



Department of Justice

**United States Attorney Melinda Haag
Northern District of California**

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SAN FRANCISCO REAL ESTATE DEVELOPER PLEADS GUILTY TO INVESTMENT FRAUD SCHEME

SAN FRANCISCO - Maher Talal Muhawieh pleaded guilty in federal court in San Francisco yesterday to wire fraud, United States Attorney Melinda Haag announced.

In pleading guilty, Muhawieh admitted that he defrauded investors between approximately January 2006 and March 2009 by promising various individuals that their funds would be used to purchase and to renovate specific residential properties in San Francisco that would then be sold at a profit. Muhawieh claimed he would make regular and high rates of return for the lenders with limited risk. In fact, and contrary to Muhawieh's promises, he used investors' funds to pay interest on loans from other investors, and for personal expenses.

Muhawieh, 31, of San Francisco, was indicted by a federal Grand Jury on Sept. 16, 2010. The indictment alleged that Muhawieh solicited and caused others to solicit at least \$25 million from at least 80 investors based upon false promises and representations. Muhawieh was charged with 12 counts of wire fraud in violation of Title 18, United States Code, Section 1343. Under the plea agreement, Muhawieh pleaded guilty to one count of wire fraud and faces a maximum statutory penalty of 20 years in prison and a fine of \$250,000, or twice the total loss to the victims or gain to the defendant, plus restitution. However, any sentence following conviction would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Muhawieh is in custody pending his sentencing, which has been scheduled for March 7, 2012, before United States District Court Judge Charles R. Breyer in San Francisco.

Jeffrey Rabkin is the Assistant U.S. Attorney who is prosecuting the case with the assistance of Allen Williams and Elizabeth Garcia. The prosecution is the result of a year-long investigation by the Federal Bureau of Investigation.

Further Information:

Case #: CR 10-678 CRB

A copy of this press release may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at www.cand.uscourts.gov.

All press inquiries to the U.S. Attorney's Office should be directed to Jack Gillund at (415) 436-6599 or by e-mail at Jack.Gillund@usdoj.gov.

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