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District of Connecticut*

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**CALIFORNIA RESIDENT SENTENCED TO 52 MONTHS IN
FEDERAL PRISON FOR DEFRAUDING STRUGGLING HOMEOWNERS**

Deirdre M. Daly, United States Attorney for the District of Connecticut, announced that MEHDI MOAREFIAN, also known as “Michael Miller,” 37, of Irvine, California, was sentenced today by U.S. District Judge Stefan R. Underhill in Bridgeport to 52 months of imprisonment, followed by three years of supervised release, for participating in an extensive mortgage loan modification scheme. MOAREFIAN also was ordered to pay restitution in the amount of \$2,390,496.59.

According to court documents and statements made in court, Aria Maleki, MOAREFIAN and others jointly operated a series of California-based companies that falsely purported to provide home mortgage loan modifications and other consumer debt relief services to numerous homeowners in Connecticut and across the United States in exchange for upfront fees. The defendants did business, at various times, as “First Choice Financial Group, Inc.,” “First Choice Financial,” “First Choice Debt,” “Legal Modification Firm,” “National Freedom Group,” “Home Care Alliance Group,” “Home Protection Firm,” “Hardship Center,” “Network Solutions Center, Inc.,” “Premiere Financial Center,” “Premiere Financial,” “Rescue Firm,” “International Research Group LLC,” “Hardship Solutions,” “American Loan Center,” “Loan Retention Firm,” “Clear Vision Financial,” “Green Tree Financial Group,” “Green Tree Financial,” “Enigma Fund, Inc.,” “National Aid Group,” “Southern Chapman Group LLC,” “Save Point Financial,” “Best Rate Financial Solutions,” “Best Rate Financial Solution,” “Best Rate Financial,” “Best Rate Finance Group,” “Nation Star Financial,” and “Nation Star Fin Group.”

Maleki presided over the entire structure of this scheme, and MOAREFIAN was a senior member of the sales team. Acting as representatives of the above-named entities, MOAREFIAN

and other co-conspirators cold-called homeowners and offered to provide mortgage loan modification services to those who were having difficulty repaying their home mortgage loans. The defendants charged homeowners fees that typically ranged from approximately \$2,500 to \$4,300 for their services. To induce homeowners to pay these fees, the defendants falsely represented that the homeowners already had been approved for mortgage loan modifications on extremely favorable terms; the mortgage loan modifications already had been negotiated with the homeowners' lenders; the homeowners qualified for and would receive financial assistance under various government mortgage relief programs, including the Troubled Asset Relief Program and the Home Affordable Modification Program; and if for some reason the mortgage loan modifications fell through, the homeowners would be entitled to a full refund of their fees.

In fact, the homeowners had not been preapproved for mortgage loan modifications with lenders, mortgage loan modifications had not been negotiated with the lenders, homeowners had not qualified for and did not receive any financial assistance through government mortgage relief programs, and homeowners did not receive a refund of their fees upon request. Few homeowners ever received any type of mortgage loan modification through the defendants' companies, and few homeowners received refunds of their fees.

Participants in the scheme used pseudonyms and periodically changed their business and operating names to evade detection. The defendants also directed homeowners to mail their checks to addresses and mail boxes that the defendants and their co-conspirators had set up in states other than California.

As a result of this scheme, more than 1,000 homeowners suffered losses totaling more than \$3 million.

The investigation revealed that the top tier of salesmen, including MOAREFIAN, were paid based on commission and typically earned 45 percent to 50 percent of the final fee, after \$750 to \$1,000 was taken by Maleki for administrative costs.

On January 21, 2016, a grand jury in New Haven returned an indictment charging Maleki, MOAREFIAN and five other California residents with conspiracy and fraud offenses related to this scheme. The defendants were arrested on January 26.

On February 17, 2016, MOAREFIAN pleaded guilty to one count of conspiracy to commit mail and wire fraud.

Maleki pleaded guilty to the same charge and, on July 18, 2016, was sentenced to 112 months of imprisonment. He also forfeited approximately \$350,000 that investigators seized from various bank accounts, approximately \$362,000 sized from a Bitcoin account, a \$100,000 cashier's check, and a 2013 Ferrari 458 Italia.

This matter has been investigated by the U.S. Department of Homeland Security – Homeland Security Investigations, U.S. Postal Inspection Service, Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP), U.S. Department of Housing and Urban Development – Office of Inspector General, Federal Housing Finance Agency – Office of Inspector General, and Federal Bureau of Investigation, with assistance from the Oklahoma Attorney General’s Office.

The case is being prosecuted by Assistant U.S. Attorney Avi M. Perry.

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