

1 DEBORAH CONNOR, Acting Chief  
Money Laundering and Asset Recovery Section (MLARS)

2 MARY BUTLER  
Chief, International Unit

3 WOO S. LEE  
Deputy Chief, International Unit

4 KYLE R. FREENY, Trial Attorney  
JONATHAN BAUM, Trial Attorney

5 Criminal Division  
United States Department of Justice  
6 1400 New York Avenue, N.W., 10th Floor  
Washington, D.C. 20530  
7 Telephone: (202) 514-1263  
Email: Woo.Lee@usdoj.gov

8 SANDRA R. BROWN  
Acting United States Attorney

9 LAWRENCE S. MIDDLETON  
Assistant United States Attorney

Chief, Criminal Division

11 STEVEN R. WELK  
Assistant United States Attorney

12 Chief, Asset Forfeiture Section  
JOHN J. KUCERA (CBN: 274184)

13 CHRISTEN A. SPROULE (CBN: 310120)  
Assistant United States Attorneys

14 Asset Forfeiture Section  
312 North Spring Street, 14th Floor  
Los Angeles, California 90012  
15 Telephone: (213) 894-3391/(213) 894-4493  
16 Facsimile: (213) 894-7177  
Email: John.Kucera@usdoj.gov  
Christen.A.Sproule@usdoj.gov

17  
18 Attorneys for Plaintiff  
UNITED STATES OF AMERICA

19  
20 UNITED STATES DISTRICT COURT  
21 FOR THE CENTRAL DISTRICT OF CALIFORNIA

22 UNITED STATES OF AMERICA,

23 Plaintiff,

24 v.

25 ONE 18-CARAT WHITE GOLD  
26 DIAMOND JEWELRY SET; ONE  
27 11.72-CARAT HEART-SHAPED  
28 DIAMOND; ONE 8.88-CARAT  
FANCY INTENSE PINK DIAMOND  
PENDANT SURROUNDED BY 11-

No. CV 17-4445

**VERIFIED COMPLAINT FOR  
FORFEITURE *IN REM***

[18 U.S.C. § 981(a)(1)(A) and (C)]

[F.B.I.]

Page 2 of  
Title Page

CARAT FANCY INTENSE PINK  
DIAMONDS; AND 11-CARAT  
DIAMOND EARRINGS,

Defendants.

The United States of America brings this complaint against the above-captioned asset and alleges as follows:

\* **PERSONS AND ENTITIES**

1. The plaintiff is the United States of America.

2. The defendants in this action are One 18-Carat White Gold Diamond Jewelry Set; One 11.72-Carat Heart-Shaped Diamond; One 8.88-Carat Fancy Intense Pink Diamond Pendant Surrounded by 11-Carat Fancy Intense Pink Diamonds; and 11-Carat Diamond Earrings (hereinafter, the "DEFENDANT ASSETS"), more particularly described in Attachment A.

3. The persons and entities whose interests may be affected by this action are Miranda Kerr, Low Taek Jho and Lorraine Schwarz Inc.

4. Contemporaneously with the filing of this complaint, plaintiff is filing related actions seeking the civil forfeiture of the following assets (collectively, the "NEW SUBJECT ASSETS"):

\* a. **THE EQUANIMITY:** All right and title to the yacht M/Y Equanimity, including all appurtenances, improvements, and attachments thereon, and all leases, rents, and profits derived therefrom.

\* b. **THE VICEROY HOTEL GROUP ASSETS:** All right to and interest in the Viceroy Hotel Group ("Viceroy") owned, held or acquired, directly or indirectly, by "JW Hospitality (VHG US) LLC" (formerly known as "Wynton Hospitality (VHG US) LLC") and "JW Hospitality (VHG Intl) Ltd." (formerly known as "Wynton Hospitality (VHG Intl) Ltd."), including any right to collect and receive any profits and proceeds therefrom, and any interest derived from the proceeds invested in

Continue at next page at para  
(CC) 847.

1 843. On or about March 31, 2014, a Shareholders Agreement was executed by  
2 and between Flywheel and FW Sports Investments LLC. The Shareholders Agreement  
3 governed the management of Flywheel and the relationship between Flywheel and its  
4 shareholders, including FW Sports Investments LLC.

5 844. As described above in Paragraph 695, on or about February 3, 2014,  
6 CEPSA returned approximately \$350 million to SRG in connection with its sale of its  
7 shares in Condor to CEPSA. This \$350,000,000 represented proceeds traceable to the  
8 sale of equity in the Park Lane Partnership to Mubadala – proceeds that themselves were  
9 traceable to diverted 1MDB funds.

10 845. On or about February 4, 2014, SRG sent \$350,102,534 to the LHP Account.  
11 On that same date, \$13,000,000 was transferred from the LHP Account to Szen's  
12 personal account at BSI Bank.

13 846. On or about March 31, 2014, approximately \$3 million was wired from  
14 Szen's account at BSI Bank to a client account maintained by DLA Piper at Privatebank  
15 in the United States. That same day, (i) approximately \$3 million was transferred from  
16 the DLA Piper account to an account maintained by FW Acquisition Company LLC at  
17 JP Morgan Chase, and (ii) approximately \$3 million was transferred from FW  
18 Acquisition Company LLC to Flywheel's account at SunTrust Bank.

19 ~~CC.~~ **LOW ARRANGED TO PURCHASE A 22-CARAT PINK DIAMOND**  
20 **NECKLACE FOR THE WIFE OF MALAYSIAN OFFICIAL 1**  
21 **USING DIVERTED 2013 BOND PROCEEDS**

22 847. Funds traceable to the diverted proceeds of the 2013 bond sale were used to  
23 purchase a 22-carat pink diamond, set in a diamond necklace, ("22-CARAT PINK  
24 DIAMOND NECKLACE") for the wife of MALAYSIAN OFFICIAL 1. The stone and  
25 necklace were purchased from New York-based jeweler and jewelry designer Lorraine  
26 Schwartz Inc., which specializes in high-end bespoke diamond jewelry. The total  
27 purchase price for the stone and necklace was \$27,300,000.  
28

1 ✖ 848. On or about June 2, 2013, LOW texted Lorraine Schwartz (“Schwartz”), the  
2 proprietor of Lorraine Schwartz, Inc.: “Need a 18 carot pink heart diamond vivid or  
3 slightly short of vivid. On diamond necklace urgent.” By early July of 2013, Schwartz  
4 had identified a pink diamond available for purchase, and she discussed with LOW the  
5 logistics of making it available for viewing by him and others. Initially, LOW suggested  
6 that he would send HUSSEINY to pick up the diamond from Schwartz in New York.  
7 Ultimately, Schwartz agreed to show the diamond to LOW and to the “client” in  
8 Monaco. At this time, Schwartz did not know the identity of the “client.”

