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DISTRICT COURT at Seattle, Washington.

2005 SEP 22

September 22

WESTERN DISTRICT  
OF WASHINGTON  
SEATTLE, WASH.

BRUCE RIFKIN, Clerk

I hereby certify that the  
enclosed indictment is a true  
and correct copy of the original  
on file in my office.  
ATTEST: JUDGE  
Clerk of District Court  
Western District of Washington  
by *H. David Gehring* Deputy Clerk

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

THOMAS TURNER,

Defendant.

CR05 0355C

INDICTMENT

THE GRAND JURY CHARGES THAT:

I.

GENERAL ALLEGATIONS

At all times material herein:

A. THE CORPORATIONS

1. Metropolitan Mortgage and Securities Company, Inc. (hereinafter "Met") was a corporation headquartered in Spokane, Washington engaged in the business of, among other things, commercial loans and real estate sales. Met was part of a group of affiliated, privately-held, jointly-run companies with a common majority owner. Those affiliated companies included Met subsidiaries Western United Holding Company and Western United Life Assurance Company (hereinafter "WULA"), an insurance company registered in the State of Washington, and Met sister company Summit Securities, Inc. (hereinafter "Summit"), and its subsidiary Old Standard Life Insurance Company (hereinafter "Old Standard"), an insurance company registered in the State of Idaho.

1           2.     Met and its subsidiary Western United Holding Company each were issuers  
2 of a class of securities registered pursuant to Section 12 of the Securities and Exchange  
3 Act of 1934 and were required to file independently audited consolidated financial  
4 statements with the Securities and Exchange Commission (hereinafter "SEC"). Summit  
5 was also an issuer of a class of securities registered pursuant to Section 12 of the  
6 Securities and Exchange Act of 1934 and, along with its subsidiary Old Standard, was  
7 required to file an independently audited consolidated financial statement with the SEC.

8     B.     THE DEFENDANT

9           3.     Defendant THOMAS TURNER was president and a director of Summit  
10 and an employee and an executive officer of Met. His responsibilities included  
11 structuring investment and commercial loan transactions on behalf of Met and Summit  
12 and their subsidiaries.

13     C.     THE TRANSACTION

14           4.     Beginning in or about July 2002 and continuing through in or about  
15 September 2002, Met began negotiating a deal with one of its existing borrowers  
16 (hereinafter "T Corporation") to create a joint venture in which, generally, Met, Summit  
17 or one of its affiliated companies would loan money to T Corporation and both Met and T  
18 Corporation would contribute real property for the purpose of investment and property  
19 development. Defendant TURNER led the negotiations on behalf of Met.

20           5.     Beginning in about August of 2002, defendant TURNER and another  
21 individual employed by Met telephoned Met's outside accountants at the accountants'  
22 offices in Seattle to ask for advice regarding accounting treatment for the proposed joint  
23 venture with T Corporation. Defendant TURNER and the other Met employee indicated  
24 that Met sought, through the proposed joint venture, to record an immediate gain, or  
25 profit, on the joint venture, as opposed to having to wait until future years to record a  
26 profit. Based on the proposed joint venture as represented by TURNER and the other  
27 Met employee, the accountants advised that Met would not be able to record an  
28 immediate profit because the proposed joint venture failed to satisfy certain accounting

1 rules that governed the recording of an immediate profit on real estate transactions.

2 6. Subsequently, TURNER and the other Met employee telephoned Met's  
3 outside accountants several times with modified versions of the originally proposed joint  
4 venture, each time seeking advice about Met's ability to record an immediate profit. Each  
5 time, Met's accountants advised that the modified joint venture proposals failed to satisfy  
6 the accounting rules for recording an immediate profit. Met's outside accountants  
7 informed TURNER and the other Met employee that a significant reason the proposals  
8 failed to meet the requirements of the applicable accounting rules was that the purchaser  
9 of Met's property was T Corporation, which, in the joint venture scenarios, was not acting  
10 as an independent third-party purchaser of the property Met was seeking to sell.

11 7. In approximately mid-September 2002, TURNER telephoned Met's outside  
12 accountants and informed them that Met had located an independent third party purchaser  
13 for its property. TURNER represented certain facts to Met's outside accountants about  
14 the *bona fides* of the purported purchaser. Based upon TURNER'S representations as to  
15 the proposed transactions, Met's outside accountants preliminarily agreed that the deal  
16 may satisfy the requirements of the accounting rules for recording an immediate profit,  
17 subject to an audit of Met's fiscal year 2002 financial statements. Met's fiscal year ended  
18 September 30, 2002.

