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RENO JUSTICE COURT
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DEPUTY

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15 IN THE JUSTICE COURT OF RENO TOWNSHIP

16 IN AND FOR THE COUNTY OF WASHOE, STATE OF NEVADA

17 STATE OF NEVADA,

18 Plaintiff,

19 v.

20 GEORGE C. GEORGE,

21 Defendant.

RCR 2013 073511
Case No.

Dept. No. U

22 AFFIDAVIT OF PROBABLE CAUSE IN SUPPORT OF
23 CRIMINAL COMPLAINT AND ISSUANCE OF WARRANT

24 STATE OF NEVADA)
25 COUNTY OF WASHOE) ss:

26 I, JACLYN O'MALLEY, do hereby swear under penalty of perjury that the assertions of
27 this affidavit are true:

28 That I am employed by the Office of the Nevada Attorney General as a mortgage fraud
investigator.

As an investigator, your Affiant learned the following facts, which led your Affiant to
believe that GEORGE C. GEORGE (hereinafter "GEORGE") committed the felony offenses of,

Office of the Attorney General
5420 Kietzke Lane, Suite 202
Reno, NV 89511

1 THEFT in violation of NRS 205.0832(1)(b); THEFT in violation of NRS 205.0832(1)(c);
2 OBTAINING MONEY UNDER FALSE PRETENSES IN THE COURSE OF A
3 TECHNOLOGICAL CRIME in violation of NRS 205.380, as defined by NRS 205A.030 and
4 NRS 179.1217; and, MORTGAGE FRAUD in violation of NRS 205.372(1); which occurred on
5 or between July 1, 2011 and March 30, 2012, in Washoe County, State of Nevada.

6 This Affidavit is made of my own personal knowledge, except where stated on
7 information and belief, and as to those matters, I believe them to be true, and if called as a
8 witness, I could competently testify thereto. In support of the assertion to constitute the
9 existence of probable cause for the requested warrant, the following facts are offered:

10 1. Your Affiant received three separate mortgage fraud complaints from Nevada
11 citizens alleging they paid GEORGE upfront fees to help the trio either purchase a home, or to
12 lower/modify their mortgage loans but then provided no services.

13 2. Your Affiant conducted an investigation on GEORGE and found that he is a
14 convicted felon and frequent gambler who years ago caught the attention of the FBI, Las
15 Vegas Metro Police Department, Reno Police Department, Washoe County Sheriff's Office,
16 and California Department of Justice. These agencies have all been investigating victims'
17 claims, at different times, that GEORGE stole their money in similar real estate, business, and
18 prostitution scams.

19 3. Your Affiant found that GEORGE is a citizen of Israel with an Israeli passport and he
20 is currently eligible for removal by Homeland Security. He was locally known as a high roller
21 gambler who befriended employees of various casinos. These employees later referred their
22 friends and relatives to GEORGE, before they realized he was stealing money. All victims
23 believed GEORGE was helping them complete real estate or mortgage deals.

24 4. Between July 1, 2011 and March 30, 2012, casinos in Nevada, especially Reno,
25 reported that GEORGE was gambling tens of thousands of dollars during almost daily visits.

26 5. Your Affiant found that GEORGE does not currently hold, nor has ever held a
27 professional license related to mortgage lending, mortgage repair or real estate activity in
28 California or Nevada. He is also not listed as the owner, resident agent, or officer of any

1 business licensed in Nevada or California.

2 **CHRONOLOGICAL ORDER OF VICTIMS**

3 **Victim 1 - KIRSTEN SORENSEN, 52, of Reno.**

4 6. KIRSTEN SORENSEN, hereinafter "SORENSEN," is a resident of Washoe County
5 who owns horse property in Washoe County located at 2955 Rhodes Road, Reno, Nevada
6 89521.

7 7. SORENSEN was introduced to GEORGE by her friend, Jerry Daane, who is a VIP
8 Services Director at the Peppermill Hotel Spa & Casino in Reno. Jerry Daane had known
9 GEORGE for years as a regular gambler and customer of the Peppermill Hotel Spa & Casino.

10 8. At the time SORENSEN was introduced to GEORGE in July 2011, she said she was
11 in the process of divorcing, and seeking a buyer to purchase a horse property she owned at
12 2955 Rhodes Road, Reno with her now ex-husband, Thomas Sorensen. The property also
13 served as the location for her business, Big Air Riding Academy. The business is a horse barn
14 and riding center. SORENSEN had been trying to sell the property since May 2009.

15 9. GEORGE made a verbal agreement with SORENSEN that he would purchase her
16 horse property for \$3.5 million on behalf of the sheik, "Amir." Her asking price was \$2.75
17 million. GEORGE said "Amir" would pay a higher purchase price to maintain high property
18 values in the area. GEORGE promised SORENSEN the deal would take three to four days to
19 complete. GEORGE claimed that the deal would be complete when "Amir" wired the \$3.5
20 million into SORENSEN'S bank account.

21 10. SORENSEN said that while GEORGE explained how he calculated her fees on his
22 phone, she did not fully understand his explanations. The highlight of the conversation was
23 that he claimed that she would save money in the long run by paying these fees.

24 11. Due to SORENSEN'S self-admitted ignorance on real estate transactions,
25 especially involving foreign buyers, she said she relied on GEORGE to guide her through the
26 process. SORENSEN said she trusted him and his expertise. She also was comforted that
27 Jerry Daane had known GEORGE for a long time, and was a known high roller.

28 12. GEORGE told SORENSEN that the sheik wanted to turn her property into an

1 equestrian center, and then sell it for profit after renovations were made. He also told her that
2 the sheik wanted to buy property surrounding SORENSEN'S horse riding center.

3 13. GEORGE said "Amir" was willing to pay SORENSEN more than her asking price
4 because that would keep the property values high in the area. This was important because he
5 said "Amir" would be able to sell the properties later for more money.

6 14. SORENSEN said the deal was based on the requirement that she ultimately pay
7 GEORGE \$175,000.00 in upfront fees to be used for taxes and overseas wiring costs related
8 to the sale of her property to the sheik. GEORGE assured her the fees were insignificant
9 since "Amir" was going to pay her nearly \$1 million more for the property than her asking price.

