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Faramarz Fred Khalili

Exhibit #	Document	File Date
1	<i>The People of the State of CA v. Faramarz Fred Khalili et al.</i> , First Amended Indictment, Case No. 15CF2507, Orange County	3/1/2016
2	<i>The People of the State of CA v. Faramarz Fred Khalili et al.</i> , Case Summary, Case No. 15CF2507, Orange County	

Exhibit 1

MAR 01 2016

ALAN CARLSON, Clerk of the Court

BY: C. CEPEDA, DEPUTY

1 SUPERIOR COURT OF CALIFORNIA
2 COUNTY OF ORANGE, CENTRAL JUSTICE CENTER

6	THE PEOPLE OF THE STATE OF CALIFORNIA,)	FELONY COMPLAINT
7)	WARRANT
8)	AMENDMENT 1
9)	
10	vs.)	No. <u>15CF2507</u>
)	OCDA WC14110013
11	FARAMARZ FRED KHALILI)	01/10/61
	N9365659)	
12	AKA FARAMARZ KHALILI)	
13	FAMARZ FRED KHALILI)	
	HALILI ARAMARZ)	
14	SANDRA GARCIA MARTINEZ)	05/24/68
15	C6548229)	
16	AKA SANDRA MARTINEZ)	
	SANDRA GARCIA)	
17	HITENDRA HIRACHAND SHAH MD)	01/01/47
	C1825179)	
18)	
19)	Defendant(s))

20 The Orange County District Attorney charges that in Orange
21 County, California, the law was violated as follows:

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1 COUNT 1: On or about and between September 13, 2012 and
2 December 28, 2012, in violation of Section 550(a)(5) of the
3 Penal Code (CONSPIRACY TO COMMIT INSURANCE FRAUD), a FELONY,
4 FARAMARZ FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA
5 HIRACHAND SHAH MD did unlawfully conspire with HITENDRA
6 HIRACHAND SHAH, SANDRA GARCIA MARTINEZ, FARAMARZ FRED KHALILI,
7 with the intent to defraud, to prepare, make, and subscribe a
8 material writing with the intent to present and use it to
9 WORKERS COMPENSATION CARRIERS in support of a false and
fraudulent claim. It is further alleged that pursuant to and for
the purpose of carrying out the objects and purposes of the
conspiracy, one and more of the conspirators committed the
following overt acts:

10 OVERT ACT 1

11 Fred Khalili entered into an agreement with Healthcare Finance
12 Management on 9/1/2012 to distribute transdermal compound creams
13 which were manufactured by Curt's Compounding Pharmacy in Orange
14 County to the Workers Compensation patients seen at First Choice
Healthcare Medical Group.

15 OVERT ACT 2

16 Under the guise of selling accounts receivables to Healthcare
17 Finance Management, Fred Khalili received kickbacks to
18 prescribed transdermal compound cream manufactured by Curt's
19 Compounding Pharmacy in Orange County, California.

20 OVERT ACT 3

21 Healthcare Finance Management would not purchase accounts
22 receivables from Khalili unless they were for prescriptions
23 relating to transdermal compound creams manufactured by Curt's
24 Compounding Pharmacy in Orange County, California.

25 OVERT ACT 4

26 Fred Khalili and Sandra Martinez ordered the physician's
27 assistants who worked at First Choice to prescribe at least two
28 compound transdermal creams to as many workers compensation
patients as possible regardless of medical necessity.

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OVERT ACT 5

Dr. Hitendra Shah and Dr. Craig Chanin prescribed these compound transdermal creams to workers compensation patients per Fred Khalili's instruction regardless of medical necessity.

OVERT ACT 6

Curt's Compounding Pharmacy manufactured a 3-day supply and gave it to First Choice, so that the medical staff could hand the workers compensation patients the transdermal creams at the clinic and justify First Choice's ability to bill insurance carriers for distribution of these creams.

OVERT ACT 7

Healthcare Finance Management would only pay First Choice for distribution of the transdermal Compound Creams manufactured by Curt's Compounding Pharmacy if the physicians at First Choice also prescribed a larger size of the transdermal creams to each patient which would then be directly shipped from Curt's Compounding Pharmacy in Orange County to each patient.

OVERT ACT 8

Between 9/1/12 and 12/28/12, Healthcare Finance Management paid First Choice in excess of \$774,000 for prescribing compound transdermal creams.

