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FILED

OCT 10 2018

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

THOMAS G BRUTON
CLERK, U.S DISTRICT COURT

UNITED STATES OF AMERICA

v.

LUCITA ZAMORAS

No.

18CR 677

Violation: Title 18, United States Code,
Section 1341

JUDGE SHAH

The UNITED STATES ATTORNEY charges:

MAGISTRATE JUDGE VALDEZ

1. At times material to this Information:

a. Defendant LUCITA ZAMORAS held herself out as a financial adviser, specializing in retirement planning. ZAMORAS operated a number of companies in Niles, Illinois, which she owned and controlled, including: First Fidelity Financial Group, LLC; JQH Ventures, LLC; and Cornerstone Home Solutions.

b. ZAMORAS offered financial services and purported investment opportunities through her companies, which included providing financial advice, retirement and estate planning, tax preparation, the sale of financial products such as life insurance and annuities, and purported real estate investment opportunities.

2. Beginning no later than in or about October 2009, and continuing until in or about at least August 2018, in the Northern District of Illinois, Eastern Division, and elsewhere,

LUCITA ZAMORAS,

defendant herein, devised, intended to devise, and participated in a scheme to defraud investors, and to obtain money and property from investors by means of materially false

and fraudulent pretenses, representations, and promises, and by means of material omissions, which scheme is further described below.

3. It was part of the scheme that ZAMORAS knowingly made materially false statements and representations to investors to fraudulently obtain and retain their money, which included false representations about the risks involved in investing money with ZAMORAS, the ways in which investor funds would be used and were used, and the status of the investors' funds. ZAMORAS targeted and befriended elderly and retired individuals, particularly immigrants, who trusted her to invest their funds on their behalf. ZAMORAS misappropriated investors' funds to pay for personal and business expenses and to repay other investors.

4. It was further part of the scheme that ZAMORAS falsely represented to investors that their funds would be safe, and that ZAMORAS would use investors' funds to invest in safe, secure, low risk investments. ZAMORAS knew that, contrary to her representations, she did not use investors funds to invest in safe, secure, low risk investments. In fact, ZAMORAS knew that she intended to and did misappropriate and misuse investors' funds, and to the extent that ZAMORAS invested their funds, those investments were unsecured, unsafe, and involved substantial risk.

5. It was further part of the scheme that ZAMORAS falsely represented to investors that she would, and did, use all of their funds to make investments on their behalf or to make payments on their behalf for specific expenses. Contrary to those representations, ZAMORAS intended to, and did, spend some or all of the investors' funds to pay for her personal and business expenses, and to make payments to other investors.

6. It was further part of the scheme that ZAMORAS falsely represented to certain investors that their funds would be and were used to develop real estate, namely, to purchase, renovate, and sell real property, even though ZAMORAS knew that she intended to and did misappropriate and misuse a substantial portion of those investors' funds instead of investing them in real property.

7. It was further part of the scheme that ZAMORAS fraudulently caused investors to sign unsecured promissory notes to ZAMORAS or her companies, by falsely representing that those promissory notes were safe investments, and that ZAMORAS would and did use those funds for the investors' benefit. In fact, ZAMORAS knew that the promissory notes were not safe investments and that she would not use investors' funds for their benefit.

8. It was further part of the scheme that ZAMORAS intentionally concealed from investors that the promissory notes involved a high degree of risk because they were not backed by any collateral and the investors could lose all of their money. ZAMORAS knew that the investors were confused about how their funds would be and were spent, and ZAMORAS used the investors' lack of understanding to obtain funds from them.

9. It was further part of the scheme that ZAMORAS intentionally failed to disclose to investors the extent of the existing debt that ZAMORAS and her companies owed.

10. It was further part of the scheme that ZAMORAS fraudulently caused investors to place their retirement funds in self-directed Individual Retirement Accounts (IRAs) held by certain companies that ZAMORAS specifically selected. ZAMORAS

caused investors to place their retirement funds with those companies because ZAMORAS knew that: (a) those companies acted in an administrative capacity only, and did not select or evaluate any investments, such as the promissory notes that ZAMORAS fraudulently obtained from investors; and (b) those companies sent financial statements to investors that made it falsely appear that their investments were secure and that the market value of their investments remained stable, when, in fact, the investors' funds had actually been transferred out of those accounts to ZAMORAS, and she had disbursed those funds.

11. It was further part of the scheme that ZAMORAS convinced certain investors to allow her to use their credit cards and to open joint bank accounts with her, and ZAMORAS misappropriated investors' funds to repay certain credit card charges that ZAMORAS made using investors' credit cards.

12. It was further part of the scheme that ZAMORAS knowingly made false statements to investors concerning the status and location of their funds, and concerning when she would repay them, in order to convince them that their funds were still safe and secure. ZAMORAS concealed from investors that she could not pay them because their funds were gone and she had no other funds with which to repay the money she owed.

13. It was further part of the scheme that, rather than use funds in the manner ZAMORAS described to investors, ZAMORAS misappropriated investors' funds to pay for her own personal and business expenses, such as gambling, payroll expenses, credit card payments, airline tickets, car payments, and utilities.

14. It was further part of the scheme that, in order to further and conceal the scheme, ZAMORAS misappropriated a portion of investors' funds to make Ponzi-type

payments to certain investors. That is, ZAMORAS continually used funds raised through investments from new investors to make payments to earlier investors, which ZAMORAS concealed and intentionally failed to disclose to both new and earlier investors.

15. It was further part of the scheme that ZAMORAS misrepresented, concealed, and hid, and caused to be misrepresented, concealed, and hidden, the existence of the scheme, the purposes of the scheme, and acts done in furtherance of the scheme.

16. As a result of the scheme, ZAMORAS fraudulently obtained at least approximately \$3.5 million of investor funds and caused at least approximately 12 investors to lose some or all of their investments, resulting in losses to investors of at least approximately \$2.5 million.

17. On or about April 14, 2018, in the Northern District of Illinois, Eastern Division, and elsewhere,

LUCITA ZAMORAS,

defendant herein, for the purpose of executing the scheme to defraud, knowingly caused to be delivered by the United States Postal Service, according to the directions thereon, an envelope addressed to investor Gil.Perl., at an address in Schaumburg, Illinois, containing a quarterly account statement for the investor's self-directed IRA account, which purported to contain information about Gil.Perl.'s investments, including the current market value of those investments;

In violation of Title 18, United States Code, Section 1341.


UNITED STATES ATTORNEY