

1 KEVIN V. RYAN (CSBN 118321)
2 United States Attorney

3 SEALED
BY COURT ORDER

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BY COURT ORDER

RICHARD W. WIEKING
CLERK U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

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8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN FRANCISCO DIVISION

11 CR 04-02937

12 UNITED STATES OF AMERICA,
13 Plaintiff,

14 v.

15
16 ASHRAF ALI,
17 a/k/a Mike Ali,
18 YASMIN ALI,
19 SHAWN CORPORATION,
20 AASIM ENTERPRISES, INC.,
21 MOHAMMED MIR,
22 MUHAMMAD FAROOQ,
23 HUMAYOON LODHI,
24 ENAYAT KHUWAJA,
25 AHMED BASHEER,
26 FATMA KHUWAJA,
27 JASMER MANN,
28 SURINDER KAUR,
JATINDER SANGHA,
MANJIT SINGH,
ABDUL WAHEED,
MUKUL YAJNIK,
VINAY KHULLAR, and
MAJID MAHMOOD,

Defendants.

No.

VIOLATIONS:

MHP

18 U.S.C. § 371 – Conspiracy to Make False Statements to Influence Banks; 18 U.S.C. § 371 - Conspiracy to Commit Wire Fraud; 18 U.S.C. § 1014 – False Statements to Influence Banks; 18 U.S.C. § 1343 – Wire Fraud; 18 U.S.C. § 1957(a) – Engaging in Monetary Transaction in Property Derived from Unlawful Activity; 18 U.S.C. § 2 – Aiding and Abetting; 18 U.S.C. §§ 982(a)(2)(A), 982(a)(1), 981(C), and 28 U.S.C. § 2461(c) – Criminal Forfeiture

SAN FRANCISCO VENUE

INDICTMENT

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INDICTMENT

The Grand Jury charges:

INTRODUCTORY ALLEGATIONS

At all times relevant to the charges set forth in this Indictment:

2. The Small Business Administration (“SBA”) is an independent government agency that, among other duties, guarantees loans to qualified small businesses through qualified lenders.

3. The Rural Development Administration (“RD”) is an agency of the United States Department of Agriculture that, among other duties, guarantees loans to qualified businesses through its Business & Industry (“B&I”) loan programs.

4. Bank of the West is a financial institution insured by the Federal Deposit Insurance Corporation (“FDIC”).

5. First Bank & Trust is a financial institution insured by the FDIC. First Bank & Trust acquired Pacific Bay Bank, which had been insured by the FDIC prior to the date of its acquisition.

6. Valley Community Bank is a financial institution insured by the FDIC.

7. Goleta National Bank is a financial institution insured by the FDIC.

8. Wilshire State Bank is a financial institution insured by the FDIC.

9. Union Bank is a financial institution insured by the FDIC.

10. Exchange Bank is a financial institution insured by the FDIC.

11. West America Bank is a financial institution insured by the FDIC.

12. Bridge Bank is a financial institution insured by the FDIC.

13. Defendant ASHRAF ALI a/k/a Mike Ali (“ALI”) is a resident of Pleasanton, California. He is the President and Registered Agent of defendant SHAWN CORPORATION (“SHAWN CORP.”), a California corporation. ALI is the sole shareholder of SHAWN CORP. ALI is also the sole owner of a company operating under the name of California Wholesale, a sole proprietorship.

14. Defendant YASMIN ALI is a resident of Pleasanton, California, and the wife of

1 ALI. YASMIN ALI is the Registered Agent and President of defendant AASIM Enterprises,
2 Incorporated ("AASIM"), a California Corporation. Defendants SHAWN CORP. and AASIM,
3 along with California Wholesale, use and/or occupy the same workspace located at 6840
4 Goodyear Road, Suite C, Benicia, California.

5 15. Through their ownership and control of defendants SHAWN CORP. and AASIM,
6 and other businesses, defendants ALI and YASMIN ALI own and/or control a series of
7 convenience stores, under a variety of names, in the Northern District of California and
8 elsewhere. Although each defendant business entity identified in paragraph 13-14 has a separate
9 bank account, there are frequent transfers of monies between and among SHAWN CORP.,
10 AASIM, and California Wholesale as well as between and among bank accounts owned and/or
11 controlled by ALI and YASMIN ALI.

12 THE LOAN SCHEME

13 16. From in or about at least 1994 through the date of the indictment, in the Northern
14 District of California and elsewhere, defendants ALI and YASMIN ALI, and others known and
15 unknown to the grand jury, did knowingly and willfully devise and intend to devise and did
16 undertake a scheme and artifice to defraud the United States, financial institutions, state and local
17 governments and others and to obtain and attempt to obtain money and property by means of
18 materially false and fraudulent pretenses, representations, promises, and omissions.

19 17. Specifically, it was part of the scheme to defraud that

20 **ASHRAF ALI,**
21 **a/k/a Mike Ali,**
22 **YASMIN ALI,**
SHAWN CORP., and
AASIM ENTERPRISES, INC.,

23 and others known and unknown to the grand jury, did knowingly and intentionally enter into a
24 series of separate but interconnected conspiracies, all of which were guided and directed by ALI,
25 aided, assisted, and abetted by YASMIN ALI, and which used and relied upon the ALIs'
26 ownership and control of SHAWN CORP. and AASIM ENTERPRISES, INC., to apply for loans
27 administered and/or guaranteed by the SBA by, among other means, the use of straw borrowers
28 and nominee borrowers, that permitted ALI, YASMIN ALI and others to conceal their financial

1 interest in the individual business which was the basis of each applied-for loan; to conceal the
2 true source of the cash injection for each loan required by SBA regulations; to otherwise qualify
3 for and obtain monies via business loans guaranteed by the SBA; and, in many instances, to
4 proceed to launder the proceeds of such loans through financial institutions, including institutions
5 that maintained accounts owned and controlled by ALI and YASMIN ALI.

6 18. From in or about at least August 3, 2000 through the date of the indictment, in the
7 Northern and Eastern Districts of California and elsewhere, it was a further part of the scheme to
8 defraud that ALI and YASMIN ALI, and others known and unknown to the grand jury, did
9 knowingly and intentionally apply for loans with Rural Development ("RD"), an agency of the
10 United States Department of Agriculture, in order to attempt to secure Business & Industry
11 ("B&I") loan guarantees for which they did not qualify.

12 19. From at least 1994 until at least November 5, 2003, it was also part of the scheme
13 to defraud that ALI and YASMIN ALI, and others known and unknown to the grand jury, did
14 knowingly and intentionally engage in a scheme to evade the application and regulation of
15 California state laws and regulations governing the sale of alcoholic beverages on both the retail
16 and wholesale levels by failing to identify their ownership interests in stores with licenses to sell
17 alcoholic beverages in the State of California in order to both conceal their ongoing loan fraud
18 and to avoid detection by the regulatory authorities of the State of California.

19 20. The purpose of this loan scheme was for ALI and YASMIN ALI to enrich
20 themselves, their companies and businesses they owned and controlled, and those who conspired
21 with and assisted them in the various aspects of this scheme, by obtaining, and attempting to
22 obtain, access to loan funds guaranteed by agencies of the United States and thereafter launder at
23 least part of those loan proceeds through financial institutions by use of the wires and checks.

24 THE EMPLOYMENT SCHEME

25 21. From at least 1994 until at least November 5, 2003, it was also part of the scheme
26 to defraud that ALI and YASMIN ALI, and others known and unknown to the grand jury, did
27 knowingly and intentionally engage in a scheme that constituted a pattern and practice to hire
28 undocumented workers and illegal immigrants at businesses owned and controlled by ALI and

1 YASMIN ALI, including convenience stores for which ALI and YASMIN ALI and others had
2 conspired with others to obtain fraudulent loans guaranteed by the SBA.