19 8. In the last week of September 2002, prior to the end of its fiscal year, Met  
20 closed two transactions, among others: (a) a loan of approximately \$17.6 million from  
21 Summit subsidiary Old Standard to the T Corporation secured by T Corporation's timber  
22 property; and (b) the sale of two parcels of undeveloped real property owned by Met and  
23 its subsidiary WULA, one in Everett, Washington and the other near San Antonio, Texas,  
24 to a corporation newly formed by the purported independent third party purchaser  
25 (hereinafter "JP") for a total of approximately \$24 million. Met and WULA financed the  
26 sale of the properties and JP provided a 20% cash down payment on each parcel. An  
27 agent of JP (hereinafter "DS") contributed the cash down payment on behalf of JP. The  
28 source of JP's down payments was the Old Standard loan to the T Corporation.

1       9. Met recorded an immediate profit of approximately \$10 million on the sale  
2 of the Everett and San Antonio properties to JP. Without this transaction, Met would  
3 have reported a net loss on its consolidated financial statements for the 2002 fiscal year.

4       D. THE AUDIT

5       10. Between approximately September and December of 2002, Met's outside  
6 accountants conducted an audit of Met's and Summit's 2002 fiscal year financial  
7 statements and specifically examined the sale of property to JP. Based on the  
8 representations of TURNER and others at Met, and various documents provided by Met,  
9 Met's outside accountants concurred with the recording of immediate profit on the sale of  
10 the Everett and San Antonio properties to JP.

11       11. On or about December 31, 2002 pursuant to the rules and regulations of the  
12 SEC, Met and Summit each submitted their audited consolidated financial statements to  
13 the SEC in a report known as a Form 10-K. Met's audited financial statement included  
14 the approximately \$10 million in profit Met recorded from the sale of property to JP.

15       E. THE SUBSEQUENT INVESTIGATION

16       12. In approximately September of 2003, Met's outside accountants were  
17 conducting an audit of Met's 2003 financial statements when the accountants discovered  
18 Met internal documents that raised questions about the way in which the 2002 sale of  
19 property to JP had been recorded. Met internal auditors and Met's outside accountants  
20 each began investigations which included document review and interviews with  
21 TURNER and others. The investigations revealed information that indicated that, in  
22 summary, JP was not truly an independent third-party purchaser of Met's property as  
23 TURNER had represented, and that TURNER was aware of this before the 2002 audit  
24 had been completed.

25       13. These investigations concluded in approximately January of 2004 and  
26 resulted in, among other things, Met deciding to reverse the \$10 million profit it had  
27 recorded on its financial statements in 2002 from the sale of property to JP. Additionally,  
28 Met's outside accountants withdrew their audit opinion on the 2002 financial statements

1 and resigned, based on, among other reasons, **TURNER's** misrepresentations and  
2 omissions about the sale of property to JP.

3 II.

4 COUNT 1

5 (False Statements to Accountants of a Securities Issuing Company)

6 14. Sections A through E of the General Allegations section of this Indictment  
7 are realleged here as though fully set forth herein.

8 15. In or about mid-September, 2002, the exact date being unknown to the  
9 Grand Jury, at Seattle, Washington, within the Western District of Washington, and  
10 elsewhere, the defendant, **THOMAS TURNER**, knowingly and willfully made and  
11 caused to be made materially false and misleading statements, and omitted to state  
12 material facts necessary in order to make statements made, in light of the circumstances  
13 under which the statements were made, not misleading, to Met's accountants in  
14 connection with the audit, review and examination of financial statements of Met and  
15 Summit, issuers of a class of securities registered pursuant to Section 12 of the Securities  
16 and Exchange Act of 1934, required by law to be made, and the preparation and filing of  
17 documents and reports, namely Met's and Summit's 2002 Form 10-K reports, required to  
18 be filed with the SEC pursuant to rules and regulations enacted by the SEC.

