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CLERK U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
LOS ANGELES

BY \_\_\_\_\_

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

January 2014 Grand Jury

UNITED STATES OF AMERICA,  
Plaintiff,

v.

JAE HO CHUNG,  
aka "Jay Chung,"  
aka "Jae Chung,"  
aka "Steve Chung,"  
aka "Jae Lee,"  
MICHAEL YEON CHO,  
aka "Jishun Jin,"  
ROGER LEE,  
aka "Yu Young-Sang,"  
aka "Jin Woo Lee,"  
aka "Chang Moo Lee,"  
aka "Alex Yoo,"  
aka "Alex Yi,"  
aka "Alex Lee,"  
aka "Rogan H. Lee,"  
KUN YOUNG LEE,  
aka "New York Tony,"  
aka "Han Sang Lee,"  
aka "James Lee,"  
JEONG GU KIM,  
aka "L.A. Tony,"  
aka "Hyung Kiu,"  
aka "Sean Chung Kim,"  
HAK SOO SHIM,  
aka "Ricky,"  
aka "Ricky Lu,"  
aka "Tom,"  
RENLING CHAO,  
aka "Mark Chao,"  
aka "Tyler Houle,"

CR No. 14-

CR14-0262

I N D I C T M E N T

[18 U.S.C. § 1349: Conspiracy to  
Commit Bank Fraud; 18 U.S.C.  
§ 1344: Bank Fraud; 18 U.S.C. § 2:  
Aiding and Abetting and Causing an  
Act to Be Done; 18 U.S.C.  
§ 981(a)(1)(C), 28 U.S.C.  
§ 2461(c), 18 U.S.C.  
§ 982(a)(2)(A), 21 U.S.C.  
§ 853(p): Asset Forfeiture]

1 IL HWAN JAE,  
2 aka "FNU Jei,"  
3 aka "Pusan Seagull,"  
4 ERICK PALAFOX,  
5 JAE KWON AN,  
6 JOONIE YEON CHO,  
7 EUN AH KIM,  
8 aka "Eun A. Kim,"  
9 aka "Beini Sun,"  
10 aka "Jessica,"  
11 HYE RAN LEE,  
12 aka "Aisha Tai,"  
13 HEE JUNG LEE, and  
14 WOO CHANG LIM,  
15  
16 Defendants.

17 The Grand Jury charges:

18 INTRODUCTORY ALLEGATIONS

19 At all times relevant to this Indictment:

20 Defendants

21 1. Defendant JAE HO CHUNG, also known as ("aka") "Jay Chung,"  
22 aka "Jae Chung," aka "Steve Chung," aka "Jae Lee" ("defendant  
23 CHUNG"), was a resident of Los Angeles, California, within the  
24 Central District of California.

25 2. Defendant MICHAEL YEON CHO, aka "Jishun Jin" ("defendant  
26 M.Y. CHO"), was a resident of Pacific Palisades, California, within  
27 the Central District of California.

28 3. Defendant ROGER LEE, aka "Yu Young-Sang," aka "Jin Woo  
Lee," aka "Chang Moo Lee," aka "Alex Yoo," aka "Alex Yi," aka "Alex  
Lee," aka "Rogan H. Lee" ("defendant R. LEE"), was a resident of  
Cerritos, California, within the Central District of California.

4. Defendant KUN YOUNG LEE, aka "New York Tony," aka "Han Sang  
Lee," aka "James Lee" ("defendant K.Y. LEE"), was a resident of Los  
Angeles, California, within the Central District of California.

1           5.     Defendant JEONG GU KIM, aka "L.A. Tony," aka "Hyung Kiu,"  
2     aka "Sean Chung Kim" ("defendant J.G. KIM"), was a resident of Los  
3     Angeles, California, within the Central District of California.

4           6.     Defendant HAK SOO SHIM, aka "Ricky," aka "Ricky Lu," aka  
5     "Tom" ("defendant SHIM"), was a resident of Newport Beach,  
6     California, within the Central District of California.

7           7.     Defendant RENLING CHAO, aka "Mark Chao," aka "Tyler Houle"  
8     ("defendant CHAO"), was a resident of Hacienda Heights, California,  
9     within the Central District of California.

10          8.     Defendant IL HWAN JAE, aka "FIRST NAME UNKNOWN ("FNU")  
11     Jei," aka "Pusan Seagull" ("defendant JAE"), was a resident of Los  
12     Angeles, California, within the Central District of California.

13          9.     Defendant ERICK PALAFOX ("defendant "PALAFOX") was a  
14     resident of Pacific Palisades, California, within the Central  
15     District of California.

16          10.    Defendant JAE KWON AN ("defendant AN") was a resident of  
17     Riverside, California, within the Central District of California.

18          11.    Defendant JOONIE YEON CHO ("defendant J.Y. CHO") was a  
19     resident of Sherman Oaks, California, within the Central District of  
20     California.

21          12.    Defendant EUN AH KIM, aka "Eun A. Kim," aka "Beini Sun,"  
22     aka "Jessica" ("defendant E.A. KIM"), was a resident of Los Angeles,  
23     California, within the Central District of California.

24          13.    Defendant HYE RAN LEE, aka "Aisha Tai" ("defendant H.R.  
25     LEE"), was a resident of Irvine, California, within the Central  
26     District of California.

1        14.    Defendant HEE JUNG LEE ("defendant H.J. LEE") was a  
2 resident of Riverside, California, within the Central District of  
3 California.

4        15.    Defendant WOO CHANG LIM ("defendant LIM") was a resident  
5 of Ventura, California, within the Central District of California.

6        Victim Financial Institutions

7        16.    Bank of America, N.A. ("Bank of America") was a federally-  
8 chartered financial institution, the deposits of which were insured  
9 by the Federal Deposit Insurance Corporation ("FDIC").

10       17.    JPMorgan Chase Bank ("Chase") was a federally-chartered  
11 financial institution, the deposits of which were insured by the  
12 FDIC.

13       18.    U.S. Bank ("U.S. Bank") was a federally-chartered  
14 financial institution, the deposits of which were insured by the  
15 FDIC.

16       19.    Wells Fargo Bank ("Wells Fargo") was a federally-chartered  
17 financial institution, the deposits of which were insured by the  
18 FDIC.

COUNT ONE

[18 U.S.C. § 1349]

A. OBJECT OF THE CONSPIRACY

20. Beginning on a date unknown to the Grand Jury, but not later than in or around February 2010, and continuing through at least in or around October 2013, in Los Angeles, Ventura, Orange, and Riverside Counties, within the Central District of California, and elsewhere, defendants CHUNG, M.Y. CHO, R. LEE, K.Y. LEE, J.G. KIM, SHIM, CHAO, JAE, PALAFOX, AN, J.Y. CHO, E.A. KIM, H.R. LEE, H.J. LEE, and LIM, and unindicted co-conspirators N.H., C.L.L., M.O.K., Y.L., Y.K., J.M., and J.H.L., together with others known and unknown to the Grand Jury, conspired and agreed with each other to knowingly devise, execute, and attempt to execute a scheme to defraud victim financial institutions as to material matters, and to obtain money, funds, credits, assets, and other property owned by and in the custody and control of each of those financial institutions by means of material false and fraudulent pretenses, representations, and promises, and the concealment of material facts, in violation of Title 18, United States Code, Section 1349.

B. MEANS BY WHICH THE OBJECT OF THE CONSPIRACY WAS TO BE ACCOMPLISHED

21. The object of the conspiracy was to be accomplished, in substance, as follows:

a. Defendant CHUNG, and others known and unknown to the Grand Jury, assisted by defendant M.Y. CHO, would serve as "processors" who would fabricate or retain others to fabricate fictitious checks for the purpose of conducting "bustouts." A "bustout" is a fraudulent scheme designed to generate cash or credit

1 in which the perpetrators first deposit a fictitious check that  
2 appears in all respects to be genuinely drawn on a real account into  
3 a checking or credit card account at a financial institution.  
4 Immediately thereafter, the perpetrators withdraw funds from the  
5 account into which the fictitious check was deposited. Once the  
6 fraudulent nature of the fictitious check is discovered and the check  
7 is dishonored by the financial institution, the account has been  
8 "busted."

