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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,)	
Plaintiff,)	No.
vs.)	
TERRY R. MARTIN J. DAVID SMITH JOHN H. WHITE EDWARD L. TEZAK)	INDICTMENT
Defendants.)	
)		

The Grand Jury charges that:

COUNT 1
(Conspiracy)

1. From a date uncertain but no later than in or about March 1999, and continuing until the present, within the Western District of Washington and elsewhere, the defendants TERRY R. MARTIN, J. DAVID SMITH, JOHN H. WHITE, and EDWARD L. TEZAK, together with other persons known and unknown to the Grand Jury, did unlawfully, willfully and knowingly combine, conspire, confederate and agree among themselves and with each other to commit certain offenses against the United States, as follows:

A. **Introduction**

At all times relevant to this Indictment:

Indictment - Page 1

**UNITED STATES ATTORNEY
601 UNION AVENUE, SUITE 5100
SEATTLE, WASHINGTON 98101
(206) 553-7970**

1 2. Holmes Harbor Sewer District (“HHSD”) was a municipal corporation and
2 political subdivision of the State of Washington, located on Whidbey Island, in Island
3 County, Washington. It was governed by an elected board of commissioners who served
4 without pay except for reimbursement of nominal expenses. HHSD was primarily
5 engaged in providing water and sewer services to approximately 200 homes on Whidbey
6 Island. HHSD had an annual operating budget of approximately \$250,000 and two
7 employees, a secretary-bookkeeper and a sewer plant manager.

8 3. On or about October 26, 2000, HHSD issued, at the direction and as part of
9 a scheme to defraud committed by the respective defendants identified below,
10 \$20,025,000 in tax-exempt municipal bonds. The purported purpose of the bonds was to
11 fund a portion of the costs for the development of a commercial office complex called the
12 Silver Sound Corporate Center. The bonds were purchased by approximately 200
13 individuals and entities. Those purchasers relied upon representations made orally and
14 contained in various required disclosure documents including Preliminary Official
15 Statements (“POS”) and an Official Statement (“OS”). The bonds were underwritten by
16 IBIS Securities, of Walnut Grove, California, which sold them through broker-dealers,
17 including Prudential Securities, Alamo Capital and others. As set forth below, numerous
18 representations made orally in connection with the bond issuance and written
19 representations contained in the POSs and the OS, which were relied upon by the
20 underwriter, broker-dealers and the bond purchasers, were materially false. The bonds
21 are currently in default and the undistributed proceeds, in the approximate amount of \$8.5
22 million, are in the possession of the Island County Treasurer. On May 22, 2003, in a class
23 action civil lawsuit brought by the bond purchasers, the Island County Superior Court
24 declared the bond issuance invalid and unenforceable.

25 4. The Silver Sound Corporate Center was a proposed commercial
26 development located within the boundaries of the city of Everett, Snohomish County,
27 Washington. The development plan envisioned a 39.9 acre parcel of property (the “40
28

1 Acres”) that would be divided into two parts. Twenty-five acres would be owned and
2 used by the developer, using private and independent financing to construct and lease six
3 office buildings (the “25 Private Acres”). The remaining 15 acres would be purchased by
4 HHSD with the tax-exempt municipal bond proceeds (the “15 Public Acres”). Bond
5 proceeds would also be used to build public infrastructure such as sewer, drainage and
6 roads for the project. The 25 Private Acres and leased commercial office space were to
7 be assessed amounts sufficient to meet the payment obligations for the HHSD bonds. The
8 bonds were amortized for full repayment in approximately twenty years.

9 5. TERRY R. MARTIN was a real-estate developer doing business through
10 and in the names of various Washington State corporations, including Silver Sound LLC,
11 Silver Legacy Corporation and Marwest, Inc., along with Silver Inc., a Nevada
12 Corporation. As set forth more fully below, Mr. MARTIN induced HHSD to issue the
13 bonds based upon fraudulent representations concerning the purchase terms of the 40
14 Acres, that the Silver Sound Corporate Center had been pre-leased, that a construction
15 contract had been finalized, that permits were in place and that private financing had been
16 committed. Those false representations misled and deceived HHSD, the underwriter, the
17 broker-dealers and the bond purchasers.

