

1 about June 2008, defendant GARRET GRIFFITH GILILLAND III and defendant
2 NICOLE MAGPUSAO resided in Chico, California, in Butte County, in the
3 State and Eastern District of California.

4 2. From approximately in or about October 2006 through in or
5 about June 2008, defendant GILILLAND and other individuals known and
6 unknown to the Grand Jury operated an unlicensed mortgage and real
7 estate brokerage under the name of "Norcal Innovative Investments,
8 Inc.," located first at 2571 Cal Park Drive, Chico, California, and
9 then at defendant GILILLAND's residence at 824 Whispering Winds Lane,
10 Chico, California.

11 3. At all times relevant to this indictment, defendant GARRET
12 GRIFFITH GILILLAND III and others recruited "straw" or nominal buyers
13 of real estate and prepared and processed false and fraudulent
14 documents in connection with mortgage loan applications on behalf of
15 those nominal buyers.

16 4. On or about November 15, 2006, defendant GILILLAND caused to
17 be incorporated in California the following entities: G III
18 Construction, Inc. ("G III"); GIG Enterprises, Inc. ("GIG Enterprises"
19 or "GIG"); and Norcal Innovative Investments, Inc. ("NCII").
20 Defendant GILILLAND maintained control over G III Construction, Inc.
21 and GIG Enterprises, Inc.. Defendant GILILLAND and at least one other
22 individual jointly controlled Norcal Innovative Investments, Inc..

23 5. At all times relevant to this indictment, G III Construction,
24 Inc. maintained bank accounts at Wells Fargo Bank, over which
25 defendant GILILLAND exercised control. GIG Enterprises, Inc.
26 maintained a bank account at Tri Counties Bank, over which defendant
27 GILILLAND exercised control. Norcal Innovative Investments, Inc.
28 maintained a bank account at Tri Counties Bank, over which defendant

1 GILILLAND and another individual known to the Grand Jury jointly
2 exercised control.

3 6. At all times relevant to this indictment, defendant GILILLAND
4 maintained personal bank accounts at Wells Fargo Bank and Bank of
5 America. Defendant GILILLAND and an individual known to the Grand
6 Jury also maintained a personal bank account at Tri Counties Bank,
7 over which they shared signatory authority on the account.

8 7. As used in this indictment, the term "80/20" financing refers
9 to a kind of real estate financing in which two loans - one for 80% of
10 the purchase price, the second for 20% of the purchase price - combine
11 to finance all or substantially all of the purchase price of a
12 residential real property.

13 8. At all times relevant to this Indictment, defendant NICOLE
14 MAGPUSAO and individuals, including, but not limited to, those
15 identified as J.G., C.C., A.B., R.A., B.R., J.J., J.G., E.H., P.A.,
16 C.F., A.S., E.A., T.G., M.C., A.W., J.C., L.F., P.P., E.C., J.S.,
17 G.S., and R.J.G., resided in the State and Eastern District of
18 California and in the State and Central District of California, and
19 elsewhere. These individuals agreed with defendant GILILLAND and his
20 associates to purchase properties, including residential real
21 properties located in Chico, California and elsewhere. Each purchase
22 was 100% financed through lenders using so called "80/20 loans," which
23 loans totaled approximately \$10 million in aggregate value. In many
24 instances, defendant GILILLAND and his associates promised these straw
25 or nominal purchasers monetary payments in exchange for allowing homes
26 to be put in the names of the nominal purchasers.

27 II. THE SCHEME TO DEFRAUD

28 9. Beginning not later than in or about October 2006 and

1 continuing through in or about June 2008, in the State and Eastern
2 District of California, and elsewhere, defendant GARRET GRIFFITH
3 GILILLAND III, defendant NICOLE MAGPUSAO, and others known and unknown
4 to the Grand Jury, did knowingly devise and intend to devise a
5 material scheme and artifice to defraud residential real property
6 lenders and to obtain property by means of materially false and
7 fraudulent pretenses, representations and promises. As a result of
8 the fraud, defendant GILILLAND and others known to the Grand Jury
9 obtained real property and money to which they were not entitled.

10 10. As a result of the scheme to defraud, bank accounts
11 controlled by defendant GILILLAND and others received at least \$1.5
12 million in fraud proceeds, and defendant GILLILAND and others caused
13 lenders to lose at least \$3 million.