9           b. Defendants R. LEE, K.Y. LEE, J.G. KIM, and SHIM, and  
10 others known and unknown to the Grand Jury, would act as "brokers"  
11 who would obtain fictitious checks from processors and would solicit  
12 "customers," namely, individuals who held accounts in good standing  
13 who would lend their accounts to be busted-out in exchange for a fee.  
14 Brokers would find customers by placing advertisements in Korean  
15 language newspapers, including "The Korea Times" and "Joong Ang Ilbo"  
16 (the "Korean Daily"), whose classified advertisement sections are  
17 distributed across the United States in communities with large  
18 concentrations of Korean-speaking individuals, including in  
19 California, New York, New Jersey, Maryland, Virginia, Georgia, and  
20 Texas. Brokers would also find and coordinate the work of "runners"  
21 or "washers."

22           c. Defendants CHAO, JAE, PALAFOX, AN, J.Y. CHO, E.A. KIM,  
23 H.R. LEE, H.J. LEE, and LIM, and unindicted co-conspirators N.H. and  
24 C.L.L., together with others known and unknown to the Grand Jury,  
25 would serve as "runners" or "washers" who would, at the direction of  
26 brokers, deposit fictitious checks into, and then withdraw funds  
27 from, the accounts to be busted-out. Runners or washers would also  
28 purchase goods, services, and gift cards that were the equivalent of

1 cash, with the proceeds from bustouts and by incurring charges  
2 against credit card accounts that were busted-out.

3 d. Unindicted co-conspirators M.O.K., Y.L., Y.K., J.M.,  
4 and J.H.L., and others known and unknown to the Grand Jury, would  
5 serve as complicit customers with accounts in good standing who would  
6 allow the runners and washers to deposit fictitious checks for credit  
7 to their accounts, make withdrawals from those accounts, and/or make  
8 charges against their accounts in exchange for a fee.

9 e. Defendant CHUNG would retain legal counsel on behalf  
10 of complicit customers against whom victim financial institutions had  
11 made claims to collect lost funds sustained from bustouts, and  
12 defendant CHUNG would attempt to settle such claims in order to avoid  
13 detection of the scheme by law enforcement.

14 C. OVERT ACTS

15 22. In furtherance of the conspiracy, and to accomplish its  
16 object, defendants CHUNG, M.Y. CHO, R. LEE, K.Y. LEE, J.G. KIM, SHIM,  
17 CHAO, JAE, PALAFOX, AN, J.Y. CHO, E.A. KIM, H.R. LEE, H.J. LEE, and  
18 LIM, and unindicted co-conspirators N.H., C.L.L., M.O.K., Y.L., Y.K.  
19 and J.H.L., together with others known and unknown to the Grand Jury,  
20 committed and willfully caused others to commit the following overt  
21 acts, among others, within the Central District of California, and  
22 elsewhere:

23 Overt Act No. 1: On or about May 1, 2010, defendant R. LEE  
24 caused an advertisement to run in the Korean Daily in Los Angeles,  
25 California, to solicit customers for bustouts.

26 Overt Act No. 2: On or about March 31, 2011, defendants R.  
27 LEE and SHIM met at a truck stop in the city of El Monte, California,  
28 where defendant SHIM gave defendant R. LEE approximately \$8,000 to

1 \$9,000 in cash proceeds from a bustout.

2 Overt Act No. 3: On or about March 31, 2011, defendant R. LEE  
3 called defendant JAE to arrange a meeting at the Rotex Hotel in Los  
4 Angeles, California, to discuss the use of runners to conduct  
5 bustouts.

6 Overt Act No. 4: On or about April 1, 2011, defendants R. LEE  
7 and SHIM met at a truck stop in the city of El Monte, California,  
8 where defendant SHIM gave defendant R. LEE approximately \$8,000 to  
9 \$9,000 in cash proceeds from a bustout.

10 Overt Act No. 5: On or about April 2, 2011, defendant R. LEE  
11 directed an individual, whom defendant R. LEE believed to be a co-  
12 conspirator but who was, in fact, a law enforcement informant  
13 ("CS1"), to deposit approximately \$3,600 in cash proceeds from a  
14 bustout into a Chase account ending in 8244 in the name of Meritz  
15 Corporation, an entity owned and controlled by defendant R. LEE.

16 Overt Act No. 6: On or about April 11, 2011, defendant R. LEE  
17 met with CS1 in Cerritos, California, to discuss, among other things,  
18 placing ads in Korean-language newspapers to solicit bustout  
19 customers and to discuss the logistics of conducting bustouts,  
20 including that fictitious checks should be deposited into bustout  
21 accounts at bank branches in one county, followed by withdrawals  
22 against those bustout accounts at bank branches in a different  
23 county.

24 Overt Act No. 7: On or about April 12, 2011, defendants R.  
25 LEE and SHIM met in Los Angeles, California, to discuss procuring  
26 fictitious checks for bustouts and running an advertisement in a  
27 Korean-language newspaper to solicit bustout customers.



1        Overt Act No. 8:     On or about April 25, 2011, defendants  
2 CHUNG, M.Y. CHO, R. LEE, and JAE met at the Rotex Hotel in Los  
3 Angeles, California, to discuss, among other things, paying legal  
4 fees for complicit customers who were arrested for participating in  
5 bustouts, and the payment to a complicit customer in Virginia to whom  
6 defendant SHIM had failed to pay a commission for participating in a  
7 bustout.

8        Overt Act No. 9:     On or about April 25, 2011, in Los Angeles,  
9 California, defendant R. LEE and CS1 discussed, among other things,  
10 how to make money from out-of-state bustouts, that defendant M.Y. CHO  
11 created fictitious checks for bustouts, and that defendant CHUNG used  
12 a printing shop to create fictitious checks for bustouts.

13        Overt Act No. 10:    On or about May 5, 2011, defendant R. LEE  
14 caused an advertisement to run in the Korea Times newspaper that  
15 stated in part (as translated from Korean to English):

16        Same day cash/No interest  
17        100% guaranteed!!  
18        Same day cash/Major bank  
19        Sizeable sum of money can be made prior to return to Korea  
20        Hyundai Funding (866) 537-7558  
21        Please ask for Yu Young-sang

22        Overt Act No. 11:    On or about May 14, 2011, defendant R. LEE  
23 told CS1 that they (defendant R. LEE and CS1) would be meeting with  
24 two bustout customers who had responded to defendant R. LEE's  
25 advertisement that had run in the Korea Times newspaper.

26        Overt Act No. 12:    On or about May 18, 2011, defendant R. LEE,  
27 CS1, and unindicted co-conspirators Y.L. and Y.K. met in Los Angeles,  
28 California, and Y.L. and Y.K. agreed to participate in a bustout by  
giving defendant R. LEE blank checks and their personal banking  
information for accounts to be busted-out.

1        Overt Act No. 13:    On or about May 23, 2011, defendant R. LEE,  
2 CS1, and unindicted co-conspirator Y.K. met in Los Angeles,  
3 California, and Y.K. agreed to serve as a runner for bustouts in  
4 exchange for a fee.

5        Overt Act No. 14:    On or about May 23, 2011, defendants CHUNG,  
6 M.Y. CHO, R. LEE, J.G. KIM, and PALAFOX, and CS1 met in Los Angeles,  
7 California, to discuss, among other things, previous bustouts  
8 utilizing accounts at Wells Fargo and Citibank, the use of "washers,"  
9 and how to divide up the proceeds of bustouts among the scheme's  
10 participants.