9 ✖ 849. On or about July 5, 2013, Schwartz traveled to Monaco and met LOW  
10 aboard the Topaz, one of the largest private yachts in the world. LOW and TAN had  
11 chartered the 147-meter yacht for seven days in early July 2013, and according to an  
12 invoice submitted to Falcon Bank, they paid €3.5 million for the rental, using proceeds  
13 of the 2013 bonds.

14 ✖ 850. Aboard the Topaz, Schwartz showed the pink diamond to a group of people  
15 that included LOW, HUSSEINY, the wife of MALAYSIAN OFFICIAL 1, and one of  
16 her friends (“Malaysian Friend”). The group discussed the design of the necklace to  
17 hold the 22-carat pink diamond, which itself would be made of smaller diamonds.

18 ✖ 851. On or about September 10, 2013, an email from TAN’s account, with the  
19 subject “22 CARAT PINK DIAMOND,” was sent to Schwartz Inc. advising: “pls ensure  
20 design, stone, etc. is ready for the VVIP Lorraine met (without stating names) as the  
21 VVIP will be in nyc on 23 sept.” An employee of Lorraine Schwartz Inc. responded that  
22 the necklace would not be ready by then but that Schwartz would like to “meet the client  
23 [to] insure [sic] correct measurement . . . and discuss any final touches needed” on the  
24 necklace.

25 ✖ 852. On or about September 28, 2013, Schwartz met again with LOW and the  
26 wife of MALAYSIAN OFFICIAL 1 in a hotel suite in the Mandarin Time Warner in  
27 New York in order to show them the layout of the necklace that Schwartz had designed.  
28 Travel records confirm that the wife of MALAYSIAN OFFICIAL 1 was in New York

1 City at this time. Travel records show that on September 27, 2013, LOW flew from Las  
2 Vegas to Teterboro Airport in New Jersey on his jet. Other passengers on that flight  
3 included AZIZ, TAN and McFarland. *Go to pg 224*

4 853. Although LOW arranged for the purchase of the 22-CARAT PINK  
5 DIAMOND NECKLACE from Lorraine Schwartz Inc., TAN was the nominal  
6 purchaser. Schwartz was asked to invoice Blackrock Commodities (Global) Limited  
7 (“Blackrock”), an entity nominally owned by TAN, for the entirety of the purchase.  
8 Thereafter, LOW and TAN took pains to avoid any association between LOW and the  
9 purchase in written records. For example, an August 29, 2013 email concerning the 22-  
10 CARAT PINK DIAMOND NECKLACE that was sent to Schwartz’s assistant from  
11 TAN’s email account reads: “Please as mentioned on many occasions, do not state Mr.  
12 Low’s name on email as he is just an introducer and not the buyer! V sensitive!” There  
13 is evidence that LOW may have used TAN’s email address in order to conceal his  
14 association with transactions nominally made by TAN.

15 854. Schwartz Inc. issued two invoices in connection with the purchase of the  
16 22-CARAT PINK DIAMOND NECKLACE. The first invoice, dated July 3, 2013, was  
17 for \$23,000,000 for the 22-carat diamond itself. The diamond is described in the invoice  
18 as “22.17carat Natural Fancy Intense Pink VS2 clarity (GIA#2115637296) Cut-Cornered  
19 Square Modified Brilliant Cut diamond.” The second invoice, dated July 31, 2013, was  
20 for \$4,300,000 for the accompanying necklace, which was described as “ONE  
21 GRADUATE FANCY INTENSE PINK AND OVAL WHITE DIAMOND NECKLACE  
22 WITH INTERCHANGEABLE PENDANT TO RING.”

23 855. TAN and/or LOW originally claimed to have difficulty paying these  
24 invoices with funds from the account that Blackrock maintained at DBS Bank in  
25 Singapore, because of “compliance issues” with the bank. Over the course of more than  
26 a month, TAN emailed Schwartz on at least three occasions claiming that the wire  
27 transfer had been completed when it had not been.  
28

✱

1 856. The invoices were ultimately paid using funds traceable to diverted 2013  
2 bond proceeds, and more specifically, to the funds that Tanore sent to MALAYSIAN  
3 OFFICIAL 1 under the guise of investing in SRC International.

4 857. As noted in Paragraphs 317 above, beginning on or about March 21, 2013,  
5 \$835,000,000 in funds raised by 1MDB through its 2013 bond issue was diverted to the  
6 Tanore Account at Falcon Bank in Singapore, after being routed through one of three  
7 Overseas Investment Funds. On or about the same day, Tanore transferred \$620,000,000  
8 to the AMPRIVATE BANKING-MR account at AmBank in Malaysia belonging to  
9 MALAYSIAN OFFICIAL 1. On or about March 25, 2013, an additional \$61,000,000  
10 was wired from the Tanore Account to the same account, for a total of \$681,000,000.

11 858. As noted in Paragraph 345 above, on or about August 26, 2013,  
12 \$620,010,715 of the \$681,000,000 in diverted 1MDB funds sent to MALAYSIAN  
13 OFFICIAL 1 was returned to the Tanore Account from another account at AmBank  
14 belonging to MALAYSIAN OFFICIAL 1.