10 15. SORENSEN and GEORGE exchanged a series of computer or cellular phone
11 generated text messages discussing the supposed deal with "Amir." The statements made by
12 GEORGE in these text messages proved to be false.

13 16. GEORGE told SORENSEN that he needed \$59,485.00 in cash immediately in order
14 to pay some "up front fees, taxes and overseas wiring costs" in order to expedite the sale on
15 the horse property.

16 17. On July 13, 2011, and July 26, 2011, GEORGE drove SORENSEN in his vehicle to
17 the Wells Fargo bank branch locations at the Meadowood Mall at 5100 Neil Road, and 5340
18 Kietzke Lane where SORENSEN withdrew GEORGE'S cash payments. She withdrew
19 \$50,000.00 and gave the cash to GEORGE. Later on the same day, SORENSEN and
20 GEORGE went to the Kietzke Lane Wells Fargo bank branch and cashed a check for
21 \$9,485.00. She gave the cash to GEORGE.

22 18. There are bank surveillance photos from July 13, 2011, and July 26, 2011, that
23 show GEORGE and SORENSEN at the bank teller's desk while SORENSEN was withdrawing
24 cash. GEORGE is seen putting the money SORENSEN withdrew into his pocket in one photo
25 dated July 26, 2011.

26 19. On July 18, 2011, five days after receiving the \$59,485.00 from SORENSEN,
27 GEORGE purchased a 2011 Nissan Murano sports utility vehicle in Colma, California for
28 \$39,255.00 cash. Later GEORGE told SORENSEN that he had just purchased the vehicle,

1 along with two or three other cars. SORENSEN did not authorize GEORGE to purchase any
2 vehicles with the money she had given him.

3 20. GEORGE told SORENSEN that he needed an additional \$66,000.00 in cash
4 immediately, in order to pay some "additional upfront fees, taxes and overseas wiring costs" in
5 order to expedite the sale on the horse property.

6 21. On July 26, 2011, SORENSEN and GEORGE went to the Wells Fargo bank branch
7 at the Meadowood Mall and withdrew \$66,000.00. She gave the cash to GEORGE.

8 22. Sometime prior to SORENSEN'S payment to GEORGE on July 26, 2011,
9 SORENSEN said that GEORGE visited her business. He asked a lot of questions, she said,
10 and showed great interest. At that time, SORENSEN still believed GEORGE and the deal
11 were legitimate because he seemed to have a large knowledge of local Reno history, name-
12 dropped local residents, and boasted of his overseas travels and accomplishments as a
13 successful restaurant owner in Texas.

14 23. SORENSEN remained charmed by the deal because GEORGE promised that after
15 "Amir" purchased the barn, the business would remain open, and "Amir" would keep all of
16 SORENSEN'S employees on staff. She was worried her employees would be jobless. He
17 also said he would pay SORENSEN to remain with the business.

18 24. A few days after paying GEORGE on July 26, 2011, SORENSEN said GEORGE
19 called her and demanded she pay him a \$78,000.00 commission. SORENSEN said he had
20 already told her that "Amir" had paid his commission. SORENSEN said she refused
21 GEORGE'S demand and asked how he could collect a commission on a deal that had yet to
22 go through. A man then called her on a blocked phone number claiming to be "Amir." The
23 voice on the phone told her that she owed another \$49,000.00 in fees.

24 25. As a result of this conversation, SORENSEN then told GEORGE she wanted out of
25 the deal and wanted a refund. GEORGE called SORENSEN soon after and told her that he
26 would fly his unnamed assistant to Reno on August 5, 2011. During that time, GEORGE
27 promised that all three would go to a "tax office" to see if the money SORENSEN had already
28 paid was still available for the purposes of a refund.

1 26. Neither GEORGE nor his "assistant appeared on August 5, 2011, and after that
2 date, GEORGE broke off all further contact with SORENSON.

3 27. On August 5, 2011, SORENSEN texted GEORGE this message on her cellular
4 phone: "George how could you do this to me??? Please return all my money ... how can you
5 even look at yourself in the mirror this morning? I'm heartbroken and can only thank myself for
6 being so naive, stupid and trustworthy."

7 28. SORENSEN closed her business in May 2013 because she could no longer afford
8 to keep it open. She said the money she lost to GEORGE has contributed to its closure.

9 29. As a result of my investigation, your Affiant discovered the following transfers of
10 money between SORENSEN and GEORGE as part of the scheme:

11 A. July 13, 2011 - SORENSEN and GEORGE went to a Wells Fargo bank branch at
12 the Meadowood Mall. SORENSEN withdrew \$50,000 and gave it to GEORGE.

13 B. On the same day, July 13, 2011, SORENSEN and GEORGE went to the Kietzke
14 Lane Wells Fargo bank branch and cashed a check for \$9,485. SORENSEN gave
15 the cash to GEORGE.

16 C. July 26, 2011 - SORENSEN and GEORGE went to the Wells Fargo bank branch at
17 the Meadowood Mall and withdrew \$66,000.00. SORENSEN gave the cash to
18 GEORGE.

19 30. GEORGE did not make any of the payments on behalf of SORENSON as
20 promised. GEORGE did not return or otherwise account for any monies paid by SORENSEN,
21 for a total loss to SORENSON in the amount of \$125,485.00. "Amir," who probably does not
22 exist, nor anyone else, purchased the horse property from SORENSON.

23 **Victim 2 - MARICRIS ESTORES, 29, of Reno.**

24 31. MARICRIS ESTORES, hereinafter "ESTORES," is a resident of Washoe County
25 who works at the Atlantis Hotel Spa and Casino. ESTORES is the single mother of two
26 children.

27 32. ESTORES met GEORGE in late 2011, while she was working in the VIP office of
28 the Atlantis Hotel Spa and Casino in Reno. GEORGE was a casino VIP and known to gamble

1 large amounts of money there during the past several years.

