

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

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA  
February 2001 Grand Jury

UNITED STATES OF AMERICA,	)	Criminal Case No. _____
	)	
Plaintiff,	)	<u>I N D I C T M E N T</u>
	)	
v.	)	Title 18, U.S.C., Sec. 371 - Conspiracy;
	)	Title 18, U.S.C., Sec. 1341 - Mail Fraud;
TOMMY A. LARSEN (1),	)	Title 18, U.S.C., Sec. 1343 - Wire Fraud;
KIM A. LARSEN (2),	)	Title 18, U.S.C., Sec. 1622 - Subornation of
	)	Perjury; Title 18, U.S.C., Sec. 1623 - Perjury;
Defendants.	)	Title 18, U.S.C., Sec. 1956(h) - Money Laundering
	)	Conspiracy; Title 26, U.S.C., Sec. 7201 - Tax
	)	Evasion; Title 18, U.S.C., Sec. 2 - Aiding and
_____	)	Abetting

The grand jury charges:

**I.**

**INTRODUCTORY ALLEGATIONS**

1. At all times material to this Indictment, PinnFund, U.S.A., Inc. (formerly Pinnacle Funding, Inc.) was a subprime mortgage lending company headquartered in San Diego County.
2. Subprime mortgage loans are loans to borrowers with suboptimal credit ratings. PinnFund's business was to make subprime mortgage loans in order to resell the loans to secondary investors, or "conduits," who would purchase bundles of such loans, often to resell in the public markets.

//

//

SB:nlv:San Diego  
3/14/03

1           3.       From approximately the fall of 1996 through January 2001, PinnFund’s upper  
2 management consisted of three primary individuals: Michael J. Fanghella, PinnFund’s Chief Executive  
3 Officer; Keith G. Grubba, PinnFund’s President and Chief Operating Officer; and John D. Garitta,  
4 PinnFund’s Chief Financial Officer. As CEO, Fanghella managed PinnFund’s relationships with its  
5 investors and creditors. As COO, Grubba supervised PinnFund’s daily operations, including sales of  
6 PinnFund loans in the secondary market. As CFO, Garitta managed PinnFund’s cashflow and  
7 accounting. From January 2001 through March 22, 2001, PinnFund’s upper management consisted  
8 solely of Fanghella as CEO and Garitta as President.

9           4.       PinnFund obtained the majority of its funds through investment agreements with three  
10 entities: Allied Capital Partners (“Allied”); Grafton Partners (“Grafton”); and Six Sigma LLC (“Six  
11 Sigma”). Each entity was composed of multiple individual investors who invested in PinnFund through  
12 the entity. Each entity was managed by Peregrine Funding, Inc. (“Peregrine”) as its general partner or  
13 managing member, and shared Peregrine’s offices in Oakland, California. Under the investment  
14 agreements with Allied, Grafton, and Six Sigma, PinnFund agreed to use investors’ money only to make  
15 mortgage loans, and promised investors a portion of PinnFund’s profits on sales of mortgage loans to  
16 conduits. Until March 2001, investors received regular returns of approximately 17% (on an annualized  
17 basis), and regular reports assuring them that PinnFund was using their funds only as promised.

18           5.       PinnFund also obtained funding through equipment leases with various creditors. Under  
19 these equipment leases, a bank (or other creditor) would agree to pay for office equipment to be used  
20 by PinnFund, in return for PinnFund’s agreement to pay the bank a specified number of payments. Each  
21 equipment lease therefore involved (a) lease agreements and related documents such as personal  
22 guarantees between PinnFund (including its management) and the bank, and (b) an invoice from the  
23 equipment vendor showing the nature and value of the equipment that was the subject of the lease and  
24 the bank’s collateral in the event of default. More significant leases also usually required approval of  
25 PinnFund’s financial statements by the creditor.

26           6.       At all times material to this indictment, defendant TOMMY A. LARSEN and defendant  
27 KIM A. LARSEN worked in the office equipment vending and leasing industries. Defendant TOMMY  
28 A. LARSEN was the owner of 3KL Communications, Inc., an equipment vendor and lease broker that

1 also did business under the fictitious business name “Copyfax.” In January 1999, defendant TOMMY  
2 A. LARSEN joined PinnFund subsidiary PinnLease USA, Inc. as its President and CEO, and transferred  
3 Copyfax (but not 3KL) to his son, defendant KIM A. LARSEN, who incorporated the business as  
4 Copyfax, Inc.