3 22. From at least 1994 until at least November 5, 2003, it was also part of the scheme
4 to defraud that ALI and YASMIN ALI, and others known and unknown to the grand jury, did
5 knowingly and intentionally engage in a scheme to defraud the employees of businesses which
6 they owned and controlled in the Northern District of California and elsewhere, among other acts
7 and omissions:

- 8 • to pay less than the minimum wage established by federal and state law to new
9 employees;
- 10 • to withhold overtime pay even while their employees regularly worked in excess
11 of eight hours per day and 40 hours per week;
- 12 • to pay employees in checks made payable to persons other than the employees;
13 and
- 14 • to deduct from the paychecks of undocumented workers monies that went to pay a
15 portion of their rent at residences that ALI had leased on their behalf.

14 THE HARBORING SCHEME

15 23. From at least 1994 until at least November 5, 2003, it was also part of the scheme
16 to defraud that ALI and YASMIN ALI, and others known and unknown to the grand jury, did
17 knowingly and intentionally engage in a scheme to harbor undocumented workers and illegal
18 immigrants employed at businesses owned and controlled by ALI – including but not limited to
19 convenience stores for which ALI had conspired with others to obtain fraudulent loans
20 guaranteed by the SBA – at residences leased by ALI.

21
22 **COUNT ONE: (18 U.S.C. § 371 – Conspiracy to Make False Statements to Influence
23 Banks)**

24 24. Paragraphs 1 through 23 are realleged and incorporated by reference as they were
25 set forth in full.

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28 ///

1 Control Company, located in Santa Clara, California.

2 F. In or about April 1998, ALI and MIR obtained an off-sale beer and wine
3 license from California Alcoholic Beverage Control as the owners of Fast
4 & Easy Mart #41.

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

6
7 **COUNT TWO:** (18 U.S.C. § 371 – Conspiracy to Make False Statements to Influence
8 Banks)

9 27. Paragraphs 1 through 23 are realleged and incorporated by reference as they were
10 set forth in full.

11 28. Beginning on a date unknown to the grand jury, and continuing to at least
12 September 9, 2004, in the Northern District of California and elsewhere, the defendants

13 **ASHRAF ALI,**
14 **a/k/a Mike Ali,**
MUHAMMAD FAROOQ, and
15 **SHAWN CORPORATION**

16 and others known and unknown to the grand jury, did knowingly and intentionally conspire to
17 commit an offense against the United States, specifically False Statements to Influence Banks, in
18 order to obtain a loan from Valley Community Bank in the amount of \$250,000, in violation of
19 Title 18, United States Code, Section 1014.

20 **OVERT ACTS**

21 29. In furtherance of the conspiracy, and to achieve its objects, the defendants ALI,
22 FAROOQ, and SHAWN CORPORATION committed the following overt acts, among others, in
23 the Northern District of California, and elsewhere:

24 A. On or about October 1998, FAROOQ filed executed loan application
25 documents in connection with the purchase of Fast & Easy #11, located on
26 2001 Contra Costa Boulevard, Pleasant Hill, California, with Valley
27 Community Bank, in Pleasanton, California, for a loan guaranteed by the
28 SBA.

1 **COUNT THREE:** (18 U.S.C. § 371 – Conspiracy to Make False Statements to Influence
2 Banks)

3 30. Paragraphs 1 through 23 are realleged and incorporated by reference as they were
4 set forth in full.

5 31. Beginning on a date unknown to the grand jury, and continuing to at least
6 September 9, 2004, in the Northern District of California and elsewhere, the defendants

7 **ASHRAF ALI,**
8 **a/k/a Mike Ali,**
9 **HUMAYOON LODHI, and**
10 **ENAYAT KHUWAJA**

11 and others known and unknown to the grand jury, did knowingly and intentionally conspire to
12 commit an offense against the United States, specifically False Statements to Influence Banks, in
13 order to obtain a loan from Valley Community Bank in the amount of \$300,000, in violation of
14 Title 18, United States Code, Section 1014.

15 **OVERT ACTS**

16 32. In furtherance of the conspiracy, and to achieve its objects, the defendants ALI,
17 LODHI, and KHUWAJA committed the following overt acts, among others, in the Northern
18 District of California, and elsewhere:

19 A. In or about January 1999, ALI, LODHI, and KHUWAJA doing business as
20 Ale Enterprises, a general partnership, and Khuwaja in his personal
21 capacity caused to be filed executed loan application documents in
22 connection with the purchase of Tip Top Liquor Warehouse, located on 90
23 Dry Creek Road, Healdsburg, California, with Valley Community Bank, in
24 Pleasanton, California, for a loan guaranteed by the SBA.

25 B. In the application for the SBA-guaranteed loan from Valley Community
26 Bank, the partnership represented that KHUWAJA would be a 90 percent
27 owner of the store, while ALI and LODHI would own 5 percent each.

28 C. As part of the application process, KHUWAJA submitted a partnership
agreement signed by both ALI and LODHI that represented that ALI and

1 LODHI would each own 5 percent of the business after the sale was
2 completed.

3 D. KHUWAJA falsely represented in the loan application materials to Valley
4 Community Bank that he was, at the time, a United States citizen.

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

6
7 **COUNT FOUR: (18 U.S.C. § 371 – Conspiracy to Make False Statements to Influence**
8 **Banks)**

9 33. Paragraphs 1 through 23 are realleged and incorporated by reference as they were
10 set forth in full.

11 34. Beginning on a date unknown to the grand jury, and continuing to at least
12 September 9, 2004, in the Northern District of California and elsewhere, the defendants

13 **ASHRAF ALI,**
14 **a/k/a Mike Ali,**
15 **HUMAYOON LODHI, and**
AHMED BASHEER

16 and others known and unknown to the grand jury, did knowingly and intentionally conspire to
17 commit an offense against the United States, specifically False Statements to Influence Banks, in
18 order to obtain a loan from Goleta National Bank in the amount of \$210,000, in violation of Title
19 18, United States Code, Section 1014.

20 **OVERT ACTS**

21 35. In furtherance of the conspiracy, and to achieve its objects, the defendants ALI,
22 LODHI, and AHMED BASHEER committed the following overt acts, among others, in the
23 Northern District of California, and elsewhere:

24 A. On or about September 1999, ALI, LODHI, and BASHEER, doing
25 business as PAK Enterprises, a California limited partnership, filed
26 executed loan application documents in connection with the purchase of
27 Bodega Avenue Market, located on 1105 Bodega Avenue, Petaluma,
28 California, with Goleta National Bank for a loan guaranteed by the SBA.

- 1 B. In the application, the partnership represented that BASHEER would be a
2 80 percent owner of the store, while ALI and LODHI would own 10
3 percent each. BASHEER, ALI, and LODHI all signed documents in
4 connection with the application for the loan verifying their respective
5 ownership interests in Bodega Avenue Market as 80%/10%/10%.
- 6 C. In or about June – September 1999, ALI, LODHI, and BASHEER all
7 made deposits to an account maintained at WestAmerica Bank in
8 Petaluma, California, in the name of Bodega Avenue Market; the monies
9 were placed into escrow from this account as part of the borrower’s cash
10 injection.
- 11 D. Two checks signed by Basheer were drawn on his personal checking
12 account at Wells Fargo Bank and included notations in the memo line of
13 each check memorializing his deposits as his “50 %.”
- 14 E. BASHEER signed the tax returns for Bodega Avenue Market for tax years
15 1999, 2000, and 2001 which represented ALI and LODHI’s ownership
16 stake in the store at 25 percent each.
- 17 F. BASHEER, ALI, and LODHI all signed a partnership agreement for PAK
18 Enterprises, dated September 15, 1999, that claims the partnership was
19 formed for the sole purpose of operating Bodega Avenue Market and that
20 their respective ownership interests were 50%/25%/25%. This partnership
21 agreement was provided by BASHEER and ABDUL WAHEED to Bank
22 of the West in support of an application for an SBA-guaranteed loan for
23 Fast & Easy Mart #8.