OVERT ACT 9

The last payment issued by Healthcare Finance Management to First Choice was on 12/28/12 in the amount of \$49,725.

COUNT 2: On or about and between September 07, 2012 and December 18, 2012, in violation of Section 550(a)(5) of the Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH MD, with the intent to defraud, did knowingly and unlawfully prepare, make, and subscribe a material writing, with the intent to present and use it, and to allow it to be presented to AMERICAN CLAIMS MANAGEMENT, in support of a false and fraudulent claim, and did aid and abet, and solicit another to do the same.

1 COUNT 3: On or about and between September 05, 2012 and
2 December 20, 2012, in violation of Section 550(a)(5) of the
3 Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
4 FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
5 MD, with the intent to defraud, did knowingly and unlawfully
6 prepare, make, and subscribe a material writing, with the intent
7 to present and use it, and to allow it to be presented to ALASKA
8 INTERNATIONAL, in support of a false and fraudulent claim, and
9 did aid and abet, and solicit another to do the same.

10 COUNT 4: On or about and between September 21, 2012 and
11 December 10, 2012, in violation of Section 550(a)(5) of the
12 Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
13 FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
14 MD, with the intent to defraud, did knowingly and unlawfully
15 prepare, make, and subscribe a material writing, with the intent
16 to present and use it, and to allow it to be presented to ANTHEM
17 BLUE CROSS, in support of a false and fraudulent claim, and did
18 aid and abet, and solicit another to do the same.

19 COUNT 5: On or about and between September 06, 2012 and
20 December 13, 2012, in violation of Section 550(a)(5) of the
21 Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
22 FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
23 MD, with the intent to defraud, did knowingly and unlawfully
24 prepare, make, and subscribe a material writing, with the intent
25 to present and use it, and to allow it to be presented to
26 APPLIED RISK MANAGEMENT, in support of a false and fraudulent
27 claim, and did aid and abet, and solicit another to do the same.

28 COUNT 6: On or about and between September 06, 2012 and
December 19, 2012, in violation of Section 550(a)(5) of the
Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
MD, with the intent to defraud, did knowingly and unlawfully
prepare, make, and subscribe a material writing, with the intent
to present and use it, and to allow it to be presented to AIG/
CHARTIS, in support of a false and fraudulent claim, and did aid
and abet, and solicit another to do the same.

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1 COUNT 7: On or about and between September 04, 2012 and
2 December 20, 2012, in violation of Section 550(a)(5) of the
3 Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
4 FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
5 MD, with the intent to defraud, did knowingly and unlawfully
6 prepare, make, and subscribe a material writing, with the intent
7 to present and use it, and to allow it to be presented to CHUBB
8 INS., in support of a false and fraudulent claim, and did aid
9 and abet, and solicit another to do the same.

10 COUNT 8: On or about and between September 04, 2012 and
11 December 20, 2012, in violation of Section 550(a)(5) of the
12 Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
13 FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
14 MD, with the intent to defraud, did knowingly and unlawfully
15 prepare, make, and subscribe a material writing, with the intent
16 to present and use it, and to allow it to be presented to CNA
17 INS., in support of a false and fraudulent claim, and did aid
18 and abet, and solicit another to do the same.

19 COUNT 9: On or about and between September 04, 2012 and
20 December 20, 2012, in violation of Section 550(a)(5) of the
21 Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
22 FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
23 MD, with the intent to defraud, did knowingly and unlawfully
24 prepare, make, and subscribe a material writing, with the intent
25 to present and use it, and to allow it to be presented to
26 COMPWEST INS., in support of a false and fraudulent claim, and
27 did aid and abet, and solicit another to do the same.

28 COUNT 10: On or about and between September 04, 2012 and
December 20, 2012, in violation of Section 550(a)(5) of the
Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
MD, with the intent to defraud, did knowingly and unlawfully
prepare, make, and subscribe a material writing, with the intent
to present and use it, and to allow it to be presented to CRUM &
FORESTER, in support of a false and fraudulent claim, and did
aid and abet, and solicit another to do the same.

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1 COUNT 11: On or about and between September 04, 2012 and
2 December 20, 2012, in violation of Section 550(a)(5) of the
3 Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
4 FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
5 MD, with the intent to defraud, did knowingly and unlawfully
6 prepare, make, and subscribe a material writing, with the intent
7 to present and use it, and to allow it to be presented to
8 DISNEY, in support of a false and fraudulent claim, and did aid
9 and abet, and solicit another to do the same.