✱

15 859. On or about September 9, 2013, \$58,849,050 was wired from the Tanore  
16 Account to another account at Falcon Bank in Singapore held in the name of Midhurst  
17 Trading Limited ("Midhurst Trading Account"). TAN was the recorded beneficial  
18 owner of the Midhurst Trading Account, and LOO had power of attorney over the  
19 account. The following day, on or about September 10, 2013, Midhurst transferred  
20 \$32,760,000 to an account at DBS Bank Ltd. in Singapore held by Blackrock (the  
21 "Blackrock Account"). The wire transfer was processed through a correspondent bank  
22 account at Bank of New York Mellon in New York. TAN was also the recorded  
23 beneficial owner of the Blackrock Account.

✱

24 860. In response to an inquiry by DBS Bank about the purpose of the incoming  
25 \$32,760,000 wire, TAN represented that Midhurst Trading was a "long-term wholesale  
26 buyer of jewelry" and that the transfer represented payment by Midhurst to Blackrock  
27 for goods sold. In fact, TAN was the stated beneficial owner of both Midhurst and  
28 Blackrock, and both entities were shell companies that conducted no legitimate business.

1 861. On or about the same day that Midhurst sent \$32,760,000 to Blackrock,  
2 Blackrock made two separate wire transfers to a bank account at Bank of America in  
3 New York held by Lorraine Schwartz Inc. in payment of the two invoices for the 22-  
4 CARAT PINK DIAMOND NECKLACE – one in the amount of \$23,000,000 and  
5 another in the amount of \$4,300,000.

6 862. This was far from the only time that TAN and LOW used the Blackrock  
7 Account to pay for jewelry purchases for themselves and their associates. Between April  
8 2013 and September 2014, the Blackrock Account was used to purchase a total of  
9 approximately \$200 million in jewelry from firms located around the world, using funds  
10 traceable to the 2013 bonds and the 2014 Deutsche Bank loans. Typically, as in this  
11 case, funds intended for jewelry purchases would be routed to the Blackrock Account  
12 from other TAN- and LOW-affiliated entities, such as Affinity Equity, Tanore, and  
13 Midhurst.

14 863. The finished 22-CARAT PINK DIAMOND NECKLACE, which included  
15 the 22-carat pink diamond as a pendant, was delivered to the Malaysian Friend in Hong  
16 Kong on or about March 7, 2014, so that she could deliver it to the wife of  
17 MALAYSIAN OFFICIAL 1 in Kuala Lumpur. Records reflect that the Malaysian  
18 Friend accepted receipt of the necklace “[o]n behalf of” Blackrock.

19 **DD. LOW ARRANGED TO PURCHASE 27 ASSORTED GOLD**  
20 **NECKLACES FOR THE WIFE OF MALAYSIAN OFFICIAL 1**  
21 **USING MISAPPROPRIATED DEUSCHE BANK LOAN PROCEEDS**

22 864. In October 2014, \$1,300,000 in funds traceable to misappropriated  
23 Deutsche Bank loan proceeds were used to purchase 27 different 18-carat gold necklaces  
24 and bracelets (“27 ASSORTED GOLD NECKLACES AND BRACELETS”) from  
25 Schwartz Inc. in New York. LOW arranged for the purchase and payment of this  
26 jewelry on behalf of the wife of MALAYSIAN OFFICIAL 1.

27 865. Schwartz was invited to show MALAYSIAN OFFICIAL 1 jewelry at the  
28 Hotel Bel-Air in Los Angeles on or about January 3, 2014. LOW texted Schwartz that

1 day to confirm that she was there. At the Bel Air Hotel, Schwartz had dinner with  
 2 MALAYSIAN OFFICIAL 1 and others, and thereafter was invited to a suite to show  
 3 jewelry to her. She selected 27 different necklaces and bracelets.

4 866. The invoice for the 27 ASSORTED GOLD NECKLACES AND  
 5 BRACELETS, dated June 23, 2014, was sent to Blackrock, "Attention: Board of  
 6 Directors." The invoice number was 6039. Twenty-seven different pieces of jewelry  
 7 were listed on the invoice, as set forth below:

Qty.	Description	Total Price
1	18K WHITE GOLD WHITE DIAMOND ROSE CUT BANGLE (MEDIUM)	\$52,000
1	18K YELLOW GOLD WHITE DIAMOND ROSE CUT BANLGE (MEDIUM)	\$52,000
1	18K ROSE GOLD WHITE DIAMOND ROSE CUT BANGLE (MEDIUM)	\$52,000
2	18K BLACK GOLD BROWN DIAMOND ROSE CUT BANGLE (MEDIUM)	\$99,000
3	18K WHITE GOLD WHITE DIAMOND ROSE CUT BANGLE (THIN)	\$91,200
2	18K YELLOW GOLD FANCY DIAMOND ROSE CUT BANGLE (THIN)	\$60,800
3	18K BLACK GOLD BROWN DIAMOND ROSE CUT BANGLE (THIN)	\$76,125
2	18K BLACK GOLD BLACK DIAMOND ROSE CUT BANGLE (THIN)	\$35,500
2	18K WHITE HOLD WHITE DIAMOND ROSE CUT TURQUOISE BANGLE (MEDIUM)	\$92,000

P. 1.0



1	4	18K WHITE GOLD WHITE DIAMOND AND BLACK JADE BANGLES	\$68,000
2			
3	1	18K YELLOW GOLD WHITE DIAMOND BANGLE	\$65,000
4	1	18K ROSE GOLD MULTI COLOR HEART SHAPE SAPPHIRE NECKLACE	\$150,000
5			
6	1	18K ROSE GOLD WHITE DIAMOND 2B HAPPY NECKLACE	\$70,714
7			
8	1	18K YELLOW GOLD WHITE DIAMOND 2B HAPPY NECKLACE	\$55,489
9			
10	1	18K WHITE HOLD WHITE DIAMOND 2B HAPPY NECKLACE	\$40,172
11			
12	1	18K WHITE GOLD WHITE DIAMOND AND BLACK DIAMOND NECKLACE	\$240,000
13			
14			

15 These twenty-seven pieces corresponded to the pieces that the wife of MALAYSIAN  
16 OFFICIAL 1 had selected in Los Angeles on or about January 3, 2014. The total  
17 purchase price for all 27 ASSORTED GOLD NECKLACES AND BRACELETS was  
18 \$1,300,000.

