

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

BANK OF INDIA, NEW YORK BRANCH, as a Lender  
and as Collateral Agent for ALLAHABAD BANK,  
HONG KONG BRANCH, and ALLAHABAD BANK,  
HONG KONG BRANCH

Plaintiffs,

-against-

ANAYA GEMS, INC., ANSHUL GANDHI, AJAY  
GANDHI, DINIKA A. GANDHI, RAJUL A. GANDHI,  
STARLIGHT DESIGNS, ~~SDC d/b/a CO. LLC,~~  
STARLIGHT DESIGNS HOLDINGS, LLC, SUPER  
DIAMOND JEWELRY, LLC, DNM JEWELRY INC.,  
MICHAEL PASQUAL, MICHAEL SCHEINMAN,  
MANJUSAKA JEWELERS CO. LIMITED, MARS  
VENTURE LTD., SINO STERLING, DIAGEM, ~~JEWEL~~  
~~ROUGH N.A., and DIVINE ENTERPRISES LTD. INC.,~~

Defendants.

Index No.: [655240/2018](#)

~~VERIFIED AMENDED COMPLAINT~~

~~VERIFIED~~ SECOND AMENDED VERIFIED COMPLAINT

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Plaintiffs Bank of India, New York Branch (the “Bank of India”) and Allahabad Bank, Hong Kong Branch, (“Allahabad Bank”, together with the Bank of India the “Banks”) by their attorneys Condon & Forsyth LLP, allege the following for their Verified Amended Complaint against Defendants:

### **INTRODUCTION**

1. On June 17, 1999, Bank of India served as the lead bank for a consortium of lenders for an \$80,000,000.00 loan facility, pursuant to a Working Capital Consortium Agreement to Antrix Diamond Exports Limited (“Antrix”) (the “Antrix Loan”).

2. In consideration of the banks continuing these loan facilities, Defendant Anaya Gems, Inc. (“Anaya”), an affiliated company controlled by the same principals as Antrix, executed a corporate guaranty agreement of Antrix’s loan facility on January 24, 2014.

3. Anaya and Bank of India later agreed to amend and restate that guaranty of the Antrix debt on April 10, 2015 (the “Anaya Corporate Guaranty”).

4. Defendant Anshul Gandhi (“Anshul”) also executed an amended and restated personal guaranty of the Antrix Loan, dated April 10, 2015 (the “Anshul Personal Guaranty”).

5. On or about May of 2018, Antrix defaulted on the Antrix Loan. Anaya and Anshul, as the corporate guarantor and personal guarantor, each became liable to Bank of India for the outstanding amounts owed under the Antrix Loan.

### **Anaya Gems Background**

6. Anaya was a jeweler that sold jewelry and product lines to retailers. Anaya was previously based in Long Island City, New York before relocating to Mount Vernon, New York in August 2018.

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7. In addition to its Anatrix guaranty obligations to Bank of India, Anaya itself ~~separately~~ entered into a separate credit agreement (the “BOI Credit Agreement”) and promissory note for its own loan facilities with the Bank of India on March 12, 2010.

8. Pursuant to the BOI Credit Agreement and subsequent amendments, the Bank of India ultimately agreed to extend a revolving loan credit facility of \$35,000,000 to Anaya.

9. Pursuant to a Participation Interest Agreement dated December 20, 2010, Punjab National Bank (Hong Kong) purchased an interest in the BOI Credit Agreement for \$10,000,000, which was amended on July 6, 2012. Punjab National Bank (Hong Kong) has since closed, with the interest transferred to Punjab National Bank (Dubai).

10. In July 2012, Anaya and Bank of India agreed to amend the BOI Credit Agreement and Anaya executed a new promissory note (“BOI Note”) and security agreement (“BOI Security Agreement”) in favor of Bank of India.

11. In August 2013, Allahabad Bank and Anaya entered into a credit agreement whereby Allahabad Bank agreed to extend an additional \$5,000,000 term loan to Anaya (the “AB Credit Agreement”), and Anaya executed a note (“AB Note”) and security agreement (“AB Security Agreement”) in favor of Allahabad Bank (altogether the “Anaya Loan”).

12. Collectively, the AB Security Agreement and BOI Security Agreement (altogether the “Security Agreements”), granted Bank of India and Allahabad Bank (together, the “Banks” or each a “Bank”) a security interest in all of Anaya’s accounts receivables, deposit accounts, inventory and equipment, documents of title, fixed assets, shares, rights, and patents, and other property (the “Collateral”).

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13. On August 20, 2013, Bank of India and Allahabad Bank entered into an Intercreditor Agreement whereby Bank of India assumed the role of lead bank and collateral agent (i.e., Collateral Agent) with respect to the Collateral and the Anaya Loans.

14. The Banks properly perfected their interest in the Collateral and, thus, the Banks together are the senior secured creditors of Anaya.

15. In February 2018, Anaya defaulted on the Anaya Loan.

### The Customs Fraud Scheme

16. Unbeknownst to the Banks, Anshul and Ajay had been conducting an international fraudulent scheme since 2010 wherein Anaya, with the knowledge and involvement of Anshul, Ajay and their employees, underreported the value of jewelry containing diamonds that Anaya Gems imported from Hong Kong and Thailand. See Exhibit 1.

17. Anaya would submit, or cause to be submitted, false entry summaries and invoices to the United States Customs and Border Protection (“CBP”) to avoid paying customs duties that would be owed for the full value of the imported jewelry (i.e., the invoices were for the value of the jewelry without the diamonds).

18. As part of a settlement with the federal government, Anshul made admissions as to the details of the custom scheme, including that: (1) Anaya sold jewelry to retailers in the U.S., as well as worldwide through www.netaya.com; (2) Anshul was closely involved in the day-to-day operations of Anaya and involved in the pricing of jewelry with Anaya sales employees; (3) the involved jewelry manufacturers, including Manjusaka, shipped the completed jewelry under falsified invoices to Anaya; (4) the diamonds used by those manufacturers were obtained from companies sharing a common ownership with Anaya, including Antrix, Shubh Exports (“Shubh”),

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La Vie Premium Ltd. (“La Vie”), and Netaya; (5) the Gandhi family diamond suppliers billed and sent invoices to Anaya, DNM, and Diam Trade Corp. (all Gandhi operations) for the cost of the diamonds Anaya shipped to Manjusaka and the other manufacturers, which would be paid by those three entities to the suppliers (also Gandhi operations); (6) the manufacturers, including Manjusaka, would use the diamonds to finish the jewelry and then export the jewelry to Anaya, but the manufacturers were not billed for or pay for the diamonds supplied by the Gandhi family suppliers, including Antrix, Shubh and Netaya; (7) Anaya would submit inaccurate invoices to CBP that either did not include or understated the value of the diamonds as part of the jewelry, enabling Anaya to avoid millions of dollars of customs duties; and (8) Anaya would sell the jewelry at market-accurate prices reflecting the value of the jewelry with the diamonds. See **Exhibit 1**.

19. The diamond supplier companies, Manjusaka and the other manufactures were all aware of Anshul, Ajay, and Anaya’s scheme and willingly joined in for personal gain, as the transactions, invoices, flow of funds and other aspects of the business relationships were not standard for the industry and the associated companies were controlled and operated in their daily operations by either members of the Gandhi family or their close business associates/collaborators.

20. Manjusaka would send invoices without prices for the jewelry, which is not done in the jewelry business, and enabled Anaya to claim less than the actual value of the jewelry when submitting documents to CBP. See **Exhibit 2**, at ¶¶ 26, 36.

21. Anaya perpetuated the scheme in part by use of its electronic sales database, which determined the prices to charge to customers for jewelry and contained information as to the real customs duties that would be incurred if properly provided to CBP.

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22. Anshul and his sales employees at Anaya had access to the database and used it in the regular course of business, including for the customs scheme.

23. Anaya sales employees assisted in creating the false invoices sent to CBP using the Anaya database under the guidance of Anshul.

24. At this time, both Michael Scheinman and Michael Pasqual were key leaders of the Anaya sales team and worked directly with Anshul concerning the sales team under them.

25. Anaya would then remit payments constituting the difference between the report and un-reported value of the jewelry to other Gandhi family entities, including Antrix, DNM, and Diam Trade. See Exhibit 2, at pages 54-55.

26. Shubh, another Gandhi family entity, was a fence through which these payments to Antrix and DNM were made by Anaya.

27. In late 2017, Super Diamond was created, in part, to further this customs scheme, but also to join the other Gandhi family companies, their associates, including SDC Designs LLC, diamond suppliers and manufacturers in their enterprise. Shortly after its creation, two top Anaya Gems sales people, Michael Scheinman and Michael Pasqual, moved to Super Diamond to lead the sales team there and continue Anaya's business under the Super Diamond name.

#### **Background of the Fraudulent Plan to Divest Anaya of Assets**

28. ~~16.~~Faced with the Anaya loan obligations and the possible frustration of the various schemes of the Gandhi family and their associates in the diamond industry, as well as his Anshul's and Anaya's guaranty of the defaulted Antrix loan obligations, Anshul and his co-conspirators began selling and/or transferring Anaya assets, or proceeds from those assets, to other entities

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owned, ~~controlled~~ or otherwise ~~under the authority of Anshul~~ controlled by the Gandhi family and their associates.

29. ~~17.~~ These transfers were designed to minimize any actual payments to the Banks for Anaya's and Anshul's defaulted obligations under the Antrix Loan and the Anaya Loan (collectively referred to as the "Loans").

30. ~~18.~~ These transfers effectively divested Anaya of its most valuable Collateral and ensured that the Banks were left with very little Anaya Collateral or assets to recover upon when a Court-appointed receiver eventually took over operations of Anaya in December 2019.

31. ~~19.~~ These fraudulent transfers of Anaya assets included, inter alia, inventory, customers and vendors, jewelry sample lines, the customer and vendor relationships, and other valuable business assets —all effectuated using the experience and network of companies and shell companies controlled by the Gandhi family and the principals of SDC Designs.

32. ~~20.~~ In short, Anshul and others schemed to leave the Banks "holding the bag" in the form of vast unpaid outstanding loans and a vastly devalued Anaya, stripped of its most valuable assets, for repayment.

33. ~~21.~~ To ~~effect~~ effectuate this fraudulent scheme, Anshul, through Anaya and, particularly, Michael Pasqual and Michael Scheinman, informed Anaya customers that Anaya was transferring its business to a new entity, called Starlight ~~Designs Co., LLC~~ during 2017. In reality, Starlight Designs ~~Co.~~ was just Anaya by another day, intended to take over Anaya's business without obligations to the Banks.

34. ~~, LLC was~~ When the Starlight plan fell through, in part due to another bank commencing litigation for fraud against Shrenuj USA, LLC (a company controlled by the

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principals of SDC Designs), Starlight served as a fence through which Anaya assets ~~would be~~ were ultimately transferred to Super Diamond ~~Jewelry, LLC, at the~~ d/b/a of SDC Designs ~~LLC~~ and recipient of most of the valuable Anaya assets.

35. Michael Scheinman and Michael Pasqual led the inventory transfer from Anaya to Starlight and initially attempted to use Anaya's unique vendor number to continue Anaya's business under the Starlight name, which they knew was not permitted in the industry as only one vendor may use each vendor number.

36. Additionally, the CFO of SDC Designs, Shridhar Krishnan, an associate of Anshul, was involved in managing the operations of Starlight and Super Diamond, and was previously involved in another similar fraudulent scheme conducted by the principals of SDC Designs.

37. The prior relationships between Anaya, Gandhi family companies and their employees and entities controlled by the principals of SDC Designs enabled the Defendants to effectuate the complete devaluation of Anaya quickly while simultaneously maintaining a false front to the Banks that business was proceeding as usual through falsified financial and sales documentation.

38. ~~22.~~ Anshul, through other entities that he controlled, received millions of dollars in compensation for those transfers—all of which were not remitted to the Banks.

39. ~~23.~~ Anshul and his co-conspirators would continue this fraudulent scheme to strip Anaya of almost all of its assets, leaving the Bank with a ~~near-empty~~ near-empty shell of a company as security.

40. ~~24.~~ To cover up this scheme, Anaya submitted numerous fraudulent borrowing base statements to the Banks using the same electronic sales databases as used to conduct the customs

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[scheme](#), which vastly inflated the true value of the underlying Collateral to support the obligations under the Loans.

[41.](#) ~~25.~~ Thus, while it appeared to the Banks that Anaya was conducting “business as usual,” the reality is that Anshul and his co-conspirators were defrauding the Banks to essentially avoid or minimize any obligations under the Loans.

[42.](#) ~~26.~~ In March of 2018, Anaya stopped submitting Borrowing Base Statements and failed to make the required payments to the Banks under the Loans.

[43.](#) ~~27.~~ The Banks made repeated inquiries to Anshul as to Anaya’s failure to submit Borrowing Base Statements and make payments.

[44.](#) ~~28.~~ Anshul represented that the foregoing failure was because Anaya was financially struggling and that they were in the process of winding down the company and selling off the inventory.

[45.](#) ~~29.~~ No proceeds from Anaya were ever remitted to the Banks as secured creditors until the Court-appointed receiver took over Anaya operations in February 2019.

[46.](#) ~~30.~~ The Banks made repeated attempts to audit Anaya which were rebuffed and ignored by Anaya.

[47.](#) ~~31.~~ Eventually, the Banks received permission to conduct an inspection of Anaya, but only when it made such an inspection a condition for the Banks to allow Anaya to move to a new location from Long Island City to Westchester.

[48.](#) ~~32.~~ Bank of India hired Bourget and Associates to conduct the inspection.

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49. ~~33.~~ Bourget and Associates in their brief review determined that Anaya wrote off approximately \$10,500,000 of its own inventory in April 2018, due to the alleged loss of “loose polished diamonds.”

50. ~~34.~~ Essentially, a month after Anaya provided its March 2018 Borrowing Base Statement to the Banks, it then proceeded to write off as a loss 25% of the company’s purported inventory and value.

51. ~~35.~~ Anaya’s ridiculous and fabricated explanation for writing off \$10.5 million (i.e., a quarter of the valuation of its inventory) was that it was due to “the undercalculation of diamond breakage losses.”

52. ~~36.~~ Anaya never reported this loss to the Banks.

53. ~~37.~~ Furthermore, the inspection revealed, contrary to Anaya’s Borrowing Base Statements, that the inventory as of August 31, 2018 appeared to be only about \$31,000,000 compared to approximately \$55,000,000 in August 31, 2017, which left the Banks severely undercollateralized.

54. ~~38.~~ Additionally, Anaya generated net sales for five months prior to August 31, 2018 of about \$3,400,000 but remitted little to any of these funds to the Banks.

### **Background of this Action**

55. ~~39.~~ On or about of October 2018, the Banks moved this Court for the appointment of a receiver over Anaya.

56. ~~40.~~ On November 21, 2018, this Court approved the appointment of John Esposito as the receiver of Anaya (the “Receiver”).

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57. ~~41.~~ The Receiver was formally discharged from his position as Receiver on May 11, 2021.

58. ~~42.~~ The Receiver's nearly two and half year investigation revealed that Anshul and his co-conspirators successfully transferred the majority of Anaya's Collateral or the proceeds of that Collateral to various other entities, domestic and abroad, controlled by Anshul and/or his close family members, or otherwise received value for the Collateral which was not remitted to the Banks.

59. ~~43.~~ More specifically, the Receiver's findings revealed that Anshul conspired with Starlight ~~Designs~~, Super Diamond, and various other entities to defraud the Banks and strip Anaya of almost all of its value before the Receiver took over Anaya operations.

60. ~~44.~~ Accordingly, Plaintiffs now bring these claims against Defendant Anshul and his co-conspirators.

### PARTIES

61. ~~45.~~ The Plaintiffs are Bank of India, New York Branch, a duly licensed branch of a foreign banking corporation, which is authorized to transact business in the State of New York and maintains an office at 277 Park Avenue, New York, New York 10172 and Allahabad Bank located at 1908-09, Tower One Lippo Centre, 89 Queensway, Admiralty, Hong Kong.

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62. ~~46.~~ Defendant Anaya Gems, Inc.<sup>1</sup> (“Anaya”) is a New York corporation whose registered place of business with the New York Department of State is at 31-00 47th Avenue, 5th floor, Long Island City, New York 11101. Anaya relocated its last place of operations to 115 South Macquesten Parkway, Mount Vernon, New York 10550. Anaya conducted a substantial amount of business in New York.