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

25
26 **COUNT FIVE: (18 U.S.C. § 371 – Conspiracy to Make False Statements to Influence**
27 **Banks)**

28 36. Paragraphs 1 through 23 are realleged and incorporated by reference as they were

1 set forth in full.

2 37. Beginning on a date unknown to the grand jury, and continuing to at least
3 September 9, 2004, in the Northern District of California and elsewhere, the defendants

4 **ASHRAF ALI,**
5 **a/k/a Mike Ali,**
6 **YASMIN ALI,**
7 **HUMAYOON LODHI,**
8 **AASIM ENTERPRISES,**
9 **ENAYAT KHUWAJA, and**
10 **FATMA KHUWAJA**

11 and others known and unknown to the grand jury, did knowingly and intentionally conspire to
12 commit an offense against the United States, specifically False Statements to Influence Banks, in
13 order to obtain a loan from Valley Community Bank in the amount of \$249,000, in violation of
14 Title 18, United States Code, Section 1014.

15 **OVERT ACTS**

16 38. In furtherance of the conspiracy, and to achieve its objects, the defendants ALI,
17 YASMIN ALI, AASIM ENTERPRISES, ENAYAT KHUWAJA and FATMA KHUWAJA
18 committed the following overt acts, among others, in the Northern District of California, and
19 elsewhere:

- 20 A. In or about October 1999, ENAYAT KHUWAJA and FATMA
21 KHUWAJA caused to be filed executed loan application documents in
22 connection with the purchase of Fast & Easy Mart #30, located at 418
23 South Cloverdale Boulevard, Cloverdale, California, with Valley
24 Community Bank in Pleasanton, California, for a loan guaranteed by the
25 SBA.
- 26 B. In or about October 1999, ENAYAT KHUWAJA represented to Valley
27 Community Bank in the application for the business loan that he would
28 own 100 percent of the business associated with Fast & Easy #30.
- 29 C. In or about January 2000, FATMA KHUWAJA caused to be submitted
30 signed documents as an addendum to the loan application documents
31 indicating that she was to own 50 percent of Fast & Easy #30.

- 1 D. Both ENAYAT KHUWAJA and FATMA KHUWAJA falsely represented
2 in the loan application materials to Valley Community Bank that they were
3 United States citizens.
- 4 E. ALI represented in federal tax returns in 2000 and to Wilshire State Bank
5 in 2002, that he owned 50 percent stake in Fast & Easy #30. ALI also
6 represented to California ABC that he had an ownership interest in the
7 store.
- 8 F. On or about January 27, 2000, the defendants caused Exchange Bank
9 cashier's check number 200818 in the amount of \$40,000, paid for by a
10 check drawn on the account of ENAYAT KHUWAJA and FATMA
11 KHUWAJA, to be deposited into the escrow maintained by Heritage
12 Escrow Company in Walnut Creek, California, in connection with the
13 loan.
- 14 G. On or about January 31, 2000, Bank of America cashier's check
15 2003496194 in the amount of \$31,000, which had been paid for by check
16 2879 drawn on the Bank of America account of AASIM ENTERPRISES
17 and signed by YASMIN ALI, was deposited into the escrow in connection
18 with the loan.
- 19 H. On or about January 31, 2000, Exchange Bank cashier's check number
20 208044, in the amount of \$9,000, which had been purchased by ALI and
21 paid for with cash, was deposited into the escrow in Walnut Creek,
22 California, in connection with this loan.
- 23 I. On or about February 14, 2000, ENAYAT KHUWAJA and ALI caused
24 Heritage Escrow Company in Walnut Creek, California, to make a
25 disbursement from escrow of \$250,000 via check number 30133 described
26 as "Early Release of Funds per Instructions."
- 27 J. YASMIN ALI caused check number 30133 for \$250,000 to be delivered to
28 Commercial Escrow Services in Pleasant Hill, California where it was

1 deposited into escrow number 39-969AH that ALI and YASMIN ALI had
2 established in connection with the purchase of the Garlic Farm.

3 All in violation of Title 18, United States Code, Section 371.
4

5 **COUNT SIX:** (18 U.S.C. § 371 – Conspiracy to Make False Statements to Influence
6 Banks)

7 39. Paragraphs 1 through 23 are realleged and incorporated by reference as they were
8 set forth in full.

9 40. Beginning on a date unknown to the grand jury, and continuing to at least
10 September 9, 2004, in the Northern District of California and elsewhere, the defendants

11 **ASHRAF ALI,**
12 **a/k/a Mike Ali,**
13 **JASMER MANN,**
SURINDER KAUR, and
SHAWN CORPORATION

14 and others known and unknown to the grand jury, did knowingly and intentionally conspire to
15 commit an offense against the United States, specifically False Statements to Influence Banks, in
16 order to obtain a loan from Goleta National Bank in the amount of \$295,000, in violation of Title
17 18, United States Code, Section 1014.

18 **OVERT ACTS**

19 41. In furtherance of the conspiracy, and to achieve its objects, the defendants ALI,
20 JASMER MANN, SURINDER KAUR and SHAWN CORPORATION committed the following
21 overt acts, among others, in the Northern District of California, and elsewhere:

22 A. On or about April 2000, MANN and KAUR filed executed loan
23 application documents in connection with the purchase of Fast & Easy
24 Mart #7, located at 2101 West College Avenue, Santa Rosa, California,
25 with Goleta National Bank for a loan guaranteed by the SBA.

26 B. MANN and KAUR each signed a SBA Statement of Personal History, in
27 which they falsely represented to Goleta National Bank that they would
28 each own 50 percent of Fast & Easy Mart #7.

- 1 C. In or about late 2002 through January 2003, in an application filed by
2 MANN with Bank of the West for an SBA loan in connection with the
3 purchase of University Grocery and Deli, MANN stated that his ownership
4 in the Fast & Easy #7 was divided equally at 50% between himself and
5 ALI.
- 6 D. In connection with that same transaction, MANN submitted a partnership
7 agreement between himself and ALI, dated May 1, 2000, for the operation
8 of the store. The partnership agreement is signed by both MANN and
9 ALI.
- 10 E. ALI represented to Wilshire State Bank in 2002 that he owned a 50% stake
11 in Fast & Easy #7.
- 12 F. On or about May 24, 2000, ALI, MANN and KAUR caused Sonoma Title
13 Guaranty Company in Santa Rosa, California, to make a disbursement of
14 \$277,056.54 in the form of check number 201757 made payable to the
15 SHAWN CORP.; that check was then deposited into the Exchange Bank
16 account maintained by Shawn Inc. dba Fast & Easy Mart; the signatories
17 on that account are listed as ALI and YASMIN ALI.

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

19
20 **COUNT SEVEN: (18 U.S.C. § 371 – Conspiracy to Make False Statements to Influence**
21 **Banks)**

22 42. Paragraphs 1 through 23 are realleged and incorporated by reference as they were
23 set forth in full.

24 43. Beginning on a date unknown to the grand jury, and continuing to the date of the
25 indictment, in the Northern District of California and elsewhere, the defendants

26 **ASHRAF ALI,**
27 **a/k/a/ Mike Ali**
28 **JATINDER SANGHA,**
MANJIT SINGH and
SHAWN CORPORATION

1 and others known and unknown to the grand jury, did knowingly and intentionally conspire to
2 commit an offense against the United States, specifically False Statements to Influence Banks, in
3 order to obtain a loan from Bank of the West in the amount of \$600,000, in violation of Title 18,
4 United States Code, Section 1014.