14 III. WAYS AND MEANS

15 11. The ways and means by which the mail fraud scheme was
16 accomplished are set out below:

17 12. Between in or about October 2006 through in or about June
18 2008, defendant GARRET GRIFFITH GILILLAND III, his associates and
19 others known and unknown to the Grand Jury, recruited various
20 individuals, including straw or nominal purchasers, to purchase each
21 of the following residential real properties, and others, in various
22 communities in the State and Eastern District of California and the
23 State and Middle District of Florida:

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Property Description	Purchaser
1367 Ringtail Court Chico, California	J.G.
2655 Ceanothus Avenue Chico, California	C.C.

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Property Description	Purchaser
1419 Yosemite Drive Chico, California	A.B.
2733 Ceanothus Avenue Chico, California	R.A.
2650 Ceanothus Avenue Chico, California	B.R.
87 Key West Loop Chico, California	J.J.
180 Pauletah Place Chico, California	J.G.
2718 Ceanothus Drive Chico, California	E.H.
2630 Ceanothus Avenue Chico, California	P.A.
2738 Ceanothus Avenue Chico, California	C.F.
1392 Ringtail Court Chico, California	A.S.
1679 Arch Way Chico, California	E.A.
1370 Wanderer Lane Chico, California	T.G.
2660 Ceanothus Avenue Chico, California	M.C.
3291 Rockin M Drive Chico, California	NICOLE MAGPUSAO
2640 Ceanothus Avenue Chico, California	A.W.
2601 Sedona Avenue Chico, California	J.C.
1657 Arch Way Chico, California	L.F.
2839 Ceanothus Avenue Chico, California	P.P.
2819 Ceanothus Avenue Chico, California	E.C.
2827 Ceanothus Avenue Chico, California	J.S.

Property Description	Purchaser
577 Eaton Road Chico, California	G.S.
14718 Masterson Way Magalia, California	E.A.
3737 Castle Pine Lane #4412, Orlando, Florida	R.J.G.

Defendant GARRET GRIFFITH GILILLAND III orchestrated and otherwise participated in each of the real estate transactions described above.

Defendant GILILLAND and his associates acted as the mortgage broker and real estate agent in each of the transactions described above.

13. It was further part of the scheme and artifice that defendant GARRET GRIFFITH GILILLAND III and others assisted in obtaining "80/20" loans or 100% mortgage financing to finance the entirety of the transactions described in paragraph 12 above, and caused materially false loan applications to be prepared on behalf of the purchasers identified in paragraph 12 above, using personal information defendant GILILLAND obtained from them, and submitted other documents to mortgage lenders in connection with the real property transactions described in paragraph 12 above. Such loan applications and other documents submitted to mortgage lenders contained false representations, including false representations and omissions about the borrowers' monthly income and/or employment, the borrowers' intent to occupy the property as a primary residence, the borrowers' assets and/or liabilities, and misrepresentations about the true price of the real properties.

14. It was further part of the scheme and artifice that defendant GARRET GRIFFITH GILILLAND III arranged for the properties

1 described in paragraph 12, above, to be purchased at a price above the
2 true market price, and in many instances, above the then-current list
3 price of the properties. Defendant GILLILAND and persons known to the
4 Grand Jury arranged with sellers for a percentage of the margin
5 between the actual market price and the inflated purchase price of the
6 properties to be credited after the close of escrow to the bank
7 accounts of G III construction, Inc., GIG Enterprises, Inc., and
8 Norcal Innovative Investments, Inc.. In some instances, these credits
9 were purportedly for improvements or repairs to the properties. In
10 furtherance of the scheme, sellers diverted these monetary credits
11 totaling over \$1,500,000 in amounts ranging from approximately \$4,000
12 to \$59,000 to the bank accounts of G III construction, Inc., GIG
13 Enterprises, Inc., Norcal Innovative Investments, Inc., and the
14 personal bank account of defendant GARRET GRIFFITH GILILLAND III at
15 the close of escrow for each of the real property transactions
16 described in paragraph 12 above.