2 33. ESTORES had always lived in an apartment and had not previously owned any
3 homes. GEORGE approached ESTORES at the Atlantis during her work shift sometime on
4 October 28, 2011. She said GEORGE asked her if she were interested in buying a home. He
5 said that the economic conditions were perfect for a first-time buyer, like ESTORES.
6 GEORGE'S solicitation made ESTORES excited about purchasing a home.

7 34. GEORGE represented to ESTORES that he was a successful, professional real
8 estate agent and mortgage broker. He claimed he could help her through his various
9 connections in the financial and real estate world.

10 35. Many of the discussions ESTORES had with GEORGE about the home purchase
11 were through computer or cellular telephone text messages between October 28, 2011, and
12 January 21, 2012. ESTORES used GEORGE'S cell phone number, (650) 892-8440, to call
13 him and exchange text messages as that was the only way to communicate with him.

14 36. ESTORES told GEORGE that the only money she had was in a 401K retirement
15 plan. GEORGE told her he would navigate her through the steps of withdrawing money (early)
16 from her retirement plan for the purpose of purchasing a home. GEORGE convinced her that
17 he could easily help her purchase a home, and obtain an affordable mortgage. GEORGE
18 asked her for \$2,500.00 to get the process going.

19 37. On October 28, 2011, ESTORES wrote GEORGE a check for \$2,500 for what he
20 said was an "earnest fee." ESTORES said GEORGE then gave her a receipt for the "earnest
21 fee" which was a document titled "Residential Purchase Agreement." The form had Realtor
22 and Greater Las Vegas Association of Realtors insignias on it, which ESTORES perceived as
23 a legitimate, real estate document. The "Residential Purchase Agreement" states that she
24 paid a \$2,500.00 "earnest money deposit." The document states the home purchase
25 agreement is contingent upon "buyer" qualifying for a new loan on the conditions of
26 \$135,000.00 at a 30-year fixed rate not to exceed 3.99 percent. It also stated that ESTORES
27 would pay the balance of the purchase price "cash in full" at close of escrow.

28 38. On October 31, 2011, ESTORES sent a cellular telephone text to GEORGE stating

1 that she is worried she will be broke if she goes through this deal. GEORGE responds: "...you
2 want (sic) be broke I can always buy crazy glue put u back together."

3 39. Throughout the next few days, the pair shared computer or cellular telephone
4 generated text messages. In these texts, GEORGE requested that ESTORES pay another
5 \$1,620.00 for fees related to home inspections and property tax. On October 31, 2011,
6 ESTORES gave GEORGE \$1,000.00 cash.

7 40. On October 31, 2011, GEORGE gave ESTORES a document titled "Offer and
8 Acceptance Agreement for Residential Property." The document also carried professional real
9 estate associations' insignias. The agreement was for ESTORES to purchase 1380 York Way
10 in Sparks. ESTORES said she was not and never had been interested in buying that home,
11 rather, ESTORES told GEORGE that she was interested in purchasing a house located at
12 2860 N. Escondido Court, Reno, Nevada 89502. GEORGE told her it was just to start the
13 process for obtaining her loan.

14 41. GEORGE did not give ESTORES any information about who would be funding her
15 loan. She also did not fill out any loan paperwork. GEORGE also told her to refer to him as
16 "Nick from California" if she spoke about the home purchase deal he was supposedly doing on
17 her behalf.

18 42. On November 4, 2011, ESTORES withdrew \$620 from her bank account and gave
19 the cash to George. ESTORES gave GEORGE the money when he arrived at the Atlantis
20 where he stayed as a guest.

21 43. A few days later GEORGE directed ESTORES to find a realtor who works at Desert
22 Diamonds Realty, Inc., in downtown Reno. GEORGE advised her to tell the realtor she
23 wanted to purchase a home for cash. ESTORES told GEORGE she wanted to purchase the
24 Escondido Court home. She said he told her "I will work on it."

25 44. GEORGE then directed ESTORES to give him \$4,000.00 in cash that he said he
26 would use as a down payment on the Escondido Court home. On November 15, 2011,
27 ESTORES made two electronic bank transfers to GEORGE'S Bank of America account
28 number 000861120299. One transfer was \$1,240.00, while the other was \$2,760.00, for a

1 total down payment of \$4,000.00 that GEORGE had requested.

2 45. George responds to ESTORES' question about the loan for the Escondido home on
3 November 14, 2011: "Yes as I did the loan before now we applying it towards the house u
4 want now we working on the deal between us and the owners bank we have a contract to be
5 applied now it's our people will get it done..."

6 46. On November 15, 2011, after ESTORES paid GEORGE the \$4,000.00 down
7 payment through electronic bank transfers to his account, ESTORES texted GEORGE:
8 "...please no more — im so broke. What's next?"

9 47. On November 25, 2011, ESTORES texts GEORGE that she is fearful of not getting
10 the Escondido Court home. Her worries stem from learning that a sale is pending for the
11 home, and concerns her husband has brought forward. GEORGE replies: The house is yours
12 let us finish the process just don't tell anyone anything anymore.

13 48. Throughout the next several weeks, GEORGE texts ESTORES with excuses or
14 says he will contact her, but fails to do so.

15 49. On December 23, 2011, ESTORES looked at the Washoe County Assessor's Web
16 site. She looked up the Escondido Court home she believed GEORGE was helping her
17 purchase. ESTORES saw that the home was sold on December 16, 2011, to someone else.

18 50. On December 23, 2011, ESTORES texts GEORGE that she learned that the
19 Escondido house was sold. He responded the following day with this: "...just to explain to you
20 when it's private lending they do double or triple flips so they can get the price down to the best
21 number we want so it becomes to your advantage so we cover the numbers we needed to
22 insure our money it's deals to be made with multi banks and corporations so it can be
23 completed legally."

24 51. Despite the discovery, ESTORES was still convinced by GEORGE that she could
25 move in by January 14, 2012, and he would provide her keys to the home. He gave her a
26 number of excuses. She said he told her "everything is OK. Nothing to worry about."
27 ESTORES then demanded a refund.