19 867. Although LOW communicated with Schwartz about the jewelry purchase  
20 for the wife of MALAYSIAN OFFICIAL 1, he directed that documents and records omit  
21 referring to his part in the purchase. For example, when Schwartz mentioned invoicing  
22 Blackrock, LOW responded, in relevant part: "Re rock biz, pls don't text me! All email  
23 eric better and safe! :) thanks!"

24 868. On or about October 6, 2014, Schwartz texted LOW about paying several  
25 outstanding invoices, including the one for the 27 ASSORTED GOLD NECKLACES  
26 AND BRACELETS. LOW responded that "Eric will follow up separately." A Schwartz  
27 employee separately emailed TAN about the outstanding invoices.  
28

1 869. On or about October 8, 2014, LOW texted Schwartz to advise her that  
2 payment had been sent for the 27 ASSORTED GOLD NECKLACES AND  
3 BRACELETS. His text read: "Sent from world merit mgmt. USD4m+"

4 870. On or about October 10, 2014, an entity called World Merit Management  
5 Ltd. ("World Merit") wire transferred \$4,100,000 from its bank account at Bank of East  
6 Asia in Hong Kong to the Citibank account of Lorraine Schwartz Inc. in New York  
7 ("Schwartz Inc. Account"). These funds were sent to pay several outstanding invoices,  
8 including the \$1,300,000 invoice for the 27 ASSORTED GOLD NECKLACES AND  
9 BRACELETS.

10 871. After noticing that payment was made by an entity other than the one that  
11 was invoiced for the jewelry, an employee at Schwartz Inc. sent an email to TAN's email  
12 account, with the subject "Hi Eric." In that email, the employee indicated that, "[s]ince  
13 payment was received from a party other than the invoiced party, our company policy is  
14 to ask that you respond to the attached questionnaire." Attached to the email was a  
15 Purchaser AML Questionnaire that asked about the payment details, the source of funds,  
16 and an explanation for "why the source of funds differed from the purchased."

17 872. On the completed questionnaire, TAN claimed that payment was made by a  
18 third-party, World Merit, rather than by Blackrock, because World Merit "extended a  
19 loan to Blackrock Commodities (Global) Limited beneficial owner and thus paid on  
20 behalf of Blackrock." TAN also falsely identified the source of funds as "[p]ersonal."

21 873. In fact, the funds sent to Schwartz Inc. from World Merit were traceable to  
22 misappropriated Deutsche Bank loan proceeds. As noted in Section 433 above, at  
23 1MDB's direction, Deutsche Bank wired \$457,984,607 in proceeds from the \$975  
24 million loan to the Aabar-Seychelles Account at UBS Bank in Singapore on or about  
25 September 29, 2014, with the understanding that the funds were being sent to a  
26 legitimate subsidiary of IPIC.  
27  
28

1 874. As explained below, a portion of these misappropriated funds was thereafter  
 2 laundered through a series of pass-through accounts, and ultimately to the World Merit  
 3 Account, within a two-week period.

4 875. On or about September 30, 2014, Aabar-Seychelles sent \$71,773,000 to an  
 5 account held in the name of Aabar International Investments Ltd. ("Aabar  
 6 International"). Like Aabar-Seychelles and Aabar-BVI, Aabar International was an  
 7 entity named to mimic the real IPIC subsidiary, Aabar Investments PJS.

8 876. On or about October 1, 2014, Aabar International sent \$33,500,000 of the  
 9 \$71,773,000 it had received from Aabar-Seychelles to a bank account held by Enterprise,  
 10 one of the Overseas Investment Funds used to divert 2013 bond proceeds to Tanore. On  
 11 or about the same day, Aabar-Seychelles sent an additional \$38,223,000 to a bank  
 12 account held by Cistenique, another Overseas Fund. In total, Aabar International sent  
 13 nearly all the money it received from Aabar-Seychelles to the Overseas Investment  
 14 Funds.

15 877. These Overseas Investment Funds functioned solely as pass-through  
 16 entities. On or about October 2, 2014 – one day after Aabar International "invested" in  
 17 the Funds – the Funds wired the "invested" money to an account at BSI Bank in  
 18 Singapore held in the name of SRC International (Malaysia) Ltd. ("SRC (Malaysia)  
 19 Account"). These pass-through transfers are depicted below:

Date	Credits into Enterprise		Debits from Enterprise	
	From	Amount	Amount	To
10/1/14	Aabar Int'l Account	\$33,500,000		
10/6/14			\$33,500,000	SRC (Malaysia) Account

Date	Credits into Cistenique		Debits from Cistenique	
	From	Amount	Amount	To
10/1/14	Aabar In't Account	\$38,223,000		
10/2/14			\$38,223,000	SRC (Malaysia) Account

878. SRC International (Malaysia) Ltd. is an ostensible subsidiary of SRC International. At the time SRC International (Malaysia) Ltd. was created in 2011, its parent SRC International was a wholly-owned subsidiary of 1MDB. SRC International was transferred to direct ownership by the Ministry of Finance in 2012. As noted in Paragraph 344 above, the 1MDB-SRC OFFICER, who was CEO of SRC International, was involved in the transfer of \$681 million in diverted 2013 bond proceeds to the bank account of MALAYSIAN OFFICIAL 1 in March 2013.

879. On or about October 7, 2014, \$65,000,000 was wire-transferred from the SRC (Malaysia) Account back to the Aabar-Seychelles Account, where the money had originated roughly one week prior. Thereafter, on or about that same day, Aabar-Seychelles wire transferred \$39,750,000 to the World Merit Account. These funds were then used to make payment on the 27 ASSORTED GOLD NECKLACES AND BRACELETS that the wife of MALAYSIAN OFFICIAL 1 had ordered in Los Angeles earlier that year.

**EE. LOW PURCHASED AN 11.72-CARAT HEART-SHAPED DIAMOND  
USING DIVERTED 2013 BOND PROCEEDS**

880. In February 2014, LOW used funds traceable to misappropriated 2013 bond proceeds to purchase a \$1.29 million 11.72-carat heart-shaped diamond ("11.72-CARAT HEART-SHAPED DIAMOND") from Schwartz Inc. in New York. LOW gave the jewelry as gifts to Miranda Kerr, an Australian national.