5 7. From the fall of 1996 through March 22, 2001, all or virtually all of PinnFund’s  
6 equipment leases involved one or more of Copyfax, Copyfax, Inc., 3KL, and PinnLease, as the  
7 equipment vendor, lease broker, or a combination of these functions.

8 8. On March 21, 2001, the United States Securities and Exchange Commission (“SEC”)  
9 filed papers in the United States District Court for the Southern District of California, Civil Case No.  
10 01cv0496H, seeking an order immediately freezing the assets of PinnFund, Peregrine, and various  
11 related persons and entities, on the basis of allegations that PinnFund had defrauded its investors of over  
12 \$200 million. On March 23, 2001, District Judge Marilyn L. Huff issued an order appointing a Receiver  
13 to take over PinnFund, and freezing the assets of PinnFund and related entities.

14 **II.**

15 **CONSPIRACY**

16 **COUNT 1**

17 (Conspiracy to Commit Mail and Wire Fraud)

18 9. Paragraphs 1 to 8 of this Indictment are realleged and incorporated in this Count as if set  
19 forth fully herein.

20 10. Beginning on a date unknown to the grand jury, and continuing thereafter until on or  
21 about March 22, 2001, within the Southern District of California and elsewhere, defendant TOMMY  
22 A. LARSEN, Michael J. Fanghella (charged elsewhere), Keith G. Grubba (charged elsewhere) and John  
23 D. Garitta (charged elsewhere) did knowingly and intentionally conspire and agree with each other and  
24 with others known and unknown to the grand jury (collectively referred to in this count as “the  
25 conspirators”), to commit offenses against the United States, to wit, violations of Title 18, United States  
26 Code, Section 1341 (mail fraud), and Title 18, United States Code, Section 1343 (wire fraud).

27 //

28 //

1 11. It was part of the conspiracy that the conspirators devised and executed a scheme to  
2 obtain money and property from investors and others by means of false representations and promises and  
3 material omissions of fact.

4 12. It was a further part of the conspiracy that the conspirators raised over \$300 million from  
5 Peregrine-managed entities Allied, Grafton, and Six Sigma by promising, among other things, that these  
6 investors' moneys would be used by PinnFund to fund mortgage loans, whose sale at a profit would  
7 yield returns to the investors.

8 13. It was a further part of the conspiracy that the conspirators misused the Peregrine entities'  
9 investment funds in multiple ways, including: (a) to pay over \$100 million in purported returns to old  
10 investors (in a classic Ponzi scheme manner), (b) to cover PinnFund's massive operational losses, and  
11 (c) to provide themselves millions of dollars in personal financial benefits.

12 14. It was a further part of the conspiracy that the conspirators schemed to defraud and  
13 deceive creditors into providing moneys to PinnFund through fraudulent equipment leases.

14 15. It was a further part of the conspiracy that the conspirators used interstate wire  
15 communications and the United States Postal Service and private and commercial interstate carriers to  
16 carry out, extend and perpetuate the conspiracy.

17 Methods and Means

18 16. In furtherance of this conspiracy, defendant TOMMY A. LARSEN and other conspirators  
19 used the following methods and means, among others. They:

- 20 a. created and funded fraudulent equipment leases;
- 21 b. provided materially false PinnFund financial statements to creditors such as banks  
22 and other financial institutions, knowing said financial statements to be materially false;
- 23 c. created materially false and misleading equipment invoices, including by the  
24 following means;

- 25 (i) inflating the prices of equipment listed on the invoices;
- 26 (ii) failing to disclose that equipment listed on the invoice was not new;
- 27 (iii) failing to disclose that the transaction represented in the invoice was a  
28 sale-leaseback between Copyfax/3KL and PinnFund of PinnFund's own

- 1 used equipment, rather than a sale by Copyfax/3KL to PinnFund of new  
2 equipment; and  
3 (iv) listing equipment that did not exist at PinnFund, and was never delivered  
4 to PinnFund.  
5 d. engaged in sham transactions relating to these false and misleading invoices;  
6 e. provided materially false invoices to creditors, knowing said invoices to contain  
7 material false information and material omissions;  
8 f. provided PinnFund kickbacks of the funds advanced by creditors based upon the  
9 false invoices and false financial statements the creditors had been provided;  
10 g. rigged creditors' inspections of their leased equipment, including by altering serial  
11 numbers on equipment at PinnFund to conform with creditors' expectations;  
12 h. provided regular payments to creditors, usually directly from PinnFund but  
13 occasionally through other means; and  
14 i. provided short-term loans to PinnFund to cover cash flow problems between  
15 installments of fraud proceeds.

