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U.S. DISTRICT COURT E.D.N.Y.

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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

BROOKLYN OFFICE

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UNITED STATES OF AMERICA,

VERIFIED COMPLAINT
IN REM

Plaintiff,

Civil Action No.

- Against -

THE REAL PROPERTY LOCATED AT
6019 4TH AVENUE, BROOKLYN,
NEW YORK,

4428
TOWNES, J.

Defendant.

BLOOM, M.J.

----- X

INTRODUCTION

Plaintiff United States of America, by its attorney,
BENTON J. CAMPBELL, United States Attorney for the Eastern
District of New York, Evan S. Weitz, Assistant United States
Attorney, of counsel, alleges upon information and belief as
follows:

PRELIMINARY STATEMENT

1. This is a civil action in rem to forfeit and condemn
to the use of the United States the above-captioned Defendant
Real Property in accordance with 18 U.S.C. § 981(a)(1)(A), as

property involved in a money laundering violation, to wit: 18 U.S.C. § 1956.

JURISDICTION AND VENUE

2. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1345 and 1355.

3. Venue lies in the Eastern District of New York pursuant to 28 U.S.C. §§ 1355 and 1395, and 18 U.S.C. § 981(h).

THE DEFENDANT IN REM

4. The Defendant Real Property is located at 6019 4th Avenue, Brooklyn, New York (the "DEFENDANT PROPERTY").

STATUTORY BACKGROUND

5. Pursuant to 18 U.S.C. §1956(a)(1)(A)(i), it is unlawful to knowingly conduct, or attempt to conduct, a financial transaction which in fact involves the proceeds of specified unlawful activity with the intent to promote the carrying on of a specified unlawful activity.

6. Pursuant to 18 U.S.C. § 981(a)(1)(A), any property, real or personal, which is involved in a transaction or attempted transaction in violation 18 U.S.C. § 1956, and any property traceable thereto, is subject to forfeiture to the United States.

FACTS

7. Between March 2004 and June 2009, Alan Labiner,

also known as "Alan Labineri" and "David Alan Labiner," (hereafter "Labiner"), Khurram Tanwir, also known as "Raja Arshad," "Cory Taylor," "Corey," or "Cori," (hereafter "Tanwir"), Ahmed Awan, (hereafter "Awan"), and others conspired to commit fraud and money laundering offenses through several investment schemes. All of these schemes solicited funds from investors based upon material misrepresentations that were part of a scheme and artifice to commit securities fraud, mail fraud, and wire fraud in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17 Code of Federal Regulations, Section 240.10b-5; Title 18, United States Code, Section 1341; and Title 18, United States Code, Section 1343, respectively, all specified unlawful activities. Conspirators Labiner, Tanwir, and Awan marketed the schemes under the names of individual companies, but the conspirators also marketed the schemes under the names Locke, Landis & Harriman, Inc. ("Locke Landis"), or, later, Landis, Harriman & White, Inc. ("Landis Harriman"), which are referred to collectively herein as the "Organization."

8. During the course of the scheme, the Organization has taken in more than \$7,000,000, of which at least \$6,200,000 has been identified to have originated from approximately 170 defrauded investors based upon the false premise that the funds were to be part of a legitimate investment opportunity. However,

the vast majority of these funds were spent for the conspirators' own personal benefit with very little of the funds being directed to legitimate investment activity.

9. The Organization further committed the crime of money laundering when it gathered money from subsequent investors in order to pay interest on the earlier investors' investments, which had been promised on their investments as part of the schemes.

10. During the course of the various schemes operated by the Organization, the DEFENDANT PROPERTY acted as the central location from where the scheme was executed.

Manhattan North R.E.I.T., Inc.

11. One of the investment schemes offered by the organization was done so under the name Manhattan North R.E.I.T, Inc. (hereafter "Manhattan North"), which purported to invest in real estate in northern Manhattan. Under the name of the Locke Landis or Landis Harriman entity, the Organization solicited investors to purchase high-yield promissory notes in Manhattan North by representing that the notes were risk-free, 100% guaranteed investments.

12. Bank records for accounts controlled by Locke Landis in the name of Manhattan North indicated that, although interest payments on the Manhattan North notes were made

initially, the payments ceased long before the notes matured, and the principal was never returned to investors. These accounts were funded exclusively by investor funds.

13. Additionally, a review of these bank records for accounts in the name of Manhattan North demonstrate that Manhattan North never used those fund to buy or develop any property in upper Manhattan. Rather, bank records show that the conspirators withdrew and spent investors' monies exclusively for their own benefit.

Next Point USA, Inc.

