



UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

IBRAHIM AMEEN ALHUSSEINI,

Defendant.

No. CR 25-00042 (A) -SVW

F I R S T
S U P E R S E D I N G
I N F O R M A T I O N

[18 U.S.C. § 1343: Wire Fraud]

The Acting United States Attorney and the Chief of the
Fraud Section of the U.S. Department of Justice charge:

[18 U.S.C. § 1343]

A. INTRODUCTORY ALLEGATIONS

1. At all times relevant to this Information:

a. Defendant IBRAHIM AMEEN ALHUSSEINI was a resident
of Los Angeles, California, and a citizen of the United States.

b. Co-schemer 1 was a resident of Los Angeles,
California, within the Central District of California, and a co-
founder and shareholder of COMPANY A.

c. COMPANY A maintained its principal office in Los
Angeles County, California, within the Central District of

1 California. Defendant ALHUSSEINI served on the board of
2 directors of COMPANY A.

3 d. INVESTOR FUND A was an investment fund that
4 loaned investors' capital to high-net-worth borrowers.

5 e. INVESTOR FUND B was an investment fund that
6 loaned investors' capital to high-net-worth borrowers.

7 f. INVESTMENT ADVISER 1 was a securities investment
8 adviser that advised INVESTOR FUND A and INVESTOR FUND B, and
9 maintained offices in New York, New York.

10 g. BROKER 1 was a registered securities broker-
11 dealer and had its headquarters in Boston, Massachusetts.

12 B. THE SCHEME TO DEFRAUD

13 2. Beginning no later than in or about March 2020, and
14 continuing through in or about February 2023, in Los Angeles
15 County, within the Central District of California, and
16 elsewhere, defendant ALHUSSEINI and co-schemer 1, knowingly and
17 with intent to defraud, devised, participated in, executed, and
18 attempted to execute a scheme to defraud INVESTOR FUND A and
19 INVESTOR FUND B, as to material matters, and to obtain money and
20 property from INVESTOR FUND A and INVESTOR FUND B by means of
21 material false and fraudulent pretenses, representations, and
22 promises, including untrue statements and omissions concerning
23 defendant ALHUSSEINI's financial assets and net worth, in
24 connection with the sale of put options by INVESTOR FUND A and
25 INVESTOR FUND B to serve as a form of financial guarantee for
26 loans made by INVESTOR FUND A and INVESTOR FUND B to co-schemer
27 1.

1 3. The fraudulent scheme operated, and was carried out,
2 in substance, as follows:

3 a. In or around February and March 2020, INVESTMENT
4 ADVISER 1 negotiated the terms of a \$55 million loan from
5 INVESTOR FUND A to co-schemer 1, who was an associate of
6 defendant ALHUSSEINI's, via co-schemer 1's closely held company.
7 Under the terms of the loan, co-schemer 1 pledged approximately
8 10.3 million shares of stock in COMPANY A as collateral.

9 b. As a condition of making the loan to co-schemer
10 1, INVESTMENT ADVISER 1 negotiated for INVESTOR FUND A to
11 purchase a put option from defendant ALHUSSEINI and two
12 corporate entities that defendant ALHUSSEINI controlled (the
13 "March 2020 put option").

14 c. The put option acted as a form of a financial
15 guarantee on the \$55 million loan from INVESTOR FUND A to co-
16 schemer 1 by mitigating the risk to INVESTOR FUND A if co-
17 schemer 1 defaulted on the loan. INVESTOR FUND A's \$55 million
18 loan to co-schemer 1 was contingent on INVESTOR FUND A entering
19 into the March 2020 put option agreement with defendant
20 ALHUSSEINI.

21 d. The March 2020 put option contractually required
22 ALHUSSEINI to pay \$55 million to INVESTOR FUND A if co-schemer 1
23 defaulted on the \$55 million loan. Specifically, in the event
24 of co-schemer 1's default on the loan, defendant ALHUSSEINI was
25 obligated to purchase the approximately 10.3 million shares of
26 Company A stock that co-schemer 1 pledged against the \$55
27 million loan as collateral.

