

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: INFORMATION INDICTMENT

Matter Sealed: Juvenile Other than Juvenile
 Pre-Indictment Plea Superseding Defendant Added
 Indictment Charges/Counts Added
 Information

Name of District Court, and/or Judge/Magistrate Location (City)
 UNITED STATES DISTRICT COURT Northern California (SF)
 DISTRICT OF Divisional Office

Name and Office of Person Furnishing Information on THIS FORM Melinda Haag
 U.S. Atty Other U.S. Agency
 Phone No. (415) 436-7200
 Name of Asst. U.S. Attorney (if assigned) Doug Sprague

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)
Federal Bureau of Investigation
 person is awaiting trial in another Federal or State Court (give name of court)
 this person/proceeding transferred from another district per (circle one) FRCrP 20, 21 or 40. Show District
 this is a reprosecution of charges previously dismissed which were dismissed on motion of:
 U.S. Atty Defense
 this prosecution relates to a pending case involving this same defendant. (Notice of Related Case must still be filed with the Clerk.)
 prior proceedings or appearance(s) before U.S. Magistrate Judge regarding this defendant were recorded under

SHOW DOCKET NO.

MAG. JUDGE CASE NO.
3-14-70160 MEJ

Place of offense San Francisco, CA County San Francisco

CASE NO. _____

USA vs.

Defendant: Jonathan Edward MILLS

Address: _____

CR 14 133

Interpreter Required Dialect: _____ **CRB**

Birth Date _____ Male Alien (if applicable)
 Female

Social Security Number _____

DEFENDANT

Issue: Warrant Summons

Location Status:
 Arrest Date 2/19/2014 or Date Transferred to Federal Custody _____

Currently in Federal Custody
 Currently in State Custody
 Writ Required
 Currently on bond
 Fugitive

Defense Counsel (if any): Jodi Linker

FPD CJA RET'D
 Appointed on Target Letter

This report amends AO 257 previously submitted

OFFENSE CHARGED - U.S.C. CITATION - STATUTORY MAXIMUM PENALTIES - ADDITIONAL INFORMATION OR COMMENTS

Total # of Counts 6

Set	Title & Section/Offense Level (Petty = 1 / Misdemeanor = 3 / Felony = 4)	Description of Offense Charged	Count(s)
	SEE ATTACHED		

United States v. Jonathan Edward Mills
Attachment to Penalty Sheet

MAXIMUM PENALTIES (Each Count)

Counts One and Two: (Title 18, United States Code, Section 1343 – Wire Fraud)

Imprisonment: 20 years

Fine: \$250,000 (or twice the value of the property involved in the offense, whichever is greater)

Supervised Release: 3 years

Special Assessment: \$100

Restitution: To be determined by the Court

Counts Three through Six: (Title 18, United States Code, Section 1957 - Money Laundering)

Imprisonment: 10 years

Fine: \$250,000 (or twice the amount of the criminally derived property involved in the transaction)

Supervised Release: 3 years

Special Assessment: \$100

Restitution: To be determined by the Court

1 MELINDA HAAG (CABN 132612)
United States Attorney

FILED
2014 MAR 13 P 2:45
U.S. DISTRICT COURT
SAN FRANCISCO, CALIFORNIA
[Signature]

8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA

CRB

10 SAN FRANCISCO DIVISION **CR 14 133**

11 UNITED STATES OF AMERICA,) NO. CR
12 Plaintiff,) VIOLATIONS: Title 18, United States Code, Section
13 v.) 1343—Wire Fraud; Title 18, United States Code,
14 JONATHAN EDWARD MILLS,) Section 1957—Money Laundering; Title 18, United
15 Defendant.) States Code, Sections 982(a)(1), 982(a)(3)(E, F) and
) Title 28, United States Code, Section 2461(c)—
) Forfeiture Allegation
) SAN FRANCISCO VENUE

18 INDICTMENT

19 The Grand Jury charges:

20 Introductory Allegations

21 1. Defendant, Jonathan Edward MILLS, was an individual who resided in San Francisco,
22 California. From 2010 until he was fired on or about December 1, 2013, MILLS served as the Chief
23 Executive Officer of Motionloft, Inc., a technology company based in San Francisco, California.

24 2. Victims M.B., J.D., E.H., M.L., and S.Y. were individuals who resided in and around San
25 Francisco, California.

26 The Scheme to Defraud

27 3. From approximately early 2013 through approximately December 2013, MILLS devised
28 and executed a material scheme to defraud victims, and to obtain money from victims by means of

1 materially false and fraudulent pretenses, representations, and promises, and by omitting and concealing
2 material facts. MILLS executed his scheme by, among other things, falsely telling victims that
3 Motionloft was going to be acquired by a well-known multinational company based in Silicon Valley.
4 MILLS falsely told his victims, in sum and substance, that in exchange for providing money to
5 Motionloft, his victims would share in the massive profits resulting from the acquisition. As MILLS
6 knew, however, there was no such purported acquisition planned, and the victims lost the money they
7 provided based on MILLS's false statements. Indeed, MILLS spent most of the money to fund a lavish
8 lifestyle including private jet trips to luxurious vacation destinations, expensive entertainment, and
9 lulling payments to other victims.

