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SEALED

FILED

DEC 31 2015

CLERK, U.S. DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA
BY [Signature]
DEPUTY CLERK

5 Attorneys for the
6 United States of America

7

8 IN THE UNITED STATES DISTRICT COURT
9 FOR THE EASTERN DISTRICT OF CALIFORNIA

10 UNITED STATES OF AMERICA,
11 Plaintiff,
12 v.
13 MARTIN CALZADA,
14 Defendant.

Case No: 15 CR 00355 LJO SKO
VIOLATIONS: 1:15 CR 00355 LJO SKO
18 U.S.C. § 1349 - Conspiracy to
Commit Mail Fraud;
18 U.S.C. § 1341 - Mail Fraud (8
Counts);
18 U.S.C. § 981(a)(1)(C) and 28
U.S.C. § 2461 - Criminal
Forfeiture

15
16

I N D I C T M E N T

18 COUNT ONE: [18 U.S.C. § 1349 - Conspiracy to Commit Mail]

19 The Grand Jury charges:

20 MARTIN CALZADA,
21 defendant herein as follows:

22 I. PARTIES, PERSONS AND ENTITIES

23 1. At all relevant times, defendant MARTIN CALZADA was a
24 principal officer of and operated Star Reliable Mortgage, a
25 business entity with locations in Bakersfield and Visalia,
26 California ("Star Reliable"), in the State and Eastern District
27 of California, and elsewhere.

28 2. "Lenders" include business entities that lent money to

1 finance real properties owned by homeowners who paid money to
2 defendant and Star Reliable in connection with defendant's
3 conspiracy and scheme to defraud, including mortgage lending
4 companies and other federally-insured financial institutions.
5 The Lenders included, but were not limited to, Bank of America,
6 JP Morgan Chase & Co., Wells Fargo, and Flagstar Bank. Bank of
7 America, JP Morgan Chase & Co., Wells Fargo, and Flagstar Bank
8 were at all relevant times federally insured financial
9 institutions as defined by Title 18, United States Code, Section
10 20.

11 II. CONSPIRACY

12 3. Beginning on a date unknown to the Grand Jury, but not
13 later than in and about August 2010, and continuing thereafter
14 to in and around October 2011, within the State and Eastern
15 District of California and elsewhere, defendant CALZADA did
16 knowingly conspire, combine, and confederate with others known
17 and unknown to the Grand Jury, to execute a scheme and artifice
18 to defraud homeowners and Lenders of money and property, and to
19 obtain money and property from such homeowners and Lenders, by
20 means of materially false and fraudulent pretenses,
21 representations, and promises, and to cause the United States
22 mail and commercial carriers to be used in execution of the
23 scheme to defraud, in violation of Title 18, United States Code,
24 Section 1341.

25 III. MANNER AND MEANS OF CONSPIRACY

26 4. During the above-described time period, the defendant
27 and others both known and unknown to the Grand Jury conspired to
28 defraud homeowners and Lenders of money and property, and caused

1 money and property to be obtained from homeowners and Lenders, by
2 the following manner, means, and acts:

3 5. The defendant and others known and unknown to the Grand
4 Jury co-founded Star Reliable and conspired to defraud homeowners
5 and Lenders through Star Reliable. The defendant and others at
6 Star Reliable conspired to develop a business model at Star
7 Reliable that targeted distressed homeowners facing the
8 likelihood of foreclosure on their homes.

9 6. The fraudulent business model knowingly created by the
10 defendant and other co-founders of Star Reliable purported to
11 offer a legitimate way for homeowners to avoid foreclosure on
12 their homes without fully paying outstanding mortgage payments.
13 The defendant and others at Star Reliable described their
14 services as a "loan elimination" program. In exchange for the
15 homeowners' payment of advance fees and other fees to Star
16 Reliable, this "loan elimination" program would purportedly
17 enable the homeowners to own their homes "free and clear" of any
18 loans or mortgages.

19 7. Defendant further conspired with others at Star
20 Reliable to require homeowner-clients to complete several steps
21 in the purported loan elimination program. First, homeowners
22 were required to sign an "Agreement" to participate. According
23 to the Agreement, Star Reliable's "Scope of Services" included,
24 among other things, "Demanding appropriate revision of client's
25 loan as appropriate" and "Rescind[ing] client loan as
26 appropriate." Star Reliable's services also included a purported
27 financial audit of a homeowner-client's lender agreement and
28 associated loan payments.