63. ~~47.~~ Defendant Anshul Gandhi was the Chief Executive Officer of Anaya, worked in the State of New York, and transacted business on behalf of Anaya in the State of New York. Defendant Anshul Gandhi is also a personal guarantor of the Anaya Loan.

64. ~~48.~~ Defendant Ajay Gandhi was an executive of Anaya, worked in the State of New York and is a personal guarantor of the Anaya Loan. Although Ajay Gandhi purportedly resigned from his position at an earlier time, he signed the March 2018 Borrowing Base Statement containing fraudulent representations and delivered to Bank of India in New York.

65. ~~49.~~ Defendant Rajul A. Gandhi entered in contracts centered in the State of New York and is a personal guarantor of the Anaya Loan.

66. ~~50.~~ Defendant Dinika A. Gandhi entered in contracts centered in the State of New York and is a personal guarantor of the Anaya Loan.

67. ~~51.~~ Defendant Starlight Designs Co., LLC (“Starlight”) is a New York limited liability company transacting business in the State of New York and maintains an office located at 30-30 47th Avenue, Suite 520, Long Island City, New York 11101.

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<sup>1</sup> Anaya is named as a defendant with the understanding that the Court previously directed the Clerk to enter a default judgment against Anaya in the full amount of the damages prayed for by the Banks herein. See NYSCEF Doc. No. 293. The judgment has not been issued by the Clerk as of this Second Amended Verified Complaint, but upon issuance, the remaining Defendants’ liability as alleged will therefore become derivative liability of the judgment against Anaya.

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68. Defendant Starlight Designs Holding LLC is a New York limited liability company transacting business in the State of New York, with an office located at 529 5th Avenue, 16th Floor, New York, NY 10017, and controls Defendant Starlight.

69. ~~52.~~ Defendant SDC Designs LLC d/b/a Super Diamond Jewelry, LLC ~~d/b/a SDC Designs LLC~~ (“Super Diamond”) is a company that transacts business in the state of New York, and maintains an office located at 30-30 47th Avenue, Suite 520, New York, NY 11101 —the same location in which Starlight operated.

70. While SDC Designs LLC (“SDC Designs”) is controlled and operated by business associates and co-conspirators of the Gandhi family (and maintains its own office at 529 5th Avenue, 16th Floor, New York, NY 10017), Super Diamond itself is also operated by many former Anaya officers and employees (i.e., Super Diamond’s officers are largely former Anaya officers and key employees). SDC Designs controls Super Diamond. See <https://sdcdesigns.com/divisions> (last visited November 6, 2024).

71. ~~53.~~ Defendant DNM Jewelry Inc. (“DNM”) is a New York corporation that registered with the New York Secretary of State at 7 West 45th Street, Suite 1205, New York, New York 10036. DNM shares the same ownership and management of Anaya and its actual place of business, as well as all DNM computers and files were kept at Anaya’s Long Island City address, and later Mount Vernon, address.

72. ~~54.~~ Defendant Michael Pasqual was the Vice President of Sales and Marketing at Anaya. He was involved with Starlight and currently works for Defendant Super Diamond as its Senior Vice President of Sales and Merchandising.

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73. ~~55.~~ Defendant Michael Scheinman was the President of Sales of Anaya Gems and worked in the New York office of Anaya. He was involved with Starlight and is currently the President of Sales, or a similar executive position, at Super Diamond.

74. ~~56.~~ Defendant Manjusaka Jewelers Co., Ltd. (“Manjusaka”) is a manufacturing company with offices at Unit 08, 12th Floor, Tower A Focal Industries Centre, 21 Man Lok Street, Hung Hom, Kowloon, Hong Kong, that participated in the fraudulent scheme along with Anaya and its owners and the other companies, which are named as defendants in this Complaint. Defendant Manjusaka is a co-conspirator with Anaya and the owners and affiliates of Anaya in carrying out Anaya’s fraudulent scheme to defraud the Banks and the earlier scheme to defraud the U.S. government.

75. ~~57.~~ Defendant Mars Venture Limited (“Mars”) is a Hong Kong based company located at Kowloon Centre, Unit 1109, 33 Ashley Road, TST, KLN, Hong Kong that participated in the fraudulent scheme along with Anaya and its owners and affiliated companies, which are named as defendants in this Complaint.

76. ~~58.~~ Defendant Sino Sterling (“Sino”) is a Hong Kong based company located at Worldwide House, Suite 2301, 19 Des Voeux Road, Central Hong Kong that participated in the fraudulent scheme along with Anaya and its owners and affiliated companies, which are named as defendants in this Complaint.

77. ~~59.~~ Defendant Diagem Inc. (“Diagem”) is a New York corporation with its principal place of business located at 529 Fifth Avenue, 16th Fl., New York, New York 10017. (i.e., the same location as SDC Designs LLC). It was a shell company for SDC Designs (i.e., the same entity as Super Diamond) and operated by close associates of the Gandhi family through which funds were transferred to DNM.

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~~60. Defendant Jewel Rough N.V. is a corporation organized under the laws of Belgium, which transacted business and entered in contracts centered in the state of New York and is a corporate guarantor of the Anaya Loan.~~

~~61. Defendant Divine Enterprises Ltd. was a New York corporation which transacted business in the State of New York and is a corporate guarantor of the Anaya Loan.~~

~~62. Netaya Jewels PVT Ltd. (“Netaya”) is a private limited company that participated in the fraudulent scheme along with Anaya and its owners and affiliated companies, which are named as defendants in this Complaint. It is based in Mumbai, India 407, Panchratna, Opera House, Mumbai, Maharashtra, India, 400004 and transacts business in the State of New York.~~

### VENUE AND JURISDICTION

78. ~~63.~~ Venue is proper in New York County because Plaintiff Bank of India, who is also the collateral agent for the Banks under the Intercreditor Agreement, is located in New York County.

79. ~~64.~~ This Court has jurisdiction over the Defendant Anaya Gems because it is located and transacts business within the State of New York.

80. ~~65.~~ Furthermore, Anaya irrevocably submitted to the jurisdiction of any New York State Court in Section 11.10 of the Second Amended and Restated Credit Agreement it entered into with Bank of India and in Section 9.09 of the Credit Agreement it entered into with Allahabad Bank (“AB Credit Agreement”). See **Exhibit D3** and **Exhibit G4**.

81. ~~66.~~ This Court has jurisdiction over the Defendants Anshul Gandhi and Ajay Gandhi because they coordinated, conducted and otherwise effectuated the fraud while in their positions as executives of Anaya Gems in the State of New York.

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82. ~~67.~~ This Court also has jurisdiction over Defendant Ajay Gandhi, as he coordinated and created the fake Anaya financial information maintained by Anaya and transmitted to the Banks in the State of New York.

83. ~~68.~~ This Court has jurisdiction over the Defendants Starlight, ~~SDC~~ [Starlight Designs Holdings LLC](#), Super Diamond, DNM, [and Diagem](#), ~~and Netaya Jewels PVT Ltd.~~ because they are either located or transact business within the State of New York.

84. ~~69.~~ This Court has jurisdiction over the Defendant Michael Pasqual because he worked in the New York office of Anaya Gems [and then Starlight and later Super Diamond](#), at which he conducted the acts giving rise to the claims alleged against him. He currently works for Defendant ~~SDC~~ [Super Diamond](#) in New York as its Senior Vice President of Sales and Merchandising.

85. ~~70.~~ This Court has jurisdiction over the Defendant Michael Scheinman because he worked in the New York office of Anaya Gems [and then Starlight and later Super Diamond](#), at which he conducted the acts giving rise to the claims alleged against him, and currently works at Super Diamond in New York.

86. ~~71.~~ This Court has jurisdiction over the Defendant Manjusaka because it transacted business with Anaya Gems and Anshul Gandhi, both located in the state of New York, including accepting merchandise from Anaya Gems for the purpose of transferring the same to Defendant ~~SDC~~ [Super Diamonds](#), also located in the state of New York, for less than the total value of the merchandise and subsequently making a full-value insurance claim to recoup the remaining amount that was not paid by ~~SDC~~ Super Diamond as part of the scheme.

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87. ~~72.~~ This Court has jurisdiction over the Defendants Mars and Sino because they received money transfers from Anaya Gems, located in the state of New York, which represented the proceeds of Collateral in which the Banks hold a security interest.

88. ~~73.~~ This Court has jurisdiction over the Defendants ~~Jewel Rough N.V., Divine Enterprises Ltd.,~~ Ajay Gandhi, Dinika A. Gandhi and Rajul A. Gandhi because they agreed to submit themselves to the jurisdiction of the State of New York when they executed corporate and personal guaranties of the BOI Credit Agreements. See **Exhibit AA5**, **Exhibit BB**, ~~Exhibit CC~~, **Exhibit DD6**, and **Exhibit EE7**.

### STATEMENT OF FACTS

#### **The Antrix Loan and the Anaya Loan**

89. ~~74.~~ On or about June 17, 1999, Antrix and Bank of India entered into a Working Capital Consortium Agreement. Subsequently, the loan was restructured on or about April 10, 2015, which ultimately provided a working capital loan facility to Antrix in aggregate amount of an \$80,000,000.00. As an inducement to provide the increased loan facility, Anaya executed the Anaya Corporate Guaranty and both Anshul Gandhi and Dinika Gandhi executed Personal Guaranties for the Antrix Loan facility. See **Exhibit A8**, **Exhibit B9** and **Exhibit C10**.

90. ~~75.~~ Bank of India and Anaya also entered into the BOI Credit Agreement in March of 2010, subsequently amended in July of 2012 (see Exhibit 3), which provided a revolving loan credit facility in the amount of \$35,000,000.00 to Anaya. In connection therewith, Anaya executed the BOI Note and BOI Security Agreement. See **Exhibit D**, **Exhibit E11** and **Exhibit F12**.

91. ~~76.~~ Under the BOI Credit Agreement (as amended by the July 6, 2012 Amendment attached thereto) the Bank of India agreed to extend, and made available to Anaya, by way of a

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revolving credit facility of up to “50% of the aggregate value of Eligible Inventory and 90% of Eligible Accounts Receivable calculated on the basis of Borrowing Base Statement or the aggregate principal amount of Thirty-Three Million Dollars (\$35,000,000.00), whichever is lower.” See **Exhibit D3**, at [page 4, p. 58](#).

[92.](#) ~~77.~~ In August 2013, Allahabad Bank also agreed to extend an additional \$5,000,000 term loan to Anaya, as part of the Anaya Loan, through the AB Credit Agreement, and Anaya executed the AB Note and the AB Security Agreement in favor of Allahabad Bank. See **Exhibit G4**, **Exhibit H13**, and **Exhibit H14**.

[93.](#) ~~78.~~ Each of the AB Security Agreement and the BOI Security Agreement granted to the respective Banks a security interest in all of Anaya’s accounts receivables, deposit accounts, inventory and equipment, documents of title, fixed assets, shares, rights, and patents, and other property (the “Collateral”). The Banks properly perfected their interest in the Collateral, thus, the Banks together are the senior secured creditors of Anaya. See UCC Filings, **Exhibit J15**.

[94.](#) ~~79.~~ The BOI Credit Agreement and AB Credit Agreement provided that the Banks would provide credit and lending facilities to Anaya.

[95.](#) ~~80.~~ The BOI Note and the AB Note provided that Anaya promised to pay back the amount loaned from the Banks, and the Security Agreements provided that Banks will have a security interest in the Collateral and could take the Collateral from Anaya in the event the Banks defaulted under the respective credit documents.

[96.](#) ~~81.~~ Pursuant to the BOI Credit Agreement, Anaya was to make repayment of the principal and pay interest to Bank of India on the outstanding and unpaid amounts at the Applicable

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Interest Rate. *See* **Exhibit D11**, at Section IV. The Applicable Interest Rate was LIBOR plus 6.75% per annum or 7.25% per annum, whichever is higher.

97. ~~82.~~ The BOI Note obligated Anaya to pay to the Bank of India payments of the interest and on the principal of the loan.

98. ~~83.~~ Pursuant to the AB Credit Agreement, Anaya was to make repayments on the principal and pay interest to Allahabad Bank on the outstanding unpaid amounts at the Interest Rate. *See* **Exhibit G4**, at Article III. The Interest Rate was LIBOR plus 6.75% per annum or 7.25% per annum, ~~which~~ whichever is higher.

99. ~~84.~~ Pursuant to the AB Note, Anaya was obligated to pay to Allahabad Bank payments of the interest and the principal upon demand.

#### **Establishment of the Security Interest on Collateral and the Intercreditor Agreement**

100. ~~85.~~ The BOI Security Agreement was made so that the Bank of India will have a security interest in the Collateral described therein and could take possession of the Collateral in the event that Anaya defaulted on the Anaya Loan.

101. ~~86.~~ Pursuant to the terms of the BOI Note, the principal is due on demand and any interest is due to Bank of India on a monthly basis, as provided in Section 4.03(b) of the BOI Credit Agreement.

102. ~~87.~~ It is an event of default if Anaya fails to make any payment due under the BOI Credit Agreement or BOI Note. *See* **Exhibit D3** and **Exhibit E11**.

103. ~~88.~~ Pursuant to the BOI Security Agreement, Anaya assigned, conveyed, mortgaged, pledged, hypothecated and transferred to the Bank of India a continuing lien upon and a general security interest in, all of the Anaya's right, title and interest to the Collateral. *See* **Exhibit**

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~~F12~~, at Section 1.01. Pursuant to the BOI Security Agreement, Bank of India filed a UCC-1 perfecting its interest in the BOI Collateral. See **Exhibit J15**.

104. ~~89.~~ Under the BOI Security Agreement, it is an event of default if Anaya fails to make any payment when due under the BOI Note or BOI Credit Agreement.

105. ~~90.~~ On August 20, 2013, Bank of India and Allahabad Bank entered into an Intercreditor Agreement, on the basis that each had a security interest, via the Security Agreements, in the Collateral of Anaya. See **Exhibit K16**. Pursuant to the Intercreditor Agreement, Bank of India was designated as the collateral agent to enforce the Bank's legal rights in the Collateral in the event of Anaya's default of the Anaya Loan.

#### **Anaya's Default of the Anaya Loan and the Banks Demand for Payment**

106. ~~91. In or about April 2018~~ Eventually, Anatrix defaulted on its loan. Pursuant to the Anaya Corporate Guaranty and the Anshul Personal Guaranty, Anaya and Anshul became liable to Bank of India for all outstanding amounts due and owing under the Anatrix Loan. As of December 31, 2017, the outstanding balance of the Anatrix Loan was \$77,180,665.10.

107. ~~92.~~ On or about May 18, 2018, the Banks sent a Notice of Default Letter to Anaya as corporate guarantor of the Anatrix Loan. See **Exhibit L17**.

108. ~~93.~~ In or about February 2018, Anaya defaulted on its obligation to the Banks under the AB Credit Agreement and the BOI Credit Agreement by reason of (1) not paying interest on the Anaya Loan; (2) not submitting Borrower Base Statements as required by, e.g., Section 7.12 of the BOI Credit Agreement; and (3) not complying with the financial covenants set forth in, e.g., Section 7.27 of the BOI Credit Agreement.

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109. ~~94.~~ The Banks sent a July 12, 2018 Notice of Default Letter and another demand letter on October 10, 2018, through their attorneys, to Anaya. See **Exhibit M18** and **Exhibit N19**.

110. ~~95.~~ On October 10, 2018, Bank of India, through its attorneys, demanded payment of the then-outstanding balance on the BOI Note in the amount of \$29,352,734.42 and the then-outstanding balance on the AB Note in the amount of \$5,294,305.15. Anaya did not pay the sums due and owing to the Banks. See **Exhibit N19**.

111. ~~96.~~ On December 26, 2018, Bank of India, through its attorneys, demanded payment of the outstanding Anaya Loan amount from guarantors Ajay, Anshul, Rajul, Dinika, Dialuck, and Divine Enterprise; none of the guarantors has remitted any amount of the Loan. See **Exhibit O20**.