5 **OVERT ACTS**

6 44. In furtherance of the conspiracy, and to achieve its objects, the defendants ALI,
7 JATINDER SANGHA, MANJIT SINGH, (with SANGHA and SINGH dba SONU Enterprises)
8 and SHAWN CORPORATION committed the following overt acts, among others, in the
9 Northern District of California, and elsewhere:

- 10 A. On or about July 2000, SANGHA and SINGH filed executed loan
11 application documents in connection with the purchase of Fast & Easy
12 Mart #1, located at 5301 Old Redwood Highway, Santa Rosa, California,
13 with Bank of the West for a loan guaranteed by the SBA.
- 14 B. In the July 2000 filing, SANGHA indicated to Bank of the West he was to
15 own 20 percent of the store; SINGH indicated to Bank of the West he was
16 to own 80 percent of the store.
- 17 C. ALI represented in federal tax returns for the period October 1 - December
18 31, 2001 and for year 2002 that he owned 50 percent stake in Fast & Easy
19 #1, while SANGHA and SINGH each owned a 25 percent stake.
- 20 D. On or about May 31, 2000, a \$120,000 check drawn off the Exchange
21 Bank account of SHAWN Inc. dba Fast & Easy Mart, and signed by ALI,
22 was deposited to a WestAmerica account maintained by JATINDER
23 SANGHA and others. The money remained in the account until a
24 \$120,000 check, signed by JATINDER SANGHA was issued off this
25 account on or around August 17, 2000, and delivered to Commercial
26 Escrow Services in Pleasant Hill, California, where it was deposited as
27 part of the escrow for the loan.
- 28 E. On or about September 15, 2000, ALI, SANGHA and SINGH caused

1 Commercial Escrow Services in Pleasant Hill, California, to make a
2 disbursement of \$767,500.21 in the form of check number 6637 made
3 payable to SHAWN CORP.; the transaction was described as "Seller's net
4 proceeds." That check (no. 6637) was deposited into the Exchange Bank
5 account of "Shawn Inc. dba Fast & Easy Mart"; the signatories on that
6 account are listed as ALI and YASMIN ALI.

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

8
9 **COUNT EIGHT: (18 U.S.C. § 371 – Conspiracy to Make False Statements to Influence
10 Banks)**

11 45. Paragraphs 1 through 23 are realleged and incorporated by reference as they were
12 set forth in full.

13 46. Beginning on a date unknown to the grand jury, and continuing to at least
14 September 9, 2004, in the Northern District of California and elsewhere, the defendants

15 **ASHRAF ALI,**
16 **a/k/a Mike Ali,**
17 **ABDUL WAHEED,**
18 **AHMED BASHEER,**
JATINDER SANGHA, and
MANJIT SINGH

19 and others known and unknown to the grand jury, did knowingly and intentionally conspire to
20 commit an offense against the United States, specifically False Statements to Influence Banks, in
21 order to obtain a loan from Bank of the West in the amount of \$500,000, in violation of Title 18,
22 United States Code, Section 1014.

23 **OVERT ACTS**

24 47. In furtherance of the conspiracy, and to achieve its objects, the defendants ALI,
25 ABDUL WAHEED and AHMED BASHEER committed the following overt acts, among others,
26 in the Northern District of California, and elsewhere:

27 A. On or about July 2001, ABDUL WAHEED and AHMED BASHEER filed
28 executed loan application documents in connection with the purchase of

1 Fast & Easy Mart #8, located at 860 Petaluma Boulevard North, Petaluma,
2 California, with Bank of the West for a loan guaranteed by the SBA.

3 B. In the July 2001 filings in connection with the loan application, WAHEED
4 and BASHEER represented to Bank of the West that they were purchasing
5 the store from JATINDER SANGHA, MANJIT SINGH and others, and
6 also that they would each own 50 percent of the store after the sale.

7 C. On or about August 2, 2001, a check drawn on the Exchange Bank account
8 in Sonoma County, California, of ALI and YASMIN ALI and signed by
9 ALI in the amount of \$75,000 was deposited to the Fast & Easy #8 bank
10 account; the check contained the words "for New Store Loan."

11 D. On August 3, 2001, two checks drawn on that same Fast & Easy #8
12 account and signed by WAHEED for \$72,100.00 and \$2,536.11 were
13 deposited to the escrow account established for the purchase of Fast &
14 Easy #8 by WAHEED and BASHEER.

15 E. Tax returns for September through December 2001 list ownership of ALI
16 at 50 percent and WAHEED at 50 percent. WAHEED signed these
17 returns.

18 F. SANGHA and SINGH signed a purchase agreement dated May 22, 2001
19 with BASHEER and WAHEED that did not disclose ALI's current
20 ownership interest in Fast & Easy #8 in the purchase agreement provided
21 to the lender and the SBA for the sale of the Fast & Easy #8 to WAHEED
22 and BASHEER.

23 G. On or about September 5, 2003, in connection with an application
24 submitted to Bridge Bank for a loan to be guaranteed by RD, ALI claimed
25 he owned 50 percent stake in Fast & Easy #8.

26 H. On September 25, 2001, ALI, WAHEED, BASHEER, SANGHA, and
27 SINGH caused Commercial Escrow Services in Pleasant Hill, California
28 to make a disbursement of \$341,667.72 in the form of check number 8843

1 payable to Jatinder Sangha, Jaswinder Sangha, and Manjit Singh.

2 I. Check number 8843 was deposited into the WestAmerica account of
3 MANJIT SINGH, account number 315-02558-5, maintained in American
4 Canyon, California, after the check had been endorsed by JATINDER
5 SANGHA and MANJIT SINGH, among others.

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

7
8 **COUNT NINE: (18 U.S.C. § 371 – Conspiracy to Make False Statements to Influence
9 Banks)**

10 48. Paragraphs 1 through 23 are realleged and incorporated by reference as they were
11 set forth in full.

12 49. Beginning on a date unknown to the grand jury, and continuing to at least
13 September 9, 2004, in the Northern District of California and elsewhere, the defendants

14 **ASHRAF ALI,**
15 **a/k/a Mike Ali,**
16 **SHAWN CORPORATION, and**
17 **VINAY KHULLAR**

18 and others known and unknown to the grand jury, did knowingly and intentionally conspire to
19 commit an offense against the United States, specifically False Statements to Influence Banks, in
20 order to obtain a loan from Bank of the West in the amount of \$275,000, in violation of Title 18,
21 United States Code, Section 1014.

22 **OVERT ACTS**

23 50. In furtherance of the conspiracy, and to achieve its objects, the defendants ALI,
24 SHAWN CORPORATION, and VINAY KHULLAR, committed the following overt acts,
25 among others, in the Northern District of California, and elsewhere:

26 A. On or about January 2002, VINAY KHULLAR filed executed loan
27 application documents in connection with the purchase of Bob's Liquor
28 aka Fast & Easy Mart #57, located at 632 Cottonwood Street, Woodland,
California, with Bank of the West for a loan guaranteed by the SBA.

B. On an Application for Business Loan, signed by KHULLAR on or about

1 January 7, 2002, KHULLAR represented to the bank and the SBA that he
2 was to own 100 percent in the store after the purchase. In financial
3 statements to the lender, dated December 5, 2001, KHULLAR also
4 represented that he had \$90,000 available for cash injection from his own
5 funds.

6 C. On or about March 18, 2002, a \$70,000 check drawn off the Exchange
7 Bank account of ALI and YASMIN ALI and signed by ALI, was deposited
8 to the Wells Fargo Bank account of Fast & Easy #39.