14. Another purported investment opportunity touted by the Organization was Next Point USA, Inc. (hereafter "Next Point"), which is a company that was to invest in consumer credit cards with high interest rates and/or to purchase consumer debt. Under the name of the Locke Landis entity, the Organization solicited investors to purchase high-yield promissory notes in Next Point by representing that these notes were risk-free, 100% guaranteed investments, and that Next Point would invest any funds it raised in its credit card business. The ORGANIZATION asked investors to purchase high yield promissory notes with three or five year terms.

15. Bank records for accounts controlled by Locke Landis in the name of Next Point indicate that although interest

payments on the Next Point notes were made initially from investors' funds, the payments ceased long before the notes matured, and the principal was never returned to investors. Nor were the monies used by Next Point to invest in credit cards or any other investments. Instead, bank records show the conspirators withdrew and spent investors' monies for their own benefit.

Grant Boxing, Inc.

16. The third purported investment opportunity sold by the Organization was done so under the name Grant Boxing, Inc. (hereafter "Grant Boxing"), a company that purportedly sells boxing equipment and clothing. Under the name of the Locke Landis entity, the Organization solicited investors for a private placement of Grant Boxing stock. The Organization sent investors offering memoranda stating that only 15% of the money raised by Locke Landis would go toward its commission.

17. However, an analysis of Locke Landis's bank records indicates that virtually none of the funds raised for private placements of Grant Boxing stock have gone to Grant Boxing. Rather, the bank records show that the conspirators withdrew and spent investors' monies for their own benefit.

Exposure Management, Inc.

18. The last investment scheme engaged in by the

Organization involved Exposure Management, Inc. (hereafter "Exposure Management"), which purported to be a company that managed and promoted popular musicians, models and actors. At least three different versions of an offering memorandum have been sent to investors in an effort to solicit investment funds.

19. All of these memoranda contain material misrepresentations about the nature of Exposure Management and the offering. All three offering memoranda misrepresent the current contracts that the company has. For example, all three memoranda falsely claim that Exposure Management has contracts with musician Michael Balzary ("Flea" from the rock group "The Red Hot Chili Peppers"). The 2008 memorandum also falsely claims that Exposure Management has contracts with the rock musician Seal. And all three memoranda also lie about the membership of its "Advisory Board," falsely claiming that Gloria Estefan and former Dallas Cowboys quarterback turned-businessman Roger Staubach are both "directors" of Exposure Management who advise the company and have equity stakes in the business.

20. All three offering memoranda also misrepresented how the proceeds of the offerings would be used. Although each memorandum contains a detailed discussion of expenses, none of the memorandums disclose that Locke Landis would, in fact, keep nearly 100% of the money raised for Exposure Management.

Expenditures

21. Analysis of the Organizations' bank accounts reflects that the conspirators have spent the majority of the investors' funds from all four schemes on personal expenses and not legitimate investments as promised.

22. For example, one account operated by the Organization evidenced ATM withdrawals that totaled \$95,367, and cash withdrawals in all other forms totaling \$606,149. In addition, \$1,751 was spent at the restaurant "Phillipe," \$2,495 was spent at Telecharge Tickets, \$709 was spent at Ticketmaster, and \$28,113 was spent at a restaurant in Bay Ridge, Brooklyn called the "Pearl Room."

23. Similarly, another account controlled by the Organization which received investor funds, evidenced ATM withdrawals totaling \$750,760, and cash withdrawals in all other forms totaling \$878,400. Funds were also spent on an assortment of personal and entertainment expenses such as: \$6,115 at the restaurant Phillipe; \$2,714 at Stubhub, Inc.; \$1,040 at Telecharge Ticketing; \$8,051 at the restaurant "Mr. Chow's;" \$8,354 at the Pearl Room restaurant; \$10,668 at the Millennium UN Plaza Hotel; \$2,976 at the cosmetics purveyor Kiehl's; \$3,218 at Sam Ash music; \$1,143 at the Red Door Spa; and \$2,600 at NYC Banquet and Catering, an alternate, "doing business as" name for the

strip club "Scores."

24. Another account which had received investor funds evidenced ATM withdrawals totaling \$2,006, and cash withdrawals in all forms totaling \$1,017,150. Additionally, monies were spent on entertainment expenses, including \$3,731 at the Pearl Room.

25. In total, the Organization over a five year period amassed more than \$6,000,000 in funds identified to have originated from defrauded investors. The Organization spent most of the money on personal expenses, withdrawing at least \$848,133 via ATM and \$2,501,699 in other forms of cash.

26. Additionally, the organization returned approximately \$1,000,000 in investor funds back to the investors as "interest payments" or "dividends" as promised to investors as part of the scheme. These payments were necessary to continue or to promote the various schemes.