28 52. GEORGE texted ESTORES that she needed to send him a refund request in

1 writing. ESTORES then wrote a lengthy e-mail to GEORGE that included a timeline of events
2 that occurred in the real estate deal, and why she was not satisfied. In follow-up texts that day
3 GEORGE wrote: "I followed bank procedures like we always do follow their request submitted
4 everything they asked for when requested." GEORGE later texts ESTORES on December 29,
5 2011, that ESTORES can't go to the bank with him to get the refund money because she is a
6 "consumer" and "I represent the bank and I pass things on legally." He claimed that he has
7 \$89,000.00 "on the line" and he has to follow procedures.

8 53. On January 17, 2012, GEORGE claimed that he was in a meeting with "the bank"
9 regarding the home purchase for ESTORES. GEORGE does not text her back.

10 54. On January 20, 2012, ESTORES told GEORGE she wanted her money back. He
11 responded that she needed to fill out a form so he can release the money. GEORGE said he
12 would fax the form to her. GEORGE then texted ESTORES that she needed to send him an
13 e-mail requesting a refund.

14 55. GEORGE then texted ESTORES that he received her letter, but claimed it was not
15 correctly written. GEORGE said he would have to let her know the correct procedure. After
16 ESTORES told him she was contacting an attorney, GEORGE texted "I can't believe u
17 threatened me."

18 56. ESTORES relied on GEORGE'S representations of his professional abilities and
19 success, as well as his reputation at the Atlantis, when she agreed to pay GEORGE to help
20 her obtain an affordable home and mortgage. When ESTORES ultimately realized GEORGE
21 performed no services for her, she asked for her money back. GEORGE then stopped
22 communications with ESTORES.

23 57. As a result of my investigation, your Affiant discovered the following transfers of
24 money between ESTORES and GEORGE as part of the scheme:

- 25 A. October 28, 2011 - ESTORES wrote GEORGE a check for \$2,500.00 for what he
26 called an "earnest fee."
27 B. October 31, 2011 - ESTORES paid GEORGE \$1,000.00 cash to be included in fees
28 for home inspection and property taxes.

1 C. November 4, 2011 - ESTORES paid GEORGE \$620.00 cash to be included in fees
2 for home inspection and property taxes.

3 D. November 15, 2011 - ESTORES paid GEORGE \$1,240.00 through an electronic
4 wire transfer to his Bank of America account to be included for a down payment on a
5 home.

6 E. November 15, 2011 - ESTORES paid GEORGE \$2,760.00 through an electronic
7 wire transfer to his Bank of America account to be included for a down payment on
8 a home.

9 58. GEORGE did not make any of the payments on behalf of ESTORES as promised.
10 GEORGE did not return or otherwise account for any monies paid by ESTORES for a total
11 loss to ESTORES in the amount of \$8,120.00.

12 **Victim 3 - CYNDI DANIELS, 44, of Reno.**

13 59. CYNDI DANIELS, hereinafter "DANIELS," is a resident of Washoe County who
14 works at the Atlantis Hotel Spa and Casino. DANIELS is the single mother of two children who
15 works as a casino host for John Ascuaga's Nugget. Prior to DANIELS working there in March
16 2011, she had been a casino host at the Atlantis Hotel Casino and Spa. DANIELS knew
17 GEORGE from her employment at both casinos. In both jobs, DANIELS knew GEORGE to be
18 a high roller. She said she has known GEORGE for years and had a friendly relationship with
19 him.

20 60. In March 2011, DANIELS left the Atlantis and began working at John Ascuaga's
21 Nugget in Sparks, Nevada. She said that she saw GEORGE at John Ascuaga's Nugget during
22 her work shifts and they continued their friendly relationship. Sometimes they would have
23 lunch together, which DANIELS said is common practice between casino hosts and high
24 rollers.

25 61. GEORGE claimed to DANIELS that he was a real estate broker from California who
26 was in Reno/Sparks often on business, where he would purchase homes for cash at public
27 auctions. GEORGE told DANIELS he flipped the homes, and then received a broker fee.
28 GEORGE also claimed to DANIELS that he was a former successful restaurateur and night

1 club owner from Texas. DANIELS said GEORGE flashed around a list of print-outs that
2 supposedly listed the available foreclosed homes that he was interested in buying for cash.

3 62. Throughout the next several months, DANIELS said GEORGE asked her more than
4 three dozen times if she was interested in him helping her buy a home. GEORGE claimed that
5 he arranged these deals on a daily basis. DANIELS said that her response was always that
6 she was not interested, and had no money to purchase a house.

7 63. One day in November 2011, DANIELS said GEORGE caught her in a vulnerable
8 moment. DANIELS told GEORGE she was having problems with her live-in boyfriend and
9 wanted to move out on her own. DANIELS told GEORGE she would be interested in working
10 with him so she could purchase a home as long as she did not have to provide a down
11 payment. DANIELS said she did not have money for a down payment. GEORGE told her that
12 "I can make it easy for you." DANIELS said GEORGE promised he would purchase the home
13 on her behalf, and she'd be able to move in later that spring, around May 2012.

14 64. GEORGE told DANIELS he would help her finance a loan through foreign banks,
15 including the Bank of Dubai and Deutsche Bank. GEORGE guaranteed DANIELS that the
16 banks would give her a mortgage loan. DANIELS said she doubted that would happen
17 because her credit is very poor. GEORGE claimed that regardless of her credit, he would
18 make it happen because he had connections in the banking industry, and that foreign banks
19 would be more willing to overlook her bad credit. GEORGE told her as long as she had a
20 steady job and had not recently tried to purchase a home, the deal should go through for her
21 mortgage loan.

22 65. GEORGE directed DANIELS to find a foreclosed home she wanted to purchase,
23 and to have local real estate agents show her the properties. GEORGE told DANIELS that
24 she would be able to move into the home of her choosing within three months.

25 66. GEORGE told DANIELS that he would need a \$2,000.00 "broker" fee to be paid
26 upfront to get the transaction going. On November 7, 2011, DANIELS made two \$1,000.00
27 electronic payments to GEORGE'S bank account.

28 67. For several weeks, DANIELS looked for foreclosed homes she wanted to purchase.

1 Sometime in or before January 2012, DANIELS found a home on Redbird Drive in Reno,
2 Nevada that she told GEORGE she wanted to purchase.