19 16. Specifically, **TURNER** made and caused to be made the following false  
20 statements and material omissions in telephone conversations with Met's outside  
21 accountants who at the time were located in their offices in Seattle:

22 a. that JP and DS constituted an independent, third party purchaser and  
23 that DS was very interested in purchasing the property, when in truth and in fact, as  
24 **TURNER** then well knew, representatives of T Corporation were negotiating JP's  
25 purchase of the properties, and JP's agent DS was participating in the transaction as a  
26 favor to the T Corporation, and had expressed that he did not want his cash down  
27 payment contribution at risk in the transaction;

28 b. that Met's sale of properties to JP was independent of, and not

1 connected with, Old Standard's loan to the T Corporation, when in truth and in fact, as  
2 **TURNER** then well knew, Old Standard's \$17.6 million loan to the T Corporation was  
3 contingent, by oral agreement, on Met's sale of property to JP, and representatives of T  
4 Corporation were negotiating JP's purchase of the properties;

5 c. that JP and DS were not connected to the T Corporation, had no  
6 other relationships and were independent parties acting on their own behalf and for their  
7 own accounts, when in truth and in fact, as **TURNER** then well knew, Old Standard's  
8 \$17.6 million loan to the T Corporation was contingent, by oral agreement, on Met's sale  
9 of property to JP, representatives of T Corporation were negotiating JP's purchase of the  
10 properties, and DS, acting on behalf of JP, was participating in the transaction as a favor  
11 to the T Corporation, and had expressed that he did not want his cash down payment  
12 contribution at risk in the transaction.

13 All in violation of Title 15, United States Code, Section 78m(a), (b)(2), 78ff; Title  
14 17, Code of Federal Regulations, Section 240.13b2-2; and Title 18, United States Code,  
15 Section 2.

## 16 COUNT 2

17 (False Statements to Accountants of a Securities Issuing Company)

18 17. Sections A through E of the General Allegations section of this Indictment  
19 are realleged here as though fully set forth herein.

20 18. In or about late October and early November, 2002, the exact date being  
21 unknown to the Grand Jury, at Spokane, Washington, within the Eastern District of  
22 Washington, the defendant, **THOMAS TURNER**, knowingly and willfully made and  
23 caused to be made materially false and misleading statements, and omitted to state  
24 material facts necessary in order to make statements made, in light of the circumstances  
25 under which the statements were made, not misleading, to Met's accountants in  
26 connection with the audit, review and examination of financial statements of Met and  
27 Summit, issuers of a class of securities registered pursuant to Section 12 of the Securities  
28 and Exchange Act of 1934, required by law to be made, and the preparation and filing of

1 documents and reports, namely Met's and Summit's 2002 Form 10-K reports, required to  
2 be filed with the SEC pursuant to rules and regulations enacted by the SEC.

3 19. Specifically, TURNER made and caused to be made the following false  
4 statements and material omissions in meetings with Met's outside accountants at Met's  
5 offices in Spokane:

6 a. that JP and DS constituted an independent, third party purchaser and  
7 that DS was very interested in purchasing the property, when in truth and in fact, as  
8 TURNER then well knew, representatives of T Corporation were negotiating JP's  
9 purchase of the properties, and JP's agent DS was participating in the transaction as a  
10 favor to the T Corporation, and had expressed that he did not want his cash down  
11 payment contribution at risk in the transaction;

12 b. that Met's sale of properties to JP was independent of, and not  
13 connected with, Old Standard's loan to the T Corporation, when in truth and in fact, as  
14 TURNER then well knew, Old Standard's \$17.6 million loan to the T Corporation was  
15 contingent, by oral agreement, on Met's sale of property to JP, and representatives of T  
16 Corporation were negotiating JP's purchase of the properties;

17 c. that JP and DS were not connected to the T Corporation, had no  
18 other relationships and were independent parties acting on their own behalf and for their  
19 own accounts, when in truth and in fact, as TURNER then well knew, Old Standard's  
20 \$17.6 million loan to the T Corporation was contingent, by oral agreement, on Met's sale  
21 of property to JP, representatives of T Corporation were negotiating JP's purchase of the  
22 properties, and DS, acting on behalf of JP, was participating in the transaction as a favor  
23 to the T Corporation, and had expressed that he did not want his cash down payment  
24 contribution at risk in the transaction.

25 All in violation of Title 15, United States Code, Section 78m(a), (b)(2), 78ff; Title  
26 17, Code of Federal Regulations, Section 240.13b2-2; and Title 18, United States Code,  
27 Section 2.  
28

COUNT 3

(False Statements to Accountants of a Securities Issuing Company)

20. Sections A through E of the General Allegations section of this Indictment are realleged here as though fully set forth herein.