18 6. J. DAVID SMITH was an attorney licensed to practice law in the state of
19 Washington and acted as counsel, and a business partner, to Mr. MARTIN. Mr. SMITH
20 worked on the bond issuance, assisted in the preparation of various documents, and
21 interacted with the HHSD commissioners, bond counsel, bond underwriter and broker-
22 dealers. Like Mr. MARTIN, Mr. SMITH induced HHSD to issue the bonds based upon
23 fraudulent representations concerning the purchase terms of the 40 Acres, that the Silver
24 Sound Corporate Center had been pre-leased, that a construction contract had been
25 finalized, that permits were in place and that private financing had been committed.
26 Those false representations misled and deceived HHSD, the underwriter, the broker-
27 dealers and the bond purchasers.

1 7. JOHN H. WHITE, formerly Vice President of Signal Mortgage, and
2 claiming to act on the behalf of Signal Mortgage, a Washington corporation, claimed to
3 have created Goldman Sig LLC, another Washington corporation which represented to
4 have loan funds available from Goldman Sachs, Private Client Services. Goldman Sig
5 LLC purportedly committed loan funds to Mr. MARTIN for the construction of the Silver
6 Sound Corporate Center and to provide a line of credit guaranteeing repayment of the
7 bonds in the event of default. Those representations were false. There was no financing
8 committed and Goldman Sachs was unaware of the transaction. Although Mr. WHITE
9 was a director and incorporator of an entity named Goldman Sig Inc., there is no entity
10 named Goldman Sig LLC recognized by the Secretary of State for the State of
11 Washington.

12 8. EDWARD L. TEZAK, a licensed attorney in the state of Washington,
13 claimed a relationship with Goldman Sachs and falsely represented that funds were
14 available to loan to Mr. MARTIN for the construction of the Silver Sound Corporate
15 Center and for guaranteeing repayment of the bonds. Mr. TEZAK was also a director and
16 incorporator of Goldman Sig Inc.

17 **B. Objects of the Conspiracy**

18 The objects of the conspiracy were:

19 9. To unlawfully, knowingly, and willfully, directly and indirectly, by the use
20 of means and instrumentalities of interstate commerce, and of the mails, use and employ,
21 in connection with the purchase and sale of securities, manipulative and deceptive devices
22 and contrivances, by (a) employing devices, schemes, and artifices to defraud; (b) making
23 untrue statements of material facts and omitting to state material facts necessary to make
24 the statements made, in light of the circumstances in which they were made, not
25 misleading; and (c) engaging in acts, practices, and courses of business which operated
26 and would operate as a fraud and deceit upon other persons, in violation of Title 15,
27
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1 United States Code, Sections 78j(b) and 78ff(a), and Title 17, Code of Federal
2 Regulations, Section 240.10b-5.

3 10. To knowingly and willfully transmit and cause to be transmitted by wire
4 communication in interstate and foreign commerce, writings, signs, signals, pictures, and
5 sounds, in furtherance of a scheme and artifice to defraud; and to obtain money and
6 property by means of false and fraudulent pretenses, representations, and promises, in
7 violation of Title 18, United States Code, Section 1343.

8 **C. Manner and Means of the Conspiracy and Scheme to Defraud**

9 **11. It was part of the conspiracy and scheme to c**
10 **TERRY R. MARTIN and J. DAVID SMITH insinuated themselves into**
11 **with the HHSD for the purpose of fraudulently man**
12 **Commissioners to use its public authority to raise f**
13 **which the defendants stood to profit. It was further**
14 **defraud that the HHSD Board of Commissioners w**
15 **of \$20,025,000 in municipal bonds and further dup**
16 **representations about those bonds which were later**
17 **fraudulent.**