112. ~~97.~~ Accordingly, the current balance owed pursuant to the BOI Credit Agreement and BOI Note is \$39,193,000, which includes accumulated interest in the amount of \$11,723,000, plus attorneys' fees and costs, and the current balance owed pursuant to the AB Credit Agreement and AB Note is \$6,390,000, which includes unpaid interest in the amount of \$1,360,000, plus attorneys' fees and costs.

### Anaya's Default and Liquidated Judgment

113. Anaya failed to answer the Amended Complaint filed in this action and the Banks moved for a default judgment against Anaya.

114. On March 12, 2024, the Court granted the motion and directed the issuance of a judgment against Anaya in the amount of \$49,103,094.33, together with costs, fees and disbursements. See NYSCEF Doc. No. 293.

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115. The judgment is still pending with the Clerk of the Court and is not yet on this action's docket (see NYSCEF Doc. No. 306); however, the damages sustained by the Banks as a result of the conduct of the other Defendants set forth in this Second Amended Complaint shall be derivative of the judgment against Anaya.

### **The Post-Default Inspection: The Paul Bourget Report**

116. ~~98.~~ After Anaya's submission of the last Borrowing Base Statement in March 2018, Anaya simply stopped submitting Borrowing Base Statements to Bank of India.

117. ~~99.~~ Bank of India made repeated inquiries to Anshul as to Anaya's failure to submit Borrowing Base Statements. Anaya repeatedly told Bank of India that it would not submit the statements because it did not want to be responsible for “false statements” in them.

118. ~~100.~~ At the same time, Anshul made it quite clear that Anaya was “struggling” which is why it was not making the required full interest payments to the Banks.

119. ~~101.~~ Moreover, Anaya executives made it abundantly clear to Bank of India that, because of the financial struggles, they were winding down the company and preparing to sell off the inventory.

120. ~~102.~~ What Anshul and the Anaya executives did not reveal is that the “struggles” of Anaya were directly related to their scheme for Anaya to divest itself of its most valuable assets and divert the revenue received from those assets to their own benefit.

121. ~~103.~~ In a July 25, 2018 letter from Anshul, Anaya represented that its inventory was approximately \$35,000,000, a stark difference from the \$47,000,000 it had represented at the end of March 2018. The Banks became extremely concerned that Anaya's inventory and other

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Collateral were far less than portrayed in Anaya's last Borrowing Base Statement and that the Anaya Loan was severely under collateralized.

122. ~~104.~~ Because of these concerns, the Banks made repeated attempts to audit Anaya which were rebuffed and ignored by Anaya. It should be noted that Anaya's refusal and delay to allow the Banks to conduct such an audit is also an additional Event of Default. See **Exhibit D3**, at §§7.08 and 9.01.

123. ~~105.~~ The Banks finally received permission from Anaya to conduct an inspection, but only as a condition for the Banks to allow Anaya to move to a new location in Westchester. Bank of India hired Bourget and Associates to conduct the inspection, who examined the Anaya's books and records from September 26, 2018 to October 1, 2018. See **Exhibit P21**.

124. ~~106.~~ Bourget and Associates issued their filed examination report to the Banks on October 5, 2018 stating that Anaya wrote off \$10,500,000 of its own inventory in April of 2018, due to the loss of "loose polished diamonds." *Id.* at pg. 15.

125. ~~107.~~ This was a loss of about 25% of the company's inventory, down from \$47,000,000. This loss of \$10,500,000 in "loose polished diamonds" was never reported to the Banks. The mysterious "disappearance" of \$10,500,000 in loose diamonds was only discovered by way of the Bourget and Associates examination of Anaya's books and records.

126. ~~108.~~ Furthermore, the inventory, based only upon inspection of financial records, as of August 31, 2018 was only about \$31,000,000 compared to approximately \$55,000,000 in August 31, 2017. *Id.* at pg. 3.

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127. ~~109.~~ Later, upon the commencement of the Receiver's control of Anaya, the Banks discovered that the actual amount and value of inventory was actually far less than what was even reported in Anaya's records.

128. ~~110.~~ The Bourget and Associates report also concluded that Anaya's Internal Accounting Controls were "unsatisfactory" and that its inventory controls "need improvement." *Id.*

### **Appointment of Receiver and Discovery of Fraudulent Scheme**

129. ~~111.~~ Based on its review of the Bourget and Associates report (and Anaya's various defaults), the Banks moved this Court on or about October 24, 2018 for the appointment of a receiver over Anaya. On November 21, 2018, this Court approved the appointment of John Esposito as the Receiver of Anaya. The Receiver was formally discharged from his position as Receiver on May 11, 2021. *See* NYSCEF Doc Nos. ~~7777~~ and ~~182~~182. The Receiver was ultimately only able to recover \$3,559,170.11 to the **Plaintiff** Banks, based off his liquidation of all remaining Anaya assets.

130. ~~112.~~ The Receiver provided information which revealed that, not only was Anaya insolvent, but that Anshul, through Anaya ~~and~~, its related entities and other associates, conducted a massive fraudulent scheme upon the Banks approximately between early 2017 and March 2018, to avoid his and Anaya's obligations under the Loans and to shed Anaya of most of its remaining value before the Banks took legal action to recover the debt.

131. ~~113.~~ Relatedly, Anshul and his co-conspirators' fraudulent scheme involved conduct that defrauded the United States Government through underreporting the value of imported jewelry and resulted in the United States Attorneys' Office for the Southern District of

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New York bringing a civil action against Anshul, Anaya, and many of the other Defendants named in this Complaint, styled as *United States of America v. Anaya Gems, Inc., et. al.*, No. 1:18-cv-03042-ER. See, generally, Exhibit ~~Q~~2.

### The Fraudulent Scheme to Divest Anaya Assets

#### Involvement of Starlight, Pasqual and Scheinman

132. ~~114.~~ In early 2017, after Anaya became liable on the Antrix Loan, Anshul Gandhi commenced the process of siphoning assets away from Anaya by fraudulently conveying the Collateral or the proceeds from the Collateral to various entities and reaping the money for the benefit of himself, his family and their entities to the detriment of the Banks.

133. ~~115.~~ For example, on or about that time, JC Penny and Anaya initially placed a purchase order for a certain sample line of earrings (“JCP Purchase Order”). The amount of the JCP Purchase Order was approximately \$20,000,000.00.

134. ~~116.~~ After the placement of the JCP Purchase Order, Anaya then directed JC Penny to communicate with Starlight, a seemingly unrelated company, for fulfillment of the order, ~~an unrelated company~~. Starlight was controlled by the owners of SDC Designs, to which Anaya redirected its inventory.

135. ~~117.~~ The goal and plan was to shift Anaya’s existing business and customer relationships—such as JC Penney—to Starlight, which would separately compensate Anshul and his family directly through payments through various shell entities.

136. ~~118.~~ Anshul enlisted the assistance of Michael Pasqual, the vice president of sales and marketing for Anaya, and Michael Scheinman, the President of Sales at Anaya, to coordinate

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the transition of customers relationships, samples lines, proprietary information, and inventory from Anaya to Starlight, as well to other Starlight entities.

137. Both Michael Pasqual and Michael Scheinman were employed by Anaya during the customs scheme in similar, if not the same, senior sales positions, worked closely with Anshul, and had access to the sales database and other financial information of Anaya.

138. ~~119.~~ Anshul, Scheinman, and Pasqual began to advise key customers and vendors that sales personnel and other employees had resigned from Anaya to join Starlight and thereby provide better product service to customers and more timely payments to vendors. *See Exhibit ~~R22.~~*

139. ~~120.~~ Mr. Pasqual and Mr. Scheinman were responsible for transitioning the lines of business and customer relationships away from Anaya to Starlight. For example, JC Penny was advised that Starlight would be fulfilling all purchase order under the Anaya vendor number on file for JC Penny.

140. Vendor numbers are unique to each member of the industry and any experienced salesperson knows this, as it is common information used in transactions in the industry. Starlight using Anaya's vendor number is not proper industry conduct, which both Michael Pasqual and Michael Scheinman were aware of given their experience and positions as sales officers at Anaya.

141. ~~121.~~ JC Penny, understanding the industry standard concerning unique vendor numbers, refused to conduct business with Starlight when it attempted to use Anaya's vendor number advised ~~them~~ that it was necessary for Starlight to have its own vendor number in order to fill JC Penny purchase orders and in order to keep the line of business ongoing.

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142. ~~122.~~ In addition, Sterling Inc., a major specialty jeweler, denied an order placed by Anaya that directed merchandise ordered through Anaya to be delivered to Starlight. Sterling Inc., refused to process this order because Starlight was a separate entity from Anaya, but was also utilizing the same unique vendor number that was given to Anaya.

143. ~~123.~~ Pasqual organized and paid for Starlight's unique company information and identifiers as part of the scheme to divert Anaya assets to Starlight, although Pasqual actually was reimbursed by Anaya for this expenditure, further evidencing that Anshul was working with and authorized Pasqual and Scheinman to move the Anaya business to Starlight. See **Exhibit S23.**

144. ~~124.~~ Scheinman and Pasqual, despite being corporate officers and executives of Anaya, were instrumental in shifting customers and vendor relationships to Starlight and, ultimately, Super Diamond, even while they held executive positions at Anaya. Ultimately, they would leave Anaya and hold the same sales executive positions at Super Diamond.

145. Both Starlight and Super Diamond were located in the same office and used the same computers and databases. The principals of SDC Designs, who had operated their companies in a long-standing relationship with the companies of Anshul, Ajay and the Gandhi family, were also part of the operational teams of Starlight and then later Super Diamond.

146. Indeed, SDC Designs and its principals were instrumental in a similar bank fraud and racketeering conspiracy scheme between 2010 and 2018, in which SDC Designs served as a fence for the unlawful transfer of millions of dollars out of the reach of creditor banks (including entities located in Hong Kong), and in which Ajay Gandhi and Shridar Krisnan (CFO of SDC Designs) had direct contact to coordinate these transfers to defraud the bank. See **Exhibit 31**, at pp. 12-19, 29-32.

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*Payments to Anshul Gandhi and Family members for the Diversion of Assets*

147. ~~125. To compensate~~Once Anshul and other Gandhi family members ~~for shifting~~shifted the Anaya business to ~~SDC or its affiliates and entities controlled by the owners of~~SDC Super Diamonds, SDC Designs and its principals arranged a stream of payments to Anshul through ~~other~~their entities that ~~he~~they controlled.

148. ~~126.~~ Given that Anaya was submitting false and inflated Borrowing Statements to the Banks as to Anaya's value, SDC Designs and Anshul plainly could not run these transactions through direct payments to Anaya ~~—~~a method previously utilized by the principals of SDC Designs with respect to their company Shrenuj USA, LLC.

149. ~~127.~~ In order to funnel the payments outside of the Bank's knowledge, ~~SDC utilized~~its the principals of SDC Designs and Anshul and Ajay agreed to utilize SDC Designs' shell company, Diagem, which made a total of \$5,575,000 in wire payments to DNM, a shell company controlled by Anshul and the Gandhi family. *See Exhibit* ~~T~~24.

150. Diagem played a similar role in another scheme conducted against the Bank of India: Bank of India, San Francisco Agency, had a credit agreement with a company called Shrenuj USA, LLC ("Shrenuj"), under which Shrenuj defaulted in 2016 and litigation ensued in the Superior Court of the state of Washington, King County, Index No. 16-2-27591-5 KNT; after Bank of India obtained a judgment against Shrenuj, it was domesticated in the Supreme Court of New York Court under Index No. 155706/2020.

151. In the Shrenuj litigation, the receiver found that Shrenuj was a defunct entity with no viable assets to repay Bank of India because it divested its assets, including a transfer of its

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inventory, through a shell company controlled by the principals of Shrenuj and SDC Designs called SJ Consignment Ventures LLC, then from that company to other companies controlled by the principals of Shrenuj—companies that included Diagem and SDC Designs, both of which participated in the plainly irregular transactions. See Exhibit 32, at pp. 4-10.

152. In addition to Shridar Krisnan, the principals of SDC Designs included Abhay Javeri, Nehal Modi, and Mihir Bhansali.

153. ~~128.~~ DNM had no separate existence other than to be used for such purposes and all of its business and banking records were maintained and stored at the Anaya address in Long Island City. DNM was thus controlled and otherwise operated for the benefit of Anshul, Ajay, and the rest of their enterprise of diamond industry members..

154. ~~129.~~ The Diagem payments to DNM started on April 24, 2017, which corresponded with the initial work between the principals of Anaya and SDC Designs to transition the fulfillment of Anaya orders and transfer of Anaya relationships to Starlight ~~Design.~~

155. DNM would then transmit some of those funds to Netaya, another Gandhi controlled diamond company located in India, which was also involved in the customs scheme.

156. ~~130.~~ DNM also acted as a fence for Anaya's transfer of inventory to Super Diamond by assisting in the transfer of Kohl's and Sterling SKUs so that Super Diamond could fulfill the orders.

157. DNM then generated false invoices for diamonds that did not exist with prices that were not reflective of industry standard prices.

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158. ~~131.~~ Orders for Kohl's and Sterling were cut well in advance for those customers, providing Anaya the opportunity to change the orders to be fulfilled by Super Diamond instead and then transferred inventory to Super Diamond. See **Exhibit U25**.

159. ~~132.~~ Super Diamond then invoiced the inventory to DNM to reduce its inventory on Anaya's computer system.

*Involvement of Super Diamond*

160. ~~133.~~ Due to the ongoing issues related to vendor numbers and other complications of ~~transition the~~transitioning the Anaya business to Starlight, the plan to transition the Anya business and assets to Starlight was modified so that all of those invoices, business, and relationships were then transferred over to Super Diamond.

161. ~~134.~~ In or about November of 2017, Super Diamond was created ~~as a d/b/a of Defendant Starlight Design Concepts LLC~~by the principals of SDC Designs, which was a more established company that had vendor numbers in place with the same major retailers and customers, had prior relationships with Anaya and was controlled by close associates of the Gandhis, some of whom were involved in the customs scheme.

162. The principals of SDC Designs controlled Starlight as well as Super Diamond and maintained a close relationship with Anshul and the Gandhi family, including when Ajay Gandhi and SDC Designs CFO Shridar Krisnan cooperated in conducting fraudulent transactions using their companies similar to what was done herein to defraud the Banks.

163. ~~135.~~ As customer relationships, inventory, and assets were being transferred to Super Diamond, Anaya continued to submit false borrowing base statements to the Banks which

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were bolstered by fraudulent transactions, which gave the appearance as business as usual, and further permitted Anaya to move additional assets and inventory to Super Diamond—which was simply a d/b/a of SDC Designs.

164. Super Diamond “paid” Anaya by remitting funds from Diagem to DNM (a SDC Designs and a Gandhi entity, respectfully) in transfers for which false invoices for “diamonds” that DNM never possessed were created, after which DNM sent the funds offshore to other Gandhi entities such as Netaya and Shubh.

165. These transfers were more complicated than the transfers in the Shrenuj scheme transfers, which were more direct between the entities controlled by the principals of SDC Designs (see Exhibit 32, at pp. 4-10), demonstrating that when Bank of India sued Shrenuj in 2017 (i.e., when Super Diamonds was created), the principals of Shrenuj and SDC Designs realized they had to complicate the fraud transfers when they agreed to assist Anaya and the Gandhi family with their plan to defraud the Banks through similar movement of assets.

166. ~~136.~~ Given the fraudulent nature of the transactions occurring, i.e., Anaya transferring its inventory, product lines and customer relationships to ~~SDC’s affiliate~~ Super Diamond, the principals of SDC ~~recognized~~ Designs knew that ~~its~~their participation in these transactions to assist Anshul and Anaya in avoiding the Banks’ Loans might result in the Banks taking legal action against it or its affiliates.

167. ~~137.~~ Thus, SDC Designs demanded that Anaya provide to it additional collateral as security in the event that Bank of India and the other Banks demanded return or repayment for the fraudulently transferred collateral.

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168. ~~138.~~ In furtherance of the fraudulent scheme, Anaya transferred an additional \$3.8 million worth of inventory for SDC Designs to hold as “security” in the event the Banks discovered the fraudulent payments scheme for the transfer of business.

169. ~~139.~~ In effect, SDC Designs used this additional security collateral as its own “indemnification” in the event its role in covering payments for the fraudulent transfer of the Anaya business was discovered.