9 D. On or about March 25, 2002, SHAWN CORP. faxed to the Bank of the
10 West a letter from Wells Fargo Bank stating that the balance in the #39
11 account was \$84,098.99. On that same day, SHAWN CORP. also faxed to
12 the Bank of the West statements from Fast & Easy #39's account with
13 Wells Fargo Bank for December 2001 and January 2002.

14 E. On or about April 3, 2002, two checks totaling \$117,768.58 were given to
15 Commercial Escrow Services in Pleasant Hill, California, who deposited
16 the check into escrow established for Bob's Liquors:

- 17 1. A Bank of the West check in the amount of \$47,768.58,
18 drawn on the account of California Wholesale, and signed
19 by ALI;
- 20 2. Wells Fargo Bank check number 50971, in the amount of
21 \$70,000, drawn on the account of Fast & Easy Mart #39,
22 and signed by ALI.

23 G. ALI signed a New Business License Application for the City of Woodland,
24 dated February 12, 2002,. This Application lists ALI and KHULLAR as
25 the owners of the store. ALI paid for the business license with a check
26 drawn off the account of Bob's Liquor #57; the check was signed by ALI.

27 H. In or around December 2001, ALI and KHULLAR obtained a California
28 ABC temporary liquor license for Bob's Liquor. In April 2002, ALI and

1 KHULLAR obtained a liquor license from California ABC.

2 I. On or about May 2, 2002, ALI and KHULLAR caused Commercial
3 Escrow Services in Pleasant Hill, California, to make a disbursement from
4 escrow via a wire in the amount of \$176,288.49 from the Union Bank
5 account of Commercial Escrow Services to an account maintained by
6 Heller Financial, Inc., at Bank One in Chicago, Illinois, account number
7 55-90213. It was characterized as "payoff of loan."

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

9
10 **COUNT TEN:** (18 U.S.C. § 371 – Conspiracy to Make False Statements to Influence
11 Banks)

12 51. Paragraphs 1 through 23 are realleged and incorporated by reference as they were
13 set forth in full.

14 52. Beginning on a date unknown to the grand jury, and continuing to at least
15 September 9, 2004, in the Northern District of California and elsewhere, the defendants

16 **ASHRAF ALI**
17 **a/k/a Mike Ali, and**
HUMAYOON LODHI

18 and others known and unknown to the grand jury, did knowingly and intentionally conspire to
19 commit an offense against the United States, specifically False Statements Intended to Influence
20 the Action of the SBA, in order to obtain a loan from Wilshire State Bank in the amount of
21 \$850,000, in violation of Title 18, United States Code, Section 1014.

22 **OVERT ACTS**

23 53. In furtherance of the conspiracy, and to achieve its objects, the defendants ALI
24 and HUMAYOON LODHI committed the following overt acts, among others, in the Northern
25 District of California, and elsewhere:

26 A. On or about July 2002, HUMAYOON LODHI filed executed loan
27 application documents in connection with the purchase of Lugano Imports,
28 located at 580 Irwin Street, San Rafael California, with Wilshire State

1 Bank for a loan guaranteed by the SBA.

- 2 B. In his application and other supporting documents for the loan, LODHI
3 represented to the bank and the SBA that he was purchasing a 50 percent
4 stake in Lugano Imports; the application represented that his wife, Naseem
5 Lodhi, would own the remaining 50 percent interest in the business.
- 6 C. On or about September 5, 2002, ALI caused a \$500,000 check to be given
7 to Commercial Escrow Services in Pleasant Hill, California, which was
8 deposited to the escrow account established for the purchase of Lugano
9 Imports. The check was drawn off the Exchange Bank account of ALI and
10 YASMIN ALI; the check was signed by ALI.
- 11 D. LODHI represented to the SBA and Wilshire State Bank in his loan papers
12 that the total purchase price was to be \$1.6 million. LODHI caused to
13 have two escrows opened in connection with the purchase of Lugano
14 Imports, with a total value of \$1,980,000.
- 15 E. On or about September 5, 2003, in connection with an application
16 submitted to Bridge Bank in Santa Clara, California, for a loan to be
17 guaranteed by RD, ALI claimed he owned 50 percent stake in Lugano
18 Imports.
- 19 F. On or about September 13, 2002, ALI and LODHI caused Commercial
20 Escrow Services, Inc. in Pleasant Hill, California, to make a disbursement
21 from escrow of \$1,218,456.67 in the form of check number 11024 payable
22 to Franco Marchesi, characterized as "Seller's Net Proceeds."

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

24
25 **COUNT ELEVEN:** (18 U.S.C. § 371 – Conspiracy to Make False Statements to
26 **Influence Banks)**

27 54. Paragraphs 1 through 23 are realleged and incorporated by reference as they were
28 set forth in full.

1 55. Beginning on a date unknown to the grand jury, and continuing to at least
2 September 9, 2004, in the Northern District of California and elsewhere, the defendants

3 **ASHRAF ALI**
4 **a/k/a Mike Ali, and**
5 **MUKUL YAJNIK**

6 and others known and unknown to the grand jury, did knowingly and intentionally conspire to
7 commit an offense against the United States, specifically False Statements to Influence Banks, in
8 order to obtain a loan from Bank of the West in the amount of \$161,000, in violation of Title 18,
9 United States Code, Section 1014.

9 **OVERT ACTS**

10 56. In furtherance of the conspiracy, and to achieve its objects, the defendants ALI
11 and MUKUL YAJNIK committed the following overt acts, among others, in the Northern
12 District of California, and elsewhere:

- 13 A. On or about July 2002, Syed Tanveer Sadiq and Habiba Sadiq filed
14 executed loan application documents in connection with the purchase from
15 MUKUL YAJNIK of Fast & Easy #46, located at 7285 Snyder Lane,
16 Rohnert Park, with Bank of the West for a loan guaranteed by the SBA.
- 17 B. The Sadiqs represented to the bank and the SBA that they had \$10,000 in
18 cash on hand and \$50,000 equity in a current business in Lake County,
19 California. The source of the cash injection was to be the Sadiq's own
20 savings.
- 21 C. YAJNIK represented himself as the sole owner of Fast & Easy #46 in the
22 purchase agreement for the sale of the store to Syed and Habiba Sadiq.
- 23 D. ALI undertook the following monetary transactions in connection with the
24 escrow for the loan: 1) a \$30,000 check drawn on the Fast & Easy Mart
25 #48, signed by ALI; 2) \$11,000 check drawn on the account of Fast &
26 Easy Mart #33, signed by ALI.
- 27 E. In addition, ALI caused a \$20,000 Bank of America cashier's check, dated
28 September 19, 2002, to be deposited into escrow at Commercial Escrow

1 Services in Pleasant Hill, California, on or about February 18, 2003. The
2 remitter on the check is Shiraz Lakhani. When contacted by the escrow
3 officer regarding this check, ALI told the officer to apply it to the escrow
4 account for Fast & Easy Mart #46.

5 F. ALI signed a 2001 tax return listing himself and YAJNIK as each having a
6 50 percent stake in Fast & Easy #46.

7 G. On or about July 31, 2003, ALI caused Commercial Escrow Services in
8 Pleasant Hill, California, to make a disbursement of \$175,877.65 via a
9 check number 13091 made payable to MUKUL YAJNIK, , with the memo
10 line reading "Seller's Net Proceeds."

11 H. On or about August 1, 2003, YAJNIK received \$175,877.65 as proceeds
12 from the sale. That check was deposited into the account of Mukul and
13 Alka Yajnik at Exchange Bank, account number 0085035863.

14 I. On or about August 4, 2003, YAJNIK transferred \$50,000 from account
15 0085035863 to an Exchange Bank account 0020089132, maintained by
16 ALI in Windsor, California.