11       Overt Act No. 15:    On or about August 25, 2011, defendants  
12 CHUNG, M.Y. CHO, J.G. KIM, and J.Y. CHO met CS1 at the Arado  
13 restaurant in Los Angeles, California, to discuss how bustout  
14 proceeds were to be allocated among the scheme's participants and how  
15 defendant CHUNG laundered bustout proceeds through casinos in Las  
16 Vegas, Nevada.

17       Overt Act No. 16:    On or about December 20, 2011, defendants  
18 CHUNG, M.Y. CHO, K.Y. LEE, J.G. KIM, and PALAFOX met CS1 at the Arado  
19 restaurant in Los Angeles, California to plan bustouts.

20       Overt Act No. 17:    On or about January 31, 2012, defendant M.Y.  
21 CHO and CS1 met at the Book Café in Los Angeles, California, to  
22 discuss, among other things, profits from bustouts, a "build-up"  
23 program to allow defendant M.Y. CHO and others to bustout as much as  
24 \$100,000 from each victim bank through the use of shell corporations,  
25 and targeting "Asians," particularly "Koreans" or "Vietnamese,"  
26 because, unlike other ethnic groups, Asians were unlikely to reveal  
27 their involvement in bustouts for fear of being shamed.

1       Mattress City Chase Account Bustout

2       Overt Act No. 18:   On or about December 20, 2010, defendant JAE  
3 presented approximately \$5,020 in cash for deposit into the Chase  
4 account in the name of M.O.K., dba Mattress City, ending in 9465  
5 (the "Mattress City Chase Account"), at a Chase branch in Beverly  
6 Hills, California.

7       Overt Act No. 19:   On or about December 28, 2010, defendant JAE  
8 presented fictitious check number 573325, in the amount of  
9 approximately \$4,829, purportedly drawn on a Regions Bank account in  
10 the name of Gold Image Design and Printing Co., for deposit into the  
11 Mattress City Chase Account, at a Chase branch located at 24268 El  
12 Toro Road, in Laguna Hills, California.

13       Overt Act No. 20:   On or about December 28, 2010, defendant JAE  
14 presented fictitious check number 28571, in the amount of  
15 approximately \$4,717, purportedly drawn on a Bank of Marin account in  
16 the name of Mission Distribution Center, for deposit into the  
17 Mattress City Chase Account, at a Chase branch located in Laguna  
18 Hills, California.

19       Overt Act No. 21:   On or about December 28, 2010, an unknown  
20 co-conspirator presented fictitious check number 28578, in the amount  
21 of approximately \$4,843, purportedly drawn on a Bank of Marin account  
22 in the name of Mission Distribution Center, for deposit into the  
23 Mattress City Chase Account, at a Chase branch located in Newport  
24 Beach, California.

25       Overt Act No. 22:   On or about December 29, 2010, defendant  
26 PALAFOX cashed check number 1130, made payable to defendant PALAFOX  
27 in the amount of approximately \$2,410, drawn on the Mattress City  
28 Chase Account, at a Chase branch located in Calabasas, California.

1        Overt Act No. 23:    On or about December 29, 2010, unindicted  
2 co-conspirator N.H. cashed check number 1134, in the amount of  
3 approximately \$2,400, drawn on the Mattress City Chase Account, at a  
4 Chase branch located in Agoura Hills, California.

5        Overt Act No. 24:    On or about December 29, 2010, defendant JAE  
6 attempted to negotiate a check drawn on the Mattress City Chase  
7 Account, at a Chase branch located in Westlake Village, California.

8        Overt Act No. 25:    On or about December 29, 2010, unindicted  
9 co-conspirator C.L.L. cashed check number 1131, in the amount of  
10 approximately \$2,400, drawn on the Mattress City Chase Account, at a  
11 Chase branch located in Thousand Oaks, California.

12       Overt Act No. 26:    On or about December 29, 2010, defendant  
13 M.Y. CHO cashed check number 1133, made payable to defendant M.Y. CHO  
14 in the amount of approximately \$2,440, drawn on the Mattress City  
15 Chase Account, at a Chase branch located in Thousand Oaks,  
16 California.

17       Overt Act No. 27:    On or about December 29, 2010, defendant  
18 M.Y. CHO attempted to cash check number 1129, in the amount of  
19 approximately \$2,300, drawn on the Mattress City Chase Account, at a  
20 Chase branch located in Newbury Park, California.

21       MGM Asset U.S. Bank Account Bustout

22       Overt Act No. 28:    On or about June 10, 2011, unindicted co-  
23 conspirator J.H.L. presented check number 1129, in the amount of  
24 approximately \$2,890, drawn on a Pacific City Bank account in the  
25 name of JPY777, Inc., for deposit into the U.S. Bank account in the  
26 name of MGM Asset Inc., ending in 9205 (the "MGM Asset U.S. Bank  
27 Account"), at a U.S. Bank branch located in Los Angeles, California.  
28

1        Overt Act No. 29:    On or about June 15, 2011, defendant J.Y.  
2 CHO presented fictitious check number 422883, in the amount of  
3 approximately \$2,879, purportedly drawn on a Bank of Marin account in  
4 the name of Kenmore Commercial Distribution Company, for deposit into  
5 the MGM Asset U.S. Bank Account, at a U.S. Bank branch located in  
6 North Hollywood, California.

7        Overt Act No. 30:    On or about June 15, 2011, defendant J.Y.  
8 CHO presented fictitious check number 11587, in the amount of  
9 approximately \$4,955, purportedly drawn on a Wilshire State Bank  
10 account in the name of Crownview Express Transport Co., for deposit  
11 into the MGM Asset U.S. Bank Account, at a U.S. Bank branch located  
12 in Sherman Oaks, California.

13       Overt Act No. 31:    On or about June 15, 2011, defendant J.Y.  
14 CHO presented fictitious check number 11584, in the amount of  
15 approximately \$6,815, purportedly drawn on a Wilshire State Bank  
16 account in the name of Crownview Express Transport Co., for deposit  
17 into the MGM Asset U.S. Bank Account, at a U.S. Bank branch located  
18 in Sherman Oaks, California.

19       Overt Act No. 32:    On or about June 16, 2011, defendant J.Y.  
20 CHO presented fictitious check number 5294, in the amount of  
21 approximately \$6,925, purportedly drawn on a Hanmi Bank account in  
22 the name of Streamline Leasing Services, for deposit into the MGM  
23 Asset U.S. Bank Account, at a U.S. Bank branch located in Los  
24 Alamitos, California.

25       Overt Act No. 33:    On or about June 16, 2011, defendant J.Y.  
26 CHO presented fictitious check number 4142, in the amount of  
27 approximately \$8,897, purportedly drawn on a Wilshire State Bank  
28 account in the name of Calterra Wholesale Distribution Agency, for

1 deposit into the MGM Asset U.S. Bank Account, at a U.S. Bank branch  
2 located in Los Alamitos, California.

3 Overt Act No. 34: On or about June 16, 2011, defendant J.Y.  
4 CHO presented fictitious check number 4144, in the amount of  
5 approximately \$11,950, purportedly drawn on a Wilshire State Bank  
6 account in the name of Calterra Wholesale Distribution Agency, for  
7 deposit into the MGM Asset U.S. Bank Account, at a U.S. Bank branch  
8 located in Garden Grove, California.

9 Overt Act No. 35: On or about June 16, 2011, unindicted co-  
10 conspirator J.H.L. purchased U.S. Bank cashier's check number ending  
11 in 1560, made payable to "Han Sang Lee" in the amount of  
12 approximately \$9,800, from a U.S. Bank branch located in Woodland  
13 Hills, California, with funds withdrawn from the MGM Asset U.S. Bank  
14 Account.

15 Overt Act No. 36: On or about June 16, 2011, defendant K.Y.  
16 LEE cashed check number 1007, made payable to defendant K.Y. LEE in  
17 the amount of approximately \$1,815, drawn on the MGM Asset U.S. Bank  
18 Account, at a U.S. Bank branch located in Hacienda Heights,  
19 California.