17 15. It was further part of the scheme and artifice that
18 defendant GARRET GRIFFITH GILILLAND III and others deliberately caused
19 the credits described in paragraph 14 above to be concealed from the
20 lenders by not disclosing them in any purchase agreement and by
21 withholding from the mortgage lenders the purchase addenda that
22 reflected the credits. To the extent these credits were disclosed in
23 purchase addenda, they were falsely characterized as credits to be
24 used to make repairs or improvements to the purchased properties. For
25 the most part, the funds diverted to the bank accounts of G III
26 Construction, Inc., GIG Enterprises, Inc., and Norcal Innovative
27 Investments, Inc., were not used to make repairs or improvements to
28 the purchased properties, but were instead used for other purposes,

1 including extensive cash withdrawals.

2 16. It was further part of the scheme and artifice that
3 defendant GARRET GRIFFITH GILILLAND III, and others known to the Grand
4 Jury, placed renters in the purchased properties, collected the rents,
5 and caused the mortgage payments to be made for a period of several
6 months in an attempt to conceal the scheme by preventing immediate
7 defaults. In some instances, marijuana grow houses were established
8 in homes controlled by defendant GILILLAND.

9 IV. THE MAILINGS

10 17. On or about the dates set forth below, in the Eastern
11 District of California, for the purpose of executing and attempting to
12 execute the aforementioned scheme and artifice to defraud, the
13 defendants identified below did knowingly cause to be placed in a post
14 office or authorized depository for mail matter to be sent and
15 delivered by the United States Postal Service, and deposited or caused
16 to be deposited any matter or thing whatever to be sent and delivered
17 by any private or commercial interstate carrier, the items listed
18 below:

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<u>CT</u>	<u>DATE</u>	<u>SENDER</u>	<u>RECIPIENT</u>	<u>WHAT WAS SENT</u>	<u>DEFENDANTS</u>
20 21 22 23 24	2/21/06	Butte County Recorder's Office/Re: J.G.'s purchase of 1367 Ringtail Road, Chico, California	Washington Mutual Bank 2210 Enterprise Drive Doc Ops - MS S000140 Florence, SC 29501	Deed of Trust sent by U.S. Mail	GILILLAND

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CT	DATE	SENDER	RECIPIENT	WHAT WAS SENT	DEFENDANTS
2	8/17/06	Butte County Recorder's Office/Re: C.C.'s purchase of 2655 Ceanothus Avenue, Chico, California	Greenpoint Mortgage Funding, Inc. 981 Airway Court, Suite E Santa Rosa, CA 95403-2049	Deed of Trust sent by U.S. Mail	GILILLAND
3	10/12/06	Butte County Recorder's Office/Re: A.B.'s purchase of 1419 Yosemite, Chico, California	Suntrust Mortgage, Inc. RVW 5093 1001 Semmes Avenue Richmond, Virginia 23224	Deed of Trust sent by U.S. Mail	GILILLAND
4	10/18/06	Butte County Recorder's Office/Re: R.A.'s purchase of 2733 Ceanothus Avenue, Chico, California	Argent Mortgage Company, LLC C/O Nationwide Title Clearing, Inc. 2100 Alt 19 North Palm Harbor, FL 34683	Deed of Trust sent by U.S. Mail	GILILLAND
5	11/17/06	Butte County Recorder's Office/Re: B.R.'s purchase of 2650 Ceanothus Avenue, Chico, California	Suntrust Mortgage, Inc. RVW 5093 1001 Semmes Avenue Richmond, Virginia 23224	Deed of Trust sent by U.S. Mail	GILILLAND
6	12/13/06	Butte County Recorder's Office/Re: J.J.'s purchase of 87 Key West Loop, Chico, California	Suntrust Mortgage, Inc. RVW 5093 1001 Semmes Avenue Richmond, Virginia 23224	Deed of Trust sent by U.S. Mail	GILILLAND