18 **12. It was part of the conspiracy and scheme to c**
19 **Mr. MARTIN and Mr. SMITH concealed from the**
20 **broker-dealers and bond purchasers that Mr. MART**
21 **million of bond proceeds and essentially none of hi**
22 **accomplished that by arranging for the \$6.2 million**
23 **account, at which point the 15 Public Acres were de**
24 **Private Acres were deeded to Mr. MARTIN's comp**
25 **disclosure of those terms, and the use of bond proce**
26 **was a material omission and misrepresentation that**
27 **bond underwriter, broker-dealers and bond purchas**

1 13. It was part of the conspiracy and scheme to c
2 MARTIN and Mr. WHITE caused and directed the
3 which the HHSD, bond underwriter, broker-dealers
4 appraisal contained material misrepresentations and
5 terms of the real property, leases, construction finan
6 contractor. At Mr. MARTIN and Mr. WHITE's dir
7 modified to omit an as-is valuation of the property,
8 and material omission.

9 14. It was part of the conspiracy and scheme to c
10 Mr. MARTIN and Mr. SMITH represented that the
11 Corporate Center had been pre-leased to Microsoft.
12 the basis for an appraisal supporting the proposed v
13 funds for repaying the bond assessments. In truth a
14 Microsoft and those representations were false and

15 15. It was part of the conspiracy and scheme to c
16 Mr. MARTIN and Mr. SMITH represented verbally
17 OS, that a substitute lessee/tenant had committed to
18 the Silver Sound Corporate Center. In truth and in
19 that tenant, R. A. King, Inc., of Houston, Texas, wa
20 ability to occupy 500,000 square feet of office spac
21 Center. Additionally, simultaneous to signing the l
22 written side agreement authorizing it to unilaterally
23 no reason at all, and without consequence. That sid
24 defendants and not disclosed to HHSD, bond couns
25 purchasers. Additionally, a letter of intent stated th
26 defendant Mr. TEZAK, was purportedly a division
27 lease the Silver Sound Corporate Center. That lette
28

1 J. Zacket Enterprises was not a division of R.A. Kir
2 office space.

3 16. It was part of the conspiracy and scheme to c
4 MARTIN, Mr. SMITH, Mr. WHITE and Mr. TEZA
5 and the final OS, that lenders had committed a \$43
6 construction of the six office buildings for the Silve
7 another \$20.5 million line of credit guaranteeing re
8 representations identified the lender as Goldman Si
9 Goldman Sachs, Private Client Services, of Chicago, Illinois, and Signal M
10 Everett, Washington. In truth and in fact, there wer
11 Goldman Sachs had no involvement and no knowledge of t
12 Mortgage, a loan brokerage, had no ability to fund s

13 17. It was part of the conspiracy and scheme to c
14 Mr. MARTIN and Mr. SMITH represented verbally
15 was a binding construction contract with Howard S
16 office buildings. A copy of a maximum price contr
17 and its existence was represented to the HHSD. In
18 preliminary agreement which lacked building plans
19 agreement was fraudulently altered, after it was sig
20 Construction, to add a maximum price for the const
21 unknown and unauthorized by Howard S. Wright C

22 18. It was part of the conspiracy and scheme to c
23 MARTIN and Mr. SMITH represented orally and in
24 permits and approvals were in place to allow constr
25 Center to commence immediately upon issuance of the
26 permits and approvals were not in place.

1 19. It was part of the conspiracy and scheme to c
2 caused and directed the submission of pay requests
3 Commissioners requesting reimbursement of expen
4 purportedly had been performed on the public infra
5 Sound Corporate Center project. Those pay reques
6 much of the represented work had not, in fact, been
7 documentation was falsified. The false pay request
8 obtain bond proceeds and to pay other bills of Mr. M
9 promised and owed to his co-conspirators.

10 20. It was part of the conspiracy and scheme to c
11 compromised and manipulated individuals working
12 issuance, and on the development project, including
13 services. Mr. MARTIN did so with offers of lucrati
14 to purchase their businesses, and payments of past-
15 money.

