



## **PRESS RELEASE**

**DATE:** May 30, 2019

**SUBJECT:** Man arrested for Affinity Fraud and engaging in an illegal Ponzi scheme- Investors lost over \$3 Million Dollars.

**LOCATION OF OCCURRENCE:** Garden Grove-California

**DATE/TIME OF OCCURRENCE:** June 2017 through February 2018

**VICTIM:** Multiple victims

**SUSPECT(s):** Tran, Lo Van, 42, Fremont, California

### **NARRATIVE:**

Garden Grove, Calif. – Garden Grove Police, with assistance from the Las Vegas Metro Police Department, arrested a man for defrauding multiple investors of over \$3 million, in connection with a securities fraud investment scam.

The defendant engaged in affinity fraud and a Ponzi scheme. Affinity fraud is a form of investment fraud which preys upon members of the same identifiable groups, such as minorities and professional groups. A Ponzi scheme is a fraudulent operation that offers investors high, short-term returns on investments. Instead of using the money to generate actual income and legitimate profits, the money from the investors is kept for the benefit of the defendant or used to repay earlier investors.

Lo Van Tran, 42, of Fremont, Calif., was the owner and operator of SmartBuy Outlet, Inc., which two had storefronts in Garden Grove. The business also operated under the name Savmax Solutions, Inc. As a side business related to SmartBuy Outlet, Inc., Tran claimed to have a partnership with a third-party logistics company known as Zyp Corporation, where he would facilitate the purchase and sales of large amounts of Apple products.

Tran collected more than \$3 million from investors and it was later discovered that Zyp Corporation never existed. He also fabricated bank and business documents to make his business appear legitimate. Between June 2017 and February 2018, Tran defrauded over 10 investors, the majority of whom are Vietnamese and falsely


promised them a pre-determined return on their investment, based on their investment amount.

Tran is charged with 27 counts of Corporations Code 25401, using an untrue statement in the purchase or sale of a security, one count of Corporations Code 25541, scheming to defraud, with sentencing enhancements for aggravated white-collar crime over \$500,000 and 20 counts of money laundering over \$2.5 million.

Garden Grove detectives believe there may be additional victims who have yet to come forward. It is also possible Tran has conducted similar scams in the Bay Area, as well as in Las Vegas. If you feel you have been a victim of this crime or have any further information, contact Detective Thi Huynh at (714) 741-5835.



Booking Photo: Tran, Vo Lan, 42 years old

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