16 Overt Acts

- 17 17. In furtherance of this conspiracy and to effect its objects, defendant TOMMY A.  
18 LARSEN and other conspirators committed the following overt acts, among others, in the Southern  
19 District of California and elsewhere:  
20 a. On or about August 1, 1998, Fanghella, on behalf of PinnFund, signed a "Spot  
21 Loan Funding Agreement" with Allied. In the Spot Loan Funding Agreement, PinnFund pledged to use  
22 Allied's funds exclusively to originate and fund mortgage loans.  
23 b. On or about August 1, 1998, Fanghella, on behalf of PinnFund, signed a "Spot  
24 Loan Funding Agreement" with Grafton. In the Spot Loan Funding Agreement, PinnFund pledged to  
25 use Grafton's funds exclusively to originate and fund mortgage loans.  
26 c. On or about April 1, 1999, Fanghella, on behalf of PinnFund, signed a "Spot Loan  
27 Funding Agreement" with Six Sigma. In the Spot Loan Funding Agreement, PinnFund pledged to use  
28 Six Sigma's funds exclusively to originate and fund mortgage loans.

1 d. On or about June 7, 1999, defendant TOMMY A. LARSEN reprogrammed a fax  
2 machine at PinnFund/PinnLease's Carlsbad offices to make it appear that documents sent from that fax  
3 machine came from PinnFund's auditors, in order to assist in the preparation and dissemination of false  
4 PinnFund financial statements to investors of Allied, Grafton, and Six Sigma.

5 e. On or about July 31, 1999, within the Southern District of California, defendant  
6 TOMMY A. LARSEN caused the preparation and approval of a false invoice, invoice #11234, which  
7 purported to be an invoice from PinnFund to Copyfax for the sale to Copyfax of various office  
8 equipment for a total of \$232,095.82.

9 f. On or about August 1, 1999, within the Southern District of California, defendant  
10 TOMMY A. LARSEN caused the issuance of Copyfax, Inc. check number 1461, to PinnFund for  
11 \$232,095.82.

12 g. On or about July 22, 1999, within the Southern District of California, defendant  
13 TOMMY A. LARSEN caused the sum of \$150,000 to be transferred to PinnFund.

14 h. On or about July 27, 1999, within the Southern District of California, John A.  
15 Garitta caused the sum of \$150,000 to be transferred from PinnFund to a bank account controlled by  
16 defendant TOMMY A. LARSEN.

17 All in violation of Title 18, United States Code, Section 371.

18 **III.**

19 **FRAUD**

20 **COUNTS 2-8**

21 (Mail Fraud)

22 18. Paragraphs 1 to 8 and 16 of this Indictment are realleged and incorporated in these Counts  
23 as if set forth fully herein.

24 19. Beginning on a date unknown to the grand jury, and continuing thereafter until on or  
25 about March 22, 2001, within the Southern District of California and elsewhere, defendants TOMMY  
26 A. LARSEN and KIM A. LARSEN, Michael J. Fanghella (charged elsewhere), Keith G. Grubba  
27 (charged elsewhere) and John D. Garitta (charged elsewhere), and others known and unknown to the  
28 grand jury (collectively referred to in these Counts as the "schemers"), did knowingly devise and intend

1 to devise a scheme to defraud and to obtain money and property by means of materially false and  
 2 fraudulent pretenses, representations and promises, and the concealment and omission of material facts,  
 3 by the means described in paragraphs 1 to 8 and 16 of this Indictment, thereby affecting a variety of  
 4 victims, including financial institutions.