10 COUNT 12: On or about and between September 04, 2012 and
11 December 20, 2012, in violation of Section 550(a)(5) of the
12 Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
13 FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
14 MD, with the intent to defraud, did knowingly and unlawfully
15 prepare, make, and subscribe a material writing, with the intent
16 to present and use it, and to allow it to be presented to
17 EMPLOYERS, in support of a false and fraudulent claim, and did
18 aid and abet, and solicit another to do the same.

19 COUNT 13: On or about and between September 04, 2012 and
20 December 20, 2012, in violation of Section 550(a)(5) of the
21 Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
22 FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
23 MD, with the intent to defraud, did knowingly and unlawfully
24 prepare, make, and subscribe a material writing, with the intent
25 to present and use it, and to allow it to be presented to
26 FARMERS, in support of a false and fraudulent claim, and did aid
27 and abet, and solicit another to do the same.

28 COUNT 14: On or about and between September 04, 2012 and
December 20, 2012, in violation of Section 550(a)(5) of the
Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
MD, with the intent to defraud, did knowingly and unlawfully
prepare, make, and subscribe a material writing, with the intent
to present and use it, and to allow it to be presented to
FIREMAN'S FUND, in support of a false and fraudulent claim, and
did aid and abet, and solicit another to do the same.

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1 COUNT 15: On or about and between September 04, 2012 and
2 December 20, 2012, in violation of Section 550(a)(5) of the
3 Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
4 FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
5 MD, with the intent to defraud, did knowingly and unlawfully
6 prepare, make, and subscribe a material writing, with the intent
7 to present and use it, and to allow it to be presented to
8 HARTFORD, in support of a false and fraudulent claim, and did
9 aid and abet, and solicit another to do the same.

10 COUNT 16: On or about and between September 04, 2012 and
11 December 20, 2012, in violation of Section 550(a)(5) of the
12 Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
13 FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
14 MD, with the intent to defraud, did knowingly and unlawfully
15 prepare, make, and subscribe a material writing, with the intent
16 to present and use it, and to allow it to be presented to ICW,
17 in support of a false and fraudulent claim, and did aid and
18 abet, and solicit another to do the same.

19 COUNT 17: On or about and between September 04, 2012 and
20 December 20, 2012, in violation of Section 550(a)(5) of the
21 Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
22 FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
23 MD, with the intent to defraud, did knowingly and unlawfully
24 prepare, make, and subscribe a material writing, with the intent
25 to present and use it, and to allow it to be presented to
26 LIBERTY MUTUAL, in support of a false and fraudulent claim, and
27 did aid and abet, and solicit another to do the same.

28 COUNT 18: On or about and between September 04, 2012 and
December 20, 2012, in violation of Section 550(a)(5) of the
Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
MD, with the intent to defraud, did knowingly and unlawfully
prepare, make, and subscribe a material writing, with the intent
to present and use it, and to allow it to be presented to
PACIFIC COMP, in support of a false and fraudulent claim, and
did aid and abet, and solicit another to do the same.

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1 COUNT 19: On or about and between September 04, 2012 and
2 December 20, 2012, in violation of Section 550(a)(5) of the
3 Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
4 FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
5 MD, with the intent to defraud, did knowingly and unlawfully
6 prepare, make, and subscribe a material writing, with the intent
7 to present and use it, and to allow it to be presented to
8 SEABRIGHT, in support of a false and fraudulent claim, and did
9 aid and abet, and solicit another to do the same.

10 COUNT 20: On or about and between September 04, 2012 and
11 December 20, 2012, in violation of Section 550(a)(5) of the
12 Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
13 FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
14 MD, with the intent to defraud, did knowingly and unlawfully
15 prepare, make, and subscribe a material writing, with the intent
16 to present and use it, and to allow it to be presented to
17 SEDWICK INS., in support of a false and fraudulent claim, and
18 did aid and abet, and solicit another to do the same.