16 21. It was part of the conspiracy and scheme to c
17 was a vehicle through which defendants gained acc
18 diverted to enrich themselves. The funds paid to de
19 with the fraudulent bonds exceeded \$2.5 million, w
20 bond proceeds that were used to purchase the entire

21 **D. Overt Acts**

22 22. In furtherance of the conspiracy and to promote the objects thereof,
23 defendants TERRY R. MARTIN, J. DAVID SMITH, JOHN H. WHITE, and EDWARD
24 L. TEZAK, and other persons known and unknown to the Grand Jury, committed and
25 caused to be committed, among others, the overt acts described in counts 2-20 of this
26 Indictment, and the following:

27 **a. False Land Values and Purchase Terms**

1 23. On or about May 7, 1999, a real estate agent
2 MARTIN entered into an agreement to purchase the
3 contract was subsequently extended pursuant to ext
4 eventually closed on October 26, 2000. The final pu

5 24. On a date uncertain, but at some time during
6 MARTIN made false representations to and misled
7 believe that Mr. MARTIN already owned the 40 Ac
8 Corporate Center.

9 25. On or about November 4, 1999, and again on
10 R. MARTIN attempted to persuade a commercial re
11 stating an inflated value for the 15 Public Acres.

12 26. On or about February 1, 2000, TERRY R. M
13 WHITE caused and directed the modification of an
14 Mortgage, Inc., for the Silver Sound Corporate Cen
15 value for the 40 Acres. That value which was remo
16 million.

17 27. On or about February 9, 2000, TERRY R. M
18 the preparation of letters from other real estate agen
19 inflated values for the 15 Public Acres to be purcha
20 falsely stating a value of \$6.21 million.

21 28. On or about October 26, 2000, Mr. MARTIN
22 closed, at Pacific Northwest Escrow, for a final pur
23 purchase was funded by bond proceeds transferred
24 million.

25 b. False Leases
26
27
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1 29. On or about October 1, 1999, TERRY R. MARTIN
2 commercial real estate agent to write letters falsely
3 Microsoft intended to lease the Silver Sound Corporate Center

4 30. On or about December 1, 1999, TERRY R. MARTIN
5 of a false and fraudulent lease agreement with an undisclosed
6 identity was blacked-out on the lease agreement. TERRY R. MARTIN
7 DAVID SMITH falsely represented that Microsoft intended to lease

8 31. On or about February 1, 2000, TERRY R. MARTIN
9 WHITE caused and directed the issuance of an application for
10 false and fraudulent representation that the Silver Sound Corporate Center
11 leased to an undisclosed tenant with a Triple A credit rating

12 32. On or about March 2, 2000, TERRY R. MARTIN
13 fraudulent lease to the underwriter, bond counsel and other parties
14 the POS.

15 33. At meetings in June 2000, TERRY R. MARTIN
16 JOHN H. WHITE falsely and fraudulently represented to
17 Franklin Templeton and Putnam Investments that the Silver Sound Corporate Center
18 had been pre-leased to Microsoft but the lease was not disclosed in the
19 disclosure agreement.

20 34. On or about June 23, 2000, following requests for
21 for disclosure of the tenant, TERRY R. MARTIN provided information to
22 bond underwriter and others stating that the lease had been disclosed

23 35. On or about September 14, 2000, TERRY R. MARTIN
24 SMITH directed a commercial real estate agent to provide information
25 buildings of the Silver Sound Corporate Center, to the bond underwriter

1 36. On or about September 14, 2000, TERRY R
2 to R. A. King, Inc., that Microsoft might become a
3 Corporate Center.

4 37. On or about September 21, 2000, TERRY R
5 TEZAK caused and directed a commercial real esta
6 falsely stating that J. Zacket Enterprises was a divis
7 to lease the Silver Sound Corporate Center.

8 38. On or about September 26, 2000, unknown t
9 agent who prepared the R. A. King, Inc. lease, Mr.
10 and delivered to R. A. King, Inc., a secret side-agre
11 to unilaterally cancel the lease at any time, for any r
12 consequence.