5 20. On or about the dates set forth below, in the Southern District of California, and  
 6 elsewhere, the schemers, for the purpose of executing and attempting to execute a scheme to defraud and  
 7 to obtain money and property by false and fraudulent pretenses, representations, and promises, and the  
 8 concealment of material facts, did cause to be placed in a United States post office or other authorized  
 9 depository for mail matter, items to be delivered by the United States Postal Service according to the  
 10 directions thereon, and did cause to be deposited items to be sent by a private or commercial interstate  
 11 carrier, and did cause items to be received from the United States Postal Service or a private or  
 12 commercial interstate carrier according to the directions thereon, as set forth below:

<u>Count</u>	<u>Date</u>	<u>Sender</u>	<u>Addressee/Recipient</u>	<u>Item</u>
2	1/22/00	Dolsen Leasing Co., Yakima, Washington	PinnFund USA, Inc., Carlsbad, California	Invoice #14884 for lease payment
3	2/4/00	PinnFund USA, Inc., Carlsbad, California	Scripps Bank, San Diego, California	Check # 41461-63 (lease payments)
4	3/3/00	PinnFund USA, Inc., Carlsbad, California	Dolsen Leasing Co., Yakima, Washington	Check # 42127 (lease payment)
5	3/6/00	PinnFund USA, Inc., Carlsbad, California	Scripps Bank, San Diego, California	Check # 42271 (lease payment)
6	3/22/00	Dolsen Leasing Co., Yakima, Washington	PinnFund USA, Inc., Carlsbad, California	Invoice #18262 for lease payment
7	5/1/00	PinnFund USA, Inc., Carlsbad, California	Scripps Bank, San Diego, California	Check # 43538 (lease payment)
8	5/3/00	PinnFund USA, Inc., Carlsbad, California	Dolsen Leasing Co., Yakima, Washington	Check # 43608 (lease payment)

24 All in violation of Title 18, United States Code, Section 1341.

25 //

26 //

27 //

28 //

1 COUNTS 9-13

2 (Wire Fraud)

3 21. Paragraphs 1 to 8 and 16 of this Indictment are realleged and incorporated in these Counts  
4 as if set forth fully herein.

5 22. Beginning on a date unknown to the grand jury, and continuing thereafter until on or  
6 about March 22, 2001, in the Southern District of California and elsewhere, defendants TOMMY A.  
7 LARSEN and KIM A. LARSEN, Michael J. Fanghella (charged elsewhere), Keith G. Grubba (charged  
8 elsewhere) and John D. Garitta (charged elsewhere), and others known and unknown to the grand jury  
9 (collectively referred to in these Counts as the “schemers”), did knowingly devise and intend to devise  
10 a scheme to defraud and to obtain money and property by means of materially false and fraudulent  
11 pretenses, representations and promises, and the concealment and omission of material facts, by the  
12 means described in paragraphs 1 to 8 and 16 of this Indictment, thereby affecting a variety of victims,  
13 including financial institutions.

14 23. On or about the dates set forth below, in the Southern District of California and  
15 elsewhere, the schemers, for the purpose of executing and attempting to execute a scheme to defraud and  
16 to obtain money and property by false and fraudulent pretenses, representations, and promises, and the  
17 concealment of material facts, did transmit and cause to be transmitted by wire communication in  
18 interstate commerce, writings, signs, and signals, corresponding to the following interstate facsimile  
19 transmissions and movements of creditor funds:

20

<u>Count</u>	<u>Date</u>	<u>Sender</u>	<u>Addressee/Recipient</u>	<u>Item</u>
21 9	8/18/99	Vision Capital Corp., San Diego, California	Poe & Brown, Phoenix, Arizona	Request for insurance verification re items to be leased
22 10	8/18/99	Poe & Brown, Phoenix, Arizona	Vision Capital Corp., San Diego, California	Insurance verification re lease equipment
23 11	12/10/99	C&R Financial, Inc. Encinitas, California	Dolsen Leasing Co., Bellevue, Washington	PinnFund financial statements
24 12	12/21/99	Brown & Brown, Phoenix, Arizona	PinnFund USA, Inc., Carlsbad, California	Insurance verification re lease equipment

25  
26  
27  
28



13	12/23/99	Bank of America, Washington (account of Dolsen Leasing Co., Yakima, WA)	Grossmont Bank, California (account of CopyFax, Inc., San Diego, CA)	\$499,820.00
----	----------	---	--	--------------

All in violation of Title 18, United States Code, Section 1343.

**IV.**

**MONEY LAUNDERING**

**COUNT 14**

(Conspiracy to Commit Money Laundering)

24. Paragraphs 1 to 8 and 16 of this Indictment are realleged and incorporated in this Count as if set forth fully herein.