21. On or about December 18, 2002, at Seattle, Washington, within the Western District of Washington, and elsewhere, the defendant, **THOMAS TURNER**, knowingly and willfully made and caused to be made materially false and misleading statements, and omitted to state material facts necessary in order to make statements made, in light of the circumstances under which the statements were made, not misleading, to Met's accountants in connection with the audit, review and examination of financial statements of Met and Summit, issuers of a class of securities registered pursuant to Section 12 of the Securities and Exchange Act of 1934, required by law to be made, and the preparation and filing of documents and reports, namely Met's and Summit's 2002 Form 10-K reports, required to be filed with the SEC pursuant to rules and regulations enacted by the SEC.

22. Specifically, **TURNER** made and caused to be made the following false statements and material omissions in a memorandum titled "Review of interest rate on sale to [JP]" sent by e-mail from Met's offices in Spokane to the offices of Met's outside accountants in Seattle:

a. that JP, the purchaser of the properties, desired to negotiate a note splitting option, which indicated JP's intent and forethought given to the transaction, when in truth and in fact, as **TURNER** then well knew, representatives of T Corporation were negotiating JP's purchase of the properties, and JP's agent DS was participating in the transaction as a favor to the T Corporation and had expressed that he did not want his cash down payment contribution at risk in the transaction;

b. that the value of the transaction was established through negotiations between a willing buyer and seller, when in truth and in fact, as **TURNER** then well knew, representatives of T Corporation were negotiating JP's purchase of the properties,

1 and JP was not a willing buyer as DS was participating in the transaction as a favor to the  
2 T Corporation and had expressed that he did not want his cash down payment  
3 contribution at risk in the transaction;

4 c. that the borrower was an independent third party purchaser of the  
5 property, when in truth and in fact, as **TURNER** then well knew, JP was not an  
6 independent buyer, as representatives of T Corporation were negotiating JP's purchase of  
7 the properties, and DS was participating in the transaction as a favor to the T Corporation  
8 and had expressed that he did not want his cash down payment contribution at risk in the  
9 transaction.

10 All in violation of Title 15, United States Code, Section 78m(a), (b)(2), 78ff; Title  
11 17, Code of Federal Regulations, Section 240.13b2-2; and Title 18, United States Code,  
12 Section 2.

13 COUNT 4

14 (False Statements to Accountants of a Securities Issuing Company)

15 23. Sections A through E of the General Allegations section of this Indictment  
16 are realleged here as though fully set forth herein.

17 24. On or about December 27, 2002, at Seattle, Washington, within the Western  
18 District of Washington, and elsewhere, the defendant, **THOMAS TURNER**, knowingly  
19 and willfully made and caused to be made materially false and misleading statements, and  
20 omitted to state material facts necessary in order to make statements made, in light of the  
21 circumstances under which the statements were made, not misleading, to Met's  
22 accountants in connection with the audit, review and examination of financial statements  
23 of Met and Summit, issuers of a class of securities registered pursuant to Section 12 of the  
24 Securities and Exchange Act of 1934, required by law to be made, and the preparation  
25 and filing of documents and reports, namely Met's and Summit's 2002 Form 10-K  
26 reports, required to be filed with the SEC pursuant to rules and regulations enacted by the  
27 SEC.

28 25. Specifically, **TURNER** made and caused to be made the following false

1 statements and material omissions in a letter dated December 27, 2002 sent from Met's  
2 offices in Spokane to the offices of Met's outside accountants in Seattle:

3 a. that Summit's consolidated balance sheets, comprehensive income  
4 and cash flows were fairly presented in conformity with generally accepted accounting  
5 principles, when, in truth and in fact, as TURNER then well knew, Summit's  
6 consolidated balance sheet, comprehensive income and cash flows had not been fairly  
7 presented in conformity with generally accepted accounting principles because Old  
8 Standard's \$17.6 million loan to the T Corporation was contingent, by oral agreement, on  
9 Met's sale of property to JP, which property sale as recorded on Met's financial  
10 statements violated generally accepted accounting principles;

11 b. that there were no oral agreements that would have a material effect  
12 on any amounts reported in Summit's financial statements, when, in truth and in fact, as  
13 TURNER then well knew, Old Standard's \$17.6 million loan to the T Corporation was  
14 contingent, by oral agreement, on Met's sale of property to JP, which property sale as  
15 recorded on Met's financial statements violated generally accepted accounting principles;

16 c. that loans had been correctly described in the financial statements in  
17 all material respects, when, in truth and in fact, as TURNER then well knew, Old  
18 Standard's \$17.6 million loan to the T Corporation was contingent, by oral agreement, on  
19 Met's sale of property to JP, which property sale as recorded on Met's financial  
20 statements violated generally accepted accounting principles;