20 Overt Act No. 37: On or about June 17, 2011, defendant J.Y.  
21 CHO presented fictitious check number 5008, in the amount of  
22 approximately \$9,868, purportedly drawn on a Cathay Bank account in  
23 the name of Pacific City Wholesale and Trading, for deposit into the  
24 MGM Asset U.S. Bank Account, at a U.S. Bank branch located in La  
25 Habra, California.

26 Overt Act No. 38: On or about June 17, 2011, defendant J.Y.  
27 CHO presented fictitious check number 22748, in the amount of  
28 approximately \$9,564, purportedly drawn on a Center Bank account in

1 the name of Primeway International Logistics Co., for deposit into  
2 the MGM Asset U.S. Bank Account, at a U.S. Bank branch located in  
3 Fullerton, California.

4 Overt Act No. 39: On or about June 17, 2011, defendant K.Y.  
5 LEE presented personal identification, in the form of a Colorado  
6 driver's license in the name of "Han Sang Lee," in connection with  
7 cashing U.S. Bank cashier's check number ending in 1560, made payable  
8 to "Han Sang Lee" in the amount of approximately \$9,800, at a U.S.  
9 Bank branch located in Los Angeles, California.

10 Overt Act No. 40: On or about October 3, 2011, defendants  
11 CHUNG, M.Y. CHO, and R. LEE, together with CS1, met with attorney  
12 G.T. in Los Angeles, California, to discuss how to satisfy a written  
13 demand in the amount of approximately \$58,115.77, made on or about  
14 August 1, 2011, by U.S. Bank against unindicted co-conspirator J.H.L.  
15 for, among other things, depositing fictitious checks into the MGM  
16 Asset U.S. Bank Account.

17 J.W.L. Chase Card Account Bustout

18 Overt Act No. 41: On or about October 27, 2011, defendant CHAO  
19 presented fictitious check number 1424, in the amount of  
20 approximately \$2,300, purportedly drawn on a Woori America Bank  
21 account ending in 1673 in the name of Select Asia Imports Exchange,  
22 for credit to the Chase Freedom Card account in the name of J.W.L.,  
23 ending in 9065 (the "J.W.L. Chase Card Account"), at a Chase branch  
24 located in Los Alamitos, California.

25 Overt Act No. 42: On or about October 29, 2011, an unknown co-  
26 conspirator purchased an airline ticket ending in number 1075, in the  
27 name of passenger E.N., for an October 30, 2011 flight on US Airways  
28 from Los Angeles, California, to Philadelphia, Pennsylvania, charged

1 against the J.W.L. Chase Card Account.

2 Overt Act No. 43: On or about October 31, 2011, defendant M.Y.  
3 CHO presented fictitious check number 2622, in the amount of  
4 approximately \$2,500, purportedly drawn on a Shinhan Bank account in  
5 the name of Sallie Fashion Brands Unlimited, for credit to the J.W.L.  
6 Chase Card Account, at a Chase branch located in Los Angeles,  
7 California.

8 Overt Act No. 44: On or about November 3, 2011, defendant CHAO  
9 presented fictitious check number 21539, in the amount of  
10 approximately \$1,900, purportedly drawn on a Shinhan Bank account in  
11 the name of New Pacific Leasing Company, for credit to the J.W.L.  
12 Chase Card Account, at a Chase branch located in Los Angeles,  
13 California.

14 Overt Act No. 45: On or about November 4, 2011, defendant E.A.  
15 KIM presented fictitious check number 4412, in the amount of  
16 approximately \$2,700, purportedly drawn on a Pacific City Bank  
17 account in the name of Smart Printing & Supply Company, for credit to  
18 the J.W.L. Chase Card Account, at a Chase branch located in Los  
19 Angeles, California.

20 Overt Act No. 46: On or about November 5, 2011, at  
21 approximately 7:50 p.m. (PDT), defendant CHUNG called Chase and gave  
22 incorrect account access information in an attempt to discuss  
23 activity regarding the J.W.L. Chase Card Account.

24 Overt Act No. 47: On or about November 5, 2011, at  
25 approximately 7:55 p.m. (PDT), defendant CHUNG called Chase, gave  
26 correct account access information, and discussed account activity  
27 regarding the J.W.L. Chase Card Account.



1       Overt Act No. 48:   On or about November 8, 2011, an unknown co-  
2 conspirator directed a telephonic transfer of approximately \$3,000  
3 from a fictitious account at Woori America Bank ending in 5337 to the  
4 J.W.L. Chase Card Account.

5       XGolf Wells Fargo Account Bustout

6       Overt Act No. 49:   On or about July 2, 2011, defendant K.Y. LEE  
7 caused an advertisement to be placed in the Korean Daily newspaper  
8 that stated (as translated from Korean to English):

9       \$ Money \$ Solution \$  
10      Bank Account 6 month up to \$100,000  
11      Maxed Out Credit Card, Line of Credit, 2nd, 3rd  
12      Foreign Student, Leaving U.S. Permanently are welcome for  
13      consultation  
14      % Provide the max amount of cash for your current financial  
15      situation  
16      Speed Financing (xxx) xxx-9927

17       Overt Act No. 50:   On or about March 14, 2012, defendant E.A.  
18 KIM presented fictitious check number 21066, in the amount of  
19 approximately \$4,758, purportedly drawn on a Pacific City Bank  
20 account in the name of Superior Grand Transport Co., for deposit into  
21 the Wells Fargo account in the name of XGolf Center US Inc., ending  
22 in 7832 (the "XGolf Wells Fargo Account), at a Wells Fargo branch  
23 located in Berkeley, California.

24       Overt Act No. 51:   On or about March 14, 2012, defendant E.A.  
25 KIM presented fictitious check number 47571, in the amount of  
26 approximately \$6,858, purportedly drawn on a Charles Schwab account  
27 in the name of YJG Distribution Enterprises, for deposit into the  
28 XGolf Wells Fargo Account, at a Wells Fargo branch located in El  
Cerrito, California.

Overt Act No. 52:   On or about March 14, 2012, defendant E.A.  
KIM presented fictitious check number 47564, in the amount of

1 approximately \$9,819, purportedly drawn on a Charles Schwab account  
2 in the name of YJG Distribution Enterprises, for deposit into the  
3 XGolf Wells Fargo Account, at a Wells Fargo branch located in Pinole,  
4 California.

5 Overt Act No. 53: On or about March 15, 2012, defendant E.A.  
6 KIM presented fictitious check number 21071, in the amount of  
7 approximately \$8,965, purportedly drawn on a Pacific City Bank  
8 account in the name of Superior Grand Transport Co., for deposit into  
9 the XGolf Wells Fargo Account, at a Wells Fargo branch located in  
10 Hercules, California.

11 Overt Act No. 54: On or about March 15, 2012, defendant E.A.  
12 KIM presented fictitious check number 21069, in the amount of  
13 approximately \$9,158, purportedly drawn on a Pacific City Bank  
14 account in the name of Superior Grand Transport Co., for deposit into  
15 the XGolf Wells Fargo Account, at a Wells Fargo branch located in  
16 Vallejo, California.

17 Overt Act No. 55: On or about March 15, 2012, defendant E.A.  
18 KIM presented fictitious check number 47580, in the amount of  
19 approximately \$9,432, purportedly drawn on a Charles Schwab account  
20 in the name of YJG Distribution Enterprises, for deposit into the  
21 XGolf Wells Fargo Account, at a Wells Fargo branch located in  
22 Vallejo, California.

23 Overt Act No. 56: On or about March 15, 2012, at a Wells Fargo  
24 branch located in Brea, California, unindicted co-conspirator J.M.  
25 withdrew approximately \$17,970 in cash from the XGolf Wells Fargo  
26 Account, and purchased a bank check, ending in number 800121, made  
27 payable to defendant K.Y. LEE in the amount of approximately \$8,775,  
28 and a bank check, ending in number 800122, made payable to unindicted

1 co-conspirator J.A.S. in the amount of approximately \$9,175.