170. ~~140.~~ After Anshul had completed transferring most of Anaya’s valuable assets to Super Diamond, SDC Designs returned the security collateral to Anaya on September 20, 2018—a month before the Banks initiated this legal action seeking a receiver to take over Anaya.

171. ~~141.~~ The Receiver discovered this arrangement because the “security” collateral was double-counted in Anaya’s books and records.

172. ~~142.~~ When Anaya originally sent the inventory as collateral to SDC Designs, it never logged the inventory as leaving Anaya.

173. ~~143.~~ When the inventory was returned to Anaya in September of 2018, Anaya personnel logged the inventory into its books and records a second time, thus “double counting” the inventory in Anaya’s books and records. See, e.g., Exhibit with September 2018 DC21 at p. 10.

174. ~~144.~~ The Receiver discovered the double counted inventory as part of his initial inventory count and assessment upon assuming control of all Anaya operations and early inventory in January 2019.

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175. ~~145.~~ In late 2017, Anaya began transitioning key employees—all of whom were still on Anaya’s books and payroll—to exclusively work on customer orders and vendor relationships transferred to Starlight ~~Designs~~ and, ultimately, Super Diamond.

176. ~~146.~~ All of these key employees were ultimately placed at Super Diamond, eventually put on Super Diamond payroll, and paid the same amounts they were paid at Anaya.

177. [These employees included Michael Pasqual and Michael Scheinman, who helped set up supplier contacts and otherwise enabled Super Diamond to effectively continue Anaya’s business without interruption using their experience and familiarity with the Gandhi network of diamond industry entities.](#)

*Manjusaka’s Role in the Fraud*

178. ~~147.~~ Manjusaka, a large vendor in China, was also instrumental in assisting with these fraudulent transfers. Manjusaka and Anaya had done business for many years prior the events herein [including its knowing involvement in the customs scheme outlines in Paragraphs 16 to 27 herein.](#)

179. ~~148.~~ Prior to the fraudulent scheme, Anaya became indebted to Manjusaka in the approximate amount of \$5,300,00.00 through various open accounts receivables.

180. ~~149.~~ As part of the fraudulent scheme to divest itself of its most valuable assets, Anaya shipped its sample line to Manjusaka, which was characterized as simply “inventory.”

181. ~~150.~~ Anaya shipped the sample line to Manjusaka in January of 2018 and valued the “inventory” at \$3,242,506, which was reflected in multiple invoices created by Anaya as a receivable amount due from Manjusaka. See **Exhibit ~~V~~26.**

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182. ~~151.~~ Manjusaka never credited the product sample line against the open Anaya balance but sent a form letter “accepting” the merchandise for the proposed value of \$3,242,506.

*See id.*

183. ~~152.~~ This letter was simply a cover in case the Banks questioned the invoices reflecting the product sample line and Anaya accordingly transferred the amount from receivables to payables to reduce the amount owed to Manjusaka on Anaya’s books.

184. ~~153.~~ Manjusaka, after receiving the sample line, did not credit Anaya for the full or fractional amount of the sample line against the Anaya debt.

185. ~~154.~~ Manjusaka then “sold” the merchandise back to Super Diamond, at a steep discount, for approximately \$1,800,000, ~~allowing Manjusaka to create even more profit on the margins between the actual value of the sample line and the purported value of the sample line~~ again covered by falsified invoices. *See Exhibit ~~W~~27.*

186. This enabled Manjusaka to be paid \$1,800,00 for merchandise it was never supposed to keep or resell for its own profit, while also enabling the fencing of the Anaya sample line to the Gandhi-friendly entity Super Diamond.

187. ~~155.~~ Anaya would then mark this transaction as “income” on their account receivables.

188. ~~156.~~ The true value of the sample line Anaya shipped to Manjusaka vastly exceeded the value of the Anaya debt to Manjusaka.

189. ~~157.~~ Manjusaka also ~~sold the sample line at a fraction of the cost to Super Diamond for \$1,800,000.00 and used those proceeds to reduce the amount of~~ benefitted by crediting the

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\$1,800,000 against the debt Anaya owed to , thereby reducing its outstanding Anaya receivables on its balance sheets. See **Exhibit ~~V~~26 and Exhibit 27.**

190. ~~158.~~ Indeed, Manjusaka applied the Super Diamond payments for the sample line of \$1,800,000.00 against the Anaya debt at Super Diamond's instructions.

191. ~~159.~~ Thus, Super Diamond assisted and conspired with Anaya in this scheme in exchange for receiving Anaya's sample line, massive amounts of inventory, and business relationships from Anaya.

192. ~~160.~~ No jewelry company in active operations would ever sell or transfer its sample line. The sample line is, in effect, the "product line" of the company.

193. ~~161.~~ It is the product line, along with the existing customer and vendor relationships, that comprises the innate or inherent value of a jewelry company.

194. ~~162.~~ Other than the product line and these relationships, the existing value of a jewelry company is simply the "going concern" value of the inventory it holds in its possession.

195. ~~163.~~ By secretly transferring the most valuable parts of the Anaya business, i.e., the Anaya customer and vendor relationships (including the open orders with those relationships) as well as the Anaya sample line, Anshul and his co-conspirators transferred the most valuable assets of Anaya (and thus the Collateral under the BOI Security Agreement) without the Bank's knowledge or consent.

196. ~~164.~~ Meanwhile, Anshul and other Anaya executives conspired to submit fraudulent Borrowing Base Statements to the Banks with inflated borrowing base values.

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197. ~~165.~~ The transfers of these relationships and the sample line was never revealed to the Banks. After the Receiver took over Anaya operations through this Court's order, he discovered these transfers as part of his assessment of the value of Anaya.

198. ~~166.~~ In sum, Manjusaka willingly acted as a "fence" through which the merchandise and the sample line would pass from Anaya, an entity controlled by Anshul, through to Super Diamond.

199. ~~167.~~ Manjusaka was not only aware of Anaya's fraudulent scheme, but it was a participant, as it had been in the customs scheme and understood that these transactions involving the Gandhi entities and the entities of the SDC Designs principals were improper.

200. ~~168.~~ Manjusaka never recorded the Anaya inventory on its business records against its account receivables, indicating that it never intended to retain the "inventory," i.e., Anaya's entire sample line, for its own business.

201. ~~169.~~ When Manjusaka "sold" the inventory to Super Diamond for \$1,800,000, it accepted an amount significantly less than what it purportedly "credited" ~~Anaya, thus allowing for Manjusaka to profit from the spread for payment it received from Super Diamond and by reducing its account receivable due from Anaya.~~ but never paid to, Anaya (i.e., over \$5,000,000), thus enabling Anaya and its co-conspirators to successfully fence the valuable sample line to Super Diamond for merely a \$1,800,000 payment to Manjusaka as compensation for Manjusaka's cooperation in doing so (a payment which Manjusaka was able to use to lower the outstanding monies owed to it by Anaya that were not being repaid previously).

202. ~~170. Further,~~ Manjusaka further benefited from ~~theits participation because it continued its long-standing~~ relationship ~~that it maintained~~ with Anaya vis-à-vis Super Diamond

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~~for the product sample lines with Super Diamond,~~ received \$1,800,000 for its participation from Super Diamond, and, based on the falsified record of the over \$5,000,000 “credit” Manjusaka gave to Anaya receivables, filed a false insurance claim for “missing” jewelry (which was made in the amount of the “credit” minus the \$1,800,000 Manjusaka was paid when it “sold” the sample line to Super Diamond).

203. ~~171.~~ In or about September of 2018, Manjusaka recovered the “loss,” *i.e.*, the amount of unpaid receivables, by filing an insurance claim on the credit insurance it maintained for the “unpaid” receivables owed by Anaya despite never actually receiving any diamonds.

204. ~~172.~~ Thus, Manjusaka continued their ongoing business relationship with Super Diamond for the product lines transferred, received \$1,800,000.00 in payments from Super Diamond for these sample lines applied against the open payable from Anaya to Manjusaka, and then also collected against the full value of the Anaya debt through the credit insurance it held on their account receivables.

205. ~~173.~~ Anaya fraudulently conveyed its entire sample line for its inventory to Super Diamond for far less than fair market value while concealing these transfers from the Banks.

206. ~~174.~~ Meanwhile, Anaya submitted sham transactions to the Banks to support its inflated borrowing base value.

207. ~~175.~~ The Banks were not aware of this until the Receiver was to commence and conclude his investigation. *See* **Exhibit V** ~~and Exhibit W~~ 21.

*Involvement of DNM, Sino, Mars and Netaya*

208. ~~176.~~ In addition, Anshul utilized his shell company DNM for the purpose of perpetuating the fraud. DNM is a company controlled and owned by Anshul and members of his

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family. It had no separate existence from Anaya, in whose Long Island City office all DNM records were held.

209. ~~177.~~ Anshul used DNM as the means by which the principals who control Starlight Design, Super Diamond and SDC transferred the payments to him outside of Anaya's bank accounts to pay Anshul for transfers of Anaya inventory, product line, customer relationships, as well as standing orders for customers.

210. ~~178.~~ In 2017, the principals of SDC Designs, through its shell company Diagem, paid Anshul, through Anaya's shell DNM, \$5,512,550.00 covering it up with falsified invoices for transactions for which Diagem never received diamonds and DNM sold diamonds it never possessed.

211. ~~179.~~ Anaya then transferred its existing lines of business, existing customer and vendor relationships, and its entire sample and product line to Starlight Design and, ultimately, Super Diamond, including its open orders with customers.

212. ~~180.~~ These were companies controlled by the principals of SDC Designs and Super Diamond ~~was initially founded as a d/b/a of SDC.~~ meaning these companies were controlled by close associates of Anshul, including SDC Designs principals Shridar Khrishnan and Abhay Javeri (who were the same principals that controlled both Starlight and Super Diamond) that had also assisted Anshul and Anaya with their customs fraud scheme, conducted their won bank fraud scheme with Ajay Gandhi's assistance, and with respect to the scheme to defraud the Banks willingly partook in the shifting of funds and inventory to evade the Banks' Loans and to help their associates.

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213. ~~181.~~ DNM, for its part, would then turn around and wire those funds to Netaya, Sino or Mars. A small portion of those funds was wired back to Anaya.

214. ~~182.~~ Netaya was a company controlled by Anshul's father, Ajay Gandhi, to which Ajay and Anshul instructed Anaya funds be transferred. See **Exhibit X28**.

215. ~~183.~~ The DNM payments were sent to Netaya in order to avoid any Bank review of these transactions. Netaya had a separate checking account in Citibank and was controlled by the Gandhi family.

216. ~~184.~~ DNM created false records and fake invoices for diamonds that did not exist to mask the above referenced transfers when DNM, in fact, had no diamonds in its possession.

217. ~~185.~~ Moreover, the fake invoices listed per-carat prices for diamonds that were uniquely irregular by industry standards, thereby further demonstrating their inauthenticity.

218. ~~186.~~ DNM also was used to transfer \$1,620,000.00 to Anaya to meet the latter's cash flow issues to meet the shortfall caused by the lack of Bank of India funds. However, this transfer was intended to merely prop up Anaya a while longer as Anaya's business was being completely transferred through the Gandhi network of companies and affiliates to SDC Designs d/b/a Super Diamond.

219. ~~187.~~ This money helped supply merchandise to Anaya customers to keep its business goodwill and thus, facilitate, the later transfer of those customers to Super Diamond.

220. ~~188.~~ DNM transferred over \$3,800,000 of the funds received to Mars or Sino, Hong Kong entities controlled by the Gandhi family or their co-conspirators. See **Exhibit Y29**.

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221. ~~189.~~ Their sole function in receiving these funds was to “launder” them out of the United States so that the funds ultimately redounded for the benefit of the Gandhi family and their personal or other business interests.

222. ~~190.~~ Subsequently, in November of 2017, Anshul, Ajay, Mars, Sino and others at their behest created fictitious invoices for the coincidental “sale” of an additional \$3,800,000.00 of diamonds from Mars and Sino to DNM to create a paper justification those for transfers to those Hong Kong companies.

223. ~~191.~~ As referenced above, these invoices were plainly fictitious as DNM possessed no diamonds and its “offices” were located at the Anaya Long Island City address.

224. ~~192.~~ Moreover, the listed per carat quality were so out of line and irregular that they were plainly created simply to “match up” a total value of the invoice with the amount transferred.

225. ~~193.~~ In addition, the Receiver uncovered that Anshul took out a personal loan from Anaya in the amount of \$1,150,000.00 to cover his personal expenses and it did not pay this sum back, despite being memorialized by a promissory note pursuant to which Anshul was to immediately repay the loan upon appointment of a receiver for Anaya. See **Exhibit ~~Z~~21 and Exhibit 30**.

226. ~~194.~~ Anshul never intended to pay back this loan because the last extension of the promissory note occurred while Anshul was transferring inventory to Starlight. See **Exhibit ~~Z~~27**.

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**FIRST CAUSE OF ACTION: BREACH OF BOI CREDIT AGREEMENT<sup>2</sup>****Against Anaya Gems**

227. ~~195.~~ Plaintiffs re-allege paragraphs 1 through ~~194~~226 as if fully set forth herein.

228. ~~196.~~ Anaya and Bank of India entered into the BOI Credit Agreement, and Anaya signed a Note and Security Agreement in favor of Bank of India.

229. ~~197.~~ Pursuant to the terms of the BOI Credit Agreement and BOI Note, Anaya has failed to pay the requisite payments and committed other acts of default.

230. ~~198.~~ On July 12, 2018 and October 10, 2018, Bank of India demanded payment of sums due under the BOI Credit Agreement. Anaya has failed to make the payments as required under the BOI Credit Agreement and BOI Note, and is in default.

231. ~~199.~~ The Receiver was ultimately only able to recover \$3,559,170.11 to the Plaintiff Banks, based off his liquidation of all remaining Anaya assets

232. ~~200.~~ Bank of India has been damaged by Anaya's breach of the BOI Credit Agreement and BOI Note in ~~an amount of no less than \$39,139,000, which includes accumulated interest in~~ the amount of ~~\$11,723,000, plus attorneys' fees and costs~~49,103,094.33, as of July 19, 2024.

**SECOND CAUSE OF ACTION: BREACH OF AB CREDIT AGREEMENT<sup>3</sup>**

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<sup>2</sup> Anaya is named as a defendant with the understanding that the Court previously directed the Clerk to enter a default judgment against Anaya in the full amount of the damages prayed for by the Banks herein. See NYSCEF Doc. No. 293. The judgment has not been issued by the Clerk as of this Second Amended Complaint (see NYSCEF Doc. No. 306), but upon issuance, the remaining Defendants' liability as alleged will therefore become derivative liability of the judgment against Anaya.

<sup>3</sup> Anaya is named as a defendant with the understanding that the Court previously directed the Clerk to enter a default judgment against Anaya in the full amount of the damages prayed for by the Banks herein. See NYSCEF Doc. No. 293. The judgment has not been issued as of this Second *[Link-to-previous setting changed from off in original to on in modified.]*

### Against Anaya Gems

233. ~~201.~~ Plaintiffs re-allege paragraphs 1 through ~~194~~226 as if fully set forth herein.

234. ~~202.~~ Anaya entered into AB Credit Agreement with Allahabad Bank.

235. ~~203.~~ Pursuant to the terms of the AB Credit Agreement and AB Note, Anaya has failed to pay the requisite payments and committed other acts of default.

236. ~~204.~~ Allahabad Bank and Bank of India entered into an InterCreditor Agreement, whereby Bank of India was appointed as collateral agent to enforce and pursue Allahabad Bank's rights under the AB Credit Agreement, AB Note, and AB Security Agreement, in the event of Anaya's default.

237. ~~205.~~ On July 12, 2018 and October 10, 2018, Bank of India demanded payment of sums due under the AB Credit Agreement, pursuant to the InterCreditor Agreement. Anaya has failed to make the payments as required under the AB Credit Agreement and AB Note, and is in default.

238. ~~206.~~ Allahabad Bank has been damaged by Anaya's breach of the AB Credit Agreement in ~~an amount of no less than \$6,390,000, which includes accumulated interest in~~ the amount of ~~\$1,360,000, plus attorneys' fees and cost~~49,103,094.33, as of July 19, 2024.