10 Manner and Means of the Scheme

11 4. In furtherance of his scheme to defraud, and to induce individuals to provide money
12 purportedly for Motionloft and not to withdraw those funds once they were provided, MILLS made
13 many material misrepresentations to prospective victims and omitted and concealed many material facts
14 from them, including but not limited to the following:

15 a. MILLS falsely told several victims various information at different points during
16 his scheme about the status of a purported acquisition of Motionloft, including that Motionloft might be
17 acquired, Motionloft was going to be acquired, and Motionloft was in the process of being acquired;

18 b. MILLS falsely told several victims that they would (and later did) receive an
19 ownership stake in Motionloft in return for their investment;

20 c. MILLS falsely stated that the acquiring company had agreed to pay hundreds of
21 millions of dollars to acquire Motionloft;

22 d. MILLS falsely told victim M.B. that her share of the post-acquisition profits
23 would be \$10 million and that she should quit her job;

24 e. MILLS falsely stated that the acquiring company already had paid a 10% good
25 faith, non-refundable down payment in connection with the agreed upon acquisition;

26 f. MILLS falsely told victims they had to contribute additional funds as
27 reimbursements for tax payments resulting from the profits the victims would earn after the acquisition
28 closed;

1 g. MILLS falsely represented that he had tens of millions of dollars, after taxes, as a
2 result of the acquisition; and

3 h. MILLS failed to disclose and concealed that he would use and did use at least a
4 substantial portion of the funds provided for an investment in Motionloft for his own personal benefit,
5 including not limited to funding private jet trips, vacations, expensive entertainment, and partial
6 repayments to other victims.

7 5. In furtherance of his scheme, as more and more time passed with no acquisition and
8 victims began questioning MILLS about their money, MILLS fabricated excuses for the delays in the
9 purported acquisition. MILLS's false excuses included, but were not limited to, blaming the lawyers
10 working on the purported deal and blaming the government shutdown that occurred in late 2013.

11 6. In furtherance of his scheme, after MILLS had been fired from Motionloft, MILLS
12 concealed that fact and even tried to obtain additional "investments" from additional victims after he had
13 been fired.

14 7. As a result of his fraudulent scheme, MILLS defrauded multiple victims out of a total of
15 more than \$500,000.

16 **COUNTS ONE AND TWO:** (18 U.S.C. § 1343 – Wire Fraud)

17 8. Paragraphs 1 through 7 are realleged and reincorporated herein by reference.

18 9. On or about the dates set forth below, in the Northern District of California and
19 elsewhere, the defendant,

20 JONATHAN EDWARD MILLS,

21 for the purpose of executing his material scheme to defraud, and to obtain money and property from his
22 victims by means of materially false and fraudulent pretenses, representations, and promises, and by
23 omission and concealment of material facts, did knowingly transmit and cause to be transmitted the
24 following wire communications in interstate commerce:

25

COUNT	APPROXIMATE DATE OF WIRE	ITEM WIRED
1	November 27, 2013	\$10,000 from victim J.D.
2	November 29, 2013	\$200,000 from victim J.D.

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

COUNTS THREE THROUGH SIX: (18 U.S.C. § 1957 – Money Laundering)

10. Paragraphs 1 through 7 are realleged and reincorporated herein by reference.

11. On or about November 29, 2013, in the Northern District of California and elsewhere, the defendant,

JONATHAN EDWARD MILLS,

did knowingly engage and attempt to engage in the following monetary transactions in criminally derived property of a value greater than \$10,000, namely, the transfer of \$176,000 to the recipients set forth below, those funds having been derived from specified unlawful activity, namely, wire fraud as set forth in Count Two above, in violation of Title 18, United States Code, Section 1343:

COUNT	DESCRIPTION OF MONETARY TRANSACTION
3	\$100,000 cashier's check payable to A.I. from Bank of America account to JPMorgan Chase account to pay part of outstanding debt for private jet services
4	\$35,000 cashier's check payable to M.V. from Bank of America account to Wells Fargo account to pay for outstanding debt for penthouse suite rental
5	\$25,000 cashier's check payable to K.K. from Bank of America account to First Republic account to pay portion of outstanding debt to victim S.Y.
6	\$16,000 cashier's check payable to B.L. from Bank of America account to another Bank of America account to pay outstanding debt for vacation in Austin, Texas

Each in violation of Title 18, United States Code, Section 1957.

FORFEITURE ALLEGATION: (18 U.S.C. §§ 982(a)(1), 982(a)(3)(E, F), and 28 U.S.C. § 2461(c))

12. The allegations of Counts One through Six of this Indictment are realleged and fully incorporated herein for the purpose of alleging forfeiture pursuant to the provisions of 18 U.S.C. §§ 982(a)(1), 982(a)(3)(E, F), and 28 U.S.C. § 2461(c).

13. Upon a conviction of any of the offenses alleged in Counts One through Six, the defendant,

JONATHAN EDWARD MILLS,

shall forfeit to the United States all property constituting and derived from proceeds traceable to that

1 offense, including but not limited to a sum of money equal to the amount of proceeds obtained as a
2 result of the offense.

- 3 14. If any of said property, as a result of any act or omission of the defendant:
- 4 (a) cannot be located upon the exercise of due diligence;
 - 5 (b) has been transferred to, sold to, or deposited with a third person;
 - 6 (c) has been placed beyond the jurisdiction of the Court;
 - 7 (d) has been substantially diminished in value; or
 - 8 (e) has been commingled with other property which cannot be subdivided without difficulty;
- 9 any and all interest defendant has in other property shall be vested in the United States and forfeited to
10 the United States pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28,
11 United States Code, Section 2461(c) and Rule 32.2 of the Federal Rules of Criminal Procedure.

12
13 DATED: March 13, 2014

A TRUE BILL.

14
15 Nancy J. Peterson
16 FOREPERSON

17 MELINDA HAAG
18 United States Attorney

19 J. Douglas Wilson
20 J. DOUGLAS WILSON
Chief, Criminal Division

21 (Approved as to form: CSG)
22 AUSA Sprague