3 68. GEORGE told her that she had been approved through foreign banks for a
4 \$200,000.00 loan. GEORGE did not inform DANIELS which bank had approved her loan, and
5 at no time did she fill out any paperwork. DANIELS did not question GEORGE about the loan
6 because of their long term friendship; she trusted he was taking care of it.

7 69. On March 13, 2012, DANIELS contacted her landlord and asked if she could obtain
8 a shorter lease because she had the opportunity to possibly purchase a home and that she
9 may be ready to move out in May 2012.

10 70. DANIELS said that she became suspicious of the deal because she had seen a
11 truck parked in front of the Redbird Drive home several times which would indicate the home
12 was not vacant. GEORGE told her that the home was in foreclosure and it was the owner's
13 nephew who was staying in the home until it sold.

14 71. Sometime later GEORGE told DANIELS the pipes froze at the Redbird Drive home.
15 GEORGE said they needed to be fixed. DANIELS did not want to deal with the pipe issue so
16 she started looking for another house.

17 72. At the beginning of March 2012, DANIELS found another home at 1470 Rainbow
18 Ridge in Reno that she told GEORGE she wanted to purchase. She was now using a real
19 estate agent to help her look at the house and gain information about the property.

20 73. GEORGE told DANIELS that he would need an additional "down payment" to
21 proceed with the purchase of the Rainbow Ridge property. On February 21, 2012, DANIELS
22 paid GEORGE two separate electronic bank payments of \$700.00 and \$1,000.00 to his bank
23 account. DANIELS told GEORGE she had to borrow \$3,700.00 from her parents so that she
24 could pay GEORGE.

25 74. In March 2012, GEORGE contacted DANIELS to tell her that a real estate agent
26 "bought the (Rainbow Ridge home) out from under him." DANIELS asked GEORGE for a
27 refund. GEORGE said he needed DANIELS to send him the request in writing.

28 75. On April 27, 2012, DANIELS then sent GEORGE an e-mail to his

1 georgroups@yahoo.com email address that said "To Whom it May Concern, Due to
2 financial difficulties I am no longer able to pursue the purchase of a house. Thank you, Cynthia
3 Daniels." After that date, GEORGE stopped returning her calls and texts.

4 76. As a result of my investigation, your Affiant discovered the following transfers of
5 money between DANIELS and GEORGE as part of the scheme:

6 A. NOVEMBER 7, 2011 - DANIELS paid GEORGE through two separate electronic
7 payments to his Bank of America account (ending in 0299) of \$1,000.00 each.

8 B. February 21, 2012 - DANIELS paid GEORGE through two separate electronic
9 bank payments of \$700.00 and \$1,000.00 to his Bank of America accounts
10 (ending in 0299 and 0317).

11 77. GEORGE did not make any down payments on behalf of DANIELS as promised.
12 GEORGE did not return or otherwise account for any monies paid by DANIELS, for a total loss
13 of \$3,700.00. GEORGE ultimately performed no services on her behalf.

14 **Victim 4 - GLEN "CODY" MCNEELY, 59, of Gardnerville.**

15 78. GLEN "CODY" McNEELY, hereinafter "McNEELY," is a resident of Douglas County
16 who owns a masonry business in Gardnerville, Nevada called McNeely Masonry. McNEELY
17 was caring for his dying wife, who was losing a battle with cancer. McNEELY was seeking to
18 lower his mortgage rate so that he could afford his wife's surging medical bills. (His wife has
19 since died.) Victim, CYNDI DANIELS, a relative of McNEELY, referred him to GEORGE.
20 McNEELY said that DANIELS had also told him that GEORGE was a successful business
21 man from California who always had large amounts of money to gamble at the casino.

22 79. In October 2011, McNEELY met GEORGE at John Ascuaga's Nugget in Sparks,
23 Nevada where GEORGE promised to work to lower McNEELY'S mortgage payments. During
24 the meeting, McNEELY said that GEORGE represented himself as a mortgage broker.
25 GEORGE told McNEELY he did mortgage transactions, like the one he was proposing to
26 McNEELY, on a daily basis.

27 80. McNEELY said GEORGE flashed around some papers that were supposed to
28 support GEORGE'S dealings (in general) with loan modifications. But due to MCNEELY'S

1 poor vision and not wearing his eyeglasses at the time, he could not tell what was stated on
2 the papers.

3 81. GEORGE told McNEELY that if McNEELY paid him a fee of \$9,200.00, GEORGE
4 would lower MCNEELY'S mortgage loan from \$180,000.00 to \$112,000.00. GEORGE told
5 McNEELY the loan modification would be done between 30 and 60 days. GEORGE told
6 McNEELY to stop making payments to his mortgage lender. GEORGE informed MCNEELY
7 that part of the \$9,200.00 fee would be used by GEORGE to make McNEELY'S mortgage
8 payments during the mortgage modification process. McNEELY learned later that GEORGE
9 never made those promised mortgage payments.

10 82. On November 9, 2011 - McNEELY electronically transferred \$7,235.00 from his
11 Bank of America account ending in (4348) into GEORGE'S Bank of America account.

12 83. December 29, 2012, McNEELY wrote GEORGE a check for \$923.61.

13 84. After McNEELY ultimately paid the entire \$9,20.00 fee, he said GEORGE asked
14 him for more money. The additional funds, GEORGE told him, would ultimately cost him less
15 money in the future related to his mortgage payments. McNEELY said he did not understand
16 what GEORGE meant, but trusted what he was saying.

17 85. On February 13, 2012, McNEELY electronically transferred \$938.61 to GEORGE'S
18 account via an online banking advance.

19 86. On February 21, 2012, McNEELY electronically transferred \$868.00 from his Bank
20 of America Account to GEORGE'S Bank of America account.

21 87. On March 9, 2012, McNEELY electronically transferred \$1,000.00 from his account
22 into GEORGE'S account.

23 88. On March 12, 2012, McNEELY made an online bank transfer of \$1,000.00 into
24 GEORGE'S account and then electronically transferred another \$1,500.00 into the same
25 account.

26 89. After the March 12, 2012, bank transfers, GEORGE stopped taking his calls and
27 refused to further communicate with McNEELY .