1 881. On or about January 29, 2014, LOW texted Schwartz to inquire about the  
2 possibility of purchasing a necklace with a heart-shaped diamond in time for Valentine's  
3 Day. LOW indicated he had a budget of \$1-2 million, and that "[s]ize matters." A few  
4 days later, Schwartz met LOW at the Time Warner complex to allow LOW to choose the  
5 diamond. LOW later asked Schwartz to inscribe Kerr's initials ("MK") on the back of  
6 the piece.

7 882. Schwartz Inc. sent LOW an invoice for \$1,290,000, dated February 5, 2014.  
8 The invoice describes the item as "11.72CT HEART SHAPE D VVS2 TYPE IIA  
9 (GIA#2155273833) INCLUDING MULTIPLE CHAINS."

10 883. On or about February 7, 2014, LOW wired \$1,815,520 from his personal  
11 bank account at BSI to the Schwartz Inc. Account as payment for the 11.72-CARAT  
12 HEART-SHAPED DIAMOND, as well as for previous purchases of jewelry for LOW's  
13 mother. The payment details on the SWIFT indicate: "INVOICE 5945 (V-DAY), AND  
14 PREVIOUS PURCHASES FOR MOTHER." Invoice number 5945 corresponds to the  
15 invoice for the 11.72-CARAT HEART-SHAPED DIAMOND.

16 884. LOW used funds traceable to the 2013 bond proceeds, which had been  
17 laundered through the Park Lane deal and through an additional investment with IPIC, to  
18 pay for the 11.72-CARAT HEART-SHAPED DIAMOND.

19 885. As explained in Paragraphs 710-712 above, LOW and his father LHP used  
20 the proceeds of the sale of equity in the Park Lane Partnership to invest in a joint venture  
21 called "Condor" with IPIC's subsidiary CEPESA. On or about December 27, 2013, the  
22 day after LHP received \$56,500,000 in proceeds from the sale of Partnership equity to  
23 Mubadala, LHP transferred \$55,500,000 to another bank account at BSI Bank in  
24 Singapore held in the name of SRG. Approximately \$50 million of this amount was  
25 invested in the Condor joint venture, resulting in a \$350,000,000 return to SRG several  
26 days later as proceeds of the investment.

27 886. On or about February 4, 2014, SRG transferred the approximately \$350  
28 million in supposed investment returns to the LHP Account. On or about the same day,

1 LHP transferred \$334,102,534 to LOW's personal account, purportedly as a "gift" to  
2 him.

3 887. Three days later, LOW used a portion of those funds to pay for the 11.72-  
4 CARAT HEART-SHAPED DIAMOND, as set forth in Paragraph 883.

5 888. LOW directed that the 11.72-CARAT HEART-SHAPED DIAMOND be  
6 delivered (along with other items) to his TIME WARNER PENTHOUSE in New York,  
7 where his assistant would accept them. LOW gave the 11.72-CARAT HEART-  
8 SHAPED DIAMOND to Kerr, who resides in Los Angeles, as a Valentine's Day  
9 present.

10 **FF. LOW PURCHASED AN 8.88-CARAT DIAMOND PENDANT USING**  
11 **DIVERTED DEUTSCHE BANK LOAN PROCEEDS**

12 889. In November 2014, LOW used funds traceable to the diverted proceeds of  
13 the \$975 million Deutsche Bank loan to purchase an 8.88-carat diamond pendant for  
14 \$3,800,000 ("8.88-CARAT DIAMOND PENDANT") from Schwartz Inc. in New York.  
15 LOW gave the 8.88-CARAT DIAMOND PENDANT to Kerr as a gift.

16 890. On or about November 18, 2014, LOW texted Schwartz to inquire: "2 dec,  
17 can u find me a pink heart diamond? Cost? For a necklace? Light pink is fine, size more  
18 imp." Over the next few days, LOW and Schwartz communicated about different stones  
19 that might fulfill LOW's request.

20 891. On or about November 21, 2014, Schwartz suggested that a particular pink  
21 heart-shaped diamond might be available for between \$4.5 and \$4.8 million. After  
22 viewing a photo of the stone, LOW wrote: "4.5M offer ok / Heart looks beautiful /  
23 Let's take it and be ready for asap! London 27 or earlier if possible nov." In response,  
24 Schwartz advised LOW of the "need to pay them Monday in order to keep [the] stone . .  
25 . ."

26 892. In response to Schwartz's request for immediate payment, on or about  
27 November 26, 2014, LOW wired \$3,800,000 from his personal account at BSI to the  
28

1 Schwartz Inc. Account, in partial payment for the 8.88-CARAT DIAMOND  
2 PENDANT.

3 893. LOW paid for the 8.88-CARAT DIAMOND PENDANT using funds  
4 traceable to misappropriated Deutsche Bank loan proceeds. As noted in Section V.F  
5 above, at 1MDB's direction, Deutsche Bank wired \$457,984,607 in proceeds from the  
6 \$975 million loan to the Aabar-Seychelles Account on or about September 29, 2014,  
7 with the understanding that the funds were being sent to a legitimate subsidiary of IPIC.  
8 A portion of these funds was cycled through various accounts in October and November  
9 to create the impression that Brazen Sky was redeeming its investments in the Bridge  
10 Global Fund, but the majority of the funds were ultimately returned to the Aabar-  
11 Seychelles Account.

12 894. On or about November 6, 2014, Aabar-Seychelles sent \$92,000,000 from its  
13 account at UBS in Singapore to an account at Amicorp held in the name of Aabar  
14 Investments International Partners Ltd. ("Aabar International"). Like Aabar-Seychelles  
15 and Aabar-BVI, Aabar International was an entity named to mimic the real IPIC  
16 subsidiary, Aabar Investments PJS.

17 895. On or about November 7, 2014, Aabar International sent that same  
18 \$92,000,000 to a bank account at Amicorp held in the name of Vista Equity International  
19 Partners Ltd. ("Vista Equity Account"). TAN was the stated beneficial owner of this  
20 account.

