 through 8 of this Indictment, the defendants,

**TYLER KORN,
AMJAD DAOUD,
and RUBY PRICE,**

shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(3)(E) and (F), any property constituting or derived from proceeds obtained directly or indirectly as a result of such violations, and shall forfeit pursuant to Title 28, United States Code, Section 2461(c), any and all property purchased or obtained in violation of Title 18, United States Code, Sections 1341, 1343 and, 1349.

If any of the forfeitable property described above, 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 which cannot be divided

without difficulty; the United States of America shall be entitled to forfeiture of substitute

property pursuant to Title 21, United States Code, Section 853(p), incorporated by Title 28, United States Code, Section 2461(c).

All pursuant to Title 18, United States Code, Sections 982(a)(3)(E) and (F), and Title 28, United States Code, Section 2461(c).

A TRUE BILL.

Date: November 30, 2016

/s/Foreperson of the Grand Jury
FOREPERSON OF THE GRAND JURY

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[It is requested that jury trial be held in Kansas City, Kansas.]

PENALTIES

COUNT 1 – 18 USC §1349 – Conspiracy to commit mail and wire fraud

- NMT 20 years imprisonment;
- NMT \$1,000,000.00 fine;
- NMT 3 years of supervised release.

COUNTS 2-3 – 18 § U.S.C. 1341- Mail Fraud

- NMT 20 years imprisonment;
- NMT \$1,000,000.00 fine;
- NMT 3 years of supervised release.

COUNTS 4-8 – 18 § U.S.C. 1343 - Wire Fraud

- NMT 20 years imprisonment;
- NMT \$1,000,000.00 fine;
- NMT 3 years of supervised release.