17 J. On or about October 16, 2003, ALI caused Check Number 95, in the
18 amount of \$65,000, drawn on YAJNIK'S account 0081047946 and dated
19 October 15, 2003, to be deposited into the account number 0020089132 at
20 Exchange Bank, the same account maintained by ALI in Windsor,
21 California.

22 K. On or about October 16, 2003, ALI caused an identical transaction to
23 occur by depositing Check Number 96, in the amount of \$40,000, drawn
24 on YAJNIK's account 0081047946, and dated October 15, 2003, into the
25 same ALI account (0020089132) at Exchange Bank.

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

27 ///

28 ///

1 **COUNT TWELVE:**

(18 U.S.C. § 371 – Conspiracy to Make False Statements to
2 Influence Banks)

3 57. Paragraphs 1 through 23 are realleged and incorporated by reference as they were
4 set forth in full.

5 58. Beginning on a date unknown to the grand jury, and continuing to at least
6 September 9, 2004, in the Northern District of California and elsewhere, the defendants

7 **ASHRAF ALI,**
8 **a/k/a Mike Ali**
9 **YASMIN ALI, and**
10 **AASIM ENTERPRISES**

11 and others known and unknown to the grand jury, did knowingly and intentionally conspire to
12 commit an offense against the United States, specifically False Statements to Influence Banks, in
13 order to obtain a loan from Bridge Bank guaranteed by the Rural Development Administration,
14 in the amount of \$8,500,000, in violation of Title 18, United States Code, Section 1014.

15 **OVERT ACTS**

16 59. In furtherance of the conspiracy, and to achieve its objects, the defendants ALI,
17 YASMIN ALI, and AASIM ENTERPRISES committed the following overt acts, among others,
18 in the Northern District of California, and elsewhere:

19 A. On or about September 2003, ALI and YASMIN ALI submitted a signed
20 Application for Loan Guarantee to Rural Development Administration for
21 \$8.5 million Business & Industry (“B&I”) loan to refinance their existing
22 mortgage on the Garlic Farm Center, located in Gilroy, California. The
23 application was filed with Bridge Bank in Santa Clara, California. The
24 loan was made by YASMIN ALI in her personal capacity as well as her
25 capacity as sole shareholder in AASIM ENTERPRISES.

26 B. ALI and YASMIN ALI represented falsely in the loan application that they
27 or their business partners had not been involved in any bankruptcy
28 proceedings.

C. ALI and YASMIN ALI represented falsely in the loan application that they

1 MAHMOOD a gift of \$50,000.

- 2 C. A personal check dated December 26, 2000, was drawn on the account of
3 ALI and YASMIN ALI, and signed by ALI, and made out to "Abid" and
4 "for #06" in the amount of \$140,000. On or about January 2, 2001, this
5 check was deposited into an Exchange Bank account in Petaluma,
6 California, belonging to MAHMOOD dba Pick No Go Market #2.
- 7 D. ALI submitted a \$175,000 claim against the proceeds from the sale of Fast
8 & Easy Mart #6, dated March 29, 2001, to Sonoma Title Guaranty
9 Company. ALI later received a check in the amount of \$157,500 from the
10 escrow on the sale of Fast & Easy #6.
- 11 E. On or about June 29, 2001, ALI and MAHMOOD caused CIT Small
12 Business Lending Corp. in New Jersey to wire \$300,000, representing the
13 proceeds of the loan, from an account CIT maintained at Chase Bank in
14 New York, to the escrow account established in California at Sonoma
15 National Bank in Sonoma County, California, for the sale of Pick N Go
16 Market #2 by Sonoma Title Guaranty Company.
- 17 F. On or about August 2, 2001, ALI and MAHMOOD caused Sonoma Title
18 Guaranty Company in Santa Rosa, California to make a disbursement via a
19 wire transfer \$175,320.70 to an account at Bank One in Chicago, Illinois
20 maintained by Heller Financial.

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

22
23 **COUNTS FOURTEEN - TWENTY-FOUR:** (18 U.S.C. §§ 1014, 2 – False Statement to
24 **Influence Banks and Aiding and
Abetting)**

25 63. The allegations contained in Paragraphs 1 - 56 of this Indictment are incorporated
26 herein and realleged as if fully set forth herein.

27 64. On or about the dates set forth below, each such date constituting a separate count
28 of this Indictment, in the Northern District of California, and elsewhere, the defendants, as set

1 forth below, did knowingly submit and cause to be submitted, false statements for the purpose of
 2 influencing the actions of First Bank & Trust ("FBT") and/or Pacific Bay Bank ("PBB"), Valley
 3 Community Bank ("VCB"), Bank of the West ("BOTW"), Goleta National Bank ("GNB"), all of
 4 which were at the time insured by the Federal Deposit Insurance Corporation, and aid and abet in
 5 same. More specifically, the defendants, as set forth below, submitted and caused to be
 6 submitted, and aided and abetted in same, applications containing false statements in order to
 7 qualify for loans administered and funded by the aforesaid lenders and guaranteed by the Small
 8 Business Administration, in connection with the businesses set forth below:

Count	Business	Defendants	Bank	Date	Loan Amount
14	Fast N Easy #41 aka Speedee Mart	ASHRAF ALI, a/k/a Mike Ali, MOHAMMED MIR, and SHAWN CORPORATION	PBB	2/1998	\$150,000
15	Fast N Easy #11	ASHRAF ALI, a/k/a Mike Ali, MUHAMMED FAROOQ, and SHAWN CORPORATION	VCB	1/1999	\$250,000
16	Tip Top Liquor Warehouse	ASHRAF ALI, a/k/a Mike Ali, HUMAYOON LODHI, and ENAYAT KHUWAJA	VCB	1/1999	\$300,000
17	Bodega Avenue Market	ASHRAF ALI, a/k/a Mike Ali, HUMAYOON LODHI, and AHMED BASHEER	GNB	9/1999	\$210,000
18	Fast N Easy #30	ASHRAF ALI, a/k/a Mike Ali, YASMIN ALI, AASIM ENTERPRISES, ENAYAT KHUWAJA, and FATMA KHUWAJA	VCB	1/2000	\$249,000
19	Fast N Easy #7	ASHRAF ALI, a/k/a Mike Ali, JASMER MANN, SURINDER KAUR, and SHAWN CORPORATION	GNB	4/2000	\$295,000
Count	Business	Defendants	Bank	Date	Loan Amount

20	Fast N Easy #1	ASHRAF ALI, a/k/a Mike Ali, JATINDER SANGHA, MANJIT SINGH, and SHAWN CORPORATION	BOTW	9/2000	\$600,000
21	Fast N Easy #8	ASHRAF ALI, a/k/a Mike Ali, ABDUL WAHEED, AHMED BASHEER, JATINDER SANGHA, and MANJIT SINGH	BOTW	8/2001	\$500,000
22	Bob's Liquor	ASHRAF ALI, a/k/a Mike Ali, VINAY KHULLAR, and SHAWN CORPORATION	BOTW	3/2002	\$275,000
23	Lugano Imports	ASHRAF ALI, a/k/a Mike Ali, and HUMAYOON LODHI	WSB	9/2002	\$850,000
24	Fast N Easy #46	ASHRAF ALI, a/k/a Mike Ali, and MUKUL YAJNIK	BOTW	7/2003	\$161,000

All in violation of Title 18, United States Code, Sections 1014 and 2.

COUNT TWENTY-FIVE: (18 U.S.C. §§ 1014, 2 – False Statement to Influence Banks and Aiding and Abetting)

66. The allegations contained in Paragraphs 1 - 56 of this Indictment are incorporated herein and realleged as if fully set forth herein.