1 8. Defendant conspired with other Star Reliable employees
2 to charge homeowner-clients fees to participate in the fraudulent
3 loan elimination program. Initially, homeowner-clients were
4 charged an upfront fee, characterized as a "required donation,"
5 to participate in the purported loan elimination program. If a
6 homeowner-client's home was in foreclosure, Star Reliable
7 generally charged an upfront fee of \$4,500, whereas if a
8 homeowner-client was current in mortgage payments, Star Reliable
9 generally charged an upfront fee of \$2,500. Star Reliable also
10 charged homeowner-clients a monthly fee, also characterized as a
11 "required donation," in the amount of a fixed percentage of the
12 homeowner-client's monthly mortgage payment, and directed the
13 homeowner-clients to cease making payments to their Lenders.

14 9. After homeowner-clients paid their upfront fees, the
15 defendant knowingly, and with the intent to defraud, conspired
16 with others at Star Reliable to file with county recorders'
17 offices fraudulent documents purporting to substitute the trustee
18 of the homeowner-clients' real properties and to reconvey all or
19 portions of the real properties to fictitious business entities
20 and purported trusts, including, among others: Advanta Mortgage
21 Trust, Kingdom Ventures Inc., Baker Group, Cal Enterprises,
22 Kelbaker Inn, Shoshore Ptnrs and Narang Telefilms. Defendant
23 conspired with other Star Reliable employees to charge homeowner-
24 clients advance fees and other fees to prepare the fraudulent
25 documents and transmit the recorded documents to the legitimate
26 trustees of the real properties.

27 10. Defendant caused the recorded, fraudulent documents
28 described above to be transmitted to the legitimate trustees to

1 illicitly "cloud title" and halt or stall the foreclosure process
2 on defrauded homeowner-clients' properties. By these fraudulent
3 means, defendant, and others at Star Reliable working at his
4 direction, attempted to temporarily halt or stall foreclosures to
5 reassure and lull homeowner-clients into believing that Star
6 Reliable's services were legitimate and successful. As a result,
7 homeowner-clients were lulled into paying and continuing to pay
8 fees to defendant and Star Reliable based on false
9 representations.

10 11. With the intent to defraud, defendant and others at
11 Star Reliable did not use the fees paid by homeowner-clients for
12 the represented purposes. Instead, the defendant conspired with
13 others at Star Reliable to divert fees paid by Star Reliable's
14 homeowner-clients and use the fees for the benefit of himself and
15 other conspirators.

16 12. Defendant knowingly, and with the intent to defraud,
17 caused materially false and fraudulent representations and
18 promises, and material omissions, to be made to the homeowner-
19 clients regarding Star Reliable's loan elimination program and
20 services, including that:

21 a. Star Reliable could eliminate homeowner-clients'
22 home loans and the homeowners could own their properties "free
23 and clear" by paying defendant advance fees and other charges,
24 and a percentage of the homeowner-clients' mortgage payments;

25 b. Star Reliable legitimately could stop or
26 temporarily halt the homeowner-clients' pending or expected home
27 foreclosures;

28 c. Prospective clients each had one million dollars

1 in a U.S. government bank account and these funds would be used
2 to pay the homeowner-clients' home mortgages; and

3 d. Homeowner-clients would repurchase their homes
4 from Star Reliable after Star Reliable acquired title to those
5 homes.

6 13. Defendant caused registered mail to be used to transmit
7 trustee documents to the homeowner-clients' mortgage Lenders,
8 including substitution of trust documents purporting to replace
9 the mortgage lender with a fictitious entity as the new trustee.

10 14. Defendant also caused employees of Star Reliable to
11 instruct homeowner-clients on various occasions to stop making
12 mortgage payments to their Lenders.

13 15. In some instances, and without the affected homeowner-
14 client's or Lender's authorization or knowledge, defendant, and
15 other employees at Star Reliable, fraudulently caused to be
16 recorded documents purporting to transfer all or a portion of the
17 homeowner-client's property to a bankruptcy debtor, including,
18 among others, Armando Garcia doing business as Narang Telefilms,
19 a fictitious entity. Such a filing had the effect of temporarily
20 halting or stalling foreclosure under the protection of the
21 Bankruptcy Code and could require a Lender to initiate legal
22 action to address the fraudulent filings.

23 16. The fraudulent misrepresentations made by the defendant
24 and others at Star Reliable caused many homeowner-clients to stop
25 making payments to their Lenders on their existing mortgage
26 loans. Defendant and others at Star Reliable also advised
27 homeowner-clients to disregard and/or send to Star Reliable
28 notices they received from Lenders notifying the homeowner-

1 clients that they owed payments on their existing mortgage loans.
2 As a result of these withheld payments and the fraudulent filings
3 made at defendant's direction, the Lenders suffered losses, and
4 many homeowner-clients became delinquent on their loans and
5 ultimately had their homes foreclosed upon.

