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U.S. DISTRICT COURT  
EASTERN DISTRICT OF LA.

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UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA

BILL OF INFORMATION FOR CONSPIRACY TO  
COMMIT BANK FRAUD AND NOTICE OF FORFEITURE

**FELONY**

**20-00053**

UNITED STATES OF AMERICA

\*

CRIMINAL DOCKET NO.

v.

\*

SECTION: **SECT. GMAG.4**

ARVIND "MIKE" VIRA

\*

VIOLATIONS: 18 U.S.C. § 371  
18 U.S.C. § 1344

\*

\* \* \*

The First Assistant United States Attorney, Michael M. Simpson, as the Attorney for the United States, acting on the authority conferred by Title 28, United States Code, Section 515, (hereinafter, "the Attorney for the United States") charges that:

COUNT 1

(Conspiracy to Commit Bank Fraud)

A. AT ALL MATERIAL TIMES HEREIN:

1. First NBC Bank was a financial institution, as defined in Title 18, United States Code, Section 20, and a member of the Federal Deposit Insurance Corporation ("FDIC") with federally insured deposit accounts. First NBC Bank ("the Bank") was established in or about 2006, with its headquarters in New Orleans, Louisiana, within the Eastern District of Louisiana. At various times, First NBC Bank maintained branch offices in Louisiana, Mississippi, and Florida.

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2. First NBC Bank was the wholly-owned subsidiary of First NBC Bank Holding Company. Bank President A was a founder of First NBC Bank and acted as its president and Chief Executive Officer from in or around May 2006, until in or around December 2016.

3. In or around May 2013, First NBC Bank Holding Company became a publicly-traded company listed on the NASDAQ.

4. On or about April 28, 2017, the Bank was closed by the Louisiana Office of Financial Institutions. The FDIC was named Receiver.

5. The defendant, **ARVIND “MIKE” VIRA (“VIRA”)**, was a businessman who resided within the Eastern District of Louisiana. **VIRA** owned hotels and was a borrower at the Bank from at least June of 2008 until the bank closed in 2017.

6. Over the course of his relationship with the Bank, **VIRA** provided loans to Bank President A, some of which were derived from loan proceeds that **VIRA** received from the Bank. At Bank President A’s instruction, **VIRA** concealed from Bank employees the fact that he gave loans to Bank President A. **VIRA** also did not disclose that he had made loans to Bank President A in his personal financial statements, which he submitted to the Bank.

7. Bank President A ensured that **VIRA** received beneficial treatment from the Bank. Bank President A authorized low interest rates on loans that **VIRA** received from the Bank, and Bank President A authorized high interest rates on savings and checking accounts for **VIRA** and his family members.

8. **VIRA** also obtained loans from the Bank by providing the Bank with false material information in support of his loans, such as by inflating the value of his accounts at other banks and misrepresenting the amount of real estate he owned. **VIRA** provided this false information at the direction of Bank President A.

9. By the time the Bank failed in late April 2017, the balances on loans issued to **VIRA** totaled over \$39 million.

10. As of March 2020, Bank President A personally owed **VIRA** approximately \$2,750,000.00, not including accrued interest.

**B. THE CONSPIRACY:**

Beginning at a time unknown to the Attorney for the United States, but at least in or around April 2010, through in and around April 2017, in the Eastern District of Louisiana and elsewhere, the defendant, **ARVIND “MIKE” VIRA**, and others known and unknown to the Attorney for the United States, did knowingly and willfully combine, conspire, confederate, and agree to commit offenses against the United States of America, that is: to knowingly and with the intent to defraud, execute and attempt to execute a scheme and artifice to defraud First NBC Bank, a financial institution, and to obtain any of the moneys, funds, credits, and assets, owned by and under the custody or control of First NBC Bank, by means of false and fraudulent pretenses, representations, and promises, relating to a material fact, in violation of Title 18, United States Code, Section 1344.

**C. PURPOSE OF THE CONSPIRACY:**

The purpose of the conspiracy was for the defendant, **ARVIND “MIKE” VIRA**, and Bank President A to secure nominee loans for Bank President A and conceal the banking relationship between **VIRA** and Bank President A from First NBC Bank and others.

**D. OVERT ACTS:**

The defendant, **ARVIND “MIKE” VIRA**, and Bank President A committed overt acts in furtherance of the conspiracy. These overt acts include, among others, the following:

1. On or about September 21, 2009, Bank President A approved a \$5,000,000.00 increase on a **VIRA**'s revolving line of credit from the Bank. The purpose of the loan was identified as working capital for investment properties. On or around April 26, 2010, Bank

President A requested VIRA loan him \$400,000.00. VIRA provided these funds from his First NBC revolving line of credit. Bank President A then caused a \$400,000.00 advance from VIRA's revolving line of credit to be issued to Lake Forest Plaza LLC, a company owned by Bank President A. Bank President A used the funds to pay property taxes owed by Lake Forest Plaza LLC. Bank President A agreed to pay VIRA an annual interest rate of 6% on the loan. At the instruction of Bank President A, VIRA did not disclose this loan relationship to Bank employees. Bank President A did not disclose this business relationship to the Board, auditors, or regulators.