<u>CT</u>	<u>DATE</u>	<u>SENDER</u>	<u>RECIPIENT</u>	<u>WHAT WAS SENT</u>	<u>DEFENDANTS</u>
7	1/9/07	Butte County Recorder's Office/Re: E.H.'s purchase of 2718 Ceanothus Avenue, Chico, California	Argent Mortgage Company, LLC C/O Nationwide Title Clearing, Inc. 2100 Alt 19 North Palm Harbor, FL 34683	Deed of Trust sent by U.S. Mail	GILILLAND
8	1/25/07	Butte County Recorder's Office/Re: P.A.'s purchase of 2630 Ceanothus Avenue, Chico, California	RESMAE Mortgage Corporation 6 Pointe Drive Brea, California 92821	Deed of Trust sent by U.S. Mail	GILILLAND
9	1/31/07	Butte County Recorder's Office/Re: C.F.'s purchase of 2738 Ceanothus Avenue, Chico, California	Fieldstone Mortgage Company 11000 Broken Land Parkway Suite 600 Columbia, MD 21044	Deed of Trust sent by U.S. Mail	GILILLAND
10	1/25/07	Butte County Recorder's Office/Re: J.G.'s purchase of 180 Paultah Place, Chico, California	Lime Financial 5885 SW Meadows Road STE 600 Lake Oswego, OR 97035	Deed of Trust sent by U.S. Mail	GILILLAND
11	3/5/07	Butte County Recorder's Office/Re: A.S.'s purchase of 1392 Ringtail Court, Chico, California	Argent Mortgage Company, LLC C/O Nationwide Title Clearing, Inc. 2100 Alt 19 North Palm Harbor, FL 34683	Deed of Trust sent by U.S. Mail	GILILLAND

CT	DATE	SENDER	RECIPIENT	WHAT WAS SENT	DEFENDANTS
12	3/18/07	Butte County Recorder's Office/Re: E.A.'s purchase of 1679 Arch Way, Chico, California	Just Mortgage, Inc. 9680 Haven Avenue, Suite 200 Rancho Cucamonga CA 91730 Loan Number: 0051161053	Deed of Trust sent by U.S. Mail	GILILLAND
13	4/25/07	Butte County Recorder's Office/Re: T.G.'s purchase of 1370 Wanderer Lane, Chico, California	Fidelity National Title Co., 2210 Enterprise Drive Doc Ops - MS SC00140 Florence, SC 29501	Deed of Trust sent by U.S. Mail	GILILLAND
14	4/26/07	Butte County Recorder's Office/Re: M.C.'s purchase of 2660 Ceanothus Avenue, Chico, California	Alliance Bancorp, c/o Nationwide Title Clearing, Inc., Attn: Final Docs Unit 2100 Alt 19 North Palm Harbor, Florida 34683 Loan Number: 155575	Deed of Trust sent by U.S. Mail	GILILLAND
15	7/16/07	Butte County Recorder's Office/Re: NICOLE MAGPUSAO's purchase of 3291 Rockin M Drive Chico, California	Fieldstone Mortgage Company 11000 Broken Land Parkway Suite 600 Columbia, MD 21044	Deed of Trust sent by U.S. Mail	GILILLAND MAGPUSAO

<u>CT</u>	<u>DATE</u>	<u>SENDER</u>	<u>RECIPIENT</u>	<u>WHAT WAS SENT</u>	<u>DEFENDANT'S</u>
16	7/18/07	Butte County Recorder's Office/Re: A.W.'s purchase of 2640 Ceanothus Avenue, Chico, California	Nationwide Title Clearing, Inc. ATTN: Dusti Woodbury - CIT Unit 2100 Alt. 19 North Palm Harbor, FL 34683	Deed of Trust sent by U.S. Mail	GILILLAND
17	8/13/07	Butte County Recorder's Office/Re: J.C.'s purchase of 2601 Sedona Avenue Chico, California	Chase USA Attn: Trailing Documents 700 Kansas Lane Mail Code LA4-4106 Monroe, LA 71203	Deed of Trust sent by U.S. Mail	GILILLAND
18	8/21/07	Butte County Recorder's Office/Re: L.F.'s purchase of 1657 Arch Way, Chico, California	Nationwide Title Clearing, Inc. ATTN: Dusti Woodbury - CIT Unit 2100 Alt. 19 North Palm Harbor, FL 34683	Deed of Trust sent by U.S. Mail	GILILLAND
19	10/15/07	Butte County Recorder's Office/Re: P.P.'s purchase of 2839 Ceanothus Avenue Chico, California	Homecomings Financial, One Meridian Crossing, Ste. 100 Minneapolis, MN 55423	Deed of Trust sent by U.S. Mail	GILILLAND
20	11/9/07	Butte County Recorder's Office/Re: E.C.'s purchase of 2819 Ceanothus Avenue, Chico, California	Mortgage Dept. 17744 Skypark Circle, Suite 150 Irvine, CA 92614	Deed of Trust sent by U.S. Mail	GILILLAND

