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**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

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UNITED STATES OF AMERICA

v.

OMAR HAFEZ

: Hon. Cathy L. Waldor  
:  
: Mag. No. 15-7286  
:  
: CRIMINAL COMPLAINT  
:  
: **FILED UNDER SEAL**

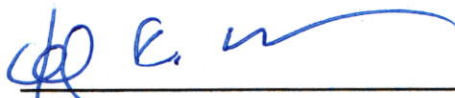
I, Karl Ubellacker, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

**SEE ATTACHMENT A**

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

**SEE ATTACHMENT B**

continued on the attached pages and made a part hereof.



Karl Ubellacker, Special Agent  
Federal Bureau of Investigation

Sworn to before me, and  
subscribed in my presence

December 7, 2015 at  
Newark, New Jersey

HONORABLE CATHY L. WALDOR  
UNITED STATES MAGISTRATE JUDGE



Signature of Judicial Officer

## **ATTACHMENT A**

### **Count One** **(Wire Fraud Conspiracy)**

From at least as early as in or around July 2014 through in or around December 2015, in Passaic County and Bergen County, in the District of New Jersey and elsewhere, defendant

**OMAR HAFEZ,**

did knowingly and intentionally conspire and agree with others to devise a scheme and artifice to defraud victim investors, including Victim 1, and to obtain money and property from victim investors by means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing this scheme and artifice to defraud, to transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, certain signs, signals, and sounds, contrary to Title 18, United States Code, Section 1343.

In violation of Title 18, United States Code, Section 1349.

### **FORFEITURE ALLEGATION**

The allegations contained in this Complaint are hereby realleged and incorporated by reference for the purpose of noticing forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

The United States hereby gives notice to the defendant that, upon his conviction of the offense charged in this Complaint, the government will seek forfeiture in accordance with Title 18, United States Code, Sections 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), which requires any person convicted of such offenses to forfeit any property constituting or derived from proceeds obtained directly or indirectly as a result of such offense.

If any of the above-described forfeitable property, 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;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

## **ATTACHMENT B**

I, Karl Ubellacker, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have conducted an investigation and discussed this matter with other law enforcement officers who have participated in this investigation and have knowledge of the following facts. Because this affidavit is being submitted for the limited purpose of establishing probable cause, I have not included each and every fact known to me concerning this investigation. I have set forth only the facts which I believe are necessary to establish probable cause. Unless specifically indicated, all dates described in this affidavit are approximate and all conversations and statements described in this affidavit are related in substance and in part.

1. From in or around July 2014 to in or around December 2015, defendant OMAR HAFEZ and others ("the coconspirators") solicited funds from victim investors, purportedly to be invested in shares of various companies prior to the Initial Public Offerings ("IPOs") of those companies (the "Pre-IPO Companies"). Based on the representations of defendant HAFEZ and his coconspirators, the victim investors provided hundreds of thousands of dollars to defendant HAFEZ and his coconspirators to be invested in the Pre-IPO Companies. In fact, however, contrary to their representations, HAFEZ and his coconspirators did not use the money provided by the victim investors to purchase any shares of, or make any investments in, the Pre-IPO Companies. Instead, HAFEZ and his coconspirators misappropriated the victim investors' money for their own use and benefit.

2. At all times relevant to this Complaint, unless otherwise indicated:

- a. HAFEZ was a resident of New Jersey.
- b. HAFEZ and his coconspirators created a number of entities through which they operated the scheme to defraud, including but not limited to: Lotus Global Wealth Management, Lotus Wealth Management, Lotus Global Capital Investments Corporation, Lotus Global Capital Partners LLC, Lotus Global LLC, Lotus Global Property Management Corporation, Lotus Global Holdings LLC (collectively the "Lotus Global Entities") and O.P.I. Wealth Management Corporation.
- c. HAFEZ held himself out to be the Chief Executive Officer ("CEO") of the Lotus Global Entities.
- d. Certificates of Formation from the New Jersey Department of the Treasury, Division of Revenue and Enterprise Services, list HAFEZ as the registered agent for certain of the Lotus Global Entities.

- e. Only individuals and firms that are registered with the Financial Industry Regulatory Authority ("FINRA") can sell securities to the public. A search of records maintained by FINRA reveals that:
  - i. HAFEZ is not registered with FINRA;
  - ii. None of the Lotus Global Entities are registered with FINRA; and
  - iii. O.P.I. Wealth Management Corporation is not registered with FINRA.
- f. An IPO is ordinarily the first sale of stock by a private company to the public.
- g. Company A was a cloud communications company that allowed software developers to integrate voice, text, and other communications services into mobile and web applications. Articles about Company A's IPO were published by newspapers such as The Wall Street Journal in early 2015. An IPO date has not been set.
- h. Company B was an Internet domain registrar and web hosting company. Company B's IPO took place on or about April 1, 2015. Company B's IPO was widely covered by the media.

3. In or around February 2015, HAFEZ represented to Victim 1 that he was CEO of a corporation named Lotus Global and had access to pre-IPO shares of high-profile companies. HAFEZ represented that he could sell Victim 1 pre-IPO shares of Company A, and that following Company A's IPO, the value of the shares would increase significantly. HAFEZ told Victim 1 that following the Company A IPO, HAFEZ would sell the Company A shares and provide significant profits to Victim 1. Based on these representations by HAFEZ, Victim 1 sent a check in the amount of approximately \$100,000 to HAFEZ to be used to purchase shares of Company A.

4. In or around March 2015 and April 2015, HAFEZ represented to Victim 1 that he could sell Victim 1 pre-IPO shares of Company B, and that following the Company B's IPO, the value of the shares would increase significantly. HAFEZ told Victim 1 that following the Company B IPO, he would sell the Company B shares and provide significant profits to Victim 1. Based on these representations by HAFEZ, Victim 1 sent a wire in the amount of approximately \$300,000 to HAFEZ to be used to purchase shares of Company B.

5. HAFEZ and others made material misrepresentations to Victim 1 regarding Victim 1's investments. An analysis of bank accounts controlled by HAFEZ, his coconspirators, and certain of the Lotus Global Entities revealed that none of the approximately \$400,000 provided by Victim 1 was used to purchase shares of Company A, Company B, or any other pre-IPO company.

6. Instead, HAFEZ and his coconspirators diverted Victim 1's money to their own personal uses, including an \$87,000 purchase at Prestige Motors—a luxury car dealership, as well as approximately \$100,000 in cash withdrawals.

7. During the course of the conspiracy, HAFEZ and the coconspirators used interstate wire communications in furtherance of the scheme to defraud, including but not limited to emails and interbank transfers.