2 Overt Act No. 57: On or about March 16, 2012, defendant E.A.  
3 KIM presented fictitious check number 2012, in the amount of  
4 approximately \$8,875, purportedly drawn on a Pacific City Bank  
5 account in the name of Hoover Maintenance Company, for deposit into  
6 the XGolf Wells Fargo Account, at a Wells Fargo branch located in San  
7 Leandro, California.

8 Overt Act No. 58: On or about March 16, 2012, defendant E.A.  
9 KIM presented fictitious check number 47561, in the amount of  
10 approximately \$9,658, purportedly drawn on a Charles Schwab account  
11 in the name of YJG Distribution Enterprises, for deposit into the  
12 XGolf Wells Fargo Account, at a Wells Fargo branch located in  
13 Hayward, California.

14 Overt Act No. 59: On or about March 16, 2012, defendant E.A.  
15 KIM presented fictitious check number 47576, in the amount of  
16 approximately \$9,843, purportedly drawn on a Charles Schwab account  
17 in the name of YJG Distribution Enterprises, for deposit into the  
18 XGolf Wells Fargo Account, at a Wells Fargo branch located in  
19 Fremont, California.

20 Overt Act No. 60: On or about March 16, 2012, defendant E.A.  
21 KIM presented fictitious check number 102, in the amount of  
22 approximately \$9,765, purportedly drawn on a Nara Bank account in the  
23 name of Swiss Way Ventures, for deposit into the XGolf Wells Fargo  
24 Account, at a Wells Fargo branch located in Fremont, California.

25 Overt Act No. 61: On or about March 16, 2012, defendant E.A.  
26 KIM presented fictitious check number 47585, in the amount of  
27 approximately \$9,885, purportedly drawn on a Charles Schwab account  
28 in the name of YJG Distribution Enterprises, for deposit into the

1 XGolf Wells Fargo Account, at a Wells Fargo branch located in San  
2 Jose, California.

3 Overt Act No. 62: On or about March 16, 2012, at a Wells Fargo  
4 branch located in Riverside, California, an unknown co-conspirator  
5 withdrew approximately \$13,210 in cash from the XGolf Wells Fargo  
6 Account, and purchased a bank check, ending in number 0154, made  
7 payable to "T.P." in the amount of approximately \$13,200, to pay the  
8 rent for the residence of defendant CHUNG.

9 Overt Act No. 63: On or about March 16, 2012, at a Wells Fargo  
10 branch located in Los Angeles, California, defendant K.Y. LEE  
11 presented his California driver's license, ending in 4797, to cash a  
12 Wells Fargo bank check, ending in number 800121, in the amount of  
13 approximately \$8,775, that had been purchased with funds withdrawn  
14 from the XGolf Wells Fargo Account.

15 Overt Act No. 64: On or about March 17, 2012, at a Wells Fargo  
16 branch located in Irvine, California, unindicted co-conspirator J.M.  
17 withdrew approximately \$18,120 in cash from the XGolf Wells Fargo  
18 Account, and purchased a bank check, ending in number 600120, made  
19 payable to defendant K.Y. LEE in the amount of approximately \$9,150,  
20 and a bank check, ending in number 600121, made payable to unindicted  
21 co-conspirator J.A.S. in the amount of approximately \$8,970.

22 Overt Act No. 65: On or about March 20, 2012, at a Wells Fargo  
23 branch located in Los Angeles, California, defendant K.Y. LEE  
24 presented his California driver's license, ending in 4797, to cash a  
25 Wells Fargo bank check, ending in number 600121, made payable to  
26 defendant K.Y. LEE in the amount of approximately \$9,150, that had  
27 been purchased with funds withdrawn from the XGolf Wells Fargo  
28 Account.

1        Sistas Fashion Bank of America Account Bustout

2        Overt Act No. 66:    On or about July 11, 2012, defendant E.A.  
3 KIM presented fictitious check number 244176, in the amount of  
4 approximately \$8,716, purportedly drawn on a Morgan Stanley Smith  
5 Barney account in the name of Quantum Fund Commercial LLP, for  
6 deposit into the Bank of America account in the name of Sistas  
7 Fashion Inc., DBA CECE Fashion USA Brands, ending in 5817 (the  
8 "Sistas Fashion Bank of America Account"), at a Bank of America  
9 branch located in Dana Point, California.

10       Overt Act No. 67:    On or about July 11, 2012, defendant E.A.  
11 KIM presented fictitious check number 400641, in the amount of  
12 approximately \$8,967, purportedly drawn on a Morgan Stanley Smith  
13 Barney account in the name of Aegis Equities Management LLP, for  
14 deposit into the Sistas Fashion Bank of America Account, at a Bank of  
15 America branch located in Dana Point, California.

16       Overt Act No. 68:    On or about July 11, 2012, defendant E.A.  
17 KIM presented fictitious check number 25283, in the amount of  
18 approximately \$9,062, purportedly drawn on a Charles Schwab account  
19 in the name of Lion Crest Originals, Inc., for deposit into the  
20 Sistas Fashion Bank of America Account, at a Bank of America branch  
21 located in San Clemente, California.

22       Overt Act No. 69:    On or about July 12, 2012, defendant CHAO  
23 presented fictitious check number 24433, in the amount of  
24 approximately \$9,277, purportedly drawn on a First National Bank of  
25 Omaha account in the name of Creative Pattern Works Inc., for deposit  
26 into the Sistas Fashion Bank of America Account, at a Bank of America  
27 branch located in Laguna Hills, California.

1       Overt Act No. 70:   On or about July 12, 2012, defendant CHAO  
2 presented fictitious check number 100471, in the amount of  
3 approximately \$9,439, purportedly drawn on a Northern Trust Bank  
4 account in the name of Lambert Shoemaker Commercial LLC, for deposit  
5 into the Sistas Fashion Bank of America Account, at a Bank of America  
6 branch located in Aliso Viejo, California.

7       Overt Act No. 71:   On or about July 12, 2012, an unidentified  
8 co-conspirator presented fictitious check number 21132, in the amount  
9 of approximately \$9,798, purportedly drawn on a First National Bank  
10 of Omaha account in the name of Manchester Global Managers LLP, for  
11 deposit into the Sistas Fashion Bank of America Account, at a Bank of  
12 America branch located in Laguna Hills, California.

13       Overt Act No. 72:   On or about July 13, 2012, defendant CHAO  
14 presented fictitious check number 24436, in the amount of  
15 approximately \$9,371, purportedly drawn on a First National Bank of  
16 Omaha account in the name of Creative Pattern Works Inc., for deposit  
17 into the Sistas Fashion Bank of America Account, at a Bank of America  
18 branch located in Miramar, California.

19       Overt Act No. 73:   On or about July 13, 2012, defendant E.A.  
20 KIM presented fictitious check number 141126, in the amount of  
21 approximately \$9,371, purportedly drawn on a Morgan Stanley Smith  
22 Barney account in the name of Singh Research LLP, for deposit into  
23 the Sistas Fashion Bank of America Account, at a Bank of America  
24 branch located in New Canaan, Connecticut.

25       Overt Act No. 74:   On or about July 13, 2012, defendant CHAO  
26 presented fictitious check number 100485, in the amount of  
27 approximately \$9,445, purportedly drawn on a Northern Trust Bank  
28 account in the name of Lambert Shoemaker Commercial LLC, for deposit

1 into the Sistas Fashion Bank of America Account, at a Bank of America  
2 located in Scripps-Poway, California.

3 Overt Act No. 75: On or about July 13, 2012, defendant CHAO  
4 presented fictitious check number 21138, in the amount of  
5 approximately \$9,685, purportedly drawn on a First National Bank of  
6 Omaha account in the name of Manchester Global Managers LLP, for  
7 deposit into the Sistas Fashion Bank of America Account, at a Bank of  
8 America branch located in Poway, California.