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[Amended Complaint \(see NYSCEF Doc. No. 306\), but upon issuance, the remaining Defendants' liability as alleged will therefore become derivative liability of the judgment against Anaya.](#)  
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**THIRD CAUSE OF ACTION: BREACH OF GUARANTY<sup>4</sup>****Against Ajay Gandhi**

239. ~~207.~~ Plaintiffs reassert and reallege paragraphs 1 through ~~194~~226 as if fully set forth herein.

240. ~~208.~~ Ajay executed a personal guaranty of Anaya's obligations under the Anaya Loan. ~~See Exhibit AA.~~

241. ~~209.~~ Anaya breached its obligations under the Anaya Loan by failing to repay any of the outstanding loan and credit facilities.

242. ~~210.~~ On December 26, 2018, the Banks made the requisite notice and declaration of default, for which Ajay as personal guarantor is responsible for curing. ~~See Exhibit O.~~

243. ~~211.~~ Ajay did not, and to this day has not, satisfied the obligations of its corporate guaranty of the Anaya Loan.

244. ~~212.~~ As a result of Ajay's breach, the Banks have been deprived of \$~~45,583,000~~49,103,094.33 owed to them under the Anaya Loan and continue to be so deprived.

**FOURTH CAUSE OF ACTION: BREACH OF GUARANTY****Against Anshul Gandhi**

245. ~~213.~~ Plaintiffs reassert and reallege paragraphs 1 through ~~194~~226 as if fully set forth herein.

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<sup>4</sup> On this Court sua sponte dismissed this action against Ajay Gandhi on the grounds of failure to serve him with process (see NYSCEF Doc. No. 326); however, prior to that order, the Banks moved to extend their time to serve Ajay Gandhi, which is pending before this Court (see NYSCEF Doc. No. 307 et seq.). The Banks have requested this Court withdraw or adjourn the order of dismissal (see NYSCEF Doc. No. 328). Accordingly, the Banks plead this cause of action.  
*[Link-to-previous setting changed from off in original to on in modified.]*

246. ~~214.~~ Anshul executed a personal guaranty of Anaya's obligations under the Anaya Loan. ~~See Exhibit FF.~~

247. ~~215.~~ Anaya breached its obligations under the Anaya Loan by failing to repay any of the outstanding loan and credit facilities.

248. ~~216.~~ On December 26, 2018, the Banks made the requisite notice and declaration of default, for which Anshul as personal guarantor is responsible for curing. ~~See Exhibit O.~~

249. ~~217.~~ Anshul did not, and to this day has not, satisfied the obligations of its corporate guaranty of the Anaya Loan.

250. ~~218.~~ As a result of Anshul's breach, the Banks have been deprived of \$~~39,139,000~~49,103,094.33 owed to them under the Anaya Loan and continue to be so deprived.

#### FIFTH CAUSE OF ACTION: BREACH OF GUARANTY

##### **Against Dinika A. Gandhi**

251. ~~219.~~ Plaintiffs reassert and reallege paragraphs 1 through ~~194~~226 as if fully set forth herein.

252. ~~220.~~ Dinika A. Gandhi executed a personal guaranty of Anaya's obligations under the Anaya Loan. ~~See Exhibit BB.~~

253. ~~221.~~ Anaya breached its obligations under the Anaya Loan by failing to repay any of the outstanding loan and credit facilities.

254. ~~222.~~ On December 26, 2018, the Banks made the requisite notice and declaration of default, for which Dinika A. Gandhi as personal guarantor is responsible for curing. ~~See Exhibit O.~~

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255. ~~223.~~ Dinika A. Gandhi did not, and to this day has not, satisfied the obligations of its corporate guaranty of the Anaya Loan.

256. ~~224.~~ As a result of Dinika A. Gandhi's breach, the Banks have been deprived of ~~\$39,139,000~~49,103,094.33 owed to them under the Anaya Loan and continue to be so deprived.

### SIXTH CAUSE OF ACTION: BREACH OF GUARANTY

#### **Against Rajul A. Gandhi**

257. ~~225.~~ Plaintiffs reassert and reallege paragraphs 1 through ~~194~~226 as if fully set forth herein.

258. ~~226.~~ Rajul A. Gandhi executed a personal guaranty of Anaya's obligations under the Anaya Loan. ~~See Exhibit CC.~~

259. ~~227.~~ Anaya breached its obligations under the Anaya Loan by failing to repay any of the outstanding loan and credit facilities.

260. ~~228.~~ On December 26, 2018, the Banks made the requisite notice and declaration of default, for which Rajul A. Gandhi as personal guarantor is responsible for curing. ~~See Exhibit O.~~

261. ~~229.~~ Rajul A. Gandhi did not, and to this day has not, satisfied the obligations of its corporate guaranty of the Anaya Loan.

262. ~~230.~~ As a result of Rajul Gandhi's breach, the Banks have been deprived of ~~\$39,139,000~~49,103,094.33 owed to them under the Anaya Loan and continue to be so deprived.

#### **~~Against Jewel Rough N.V.~~**

~~231. Plaintiffs reassert and reallege paragraphs 1 through 194 as if fully set forth herein.~~

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~~232. Jewel Rough executed a corporate guaranty of Anaya's obligations under the Anaya Loan. See **Exhibit DD**.~~

~~233. Anaya breached its obligations under the Anaya Loan by failing to repay any of the outstanding loan and credit facilities.~~

~~234. The Banks made the requisite notice and declaration of default, for which Jewel Rough as corporate guarantor is responsible for curing.~~

~~235. Jewel Rough did not, and to this day has not, satisfied the obligations of its corporate guaranty of the Anaya Loan.~~

~~236. As a result of Jewel Rough's breach, the Banks have been deprived of \$39,139,000 owed to them under the Anaya Loan and continue to be so deprived.~~

#### **Against Divine Enterprises**

~~237. Plaintiffs reassert and reallege paragraphs 1 through 194 as if fully set forth herein.~~

~~238. Divine Enterprises executed a corporate guaranty of Anaya's obligations under the Anaya Loan. See **Exhibit EE**.~~

~~239. Anaya breached its obligations under the Anaya Loan by failing to repay any of the outstanding loan and credit facilities.~~

~~240. On December 26, 2018, the Banks made the requisite notice and declaration of default, for which Divine Enterprises as corporate guarantor was responsible for curing. See **Exhibit O**.~~

~~241. Divine Enterprises did not, and to this day has not, satisfied the obligations of the corporate guaranty of the Anaya Loan.~~

~~242. As a result of Divine Enterprises' breach, the Banks have been deprived of \$39,139,000 owed to them under the Anaya Loan and continue to be so deprived.~~

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**SEVENTH CAUSE OF ACTION: FRAUD****Against Anshul and Ajay Gandhi**

263. ~~243.~~ Plaintiffs reassert and reallege paragraphs 1 through ~~194~~226 as if fully set forth herein

264. ~~244.~~ Anshul and Ajay orchestrated a fraudulent scheme to transfer Anaya merchandise, the entire product sample line, vendor relationships, customers and other proprietary information out of Anaya for the financial benefit of themselves and their family to avoid the obligations owed to the Banks.

265. The scheme to defraud the Banks utilized the established enterprise between Gandhi-controlled entities and their close associates—the same players that previously worked together to conduct an international customs fraud scheme starting in 2010—whereby Anaya, with the knowledge and involvement of Anshul and Ajay, their employees and shell companies, and those participating other entities, strategically shifted its assets, business relationships, good will and inventory (including the Bank’s Collateral) out of Anaya’s name to avoid its loan obligations.

266. The scheme’s first phase was shifting Anaya’s assets, business relationships, good will and inventory to Starlight, which had been set up by agreement between the Gandhis and the principals of SDC Designs (Starlight’s parent), using key Anaya sales personnel such as Pasqual and Scheinman and shell companies controlled by the Gandhis or principals of SDC Designs, and then when customers refused to do business with Starlight using Anaya’s unique vendor number, the scheme entered its second phase wherein the same Anaya assets/business were transferred to Super Diamonds (the d/b/a of SDC Designs), including the same former Anaya employees and sales personnel.

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267. ~~245.~~ Anshul and Ajay also recruited individuals, such as Pasqual and Scheinman, and entities, such as SDC and Manjusaka, to assist in their scheme to defraud the Banks through fake invoices, inaccurate inventory reports, and false borrowing statements to the Banks while he was transferring the most valuable Collateral out of Anaya Gems.

268. ~~246.~~ Meanwhile, Anshul and Ajay used their corporate position to intentionally misrepresent Anaya's business activity and Collateral to the Banks to maintain the Loans, while they orchestrated the transfer of the Collateral or the proceeds from selling the Collateral to entities controlled by them and/or their family members.

269. ~~247.~~ The Banks relied upon those misrepresentations of Anaya's business activity and Collateral when it continued to maintain the credit and loan facilities for Anaya, rather than close the facilities and exercise their right to foreclose on the Collateral, as the Banks would have done had they known the truth of Anaya's business activity.

270. ~~248.~~ As a result of Anshul and Ajay's fraudulent conduct, Anshul and Ajay deprived the Banks of the ability to foreclose on the Collateral to satisfy the outstanding Loans in the amount of \$~~65,000,000~~49,103,094.33, as of July 19, 2024.

**EIGHTH CAUSE OF ACTION: ~~CONSPIRACY AND~~ CIVIL RICO**

**Against Anshul Gandhi and Ajay Gandhi**

271. ~~249.~~ Plaintiffs reassert and reallege paragraphs 1 through ~~194~~226 as if fully set forth herein.

272. ~~250.~~ Anshul and Ajay orchestrated a fraudulent scheme by which they would coordinate the transfer of Collateral (i.e., inventory, the entire product sample line, customers,

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vender relationships, and other proprietary information) out of Anaya for the financial benefit of themselves and their family and to avoid debt obligations to the Banks.

273. The scheme to defraud the Banks utilized the established enterprise between Gandhi-controlled entities and their close associates (i.e., the principals of SDC Designs)—the same people that previously worked with both Anshul and Ajay in prior schemes to defraud other banks and the United States government starting in 2010—whereby Anaya, with the knowledge and involvement of Anshul and Ajay, their employees and shell companies, and those participating other entities, strategically shifted its assets, business relationships, good will and inventory (including the Bank’s Collateral) out of Anaya’s name to avoid its loan obligations.

274. In doing so, the enterprise of allied diamond industry members, the Gandhi family, the principals of SDC Design and their companies, and others such as Manjusaka, could continue maximizing their profit together through illegal means without the threat of the Bank’s Loans.

275. The scheme’s first phase was shifting Anaya’s assets, business relationships, good will and inventory to Starlight, which had been set up by agreement between the Gandhis and the principals of SDC Designs (Starlight’s parent), using key Anaya sales personnel such as Pasqual and Scheinman and shell companies controlled by the Gandhis or principals of SDC Designs, and then when customers refused to do business with Starlight using Anaya’s unique vendor number, the scheme entered its second phase wherein the same Anaya assets/business were transferred to Super Diamonds (the d/b/a of SDC Designs), including the same former Anaya employees and sales personnel.

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276. Anshul and Ajay did so using the pre-existing web of Gandhi owned and controlled businesses and other companies with whom they had long-standing relationships in the diamond and jewelry industry.

277. Most of the companies and persons involved in the fraudulent transfer of the Anaya business to Starlight and Super Diamond were involved in the fraudulent customs scheme that operated between 2010 and 2018.

278. These companies and persons utilized these legal entities and relationships to maximize their self-gain in the diamond industry through legal and illegal means, constituting a sub-group across the companies that worked together to achieve that goal of maximum self-gain.

279. The defrauding of the Banks was an intended act to ensure the existing enterprise could continue despite the Banks' loans and Anaya's financial obligations thereunder.

280. The defendants herein, having spent years hiding assets, producing fake invoices and using the international web of Gandhi-related companies to funnel funds and inventory to maximize their profit and gain, used the same techniques to defraud the Bank as they used to defraud the U.S. government.

281. ~~251.~~ While Ajay Gandhi was not within the United States, he sent communications to persons at Anaya and other related entities instructing transfers of Anaya Collateral to be made to various entities controlled by him, Anshul Gandhi and other members of the Gandhi family, including but not limited to, instructions sent on July 6, 2017, July 12, 2017, and July 25, 2017. See **Exhibit ~~X~~28**.

282. ~~252.~~ Ajay Gandhi also signed the March 2018 Borrowing Base Statement that contained falsified information concerning Anaya's business activity and Collateral.

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283. ~~253.~~ To effect their fraudulent scheme, Anshul and Ajay also recruited individuals and companies to both assist in moving the Anaya assets out of the company and to create the appearance of “business as usual” at Anaya Gems to hide their fraudulent actions from the Banks.

284. ~~254.~~ Anshul and Ajay acted as the “hub,” or the locus of organization, while the individuals and entities recruited acted as the “spokes” of this fraudulent scheme, meaning many of Anshul and Ajay’s associates did not coordinate with each other—only them.

285. ~~255.~~ As a result of Anshul and Ajay’s conspiracy to defraud the Banks, the Banks were deprived of the Collateral in the amount of \$~~65,000,000~~49,103,094.33 with which the Banks could have satisfied Anaya’s obligations owed to them under the Loans.

### NINTH CAUSE OF ACTION: CIVIL RICO

#### **Against Michael Pasqual**

286. ~~256.~~ Plaintiffs reassert and reallege paragraphs 1 through ~~194~~226 as if fully set forth herein.

287. ~~257.~~ Michael Pasqual and Anshul, together with others, carried out a scheme by which they would defraud the Banks by transferring the Anaya Collateral to Starlight Designs and Super Diamond and keep their pre-existing enterprise of companies and persons intact to continue to maximize their own profit regardless of the legality of their conduct.

288. The scheme to defraud the Banks utilized the established enterprise between Gandhi-controlled entities and their close associates (i.e., the principals of SDC Designs)—the same people that previously worked with both Anshul and Ajay in prior schemes to defraud other banks and the United States government starting in 2010—whereby Anaya, with the knowledge and involvement of Anshul and Ajay, their employees and shell companies, and those participating

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other entities, strategically shifted its assets, business relationships, good will and inventory (including the Bank's Collateral) out of Anaya's name to avoid its loan obligations.

289. In doing so, the enterprise of allied diamond industry members, the Gandhi family, the principals of SDC Design and their companies, and others such as Manjusaka, could continue maximizing their profit together through illegal means without the threat of the Bank's Loans.

290. The scheme's first phase was shifting Anaya's assets, business relationships, good will and inventory to Starlight, which had been set up by agreement between the Gandhis and the principals of SDC Designs (Starlight's parent), using key Anaya sales personnel such as Pasqual and Scheinman and shell companies controlled by the Gandhis or principals of SDC Designs, and then when customers refused to do business with Starlight using Anaya's unique vendor number, the scheme entered its second phase wherein the same Anaya assets/business were transferred to Super Diamonds (the d/b/a of SDC Designs), including the same former Anaya employees and sales personnel.

291. Most of the companies and persons involved in the fraudulent transfer of the Anaya business to Starlight and Super Diamond were involved in the customs scheme that operated between 2010 and 2018.

292. These companies and persons utilized these legal entities and relationships to maximize their self-gain in the diamond industry through both legal and illegal means, constituting a sub-group across the companies that worked together to achieve that goal of maximum self-gain in the industry outside the regular legal operations.

293. The defrauding of the Banks was an intended act to ensure the existing enterprise could continue despite the Banks' loans and Anaya's financial obligations thereunder.

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294. The defendants herein, having spent years hiding assets, producing fake invoices and using the international web of Gandhi-related companies to funnel funds and inventory to maximize their profit and gain, used the same techniques to defraud the Bank as they used to defraud the U.S. government

295. Pasqual was employed by Anaya throughout the customs scheme and had a similar senior role in the sales department, which was at the center of the customs scheme and with which Anshul worked with on a day-to-day frequency.

296. Pasqual would continue this important sales role with Super Diamond.

297. ~~258.~~ Anshul's shell company, DNM, received the proceeds of the Collateral, which were then transferred for the benefit of Anshul and his family, and their various entities

298. ~~259.~~ In furtherance of this scheme, Michael Pasqual, while he was the Vice President of Sales of Anaya, purchased UPC prefix codes for transferring inventory with his personal credit card to Starlight Designs and later Super Diamond where he held the same or similar title.

299. ~~260.~~ Michael Pasqual was later reimbursed with Anaya funds for his actions in assisting the fraudulent transfer of the Collateral out of Anaya.