28 90. As a result of my investigation, your Affiant discovered the following transfers of

1 money between McNEELY and GEORGE as part of the scheme:

2 A. November 9, 2011 - McNEELY electronically transferred \$7,235.00 from his
3 Bank of America account ending in (4348) into GEORGE'S Bank of America
4 account ending in (0299).

5 B. December 29, 2012 - McNEELY wrote GEORGE a check for \$923.61.

6 C. February 13, 2012 - McNEELY electronically transferred \$938.61 to GEORGE'S
7 account via an online banking advance.

8 D. February 21, 2012 - McNEELY transferred \$868.00 from his Bank of America
9 Account to GEORGE'S Bank of America account ending (0317).

10 E. March 9, 2012 - McNEELY transferred \$1,000.00 from his account into
11 GEORGE'S account ending (0317).

12 F. March 12, 2012 - McNEELY made an online bank transfer of \$1,000.00 into
13 GEORGE'S account ending (0317) and then electronically transferred \$1,500.00
14 into the same account.

15 91. GEORGE did not make any down payments on behalf of McNEELY as promised.
16 GEORGE did not return or otherwise account for any monies paid by McNEELY, for a total
17 loss of \$13,465.22. GEORGE ultimately performed no services on his behalf.

18 **Victim 5 - BETH LAU, 55, of Sparks.**

19 92. BETH LAU, hereinafter "LAU," is a resident of Washoe County who is a VIP office
20 supervisor at John Ascuaga's Nugget Casino in Sparks.

21 93. In November 2011, LAU and her husband were trying to avoid foreclosure on three
22 homes they owned in Sparks.

23 94. LAU learned from victim Cyndi Daniels that GEORGE was helping Daniels
24 purchase a home, and he had a background in loan modifications. Daniels told her GEORGE
25 was also helping a few friends of hers and that he seemed to be doing a good job at the time.
26 LAU stated that Daniels' referral carried a lot of weight towards GEORGE'S credibility. Most
27 importantly, LAU believed that GEORGE had connections within the financial industry that
28 could speed along her slow-going modification requests.

1 95. LAU approached GEORGE at John Ascuaga's Nugget where LAU was working to
2 ask about modifying her three home loans. GEORGE represented himself to LAU as a
3 "mortgage broker." When LAU asked him if he was licensed to work with mortgages,
4 GEORGE responded "Yes, of course." GEORGE told her he owned G&G Consulting, a
5 business he ran out of California.

6 96. LAU said that GEORGE promised her that he would lower the loan amounts and
7 mortgage payments on each of her three homes if she paid him up front application fees of
8 \$1,865.00 for each home. LAU said she considered GEORGE as her accountant, and that
9 she believed he would take care of her finances related to her three homes. GEORGE told
10 LAU he was working with her lenders, Wells Fargo and El Dorado Savings Bank. GEORGE
11 also provided her with bank account numbers that he requested she use to make electronic
12 payments to him. GEORGE also provided her with phony transaction numbers that he used to
13 identify the separate loan modifications. LAU then noted these numbers on checks she made
14 to GEORGE.

15 97. On November 20, 2011, LAU put together a packet of paperwork regarding her
16 three current home mortgages, and then faxed it to GEORGE. LAU said GEORGE was
17 supposed to review the packet and then come up with a modification plan for the homes.

18 98. GEORGE specifically promised the following loan modifications to LAU:

19 A. For LAU'S home at 4964 Hallgarten Drive in Sparks, GEORGE said he would
20 reduce her loan from \$384,934.00 to \$210,740.00. GEORGE told LAU if she
21 paid him an extra \$12,750.00, it would pay off her second mortgage loan of
22 \$76,175.00. GEORGE said her monthly payment would be \$1,445.51, reduced
23 from \$2,516.42.

24 B. For LAU'S home at 520 Sand Crane Circle in Sparks, GEORGE said he would
25 reduce her loan from \$239,240.00 to \$135,440.00. Her monthly payments would
26 be \$1,235.50, reduced from \$1,269.00, per LAU'S recollection.

27 C. For LAU'S home at 4479 Steeple Court in Sparks, GEORGE said he would pay
28 off her original loan of \$64,271.04 if she paid him \$24,410.00. He said he would

1 also reduce her second loan of \$112,353.37 to \$61,551.00. GEORGE said her
2 monthly payments would be \$505.00, reduced from \$1,382.84.

3 99. On November 30, 2011, LAU made three payments of \$1,865.00 to GEORGE for
4 his initial modification fees through checks on her Greater Nevada Credit Union bank account.

5 100. On December 9, 2011, LAU paid GEORGE \$6,700.00 through a check from her
6 Greater Nevada Credit Union account as a "final payment on the completion of three house
7 modifications."

8 101. GEORGE informed LAU that he needed \$12,750.00 to pay off her original loan on
9 her Hallgarten Drive home. On January 17, 2012, LAU paid GEORGE the \$12,750.00 he
10 requested.

11 102. GEORGE informed LAU that he needed money to pay the monthly mortgage
12 payments on the two remaining properties. On January 17, 2012, LAU paid GEORGE
13 \$505.00 through an electronic payment to GEORGE'S Wells Fargo bank account for the
14 monthly mortgage payment for her Steeple Court home. At the same time, LAU paid
15 GEORGE \$1,235.00 through an electronic payment to his Wells Fargo bank account for the
16 monthly mortgage payment for her home on Sand Crane Circle.

17 103. GEORGE informed LAU that he needed \$12,750 to pay off her original loan on her
18 Hallgarten Drive home. She made two electronic payments to GEORGE in the sum of
19 \$8,250.00 and \$4,500.00.

20 104. At GEORGE'S request, on January 19, 2012, LAU faxed him her 2007 income tax
21 return.

22 105. At the beginning of February 2012, GEORGE informed LAU that he needed money
23 to pay the monthly mortgage payments on all three properties. On February 1, 2012, LAU
24 paid GEORGE three separate electronic payments of \$3,000.00, \$1,185.00, and \$800.00 to
25 GEORGE'S Wells Fargo accounts for her monthly mortgage payments on all three homes.