9 Overt Act No. 76: On or about July 13, 2012, defendants CHUNG  
10 and H.J. LEE withdrew approximately \$5,000 in cash from the Sistas  
11 Fashion Bank of America Account, at a Bank of America branch located  
12 in Palm Desert, California.

13 Overt Act No. 77: On or about July 13, 2012, defendants M.Y.  
14 CHO and H.J. LEE withdrew approximately \$29,617 in cash from the  
15 Sistas Fashion Bank of America Account to fund the purchase of three  
16 cashier's checks, in the amounts of approximately \$9,700, \$19,800,  
17 and \$97, respectively, at a Bank of America branch located in Palm  
18 Springs, California.

19 Overt Act No. 78: On or about July 13, 2012, defendant CHAO  
20 caused a charge against the Sistas Fashion Bank of America Account,  
21 in the amount of approximately \$1,704, to purchase round-trip airfare  
22 to Korea on Korean Air.

23 Overt Act No. 79: On or about July 13, 2012, at a Bank of  
24 America branch located in Palm Desert, California, defendants M.Y.  
25 CHO and H.J. LEE withdrew approximately \$19,570 in cash from the  
26 Sistas Fashion Bank of America Account to fund the purchase of a  
27 cashier's check, made payable to defendant J.G. KIM in the amount of  
28 approximately \$9,700, and a cashier's check, made payable to

1 defendant AN in the amount of approximately \$9,850.

2 Aquis Trade Bank of America Account Bustout

3 Overt Act No. 80: On or about July 18, 2012, defendant E.A.  
4 KIM presented fictitious check number 27113, in the amount of  
5 approximately \$4,891, purportedly drawn on a Northern Trust Bank  
6 account in the name of Biobeauty Products Co., Inc., for deposit into  
7 the Bank of America account in the name of Aquis Trade America LLC,  
8 dba Maywood Wholesale Company, ending in 3048 (the "Aquis Trade Bank  
9 of America Account"), at a Bank of America branch located in  
10 Calimesa, California.

11 Overt Act No. 81: On or about July 19, 2012, defendant E.A.  
12 KIM presented fictitious check number 27118, in the amount of  
13 approximately \$7,862, purportedly drawn on a Northern Trust Bank  
14 account in the name of Biobeauty Products Co., Inc., for deposit into  
15 the Aquis Trade Bank of America Account, at a Bank of America branch  
16 located in Irvine, California.

17 Overt Act No. 82: On or about July 19, 2012, at a Bank of  
18 America branch located in Irvine, California, defendants M.Y. CHO and  
19 LIM purchased two cashier's checks -- a \$9,500 check made payable to  
20 defendant E.A. KIM and a \$9,700 check made payable to defendant AN --  
21 drawn against the Aquis Trade Bank of America Account.

22 Overt Act No. 83: On or about July 20, 2012, defendant CHAO  
23 presented fictitious check number 31264, in the amount of  
24 approximately \$8,739, purportedly drawn on a First National Bank of  
25 Omaha account in the name of KM Logistics Corp., for deposit into the  
26 Aquis Trade Bank of America Account, at a Bank of America branch  
27 located in Monrovia, California.



1       Overt Act No. 84:   On or about July 20, 2012, defendant CHAO  
2 presented fictitious check number 43144, in the amount of  
3 approximately \$8,916, purportedly drawn on a Swift Financial Services  
4 account in the name of Quest Strategies LLC, for deposit into the  
5 Aquis Trade Bank of America Account, at a Bank of America branch  
6 located in Arcadia, California.

7       Merano Capital Bank of America Account Bustout

8       Overt Act No. 85:   On or about December 5, 2012, an unknown co-  
9 conspirator presented fictitious check number 11044, in the amount of  
10 approximately \$6,948, purportedly drawn on a First National Bank of  
11 Omaha account in the name of LoveBeat Originals LLC, for deposit into  
12 the Bank of America account in the name of Merano Capital Holding  
13 Corporation, dba Esapperel Trading Group, ending in 1342 (the "Merano  
14 Capital Bank of America Account"), at a Bank of America branch  
15 located in Norco, California.

16       Overt Act No. 86:   On or about December 5, 2012, an unknown co-  
17 conspirator presented fictitious check number 10223, in the amount of  
18 approximately \$6,764, purportedly drawn on a Northern Trust Bank  
19 account in the name of 479 Mason Operations Partnership, LTD, for  
20 deposit into the Merano Capital Bank of America Account, at Bank of  
21 America branch located in Corona, California.

22       Overt Act No. 87:   On or about December 5, 2012, defendant AN  
23 presented fictitious check number 10224, in the amount of  
24 approximately \$7,381, purportedly drawn on a Northern Trust Bank  
25 account in the name of 479 Mason Operations Partnership, LTD, for  
26 deposit into the Merano Capital Bank of America Account, at a Bank of  
27 America branch located in Mira Loma, California.

1        Overt Act No. 88:    On or about December 6, 2012, defendant AN  
2 presented fictitious check number 11048, in the amount of  
3 approximately \$9,233, purportedly drawn on a First National Bank of  
4 Omaha account in the name of LoveBeat Originals LLC, for deposit into  
5 the Merano Capital Bank of America Account, at a Bank of America  
6 branch located in Riverside, California.

7        Overt Act No. 89:    On or about December 6, 2012, defendant AN  
8 presented fictitious check number 110226, in the amount of  
9 approximately \$8,924, purportedly drawn on a Northern Trust Bank  
10 account in the name of 479 Mason Operations Partnership, LTD, for  
11 deposit into the Merano Capital Bank of America Account, at a Bank of  
12 America branch located in Riverside, California.

13       Overt Act No. 90:    On or about December 6, 2012, defendant AN  
14 presented fictitious check number 11046, in the amount of  
15 approximately \$8,751, purportedly drawn on a First National Bank of  
16 Omaha account in the name of LoveBeat Originals LLC, for deposit into  
17 the Merano Capital Bank of America Account, at a Bank of America  
18 branch located in Riverside, California.

19       Overt Act No. 91:    On or about December 6, 2012, defendant M.Y.  
20 CHO and an unindicted co-conspirator withdrew approximately \$9,800 in  
21 cash from the Merano Capital Bank of America Account, at a Bank of  
22 America branch located in Irvine, California.

23       Overt Act No. 92:    On or about December 6, 2012, defendant M.Y.  
24 CHO and an unindicted co-conspirator withdrew approximately \$9,760 in  
25 cash from the Merano Capital Bank of America Account, to fund the  
26 purchase of a cashier's check, ending in number 730682, made payable  
27 to J.S. in the amount of approximately \$9,750, at a Bank of America  
28 branch located in Irvine, California.

1        Overt Act No. 93:    On or about December 7, 2012, defendant CHAO  
2 presented fictitious check number 41225, in the amount of  
3 approximately \$9,149, purportedly drawn on a BBVA Compass Bank  
4 account in the name of KRX Management, LLC, for deposit into the  
5 Merano Capital Bank of America Account, at a Bank of America branch  
6 located in Orange, California.

7        Overt Act No. 94:    On or about December 7, 2012, defendant CHAO  
8 presented fictitious check number 3112, in the amount of  
9 approximately \$8,839, purportedly drawn on a Pacific City Bank  
10 account in the name of SMS First Distribution Corp., for deposit into  
11 the Merano Capital Bank of America Account, at a Bank of America  
12 branch located in Orange, California.

13       Overt Act No. 95:    On or about December 7, 2012, defendant CHAO  
14 presented fictitious check number 41223, in the amount of  
15 approximately \$8,634, purportedly drawn on a BBVA Compass Bank  
16 account in the name of KRX Management, LLC, for deposit into the  
17 Merano Capital Bank of America Account, at a Bank of America branch  
18 located in Tustin, California.

19       Overt Act No. 96:    On or about December 7, 2012, defendant AN  
20 cashed check number 1620, in the amount of approximately \$2,480,  
21 drawn on the Merano Capital Bank of America Account, at a Bank of  
22 America branch located in Boynton Beach, Florida.

