

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Crim. No. 18-
 :
 v. : 18 U.S.C. § 1343
 : 15 U.S.C. §§ 80b-6 and 80b-17
 GARY BASRALIAN : 18 U.S.C. § 2

INFORMATION

The defendant having waived in open court prosecution by indictment, the United States Attorney for the District of New Jersey, charges:

COUNT ONE
(Wire Fraud)

1. At all times relevant to this Information:
 - a. Defendant GARY BASRALIAN (“BASRALIAN”) was a resident of New Jersey and was a registered broker who provided investment adviser services to clients. He received compensation for advising individuals about investing in, purchasing, or selling securities, among other things. From in or about 1989 until in or about December 2017, BASRALIAN was registered with the Financial Industry Regulatory Authority (“FINRA”) as working at Securities Firm A.
 - b. Securities Firm A was a registered investment adviser and broker-dealer with its principal place of business in Jersey City, New Jersey. Securities Firm A provided a broker-dealer platform for over 2,000 independent financial advisers across the United States.

The Scheme to Defraud

2. From in or around July 2007 through in or around November 2017, in the District of New Jersey and elsewhere, defendant

GARY BASRALIAN

did knowingly and intentionally devise and intend to devise a scheme and artifice to defraud his clients and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, as set forth more fully below.

Object of the Scheme

3. The object of the scheme was for BASRALIAN to profit unlawfully by misappropriating client funds that he was to invest and instead using those client funds for his own personal expenditures.

Manner and Means of the Scheme

4. It was part of the scheme that BASRALIAN made numerous material misrepresentations to the victim clients, including that he would invest their money through brokerage accounts at Securities Firm A or in real estate and high-interest loans, and that he would manage these investments on behalf of the victims.

5. It was further part of the scheme that BASRALIAN directed victim clients to address checks intended for investment accounts at Securities Firm A to accounts he controlled.

6. It was further part of the scheme that BASRALIAN wired funds from at least one victim client's investment account at Securities Firm A into various accounts that he controlled.

7. It was further part of the scheme that BASRALIAN did not use the victim clients' money as he had promised them he would. Rather, he diverted their money to his own personal use, including by paying hundreds of thousands of dollars to American Express for credit cards in his name; making thousands of dollars in car payments, including payments to BMW; and paying thousands of dollars toward his mortgage.

8. It was further part of the scheme that when certain victim clients inquired about the status of their investments, BASRALIAN made additional material misrepresentations, falsely assuring them that their money was invested in real estate, high-interest loans, or securities through Securities Firm A. In fact, BASRALIAN had already spent the victim clients' money.

Execution of the Scheme

9. On or about July 12, 2017, in the District of New Jersey and elsewhere, for the purpose of executing and attempting to execute this scheme and artifice to defraud, defendant

GARY BASRALIAN

did knowingly and intentionally transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce writings, signs, signals, pictures, and sounds, namely, an electronic wire transfer of approximately \$10,000 that BASRALIAN had misappropriated from a victim

client's account at Securities Firm A to a bank account controlled by
BASRALIAN, which was processed through servers in Texas and New Jersey.

In violation of Title 18, United States Code, Section 1343 and Section 2.

COUNT TWO
(Investment Adviser Fraud)

10. The allegations set forth in paragraph 1 and paragraphs 3 through 8 of Count One of this Information are repeated and realleged as if fully set forth herein.

11. From in or around July 2007 through in or around August 2017, in the District of New Jersey and elsewhere, defendant

GARY BASRALIAN

an investment advisor, did knowingly and willfully use means and instrumentalities of interstate commerce, directly and indirectly: (a) to employ a device, scheme, and artifice to defraud clients and prospective clients; (b) to engage in a transaction, practice, and course of business which operated as a fraud or deceit upon clients and prospective clients; and (c) to engage in an act, practice, and course of business which was fraudulent, deceptive, and manipulative, namely, that BASRALIAN, in his capacity as an investment adviser, fraudulently obtained money and property from victim clients by falsely claiming that the funds were used or would be used for investments on behalf of victim clients, when, in fact, the money was diverted into accounts controlled by BASRALIAN and spent on his personal expenditures.

In violation of Title 15, United States Code, Sections 80b-6 and 80b-17; and Title 18, United States Code, Section 2.

FORFEITURE ALLEGATION

1. The allegations contained in this Information are incorporated by reference as though set forth in full herein for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981 and Title 28, United States Code, Section 2461.

2. As a result of committing the offense charged in Count One of this Information, defendant

GARY BASRALIAN

shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981 and Title 28, United States Code, Section 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the said offense, and all property traceable thereto.

Substitute Assets Provision

3. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third person;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.



CRAIG CARPENITO
United States Attorney

CASE NUMBER:

**United States District Court
District of New Jersey**

UNITED STATES OF AMERICA

v.

GARY BASRALIAN

**INFORMATION
FOR**

18 U.S.C. § 1343
15 U.S.C. §§ 80b-6 and 80b-17
18 U.S.C. § 2

CRAIG CARPENITO

*U.S. ATTORNEY
NEWARK, NEW JERSEY*

COURTNEY A. HOWARD
*ASSISTANT U.S. ATTORNEY
(973) 645-2859*