26 106. GEORGE informed LAU that he needed \$24,410 to pay off her original loan on her
27 Steeple Court home. On February 1, 2012, LAU paid GEORGE \$24,410 through an
28 electronic payment.

1 107. At the beginning of March 2012, GEORGE informed LAU that he needed money to
2 pay the monthly mortgage payments on all three properties. On March 14, 2012, LAU paid
3 GEORGE three checks on her Greater Nevada Credit Union account in the amounts of
4 \$808.42, \$903.69, and \$1,015.00 for her monthly mortgage payments on all three homes.

5 108. GEORGE informed LAU that he needed \$9,774.00 for what he said were fees to
6 ensure "final deeds" on all three of her homes. LAU paid GEORGE through three electronic
7 payments to his Wells Fargo accounts of \$6,650.00, \$1,682.00, and \$1,442.80.

8 109. Throughout her dealings with GEORGE, LAU carefully tracked most every
9 payment she made to him. She also kept handwritten notes GEORGE gave her that he had
10 used to calculate the modifications he promised LAU for each of her three homes.

11 110. GEORGE made none of the payments for the mortgages or pay off amounts for
12 any of LAU'S mortgages as promised.

13 111. As a result of my investigation, your Affiant discovered the following transfers of
14 money between LAU and GEORGE as part of the scheme:

15 A. November 30, 2011 - LAU made three payments of \$1,865 to GEORGE for his
16 initial modification fees through checks on her Greater Nevada Credit Union bank
17 account. LAU provided me with a copy of all three checks where GEORGE
18 wrote on the document as a makeshift receipt.

19 B. December 9, 2011 - LAU paid GEORGE \$6,700.00 through a check from her
20 Greater Nevada Credit Union account as a "final payment on the completion of
21 three house modifications."

22 C. January 17, 2012 - LAU paid him \$12,750.00 to pay off her original loan on her
23 Hallgarten Drive home. She made two electronic payments to GEORGE'S
24 separate Bank of America accounts (ending in 0317 and 0299) in the sums of
25 \$8,250.00 and \$4,500.00.

26 D. January 17, 2012 - LAU paid GEORGE \$1,445.51 through an electronic payment
27 to GEORGE'S Wells Fargo bank account (ending in 9354) for her monthly
28 mortgage payment for her home on Hallgarten Drive.

- 1 E. January 17, 2012 - LAU Paid GEORGE \$505.00 through an electronic payment
2 to GEORGE'S Wells Fargo bank account (ending 9438) for her monthly
3 mortgage payment for her Steeple Court home.
- 4 F. January 17, 2012 - LAU paid GEORGE \$1,235.00 through an electronic payment
5 to his Wells Fargo bank account (ending in 9438) for her monthly mortgage
6 payment for her home on Sand Crane Circle.
- 7 G. February 1, 2012 - LAU paid GEORGE \$24,410 through an electronic payment
8 to pay off her original loan on her Steeple Court home.
- 9 H. February 1, 2012 - LAU paid GEORGE three separate electronic payments of
10 \$3,000.00, \$1,185.00, and \$800.00 to GEORGE'S Wells Fargo accounts (ending
11 in 1998 and 9438) for her monthly mortgage payments on all three homes.
- 12 I. March 14, 2012 - LAU paid GEORGE three checks on her Greater Nevada
13 Credit Union account in the amounts of \$808.42, \$903.69, and \$1,015.00 for her
14 monthly mortgage payments on all three homes.
- 15 J. March 19, 2012 - LAU paid GEORGE through three electronic payments to his
16 Wells Fargo accounts (ending in 9438 and 9354) of \$6,650.00, \$1,682.00, and
17 \$1,442.80 for what he said were fees to ensure "final deeds" on all three of her
18 homes.

19 112. GEORGE did not make any of the mortgage or other payments on behalf of LAU
20 as promised. GEORGE did not return or otherwise account for any monies paid by LAU, for a
21 total loss of \$70,127.42. GEORGE ultimately performed no services on her behalf.

22 **Victim 6 - JIM HENSLEY, 61, of Reno.**

23 113. JIM HENSLEY, hereinafter "HENSLEY," is a resident of Reno in Washoe County.

24 114. HENSLEY has really bad credit which he described as "torched." His friend, Cyndi
25 Daniels, told him that GEORGE was helping her buy a home and was helping her obtain an
26 affordable mortgage loan. HENSLEY was impressed by GEORGE'S promises because
27 Daniels' credit is also poor.

28 115. Daniels told HENSLEY that GEORGE was legitimate, that she had known him for

1 years through her employment at two local casinos, and that he was involved in real estate
2 investment deals.

3 116. HENSLEY wanted to meet GEORGE and obtain a deal similar to the one he was
4 supposedly arranging for Daniels. The men met at John Ascuaga's Nugget on December 8,
5 2011. HENSLEY said he was impressed because one of the casino owners had walked by
6 them with some other high-level staff members, and stopped specifically to greet GEORGE.
7 HENSLEY said this contributed toward GEORGE'S credibility.

8 117. At the time HENSLEY met GEORGE in December 2011, HENSLEY had just been
9 approved to receive Social Security disability benefits. The government had just issued him a
10 check for a retroactive lump sum of \$24,000.00. He is disabled and uses a handicapped
11 placard for his vehicle. Prior to receiving the large disability check, HENSLEY had to borrow
12 money from relatives to make ends meet. GEORGE, he said, was aware of his large Social
13 Security check.

14 118. HENSLEY said he explained to GEORGE that he had tried to buy a home but was
15 unsuccessful due to his poor credit. GEORGE told him that he was an investor who worked
16 with foreign companies to purchase homes for cash at auctions, and then flip them.
17 HENSLEY said GEORGE promised to help him purchase a foreclosed home in Reno and
18 provide him with an affordable mortgage through his connections at foreign banks. GEORGE
19 had informed HENSLEY that he made these deals "all the time."

20 119. HENSLEY said GEORGE asked him how much money he had left from his social
21 security check. HENSLEY responded he had roughly \$8,500.00 remaining. GEORGE said he
22 would need more than \$8,500.00 to be used as a down payment for the home he said he was
23 going to help HENSLEY purchase on Sapphire Ridge Drive. GEORGE said his assistant
24 would then research the property.