300. ~~261.~~ With the assistance of Michael Scheinman, President of Sales, Michael Pasqual also assisted in coordinating the transfer of the product sample line, inventory, and customers to Starlight, and later Super Diamond, through other shell companies, so that the Collateral would ultimately be removed from the reach of the Banks.

301. ~~262.~~ After coordinating the transfer of key Anaya employees to Super Diamond to roles with identical titles, Michael Pasqual left Anaya to join Super Diamond.

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302. Thus, Michael Pasqual maintained his involvement in the enterprise through Super Diamond, which would take Anaya's place to conduct the same unlawful conduct conducted since 2010.

303. ~~263.~~ As a result of Michael Pasqual's conduct, the Banks have been damaged in the amount of \$~~65,000,000~~49,103,094.33 that would have been used to satisfy the outstanding obligations under the Loans.

### TENTH CAUSE OF ACTION: CIVIL RICO

#### **Against Michael Scheinman**

304. ~~264.~~ Plaintiffs reassert and reallege paragraphs 1 through ~~194~~226 as if fully set forth herein.

305. ~~265.~~ As the President of Sales of Anaya, Michael Scheinman, Anshul, and others, carried out a scheme by which they defrauded the Banks by transferring Anaya's inventory, product sample line, customers, vendor relationships, and other proprietary information out of Anaya to Starlight Designs and, ultimately, to Super Diamond and keep their pre-existing enterprise of companies and persons intact to continue to maximize their own profit regardless of the legality of their conduct.

306. The scheme to defraud the Banks utilized the established enterprise between Gandhi-controlled entities and their close associates (i.e., the principals of SDC Designs)—the same people that previously worked with both Anshul and Ajay in prior schemes to defraud other banks and the United States government starting in 2010—whereby Anaya, with the knowledge and involvement of Anshul and Ajay, their employees and shell companies, and those participating

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other entities, strategically shifted its assets, business relationships, good will and inventory (including the Bank's Collateral) out of Anaya's name to avoid its loan obligations.

307. In doing so, the enterprise of allied diamond industry members, the Gandhi family, the principals of SDC Design and their companies, and others such as Manjusaka, could continue maximizing their profit together through illegal means without the threat of the Bank's Loans.

308. The scheme's first phase was shifting Anaya's assets, business relationships, good will and inventory to Starlight, which had been set up by agreement between the Gandhis and the principals of SDC Designs (Starlight's parent), using key Anaya sales personnel such as Pasqual and Scheinman and shell companies controlled by the Gandhis or principals of SDC Designs, and then when customers refused to do business with Starlight using Anaya's unique vendor number, the scheme entered its second phase wherein the same Anaya assets/business were transferred to Super Diamonds (the d/b/a of SDC Designs), including the same former Anaya employees and sales personnel.

309. Most of the companies and persons involved in the fraudulent transfer of the Anaya business to Starlight and Super Diamond were involved in the customs scheme that operated between 2010 and 2018.

310. These companies and persons utilized these legal entities and relationships to maximize their self-gain in the diamond industry through both legal and illegal means, constituting a sub-group across the companies that worked together to achieve that goal of maximum self-gain in the industry outside the regular legal operations.

311. The defrauding of the Banks was an intended act to ensure the existing enterprise could continue despite the Banks' loans and Anaya's financial obligations thereunder.

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312. The defendants herein, having spent years hiding assets, producing fake invoices and using the international web of Gandhi-related companies to funnel funds and inventory to maximize their profit and gain, used the same techniques to defraud the Bank as they used to defraud the U.S. government

313. Pasqual was employed by Anaya throughout the customs scheme and had a similar senior role in the sales department at Anaya and held a similar, if not identical, role at SDC Designs. Pasqual was at the center of the customs scheme and with which Anshul worked with on a day-to-day frequency.

314. Pasqual would continue this important sales role with Super Diamond.

315. ~~266.~~ Michael Scheinman, as President of Sales, directly coordinated and assisted Michael Pasqual, Vice President of Sales at Anaya, in transferring key customers to Super Diamond and transferring inventory to Super Diamond.

316. ~~267.~~ In furtherance of this scheme, Michael Scheinman coordinated the transfer of those assets and customers to Starlight Designs, and then to Super Diamond, so the Collateral was no long able to be utilized to repay the Loans to the Banks.

317. ~~268.~~ Michael Scheinman, along with Michael Pasqual, coordinated the transfer of key Anaya sales personnel to Super Diamond, where they held the same positions and received the same pay.

318. ~~269.~~ Michael Scheinman ultimately transferred to Super Diamond, where he was rewarded for his complicity with a similar executive position.

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319. ~~270.~~ As a result of Michael Scheinman's action and inaction with respect to the Collateral, the Banks could not utilize the Collateral in the amount of \$~~65,000,000~~49,103,094.33 to satisfy the outstanding amount of the Loans.

**ELEVENTH CAUSE OF ACTION: CIVIL RICO**

**Against Manjusaka**

320. ~~271.~~ Plaintiffs reassert and reallege paragraphs 1 through ~~194~~226 as if fully set forth herein.

321. ~~272.~~ Manjusaka and Anshul, together with others, participated in and carried out a scheme by which they defrauded the Banks by moving the Collateral, include Anaya's product sample line, out of Anaya to other entities.

322. The scheme to defraud the Banks utilized the established enterprise between Gandhi-controlled entities and their close associates (i.e., the principals of SDC Designs)—the same people that previously worked with both Anshul and Ajay in prior schemes to defraud other banks and the United States government starting in 2010—whereby Anaya, with the knowledge and involvement of Anshul and Ajay, their employees and shell companies, and those participating other entities, strategically shifted its assets, business relationships, good will and inventory (including the Bank's Collateral) out of Anaya's name to avoid its loan obligations.

323. In doing so, the enterprise of allied diamond industry members, the Gandhi family, the principals of SDC Design and their companies, and others such as Manjusaka, could continue maximizing their profit together through illegal means without the threat of the Bank's Loans.

324. The scheme's first phase was shifting Anaya's assets, business relationships, good will and inventory to Starlight, which had been set up by agreement between the Gandhis and the

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principals of SDC Designs (Starlight's parent), using key Anaya sales personnel such as Pasqual and Scheinman and shell companies controlled by the Gandhis or principals of SDC Designs, and then when customers refused to do business with Starlight using Anaya's unique vendor number, the scheme entered its second phase wherein the same Anaya assets/business were transferred to Super Diamonds (the d/b/a of SDC Designs), including the same former Anaya employees and sales personnel.

325. ~~273.~~ In furtherance of this scheme, Manjusaka agreed to issue a letter purportedly "accepting" merchandise from Anaya as a means to satisfy outstanding accounts receivable but then never recorded the receipt of this inventory delivered to it as a "payment" in its records for those receivables.

326. ~~274.~~ Next, Manjusaka shipped all of the same merchandise to Super Diamond and received a significantly lower amount than the ostensible credit to Manjusaka (which it never recorded in its books).

327. ~~275.~~ Thus, Manjusaka essentially "laundered" the Anaya product sample line and other Collateral so that the fraudulent transfer to Super Diamond would not appear in Anaya's records.

328. ~~276.~~ Manjusaka subsequently made an insurance claim on the full value of its outstanding Anaya accounts receivable less direct payments it received from Super Diamond, claiming that it never received payment for those accounts.

329. ~~277.~~ Moreover, Manjusaka received direct payments from Super Diamond which indicate they were payments for the Anaya product sample line and were applied against the outstanding Anaya accounts receivable.

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330. ~~278.~~ Further, Manjusaka secured future business with Super Diamond through its participation in the scheme and a means of continuing its past relationship with Anaya through Super Diamond.

331. Thus, Manjusaka ensured it would continue its lucrative relationship with the Gandhis and their companies, and keep participating in the wrongdoing perpetuated by the pre-existing enterprise of companies and persons for which it provided fake invoices and jewelry assembly services between 2010 and 2018.

332. ~~279.~~ As a result of Manjusaka's conduct, the Banks were deprived of the Collateral in the amount of \$~~65,000,000~~49,103,094.33 that would serve to pay down Anaya's obligations owed to them under the Loans. The Banks are still deprived of the amounts owed by Anaya.

### TWELFTH CAUSE OF ACTION: CIVIL RICO

#### **Against Mars Venture**

333. ~~280.~~ Plaintiffs reassert and reallege paragraphs 1 through ~~194~~226 as if fully set forth herein.

334. ~~281.~~ Mars Venture agreed to help Anshul carry out his fraudulent scheme through concocting fake sales of diamonds to DNM to mask the fraudulent transfers of Collateral and the proceeds for the Collateral out of Anaya.

335. The scheme to defraud the Banks utilized the established enterprise between Gandhi-controlled entities and their close associates (i.e., the principals of SDC Designs)—the same people that previously worked with both Anshul and Ajay in prior schemes to defraud other banks and the United States government starting in 2010—whereby Anaya, with the knowledge and involvement of Anshul and Ajay, their employees and shell companies, and those participating

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other entities, strategically shifted its assets, business relationships, good will and inventory (including the Bank's Collateral) out of Anaya's name to avoid its loan obligations.

336. In doing so, the enterprise of allied diamond industry members, the Gandhi family, the principals of SDC Design and their companies, and others such as Manjusaka, could continue maximizing their profit together through illegal means without the threat of the Bank's Loans.

337. The scheme's first phase was shifting Anaya's assets, business relationships, good will and inventory to Starlight, which had been set up by agreement between the Gandhis and the principals of SDC Designs (Starlight's parent), using key Anaya sales personnel such as Pasqual and Scheinman and shell companies controlled by the Gandhis or principals of SDC Designs, and then when customers refused to do business with Starlight using Anaya's unique vendor number, the scheme entered its second phase wherein the same Anaya assets/business were transferred to Super Diamonds (the d/b/a of SDC Designs), including the same former Anaya employees and sales personnel.

338. ~~282.~~ Mars Venture acted as a "fence" through which money originally received by DNM from Diagem would be transferred through DNM in the appearance of a legitimate business deal between DNM and Mars Venture.

339. ~~283.~~ By acting as one of the spokes of Anshul's scheme, Mars Venture deprived the Banks of Collateral in the amount of \$~~2,269,312.50~~49,103,094.33 that could have been used to satisfy the obligations owed by Anaya to the Banks under the Loans. The Banks continue to be so deprived.

### **THIRTEENTH CAUSE OF ACTION: CIVIL RICO**

#### **Against Sino Sterling**

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340. ~~284.~~ Plaintiffs reassert and reallege paragraphs 1 through ~~194~~226 as if fully set forth herein.

341. ~~285.~~ Sino Sterling agreed to help Anshul effect his fraudulent scheme through concocting fake sales of diamonds to DNM, an Anshul controlled shell entity, to cover up the fraudulent transfer of Collateral and the proceeds from Collateral out of Anaya.

342. The scheme to defraud the Banks utilized the established enterprise between Gandhi-controlled entities and their close associates (i.e., the principals of SDC Designs)—the same people that previously worked with both Anshul and Ajay in prior schemes to defraud other banks and the United States government starting in 2010—whereby Anaya, with the knowledge and involvement of Anshul and Ajay, their employees and shell companies, and those participating other entities, strategically shifted its assets, business relationships, good will and inventory (including the Bank’s Collateral) out of Anaya’s name to avoid its loan obligations.

343. In doing so, the enterprise of allied diamond industry members, the Gandhi family, the principals of SDC Design and their companies, and others such as Manjusaka, could continue maximizing their profit together through illegal means without the threat of the Bank’s Loans.

344. The scheme’s first phase was shifting Anaya’s assets, business relationships, good will and inventory to Starlight, which had been set up by agreement between the Gandhis and the principals of SDC Designs (Starlight’s parent), using key Anaya sales personnel such as Pasqual and Scheinman and shell companies controlled by the Gandhis or principals of SDC Designs, and then when customers refused to do business with Starlight using Anaya’s unique vendor number, the scheme entered its second phase wherein the same Anaya assets/business were transferred to

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Super Diamonds (the d/b/a of SDC Designs), including the same former Anaya employees and sales personnel.

345. ~~286.~~ Sino Sterling acted as a “fence” through which money originally received by DNM from Diagem would be transferred through DNM.

346. ~~287.~~ The fake invoices created the appearance of a legitimate business deal between DNM and Sino Sterling.

347. ~~288.~~ Thus, Anshul and Sino Sterling conspired to transfer proceeds of the Collateral sold to Super Diamond out of the reach of the Banks as Anaya’s secured creditors.

348. ~~289.~~ By acting as one of the spokes of Anshul’s scheme, Sino Sterling deprived the Banks of Collateral in the amount of \$~~1,770,394.80~~49,103,094.33 that could have been used to satisfy the outstanding obligations under the Loans owed by Anaya to the Banks as its creditors.

#### **FOURTEENTH CAUSE OF ACTION: CIVIL RICO**

##### **Against Diagem**

349. ~~290.~~ Plaintiffs reassert and reallege paragraphs 1 through ~~194~~226 as if fully set forth herein.

350. ~~291.~~ Diagem was a shell company controlled by the principals of Super Diamond and SDC.

351. The scheme to defraud the Banks utilized the established enterprise between Gandhi-controlled entities and their close associates (i.e., the principals of SDC Designs)—the same people that previously worked with both Anshul and Ajay in prior schemes to defraud other banks and the United States government starting in 2010—whereby Anaya, with the knowledge

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and involvement of Anshul and Ajay, their employees and shell companies, and those participating other entities, strategically shifted its assets, business relationships, good will and inventory (including the Bank's Collateral) out of Anaya's name to avoid its loan obligations.

352. In doing so, the enterprise of allied diamond industry members, the Gandhi family, the principals of SDC Design and their companies, and others such as Manjusaka, could continue maximizing their profit together through illegal means without the threat of the Bank's Loans.

353. The scheme's first phase was shifting Anaya's assets, business relationships, good will and inventory to Starlight, which had been set up by agreement between the Gandhis and the principals of SDC Designs (Starlight's parent), using key Anaya sales personnel such as Pasqual and Scheinman and shell companies controlled by the Gandhis or principals of SDC Designs, and then when customers refused to do business with Starlight using Anaya's unique vendor number, the scheme entered its second phase wherein the same Anaya assets/business were transferred to Super Diamonds (the d/b/a of SDC Designs), including the same former Anaya employees and sales personnel.

354. Most of the companies and persons involved in the fraudulent transfer of the Anaya business to Starlight and Super Diamond were involved in the customs scheme that operated between 2010 and 2018, including Diagem.

355. Diagem, a entity controlled by Anshul's close associates who were the principals of SDC Designs d/b/a Super Diamond and Starlight, acted in a similar capacity for the Banks scheme to its involvement in the customs scheme,

356. The defrauding of the Banks was an intended act to ensure the existing enterprise could continue despite the Banks' loans and Anaya's financial obligations thereunder.

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357. The defendants herein, having spent years hiding assets, producing fake invoices and using the international web of Gandhi-related companies to funnel funds and inventory to maximize their profit and gain, used the same techniques to defraud the Bank as they used to defraud the U.S. government.

358. ~~292.~~ Super Diamond and SDC utilized Diagem for the purposes of enacting Anshul's fraudulent scheme by hiding the payment for the movement of the Collateral out of Anaya ultimately to Super Diamond.

359. ~~293.~~ Diagem was a spoke in Anshul's conspiracy to defraud the Banks through purportedly legitimate transactions that would place the Collateral out of the Banks' reach as creditors.

360. ~~294.~~ Diagem assisted in the transfer the Collateral from Anaya by assisting in the creation of fake invoices to represent seemingly legitimate transactions between Diagem and DNM.

361. ~~295.~~ Diagem then transferred \$5,575,000 to DNM as payments to Anshul for the fraudulent transfer of Collateral out of Anaya to Super Diamond.

362. ~~296.~~ By its conduct, Diagem deprived the Banks of the Collateral in the amount of \$5,575,000 that could have been used to satisfy the outstanding obligations owed by Anaya to the Banks under the Loans.

**FIFTEENTH CAUSE OF ACTION: AIDING AND ABETTING FRAUD**

**Against Starlight**

363. ~~297.~~ Plaintiffs reassert and reallege paragraphs 1 through ~~194~~226 as if fully set forth herein.