25. Beginning on a date unknown to the grand jury, and continuing thereafter until on or about March 22, 2001, within the Southern District of California and elsewhere, defendants TOMMY A. LARSEN and KIM A. LARSEN did knowingly and intentionally conspire and agree with each other, and with others known and unknown to the grand jury, to commit offenses against the United States in violation of Title 18, United States Code, Section 1956 and 1957 by the means described in paragraphs 1 to 8 and 16 of this Indictment.

26. It was part of this conspiracy that the conspirators would:

a. conduct and attempt to conduct financial transactions affecting interstate commerce and foreign commerce, which transactions involved the proceeds of specified unlawful activity, that is, mail fraud and wire fraud, in violation of Title 18, United States Code, Sections 1341 and 1343, knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i); and

b. knowingly engage and attempt to engage, in monetary transactions by, through or to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, that is the deposit, withdrawal, or transfer of funds, such property having been derived from a specified unlawful activity, that is, mail fraud and wire fraud, in violation of

1 Title 18, United States Code, Sections 1341 and 1343, in violation of Title 18, United States Code,  
2 Section 1957.

3 All in violation of Title 18, United States Code, Section 1956(h).

4 COUNT 15

5 (Conspiracy to Commit Money Laundering)

6 27. Paragraphs 1 to 8 and 16 of this Indictment are realleged and incorporated in this Count  
7 as if set forth fully herein.

8 28. Beginning on a date unknown to the grand jury, and continuing thereafter until on or  
9 about March 22, 2001, within the Southern District of California and elsewhere, defendant TOMMY  
10 A. LARSEN did knowingly and intentionally conspire and agree with John D. Garitta (charged  
11 elsewhere) to commit offenses against the United States in violation of Title 18, United States Code,  
12 Sections 1956 and 1957.

13 29. It was part of this the conspiracy that defendant TOMMY A. LARSEN and John D.  
14 Garitta would covertly skim a portion of the proceeds of the fraudulent leasing scheme described in  
15 paragraphs 1 to 8 and 16 of this Indictment for their own personal benefit.

16 30. It was a further part of this conspiracy that the conspirators would:

17 a. transport, transmit and transfer, and attempt to transport, transmit, and transfer,  
18 a monetary instrument and funds from a place in the United States to or through a place outside the  
19 United States, knowing that the monetary instrument and funds involved represented the proceeds of  
20 some form of unlawful activity, and knowing that such transportation, transmission and transfer was  
21 designed in whole or in part to conceal or disguise the nature, location, source, ownership, or control of  
22 the proceeds of specified unlawful activity, that is, mail fraud and wire fraud, in violation of Title 18,  
23 United States Code, Sections 1341 and 1343, in violation of Title 18, United States Code,  
24 Section 1956(a)(2)(B)(i); and

25 b. knowingly engage and attempt to engage, in monetary transactions by, through  
26 or to a financial institution, affecting interstate and foreign commerce, in criminally derived property of  
27 a value greater than \$10,000, that is the deposit, withdrawal, or transfer of funds, such property having  
28 been derived from a specified unlawful activity, that is, mail fraud and wire fraud, in violation of

1 Title 18, United States Code, Sections 1341 and 1343, in violation of Title 18, United States Code,  
2 Section 1957.

3 31. It was a further part of this conspiracy that defendant TOMMY A. LARSEN set up  
4 foreign bank accounts for himself and John D. Garitta at JYSKE Bank in Gibraltar.

5 32. It was a further part of this conspiracy that John D. Garitta set up a post office box outside  
6 of PinnFund in order that he and defendant TOMMY A. LARSEN could receive JYSKE bank account  
7 statements without the knowledge of others.

8 33. It was a further part of this conspiracy that defendant TOMMY A. LARSEN from time  
9 to time obtained cashier's checks for himself and John D. Garitta, and transmitted, transferred, and  
10 transported said cashier's checks to JYSKE Bank in Gibraltar.

11 Overt Acts

12 34. In furtherance of this conspiracy and to effect its objects defendant TOMMY A. LARSEN  
13 obtained the following cashier's checks to send to JYSKE Bank in Gibraltar:

14 a. San Diego National Bank Cashier's Check no. 147642, dated January 3, 2000,  
15 in the amount of \$106,000, payable to "JYSKE BANK", with the name "JOHN GARITTA" referenced  
16 thereon; and

17 b. San Diego National Bank Cashier's Check no. 147643, dated January 3, 2000,  
18 in the amount of \$50,000, payable to "JYSKE BANK", with the name "TOMMY LARSEN" referenced  
19 thereon.