CT	DATE	SENDER	RECIPIENT	WHAT WAS SENT	DEFENDANTS
21	12/17/07	Butte County Recorder's Office/Re: J.S.'s purchase of 2827 Ceanothus Avenue, Chico, California	Homecomings Financial, One Meridian Crossing, Ste. 100 Minneapolis, MN 554238	Deed of Trust sent by U.S. Mail	GILILLAND
22	2/20/08	Butte County Recorder's Office/Re: G.S.'s purchase of 577 Eaton Road Chico, California	Just Mortgage, Inc. 9680 Haven Avenue, Suite 200 Rancho Cucamonga CA 91730	Deed of Trust sent by U.S. Mail	GILILLAND
23	5/19/08	Butte County Recorder's Office/Re: E.A.'s purchase of 14718 Masterson Way, Magalia, California	Downey Savings and Loan Association, F.A. P.O. Box 6060, 3501 Jamboree Rd. Newport Beach, CA 92658	Deed of Trust sent by U.S. Mail	GILILLAND
24	7/7/08	Orange County Comptroller's Office/Re: R.J.G.'s purchase of 3737 Castle Pine Lane #4412 Orlando, Florida	Superior Escrow Closings, 1215 K. Street, 16 th Floor, Sacramento, California 95814	Deed of Trust sent by U.S. Mail	GILILLAND

All in violation of Title 18, United States Code, Sections 1341 and 2.

COUNTS TWENTY-FIVE THROUGH TWENTY-SEVEN: [18 U.S.C. § 1014 - False Statements in Loan Applications]

The Grand Jury further charges:

GARRET GRIFFITH GILILLAND III, and
NICOLE MAGPUSAO,

1 defendants herein, as follows:

2 1. The allegations set forth in paragraphs 1 through 16 of
3 Counts One through Twenty-Four of this indictment are realleged as if
4 fully set forth herein.

5 2. On or about the dates set forth below, in the County of
6 Butte, State and Eastern District of California, and elsewhere,
7 defendants GARRET GRIFFITH GILILLAND III and NICOLE MAGPUSAO, as
8 listed below, knowingly made and caused to be made false statements
9 and reports for the purpose of influencing the lenders set forth
10 below, the accounts of which were then and there insured by the
11 Federal Deposit Insurance Corporation, in connection with home loans
12 being sought in their own names or in the names of the straw
13 purchasers including, by among other things, falsely inflating each
14 borrower's gross monthly income, and falsely reporting employment
15 history, as set forth below:

<u>CT</u>	<u>DATE OF FALSE STATEMENT OR REPORT</u>	<u>PROPERTY ADDRESS</u>	<u>LENDER</u>	<u>MANNER IN WHICH APPLICATION WAS FALSE</u>	<u>DEFENDANT</u>
19 20 21	6/24/07	83 Pauletah Place, Chico, CA	Deutsche Bank	Owner occupied, gross monthly income of \$8,750 from Savings Direct Magazine	MAGPUSAO GILILLAND
22 23 24 25	6/28/06	1585 Arch Way Chico, CA	Chase Bank USA, NA	Owner occupied, home address, \$7767.83 monthly income, employed with AGS Construction Services for 2.2 years	GILILLAND
26 27 28	4/26/07	2689 Ceanothus Ave., Chico, CA	National City Bank	Self-employed with G III construction, Inc. for 3 years, 9 months	GILILLAND

1 All in violation of Title 18, United States Code, Sections 1014 and 2.
2 COUNT TWENTY-EIGHT: [18 U.S.C. § 1956(h) - Conspiracy to Launder
3 Funds]

4 The Grand Jury further charges:

5 GARRET GRIFFITH GILILLAND III,

6 defendant herein, as follows:

7 1. The allegations set forth in paragraphs 1 through 17 of
8 Counts One through Twenty-Four of this indictment, and the allegations
9 set forth in paragraphs 1 and 2 of Counts Twenty-Five through Twenty-
10 Seven of this indictment, are realleged as if fully set forth herein.

