

NEWS RELEASE



***OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California***

***United States Attorney
Karen P. Hewitt***

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For Immediate Release

NEWS RELEASE SUMMARY - November 13, 2007

United States Attorney Karen P. Hewitt announced that Alejandro Lopez, Emilio Lopez, Ravinderjit Singh Sekhon, and Linda Velasquez each pled guilty today in federal court in San Diego to conspiracy and wire fraud charges. The defendants entered their guilty pleas before United States Magistrate Judge Nita L. Stormes, subject to final acceptance of the pleas by United States District Court Judge Marilyn L. Huff at the time of sentencing.

According to court records, Alejandro and Emilio Lopez were two of the owners of "Century 21 El Dorado," a San Marcos, California firm that offered real estate and home financing services targeting mostly Hispanic clientele. Alejandro and Emilio Lopez headed the "Lopez Team," which consisted of, among others, loan officers, loan processors and real estate agents who conducted fraudulent real estate and loan broker activities. Ravinderjit Singh Sekon was a loan officer, and Linda Velasquez was the office manager. The Lopez Team obtained funding for financially unqualified clients from several sub-prime lenders who offered "stated" or "no income verification" loans at higher interest rates than conventional

loans. To secure the loans, they submitted false information on loan applications and false supporting documents to lenders. During the conspiracy, they brokered fraudulent loans (including first and second mortgages), averaging approximately \$400,000, for over 200 unqualified clients.

As part of their guilty pleas, the defendants admitted that they solicited clients at swap meets and by advertising in Spanish language newspapers and publications and on Spanish language radio stations. At times they used third parties with higher credit scores as “straw buyers,” misrepresenting to lenders that the third parties would occupy the homes. To fraudulently qualify clients for loans, the Lopez Team inflated clients’ incomes and bank account balances; falsified employment, rent, and credit information; misrepresented that clients were United States citizens; used altered social security cards and bank statements; and purchased from tax preparers letters that misrepresented that clients were business owners and that the tax preparers had prepared the clients’ tax returns. When lenders called to check the references, they impersonated employers, landlords, and creditors to falsely verify the information.

The defendants admitted that they obtained \$1,070,000 in loan commissions from their fraudulent loan activities. As part of their plea agreements, Alejandro Lopez, Emilio Lopez, Sekhon, and Velasquez have agreed to repay to the Government their illegal gains, totaling \$1,070,000, in the form of forfeitures or fines.

United States Attorney Hewitt said, “In the midst of our nation’s sub-prime loan crisis, the U.S. Attorney’s Office is committed to prosecuting fraud schemes such as this one and will aggressively pursue those who attempt to circumvent lenders’ loan requirements.”

FBI Special Agent in Charge Keith Slotter commented, “We continue to investigate allegations of mortgage fraud, not only because of the wrongdoing that is associated with this particular criminal behavior, but because we are committed to protecting many Americans from paying higher mortgage rates as a result of unscrupulous behavior on the part of a few.”

Sentencing is scheduled before Judge Marilyn L. Huff on February 4, 2008 at 9:00 a.m., in federal court in San Diego.

DEFENDANTS

Case No. 07-CR-2918-H

Alejandro Lopez
Emilio Lopez
Ravinderjit Singh Sekhon
Linda Velasquez

SUMMARY OF CHARGES

Alejandro Lopez
Emilio Lopez
Linda Velasquez

One count - Title 18, United States Code, Section 371- Conspiracy to Commit Wire Fraud and Title 18, United States Code, Section 981(A)(1)(C) and Title 28, United States Code, Section 2461(c) - Forfeiture
Maximum Penalties: 5 years in prison, \$250,000 fine, 3 years of supervised release

Ravinderjit Singh Sekhon

One Count - Title 18, United States Code, Section 1343- Wire Fraud
Maximum Penalties: 20 years in prison, \$250,000 fine, and 3 years of supervised release

AGENCY

Federal Bureau of Investigation