20 All in violation of Title 18, United States Code, Section 1956(h).

21 **V.**

22 **PERJURY, SUBORNATION OF PERJURY,**  
23 **AND OBSTRUCTION OF JUSTICE**

24 **ALLEGATIONS COMMON TO ALL COUNTS IN THIS SECTION**

25 35. On or about March 23, 2001, before the PinnFund Receiver took custody of PinnFund's  
26 Carlsbad offices, defendant TOMMY A. LARSEN caused persons known and unknown to the grand  
27 jury to remove certain materials from PinnFund's wholly owned subsidiary PinnLease USA, Inc.'s  
28 offices, including certain PinnLease business files.





1           46.     In paragraph 5 of his Declaration, defendant TOMMY A. LARSEN provided the  
2 following matter as material, as an “example” of the “full cooperation” he claimed he had “attempted  
3 to provide” to the PinnFund Receiver:

4                     For example, when I returned from my out-of-town trip, I went to a parking  
5 garage which I customarily utilize for trips which is located near Lindberg Field.  
6 The parking attendant informed me that an unidentified female had brought a  
7 new BMW automobile to the parking garage and asked that the vehicle be turned  
8 over to myself when I returned from my trip. I had no advance knowledge that  
9 this event was going to take place. I immediately perceived that the vehicle  
10 likely belong to PinnFund and so I had Mr. Muns contact the receiver, Charles  
11 LaBella, to request that he take charge of the vehicle.

12           47.     The above-underscored statement of defendant TOMMY A. LARSEN materially false,  
13 as he well knew at the time he executed the Declaration, in that the true facts as known to him were that  
14 prior to returning from his out-of-town trip, he had personally arranged for the vehicle to be dropped off  
15 at the parking garage in question.

16 All in violation of Title 18, United States Code, Section 1623.

17                                     COUNT 19

18                                     (Perjury)

19           48.     Paragraphs 1 to 8 and 35 to 38 of this Indictment are realleged and incorporated in this  
20 Count as if set forth fully herein.

21           49.     On page 6 of his Supplemental Declaration, defendant TOMMY A. LARSEN provided  
22 the following statement as material to the Court’s understanding of his activities and role at  
23 PinnFund/PinnLease:

24                     I had nothing to do with the preparation or distribution of financial statements of  
25 PinnFund or PinnLease.

26           50.     The above-underscored statement of defendant TOMMY A. LARSEN was materially  
27 false, as he well knew at the time he executed the Declaration, in that the true facts as known to him  
28 were that he had assisted persons known and unknown to the grand jury in preparing a fraudulent  
financial statement for PinnFund, and had regularly distributed PinnFund’s fraudulent financial  
statements, knowing them to be false.

All in violation of Title 18, United States Code, Section 1623.



1 Q. Now you're aware, ma'am, that we have the ability to subpoena cell  
2 phone records?

3 A. Yes.

4 Q. And if we did so and we looked at March 23, 2001, is it your testimony  
5 that we will not find calls between you and Tommy Larson [sic] prior to approximately  
6 1:00 p.m., when you say you returned to PinnFund?

7 A. You'll find calls because I left messages. I did leave messages. Because  
8 I was – I didn't know what to do, basically, so I did leave messages. And I don't know  
9 how many times I called, but I did.

10 Q. So there were calls placed, but you left messages only?

11 A. Yes.

12 \*\*\*

13 Q. So nobody was able to contact Mr. Larson [sic] that morning; is that  
14 correct?

15 A. No. To my knowledge, no.

16 Q. So the first time that Mr. Larson [sic] became aware of what had  
17 happened that morning was when you were finally able to get a hold of him much later  
18 on that day, correct?

19 A. Yes.

20 \*\*\*

21 Q. Did you direct anyone to take any files from PinnLease?

22 A. To my – as far as I can remember, I don't remember asking anybody to  
23 take any type of PinnLease files.

24 \*\*\*

25 Q. Do you recall overhearing other people telling Mr. Larson [sic] –

26 A. Right –

27 Q. – they had taken PinnLease materials?

28 A. No. I recall hearing everyone talk about various things, but not about  
taking PinnLease materials.

\*\*\*

Q. And anything that was destroyed by you, or that you told others to destroy,  
you would characterize as just miscellaneous or —

A. I didn't tell anyone to destroy items.

Q. The only destruction that you were responsible for were – was what you  
personally did; is that what you're saying?

A. Yes, yes.



1 Q. And the destruction that you personally did constituted solely of  
2 preprinted forms and things of that nature, nothing of any consequence; is that what  
you're telling us?