11 2. Beginning at a time unknown to the Grand Jury, but beginning
12 no later than on or about October 12, 2006, and continuing to on or
13 about October 16, 2008, in the Counties of Butte, El Dorado, and
14 Sacramento, in the State and Eastern District of California; and in
15 the Counties of Los Angeles and Orange, in the State and Central
16 District of California, and elsewhere, defendant GARRET GRIFFITH
17 GILILLAND III did knowingly combine, conspire, confederate and agree
18 with others, known and unknown to the Grand Jury, to engage in
19 monetary transactions affecting interstate commerce in criminally
20 derived property of a value greater than \$10,000, in violation of
21 Title 18, United States Code, Section 1957.

22 3. For the purpose of carrying out the conspiracy, defendant
23 GILILLAND and others made and caused to be made the bank account
24 transfers indicated below, and others, the accounts of which were
25 insured by the Federal Deposit Insurance Corporation, the proceeds of
26 which were derived from specified unlawful activity, that is, mail
27 fraud, in violation of Title 18, United States Code, Section 1341, as
28 alleged in Counts One through Twenty-Four of this Indictment, and

1 false statements in loan applications, in violation of Title 18,
 2 United States Code, Section 1014, as alleged in Counts Twenty-Five
 3 through Twenty-Seven of this Indictment:

<u>DATE</u>	<u>AMOUNT</u>	<u>MONETARY TRANSACTION</u>
10/12/06	\$12,000.00	Cash withdrawal from GILILLAND's Tri Counties bank account number ending 3231 following deposit of check #2356 for \$52,000 drawn on Tri Counties bank account number ending 4001
2/7/07	\$16,000.00	Deposit of check #2654 drawn on Tri Counties bank account number ending 4001 into G III's Wells Fargo bank account number ending 3690
2/7/07	\$16,000.00	Deposit of check #2655 drawn on Tri Counties bank account number ending 4001 into NCII's Tri Counties bank account number ending 8836
3/22/07	\$34,000.00	Deposit of check #2777 drawn on Tri Counties bank account number ending 4001 into NCII's Tri Counties bank account number ending 8836
3/22/07	\$34,000.00	Deposit of check #2778 drawn on Tri Counties bank account number ending 4001 into G III's Wells Fargo bank account number ending 3690
4/10/07	\$20,000.00	Deposit check #2838 drawn on Tri Counties bank account number ending 4001 into GIG's Tri Counties bank account number ending 8848
4/10/07	\$20,000.00	Deposit of check #2839 drawn on Tri Counties bank account number ending 4001 into NCII's Tri Counties bank account number ending 8836
6/5/07	\$20,000.00	Deposit of check #2958 drawn on Tri Counties bank account number ending 4001 into GIG's Tri Counties bank account number ending 8848
6/5/07	\$23,000.00	Deposit of check #2959 drawn on Tri Counties bank account number ending 4001 into G III's Wells Fargo bank account number ending 3690
6/22/07	\$52,000.00	Deposit of Check #2976 drawn on Tri Counties bank account number ending 4001 into G III's Wells Fargo bank account number ending 3690
7/6/07	\$26,000.00	Deposit of check #7572 drawn on Comerica bank account number ending 1469 into NCII's Tri Counties Bank account number ending 8836
7/6/07	\$35,000.00	Deposit of check #3035 drawn on Tri Counties bank account number ending 4001 into G III's Wells Fargo bank account number ending 3690

DATE	AMOUNT	MONETARY TRANSACTION
7/6/07	\$34,000.00	Deposit of check #3036 drawn on Tri Counties bank account number ending 4001 into GIG's Tri Counties bank account number ending 8848
7/20/07	\$30,000.00	Deposit of check #3053 drawn on Tri Counties bank account number ending 4001 into Diamond Hill's U.S. Bank account and issuance of official item #110342995
7/20/07	\$40,000.00	Deposit of check #3079 drawn on Tri Counties bank account number ending 4001 into G III's Wells Fargo bank account number ending 3690
7/20/07	\$20,000.00	Deposit of check #3080 drawn on Tri Counties bank account number ending 4001 into GIG's Tri Counties bank account number ending 8848
1/31/08	\$30,000.00	Deposit of check #3523 drawn on Tri Counties bank account number ending 4001 into G III's Wells Fargo bank account number ending 3690
4/2/08	\$50,000.00	Deposit of check #3678 drawn on Tri Counties bank account number ending 4001 into G III's Wells Fargo bank account number ending 3690

All in violation of Title 18, United States Code, Sections 1956(h) and 2.