25 120. George told HENSLEY it would cost him \$11,500.00 to purchase the home on
26 Sapphire Ridge Drive and to obtain an affordable mortgage. HENSLEY said that GEORGE
27 told him he was going to purchase the home for \$105,000.00, and then sell it to HENSLEY for
28 \$113,000.00. GEORGE said he would then use his bank connections to get HENSLEY

1 mortgage loans for around 4.25 percent APR. The men also used text messages to
2 communicate information related to the deal. I personally viewed some of the messages that
3 HENSLEY saved on his phone.

4 121. HENSLEY said he first paid a \$3,500.00 fee to GEORGE that GEORGE described
5 as an "earnest fee." His second payment to GEORGE was \$5,000.00, which GEORGE said
6 was for a partial deposit on the home. HENSLEY paid GEORGE another \$1,000.00 for what
7 GEORGE said was the remainder of the deposit. A fourth payment was made to GEORGE for
8 \$1,500.00 for what GEORGE said was related to winterizing the home because GEORGE
9 claimed its pipes burst due to cold weather.

10 122. HENSLEY paid GEORGE a total of \$11,000.00 in upfront fees through a series of
11 checks and electronic payments made from his Wells Fargo bank account between December
12 2011 and February 2012. No written contract was involved. Ultimately, GEORGE performed
13 no services on HENSLEY'S behalf. HENSLEY'S request for a refund went ignored.

14 123. HENSLEY said GEORGE told him that all of his fee payments would be placed
15 into GEORGE'S bank account so that the foreign banks would see that HENSLEY had funds.
16 This, GEORGE told him, would make the banks more willing to give HENSLEY a loan.

17 124. HENSLEY said that GEORGE told him he could move into the Sapphire Ridge
18 home on January 19 or 20, 2012.

19 125. When January 20, 2012, came and went without GEORGE giving HENSLEY the
20 house keys, he called GEORGE for an explanation.

21 126. GEORGE responded that the pipes in the Sapphire Ridge home burst. HENSLEY
22 said GEORGE asked him for another \$1,500.00 fee that would be used toward fixing the
23 pipes. HENSLEY gave GEORGE the money.

24 127. Around February or March 2012, HENSLEY asked GEORGE for a refund.
25 Sometime in March 2012, GEORGE stopped answering HENSLEY'S calls and text messages.

26 128. In a text message GEORGE sent to HENSLEY dated March 12, 2012, he wrote:
27 "I'm at the bank now validating your contract. Will call you when finished." GEORGE never
28 called him. After that time GEORGE broke off all contact with HENSLEY and refused to return

1 his telephone calls or text messages.

2 129. As a result of my investigation, your Affiant discovered the following transfers of
3 money between HENSLEY and GEORGE as part of the scheme:

4 A. December 8, 2011 - HENSLEY wrote GEORGE a check for \$3,500.00 on his
5 Wells Fargo bank account for an "earnest fee."

6 B. December 13, 2011 — GEORGE accompanied HENSLEY to the Kietzke Lane
7 Wells Fargo bank branch where HENSLEY wrote GEORGE a check for
8 \$5,000.00 that GEORGE electronically deposited into his own bank account
9 (ending in 9438). The payment was for a partial deposit on a home that
10 GEORGE said he was buying on HENSLEY'S behalf.

11 C. January 4, 2012 - HENSLEY paid GEORGE \$1,000.00 for another partial deposit
12 payment through a check on his Wells Fargo bank account that was then
13 electronically deposited into GEORGE'S bank account (ending in 9438).

14 D. February 4, 2012 - HENSLEY paid GEORGE \$1,500.00 as the remainder of the
15 deposit owed through an electronic payment to GEORGE'S Wells Fargo bank
16 account ending in (9438).

17 130. GEORGE did not perform any of the services to HENSLEY as promised.
18 GEORGE did not return or otherwise account for any monies paid by HENSLEY, for a total
19 loss of \$11,000.00. GEORGE ultimately performed no services on his behalf.

20 WHEREFORE, your affiant asserts that there is probable cause to believe that on or
21 between July 2011 and March 2012, GEORGE C. GEORGE committed the felony offenses of
22 THEFT in violation of NRS 205.0832(1)(b); THEFT in violation of NRS 205.0832(1)(c);
23 OBTAINING MONEY UNDER FALSE PRETENSES IN THE COURSE OF A
24 TECHNOLOGICAL CRIME in violation of NRS 205.380, as defined by NRS 205A.030 and
25 NRS 179.1217; and, MORTGAGE FRAUD in violation of NRS 205.372(1), which occurred in
26 the County of Washoe, State of Nevada.

27 WHEREFORE, your affiant respectfully requests that a Warrant of Arrest be issued and
28 that said GEORGE C. GEORGE be dealt with according to law. **Because George C. George**

Office of the Attorney General
5420 Kietzke Lane, Suite 202
Reno, NV 89511


1 is an Israeli national with an Israeli national passport, it is your affiant's belief that he is
2 an increased flight risk and that bail should be set accordingly.

3 AFFIRMATION PURSUANT TO NRS 239B.030

4 The undersigned does hereby affirm that the preceding document, AFFIDAVIT OF
5 PROBABLE CAUSE IN SUPPORT OF CRIMINAL COMPLAINT AND ISSUANCE OF
6 WARRANT, State of Nevada v. George C. George, does not contain the social security
7 number of any person.

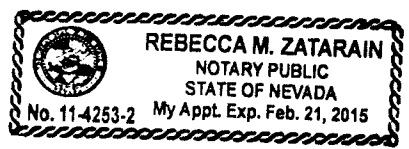
8 DATED this 30th day of July, 2013.

9 CATHERINE CORTEZ MASTO
10 Attorney General

11 By: 
12 JACLYN O'MALLEY
13 Investigator

14 SUBSCRIBED and SWORN to before me
15 By JACLYN O'MALLEY,
16 this 30th day of July, 2013.

17 
18 NOTARY PUBLIC



19 Submitted by:
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