21 896. On or about the same day that Vista Equity received \$92,000,000 from  
22 Aabar International, it sent \$44,595,000 to a bank account at Amicorp held in the name  
23 of TKIL Capital Partners ("TKIL Account"). TAN was also the stated beneficial owner  
24 of the TKIL Account.

25 897. On or about November 10, 2014, TKIL sent the \$44,595,000 it had received  
26 from Vista Equity to the Dragon Market Account at RBS Coutts in Switzerland. As  
27 noted above, LOW is the stated beneficial owner of the Dragon Market Account. On or  
28

1 about November 12, 2014, Dragon Market sent \$39,950,000 to the Dragon Dynasty  
2 Account at BSI Bank in Singapore, which is also beneficially owned by LOW.

3 898. On or about the same day, or November 12, 2014, LOW transferred the  
4 \$39,950,000 again to his personal account at BSI in Singapore. All told, five different  
5 pass-through accounts – some with the same beneficial owner – were used within the  
6 span of one week to launder misappropriated Deutsche Bank loan proceeds from Aabar-  
7 Seychelles to LOW's personal bank account. LOW used these laundered funds to make  
8 a \$3,800,000 payment to Schwartz Inc. on or about November 26, 2014, for the 8.88-  
9 CARAT DIAMOND PENDANT.

10 899. The 8.88-CARAT DIAMOND PENDANT was delivered to LOW on or  
11 about November 27, 2104 at the STRATTON OFFICE, the London office of a lingerie  
12 company that he owned, described in further detail in Section VI.S.

13 900. An invoice dated February 12, 2015 shows that LOW was billed \$4,800,000  
14 for the 8.88-CARAT DIAMOND PENDANT. The piece is described as an "18K ROSE  
15 GOLD 8.88CT FANCY INTENSE PINK DIAMOND PENDANT SURROUNDING  
16 BY 11CT FANCY INTENSE PINK DIAMONDS." Also included on the same invoice  
17 were a chain and a necklace, totaling \$800,000. The invoice shows that LOW owed a  
18 balance of \$1,800,000 on all three items. This reflects a credit for LOW's earlier  
19 payment of \$3,800,000 on or about November 26, 2014, for the 8.8-CARAT  
20 DIAMOND PENDANT.

21 901. LOW gave the 8.88-CARAT DIAMOND PENDANT to Kerr as a gift.

22 **GG. LOW PURCHASED A MATCHING DIAMOND JEWELRY SET and**  
23 **11-CARAT DIAMOND EARRINGS USING DIVERTED DEUTSCHE**  
24 **BANK LOAN PROCEEDS**

25 902. In October 2014, LOW used funds traceable to the diverted proceeds of the  
26 \$975 million Deutsche Bank loan to purchase an 11-carat pair of diamond earrings ("11-  
27 CARAT DIAMOND EARRINGS") and a matching set of diamond earrings, necklace,  
28 ring, and bracelet ("MATCHING DIAMOND JEWELRY SET") from Schwartz Inc. in



1 New York. LOW gave the 11-CARAT DIAMOND EARRINGS and the MATCHING  
2 DIAMOND JEWELRY SET to Kerr as gifts.

3 1. *The MATCHING DIAMOND JEWELRY SET*

4 903. LOW first approached Schwartz about the purchase of the MATCHING  
5 DIAMOND JEWELRY SET on or about June 17, 2014, texting her: "Thinking of super  
6 casual, simple, bracelet, necklace, earring and ring all similar style as picture white gold  
7 with simple diamonds. (not too big). Think / the one she wore in pic is from tiffany."  
8 He also requested that Schwartz "initial whatever items u can with MK." LOW  
9 indicated in a later text to Schwartz that he needed the items by July 29, 2014 in London.

10 904. The invoice for the MATCHING DIAMOND JEWELRY SET, bearing  
11 Invoice Number 6070, was dated July 29, 2014, in the amount of \$1,980,000. It was  
12 directed to LOW. The jewelry was described as an "18K WHITE GOLD DIAMOND  
13 SET INCLUDING NECKLACE, EARRINGS, BRACELET AND RING."

14 905. The MATCHING DIAMOND JEWELRY SET was delivered to LOW in  
15 London on or about July 30, 2014. LOW gave the MATCHING DIAMOND  
16 JEWELRY SET to Kerr as a gift during a multi-day excursion aboard his new yacht the  
17 Equanimity, in late July and early August of 2014. The excursion was planned at  
18 LOW's direction by a high-end concierge service, and meticulous planning went into  
19 arranging the manner in which LOW would present each piece of the MATCHING  
20 DIAMOND JEWELRY SET to Kerr.

21 2. *THE 11-CARAT DIAMOND EARRINGS*

22 906. On or about October 7, 2014, Schwartz approached LOW to see if he was  
23 interested in purchasing two 5-carat, internally-flawless, pear-shaped diamonds that  
24 could be mounted as earrings, *i.e.*, the 11-CARAT DIAMOND EARRINGS. LOW  
25 confirmed that he would buy them, and he asked that Kerr's initials be engraved in them.

26 907. The invoice for the 11-CARAT DIAMOND EARRINGS was dated  
27 October 7, 2014, and was directed to LOW. The jewelry was described as "18K WHITE  
28 GOLD DIAMOND EARRINGS – 5.55 CT DIF GIA # 2165455706 AND 5.49 CT DIF

1 GIA # 2165635932 PEAR BRILLIANT CUT DIAMONDS.” The purchase price was  
2 \$1,050,000.

3 908. LOW signed for the receipt of the 11-CARAT DIAMOND EARRINGS on  
4 October 9, 2014. The “Good Received” form indicates that they were delivered in New  
5 York City. LOW gave the jewelry to Kerr as a gift.

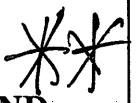
6 909. On or about October 29, 2014, LOW wire transferred \$4,050,000 from his  
7 personal account at BSI Bank in Singapore to the Schwartz Inc. Account in New York.  
8 The payment details on the wire read: “INVOICE : 6047, 6070 & 6072.” Invoice 6070  
9 matches the invoice for the MATCHING DIAMOND JEWELRY SET. Payment  
10 records associated with the purchase also show that the wire of \$4,050,000 included  
11 payment for Invoice 6102, which matches the invoice for the 11-CARAT DIAMOND  
12 EARRINGS.