19 COUNT 21: On or about and between September 04, 2012 and
20 December 20, 2012, in violation of Section 550(a)(5) of the
21 Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
22 FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
23 MD, with the intent to defraud, did knowingly and unlawfully
24 prepare, make, and subscribe a material writing, with the intent
25 to present and use it, and to allow it to be presented to SENTRY
26 INS, in support of a false and fraudulent claim, and did aid and
27 abet, and solicit another to do the same.

28 COUNT 22: On or about and between September 04, 2012 and
December 20, 2012, in violation of Section 550(a)(5) of the
Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
MD, with the intent to defraud, did knowingly and unlawfully
prepare, make, and subscribe a material writing, with the intent
to present and use it, and to allow it to be presented to
TRAVELERS, in support of a false and fraudulent claim, and did
aid and abet, and solicit another to do the same.

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1 COUNT 23: On or about and between September 04, 2012 and
2 December 20, 2012, in violation of Section 550(a)(5) of the
3 Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
4 FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
5 MD, with the intent to defraud, did knowingly and unlawfully
6 prepare, make, and subscribe a material writing, with the intent
7 to present and use it, and to allow it to be presented to YORK
8 RISK MGT, in support of a false and fraudulent claim, and did
9 aid and abet, and solicit another to do the same.

10 COUNT 24: On or about and between September 04, 2012 and
11 December 20, 2012, in violation of Section 550(a)(5) of the
12 Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
13 FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
14 MD, with the intent to defraud, did knowingly and unlawfully
15 prepare, make, and subscribe a material writing, with the intent
16 to present and use it, and to allow it to be presented to
17 ZENITH, in support of a false and fraudulent claim, and did aid
18 and abet, and solicit another to do the same.

19 COUNT 25: On or about and between September 04, 2012 and
20 December 20, 2012, in violation of Section 550(a)(5) of the
21 Penal Code (INSURANCE FRAUD - WRITTEN CLAIM), a FELONY, FARAMARZ
22 FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH
23 MD, with the intent to defraud, did knowingly and unlawfully
24 prepare, make, and subscribe a material writing, with the intent
25 to present and use it, and to allow it to be presented to
26 ZURICH, in support of a false and fraudulent claim, and did aid
27 and abet, and solicit another to do the same.

28 COUNT 26: On or about November 15, 2012, in violation of Section
549 of the Penal Code (FALSE AND FRAUDULENT CLAIM), a FELONY,
FARAMARZ FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA
HIRACHAND SHAH MD did unlawfully solicit, accept, and refer
business to and from HEALTHCARE FINANCE MANAGEMENT, with the
knowledge that, and with reckless disregard for whether
HEALTHCARE FINANCE MANAGEMENT intended to violate Penal Code
section 550 and Insurance Code section 1871.4.

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1 COUNT 27: On or about November 21, 2012, in violation of Section
2 549 of the Penal Code (FALSE AND FRAUDULENT CLAIM), a FELONY,
3 FARAMARZ FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA
4 HIRACHAND SHAH MD did unlawfully solicit, accept, and refer
5 business to and from HEALTHCARE FINANCE MANAGEMENT, with the
6 knowledge that, and with reckless disregard for whether
HEALTHCARE FINANCE MANAGEMENT intended to violate Penal Code
section 550 and Insurance Code section 1871.4.

7 COUNT 28: On or about November 29, 2012, in violation of Section
8 549 of the Penal Code (FALSE AND FRAUDULENT CLAIM), a FELONY,
9 FARAMARZ FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA
10 HIRACHAND SHAH MD did unlawfully solicit, accept, and refer
11 business to and from HEALTHCARE FINANCE MANAGEMENT, with the
12 knowledge that, and with reckless disregard for whether
HEALTHCARE FINANCE MANAGEMENT intended to violate Penal Code
section 550 and Insurance Code section 1871.4.

13 COUNT 29: On or about December 06, 2012, in violation of Section
14 549 of the Penal Code (FALSE AND FRAUDULENT CLAIM), a FELONY,
15 FARAMARZ FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA
16 HIRACHAND SHAH MD did unlawfully solicit, accept, and refer
17 business to and from HEALTHCARE FINANCE MANAGEMENT, with the
18 knowledge that, and with reckless disregard for whether
HEALTHCARE FINANCE MANAGEMENT intended to violate Penal Code
section 550 and Insurance Code section 1871.4.