COUNT TWENTY-NINE: [21 U.S.C. §§ 846 and 841(a)(1) - Conspiracy to Manufacture Marijuana Plants]

The Grand Jury further charges: T H A T

GARRET GRIFFITH GILILLAND III,

defendant herein, beginning at a time unknown to the Grand Jury, but not later than in or about March 2007 and continuing up to and including October 2008, in the Counties of Butte and Sacramento, in the State and Eastern District of California; and in the Counties of Sonoma and Napa, with State and Northern District of California, and elsewhere, did knowingly and intentionally conspire with other persons known and unknown to the Grand Jury, to manufacture at least 100 marijuana plants, a Schedule I controlled substance, in violation of

1 Title 21, United States Code, Sections 846 and 841(a)(1).

2 COUNT THIRTY: [31 U.S.C. § 5332 - Bulk Cash Smuggling]

3 The Grand Jury further charges: T H A T

4 GARRET GRIFFITH GILILLAND III,

5 defendant herein, and others known to the Grand Jury, on or about
6 October 10, 2008, in the State and Eastern District of California and
7 elsewhere, with intent to evade a currency reporting requirement under
8 Title 31, United States Code, Section 5316, did knowingly conceal and
9 cause to be concealed more than \$10,000 in currency in a container and
10 caused such currency to be transported and transferred, and attempted
11 to transport and transfer such currency, from a place within the
12 United States, to a place outside of the United States, by,
13 specifically, placing and causing to be placed \$20,000 in currency
14 inside a Federal Express package sent from Sacramento, California to a
15 foreign county.

16 All in violation of Title 31, United States Code, Section 5332 and
17 Title 18, United States Code, Section 2.

18 FORFEITURE ALLEGATIONS: [18 U.S.C. § 982(a)(1), 18 U.S.C. §
19 981(a)(1)(C), 28 U.S.C. § 2461(c), 31 U.S.C.
§ 5332(b)(2) - Criminal Forfeiture]

20 The Grand Jury alleges: THAT

21 GARRET GRIFFITH GILILLAND III,

22 defendant herein, as follows:

23 Upon conviction of one or more of the offenses alleged in Counts
24 One through Twenty-Four of this Superseding Indictment, defendant
25 GARRET GRIFFITH GILILLAND III, shall forfeit to the United States
26 pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c)), any
27 property, real or personal, which constitutes or is derived from
28 proceeds traceable to said violations, including but not limited to

1 the following:

- 2 (a) 2007 Jeep BTM, Vin #1J4GA59187L146234, Black in color,
3 Registered Owner: Norcal Innovative Investment;
4 (b) Breitling wristwatch; and
5 (c) A sum of money equal to the amount of proceeds derived
6 from the offenses charged in Counts One through Twenty-
7 Four.

8 Upon conviction of one or more of the offenses alleged in Counts
9 Twenty-Five through Twenty-Seven of this Superseding Indictment,
10 defendant GARRET GRIFFITH GILILLAND III, shall forfeit to the United
11 States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c),
12 any property, real or personal, which constitutes or is derived from
13 proceeds traceable to said violations, including but not limited to
14 the following:

- 15 (a) A sum of money equal to the amount of proceeds derived
16 from the offenses charged in Counts Twenty-Five through
17 Twenty-Seven.

18 Upon conviction of one or more of the offenses alleged in Count
19 Twenty-Eight of this Superseding Indictment, defendant GARRET GRIFFITH
20 GILILLAND III shall forfeit to the United States pursuant to 18 U.S.C.
21 § 982(a)(1), any property, real or personal, involved in such offense,
22 or any property traceable to such property, including but not limited
23 to:

- 24 (a) Approximately \$28,900 in U.S. currency; and
25 (b) A sum of money equal to the amount of proceeds
26 derived from the offense charged in Count Twenty-
27 Eight.

28 Upon conviction of one or more of the offenses alleged in Count
29 Thirty of this Superseding Indictment, defendant GARRET GRIFFITH
30 GILILLAND III shall forfeit to the United States pursuant to 31 U.S.C.
31 § 5332(b)(2), any property, real or personal, involved in such

1 offense, or any property traceable to such property, including but not
2 limited to:

3 (a) Approximately \$20,000 in U.S. currency.