13 39. On or about September 28, 2000, TERRY R
14 and J. DAVID SMITH caused and directed the prep
15 appraisal which falsely represented that Mr. MART
16 entire Silver Sound Corporate Center on identical to
17 while failing to disclose the secret side-agreement p

18 40. On or about October 26, 2000, in connection
19 TERRY R. MARTIN and J. DAVID SMITH false
20 R. A. King, Inc. had executed a lease, omitting the
21 accompanied by a secret side-agreement allowing u

22 c. Construction Contract and Permits

23 41. During the time intervening between approx
24 October 26, 2000, TERRY R. MARTIN and his age
25 Board of Commissioners, on numerous occasions o
26 were either in place or would be issued in due cours
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1 Sound Corporate Center and that construction would
2 issuance of the bonds.

3 42. During the time period between May 1, 2000
4 TERRY R. MARTIN and J. DAVID SMITH falsely
5 Commissioners that Howard S. Wright construction
6 Silver Sound Corporation Center for \$43 million.

7 43. On or about October 11, 2000, TERRY R. M
8 underwriter a copy of a Howard S. Wright Construc
9 and fraudulently altered, to insert a guaranteed max
10 document was signed by Howard S. Wright Constr
11 Construction was unaware of the alteration, did not
12 guaranteed maximum price contract to build the Sil

13 44. On or about October 26, 2000, in connection
14 TERRY R. MARTIN falsely represented in the OS
15 permits required for the development had either bee
16 course.

17 d. Private Financing

18 45. On or about August 2, 1999, and September
19 falsely represented in two letters that Signal Mortga
20 commitment for financing the construction of the si
21 Sound Corporate Center.

22 46. On or about November 12, 1999, TERRY R.
23 WHITE signed an agreement, purportedly with Sig
24 credit in the amount of \$20.3 million.

25 47. On or about March 10, 2000, JOHN H. WHI
26 fraudulently representing that Signal Mortgage had
27
28

1 construction loan for the Silver Sound Corporate C
2 credit as a guarantee for repayment of the HHSD bo

3 48. On or about March 17, 2000, TERRY R. MA
4 false and fraudulent letter of March 10, 2000, to bo

5 49. On or about April 15, 2000, JOHN H. WHIT
6 behalf of Signal Mortgage, signed two loan agreem
7 and \$20.5 million, committing funds from Signal M
8 Legacy Corporation.

9 50. On or about May 9, 2000, EDWARD L. TEZ
10 MARTIN entered into an agreement under which M
11 MARTIN to verify the availability of funds in the a
12 a fee of \$250,000 payable to Mr. TEZAK.

13 51. On or about May 10, 2000, TERRY R. MAR
14 to an employee of Wells Fargo Bank asking the em
15 TEZAK to confirm the availability of \$63 million, t
16 Sound Corporate Center project.

17 52. On or about May 11, 2000, in a conference c
18 of Wells Fargo Bank, EDWARD L. TEZAK caused
19 Private Client Services, to confirm, orally and by le
20 clients had in excess of \$20 million available, there
21 a line of credit in the amount of \$20.5 was available

22 53. On or about May 11, 2000, EDWARD L. TE
23 to the employee at Wells Fargo Bank falsely and fra
24 \$43 million was available, over and above the \$20.5

25 54. On or about May 11, 2000, TERRY MARTI
26 caused the employee of Wells Fargo Bank, based u
27
28

1 call, to falsely confirm by letter that a line of credit
2 available and another \$43 million loan was also available.

3 55. On or about May 12, 2000, JOHN WHITE furnished
4 2000, letter from the employee of Wells Fargo Bank.

5 56. On or about May 12, 2000, EDWARD L. TEZAK furnished
6 letter "... that there are a family of accounts of deposits
7 Sears Tower, Chicago, Illinois) that are sufficient to support
8 hundred thousand (\$63,500,000) line of credit for the project.
9 These funds are available at the time for funding of the project
10 and would be distributed through Wells Fargo Bank.

11 57. On or about May 18, 2000, J. DAVID SMITH advised the
12 Board of Commissioners that credit lines in the amount of \$43 million
13 were committed and guaranteed by Goldman Sachs.

