IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

UNITED STATES OF AMERICA

v. NO. 3:23-CR-0252-K

MIHIR PATEL (01)

FACTUAL RESUME

In support of Mihir Patel's plea of guilty to the offense in Count One of the indictment, Mihir Patel, the defendant, Sid Mody and Steve Fahey, the defendant's attorneys, and the United States of America (the government) stipulate and agree to the following:

ELEMENTS OF THE OFFENSE

To prove the offense alleged in Count One of the indictment, charging a violation of 18 U.S.C. § 1349 (18 U.S.C. § 1344(2)), that is, Conspiracy to Commit Bank Fraud, the government must prove each of the following elements beyond a reasonable doubt:[1]

First: That two or more persons made an agreement to commit bank fraud, as charged in the indictment;

Second: That the defendant knew the unlawful purpose of the agreement; and

Third: That the defendant joined in the agreement willfully, that is, with the intent to further the unlawful purpose.

The elements of Bank Fraud, a violation of 18 U.S.C. § 1344(2), are as follows:[2]

First: That the defendant knowingly executed a scheme or artifice;

[1] *United States v. Martinez*, 921 F.3d 452, 467 (5th Cir. 2019).
[2] Fifth Circuit Pattern Jury Instruction 2.58B (5th Cir. 2019).

Second: That the scheme or artifice was executed to obtain monies or other property from a financial institution, as alleged in the indictment;

Third: That the scheme or artifice was executed by means of false or fraudulent pretenses, false or fraudulent representations, or false or fraudulent promises; and

Fourth: That the false or fraudulent pretenses, representations, or promises were material.

STIPULATED FACTS

1. Mihir Patel admits and agrees that, from in or about March 2020, through in or about April 2023, in the Northern District of Texas and elsewhere, he knowingly and willfully combined, conspired, confederated, and agreed with codefendants Prateek Desai, Kinjal Patel, Imran Khan, Chirag Gandhi, Wajahat Khan, Bhavesh Patel, Dharmesh Patel, Mitra Bhattarai, and Bhargav Bhatt to knowingly execute and attempt to execute a scheme and artifice to obtain any of the moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation ("FDIC") and the accounts of which were insured by the National Credit Union Share Insurance Fund ("NCU Fund"), by means of materially false and fraudulent pretenses, representations, and promises, in violation of 18 U.S.C. § 1344(2).

The Recycling Companies

2. Mihir Patel agrees that 4G Metals, Inc. ("4G Metals") and Level Eight, Inc. ("Level Eight") were purported metal recycling companies operating as a loosely affiliated group of entities ("recycling companies").

The Paycheck Protection Program Fraud

3. Mihir Patel agrees that the Paycheck Protection Program ("PPP"), implemented by the Small Business Administration ("SBA"), was a COVID-19 relief initiative that, among other things, provided small businesses with forgivable loans to pay for payroll and certain other expenses. Under the PPP, participating third-party lenders approved loan applications and disbursed PPP loans to qualifying businesses. Mihir Patel admits he knew that, to obtain a PPP loan, a business was required to submit a PPP loan application to a lender. In the PPP loan application, the business was required to state, among other things, the business's average monthly payroll. This payroll information was used to calculate the amount of funds that the business was eligible to receive as a PPP loan.

4. Mihir Patel agrees that American Bank, National Association ("American Bank"), Celtic Bank, Dominion Bank, Happy State Bank, Midwest Regional Bank, and One World Bank were financial institutions, as defined in 18 U.S.C. § 20, whose deposits were insured by the FDIC. He agrees that Carter Federal Credit Union, also known as Carter Credit Union ("Carter FCU"), was a financial institution, as defined in 18 U.S.C. § 20, whose accounts were insured by the NCU Fund. Mihir Patel agrees that American Bank, Carter FCU, Celtic Bank, Dominion Bank, Happy State Bank, Midwest Regional Bank, and One World Bank participated in the PPP as lenders. He agrees that Happy State Bank, Midwest Regional Bank, One World Bank, and Dominion Bank were located in the Northern District of Texas.

5. Mihir Patel admits that from in or about March 2020, through in or about April 2023, Mihir Patel, conspiring with codefendants Prateek Desai, Kinjal Patel, Imran Khan, Chirag Gandhi, Wajahat Khan, Bhavesh Patel, Dharmesh Patel, Mitra Bhattarai, and Bhargav Bhatt, obtained, and attempted to obtain, PPP loans on behalf of various recycling companies and individuals by submitting, and causing to be submitted, to several financial institutions false and fraudulent PPP loan applications.

6. Specifically, Mihir Patel admits that, in furtherance of the conspiracy, he and his coconspirators prepared PPP loan applications that falsely inflated the recycling companies' monthly payroll expenses, and created fraudulent documentation, such as payroll expense summary charts, to support these false applications. For instance, Mihir Patel admits that on or about April 14, 2020, Bhavesh Patel prepared a PPP loan application on behalf of 4G Metals that falsely inflated the recycling company's payroll costs. Mihir Patel admits that he subsequently caused this false PPP loan application to be submitted to Happy State Bank.

7. Mihir Patel admits that, in furtherance of the conspiracy, he and his coconspirators also prepared PPP loan applications for various individuals that falsely described the individuals' business income and created fraudulent Internal Revenue Service ("IRS") 1099-MISC and Schedule C forms to support the false applications. For instance, Mihir Patel admits that on or about April 23, 2020, he assisted Dharmesh Patel in preparing a PPP loan application that falsely described Dharmesh Patel's payroll. Mihir Patel admits that on or about the same day, Kinjal Patel prepared an IRS Schedule C form that falsely inflated Dharmesh Patel's gross income. Mihir Patel admits that

Dharmesh Patel's fraudulent PPP loan application and false IRS form were subsequently submitted to Carter FCU.