*[Link-to-previous setting changed from off in original to on in modified.]*

364. ~~298.~~ Starlight was created to effectuate Anshul's fraudulent scheme as the new receiving entity to receive Anaya's inventory, product sample line, customers, vendor relationships, and other propriety information.

365. ~~299.~~ Starlight's ~~sole~~primary business activity at the time was to serve as a conduit of these fraudulent transfers. Starlight was created in January 2017 with coordination between Anshul his associate, and SDC Designs CFO, Shridhar Krishnan, who controlled both the Starlight and Super Diamond operations.

366. ~~300.~~ Starlight had knowledge of the scheme because it was controlled by the principals of SDC Designs Co., LLC, who were ~~very aware of the Banks' secured interests related to the Loans due to the UCC filing statements~~associates of Anshul and his family, willingly participated in the fraudulent customs scheme, partook in non-standard transactions that a company would not otherwise engage in but for a shared goal, and had their sales operations run by Michael Pasqual and Michael Scheinman who acted under Anshul's direction to defraud the Banks by coordinating the shifting of Anaya assets, customer relationships and merchandise to Starlight to continue Anaya's business without the threat of the Banks' loans.

367. ~~301.~~ Indeed, the principals of SDC Designs (also the principals of Starlight) even negotiated to hold Anaya inventory as security collateral in case the Bank pursued them for receiving these fraudulent transfers, meaning they knew wrongdoing was involved and that knowledge can be imputed to their fully-controlled shell company Starlight.

368. ~~302.~~ With this knowledge, Starlight ~~accepted~~assisted in the transfer of the inventory, product sample line, and other assets out of Anaya, and by doing so removed the Collateral from the Banks' ability to liquidate the Collateral to pay off the Loans.

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369. Any reasonable company, including its principals and officers (i.e., Pasqual and Scheinman), would know these transactions were outside the regular course of business in the jewelry industry, because Starlight was stepping into the shoes of a still-existing company, using that company's unique vendor code, and taking its business, assets, inventory, vendor code and employees for absolutely no corresponding value given back to Anaya as an ongoing business.

370. Further, the principals of Starlight knew they were receiving nothing of value for their actual business for these transfers, which is why they requested Anaya inventory to be used as security should any negative consequences of their participation follow.

371. ~~303.~~ When the Bank attempted to collect on the Collateral by having the Receiver liquidate all remaining assets of Anaya, the Receiver learned that Anaya had transferred all of the Collateral.

372. ~~304.~~ As a result, the Banks were deprived of Anaya's Collateral in the amount of ~~\$65,000,000~~49,103,094.33 that would have been used to satisfy the outstanding obligations under the Loans.

#### **SIXTEENTH CAUSE OF ACTION: AIDING AND ABETTING FRAUD**

##### **Against SDC Designs and Super Diamond**

373. ~~305.~~ Plaintiffs reassert and reallege paragraphs 1 through ~~194~~226 as if fully set forth herein.

374. ~~306.~~ Super Diamond was utilized to effectuate Anshul's fraudulent scheme as a new receiving entity of Anaya's inventory, customers, product sample line, vendor relationships, and other propriety information, and served as the conduit for these fraudulent transfers of Anaya Collateral.

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375. ~~307.~~ Super Diamond had knowledge of the scheme because it was and is controlled by the principals of SDC, who ~~were very aware of the Banks' secured interests in the Collateral due to the UCC filing statements.~~ are associates of Anshul and the Gandhi family, partook in non-standard transactions that a company would not otherwise engage in but for a shared goal, and had their sales operations run by Michael Pasqual and Michael Scheinman who acted under Anshul's direction to defraud the Banks by shifting Anaya's assets and everything of value to the Banks to Super Diamond to continue Anaya's business without the loan obligations.

376. ~~308.~~ Indeed, the principals of SDC Designs even negotiated to hold Anaya inventory as security collateral in case the Bank pursued them and/or Super Diamond to recover for all the fraudulent transfers received from Anaya.

377. ~~309.~~ With this knowledge, Super Diamond accepted the product sample line, inventory and other business assets of Anaya, and by doing so removed this Collateral from the Banks' control and ability to liquidate the Collateral to pay off the Loans.

378. Super Diamond also hired key Anaya management and sales employees, all which Anaya was still an "operating" business.

379. Any reasonable company, including its principals and officers (including Pasqual and Scheinman), would know these transactions were outside the regular course of business, even without the personal involvement with Anshul and the Gandhi family, because Super Diamond was stepping into the shoes of a then-existing company and taking its business, assets, inventory, vendor code and employees for absolutely no corresponding value given back to Anaya as an ongoing business.

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380. [This conduct is literally the definition of what is not considered an ordinary course of business transaction under the UCC.](#)

381. ~~310.~~ When the Banks attempted to collect on the Collateral by having the Receiver appointed to liquidate all of Anaya Collateral, the Receiver discovered that Anya had transferred its most valuable Collateral.

382. ~~311.~~ As a result, the Banks were deprived of Anaya's assets and monies in the amount of \$~~65,000,000~~49,103,094.33 that would have been used to satisfy the outstanding obligations under the Loans.

### SEVENTEENTH CAUSE OF ACTION: AIDING AND ABETTING FRAUD

#### **Against DNM**

383. ~~312.~~ Plaintiffs reassert and reallege paragraphs 1 through ~~194~~226 as if fully set forth herein.

384. ~~313.~~ DNM is a company controlled and owned by Anshul and/or members of his family.

385. ~~314.~~ At the relevant time of this Complaint, DNM operated out of Anaya's office and premises in Long Island City, had no inventory or separate assets from Anaya, and served solely as a "shell" company for the Gandhi family's financial benefit.

386. ~~315.~~ Specifically, in 2017, DNM received approximately \$5,575,000 from Diagem, a "shell company" controlled by the principals of SDC as the payoff for the transfer of Anaya's assets, inventory, customer relationships and good will to Super Diamond.

387. ~~316.~~ Diagem transferred that money to Anaya (via DNM) in exchange for Anaya transferring its product sample line, inventory, customers, and vendor relationships to Super

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Diamond, a company controlled by the principals of SDC. This was done to benefit Anshul and the Gandhi family so that the [Anaya assets would be sold, the Gandhis would reap the benefits, and the](#) Banks would not have the benefit of utilizing the Anaya Collateral to recover on the Loans.

[388.](#) [That neither Diagem nor DNM paid anywhere close to the actual value of what was effectively the entirety of Anaya as a going concern demonstrates the knowing participation in assisting the Gandhis in depleting Anaya through sham transactions and the principals of these willingness to use the companies as fences to achieve that goal.](#)

[389.](#) ~~317.~~ DNM created false records and fake invoices for diamonds it never possessed and that did not actually exist to mask the payments from Diagem to DNM as purported transactions. These fake invoices listed per-carat prices for the diamonds that were wildly irregular by industry standards, thereby further demonstrating their inauthenticity.

[390.](#) ~~318.~~ DNM acted as the conduit through which Anaya and Anshul transferred the Collateral to Anshul and his family-controlled entities, totaling \$3,889,000. One of the destinations of these funds was Netaya PVT, a company controlled by Anshul's father, Ajay Gandhi. *See Exhibit Z.*

[391.](#) ~~319.~~ DNM then transferred \$1,620,000 to Anaya to meet Anaya's cash flow requirements to continue operating while the fraudulent scheme to transfer Anaya's business to Super Diamond was carried out. Some of this money was used by Anaya to provide inventory to customers to maintain its business goodwill and thus facilitate the later transfer of customers to Super Diamond.

[392.](#) ~~320.~~ As a result of DNM's conduct, the Banks have been damaged in the amount of \$5,509,000 that would have been used to satisfy the outstanding obligations under the Loans.

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**EIGHTEENTH CAUSE OF ACTION: AIDING AND ABETTING FRAUD**

**Against Diagem**

393. ~~321.~~ Plaintiffs reassert and reallege paragraphs 1 through ~~194~~226 as if fully set forth herein.

394. ~~322.~~ Diagem was a shell company controlled by the principals of SDC and Super Diamond (all associates of Anshul, his family and their companies) who utilized Diagem to enact Anshul's fraudulent scheme by hiding the payment for the movement of the Collateral out of Anaya and, ultimately, to Super Diamond.

395. Diagem "paid" the falsified invoices purportedly memorializing these transactions, but in reality Diagem never received any diamonds or other jewelry in these fraudulent transactions—meaning Diagem knew it was not engaging in standard arms-length jewelry industry transactions.

396. Diagem's knowledge is also demonstrated by its willingness to partake in non-standard transactions that a company would not otherwise engage in but for a shared goal and that its principals had previously partaken in the customs scheme and continued conducting itself for the benefit of the Gandhi family and their associates without any independent business benefit to it.

397. That neither Diagem nor DNM paid anywhere close to the actual value of what was effectively the entirety of Anaya as a going concern demonstrates the knowing participation in assisting the Gandhis in depleting Anaya through sham transactions and the principals of these willingness to use the companies as fences to achieve that.

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398. ~~323.~~ Diagem received money from SDC or its principals or entities controlled by its principals for the purpose of transferring the same to Anshul via a shell company, DNM, as payment for the transfer of Anaya Collateral to SDC Designs d/b/a Super Diamond.

399. ~~324.~~ Diagem transferred \$5,575,000 to DNM as payments to Anshul Gandhi and his family in exchange for Anaya's line of business, existing customer relationships, and significant amounts of inventory, which were provided to SDC Designs d/b/a Super Diamond.

400. ~~325.~~ Anaya's line of business ~~was~~ inventor, customer and vendor relationships, and general good will in the industry were worth significantly more than the amount paid by Diagem in the falsified transactions.

401. ~~326.~~ Diagem and DNM created fake invoices to make it appear that the deals were legitimate business transactions.

402. ~~327.~~ However, no such transactions occurred as DNM never possessed any diamonds to sell, nor did Diagem receive any diamonds.

403. ~~328.~~ Of the money Diagem transferred to DNM, DNM remitted \$4,039,707.30 out of the country to Sino Sterling and Mars Venture.

404. ~~329.~~ DNM also sent money received from Diagem to Netaya Ltd., which was controlled by Ajay Gandhi, Anshul's father, in the amount of \$591,610.45.

405. Diagem knew it was participating in sham transactions given the purported consideration was for diamonds DNM never possessed and which Diagem never received.

406. Any reasonable company, including its principals and officers, would know these transactions were outside the regular course of business, even without the personal involvement

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with Anshul and the Gandhi family, because the transactions did not match up and DNM was not retaining the funds it normally would in standard arms-length transactions.

407. ~~330.~~ As a result of Diagem's conduct, the Banks were deprived of Collateral or the proceeds from the Collateral in the amount of \$6,166,610.45, by which they could satisfy the outstanding obligations owed to them by Anaya under the Loans. The Banks continue to be so deprived.

**NINETEENTH CAUSE OF ACTION: AIDING AND ABETTING FRAUD**

**Against Michael Pasqual**

408. ~~331.~~ Plaintiffs reassert and reallege paragraphs 1 through ~~194~~226 as if fully set forth herein.

409. ~~332.~~ Michael Pasqual was the Vice President of Sales and Marketing of Anaya Gems and had knowledge of the Loans from the Banks and their terms. Michael Pasqual worked closely with Anshul and the President of Sales, Michael Scheinman, to coordinate the fraudulent transfer of assets to Super Diamond for the benefit of corporate insiders and the detriment of the Banks recovering on its Collateral.

410. ~~333.~~ Michael Pasqual directly coordinated the moving of customers and other proprietary information from Anaya to Starlight and later Super Diamond as part of the scheme to defraud Bank of India.

411. ~~334.~~ Michael Pasqual also coordinated the false sales of inventory from shell companies such as DNM and the underreported sales to companies working in concert with Anaya to defraud the Banks.

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412. ~~335.~~ For example, Michael Pasqual usually used Anaya company credit cards to pay for expenses related to transferring Anaya inventory, such as purchasing UPC code prefixes for merchandise (i.e., unique codes used to identify and track jewelry). However, to cover up the fraudulent scheme, Michael Pasqual used his personal credit card to purchase the UPC code prefixes that would be used to mask the transfer of merchandise to Super Diamond [Starlight?] that was part of the Collateral. Michael Pasqual was reimbursed for his efforts by DNM by check dated June 29, 2018.

413. ~~336.~~ Michael Pasqual led Anaya customers to believe Anaya was simply changing its name, first to Starlight and then to Super Diamond, for legitimate purposes and that Anaya would effectively continue under those entities without interruption of business.

414. ~~337.~~ These Anaya customers relied upon these representations and continued the business uninterrupted, thereby permitting Anaya to maintain a cash flow sufficient to fully execute the fraudulent scheme.

415. ~~338.~~ Michael Pasqual also directly misled the Banks to believe that sufficient Collateral existed to satisfy the indebtedness to the Banks if they called in the Loans—either at the agreed-upon or modified and reduced rate. Meanwhile, Pasqual and Anshul had stripped Anaya of the vast majority of its value so that it was not sufficiently collateralized for purposes of the Loans.

416. ~~339.~~ The Banks relied upon the Borrowing Base Statements and other documentation which gave the appearance of Anaya continuing business with its known customers and entered into good faith repayment discussions while Anshul coordinated his fraudulent scheme. The Banks plainly would not have do so if they knew the true status of Anaya's Collateral.

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417. ~~340.~~ Michael Pasqual, along with Michael Scheinman, coordinated this transfer of the key sales personnel from Anaya to work at Super Diamond during this period, where those sale personnel received identical roles and pay.

418. ~~341.~~ Michael Pasqual then took an identical management position at Super Diamond as the role he held at Anaya, as compensation for his role in the scheme.

419. ~~342.~~ As a result of Pasqual's conduct, the Banks have been damaged in the amount of \$~~65,000,000~~49,103,094.33 that would have been used to satisfy the outstanding obligations under the Loans.

### TWENTIETH CAUSE OF ACTION: AIDING AND ABETTING FRAUD

#### **Against Michael Scheinman**

420. ~~343.~~ Plaintiffs reassert and reallege paragraphs 1 through ~~194~~226 as if fully set forth herein.

421. ~~344.~~ Michael Scheinman was the President of Sales of Anaya and was aware of the status and terms of the Loans when he worked with Anshul to coordinate the transfer of the Collateral out of Anaya.

422. ~~345.~~ To avoid Anaya's repayment obligations, Michael Scheinman, along with the Vice President of Sales and Marketing, Michael Pasqual, coordinated the transfer of inventory, product sample line, customers and other proprietary information from Anaya to Starlight, and later Super Diamond, as part of the scheme to defraud the Banks from recovering on the Collateral.

423. ~~346.~~ Instead, Anshul received secret compensation through his shell company, DNM, for the transfer while Scheinman received a similar executive position at Super Diamond.

*[Link-to-previous setting changed from off in original to on in modified.]*

[424.](#) ~~347.~~ Michael Scheinman also assisted Michael Pasqual in preparing false sales records and the Borrowing Base Statements that were used to misrepresent to the Banks that Anaya was sufficiently collateralized and continuing as a business able to satisfy the Loans.

[425.](#) ~~348.~~ Michael Scheinman, along with Michael Pasqual, also led Anaya customers to believe Anaya was simply changing its name for legitimate purposes to Starlight Designs, and later Super Diamond, and the business would continue uninterrupted with its new name. These customers relied upon these misrepresentations and continued doing business with Anaya, but later switched the business to Super Diamond.

[426.](#) ~~349.~~ Michael Scheinman, along with Michael Pasqual, coordinated the transfer of the key Anaya sales personnel to Super Diamond, where those sale personnel held the same positions for the same pay at Super Diamond.

[427.](#) ~~350.~~ Michael Scheinman then took a similar, [or nearly identical](#), executive sales position at Super Diamond.

[428.](#) ~~351.~~ Michael Scheinman also led the Banks to believe they would be able to foreclose on the Collateral—either at the agreed-upon or modified and reduced rate—without any concern as to Anaya’s collateralization and operations.

[429.](#) ~~352.~~ The Banks relied upon this misrepresentation that Anaya was continuing its business with known customers.

[430.](#) ~~353.~~ The Banks would have immediately sought court intervention to foreclose on the Collateral if the true facts were known.

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~~431. 354.~~ As a result of Scheinman's conduct, the Banks have been damaged in the amount of \$~~65,000,000~~49,103,094.33 that would have been used to satisfy the outstanding obligations under the Loans.