19 COUNT 30: On or about December 13, 2012, in violation of Section
20 549 of the Penal Code (FALSE AND FRAUDULENT CLAIM), a FELONY,
21 FARAMARZ FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA
22 HIRACHAND SHAH MD did unlawfully solicit, accept, and refer
23 business to and from HEALTHCARE FINANCE MANAGEMENT, with the
24 knowledge that, and with reckless disregard for whether
HEALTHCARE FINANCE MANAGEMENT intended to violate Penal Code
section 550 and Insurance Code section 1871.4.

25 COUNT 31: On or about December 20, 2012, in violation of Section
26 549 of the Penal Code (FALSE AND FRAUDULENT CLAIM), a FELONY,
27 FARAMARZ FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA
28 HIRACHAND SHAH MD did unlawfully solicit, accept, and refer
business to and from HEALTHCARE FINANCE MANAGEMENT, with the
knowledge that, and with reckless disregard for whether
HEALTHCARE FINANCE MANAGEMENT intended to violate Penal Code
section 550 and Insurance Code section 1871.4.

1 COUNT 32: On or about December 28, 2012, in violation of Section
2 549 of the Penal Code (FALSE AND FRAUDULENT CLAIM), a FELONY,
3 FARAMARZ FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA
4 HIRACHAND SHAH MD did unlawfully solicit, accept, and refer
5 business to and from HEALTHCARE FINANCE MANAGEMENT, with the
6 knowledge that, and with reckless disregard for whether
7 HEALTHCARE FINANCE MANAGEMENT intended to violate Penal Code
8 section 550 and Insurance Code section 1871.4.

7 COUNT 33: On or about November 08, 2012, in violation of
8 Section 650 of the Business & Professions Code (REBATES FOR
9 PATIENT REFERRALS), a FELONY, HITENDRA HIRACHAND SHAH MD, a
10 person licensed under the Healing Arts Division of this Code and
11 the Chiropractic Initiative Act, did unlawfully offer, deliver,
12 receive, and accept any rebate, refund, commission, preference,
13 patronage dividend, discount, and other consideration as
14 compensation and inducement for referring patients, clients, and
15 customers to HEALTHCARE FINANCE MANAGEMENT.

13 COUNT 34: On or about and between September 04, 2012 and
14 December 28, 2012, in violation of Section 2052(b) of the
15 Business and Professions Code (CONSPIRING IN THE UNAUTHORIZED
16 PRACTICE OF MEDICINE), a FELONY, FARAMARZ FRED KHALILI, SANDRA
17 GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH MD did unlawfully
18 conspire with another to practice, attempt to practice, hold
19 himself or herself out as practicing a system and mode of
20 treating the sick and afflicted in the State of California, and
21 conspire with another to diagnose, treat, operate for, and
22 prescribe for an ailment, blemish, deformity, disease,
23 disfigurement, disorder, injury and physical or mental condition
24 of a person without a valid, unrevoked and unsuspended
25 certificate provided in Chapter 5 of the California Business and
26 Professions Code or obtained in accordance with some other
27 provisions of law. It is further alleged that pursuant to and
28 for the purpose of carrying out the objects and purposes of the
conspiracy, one and more of the conspirators committed the
following overt acts:

OVERT ACT 1

27 Fred Khalili formed Madison Management a California Corporation,
28 in 2009 and operated this business as the owner and CEO.

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OVERT ACT 2

Fred Khalili was in charge of First Choice Medical Group, a Medical Corporation even though he was not a medical doctor.

OVERT ACT 3

First Choice Medical Group was operated as a clinic that provided medical treatment to workers compensation patients.

OVERT ACT 4

Khalili instructed his attorney to file documents with the Secretary of State in California naming Dr. Julio Westerband, M.D., as the owner and medical director of First Choice Medical Group in 2009.

OVERT ACT 5

Khalili, and not Dr. Julio Westerband, M.D., controlled all of the bank accounts that were held by First Choice Medical Group.

OVERT ACT 6

Khalili only paid Dr. Julio Westerband, M.D., a per diem rate when Dr. Westerband, M.D., came to the clinic to see workers compensation patients.

OVERT ACT 7

Dr. Julio Westerband, M.D., was not compensated as the owner and medical director of First Choice Medical Group by Khalili.

OVERT ACT 8

At Khalili's direction, Sandra Martinez hired Dr. Hitendra Shah, M.D. to work as a physician with First Choice Medical Group.