27. A summary of these activities is included below:

Company Name	Total deposits	Money from identified investors	Money sent to other companies in scheme	Money spent for personal benefit or to promote scheme	Money returned to investors as "dividends"
Manhattan North	\$3,452,146	\$3,168,003	\$946,612	\$1,235,569	\$793,378
Locke Landis	\$3,655,738	\$2,475,746	\$574,328	\$1,677,010	\$138,359
Next Point	\$1,521,071	\$542,905	\$137,610	\$1,029,387	\$97,790
Landis Harriman	\$11,000	\$10,000		\$1,025	
<u>Totals</u>	<u>\$8,639,955</u>	<u>\$6,196,654</u>	<u>\$1,658,550</u>	<u>\$3,942,991</u>	<u>\$1,029,527</u>

The Defendant Property

28. The New York City Department of Finance's database indicates that Abdul Awan and Bakhat Awan, the parents of Awan, own the DEFENDANT PROPERTY.

29. The DEFENDANT PROPERTY was being used as the center or the headquarters of the various schemes perpetrated by the Organization.

30. Awan and Tanwir trained and supervised groups of cold-callers who made phone calls to prospective investors.

Both the training and calls were made from the DEFENDANT PROPERTY. Awan and Tanwir told their trainees to use fake names and sometimes chose particular names for them to use.

31. Additionally, employees indicated that Labiner had a private office off of the central room in the DEFENDANT PROPERTY that Labiner spent significant amounts of time in.

32. Employees of the organization stated that Labiner spent most of his workday alone in his office at the DEFENDANT PROPERTY.

33. Employees also stated that the Organization operated out of the DEFENDANT PROPERTY — for example, by making phone calls to prospective investors from phones inside the premises, and by putting together investment packages to send to potential investors — and that Awan and Tanwir have spent considerable time there. Awan's time at the DEFENDANT PROPERTY includes the time that he spent training employees in how to make cold calls, and time that he spent on the phones "closing" deals with prospective investors.

34. Also, employees stated that both Awan and a conspirator maintained computers at the DEFENDANT PROPERTY related to the schemes which held information about investors. The Organization also prepared packages of promotional materials, including brochures and offering memoranda, for

investors from the DEFENDANT PROPERTY.

35. Con Edison records indicate that the only current account for the DEFENDANT PROPERTY is in the name of Awan, and that the bills are mailed to his home address. In addition, a phone number listed in the Con Edison records for the account is in Awan's name.

36. Federal Express records for deliveries to the DEFENDANT PROPERTY indicate that Awan signed for investors' packages delivered to the location. In addition, Federal Express records for deliveries to the DEFENDANT PROPERTY also contain names of other persons identified as members of the Organization.

37. On September 10 through September 15, 2009, Awan, Labiner and Tanwir were arrested and charged in the Eastern District of New York with various fraud offenses related to the schemes run by the Organization.

38. On September 8, 2009, the Honorable James Orenstein, Magistrate Judge for the Eastern District Court of New York found probable cause to issue seizure warrants for accounts held in the name of the Organization.

39. Also on September 8, 2009, the Honorable James Orenstein found probable cause to issue a search warrant for the DEFENDANT PROPERTY.

40. That search warrant was executed on September 10, 2009. Agents recovered large amounts of evidence related to the various schemes in the DEFENDANT PROPERTY, including large amounts of promotional material which was to be sent to potential investors, lists of investors, bank documents, ledger books indicating sales to defrauded investors, payroll records for employees of the Organization, lead cards and other documents used to identify potential investors, blank corporate checks for companies involved in the scheme and corresponding statements, electronic records of a purported offering memo for Grant Boxing and other purported investments, business cards in fictitious names, scripts for cold callers, and corporate stamps for the businesses named in the investment schemes.

FIRST CLAIM FOR RELIEF

41. Plaintiff repeats the allegations of paragraphs 1 through 40 as is fully set forth herein.

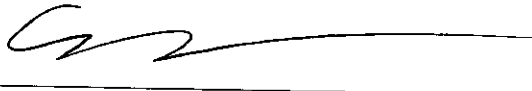
42. As a result of the foregoing, the DEFENDANT PROPERTY is liable to condemnation and forfeiture to the United States in accordance with 18 U.S.C. § 981(a)(1)(A).

WHEREFORE, plaintiff requests that a warrant of this Court be issued for the arrest of the DEFENDANT PROPERTY in rem; that notice of these proceedings be given to all interested persons; that the DEFENDANT PROPERTY in rem be forfeited and condemned to the use of the United States of America; that the plaintiff be awarded its costs and disbursements in this action and for such other and further relief as this Court deems just and proper.

Dated: Brooklyn, New York
October 15th, 2009

BENTON J. CAMPBELL
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BY:



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