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**NEW JERSEY MAN SENTENCED TO FEDERAL PRISON FOR SCHEME
TO FRAUDULENTLY OBTAIN BANK LOANS GURANTEED BY THE SBA**

Baltimore, Maryland – U.S. District Judge Deborah K. Chasanow sentenced Mehul Ramesh Khatiwala, 43, aka “Mike Khatiwala,” of Voorhees, New Jersey, to seven years in federal prison, followed by five years of supervised release, in connection with his role supervising a multi-million-dollar bank fraud conspiracy. Khatiwala and his co-conspirators schemed to fraudulently obtain more than \$35 million in Small Business Administration (SBA) loans from financial institutions that they used in a hotel flipping scheme involving the purchase and sale of hotels. Judge Chasanow also ordered Khatiwala to forfeit \$6,000,000, pay restitution of \$6,010,655.72, and pay a \$100,000 fine.

This is Khatiwala’s second federal conviction and sentencing for bank fraud charges. In April 2019, Khatiwala pled guilty to one count of conspiracy to commit bank fraud and three counts of bank fraud involving criminal conduct dating back to about 2011 through about 2014. In April 2021, Judge Chasanow sentenced Khatiwala to multiple years of incarceration, ordered forfeiture and restitution, and a term of supervised release in connection with his criminal conduct from 2011 to 2014.

Kelly O. Hayes, U.S. Attorney for the District of Maryland, announced the sentence with Special Agent in Charge Robert Manchak, Federal Housing Finance Agency Office of Inspector General (FHFA-OIG), and Special Agent in Charge Jeffrey D. Pittano, Federal Deposit Insurance Corporation Office of Inspector General (FDIC-OIG) – Mid-Atlantic Region.

According to the factual stipulations in his guilty plea, Khatiwala was the owner and managing member of Delaware Hotel Group LLC (DHG), and an operator of GMK Consulting LLC (GMK) and KPG Hotel Mgmt. LLC (KPG). These LLCs were hotel management and loan brokerage companies located in Mount Laurel, New Jersey. Co-defendant Rajendra G. Parikh, 64, of Monroe, New Jersey, was also an owner of KPG. Co-defendant Jennifer Watkins, 48, of Marlton, New Jersey, served as a project coordinator for DHG and managing member of Forza Consulting LLC (Forza), a hotel consulting and loan brokerage company located in Marlton, New Jersey. Co-defendant Rebecca Marie Cohn, 38, aka Rebecca Marie Stanton, was a settlement and title processor for Residential Title & Escrow Company, a real estate title company located in Owings Mills, Maryland, that offered escrow and loan-settlement services.

From August 2018 through February 2020, Khatiwala, Parikh, and Watkins conspired to obtain loan proceeds to buy and sell hotels in connection with a hotel-flipping scheme. “Flipping” is a real estate investment strategy that involves purchasing property to hold for a

short period before selling it to make a quick profit. During the SBA-loan application process, the co-conspirators made and caused others to make material misrepresentations and omissions to financial institutions regarding the sellers' identity, familial relationships between parties, and the nature and amount of the equity injected by the borrowers. The defendants sought loans through the SBA's Section 7(a) Program, which guaranteed and insured approximately 75-85 percent of these loans, and required that the small business owner/borrower invest a certain amount of their own money into the business to qualify for the loan.

Khatiwala, Parikh, and Watkins admitted that they created shell companies using co-conspirators as straw owners of the entities. These straw owners had no actual ownership interest in the entities as Khatiwala and Parikh were the true owners. The straw owners signed purchase contracts, operating agreements, and related documents to buy hotel properties in the name of the shell companies.

The co-conspirators, supervised in part by Khatiwala, then created a second company to purchase the hotels from the shell companies at substantially higher prices. After the co-conspirators formed the companies to control both sides of the flip transaction, they solicited banks for small-business loans to finance the buying company's purchase of the hotel from the straw companies. The co-conspirators helped the buying companies qualify for the loans by falsely representing investors' equity injections to the banks, among other materially false statements, misrepresentations, and omissions. The financial institutions extending the loans relied on the false statements and misrepresentations.

In July 2025, Judge Chasanow sentenced co-defendant Jennifer Watkins, 48, of Marlton, New Jersey, to 36 months in federal prison, followed by three years of supervised release, in connection with her role in the bank fraud conspiracy. Co-defendant Rajendra G. Parikh is awaiting a sentencing date.

U.S. Attorney Hayes commended the FHFA-OIG, FDIC-OIG, Federal Bureau of Investigation (FBI), and the Internal Revenue Service (IRS) for their work in the investigation. Ms. Hayes also thanked Assistant U.S. Attorneys Harry M. Gruber and Ari D. Evans, who are prosecuting the federal case, and recognized Paralegal Specialist Joanna B.N. Huber, who provided legal support for the case. She also recognized former Assistant United States Attorneys Martin J. Clarke and Evelyn L. Cusson for their work in the investigation.

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