14 58. On or about June 16, 2000, J. DAVID SMITH advised the Board
15 false and fraudulent loan agreement representing a \$20.5 million
16 \$20.5 million from Signal Mortgage.

17 59. On or about October 17, 2000, J. DAVID SMITH advised the Board
18 incorporation documents for Goldman Sig, Inc., listed EDWARD L. TEZAK
19 EDWARD L. TEZAK as incorporators and directors of Goldman Sig, Inc.
20 Sig, Inc. was created by Signal Mortgage and further advised that
21 Private Client Services, was available to provide loans to the project.

22 60. On or about October 25, 2000, TERRY R. MARTIN, J. DAVID SMITH,
23 and JOHN H. WHITE caused and directed the preparation of the loan
24 agreements which falsely and fraudulently represented that the
25 the Silver Sound Corporate Center project.

26 61. On or about October 26, 2000, in connection with the project,
27 TERRY R. MARTIN, J. DAVID SMITH, and JOHN H. WHITE caused and directed
28 the preparation of the loan agreements which falsely and fraudulently

1 the OS to falsely and fraudulently represent that Go
2 Signal Mortgage, Inc., of which JOHN H. WHITE
3 Sachs.

4 e. False Certifications

5 62. On or about October 26, 2000, TERRY R. M
6 fraudulently certified the truth and accuracy of info

7 63. On or about October 26, 2000, J. DAVID SM
8 certified the truth and accuracy of information in th

9 64. On or about October 26, 2000 TERRY R. MARTIN, J. DA
10 JOHN H. WHITE, and EDWARD L. TEZAK caused bond counsel, disclo
11 and the underwriter to separately certify the truth an
12 contained in the OS. In truth and in fact, the OS co
13 misrepresentations and omissions.

14 f. Additional Benefits and Distributions of Proceeds

15 65. On or about October 26, 2000, TERRY R. M
16 LLC received title to the 25 Private Acres, the purc
17 million in bond proceeds.

18 66. On or about October 26, 2000, TERRY R. M
19 million dollars in bond proceeds purportedly as rein
20 expended on the Silver Sound Corporate Center pro

21 67. On or about October 26, 2000, J. DAVID SM
22 bond proceeds.

23 68. On or about October 26, 2000, JOHN H. WH
24 loan fee, from bond proceeds, in connection with th
25 Silver Sound Corporate Center project and the line
26 the bonds.

1 69. On or about October 30, 2000, TERRY R. M
2 Medical Services, purportedly a charitable organiza
3 EDWARD L. TEZAK.

4 70. On or about December 7, 2000, TERRY R. M
5 fraudulent pay request to the HHSD Board of Com
6 an additional \$902,497, which pay request was supp
7 invoices.

8
9 COUNTS 2-10

10 (Securities Fraud)

11 71. Sections A (Introduction), C (Manner and M
12 Scheme to Defraud) and D (Overt Acts) of this Indi
13 fully set forth herein.

14 72. On or about the dates set forth below, at Wh
15 at other places within the Western District of Wash
16 TERRY R. MARTIN, J. DAVID SMITH, JOHN H. WHITE, and EDWARD L. TEZAK,
17 together with other persons known and unknown to
18 knowingly and willfully, directly and indirectly, by
19 instrumentalities of interstate commerce, and of the
20 connection with the purchase and sale of securities
21 manipulative and deceptive devices and contrivance
22 Federal Regulations, Section 240.10b-5, by (a) emp
23 artifices to defraud; (b) making untrue statements o
24 material facts necessary to make the statements ma
25 which they were made, not misleading; and (c) eng
26 of business which operated and would operate as a
27 to wit: The bond purchasers, through the underwrit

1 dealers, relied upon information provided verbally
 2 information set forth in the Preliminary and Official
 3 with the bond issuance. Those representations and
 4 underwriter, broker-dealers and purchasers were ent
 5 fraudulent misrepresentations and omissions. The c
 6 purchase terms of the 40 Acres and the acquisition
 7 proceeds. The defendants falsely represented that t
 8 Center had been pre-leased. Defendants falsely rep
 9 predicated upon those non-existent leases. The def
 10 with Howard S. Wright Construction and falsely re
 11 project. Finally, the defendants falsely represented
 12 guaranteeing the bonds, falsely represented a constr
 13 Goldman Sachs' participation in those loans.