2. On or about January 4, 2011, Bank President A approved a 3% interest rate for VIRA's premier checking account.

3. On or about May 2, 2011, Bank President A signed off on a loan package for VIRA as an additional approving officer for the Bank. The package renewed VIRA's prior loan and increased it by \$1,000,000.00.

4. On or about May 10, 2011, Bank President A approved a 3% interest rate on four new checking accounts opened by VIRA.

5. On or about July 7, 2011, the Bank's Board Loan Committee, with Bank President A participating, approved an unsecured \$9,000,000.00 revolving line of credit to VIRA, with the stated purpose of providing working capital for investment purposes. On or around November 17, 2011, VIRA loaned Bank President A \$2,000,000.00 from the revolving line of credit. As collateral for this loan, Bank President A pledged to VIRA five certificates representing 275,000 shares of the Bank's stock. Bank President A agreed to pay VIRA an annual interest rate of 8% on the loan.

6. During the December 2012 FDIC examination, FDIC examiners discovered the November 2011 transaction and cited Bank President A for violations of federal banking

regulations. Bank President A lied to the examiners by stating that he was unaware that VIRA had used his revolving line of credit at the Bank to fund the personal loan to Bank President A. Bank President A told examiners that when VIRA's revolving line of credit was approved, he had no idea that he would be borrowing from VIRA in the future. During the interview, Bank President A also never disclosed to the FDIC examiners that he had previously borrowed \$400,000.00 from VIRA's revolving line of credit.

7. After Bank President A's meeting with FDIC examiners during the December 2012 examination, Bank President A had a meeting with VIRA. During that meeting, Bank President A informed VIRA that the FDIC examiners had discovered the loans that VIRA had given to Bank President A from First NBC loan proceeds. Bank President A told VIRA that they would have to figure out another way to loan money to Bank President A which would escape detection. Bank President A advised VIRA that he should not disclose their relationship on any Bank applications in the future.

8. On or about February 11, 2013, Bank President A approved a 3% interest rate on VIRA's business checking account that previously had been earning a lower rate.

9. On or about June 4, 2013, VIRA provided a personal financial statement to his loan officer at the Bank to support his loan. On that form, VIRA omitted the fact that he had loaned money to Bank President A.

10. On or about September 2, 2014, Bank President A authorized VIRA to receive an annual interest rate of 3% on two IRA Money Market accounts at the Bank.

11. On or about November 5, 2014, VIRA signed a personal financial statement to support his loan with the Bank. In that statement, VIRA failed to disclose his outstanding loans to Bank President A. VIRA also provided inflated account balances at four other banks, falsely

stating that he had a total of \$15 million in cash deposits at those institutions. **VIRA** provided this false information at the direction of Bank President A.

12. On or about June 10, 2016, **VIRA** loaned Bank President A \$2,000,000.00 derived from **VIRA**'s account at the Bank. Bank President A agreed to pay **VIRA** an annual interest rate of 8% on the loan.

13. On or about October 4, 2016, **VIRA** signed a personal financial statement to support his loan with the Bank. In that statement, **VIRA** omitted the fact that he had loaned money to Bank President A. **VIRA** also provided inflated account balances at four other banks, falsely stating that he had at total of \$15 million in cash deposits at those institutions. Additionally, **VIRA** falsely inflated his real estate holdings by including properties that he did not own. **VIRA** provided this false information at the direction of Bank President A.

14. On or about October 11, 2016, **VIRA** loaned Bank President A \$750,000.00 derived from **VIRA**'s First NBC checking account. Bank President A agreed to pay **VIRA** an annual interest rate of 8% on the loan.

All in violation of Title 18, United States Code, Section 371.

**NOTICE OF FORFEITURE**

1. The allegations contained in Count 1 are hereby realleged and incorporated by reference for the purpose of alleging forfeiture to the United States.

2. Upon conviction of the offense alleged in Count 1, the defendant, **ARVIND "MIKE" VIRA**, shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal, involved in said offense, and any property traceable to such property.

3. If any of the 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 shall seek a money judgment and, pursuant to Title 21, United States Code, Section 853(p), forfeiture of any other property of the defendant up to the value of said property.

MICHAEL M. SIMPSON  
Attorney for the United States  
Acting under authority conferred  
by 28 U.S.C. § 515



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New Orleans, Louisiana  
June 15, 2020