6 17. As a result of the conduct of the defendant in
7 furtherance of the conspiracy, the defendant caused approximately
8 100 homeowners to be defrauded of approximately \$875,000, and
9 also caused at least \$4 million of losses to Lenders.

10 18. Defendant transferred, and caused others at Star
11 Reliable to transfer, money from Star Reliable's banking accounts
12 to other accounts he jointly held, or had control over, including
13 at least \$270,000 in transfers and account deposits.

14 19. At all relevant times, the defendant acted with the
15 intent to defraud in carrying out the conspiracy.

16 All in violation of Title 18, United States Code, Section
17 1349.

18 COUNTS TWO THROUGH NINE: [18 U.S.C. 1341 - Mail Fraud]

19 The Grand Jury further charges:

20 MARTIN CALZADA,

21 defendant herein, as follows:

22 20. Paragraphs 1 and 2, and 4 through 19 of Count One are
23 incorporated by reference as though fully set forth herein.

24 21. Beginning on a date unknown, but not later than in and
25 about August 2010, and continuing thereafter to in and around
26 October 2011, within the State and Eastern District of California
27 and elsewhere, the defendant, and others both known and unknown
28 to the Grand Jury, did knowingly devise and intended to devise a

1 material scheme and artifice to defraud homeowners and Lenders of
 2 money and property, and to obtain money and property from such
 3 homeowners and Lenders, by means of materially false and
 4 fraudulent pretenses, representations, and promises, and material
 5 omissions.

6 22. On or about the dates set forth below, within the State
 7 and Eastern District of California and elsewhere, for the purpose
 8 of executing and attempting to execute the aforementioned scheme
 9 and artifice to defraud, defendant CALZADA, with the intent to
 10 defraud, knowingly caused the mail matter described below to be
 11 sent and delivered by the U.S. Postal Service ("USPS"), or
 12 deposited with, and caused to be delivered by, a private or
 13 commercial interstate carrier.

14	APPROX.		
15	DATE OF	DESCRIPTION	
COUNT	MAILING		
16	TWO	2/24/2011	USPS mailing (#7009 2820 0002 3171 1966) 17 regarding notice of substitution of trustee 18 from JZ and CZ, in Bakersfield, CA, mailed to Bank of America in Charlotte, NC
19	THREE	3/31/2011	USPS mailing regarding payment instructions 20 from Star Reliable Mortgage in Bakersfield, CA, mailed to RG and OG in Tulare, CA
21	FOUR	4/12/2011	USPS mailing regarding new address for 22 correspondence from Star Reliable Mortgage in Visalia, CA, mailed to RG and OG in Tulare, CA
23	FIVE	5/27/2011	USPS mailing of certified copy of Deed of 24 Full Reconveyance from the Kern County Recorder's Office to BN in Visalia, CA
25	SIX	6/1/2011	USPS mailing (#7011 0470 0001 4428 0450) 26 regarding payment by AD in Shafter, CA, 27 mailed to Star Reliable Mortgage in Visalia, 28 CA

1 2	SEVEN 7/6/2011	USPS mailing (#7011 1150 0000 1176 1422) regarding payment by AD in Shafter, CA, mailed to Star Reliable Mortgage in Visalia, CA
3 4 5 6 7	EIGHT 8/6/2011	USPS mailing (#7011 1150 0000 1176 4027) regarding payment by AD in Shafter, CA, mailed to Star Reliable Mortgage in Visalia, CA
8 9 10	NINE 10/3/2011	USPS mailing (#7011 1570 0001 5393 1530) regarding payment by AD in Shafter, CA, mailed to Star Reliable Mortgage in Visalia, CA

11 All in violation of Title 18, United States Code, Section
12 1341.

13 FORFEITURE ALLEGATION: [18 U.S.C. §§ 981(a)(1)(C) and 28 U.S.C.
14 § 2461 - Criminal Forfeiture]

15 23. The allegations in Counts One through Nine are hereby
16 realleged and incorporated by reference for the purpose of
17 alleging forfeitures pursuant to Title 18, United States Code,
18 Section 981(a)(1)(C) and Title 28, United States Code, Section
19 2461.

20 24. Pursuant to Title 18, United States Code, Section
21 981(a)(1)(C) and Title 28, United States Code, Section 2461, and
22 upon conviction of one or more of the offenses set forth in
23 Counts One through Nine of this Indictment, defendant CALZADA
24 shall forfeit to the United States any property, real or
25 personal, which constitutes or is derived from proceeds traceable
26 to a violation of the offenses set forth in Counts One through
27 Eleven of this Indictment.