14
 15
 16 73. Each purchase set forth below constitutes a r
 17 purchase and sale of securities through the use by d
 18 deceptive devices and contrivances, and is a separa

COUNT	DATE	PURCHASER	AMOUNT
2	10/19/00	R.C.	\$1,000,000
3	10/19/00	G.S.	\$50,000
4	10/19/00	R.T.	\$4,000,000
5	10/20/00	J.L.R.	\$25,000.00
6	10/23/00	E.S.	\$20,000.00
7	10/23/00	R.V.	\$20,000.00
8	10/26/00	J.M.	\$300,000.00
9	10/26/00	A.B.	\$100,000.00
10	12/7/00	A.D.	\$10,000.00

1 All in violation of Title 15, United States Code,
 2 17, Code of Federal Regulations, Section 240.10b-5, and Title
 3 Section 2.

4 COUNTS 11-20

5 (Wire Fraud)

6 74. Sections A (Introduction), C (Manner and M
 7 Scheme to Defraud) and D (Overt Acts) of this Indi
 8 fully set forth herein.

9 75. On or about the dates set forth below, at Wh
 10 at other places within the Western District of Wash
 11 TERRY R. MARTIN, J. DAVID SMITH, JOHN H. WHITE, and EDWARD L. TEZAK,
 12 together with other persons known and unknown to
 13 intended to devise the above-described scheme and
 14 money and property by means of false and fraudulent
 15 promises, did, for the purpose of executing such sch
 16 willfully transmit and cause to be transmitted, by w
 17 foreign commerce, the writings, signs, signals, pict
 18 each of which constitutes a representative sample
 19 of wire communications in furtherance of the schem
 20 separate count of this Indictment:

COUNT	DATE	SENDER	RECIPIENT	DESCRIPTION
11	3/10/00	TERRY R. MARTIN, counsel, Mukilteo, Washington	BARTIN, counsel, Seattle, Washington	Fax of letter from JOHN H. WHITE confirming loan func
12	5/11/00	EDWARD L. TEZAK, Ever Washington	Goldman Sachs, Reps, Chicago, Illinois	one call verifying funds
13	5/12/00	JOHN L. WHITE, counsel, Edmonds, Washington	BLUFF, counsel, Seattle, Washington	Fax of letter from EDWARD L. TEZAK confirming loan func

14	5/19/00	DAVID S. BERTH and TERRY MARTIN, Mukilteo, Washington	Berth counsel, Creek, California, Mukilteo, Washington	Waikaiti confirming loan funds and Goldman Sachs participation
15	9/26/00	DAVID S. BERTH, Mukilteo, Washington	King, Houston, Texas	First of mutual agreement to terminate lease
16	10/11/00	TERRY R. MARTIN, Mukilteo, Washington	SECURITIES, CALIFORNIA	Fair and construction contract
17	10/26/00	US Trust, Los Angeles California	City Bank/Pacific Escrow, Lynwood Washington	Wire transfer of \$25,520
18	10/26/00	US Trust, Los Angeles California	City Bank/Pacific Escrow, Lynwood Washington	Wire transfer of \$21 million
19	10/26/00	US Trust, Los Angeles California	Wells Fargo Bank/Sound Legacy/MARTIN, Edmonds, Washington	Wire transfer of \$1 million
20	10/26/00	US Trust, Los Angeles California	US Bank of Washington Signal Mortgage H. WHITE _____, Washington	Wire transfer of \$210,000

All in violation of Title 18, United States Code,

A TRUE BILL:

DATED:

FOREPERSON

JOHN McKAY
United States Attorney

KURT P. HERMANN

1 Assistant United States Attorney

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4 **FLOYD G. SHORT**
Assistant United States Attorney

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