13 910. The money used to purchase the MATCHING DIAMOND JEWELRY SET  
14 and the 11-CARAT DIAMOND EARRINGS was traceable to the misappropriated  
15 proceeds of the \$975 million Deutsche Bank loan. As noted in Section V.F above, at  
16 1MDB’s direction, Deutsche Bank wired \$223,000,000 in proceeds from the \$975  
17 million loan to the Aabar-Seychelles Account at UBS Bank in Singapore on or about  
18 September 2, 2014, with the understanding that the funds were being sent to a legitimate  
19 subsidiary of IPIC.

20 911. A portion this money was laundered through five different pass-through  
21 accounts to LOW’s personal account within a five-day period, as follows: (a) Aabar-  
22 Seychelles sent \$28,000,000 to the Aabar International Account on or about October 24,  
23 2014; (b) Aabar International sent \$28,000,000 to the Vista Equity Account on or about  
24 October 27, 2014; (c) Vista Equity sent \$25,000,000 to the TKIL Account on or about  
25 October 27, 2014; (d) TKIL sent \$25,000,000 to the Dragon Market Account on or about  
26 October 28, 2014; (e) Dragon Market sent \$25,000,000 to the Dragon Dynasty Account  
27 on or about October 29, 2014; and (f) Dragon Dynasty sent \$25,000,000 to LOW’s  
28

1 personal account at BSI on or about October 29, 2014 – the same day that LOW sent  
2 \$4,050,000 to Lorraine Schwartz Inc. from his BSI account.

3 **HH. LOW PURCHASED MATCHING DIAMOND RING AND**  
4 **EARRINGS FOR HIS MOTHER USING DIVERTED 2012 BOND**  
5 **PROCEEDS**



6 912. LOW used funds traceable to diverted 2012 bond proceeds to purchase a  
7 pair of diamond earrings and a matching diamond ring for his mother (“MATCHING  
8 DIAMOND RING AND EARRINGS”). The purchase price of these items was  
9 \$1,695,475.

10 913. On or about November 20, 2012, LOW texted Schwartz, in relevant part:  
11 “Also separately for my mom, and [sic] I need two simple same quality diamonds 3  
12 carat each / for earrings nice timeless (but not old looking setting), maybe can give her  
13 the stone and she can work with u all on setting and design later?” After additional back  
14 and forth with Schwartz about various available stones, LOW wrote: “For mom 7.7  
15 round brilliant and a pair of same quality ear rings. / Buy both, she can decide on how  
16 she wants ring n ear rings set later.”

17 914. Schwartz met with Low’s mother, “Evelyn” Goh Gaik Ewe (“Goh”), in  
18 both New York and Hong Kong to discuss the design of a ring and earrings using the  
19 stones that LOW had selected for her.

20 915. The invoice to LOW for the MATCHING DIAMOND RING AND  
21 EARRINGS was dated November 28, 2012, and included the following items:

Description	Price
7.53CT RB D FLAWLESS TYPE 2A GIA#2145864026	\$1,167,150
3.05CT RB D FLAWLESS TYPE 2A GIA#2136117071	\$312,625
3.08CT RB D FLAWLESS TYPE 2A GIA#2145977021	\$315,700
<b>Total:</b>	\$1,695,475

1 The invoice also included a 7-carat diamond engagement ring that LOW had ordered for  
2 an unidentified woman, bringing the invoice total to \$2,842,475.

3 916. LOW paid for the MATCHING DIAMOND RING AND EARRINGS with  
4 a wire transfer in the amount of \$2,842,475 from his personal account at BSI bank to the  
5 Schwartz Inc. Account in New York on or about December 5, 2012. These funds were  
6 traceable to diverted 2012 bond proceeds.

7 917. As noted in Section III.D above, between May and December of 2012,  
8 Aabar-BVI transferred, either directly or indirectly, approximately \$1.1 billion in  
9 diverted 2012 bond proceeds to the Blackstone Account.

10 918. Beginning on or about October 29, 2012, funds from the Blackstone  
11 Account were laundered in rapid sequence through several accounts associated with  
12 TAN and LOW, ending up in LOW's personal account at BSI in a matter of days. More  
13 specifically: (a) on or about October 29, 2012, Blackstone transferred a total of  
14 \$259,800,000 to the Alsen Chance Account at Standard Chartered, of which TAN was  
15 the recorded beneficial owner; (b) on or about November 1, 2012, Alsen Chance  
16 transferred \$200,000,000 to the Good Star Account at RBS Coutts; (c) on or about  
17 November 2, 2012, Good Star transferred \$153,000,000 to the ADKMIC BSI Account,  
18 which was beneficially owned by LOW; (d) on or about November 5, 2012, LOW  
19 transferred \$150,000,000 from the ADKMIC BSI Account to the personal bank account  
20 of his father at BSI Bank (*i.e.*, the LHP Account); and (e) on or about November 7, 2012,  
21 \$150,000,000 was transferred from the LHP Account to LOW's personal account at BSI  
22 Bank.

23 919. Compliance officials at BSI raised concerns about the flow of funds from  
24 Good Star through various BSI account, with a particular focus on the movement of such  
25 a large sum of money beneficially owned by LOW through his father's account and back  
26 to another account owned by LOW. One compliance official characterized the flow of  
27 funds as "nebulous to say the least and not acceptable in Compliance's view."  
28

1 920. In response to a query from BSI, LOW attempted to explain these  
2 suspicious fund flows by email dated November 7, 2012:

3 "-The sender of funds [i.e., Good Sar] and the recipient (Abu Dhabi-Kuwait-  
4 Malaysia Investment Corporation, ADKMIC) have the same Beneficial Owner.

5 -The different vehicles serve different investment objectives in different  
6 jurisdictions, asset allocation and other functions.

7 -In our family tradition and hierarchy, we are always respectful of my family and  
8 the older generation. . . .