1 e. COMPANY A was a non-public company, and there was
2 not a liquid market to sell COMPANY A stock. As a result,
3 INVESTOR FUND A sought the March 2020 put option as a hedge
4 against the risk that COMPANY A's shares could not be sold at a
5 value equal or greater to the value of the \$55 million loan.

6 f. Because the put option contractually obligated
7 defendant ALHUSSEINI to purchase the COMPANY A stock for \$55
8 million in the event that co-schemer 1 defaulted on the loan,
9 the terms of the March 2020 put option required that defendant
10 ALHUSSEINI have sufficient assets to pay \$55 million to INVESTOR
11 FUND A in the event of co-schemer 1's default. Specifically,
12 the put option required that defendant ALHUSSEINI and the two
13 co-signing entities controlled by defendant ALHUSSEINI maintain
14 a collective total net worth of \$137,500,000 and a liquid net
15 worth of \$68,750,000.

16 g. In selling INVESTOR FUND A the March 2020 put
17 option, defendant ALHUSSEINI made untrue statements of material
18 fact to INVESTOR FUND A about defendant ALHUSSEINI's personal
19 wealth, and defendant ALHUSSEINI provided INVESTOR FUND A with
20 falsified account statements for brokerage accounts in defendant
21 ALHUSSEINI's name held at BROKER 1. The falsified brokerage
22 statements falsely inflated the value of the assets in defendant
23 ALHUSSEINI's BROKER 1 accounts by tens of millions of dollars.

24 h. On or about March 10, 2020, defendant ALHUSSEINI
25 sent a document via email to INVESTMENT ADVISER 1 that defendant
26 ALHUSSEINI falsely claimed was a true and accurate securities
27 brokerage account statement as of December 31, 2019, of
28 defendant ALHUSSEINI's investment portfolio with BROKER 1.

1 Defendant ALHUSSEINI's falsified BROKER 1 account statement
2 falsely stated that defendant ALHUSSEINI held more than \$86
3 million in securities in accounts at BROKER 1. In reality,
4 defendant ALHUSSEINI's BROKER 1 accounts held a total of
5 approximately \$4,390.10.

6 i. On or about March 16, 2020, INVESTOR FUND A
7 purchased a put option from defendant ALHUSSEINI that obligated
8 defendant ALHUSSEINI to pay \$55 million for the collateral 10.3
9 million shares of COMPANY A stock in the event co-schemer 1
10 defaulted on the \$55 million loan.

11 j. Under the terms of the March 2020 put option,
12 approximately \$6 million of the \$55 million loan was to be paid
13 to defendant ALHUSSEINI at the time of the loan's execution as
14 consideration (also known as a "premium payment") for
15 guaranteeing co-schemer 1's repayment of the loan.

16 k. On or about November 4, 2021, co-schemer 1
17 refinanced the loan against his 10.3 million shares of COMPANY A
18 stock. Under the refinanced loan, INVESTOR FUND B loaned \$145
19 million to co-schemer 1, and co-schemer 1 pledged approximately
20 10.3 million shares of COMPANY A stock as collateral.

21 l. As a condition of making the refinanced \$145
22 million loan to co-schemer 1, INVESTMENT ADVISER 1 negotiated
23 for INVESTOR FUND B to purchase a new put option from defendant
24 ALHUSSEINI, in which defendant ALHUSSEINI was obligated to pay
25 \$65 million to INVESTOR FUND B in the event that co-schemer 1
26 defaulted on the \$145 million loan (the "November 2021 put
27 option").

1 m. On or about November 3, 2021, defendant
2 ALHUSSEINI caused his agent to send an email to INVESTMENT
3 ADVISER 1 that contained a document that defendant ALHUSSEINI
4 falsely claimed was a true and accurate account statement as of
5 September 30, 2021, of defendant ALHUSSEINI's investment
6 portfolio with BROKER 1. This falsified BROKER 1 account
7 statement falsely stated that defendant ALHUSSEINI held more
8 than \$199 million in securities in accounts at BROKER 1. In
9 reality, defendant ALHUSSEINI's BROKER 1 account statements show
10 that as of September 30, 2021, defendant ALHUSSEINI's BROKER 1
11 accounts held a total of approximately \$2,693.63.