OVERT ACT 9

Dr. Hitendra Shah and Dr. Craig Chanin prescribed these compound transdermal creams to workers compensation patients per Fred Khalili's instruction regardless of medical necessity.

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OVERT ACT 10

Fred Khalili and Sandra Martinez were in charge of First Choice Medical Group, and this medical clinic did not have a medical director between 9/1/12 through 1/1/13.

OVERT ACT 11

Khalili wrote a check (#2375) in the amount of \$10,000 to Curt's Compounding Pharmacy on 12/12/12 for compound distributed in First Choice Medical Group.

OVERT ACT 12

On 9/1/12, Khalili entered into a contract with Healthcare Finance Management, to distribute transdermal compound creams manufactured by Curt's Compounding Pharmacy, in Orange County.

ENHANCEMENT(S)

It is further alleged pursuant to Penal Code section 186.11(a) (1)/(2) (AGGRAVATED WHITE COLLAR CRIME - OVER \$500,000), that as to counts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24 and 25, defendants FARAMARZ FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH MD engaged in a pattern of related fraudulent felony conduct involving the taking of more than five hundred thousand dollars (\$500,000).

As to Count(s) 26, 27, 28, 29, 30, 31 and 32, it is further alleged pursuant to Penal Code section 12022.6(a)(2) (PROPERTY LOSS OVER \$200,000), that FARAMARZ FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH MD intentionally took, damaged, and destroyed property valued in excess of two hundred thousand dollars (\$200,000) during the commission and attempted commission of the above offense.

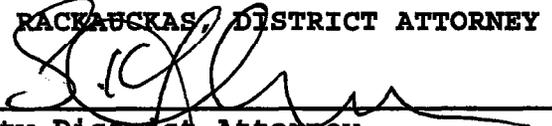
As to Count(s) 34, it is further alleged pursuant to Penal Code section 12022.6(a)(2) (PROPERTY LOSS OVER \$200,000), that FARAMARZ FRED KHALILI, SANDRA GARCIA MARTINEZ and HITENDRA HIRACHAND SHAH MD intentionally took, damaged, and destroyed property valued in excess of two hundred thousand dollars (\$200,000) during the commission and attempted commission of the above offense.

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I declare under penalty of perjury, on information and belief, that the foregoing is true and correct.

Dated 02-18-2016 at Orange County, California.
KS/AC 15F01341

TONY RACKAUSKAS, DISTRICT ATTORNEY

by: 
Deputy District Attorney

RESTITUTION CLAIMED

- None
- \$ _____
- To be determined

BAIL RECOMMENDATION:

- FARAMARZ FRED KHALILI - \$ 250,000.00
- SANDRA GARCIA MARTINEZ - \$ 250,000.00
- HITENDRA HIRACHAND SHAH MD - \$ 250,000.00

NOTICES:

The People request that defendant and counsel disclose, within 15 days, all of the materials and information described in Penal Code section 1054.3, and continue to provide any later-acquired materials and information subject to disclosure, and without further request or order.

Pursuant to Welfare & Institutions Code §827 and California Rule of Court 5.552, notice is hereby given that the People will seek a court order to disseminate the juvenile case file of the defendant/minor, if any exists, to all parties in this action, through their respective attorneys of record, in the prosecution of this case.

Exhibit 2

Case Summary

Case Number: 15CF2507

OC Pay Number: 8661895

Originating Court: Central

Defendant: Khalili, Faramarz Fred

Demographics:

Eyes: Brown

Hair: Brown

Height(ft/in) : 5'10"

Weight (lbs): 200

Names:

Last Name	First Name	Middle Name	Type
Khalili	Faramarz		Court True Name
Khalili	Faramarz	Fred	Real Name
KWALILI	FARAMARZ	F	Court True Name
Khauli	Faramarz	Fred	Court True Name
Khalili	Faramarz	Fred	Corrected Record
Khalili	Faramarz	Fred	Alias
Khalili	Faramarz		Alias
Khalili	Famarz	Fred	Alias
Aramarz	Halili		Alias
Khalili	Fred		Alias
Khalili	Famamarz	Fred	Alias
Khauli	Faramarz	Fred	Alias
Acamarz	Halili		Alias
Halili	Aramarz		Alias
Khalili	Faramar		Alias
Khalil	Faramarz		Alias
Khalili	Faramarz	Frea	Court True Name
Khalili	Faramarz	F	Alias