9 -Therefore, when good wealth creation is generated, as a matter of cultural respect  
10 and good fortune that arises from respect, we always give our parents the  
11 proceeds. This is part of our custom and culture.

12 -It is of course then up to the parents/elder to determine what to do with the funds  
13 and in this case, my father receives it as a token of gesture, respect and  
14 appreciation and decides to give it back for me to then subsequently provide a  
15 portion for the benefit of the family trust."

16 LOW closed by saying, in relevant part: "I hope I do not need to keep explaining the  
17 same matter over and over again as our time is better spent generating wealth so that the  
18 AUM [assets under management] in BSI Bank can be increased as opposed to providing  
19 answers for questions which have already been provided previously."

20 921. BSI Bank accepted LOW's word that what appeared to be red flags for  
21 money laundering were actually the result of "family tradition," and it proceeded to  
22 process the transfers.

23 922. Roughly one month later, LOW transferred \$2,842,475 from his personal  
24 account at BSI to the Schwartz Inc. Account in payment for his mother's MATCHING  
25 DIAMOND RING AND EARRINGS.

26 923. Goh picked up the MATCHING DIAMOND RING AND EARRINGS in  
27 Hong Kong.  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

ONE 18-CARAT WHITE GOLD ONE  
18-CARAT WHITE GOLD  
DIAMOND JEWELRY SET; ET AL.,

Defendants.

No. CV 17-4445

WARRANT FOR ARREST IN REM

TO: THE FEDERAL BUREAU OF INVESTIGATION ("FBI"), THE  
UNITED STATES MARSHAL FOR THE CENTRAL DISTRICT OF  
CALIFORNIA, AND/OR ANY OTHER DULY AUTHORIZED LAW  
ENFORCEMENT OFFICER:

A Verified Complaint for Forfeiture In Rem ("Complaint") was filed on  
June 15, 2017, in the United States District Court for the Central District of  
California by the United States of America, alleging that the defendant assets –  
specifically, one 11.72-carat heart-shaped diamond with GIA number 2155273833;  
one 8.88-carat fancy intense pink diamond pendant surrounded by 11-carat fancy  
intense pink diamonds; one 18-carat white gold diamond jewelry set, including  
diamond necklace, diamond earring, diamond bracelet, and diamond ring; and one

1 pair of 18K white gold diamond earrings consisting a 5.55-carat diamond with GIA  
2 number 2165455706 and a 5.49-carat diamond with GIA number (the "Defendant  
3 Assets") – are subject to forfeiture to the United States of America pursuant to  
4 Title 18, United States Code, Sections 981(a)(1)(A) and (C).

5 The Court is satisfied that, based upon the allegations of the Verified  
6 Complaint, there is probable cause to believe that the Defendant Assets are subject  
7 to forfeiture to the United States pursuant to 18 U.S.C. § 981(a)(1)(A) and (C).

8 YOU ARE HEREBY COMMANDED pursuant to Rule G(3)(c) of the  
9 Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture  
10 Actions, Federal Rules of Civil Procedure (the "Supplemental Rules"), to arrest  
11 and seize the Defendant Assets. Special Agents of the FBI and/or Deputies of the  
12 United States Marshals Service ("USMS"), together with any personnel deemed  
13 necessary, shall execute this warrant of arrest in rem as soon as practicable.

14 YOU ARE FURTHER COMMANDED to provide a copy of this warrant to  
15 the person from whom the Defendant Assets are seized and file a return with this  
16 Court identifying the time and details of execution of this Warrant, and the identity  
17 of the individual(s) who received copies.

18 THE GOVERNMENT IS COMMANDED to publish notice of the seizure in  
19 a manner consistent with the Supplemental Rules, and to provide notice of this  
20 action to all persons and entities who reasonably appear to be potential claimants to  
21 the Defendant Assets by sending such persons and entities a copy of this warrant  
22 and a copy of the Verified Complaint, in a manner consistent with Rule G(4)(b) of  
23 the Supplemental Rules.

24 This warrant provides notice that in order to avoid forfeiture of the  
25 Defendant Assets, any person claiming an interest in, or right against, the  
26 Defendant Assets must file a claim, signed under penalty of perjury, identifying the  
27 specific assets claimed, the claimant, and stating the claimant's interest in the  
28 assets in the manner set forth in Rule G(5) of the Supplemental Rules. Any such

1 claim must also be served on Assistant United States Attorney John J. Kucera or  
2 Assistant United States Attorney Christen A. Sproule at the United States  
3 Attorney's Office, Central District of California, 312 North Spring Street, 14th  
4 Floor, Los Angeles, California 90012. In no event may such claim be filed later  
5 than 35 days after the date the notice of the Complaint is sent, or if applicable, no  
6 later than 60 days after the first day of publication on an official internet  
7 government forfeiture site.

8 In addition, any person having filed such a claim must also file an answer to  
9 the Verified Complaint not later than 21 days after the filing of the claim, with a  
10 copy thereof sent to Assistant United States Attorney John J. Kucera or Assistant  
11 United States Attorney Christen A. Sproule at the address above. Upon failure to  
12 file a verified statement of interest and answer, default may be entered pursuant to  
13 Rule 55(a), Federal Rule of Civil Procedure, and seizure and condemnation may  
14 proceed as sought by plaintiff in its Complaint.

15  
16 Dated: 6/16/17

*Dale S. Fischer*

17  
18 UNITED STATES DISTRICT JUDGE  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28



1 PRESENTED BY:

2 DEBORAH CONNOR, Acting Chief  
3 Money Laundering and Asset Recovery Section  
4 United States Department of Justice

4 WOO S. LEE

5 KYLE R. FREENY

6 Criminal Division

6 U.S. Department of Justice

7 SANDRA R. BROWN

8 Acting United States Attorney

9 LAWRENCE S. MIDDLETON

10 Assistant United States Attorney

10 Chief, Criminal Division

11 STEVEN R. WELK

12 Assistant United States Attorney

12 Chief, Asset Forfeiture Section

13 /s/Christen A. Sproule

14 JOHN J. KUCERA

15 CHRISTEN A. SPROULE

16 Assistant United States Attorneys

17 Attorneys for Plaintiff

18 UNITED STATES OF AMERICA