12 n. On or about November 4, 2021, INVESTOR FUND B
13 purchased a put option from ALHUSSEINI that obligated defendant
14 ALHUSSEINI to pay \$65 million for the collateral 10.3 million
15 shares of COMPANY A stock in the event co-schemer 1 defaulted on
16 the \$145 million loan. The terms of the November 2021 put
17 option required that defendant ALHUSSEINI have sufficient assets
18 to pay \$65 million to INVESTOR FUND B in the event of co-schemer
19 1's default.

20 o. Under the terms of the November 2021 put option,
21 approximately \$6.3 million was to be paid to defendant
22 ALHUSSEINI at the time of execution as a premium payment in
23 consideration for guaranteeing co-schemer 1's repayment of the
24 loan.

25 p. To maintain and conceal defendant ALHUSSEINI's
26 deception of INVESTMENT ADVISER 1, INVESTOR FUND A, and INVESTOR
27 FUND B, defendant ALHUSSEINI submitted or caused to be submitted
28 falsified brokerage statements to INVESTMENT ADVISER 1 on at

1 least 24 occasions between in or around April 2020 and in or
2 around February 2023.

3 q. Defendant ALHUSSEINI's falsified brokerage
4 statements were altered to falsely represent that ALHUSSEINI's
5 brokerage account held highly liquid and publicly tradeable
6 securities that were, depending on the month and year, worth
7 between approximately \$80 million to \$200 million. In fact,
8 defendant ALHUSSEINI's brokerage account during this period held
9 between approximately \$2,000 and \$15,000.

10 r. Nearly all of the transmissions noted above were
11 accompanied by a certificate of compliance, in which defendant
12 ALHUSSEINI affirmed by electronic signature that the BROKER 1
13 account statements, among other statements, were "in each
14 case true, correct and complete copies."

15 4. In or about November 2022, co-schemer 1 defaulted on
16 the loan to INVESTOR FUND B, and to secure a forbearance,
17 defendant ALHUSSEINI signed a December 5, 2022, amendment with
18 INVESTOR FUND B that raised the put option price to \$75 million.

19 5. On or about June 27, 2023, INVESTOR FUND B exercised
20 the November 2021 put option that required defendant ALHUSSEINI
21 to pay INVESTOR FUND B \$75 million in exchange for approximately
22 10.3 million shares of COMPANY A stock.

23 6. In total, INVESTOR FUND B had losses of approximately
24 \$145 million, and defendant ALHUSSEINI personally received more
25 than \$12 million in put premium payments.

26 C. USE OF INTERSTATE WIRES

27 7. On or about November 3, 2021, in Los Angeles County,
28 within the Central District of California, and elsewhere, for

1 the purpose of executing the scheme to defraud described above,
2 defendant ALHUSSEINI transmitted and caused the transmission of
3 an interstate wire communication transmitting defendant
4 ALHUSSEINI's falsified BROKER 1 account statement as of
5 September 30, 2021, in connection with the sale of a put option
6 by defendant ALHUSSEINI that obligated defendant ALHUSSEINI to
7 pay \$65 million for the collateral 10.3 million shares of
8 COMPANY A stock in the event co-schemer 1 defaulted on the \$145
9 million loan.

10 JOSEPH T. MCNALLY
11 Acting United States Attorney

12 

13 LINDSEY GREER DOTSON
14 Assistant United States Attorney
Chief, Criminal Division

15 BRETT A. SAGEL
16 Assistant United States Attorney
17 Chief, Corporate and Securities
Fraud Strike Force

18 JENNA G. WILLIAMS
19 NISHA CHANDRAN
20 Assistant United States Attorneys
Corporate and Securities Fraud
Strike Force

21 GLENN S. LEON
22 Chief, Fraud Section
Criminal Division
U.S. Department of Justice

23 THEODORE M. KNELLER
24 ADAM L.D. STEMPEL
25 Trial Attorneys, Fraud Section
Criminal Division
U.S. Department of Justice