23       Overt Act No. 97:    On or about December 7, 2012, defendant E.A.  
24 KIM cashed check number 1627, in the amount of approximately \$2,420,  
25 drawn on the Merano Capital Bank of America Account, at Bank of  
26 America branch located in Anaheim, California.

27       Overt Act No. 98:    On or about December 7, 2012, an  
28 unidentified co-conspirator used a debit card to make a payment,

1 drawn against the Merano Capital Bank of America Account, for a  
2 purchase in the amount of approximately \$911.90, at a CVS pharmacy  
3 located in Fort Lauderdale, Florida.

4 Overt Act No. 99: On or about December 7, 2012, an  
5 unidentified co-conspirator used a debit card to make a payment,  
6 drawn against the Merano Capital Bank of America Account, for a  
7 purchase in the amount of approximately \$532.85, at a CVS pharmacy  
8 located in Fort Lauderdale, Florida.

9 Overt Act No. 100: On or about December 7, 2012, an  
10 unidentified co-conspirator used a debit card to make a payment,  
11 drawn against the Merano Capital Bank of America Account, for a  
12 purchase in the amount of approximately \$917.90, at a CVS pharmacy  
13 located in Boca Raton, Florida.

14 Overt Act No. 101: On or about December 8, 2012, defendant E.A.  
15 KIM cashed check number 1628, in the amount of approximately \$2,240,  
16 drawn on the Merano Capital Bank of America Account, at a Bank of  
17 America branch located in Marina Del Rey, California.

18 Overt Act No. 102: On or about December 8, 2012, an  
19 unidentified co-conspirator used a debit card to make a payment,  
20 drawn against the Merano Capital Bank of America Account, for a  
21 purchase in the amount of approximately \$4,989, at a Costco Wholesale  
22 located in Boca Raton, Florida.

23 Overt Act No. 103: On or about December 10, 2012, defendant  
24 E.A. KIM cashed check number 1629, in the amount of approximately  
25 \$2,160, drawn on the Merano Capital Bank of America Account, at a  
26 Bank of America branch located in Playa Vista, California.

27 Overt Act No. 104: On or about December 10, 2012, an  
28 unidentified co-conspirator caused a charge against the Merano

1 Capital Bank of America Account, in the amount of approximately \$608,  
2 for the purchase of a ticket on Spirit Airlines.

3 Overt Act No. 105: On or about December 10, 2012, an  
4 unidentified co-conspirator used a debit card to make a payment,  
5 drawn against the Merano Capital Bank of America Account, for a  
6 purchase in the amount of approximately \$500 at a Neiman Marcus  
7 located in Boca Raton, Florida.

COUNTS TWO THROUGH TWENTY-SIX

[18 U.S.C. §§ 1344, 2]

A. INTRODUCTORY ALLEGATIONS

23. The Grand Jury hereby repeats and realleges paragraphs One through 19, inclusive, and 22, of this Indictment as if fully set forth herein.

B. THE SCHEME TO DEFRAUD

24. Beginning on a date unknown to the Grand Jury, but no later than in or around February 2010, and continuing through at least in or around October 2013, in Los Angeles, Ventura, Orange, and Riverside Counties, within the Central District of California, and elsewhere, defendants CHUNG, M.Y. CHO, R. LEE, K.Y. LEE, J.G. KIM, SHIM, CHAO, JAE, PALAFOX, AN, J.Y. CHO, E.A. KIM, H.R. LEE, H.J. LEE, and LIM, and unindicted co-conspirators N.H., C.L.L., M.O.K., Y.L., Y.K., J.M., and J.H.L., together with others known and unknown to the Grand Jury, aiding and abetting one another, knowingly and with intent to defraud, devised, executed, and attempted to execute a scheme to defraud victim financial institutions as to material matters, and to obtain money, funds, credits, assets, and other property owned by and in the custody and control of each of those financial institutions by means of material false and fraudulent pretenses, representations, and promises, and the concealment of material facts.

25. The fraudulent scheme operated, in substance, in the manner described in paragraphs 20 and 21 of this Indictment.

C. THE EXECUTION OF THE SCHEME

26. On or about the following dates, within the Central District of California, and elsewhere, defendants CHUNG, M.Y. CHO, R. LEE, K.Y. LEE, J.G. KIM, SHIM, CHAO, JAE, PALAFOX, AN, J.Y. CHO, E.A.

1 KIM, H.R. LEE, H.J. LEE, and LIM committed and willfully caused  
2 others to commit the following acts, each of which constituted an  
3 execution and attempted execution of the fraudulent scheme:

COUNT	DATE	DEFENDANT(S)	ACT
TWO	3/2/10	R. LEE	Deposit of fictitious check number 5008, made payable to "J.-H.C." in the amount of approximately \$14,650.50, purportedly drawn on a Bank of America account in the name of Economy Logistics, Inc., for credit to a Bank of America account ending in 1849 in the name of J.-H.C., at a Bank of America branch located in Los Angeles, California
THREE	12/20/10	M.Y. CHO PALAFOX JAE	Deposit of approximately \$5,020 cash into the Mattress City Chase Account at a Chase branch located in Beverly Hills, California, to "prime" the account for a bustout
FOUR	12/28/10	M.Y. CHO PALAFOX JAE	Deposit of fictitious check number 573325, in the amount of approximately \$4,829, purportedly drawn on a Regions Bank account in the name of Gold Image Design and Printing Co., for credit to the Mattress City Chase Account, at a Chase branch located in Laguna Hills, California
FIVE	12/29/10	M.Y. CHO PALAFOX JAE	Cashing of check number 1130, made payable to defendant PALAFOX in the amount of approximately \$2,410, drawn on the Mattress City Chase Account, that had been credited with deposits of fictitious checks, at a Chase branch located in Calabasas, California
SIX	12/29/10	M.Y. CHO PALAFOX JAE	Cashing of check number 1133, made payable to defendant M.Y. CHO in the amount of approximately \$2,440, drawn on the Mattress City Chase Account, that had been credited with deposits of fictitious checks, at a Chase branch located in Thousand Oaks, California

COUNT	DATE	DEFENDANT(S)	ACT
SEVEN	6/15/11	J.Y. CHO	Deposit of fictitious check number 422883, in the amount of approximately \$2,879, purportedly drawn on a Bank of Marin account in the name of Kenmore Commercial Distribution Company, for credit to the MGM Asset U.S. Bank Account, at a U.S. Bank branch located in North Hollywood, California
EIGHT	6/16/11	J.Y. CHO	Deposit of fictitious check number 4142, in the amount of approximately \$8,897, purportedly drawn on a Wilshire State Bank account in the name of Calterra Wholesale Distribution Agency, for credit to the MGM Asset U.S. Bank Account, at a U.S. Bank branch located in Los Alamitos, California
NINE	6/17/11	K.Y. LEE	Cashing of U.S. Bank cashier's check ending in 1560, made payable to "Han Sang Lee" in the amount of approximately \$9,800, that had been purchased with funds withdrawn from the MGM Asset U.S. Bank Account, that had been credited with the deposits of fictitious checks, at a U.S. Bank branch located in Los Angeles, California
TEN	6/29/11	SHIM	Deposit of fictitious check number 2116, in the amount of approximately \$18,800, drawn on a Hanmi Bank account in the name of Pro-Choice Custom Interiors, for credit to a Bank of America account ending in 2179 in the name of J-Rock Construction Co., at a Bank of America branch located in Westminster, California