21 d. that there had been no violations or possible violations of laws and  
22 regulations, when, in truth and in fact, as TURNER then well knew, Old Standard's  
23 \$17.6 million loan to the T Corporation was contingent, by oral agreement, on Met's sale  
24 of property to JP, which property sale as recorded on Met's financial statements violated  
25 generally accepted accounting principles, which constituted violations and possible  
26 violations of securities and other laws;

27 e. that there had been no fraud involving management and employees  
28 who had significant roles in internal controls, when, in truth and in fact, as TURNER

1 then well knew, Old Standard's \$17.6 million loan to the T Corporation was contingent,  
2 by oral agreement, on Met's sale of property to JP, which property sale as recorded on  
3 Met's financial statements violated generally accepted accounting principles, which  
4 constituted fraud involving TURNER, who as president of Summit, had a significant role  
5 in Summit internal controls, and which fraud had a material effect on Summit's  
6 consolidated financial statements.

7 All in violation of Title 15, United States Code, Section 78m(a), (b)(2), 78ff; Title  
8 17, Code of Federal Regulations, Section 240.13b2-2; and Title 18, United States Code,  
9 Section 2.

10 COUNT 5

11 (False Statements to Accountants of a Securities Issuing Company)

12 26. Sections A through E of the General Allegations section of this Indictment  
13 are realleged here as though fully set forth herein.

14 27. On or about September 24, 2003, at Spokane, Washington, within the  
15 Eastern District of Washington, the defendant, **THOMAS TURNER**, knowingly and  
16 willfully made and caused to be made materially false and misleading statements, and  
17 omitted to state material facts necessary in order to make statements made, in light of the  
18 circumstances under which the statements were made, not misleading, to Met's  
19 accountants in connection with the audit, review and examination of financial statements  
20 of Met and Summit, issuers of a class of securities registered pursuant to Section 12 of the  
21 Securities and Exchange Act of 1934, required by law to be made, and the preparation  
22 and filing of documents and reports, namely Met's and Summit's 2002 Form 10-K  
23 reports, required to be filed with the SEC pursuant to rules and regulations enacted by the  
24 SEC.

25 28. Specifically, **TURNER** made and caused to be made the following false  
26 statements and material omissions in meetings with Met's outside accountants at Met's  
27 offices in Spokane:

28 a. that JP and DS constituted an independent, third party purchaser and

1 that DS was very interested in purchasing the property, when in truth and in fact, as  
2 TURNER then well knew, representatives of T Corporation were negotiating JP's  
3 purchase of the properties, and JP's agent DS was participating in the transaction as a  
4 favor to the T Corporation, and had expressed that he did not want his cash down  
5 payment contribution at risk in the transaction;

6 b. that JP and DS were not connected to the T Corporation, had no  
7 other relationships and were independent parties acting on their own behalf and for their  
8 own accounts, when in truth and in fact, as TURNER then well knew, Old Standard's  
9 \$17.6 million loan to the T Corporation was contingent, by oral agreement, on Met's sale  
10 of property to JP, representatives of T Corporation were negotiating JP's purchase of the  
11 properties, and DS, acting on behalf of JP, was participating in the transaction as a favor  
12 to the T Corporation, and had expressed that he did not want his cash down payment  
13 contribution at risk in the transaction.

14 All in violation of Title 15, United States Code, Section 78m(a), (b)(2), 78ff; Title  
15 17, Code of Federal Regulations, Section 240.13b2-2; and Title 18, United States Code,  
16 Section 2.

#### 17 COUNT 6

18 (False Statements to Accountants of a Securities Issuing Company)

19 29. Sections A through E of the General Allegations section of this Indictment  
20 are realleged here as though fully set forth herein.

21 30. In or about October 2003, at Spokane, Washington, within the Eastern  
22 District of Washington, the defendant, THOMAS TURNER, knowingly and willfully  
23 made and caused to be made materially false and misleading statements, and omitted to  
24 state material facts necessary in order to make statements made, in light of the  
25 circumstances under which the statements were made, not misleading, to Met's  
26 accountants in connection with the audit, review and examination of financial statements  
27 of Met and Summit, issuers of a class of securities registered pursuant to Section 12 of the  
28 Securities and Exchange Act of 1934, required by law to be made, and the preparation

1 and filing of documents and reports, namely Met's and Summit's 2002 Form 10-K  
2 reports, required to be filed with the SEC pursuant to rules and regulations enacted by the  
3 SEC.

