



# Department of Justice



United States Attorney Benjamin B. Wagner  
Eastern District of California

FOR IMMEDIATE RELEASE

Friday, August 13, 2010

[www.usdoj.gov/usao/cae](http://www.usdoj.gov/usao/cae)

Docket #: 2:10-cr-327-MCE

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## **EIGHT CHARGED IN REAL ESTATE INVESTMENT FRAUD SCHEME**

SACRAMENTO, Calif. — United States Attorney Benjamin B. Wagner, FBI Special Agent in Charge Drew S. Parenti, and IRS Special Agent in Charge Scott O'Briant announced that a federal grand jury in Sacramento returned an indictment on Thursday, charging eight persons in a real estate investment fraud scheme operated under the name of Heaven Investments. The following individuals are charged in the indictment:

Akbar Bhamani, 56, of Carmichael, CEO, Heaven Investments  
Aly Khan Bhamani, 28, of Carmichael, Vice President, Heaven Investments  
Zainulabidin Akbar Bhamani, 30, of Sherman Oaks, Vice President, Heaven Investments  
Laila Bhamani, 57, of Tracy, Finance Department, Heaven Investments  
Feroza Bhamani, 55, of Carmichael, Finance Department, Heaven Investments  
Ken Sarna, 46, of Vallejo, Director of Operations, Heaven Investments  
John Pierre Quintana, 30, of Dixon, Director of Marketing, Heaven Investments  
Shaun Bhamani, 26, of Valencia, Loan Officer, Global Financial & Assets Inc.

The first seven defendants are charged with 15 counts of mail fraud and wire fraud in connection with the scheme to defraud investors of over \$11.4 million through a company called Heaven Investments Holding Co. (HIHC). HIHC was a family-run real estate development company in Sacramento that offered investors two principal types of investments. The first was called the Planned Income Program that promised to use investor money to acquire residential single-family dwellings that would be renovated and resold for a profit. The second was the Tenants in Common program that promised to use investor money to develop four pieces of property known as Mission Manor, Alder Heights, Walnut Acres, and the Hegenberger Hotel. Investors were promised a 12 – 15 percent annual return.

According to the indictment, the defendants claimed that the investment was safe because it would be secured by a deed of trust on the property in which the investor would be in no worse than second or third position and that the indebtedness on the property would never exceed 70 percent of the value of the property. In fact, the indictment alleges, HIHC had acquired the properties through 100 percent financing from private lenders. Further, the defendants' promise was illusory because either HIHC failed to actually place the investor on the deed as promised or on those occasions when HIHC did put an investor's name on the deed, the property frequently had multiple investor names and was leveraged by as much 300 to 400 percent.

The indictment also charges that the defendants led investors to believe that HIHC was more efficient than other development companies of its kind because it had its own in-house architectural staff and construction company. As a consequence, the defendants would routinely make promises that a particular property such as Mission Manor or Alder Heights would be completed within a few months. In fact, HIHC did not have a team of architects or a construction

company and, after nearly three years of soliciting investors' money, HIHC had not moved beyond the permit stage on any of the TIC properties.

The indictment also alleges that HIHC operated like a Ponzi scheme in that the source of the funds used to make interest payments to investors was not from profits but rather from money obtained from new investors. Because of this, a recurring problem at HIHC was a scramble for money with which to pay investors. The defendants would use various devices to stall investors including intentionally failing to sign the check and telling the investor that the check had been lost in the mail.

The indictment charges that in an attempt to raise money for HIHC, three of the defendants — Zain Bhamani, Aly Bhamani and Shaun Bhamani — engaged in a separate mortgage fraud scheme. They are charged with eight counts of mail fraud in connection with that scheme. Zain Bhamani is alleged to have recruited two straw buyers to purchase eight properties owned by HIHC. Shaun Bhamani, who is a mortgage broker in Los Angeles and a cousin of Zain and Aly Bhamani, handled all the transactions. Seven of the eight properties involved in the scheme went into foreclosure resulting in losses to the lenders of approximately \$775,000. The remaining property is currently in foreclosure. Zain Bhamani and Aly Bhamani are also charged with seven counts of money laundering.

The maximum statutory penalty for the indicted charges are as follows: 20 years for each count of wire fraud, 20 years for each count of mail fraud, and 20 years for each count of money laundering. The actual sentence, however, will be determined at the discretion of the court after consideration of any applicable statutory sentencing factors and the Federal Sentencing Guidelines, which take into account a number of variables.

The charges are only allegations and each defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

This case is the product of an investigation by the FBI and the IRS, Criminal Investigation. Assistant United States Attorney R. Steven Lapham is prosecuting the case.

This law enforcement action is part of the work being done by President Barack Obama's Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes. One component of the FFETF is the national Securities Fraud Working Group, which is tasked with combating investment fraud schemes. For more information on the task force, visit *[StopFraud.gov](http://StopFraud.gov)*.

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