**TWENTY-FIRST CAUSE OF ACTION: AIDING AND ABETTING FRAUD**

**Against Manjusaka**

~~355. Plaintiffs reassert and reallege paragraphs 1 through 194 as if fully set forth herein.~~

~~356. Manjusaka agreed to "accept" merchandise as payment for outstanding accounts receivable owed by Anaya but then "sold" the Anaya merchandise (i.e., the Anaya product sample line) and other inventory to Super Diamond at a discount, thereby acting as a "fence" through which the merchandise would pass from Anaya to Super Diamond.~~

~~357. These "purchases" occurred on or about April 8, 2017.~~

~~358. Manjusaka was aware of the fraudulent scheme it was participating in because it never recorded the "accepted" merchandise in its records as a credit against the Anaya receivables, despite sending a letter to Anaya claiming this merchandise was a credit.~~

~~359. Even Anaya's letter to Manjusaka indicated it was to be applied to reduce the outstanding balance.~~

~~360. Manjusaka never credited the "accepted" merchandise against outstanding accounts receivable owed by Anaya in its records—demonstrating that Manjusaka never intended to retain the merchandise for its own business.~~

~~361. Moreover, Manjusaka received payments from Super Diamond for that same merchandise, specifically by "crediting" them against outstanding receivables amounts owed by Anaya, demonstrating this was a pre-conceived scheme.~~

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~~362. Manjusaka then filed an insurance claim for the full amount of the outstanding accounts receivable in the amount of \$3,700,000.~~

~~363. Manjusaka's participation in the fraudulent scheme deprived the Banks of the Collateral in the amount of \$65,000,000 that would otherwise been used to satisfy Anaya's outstanding debt under the Loans.~~

### Against Mars Venture

~~364.~~ 432. Plaintiffs reassert and reallege paragraphs 1 through ~~194~~226 as if fully set forth herein.

~~365.~~ 433. Mars Venture assisted Anshul's fraudulent scheme by effecting a sham sale of diamonds to a shell company controlled by Anshul Gandhi and his family, DNM, for the purposes of transferring \$3,200,000 away from Anaya

~~366.~~ 434. Mars Venture did not actually sell diamonds to either DNM or Anaya, and neither entity received any merchandise as a result of these "sales."

~~367.~~ 435. Rather, the "sale" was used to convey the appearance of legitimate, good faith transactions that would put the money (payment received from SDC through its shell Diagem) out of the reach of the Banks as creditors of Anaya.

~~368.~~ 436. Fake invoices were created in November of 2017 between Mars and DNM to cover up the fraudulent transfer of money.

~~369.~~ 437. The invoices themselves demonstrate this because the per carat amount on the invoices would involve such high-end diamonds that neither DNM nor Anaya had the capacity to sell.

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438. ~~370.~~ The price per carat listed on the invoices (which was created merely to “come up” with the amount to be transferred to Mars) vastly exceeded industry standards.

439. ~~371.~~ Moreover, DNM was a shell company that never had inventory to sell or purchase.

440. ~~372.~~ Additionally, Anaya’s jewelry business also could not possibly purchase or sell diamonds of the extremely high quality purported per-carat amount on the fake invoices.

441. ~~373.~~ As a result of Mars Venture’s conduct, the Banks were deprived of the Collateral in the amount of \$2,269,312.50 by which they could satisfy the obligations owed to them by Anaya under the Loans. The Banks continue to be so deprived.

#### TWENTY-SECOND CAUSE OF ACTION: AIDING AND ABETTING FRAUD

##### **Against Sino Sterling**

442. ~~374.~~ Plaintiffs reassert and reallege paragraphs 1 through ~~194~~226 as if fully set forth herein.

443. ~~375.~~ Sino Sterling assisted Anshul’s fraudulent scheme by participating in a sham sale of diamonds to a shell company controlled by Anshul Gandhi and his family, DNM, to move \$3,200,000, representing proceeds from Anaya Collateral, away from Anaya.

444. ~~376.~~ Sino Sterling did not actually sell diamonds to either DNM or Anaya, and neither entity received new inventory as a result of these “sales.”

445. ~~377.~~ Rather, the “sale” utilized fake invoices to create a “paper trail” appearance of a legitimate transaction.

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446. ~~378.~~ These transfers effectively removed the proceeds from Anaya Collateral (which was transferred to Super Diamond) away from the Banks as creditors of Anaya, to the benefit of Anshul Gandhi and his family.

447. ~~379.~~ Fake invoices were created in November of 2017 to cover up the fraudulent transfer of money.

448. ~~380.~~ The invoices themselves demonstrate this because they reflect per carat prices of such high-end diamonds that neither DNM nor Anaya had the capacity to sell.

449. ~~381.~~ Thus, the price per carat listed on the invoice (which was created merely to “come up” with the amount to be transferred to Sino Sterling) vastly exceeding industry standards.

450. ~~382.~~ Moreover, DNM, was a shell entity, that never had inventory to sell or purchase.

451. ~~383.~~ Additionally, Anaya’s jewelry business could not possibly purchase or sell diamonds of the extremely high quality that the per-carat amount on the fake invoices.

452. ~~384.~~ As a result of Sino Sterling’s conduct, the Banks were deprived of Collateral in the amount of \$1,770,394.80, by which they could satisfy the outstanding obligations owed to them by Anaya under the Loans. The Banks continue to be so deprived.

**CAUSE OF ACTION: CONVERSION**

**Against Super Diamond**

~~385. Plaintiffs reassert and reallege paragraphs 1 through 194 as if fully set forth herein.~~

~~386. Super Diamond was created to effectuate Anshul’s fraudulent scheme as a new company doing business as SDC Designs to received Anaya’s inventory, product sample line,~~

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~~vendor relationships, customers and other propriety information, and its sole business activity was to serve as the conduit for these fraudulent transfers.~~

~~387. Super Diamond did not have the consent, permission or any authority otherwise from Anaya or the Banks, as the secured creditors of Anaya, to receive and exert possessory rights over the Collateral.~~

~~388. The Banks hold a possessory interest and superior possessory rights in the Collateral as secured creditors by their UCC filing.~~

~~389. Super Diamond was on notice of the Banks' superior possessory rights both from the UCC filings and because the controlling principals of Super Diamond were the principals of SDC, who were well aware that the Banks were secured creditors of Anaya.~~

~~390. Indeed, the principals of SDC even agreed to hold Anaya Collateral as "security" in case the Banks learned about the fraudulent transfers to Super Diamond and pursued litigation against them.~~

~~391. Super Diamond exerted possessory right to the Collateral in derogation of the Banks' secured interest in the same, and despite Super Diamond' knowledge of the Banks' rights.~~

~~392. Despite notice of the Banks' superior possessory rights in the Collateral, Super Diamond refuses to return the same to the Banks.~~

~~393. As a result of Super Diamond' conduct, the Banks have been damaged in the amount of \$65,000,000 that would have been used to satisfy the outstanding obligations under the Loans.~~

### **CAUSE OF ACTION: BREACH OF FIDUCIARY DUTIES**

#### **Against Michael Pasqual**

~~394. Plaintiffs reassert and reallege paragraphs 1 through 194 as if fully set forth herein.~~

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~~395. Michael Pasqual was the Vice President of Sales and Marketing at Anaya and was aware of the status of the Loans when he conspired with Anshul to transfer the Collateral out of Anaya.~~

~~396. Michael Pasqual breached his fiduciary duty to Anaya as a corporate officer by actively participating in the fraudulent scheme and/or failing to take action to stop the fraudulent scheme despite his knowledge that the transfer of the Collateral was improper, to the detriment of Anaya to whom he owed fiduciary duties.~~

~~397. Anaya received little to no value for these transfers as the Diagem payments were directed to DNM.~~

~~398. Thus, Michael Pasqual's assistance in the fraudulent scheme served to benefit Anshul Gandhi and his family, and their various entities, to the detriment of Anaya and its secured creditors~~

~~399. Michael Pasqual would later take an identical corporate executive position at Super Diamond, the entity which received the fraudulently transferred inventory.~~

~~400. As a result of Pasqual's conduct, the Banks have been damaged in the amount of \$65,000,000 that would have been used to satisfy the outstanding obligations under the Loans.~~

#### **Against Michael Scheinman**

~~401. Plaintiffs reassert and reallege paragraphs 1 through 194 as if fully set forth herein.~~

~~402. Michael Scheinman was the President of Sales at Anaya and was aware of the terms and status of the Loans. Michael Scheinman conspired with Anshul Gandhi against Anaya's interests to effectuate the fraudulent scheme, despite knowledge that the transfer of the Collateral away from Anaya was to the detriment of Anaya and breached the terms of the Anaya Loans with the Banks.~~

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~~403. Michael Scheinman did so despite owing fiduciary duties to Anaya that Anaya should use its Collateral to pay its debts to secured creditors.~~

~~404. Michael Scheinman breached his fiduciary duty to Anaya by either actively participating in the fraudulent scheme or failing to take action to stop the fraudulent scheme despite his knowledge thereof.~~

~~405. The fraudulent scheme looted Anaya of its most valuable assets, while serving to personally benefit Anshul Gandhi, his family, and their various entities.~~

~~406. Michael Scheinman would later take a similar executive position at the company which received the fraudulently transferred inventory, Super Diamond.~~

~~407. As a result of Michael Scheinman's breach of his fiduciary duties, the Banks were deprived of the Collateral in the amount of \$65,000,000, which the Banks could have used to satisfy the outstanding amount of the Loans.~~

### **PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiffs demands judgment as follows:

- A. For the Cause of Action of Breaching the Bank of India Credit Agreement against Anaya Gems, awarding plaintiffs damages against Anaya Gems of ~~\$39,139,000, plus attorney's fees and costs~~49,103,094.33.
- B. For the Cause of Action of Breaching the Allahabad Bank Agreement against Anaya Gems, awarding plaintiffs damages against Anaya Gems of ~~\$6,390,000~~49,103,094.33.
- C. For the Cause of Action of Breaching the Guaranty against Ajay Gandhi, awarding plaintiffs damages against Ajay Gandhi of ~~\$39,139,000~~49,103,094.33.

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- D. For the Cause of Action of Breaching the Guaranty against Anshul Gandhi, awarding plaintiffs damages against Anshul Gandhi of ~~\$39,139,000~~49,103,094.33.
- E. For the Cause of Action of Breaching the Guaranty against Dinika A. Gandhi, awarding plaintiffs damages against Dinika A. Gandhi of ~~\$39,139,000~~49,103,094.33.
- F. For the Cause of Action of Breaching the Guaranty against Rajul Gandhi, awarding plaintiffs damages against Rajul Gandhi of ~~\$39,139,000~~49,103,094.33.
- ~~G. For the Cause of Action of Breaching the Guaranty against Jewel Rough, N.V., awarding plaintiffs damages against Jewel Rough of \$39,139,000.~~
- ~~H. For the Cause of Action of Breaching the Guaranty against Divine Enterprises, awarding plaintiffs damages against Divine Enterprises of \$39,139,000.~~
- G. ~~I.~~ For the Cause of Action of Fraud against Anshul Gandhi and Ajay Gandhi, awarding plaintiffs damages against Anshul Gandhi and Ajay Gandhi, both jointly and severally, of ~~\$65,000,000~~49,103,094.33.
- H. ~~J.~~ For the Cause of Action of ~~Conspiracy and~~ Civil Rico against Anshul Gandhi and Ajay Gandhi, awarding plaintiffs treble damages against Anshul Gandhi and Ajay Gandhi, both jointly and severally, of ~~\$65,000,000~~49,103,094.33, plus attorney's fees, punitive damages.
- I. ~~K.~~ For the Cause of Action of Conspiracy and Civil Rico against Michael Pasqual, awarding plaintiffs damages against Michael Pasqual of ~~\$65,000,000~~49,103,094.33.
- J. ~~L.~~ For the Cause of Action of Conspiracy and Civil Rico against Michael Scheinman, awarding plaintiffs damages against Michael Scheinman, of ~~\$65,000,000~~49,103,094.33.
- K. ~~M.~~ For the Cause of Action of Conspiracy and Civil Rico against Manjusaka, awarding plaintiffs damages against Manjusaka of ~~\$65,000,000~~49,103,094.33.

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- L. ~~N.~~ For the Cause of Action of Conspiracy and Civil Rico against Mars Venture, awarding plaintiffs damages against Mars Venture of ~~\$2,269,312.50~~ 49,103,094.33.
- M. ~~O.~~ For the Cause of Action of Conspiracy and Civil Rico against Sino Sterling, awarding plaintiffs damages against Sino Sterling of ~~\$1,770,394.80~~ 49,103,094.33.
- N. ~~P.~~ For the Cause of Action of Conspiracy and Civil Rico against Diagem, awarding plaintiffs damages against Diagem of \$5,575,000.
- O. ~~Q.~~ For the Cause of Action of Aiding and Abetting Fraud against Starlight, awarding plaintiffs damages against Starlight of ~~\$65,000,000~~ 49,103,094.33.
- P. ~~R.~~ For the Cause of Action of Aiding and Abetting Fraud against SDC Designs d/b/a Super Diamond, awarding plaintiffs damages against Super Diamond of ~~\$65,000,000~~ 49,103,094.33.
- Q. ~~S.~~ For the Cause of Action of Aiding and Abetting Fraud against DNM, awarding plaintiffs damages against DNM of \$5,509,000.
- R. ~~T.~~ For the Cause of Action of Aiding and Abetting Fraud against Diagem, awarding plaintiffs damages against Diagem of \$6,166,610.45.
- S. ~~U.~~ For the Cause of Action of Aiding and Abetting Fraud against Michael Pasqual, awarding plaintiffs damages against Michael Pasqual of ~~\$65,000,000~~ 49,103,094.33.
- T. ~~V.~~ For the Cause of Action of Aiding and Abetting Fraud against Michael Scheinman, awarding plaintiffs damages against Michael Scheinman of ~~\$65,000,000~~ 49,103,094.33.
- ~~W. For the Cause of Action of Aiding and Abetting Fraud against Manjusaka, awarding plaintiffs damages against Manjusaka of \$65,000,000.~~

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U. ~~X.~~ For the Cause of Action of Aiding and Abetting Fraud against Mars Venture, awarding plaintiffs damages against Mars Venture of \$2,269,312.50.

V. ~~Y.~~ For the Cause of Action of Aiding and Abetting Fraud against Sino Sterling, awarding plaintiffs damages against Sino Sterling of \$1,770,394.80.

~~Z. For the Cause of Action of Conversion against Super Diamond, awarding plaintiffs damages against Super Diamond of \$65,000,000.~~

~~AA. For the Cause of Action of Breaching Fiduciary Duties against Michael Pasqual, awarding plaintiffs damages against Michael Pasqual of \$65,000,000.~~

~~BB. For the Cause of Action of Breaching Fiduciary Duties against Michael Scheinman, awarding plaintiffs damages against Michael Scheinman of \$65,000,000.~~

DATED: New York, New York  
~~December 20, 2022~~ November 6, 2024

**CONDON & FORSYTH LLP**

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\_\_\_\_\_  
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**VERIFICATION**

STATE OF NEW YORK        )  
                                  ) ss.:  
COUNTY OF NEW YORK     )

Chander Mohan Kumra, being duly sworn, deposes and says:

I am the Chief Executive of the Bank of India, New York Branch, (the “Bank”), the above named plaintiff. I have read the foregoing Verified Complaint, know the contents thereof, and state that the same are true to my knowledge, except as to those matters therein alleged on information and belief, and as to those matters, I believe them to be true.

\_\_\_\_\_  
Chander Mohan Kumra

Sworn to before me this     day

~~December 2022~~November 2024

\_\_\_\_\_  
Notary Public

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<b>Summary report: Litera Compare for Word 11.10.1.2 Document comparison done on 9/2/2025 3:14:31 PM</b>	
<b>Style name:</b> Default Style	
<b>Intelligent Table Comparison:</b> Active	
<b>Original filename:</b> Anaya Amended Complaint.docx	
<b>Modified filename:</b> 11-6-24 - Anaya 2d Amended Complaint.docx	
<b>Changes:</b>	
<u>Add</u>	886
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<u>Move To</u>	0
<u>Table Insert</u>	0
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<u>Table moves to</u>	0
<del>Table moves from</del>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	<b>1539</b>