

Press Release

Orange County Man Arrested on Federal Criminal Complaint Alleging He Defrauded Bank Out of Nearly \$100 Million

Wednesday, June 10, 2026

For Immediate Release

U.S. Attorney's Office, Central District of California

SANTA ANA, California – An Orange County man was arrested today on a federal criminal complaint charging him with defrauding a bank out of nearly \$100 million by manipulating title policies to make collateral that had been pledged to the bank look more valuable than it truly was.

Mahender Makhijani, 44, of Corona del Mar, is charged with bank fraud.

He is expected to make his initial appearance this afternoon in the United States District Court in Santa Ana.

“When criminals are allowed to deceive lenders, the spillover effects can harm consumers and businesses,” said First Assistant United States Attorney Bill Essayli. “Today’s arrest highlights our office’s continued determination to combat threats to our nation’s banking system.”

“Today’s arrest highlights the strength of IRS Criminal Investigation’s financial expertise. As alleged, Mr. Makhijani falsified title insurance records, concealed true lien positions, and used a network of shell companies to mislead a federally insured bank out of nearly \$100 million,” said Darren Lian, Acting Special Agent in Charge, IRS Criminal Investigation’s Los Angeles Field Office. “Our special agents followed the money through layered transfers and disguised accounts, uncovering a scheme designed to deceive at every turn. When individuals manipulate documents and abuse financial systems for personal gain, IRS CI will expose the truth and ensure they are held accountable.”

“Schemes like the one outlined in today’s complaint pose a significant risk to banks and the nation’s financial system,” said Special Agent in Charge Ryan Korner with the Federal Deposit Insurance Corporation Office of Inspector General (FDIC-OIG). “FDIC-OIG will work tirelessly alongside our law enforcement partners to identify threats and protect the system, keeping it safe for both financial institutions and consumers.”

“The Federal Housing Finance Agency Office of Inspector General (FHFA-OIG) vigorously investigates, and pursues the prosecution of, those who defraud the Federal Home Loan Bank System and its members,” said James Shields, Acting Special Agent in Charge of the

Western Region. “We are committed to working with the U.S. Attorney’s Office and our law enforcement partners to hold accountable criminals who seek to enrich themselves by defrauding the banking system.”

“Today’s arrest demonstrates that those who allegedly engage in fraudulent activity that impacts the safety and soundness of financial institutions will be held accountable for their actions,” said Brian Tucker, Special Agent in Charge, Office of Inspector General for the Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau.

According to an affidavit filed with the complaint, Makhijani controls Cantor Group V LLC, a Newport Beach-based company with a lending relationship with Bank #1. Under the terms of their agreement, Bank #1 advanced nearly \$100 million to Cantor for Cantor to originate or buy loans secured by real estate. Cantor was supposed to then pledge the loans it secured, and their underlying collateral, to Bank #1, paying back the bank from the loans’ proceeds.

Their agreement’s terms required Cantor to only pledge to Bank #1 loans in which Cantor had secured the first lien in the underlying collateral, which would make Bank #1 first in line to foreclose on the underlying property should the loan’s borrower be in default. By contrast, a second or later lien is worth much less as collateral because Bank #1’s ability to foreclose on the property would be subordinated to other creditors.

As part of its due diligence to ensure Cantor had only pledged first lien-backed loans, Bank #1 required Cantor to submit title insurance policies that showed Cantor’s first lien position.

From September 2024 to April 2025, Makhijani falsified title insurance policies to make them falsely state that Cantor was in the first lien position with respect to certain real estate serving as collateral. In fact, other creditors were ahead of Cantor. To falsify the title policies, Makhijani or a subordinate edited them in Adobe and then edited or removed the metadata, such as by printing out the altered title policies before scanning them.

After falsifying the title policies, Makhijani caused his then-employee to submit the false title insurance policies to Bank #1. Makhijani also engaged in several teleconferences with Bank #1’s representatives and lied about the title issues that Bank #1 had identified. In December 2024, he caused a spreadsheet with false explanations for the title issues to be submitted to Bank #1.

In making its lending decisions to Cantor, Bank #1 relied on the false information Makhijani provided. Had it known the true value of the collateral that Cantor had pledged, Bank #1

would have considered Cantor to be in default and then demanded full and immediate repayment, which would have required Cantor to repay Bank #1 nearly \$100 million.

In August 2025, Bank #1 filed a lawsuit in Los Angeles Superior Court in connection with the alleged fraud.

A complaint is merely an allegation of criminal conduct, not evidence. All defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

If convicted, Makhijani would face a statutory maximum sentence of 30 years in federal prison.

FDIC-OIG; IRS Criminal Investigation; the FBI; FHFA-OIG; and the Office of Inspector General for the Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau are continuing to investigate this matter.

Assistant United States Attorneys Kevin Y. Fu and Gregory W. Staples of the Orange County Office are prosecuting this case. Assistant United States Attorney Tara B. Vavere of the Asset Forfeiture and Recovery Section is handling the asset forfeiture portion of this case.

Contact

Ciaran McEvoy
Public Information Officer
ciaran.mcevoy@usdoj.gov
(213) 894-4465

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