

Cambodia Real-estate Investment Scam Case

May 16, 2014

CAMBODIA FUDOSAN TOSHI HIGAI BENGODAN
カンボジア不動産投資被害弁護団

Team of Lawyers for Victims of Cambodia Real-estate Investment Scam

I. About the Team of Lawyers:

1. Outlines

- The team consists of 41 Japanese attorneys at law.
- Lead Lawyer: Kazuhiro Seto, Esq. (Wanomori Law Office)
- URL: <http://can-higai.sakura.ne.jp/>

2. Backgrounds

In the face of a sharp rise of investment scam involving real estates in Cambodia, the team of lawyers was formed in July, 2013 by voluntary efforts of Japanese attorneys at law having expertise in investment/financial scam cases. Objectives of the team are early recovery of damages suffered by victims and prevention of further victimization consumers in Japan.

II. Damages of the Scam

1. Circumstances of the Scam

Since around 2012, there has been a rising number of requests for legal consultation on troubles concerning investment solicitation by Japanese corporations named FIRST FUDOSAN Co., Ltd. ("FIRST"), Universal Max Co., Ltd. ("UNIVERSAL"), their self-claimed secondary agents, and other related companies for farmland exploitation rights and condominium ownerships in Cambodia.

A typical scheme employed by these companies starts with a pamphlet introducing some investment product mailed to a targeted victim, which is followed by a telephone call from a "third party" business entity asking to buy the investment product on its behalf. On the telephone call, this third-party entity promises to re-purchase the investment product from the targeted victim at a higher price e.g. "xx million yen higher" or "xx times higher" than the original. Once the targeted victim buys the investment product, he/she is then told by the third-party entity to buy more of the investment product because "the end purchaser is now requiring certain number of investment units rounded up together" or because the third party entity "allows no fragmented repurchasing but it needs a minimum of xx units." In the end, the victim is made to purchase many units of the investment product e.g. multiple titles to a real estate, then, all in the sudden, loses contact with the third-party entity.

Majority the victims are elderly, and their damages are quite large in terms of yen. In this typical and utterly malicious theatrical fraud scheme conducted by FIRST et al., fraudsters targeted elderly people with life savings in particular.

According to the facts found through civil procedures in Japan, the ringleader, Ikuo Konno, who masterminded this fraud scheme has been in Cambodia, and the

most of the money stolen from the victims has also been transferred to Cambodia.

In around August, 2013, companies named S. F. C. Co., Ltd. and ASEAN Estate Co., Ltd. began to victimize new targets with similar scam activities. Representatives of these companies are former employees of FIRST, and many of the factors and elements in their scheme are common to those masterminded by Konno. Konno, again, is considered to be the ringleader behind this new round of scam.

2. Number of Victims Known to the Team of Lawyers (as of Feb. 18, 2014)

	Number of Victims	Total Damage
Request for Consultation	99	¥2, 052, 000, 000
Represented by the Team of Lawyers	45	¥1, 062, 000, 000
Plaintiffs in Civil Cases	23	¥704, 000, 000

3. Inquiries Received by Consumer Affairs Centers (as of Nov., 2013)

Consumer Affairs Centers (prefectural/municipal administrative agencies for protection of consumers) around the country received approx. 320 inquiries on FIRST and approx. 330 inquiries on UNIVERSAL from consumers since 2011. The total damage suffered by their victims is estimated to be several billion to over 10 billion yen.

III. Civil Cases

Many civil cases filed by individual victims against FIRST and other fraudsters have been pending at Tokyo and other district courts around Japan. On Nov. 6, 2013, in its decision on one of these cases, Tokyo District Court acknowledged Ikuo Konno to be the de-facto principal who had been controlling FIRST and UNIVERSAL. One after another, other district courts have also been handing down similar decisions denouncing the defendants' conducts as an organized fraud and recognizing all of the alleged liabilities of the defendants.

IV. Civil Cases Filed by the Team of Lawyers

The Team of Lawyers has also filed three civil complaints to Tokyo District Court representing multiple plaintiffs/victims so far. All of these cases are against FIRST, UNIVERSAL, their representative directors and employees, Ikuo Konno in Cambodia, and two Cambodian entities represented by Konno i.e. AAP INTERNATIONAL (CAMBODIA) Co., Ltd. and CLES net WORK Co., Ltd.

The three cases were filed on October 31, 2013, November 25, 2013, and May 13, 2014 respectively. For the second one of these three cases, a court decision recognizing alleged liabilities of the defendants in Japan has already been handed down.

V. Criminal Investigation by the Law Enforcement (Police Agencies)

Several of the fraudsters were arrested for attempted fraud in 2013. Cambodia Investment Fraud Criminal Investigation Headquarters has been established by Kanagawa Prefectural Police Agency with participation by police agents from several other prefectures. Many other local police agencies throughout Japan have also been investigating the case.