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67. On or about September 2003, in the Northern District of California, and

1 elsewhere, the defendants

2 **ASHRAF ALI,**
3 **a/k/a Mike Ali,**
4 **YASMIN ALI, and**
5 **AASIM ENTERPRISES**

6 did knowingly submit and cause to be submitted false and misleading information for the
7 purpose of influencing the actions of Bridge Bank and the Rural Development Administration
8 (“RD”). More specifically, the defendants submitted and caused to be submitted, an application
9 and supporting documents containing false and misleading information to Bridge Bank in order
10 to qualify for an \$8,500,000 Business & Industry loan guaranteed by RD in order to refinance an
11 existing mortgage on a business known as the Garlic Farm Center, located in Gilroy, California,
12 and did aid and abet in the same, in violation of Title 18, United States Code, Sections 1014 and
13 2.

14 **COUNT TWENTY-SIX: (18 U.S.C. §§ 1343, 2 – Wire Fraud and Aiding and Abetting)**

15 68. The allegations contained in Paragraphs 1 - 23 of this Indictment are incorporated
16 herein and realleged as if fully set forth herein.

17 69. In or about June 2001, in the Northern District of California, and elsewhere, the
18 defendants

19 **ASHRAF ALI,**
20 **a/k/a Mike Ali, and**
21 **MAJID MAHMOOD**

22 having devised and intending to devise the above-described schemes to defraud and for obtaining
23 money by means of false and fraudulent representations and promises, for the purpose of
24 executing such schemes, did knowingly and intentionally cause to be transmitted by wire
25 communication, in interstate commerce from New York to Sonoma County, California, the
26 electronic transmission of the monetary proceeds of a loan funded by CIT Small Business
27 Lending Corporation (“CIT”) and guaranteed by the SBA, in the amount of \$300,000, in
28 connection with the purchase of a business known as Pick N Go Market #2, and did aid and abet
in the same, in violation of Title 18, United States Code, Sections 1343 and 2.

COUNTS TWENTY-SEVEN-THIRTY-EIGHT:(18 U.S.C. §§ 1957, 2 – Money Laundering and Aiding and Abetting)

70. The allegations contained in Paragraphs 1 - 23 of this Indictment are incorporated herein and realleged as if fully set forth herein.

71. On or about the dates set forth below, each such date constituting a separate count of this Indictment, in the Northern District of California, and elsewhere, the defendants, as set forth below, did knowingly engage in monetary transactions by, through, and to financial institutions, specifically Heritage Escrow Company (“HEC”), Sonoma Title Guaranty Company (“STGC”), Commercial Escrow Services (“CES”), Exchange Bank (“EXCH”), and West America Bank (“WAB”), affecting interstate commerce, in criminally derived property of a value greater than \$10,000, specifically monetary transactions in the amounts specified in each count below, each specified property having been derived from specified unlawful activity, namely the proceeds of the loans guaranteed by the SBA and charged in counts 18 through 24 above as violations of 18 U.S.C. § 1014, and count 26 as a violation of 18 U.S.C. § 1343, and did aid and abet in the same:

Count	SBA Loan	Source	Payee	Defendants	Date	Amount
27	Fast & Easy Mart #30	HEC	CES, Escrow Account 39-969AH	ASHRAF ALI, a/k/a Mike Ali, ENAYAT KHUWAJA, HUMAYOON LODHI, YASMIN ALI, and FATMA KHUWAJA	2/14/2000	\$250,000.00
28	Fast & Easy Mart #7	STGC	SHAWN CORP.	ASHRAF ALI, a/k/a Mike Ali, JASMER MANN, SURINDER KAUR, and SHAWN CORPORATION	5/24/2000	\$277,056.54
29	Fast & Easy Mart #1	CES	SHAWN CORP.	ASHRAF ALI, a/k/a Mike Ali, JATINDER SANGHA, MANJIT SINGH, and SHAWN CORPORATION	9/15/2000	\$767,500.21

30	Pick N Go #2	STGC	Heller Financial c/o Bank One	ASHRAF ALI, a/k/a Mike Ali, and MAJID MAHMOOD	8/02/2001	\$175,320.70
31	Fast & Easy Mart #8	CES	SANGHA, SANGHA, and SINGH	ASHRAF ALI, a/k/a Mike Ali, ABDUL WAHEED, AHMED BASHEER, JATINDER SANGHA, and MANJIT SINGH	9/25/2001	\$341,667.72
32	Fast & Easy #8	WAB	ASHRAF ALI	ASHRAF ALI, a/k/a Mike Ali, and MANJIT SINGH	10/16/2001	\$75,833.86
33	Bob's Liquor	CES	Heller Financial c/o Bank One	ASHRAF ALI, a/k/a Mike Ali, and VINAY KHULLAR	5/2/2002	\$176,288.49
34	Lugano Imports	CES	Franco Marchesi	ASHRAF ALI, a/k/a Mike Ali, and HUMAYOON LODHI	9/13/2002	\$1,218,456.67
35	Fast & Easy Mart #46	CES	MUKUL YAJNIK	ASHRAF ALI, a/k/a Mike Ali, and MUKUL YAJNIK	7/31/2003	\$175,877.65
36	Fast & Easy Mart #46	EXB	ASHRAF ALI	ASHRAF ALI, a/k/a Mike Ali, and MUKUL YAJNIK	8/4/2003	\$50,000.00
37	Fast & Easy Mart #46	EXB	ASHRAF ALI	ASHRAF ALI, a/k/a Mike Ali, and MUKUL YAJNIK	10/16/2003	\$65,000.00
38	Fast & Easy Mart #46	EXB	ASHRAF ALI	ASHRAF ALI, a/k/a Mike Ali, and MUKUL YAJNIK	10/16/2003	\$40,000.00

All in violation of Title 18, United States Code, Sections 1957 and 2.

FORFEITURE ALLEGATION: (18 U.S.C. § 982(a)(2)(A))

96. The allegations in Paragraphs 1 - 67 of this indictment are incorporated herein and realleged as if fully set forth herein.

1 **FORFEITURE ALLEGATION:** (18 U.S.C. § 982(a)(1))

2 99. The allegations in Paragraphs 1 - 69 of this indictment are incorporated herein and
3 realleged as if fully set forth herein.

4 100. Upon conviction of the offenses alleged in Counts Twenty-Seven through Thirty-
5 Eight, the defendant(s)

6 **ASHRAF ALI,**
7 **a/k/a Mike Ali,**
8 **YASMIN ALI,**
9 **SHAWN CORPORATION,**
10 **HUMAYOON LODHI,**
11 **MANJIT SINGH,**
12 **JATINDER SANGHA,**
13 **ENAYAT KHUWAJA,**
14 **FATMA KHUWAJA,**
15 **ABDUL WAHEED and**
16 **AHMED BASHEER**

17 shall forfeit to the United States, any property (real and personal) involved in said violations, or
18 any property traceable to said offenses.

19 101. If, as a result of any act or omission of the defendant, any of said property

- 20 a. cannot be located upon the exercise of due diligence;
21 b. has been transferred or sold to or deposited with, a third person;
22 c. has been placed beyond the jurisdiction of the Court;
23 d. has been substantially diminished in value; or
24 e. has been commingled with other property which, without difficulty cannot
25 be subdivided;

26 any and all interest defendants have in any other property, up to approximately value of the
27 property subject to forfeiture, shall be forfeited to the United States, pursuant to 21 U.S.C. §
28 853(a)(1) and (p), as incorporated by Title 18, United States Code, Section 982(b)(1).

29 **FORFEITURE ALLEGATION:** (18 U.S.C. § 981(C) and 28 U.S.C. § 2461(c))

30 102. The allegations in Paragraphs 1-67 of this indictment are incorporated herein and
31 realleged as if fully set forth herein.