Case Status:

Status: Open
Case Stage:
Release Status: Released on Bond
Warrant: N
DMV Hold : N
Charging Document: Complaint
Mandatory Appearance: Y
Owner's Resp: N
Amendment #: 1

Counts:

Seq	S/A	Violation Date	Section Statute	OL	Violation	Plea	Plea Date	Disposition	Disposition Date
1	0	09/13/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016		
1	1	09/13/2012	186.11(a)(1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016		
2	0	09/07/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016		
2	1	09/07/2012	186.11(a)(1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016		
3	0	09/05/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016		
3	1	09/05/2012	186.11(a)(1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016		
4	0	09/21/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016		
4	1	09/21/2012	186.11(a)(1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016		
5	0	09/06/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016		
5	1	09/06/2012	186.11(a)(1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016		

6	0	09/06/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016
6	1	09/06/2012	186.11(a) (1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016
7	0	09/04/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016
7	1	09/04/2012	186.11(a) (1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016
8	0	09/04/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016
8	1	09/04/2012	186.11(a) (1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016
9	0	09/04/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016
9	1	09/04/2012	186.11(a) (1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016
10	0	09/04/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016
10	1	09/04/2012	186.11(a) (1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016
11	0	09/04/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016
11	1	09/04/2012	186.11(a) (1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016
12	0	09/04/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016
12	1	09/04/2012	186.11(a) (1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016
13	0	09/04/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016
13	1	09/04/2012	186.11(a) (1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016
14	0	09/04/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016
14	1	09/04/2012	186.11(a) (1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016
15	0	09/04/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016
15	1	09/04/2012	186.11(a) (1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016
16	0	09/04/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016
16	1	09/04/2012	186.11(a) (1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016
17	0	09/04/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016
17	1	09/04/2012	186.11(a) (1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016
18	0	09/04/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016
18	1	09/04/2012	186.11(a) (1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016
19	0	09/04/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016
19	1	09/04/2012	186.11(a) (1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016
20	0	09/04/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016
20	1	09/04/2012	186.11(a) (1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016
21	0	09/04/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016
21	1	09/04/2012	186.11(a) (1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016
22	0	09/04/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016
22	1	09/04/2012	186.11(a) (1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016

23	0	09/04/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016
23	1	09/04/2012	186.11(a) (1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016
24	0	09/04/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016
24	1	09/04/2012	186.11(a) (1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016
25	0	09/04/2012	550(a)(5) PC	F	Making false or fraudulent claims	NOT GUILTY	06/07/2016
25	1	09/04/2012	186.11(a) (1)/(2) PC	F	ENH-Aggravated white collar crime over \$500k	DENIED	06/07/2016
26	0	11/15/2012	549 PC	F	False or fraudulent claims, solicitation, acceptance or referral of business	NOT GUILTY	06/07/2016
26	1	11/15/2012	12022.6(a) (2) PC	F	ENH-Property damage over \$200,000	DENIED	06/07/2016
27	0	11/21/2012	549 PC	F	False or fraudulent claims, solicitation, acceptance or referral of business	NOT GUILTY	06/07/2016
27	1	11/21/2012	12022.6(a) (2) PC	F	ENH-Property damage over \$200,000	DENIED	06/07/2016
28	0	11/29/2012	549 PC	F	False or fraudulent claims, solicitation, acceptance or referral of business	NOT GUILTY	06/07/2016
28	1	11/29/2012	12022.6(a) (2) PC	F	ENH-Property damage over \$200,000	DENIED	06/07/2016
29	0	12/06/2012	549 PC	F	False or fraudulent claims, solicitation, acceptance or referral of business	NOT GUILTY	06/07/2016
29	1	12/06/2012	12022.6(a) (2) PC	F	ENH-Property damage over \$200,000	DENIED	06/07/2016
30	0	12/13/2012	549 PC	F	False or fraudulent claims, solicitation, acceptance or referral of business	NOT GUILTY	06/07/2016
30	1	12/13/2012	12022.6(a) (2) PC	F	ENH-Property damage over \$200,000	DENIED	06/07/2016
31	0	12/20/2012	549 PC	F	False or fraudulent claims, solicitation, acceptance or referral of business	NOT GUILTY	06/07/2016
31	1	12/20/2012	12022.6(a) (2) PC	F	ENH-Property damage over \$200,000	DENIED	06/07/2016
32	0	12/28/2012	549 PC	F	False or fraudulent claims, solicitation, acceptance or referral of business	NOT GUILTY	06/07/2016
32	1	12/28/2012	12022.6(a) (2) PC	F	ENH-Property damage over \$200,000	DENIED	06/07/2016
34	0	09/04/2012	2052(b) BP	F	Conspiring in, aiding and abetting the unauthorized practice of medicine	NOT GUILTY	06/07/2016
34	1	09/04/2012	12022.6(a) (2) PC	F	ENH-Property damage over \$200,000	DENIED	06/07/2016