28 25. If any of the property described above, as a result of
any act or omission of the defendant or agents of the defendant

1 or upon direction by the defendant:

- 2 a. cannot be located upon the exercise of due
3 diligence;
- 4 b. has been transferred or sold to, or deposited
with, a third party;
- 5 c. has been placed beyond the jurisdiction of the
6 Court;
- 7 d. has been substantially diminished in value; or
- 8 e. has been commingled with other property which
cannot be divided without difficulty,

9 the United States of America shall be entitled to forfeiture of
10 substitute property, including but not limited to a forfeiture
11 money judgment, pursuant to Title 21, United States Code, Section
12 853(p), as incorporated by Title 28, United States Code, Section
13 2461(c).

14 A TRUE BILL.

15 **/s/ Signature on file w/AUSA**

16 FOREPERSON

17 BENJAMIN B. WAGNER
United States Attorney

18 By: **KIRK E. SHERRIFF**
19 KIRK E. SHERRIFF
20 Assistant U.S. Attorney
Chief, Fresno Office

No. _____

SEALED

FILED

UNITED STATES DISTRICT COURT

DEC 31 2015

Eastern District of California

CLERK, U.S. DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA
BY 
DEPUTY CLERK

Criminal Division

THE UNITED STATES OF AMERICA

vs.

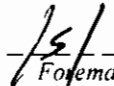
1:15 CR 00355 LJO SKO

MARTIN CALZADA

INDICTMENT

VIOLATION(S): 18 U.S.C. § 1349- Conspiracy to Commit Mail Fraud; 18 U.S.C. § 1341- Mail Fraud;
18 U.S.C. § 981(a) (1) (C) and 28 U.S.C. § 2461- Criminal Forfeiture

A true bill,


Foreman.

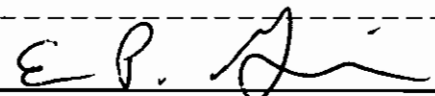
Filed in open court this _____ day

of _____, A.D. 20 _____

Clerk.

Bail, \$ _____

NO BAIL WARRANT



DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION -- IN U.S. DISTRICT COURT

BY COMPLAINT INFORMATION INDICTMENT
 SUPERSEDING: Case No.

OFFENSE CHARGED

PLEASE SEE INDICTMENT

Petty
 Minor
 Misdemeanor
 Felony

Place of offense KERN COUNTY U.S.C. Citation Please see Indictment

Name of District Court, and/or Judge/Magistrate Judge Location (City)
EDCA

DEFENDANT -- U.S. vs.
MARTIN CALZADA

Address 1:15 CR 00355 LJO SKO

Birth Date Male Female Alien (if applicable)

(Optional unless a juvenile)

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)
FBI- Lori Lubbers

person is awaiting trial in another Federal or State Court, give name of court

this person/proceeding is transferred from another district per FRCrP 20 21 40. Show District

this is a re prosecution of charges previously dismissed which were dismissed on motion of.
 U.S. Att'y Defense } SHOW DOCKET NO.

this prosecution relates to a pending case involving this same defendant

prior proceedings or appearance(s) before U.S. Magistrate Judge regarding this defendant were recorded under MAGISTRATE JUDGE CASE NO.

DEFENDANT

IS NOT IN CUSTODY

1) Has not been arrested, pending outcome of this proceeding
 If not detained, give date any prior summons was served on above charges

2) Is a Fugitive

3) Is on Bail or Release from (show District)

IS IN CUSTODY

4) On this charge

5) On another conviction

6) Awaiting trial on other charges } Fed'l State
 If answer to (6) is "Yes," show name of institution

Has detainer been filed? Yes No } If "Yes," give date filed
 Mo. Day Year

DATE OF ARREST

Or... if Arresting Agency & Warrant were not Federal
 Mo. Day Year

DATE TRANSFERRED TO U.S. CUSTODY

Name and Office of Person Furnishing Information on THIS FORM Michelle Holliday

U.S. Att'y Other U.S. Agency

Name of Asst. U.S. Att'y (if assigned) Patrick Delahunty

FORFEITURE ALLEGATION

This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

Please Issue No Bail Warrant


AUSA INITIALS

PENALTY SLIP

DEFENDANT: MARTIN CALZADA

COUNT ONE:

VIOLATION: 18 U.S.C. § 1349

PENALTY: 30 years imprisonment
\$1,000,000 fine
5 years supervised release
\$100 assessment

COUNTS TWO THROUGH NINE:

VIOLATION: 18 U.S.C. § 1341 (Eight Counts)

PENALTY: 30 years imprisonment
\$1,000,000 fine
5 years supervised release
\$100 assessment