3 A. That's correct.

4 57. The above-underscored testimony of Kimberly Hulihee was materially false, as she then  
5 and there well knew, and as defendant TOMMY A. LARSEN well knew when he procured it, in that  
6 the true facts as known to both were as follows: that Hulihee did had a conversation with defendant  
7 TOMMY A. LARSEN on the morning of March 23, 2001, during which defendant TOMMY A.  
8 LARSEN had directed her to remove business files from PinnLease's offices; that she had thereupon  
9 coordinated a concerted effort by several PinnLease employees to remove business files from PinnLease;  
10 that she had attended a March 26, 2001 meeting where various persons had briefed defendant TOMMY  
11 A. LARSEN on the removal of materials from PinnLease; and that she had subsequently destroyed, and  
12 directed others to destroy, certain of the materials taken from PinnLease, again at the direction of  
13 defendant TOMMY A. LARSEN.

14 All in violation of Title 18, United States Code, Section 1622.

15 COUNT 21

16 (Conspiracy to Obstruct the Due Administration of Justice)

17 58. Paragraphs 1 to 8 and 35 to 38 of this Indictment are realleged and incorporated in this  
18 Count as if set forth fully herein.

19 59. Beginning on a date unknown to the grand jury, and continuing thereafter until at least  
20 June 1, 2002, in the Southern District of California, defendant TOMMY A. LARSEN and Kimberly  
21 Hulihee (charged elsewhere) did knowingly conspire and agree with each other to commit offenses  
22 against the United States, that is, violations of Title 18 United States Code, Section 1503 (obstruction  
23 of the due administration of justice).

24 60. As part of said conspiracy, defendant TOMMY A. LARSEN and Kimberly Hulihee  
25 agreed to attempt to corruptly persuade a certain former PinnLease employee to present false and  
26 misleading testimony in Southern District of California civil case no. 01cv0496-H, knowing of said  
27 proceeding and intending to influence, obstruct, and impede it.

28 //

61. In furtherance of the conspiracy and to effect its objects, the following overt acts, among others, were committed in the Southern District of California:

a. On or about May 31, 2001, defendant TOMMY A. LARSEN told Kimberly Hulihee that she needed to ensure that she and a certain former PinnLease employee were “in agreement” regarding the facts of March 23, 2001.

b. On or about May 31, 2001, defendant TOMMY A. LARSEN told Kimberly Hulihee to bring that certain former PinnLease employee into defendant TOMMY A. LARSEN’s office to discuss the facts of March 23, 2001.

c. On or about May 31, 2001, defendant TOMMY A. LARSEN and Kimberly Hulihee attempted to corruptly persuade, and engaged in misleading conduct to attempt to persuade, that certain former PinnLease employee to testify falsely, to wit, that Kimberly Hulihee had not directed others to take PinnLease files from PinnFund/PinnLease’s Carlsbad offices on March 23, 2001, and that no such files had been taken from said offices to defendant TOMMY A. LARSEN’s new company Aloha Pacific Leasing.

All in violation of Title 18, United States Code, Section 371.

## **VI.**

### **TAX EVASION**

#### **COUNT 22**

(Tax Evasion)

62. Paragraphs 1 to 8 of this Indictment are realleged and incorporated in this Count as if set forth fully herein.

63. Beginning on or about January 1, 1999 and continuing until at least April 15, 2000, in the Southern District of California, defendant TOMMY A. LARSEN, a resident of San Diego County, California, did willfully attempt to evade and defeat part of the income tax due and owing by him to the United States of America for calendar year 1999 by the following means, among others:

//

27 //

28 //

1 a. by executing, filing and causing to be filed with the Internal Revenue Service  
2 Center at Fresno, California, a false and fraudulent U.S. Income Tax Return, Form 1040, wherein he  
3 stated that his and his wife's taxable income for the calendar year 1999 was the sum of \$404,721, and  
4 that the amount of tax due and owing to the United States thereon was the sum of \$133,167, whereas,  
5 as he then and there well knew and believed, his and his wife's taxable income and amount of income  
6 tax for the calendar year 1999 was greater than that declared;

7 b. by using a PinnFund American Express corporate credit card for personal  
8 expenditures;

9 c. by causing part of his PinnFund compensation to be paid outside of payroll, in  
10 the form of PinnFund corporate checks payable to cash and then converted into cashier's checks; and

11 d. by hiding the proceeds of illegal activity in a foreign bank account.