4 31. Specifically, **TURNER** made and caused to be made the following false  
5 statements and material omissions in meetings with Met's outside accountants at Met's  
6 offices in Spokane:

7 a. that JP and DS constituted an independent, third party purchaser and  
8 that DS was very interested in purchasing the property, when in truth and in fact, as  
9 **TURNER** then well knew, representatives of T Corporation were negotiating JP's  
10 purchase of the properties, and JP's agent DS was participating in the transaction as a  
11 favor to the T Corporation, and had expressed that he did not want his cash down  
12 payment contribution at risk in the transaction;

13 b. that JP and DS were not connected to the T Corporation, had no  
14 other relationships and were independent parties acting on their own behalf and for their  
15 own accounts, when in truth and in fact, as **TURNER** then well knew, Old Standard's  
16 \$17.6 million loan to the T Corporation was contingent, by oral agreement, on Met's sale  
17 of property to JP, representatives of T Corporation were negotiating JP's purchase of the  
18 properties, and DS, acting on behalf of JP, was participating in the transaction as a favor  
19 to the T Corporation, and had expressed that he did not want his cash down payment  
20 contribution at risk in the transaction.

21 All in violation of Title 15, United States Code, Section 78m(a), (b)(2), 78ff; Title  
22 17, Code of Federal Regulations, Section 240.13b2-2; and Title 18, United States Code,  
23 Section 2.

24 COUNT 7

25 (False Statements to Accountants of a Securities Issuing Company)

26 32. Sections A through E of the General Allegations section of this Indictment  
27 are realleged here as though fully set forth herein.

28 33. On or about December 3, 2003, at Spokane, Washington, within the Eastern

1 District of Washington, the defendant, **THOMAS TURNER**, knowingly and willfully  
2 made and caused to be made materially false and misleading statements, and omitted to  
3 state material facts necessary in order to make statements made, in light of the  
4 circumstances under which the statements were made, not misleading, to Met's  
5 accountants in connection with the audit, review and examination of financial statements  
6 of Met and Summit, issuers of a class of securities registered pursuant to Section 12 of the  
7 Securities and Exchange Act of 1934, required by law to be made, and the preparation  
8 and filing of documents and reports, namely Met's and Summit's 2002 Form 10-K  
9 reports, required to be filed with the SEC pursuant to rules and regulations enacted by the  
10 SEC.

11 34. Specifically, **TURNER** made and caused to be made the following false  
12 statements and material omissions in meetings with Met's outside accountants at Met's  
13 offices in Spokane:

14 a. that JP and DS constituted an independent, third party purchaser and  
15 that DS was very interested in purchasing the property, when in truth and in fact, as  
16 **TURNER** then well knew, representatives of T Corporation were negotiating JP's  
17 purchase of the properties, and JP's agent DS was participating in the transaction as a  
18 favor to the T Corporation, and had expressed that he did not want his cash down  
19 payment contribution at risk in the transaction;

20 b. that JP and DS were not connected to the T Corporation, had no  
21 other relationships and were independent parties acting on their own behalf and for their  
22 own accounts, when in truth and in fact, as **TURNER** then well knew, Old Standard's  
23 \$17.6 million loan to the T Corporation was contingent, by oral agreement, on Met's sale  
24 of property to JP, representatives of T Corporation were negotiating JP's purchase of the  
25 properties, and DS, acting on behalf of JP, was participating in the transaction as a favor  
26 to the T Corporation, and had expressed that he did not want his cash down payment  
27 contribution at risk in the transaction.  
28


1 All in violation of Title 15, United States Code, Section 78m(a), (b)(2), 78ff; Title  
2 17, Code of Federal Regulations, Section 240.13b2-2; and Title 18, United States Code,  
3 Section 2.

4 A TRUE BILL:

5 DATED: 22 SEPTEMBER 2005

6  
7 Signature of Foreperson redacted  
8 pursuant to the policy of the Judicial  
9 Conference of the  
10 United States  
11 FOREPERSON

12   
13 JOHN MCKAY  
14 United States Attorney

15   
16 WILLIAM H. STAPLETON  
17 Trial Attorney, U.S. Department of Justice  
18 Criminal Division, Fraud Section

19   
20 JOSEPH A. CAPONE  
21 Trial Attorney, U.S. Department of Justice  
22 Criminal Division, Fraud Section