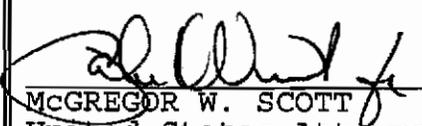
4 If any property, as a result of any act or omission of the
5 defendant cannot be located upon the exercise of due diligence; has
6 been transferred or sold to, or deposited with, a third person; has
7 been placed beyond the jurisdiction of the Court; has been
8 substantially diminished in value; or has been commingled with other
9 property which cannot be subdivided without difficulty; it is the
10 intent of the United States, pursuant to 18 U.S.C. § 982(b)(1), 28
11 U.S.C. § 2461(c), and 31 U.S.C. § 5332(b)(3), incorporating 21 U.S.C.
12 § 853(p), to seek forfeiture of any other property of said defendant
13 up to the value of the property subject to forfeiture, including but
14 not limited to the following:

- 15 (a) 2007 Jeep BTM, Vin #1J4GA59187L146234, Black in color,
16 Registered Owner: Norcal Innovative Investment;
- 17 (b) 2003 West Coast Chopper Motorcycle,
18 Vin#1W9SJ25073P279147, Registered Owner: Garret
19 Griffith Gililland;
- 20 (c) Breitling wristwatch;
- 21 (d) Approximately \$28,900 in U.S. currency; and
- 22 (e) Approximately \$20,000 in U.S. currency.

A TRUE BILL.

/s/ Signature on file w/AUSA

FOREPERSON

24 
25 MCGREGOR W. SCOTT
26 United States Attorney

UNITED STATES DISTRICT COURT

Eastern District of California

Criminal Division

THE UNITED STATES OF AMERICA

vs.

**GARRET GRIFFITH GILILLAND III, and
NICOLE MAGPUSAO**

SUPERSEDING INDICTMENT

VIOLATION(S): 18 U.S.C. § 1341 - Mail Fraud (24 Counts);
18 U.S.C. § 1014 - False Statements in Loan Applications (3
Counts); 18 U.S.C. § 1956 (h) - Conspiracy to Manufacture
Marijuana Plants; 31 U.S.C. § 5332 - Bulk Cash Smuggling;
18 U.S.C. § 982(a)(1), 18 U.S.C. § 981(a)(1)(C), 28 U.S.C.
2461(c), and 31 U.S.C. § 5332(b)(2) - Criminal Forfeiture

21 U.S.C. §§
846, 841(a)(1)
RLO

A true bill,

| S |

Foreman

Filed in open court this 29 day

of OCTOBER, A.D. 20 08

Clerk

Bail, \$

WARRANT: NO BAIL PENDING HEARING

as to both DS

PENALTY SLIP

GARRET GRIFFITH GILILLAND III: Counts 1 - 30

NICOLE MAGPUSAO: Counts 1 - 27

COUNTS 1 - 24	18 U.S.C. 1341 - Mail Fraud	PENALTY:	NMT 20 years imprisonment NMT \$250,000 fine; or Both TSR: NMT 3 Years But for counts affecting a financial institution: NMT 30 years imprisonment NMT \$1 million fine; or Both TSR: NMT 5 Years
COUNTS 25 - 27	18 U.S.C. 1014 - False Statements in Loan Applications	PENALTY:	NMT: \$1,000,00 fine NMT: 30 years imprisonment; or Both TSR: NMT 5 Years
COUNT 28	21 U.S.C. 1956 (h) - Conspiracy to Launder Funds	PENALTY:	NMT 10 years imprisonment; \$250,000 fine (or an alternate fine of double the amount laundered here, \$10,000) or Both
COUNT 29	18 U.S.C. 846 and 841 (a) (1) - Conspiracy to Manufacture Marijuana Plants	PENALTY:	Mandatory Min: 5 years Max: 40 years NMT: \$2 million dollars fine, or Both <u>At Least 4 Years</u> TSR
COUNT 30	31 U.S.C. 5332 - Bulk Cash Smuggling	PENALTY:	NMT: 5 years imprisonment Forfeiture: any property, real or personal, involved in the offense, and any property traceable to such property

SPECIAL ASSESSMENT: \$100.00 for each count**Forfeiture Allegations:** Criminal forfeiture of money or property is subject to proof in a separate proceeding immediately following conviction at a criminal trial on counts 1-28.