12 All in violation of Title 26, United States Code, Section 7201.

13 COUNT 23

14 (Tax Evasion)

15 64. Paragraphs 1 to 8 of this Indictment are realleged and incorporated in this Count as if set  
16 forth fully herein.

17 65. Beginning on or about January 1, 2000 and continuing until at least April 15, 2001, in  
18 the Southern District of California, defendant TOMMY A. LARSEN, a resident of San Diego County,  
19 California, did willfully attempt to evade and defeat part of the income tax due and owing by him to the  
20 United States of America for calendar year 2000 by the following means, among others:

21 a. by executing, filing and causing to be filed with the Internal Revenue Service  
22 Center at Fresno, California, a false and fraudulent U.S. Income Tax Return, Form 1040, wherein he  
23 stated that his and his wife's taxable income for the calendar year 2000 was the sum of \$190,208, and  
24 that the amount of tax due and owing to the United States thereon was the sum of \$43,457, whereas, as  
25 he then and there well knew and believed, his and his wife's taxable income and amount of income tax  
26 for the calendar year 2000 was greater than that declared;

27 b. by using a PinnFund American Express corporate credit card for personal  
28 expenditures;

1 c. by causing part of his PinnFund compensation to be paid outside of payroll, in  
2 the form of PinnFund corporate checks payable to cash and then converted into cashier's checks; and

3 d. by hiding the proceeds of illegal activity in a foreign bank account.

4 All in violation of Title 26, United States Code, Section 7201.

5 **VII.**

6 **CRIMINAL FORFEITURE**

7 66. Paragraphs 1 to 8, 16, and 24 to 34 of this Indictment are realleged and incorporated if  
8 set forth fully herein, for the purpose of alleging a forfeiture pursuant to Title 18, United States Code,  
9 Section 982(a)(1).

10 67. By virtue of the commission of the felony offenses referenced above, to wit, conspiracy  
11 to commit money laundering as alleged in Counts 14-15 of this Indictment, defendants TOMMY A.  
12 LARSEN and KIM A. LARSEN, upon conviction of one or more of the offenses set forth in Counts 14-  
13 15 of this Indictment, shall forfeit to the United States the following property:

14 a. All right, title, and interest in any and all property involved in each offense in  
15 violation of Title 18, United States Code, Section 1956 or 1957, or conspiracy to commit such offense,  
16 for which the defendant is convicted, and all property traceable to such property, including the following:  
17 1) all money or other property that was the subject of each transaction, transportation, transmission or  
18 transfer in violation of Section 1956 or 1957; 2) all commissions, fees and other property constituting  
19 proceeds obtained as a result of those violations; and 3) all property used in any manner or part to  
20 commit or to facilitate the commission of those violations.

21 b. A sum of money equal to the total amount of money involved in each offense, or  
22 conspiracy to commit such offense, for which the defendant is convicted.

23 If more than one defendant is convicted of an offense, the defendants so convicted are  
24 jointly and severally liable for the amount involved in such offense.

25 //

26 //

27 //

28 //

1           68. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18,  
2 United States Code, Section 982(b), each defendant who is convicted of one or more of the offenses set  
3 forth in Count(s) 14-15 of this Indictment shall forfeit substitute property, up to the value of the amount  
4 described in paragraph 67, if, by any act or omission of the defendant, the property described in  
5 paragraph 67, or any portion thereof, cannot be located upon the exercise of due diligence; has been  
6 transferred, sold to or deposited with a third party; has been placed beyond the jurisdiction of the court;  
7 has been substantially diminished in value; or has been commingled with other property which cannot  
8 be divided without difficulty.

9           All in accordance with Title 18, United States Code, Section 982(a)(1), and Rule 32.2(a), Federal  
10 Rules of Criminal Procedure.

11           DATED: January 30, 2003.

A TRUE BILL:

\_\_\_\_\_  
Foreperson

16 CAROL C. LAM  
17 United States Attorney

18 By: \_\_\_\_\_  
19 SANJAY BHANDARI  
20 Assistant U.S. Attorney