Co Defendants:**Last Name First Name Release Status Status Date**

Shah	Hitendra	Released on Bond	11/09/2015
Martinez	Sandra	Released on Bond	11/09/2015

Participants:

Role	Badge Agency	Name	Vacation Start	Vacation End
District Attorney	OCDA	Kamiabipour, Shaddi		
Retained Attorney	RETAT	Marino, Nina		
Retained Attorney	RETAT	Kaplan, Richard		
Retained Attorney	RETAT	Bowers, Terree A		
Retained Attorney	RETAT	Bautista, Ismael Jr		

Scheduled Hearing:

Date	Hearing Type - Reason	Courtroom
11/22/2019	Pre Trial -	C35

Heard Hearings:

Date	Hearing Type - Reason	Courtroom	Hearing Status	Special Hearing Result
11/09/2015	Further Proceedings -	C55	Heard	
11/09/2015	Further Proceedings -	C49	Heard	Waives arraignment today
12/18/2015	Chambers Work -	C5	Heard	
01/13/2016	Arraignment -	C55	Heard	Waives arraignment today
03/01/2016	Arraignment -	C55	Heard	Waives arraignment today
04/19/2016	Arraignment -	C55	Heard	Waives arraignment today
06/07/2016	Arraignment -	C55	Heard	10 court/60 calendar days
07/19/2016	Motion Joinder	C55	Heard	
07/28/2016	Pre Trial -	C55	Cancel	
07/29/2016	Pre Trial -	C45	Heard	
07/29/2016	Motion Joinder	C45	Heard	General Time Waiver
07/29/2016	Motion Joinder	C45	Heard	10 court/60 calendar days
09/26/2016	Preliminary Hearing -	C55	Cancel	
11/04/2016	Pre Trial -	C45	Heard	Reasonable Time Waiver
12/09/2016	Motion Discovery	C45	Heard	
01/11/2017	Chambers Work -	C45	Heard	
01/27/2017	Pre Trial -	C45	Cancel	
01/30/2017	Pre Trial -	C45	Heard	General Time Waiver
05/05/2017	Pre Trial -	C45	Heard	10 court/60 calendar days
06/09/2017	Further Proceedings -	C45	Heard	
09/08/2017	Pre Trial -	C45	Heard	Reasonable Time Waiver
12/08/2017	Pre Trial -	C45	Heard	Reasonable Time Waiver
01/12/2018	Pre Trial -	C45	Heard	10 court/60 calendar days
02/08/2018	Chambers Work -	C1	Heard	
05/11/2018	Pre Trial -	C45	Cancel	
05/11/2018	Pre Trial -	C41	Heard	Reasonable Time Waiver
09/06/2018	Pre Trial -	C41	Heard	Reasonable Time Waiver
09/07/2018	Pre Trial -	C41	Cancel	
10/26/2018	Pre Trial -	C41	Heard	General Time Waiver
01/25/2019	Pre Trial -	C41	Heard	Reasonable Time Waiver
03/14/2019	Pre Trial -	C41	Heard	Reasonable Time Waiver
03/15/2019	Pre Trial -	C41	Cancel	
05/15/2019	Pre Trial -	C41	Heard	
07/12/2019	Pre Trial -	C41	Cancel	
07/12/2019	Pre Trial -	C35	Heard	Reasonable Time Waiver

Bond:

Bail Date	Post Amount	Bondsman	Bondsman Address	Surety	Surety Address	Action	Action Date	Amount
11/09/2015	250000.0	Josh Herman Bail Bonds	null	American Contractors Indemnity Co.	null	Active	11/09/2015	250000