32 103. Upon conviction of the offense alleged in Count Twenty-Six, the defendant

**ASHRAF ALI,
a/k/a Mike Ali**

shall forfeit to the United States, the sum of \$300,000, which constitutes the proceeds traceable to said violation.

3. If, as a result of any act or omission of the defendant, any of said property
- a. cannot be located upon the exercise of due diligence;
 - b. has been transferred or sold to or deposited with, a third person;
 - 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, without difficulty cannot be subdivided;

any and all interest defendants have in any other property, up to approximately value of the property subject to forfeiture, shall be forfeited to the United States, pursuant to 21 U.S.C. § 853(a)(1) and (p), as incorporated by Title 18, United States Code, Section 982(b)(1).

SENTENCING FACTOR ALLEGATIONS:

1. ALI's alleged violations of 18 U.S.C. §§ 371, 1014, and 1343:
 - a. Involved loss (actual and intended) of more than \$7,000,000 but not more than \$20,000,000;
 - b. Involved 10 or more victims;
 - c. Involved sophisticated means;
 - d. Derived \$1,000,000 in gross receipts from one or more financial institutions.
2. ALI's alleged violations of 18 U.S.C. § 1957 involved monetary transactions of more than \$1,000,000, but not more than \$7,000,000.
3. YASMIN ALI's alleged violations of 18 U.S.C. §§ 371, and 1014:
 - a. Involve loss (actual and intended) of more than \$7,000,000 but not more than \$20,000,000;
 - b. Involved sophisticated means;

1 c. Derived \$1,000,000 in gross receipts from one or more financial
2 institutions.

3 4. YASMIN ALI's alleged violation of 18 U.S.C. § 1957 involved a
4 monetary transaction of more than \$200,000 but not more than \$400,000.

5 5. SHAWN CORPORATION's alleged violations of 18 U.S.C. § 371 and
6 1014 involve loss (actual and intended) of more than \$1,000,000 but not
7 more than \$7,000,000.

8 6. SHAWN CORPORATION's alleged violations of 18 U.S.C. § 1957
9 involved monetary transactions of more than \$400,000 but not more than
10 \$1,000,000.

11 7. AASIM ENTERPRISES' alleged violations of 18 U.S.C. §§ 371 and 1014
12 involved loss (actual and intended) of more than \$7,000,000 but not more
13 than \$20,000,000.

14 8. MOHAMMED MIR's alleged violations of 18 U.S.C. §§ 371 and 1014
15 involved actual and/or intended loss of more than \$120,000 but not more
16 than \$200,000.

17 9. MUHAMMAD FAROOQ's alleged violations of 18 U.S.C. §§ 371 and
18 1014 involved loss (actual and intended) of more than \$200,000 but not
19 more than \$400,000.

20 10. HUMAYOON LODHI's alleged violations of 18 U.S.C. §§ 371 and 1014:

21 a. Involved loss (actual and intended) of more than \$1,000,000 but
22 not more than \$7,000,000;

23 b. Involved sophisticated means;

24 c. Derived \$1,000,000 in gross receipts from one or more financial
25 institutions.

26 11. HUMAYOON LODHI's alleged violations of 18 U.S.C. § 1957 involved
27 monetary transactions of more than \$1,000,000 but not more than
28 \$7,000,000.

- 12. ENAYAT KHUWAJA's alleged violations of 18 U.S.C. §§ 371 and 1014 involved loss (actual and intended) of more than \$400,000 but not more than \$1,000,000.
- 13. ENAYAT KHUWAJA's alleged violation of 18 U.S.C. § 1957 involved a monetary transaction of more than \$200,000 but not more than \$400,000.
- 14. AHMED BASHEER's alleged violations of 18 U.S.C. §§ 371 and 1014 involved loss (actual and intended) of more than \$400,000 but not more than \$1,000,000.
- 15. AHMED BASHEER's alleged violation of 18 U.S.C. § 1957 involved a monetary transaction of more than \$200,000 but not more than \$400,000.
- 16. FATMA KHUWAJA's alleged violations of 18 U.S.C. §§ 371 and 1014 involved loss (actual and intended) of more than \$200,000 but not more than \$400,000.
- 17. FATMA KHUWAJA's alleged violation of 18 U.S.C. § 1957 involved a monetary transaction of more than \$200,000 but not more than \$400,000.
- 18. JASMER MANN's alleged violations of 18 U.S.C. §§ 371 and 1014 involved loss (actual and intended) of more than \$200,000 but not more than \$400,000.
- 19. JASMER MANN's alleged violation of 18 U.S.C. § 1957 involved a monetary transaction of more than \$200,000 but not more than \$400,000.
- 20. SURINDER KAUR's alleged violations of 18 U.S.C. §§ 371 and 1014 involved loss (actual and intended) of more than \$200,000 but not more than \$400,000.
- 21. SURINDER KAUR's alleged violation of 18 U.S.C. § 1957 involved a monetary transaction of more than \$200,000 but not more than \$400,000.
- 22. JATINDER SANGHA's alleged violations of 18 U.S.C. §§ 371 and 1014:
 - a. Involved loss (actual and intended) of more than \$1,000,000 but not more than \$7,000,000;

1 b. Derived \$1,000,000 in gross receipts from one or more financial
2 institutions.

3 23. JATINDER SANGHA's alleged violations of 18 U.S.C. § 1957 involved
4 monetary transactions of more than \$400,000 but not more than
5 \$1,000,000.

6 24. MANJIT SINGH's alleged violations of 18 U.S.C. §§ 371 and 1014:

7 a. Involved loss (actual and intended) of more than \$1,000,000 but
8 not more than \$7,000,000;

9 b. Derived \$1,000,000 in gross receipts from one or more financial
10 institutions.

11 25. MANJIT SINGH's alleged violations of 18 U.S.C. § 1957 involved
12 monetary transactions of more than \$400,000 but not more than
13 \$1,000,000.

14 26. ABDUL WAHEED's alleged violations of 18 U.S.C. §§ 371 and 1014
15 involved loss (actual and intended) of more than \$400,000 but not more
16 than \$1,000,000.

17 27. ABDUL WAHEED's alleged violation of 18 U.S.C. § 1957 involved a
18 monetary transaction of more than \$200,000 but not more than \$400,000.

19 28. MUKUL YAJNIK's alleged violations of 18 U.S.C. §§ 371 and 1014
20 involved loss (actual and intended) of more than \$120,000 but not more
21 than \$200,000.

22 29. MUKUL YAJNIK's alleged violations of 18 U.S.C. §§ 371 and 1014
23 involved monetary transactions of more than \$200,000 but not more than
24 \$400,000.

25 30. VINAY KHULLAR's alleged violations of 18 U.S.C. §§ 371 and 1014
26 involved loss (actual and intended) of more than \$200,000 but not more
27 than \$400,000.

28 31. VINAY KHULLAR's alleged violation of 18 U.S.C. § 1957 involved a

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monetary transaction of more than \$120,000 but not more than \$200,000.

32. MAJID MAHMOOD's alleged violations of 18 U.S.C. §§ 371 and 1343 involved loss (actual and intended) of more than \$200,000 but not more than \$400,000.

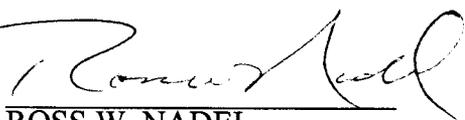
33. MAJID MAHMOOD's alleged violation of 18 U.S.C. § 1957 involved a monetary transaction of more than \$120,000 but not more than \$200,000.

DATED:

A TRUE BILL.

FOREPERSON _____

KEVIN V. RYAN
United States Attorney



ROSS W. NADEL
Chief, Criminal Division

(Approved as to form: _____)

AUSAs Fernandez & Lacey