8. Mihir Patel admits that, in furtherance of the conspiracy, he caused financial institutions to fund the PPP loans identified in Exhibit A.

The Line of Credit Fraud

9. Mihir Patel agrees that Spectra Bank was a financial institution, as defined in 18 U.S.C. § 20, whose deposits were insured by the FDIC. He agrees that Spectra Bank was located in the Northern District of Texas.

10. Mihir Patel admits and agrees, that from in or about July 2019, through in or about November 2019, Mihir Patel, conspiring with codefendants Prateek Desai, Kinjal Patel, Wajahat Khan, Imran Khan, Chirag Gandhi, Bhargav Bhatt, and Bhavesh Patel, obtained, and attempted to obtain, loan proceeds on behalf of a purported recycling company by submitting, and causing to be submitted, to a financial institution two false and fraudulent line of credit applications.

11. Specifically, Mihir Patel admits that he and his coconspirators prepared two line of credit applications on behalf of Level Eight that falsely inflated the recycling company's revenue and assets, and subsequently caused these fraudulent line of credit requests to be submitted to Spectra Bank.

12. Mihir Patel admits that he conspired with codefendant Bhavesh Patel to create false financial reports that misrepresented Level Eight's operations. These false documents were subsequently submitted to Spectra Bank in support of Level Eight's fraudulent line of credit requests.

13. Mihir Patel admits that, as a result of these false line of credit requests, he caused Spectra Bank to fund the line of credit identified in Exhibit A.

14. Mihir Patel admits that, as a result of the fraudulent PPP loan applications and line of credit requests described above, he caused losses not greater than $3,500,000.

The Business Loan Fraud

15. Mihir Patel agrees that IncredibleBank and First United Bank and Trust Company ("First United Bank") were financial institutions, as defined in 18 U.S.C. § 20, whose deposits were insured by the FDIC. He agrees that IncredibleBank and First United Bank were located in the Northern District of Texas.

16. Mihir Patel admits and agrees that, from in or about July 2019, through in or about April 2023, he obtained, and attempted to obtain, business loan proceeds on behalf of certain recycling companies by submitting, and causing to be submitted, to various financial institutions false and fraudulent applications for business loans.

17. Specifically, Mihir Patel admits that he prepared business loan applications that falsely described how the recycling companies intended to use the loan proceeds, and subsequently caused these fraudulent applications to be submitted to Dominion Bank, IncredibleBank, and First United Bank.

18. Mihir Patel admits that he also created estimate and payoff documentation that falsely described the recycling companies' intended use of the loan funds, as well as a personal financial statement that falsely described Mihir Patel's financial obligations and his ownership of certain recycling companies. Mihir Patel admits that he and Prateek Desai subsequently caused these false documents to be submitted to Dominion Bank,

IncredibleBank, and First United Bank in support of the recycling companies' fraudulent business loan applications.

19. Mihir Patel admits that, as a result of these fraudulent loan applications, he and Prateek Desai caused Dominion Bank, IncredibleBank, and First United Bank to fund the business loans identified in Exhibit A. These business loans involved pledged collateral.

20. Mihir Patel also admits that, after First United Bank funded one these business loans, Mihir Patel spent a portion of the loan proceeds to purchase an Audemars Piguet Royal Oak Selfwinding Chronograph watch, which he agrees to forfeit to the United States government.

21. The defendant agrees that the defendant committed all the essential elements of the offense. This factual resume is not intended to be a complete accounting of all the facts and events related to the offense charged in this case. The limited purpose of this statement of facts is to demonstrate that a factual basis exists to support the defendant's guilty plea to Count One of the indictment.

[the remainder of this page left intentionally blank]

AGREED TO AND STIPULATED on this 22 day of July, 2024.

LEIGHA SIMONTON
UNITED STATES ATTORNEY

MIHIR PATEL
Defendant

STEVE FAHEY
Attorney for Defendant

SID MODY
Attorney for Defendant

RYAN P. NIEDERMAIR
Assistant United States Attorney
Texas Bar No. 24116828
1100 Commerce Street, Third Floor
Dallas, Texas 75242-1699
Tel: 214-659-8600
Fax: 214-659-8809
Email: ryan.niedermair@usdoj.gov

EXHIBIT A

Financial Institution	PPP Loan Number
American Bank	5243578201
American Bank	4331308305
Celtic Bank	4590637308
One World Bank	4868988604
One World Bank	8089337306
Midwest Regional Bank	4683297203
Midwest Regional Bank	4008408409
Happy State Bank	7222757200
Happy State Bank	2307177308
Happy State Bank	2780167300
Carter FCU	2019267404
Dominion Bank	8867967206
Dominion Bank	8832037209
Dominion Bank	4330257305

Financial Institution	Line of Credit Number
Spectra Bank	33547

Financial Institution	Business Loan Number
Incredible Bank	8667888
Dominion Bank	50011110
First United Bank	403378581
First United Bank	403378615
First United Bank	403378623
First United Bank	403378649
First United Bank	403417215
First United Bank	403417223
First United Bank	403417678
First United Bank	403417686
First United Bank	403417694
First United Bank	403424005