COUNT	DATE	DEFENDANT (S)	ACT
ELEVEN	6/29/11	SHIM	Deposit of fictitious check number 2115, in the amount of approximately \$8,700, drawn on a Hanmi Bank account in the name of Pro-Choice Custom Interiors, for credit to a Bank of America account ending in 2179 in the name of J-Rock Construction Co., at a Bank of America branch located in Los Alamitos, California
TWELVE	10/27/11	CHAO	Deposit of fictitious check number 1424, in the amount of approximately \$2,300, purportedly drawn on a Woori America Bank account in the name of Select Asia Imports Exchange, for credit to the J.W.L. Chase Card Account, at a Chase branch located in Los Alamitos, California
THIRTEEN	11/4/11	E.A. KIM	Deposit of fictitious check number 4412, in the amount of approximately \$2,700, purportedly drawn on a Pacific City Bank account in the name of Smart Printing & Supply Company, for credit to the J.W.L. Chase Card Account, at a Chase branch located in Los Angeles, California
FOURTEEN	11/5/11	CHUNG	Telephone call to Chase Bank during which defendant CHUNG falsely provided mother's maiden name to inquire about activity for the J.W.L. Chase Card Account
FIFTEEN	1/20/12	H.R. LEE	Cashing of a Bank of America cashier's check ending in 8377, made payable to defendant H.R. LEE in the amount of approximately \$7,800, that had been purchased with funds withdrawn from a Bank of America account ending in 5528 in the name of D.L. that had been credited with the deposits of fictitious checks, at a Bank of America branch located in Los Angeles, California

COUNT	DATE	DEFENDANT(S)	ACT
SIXTEEN	1/23/12	H.R. LEE	Cashing of a Bank of America cashier's check ending in 6542, made payable to "Aisha Tai" in the amount of approximately \$9,750, that had been purchased with funds withdrawn from a Bank of America account ending in 3244 in the name of D.L., that had been credited with the deposits of fictitious checks, at a Bank of America branch located in Westchester, California
SEVENTEEN	3/16/12	CHUNG	Withdrawal of approximately \$13,210 cash from the XGolf Wells Fargo Account, to fund a Wells Fargo bank check ending in 0154, made payable to "T.P." in the amount of approximately \$13,200, that had been credited with the deposits of fictitious checks, at a Wells Fargo branch located in Riverside, California
EIGHTEEN	3/16/12	K.Y. LEE	Cashing of a Wells Fargo bank check ending in 800121, made payable to defendant K.Y. LEE in the amount of approximately \$8,775, that had been purchased with funds withdrawn from the XGolf Wells Fargo Account, that had been credited with the deposits of fictitious checks, at a Wells Fargo branch located in Los Angeles, California
NINETEEN	3/20/12	K.Y. LEE	Cashing of a Wells Fargo bank check ending in 600121, made payable to defendant K.Y. LEE in the amount of approximately \$9,150, that had been purchased with funds withdrawn from the XGolf Wells Fargo Account, that had been credited with the deposits of fictitious checks, at a Wells Fargo branch located in Los Angeles, California

COUNT	DATE	DEFENDANT(S)	ACT
TWENTY	7/11/12	E.A. KIM	Deposit of fictitious check number 244176, in the amount of approximately \$8,716, purportedly drawn on a Morgan Stanley Smith Barney account in the name of Quantum Fund Commercial LLP, for credit to the Sistas Fashion Bank of America Account, at a Bank of America branch located in Dana Point, California
TWENTY-ONE	7/13/12	CHUNG H.J. LEE	Withdrawal of approximately \$5,000 cash from the Sistas Fashion Bank of America Account, that had been credited with the deposits of fictitious checks, at a Bank of America branch located in Palm Desert, California
TWENTY-TWO	7/13/12	M.Y. CHO H.J. LEE	Withdrawal of approximately \$29,597 cash from the Sistas Fashion Bank of America Account, that had been credited with the deposits of fictitious checks, at a Bank of America branch located in Palm Springs, California
TWENTY-THREE	7/13/12	M.Y. CHO H.J. LEE J.G. KIM AN	Withdrawal of approximately \$19,570 cash from the Sistas Fashion Bank of America Account to purchase a cashier's check, made payable to defendant J.G. KIM in the amount of approximately \$9,700, and a cashier's check, made payable to defendant AN in the amount of approximately \$9,850, that had been credited with the deposits of fictitious checks, at a Bank of America branch located in Palm Desert, California
TWENTY-FOUR	12/5/12	AN	Deposit of fictitious check number 10224, in the amount of approximately \$7,381, purportedly drawn on a Northern Trust Bank account in the name of 479 Mason Operations Partnership, LTD, for credit to the Merano Capital Bank of America Account, at a Bank of America branch located in Mira Loma, California

COUNT	DATE	DEFENDANT(S)	ACT
TWENTY-FIVE	10/16/13	LIM	Deposit of fictitious check number 1748, in the amount of approximately \$19,560, purportedly drawn on a Pacific City Bank account in the name of Polysew Pattern Manufacturers LLC, for credit to a Bank of America account ending in 3525 in name of Aamtech Enterprises, Inc., at a Bank of America branch located in Woodland Hills, California
TWENTY-SIX	10/16/13	LIM	Deposit of fictitious check number 42116, in the amount of approximately \$28,349, purportedly drawn on a BBCN Bank account in the name of Aero Systems Engineering Corp., for credit to a Bank of America account ending in 3525 in name of Aamtech Enterprises, Inc., at a Bank of America branch located in Woodland Hills, California

FORFEITURE ALLEGATION

[18 U.S.C. § 981(a)(1)(C), 18 U.S.C. § 982(a)(2)(A),  
and 28 U.S.C. § 2461(c)]

27. Pursuant to Rule 32.2 of the Federal Rules of Criminal Procedure, notice is hereby given to defendants CHUNG, M.Y. CHO, R. LEE, K.Y. LEE, J.G. KIM, SHIM, CHAO, JAE, PALAFOX, AN, J.Y. CHO, E.A. KIM, H.R. LEE, H.J. LEE, and LIM (collectively, the "defendants") that the United States of America will seek forfeiture as part of any sentence in accordance with Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(2)(A), and Title 28, United States Code, Section 2461(c), in the event of any defendant's conviction under any of Counts One through Twenty-Six of this Indictment.

28. Defendants shall forfeit to the United States of America the following property:

a. All right, title, and interest in any and all property, real or personal, constituting, or derived from, any proceeds obtained, directly or indirectly, as a result of any offense set forth in any of Counts One through Twenty-Six of this Indictment; and

b. A sum of money equal to the total value of the property described in subparagraph a. For each of Counts One through Twenty-Six for which more than one defendant is found guilty, each such defendant shall be jointly and severally liable for the entire amount forfeited pursuant to that Count.

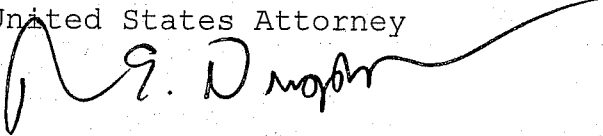
29. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b), and Title 28, United States Code, Section 2461(c), each defendant shall forfeit substitute property, up to the total value of the property described in the preceding paragraph if, as the result of any act or

1 omission of a defendant, the property described in the preceding  
2 paragraph, or any portion thereof (a) cannot be located upon the  
3 exercise of due diligence; (b) has been transferred, sold to, or  
4 deposited with a third party; (c) has been placed beyond the  
5 jurisdiction of the court; (d) has been substantially diminished in  
6 value; or (e) has been commingled with other property that cannot be  
7 divided without difficulty.

8 A TRUE BILL

9  
10 151  
Foreperson

11 ANDRÉ BIROTTE JR.  
12 United States Attorney

13   
14 ROBERT E. DUGDALE  
15 Assistant United States Attorney  
Chief, Criminal Division

16 RICHARD E. ROBINSON  
17 Assistant United States Attorney  
Chief, Major Frauds Section

18 ELIZABETH R. YANG  
19 Assistant United States Attorney  
Chief, Violent and Organized Crime Section

20 STEPHEN A. CAZARES  
21 Assistant United States Attorney  
Deputy Chief, Major Frauds Section

22 MARK AVEIS  
23 Assistant United States Attorney  
Major Frauds Section

24 MICHAEL DORE  
25 Assistant United States Attorney  
Violent and Organized Crime Section