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Attorneys for Plaintiff
United States of America

09 FEB 11 AM 10:40
CLERK, U.S. DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

DEPUTY

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA ,
Plaintiff in Interpleader,
v.

Civil Case No.

COMPLAINT IN INTERPLEADER
BY THE UNITED STATES OF
AMERICA

'09 CV 0254 JM AJB

Bettye Jan Baker Adair, Douglas Alexander,
Betty Allen, Geoffrey Allen, Robert T. Allen,
Willa Mae Allen, Carol A. Alvey, Timothy J.
Alvey, Kent Anderson, Garth Bailey, William
Barrett, Vic Bauman, FNU Beattio,
Rev. Archibald Binnie, Gayland Bjornstad,
Shawn Boettger, FNU Brown, Cory Brunham,
Vernon D. Burtz, Cal. Pac. Bulletins, Cameron
Campbell, Maria Cardwell, Carman Homes
Inc., Cedar Management, Cedar Pointe
Consulting Group, Inc., Rick L. Childers,
Crystal Chalice, Circle Landing, Pearl J.
Clements, CLJ Consulting, LLC, Dakota Corp.,
Elizabeth Anne Dart, Susan Daun-Woodstock,
Theodore Diver, FNU Doerksen, Mark Dueck,
Heike Eaton, Minister John F. LNU, Don
Findlay, FNU Fletcher, Joanne Fontaine,
Roland Fontaine, FNU Fraser, Katherine
Friesen, Joan Friske, Harry Funk, Dorothy
Funk, FNU Furtin, Wesley Garbic, Gerald
Giesbrecht, Pamela Giesbrecht, FNU Granville,
Sharon Goosmann, Carolyn Gordon-Brown,
Albert Granger, Neil Guess, FNU Haight,
Deborah Hamrell, Julie Hanson, Jake Harms,
Kathy Harms, Harvest Music Promotions of
Canada Ltd, Keith Hinsz, A. Joan Howard,
Integrated Payment Systems, Inc., Vivian
Johnson, Lenardo Keuchler, Don Kerr, Pat Kerr
Kate Kerr Kestle, David Klapstein, A. Klass,
FNU Kloss, Terry Klutz, Barb Klutz, Ed Knott,
Keith Kowalski, Helen Kowalski,

Kreklywich Kowalski, Bob Kurtz, Janice Kurtz, Harlan Light, Lighthouse Pentecostal Church, M. Gypph Prof. Corp., Reginald McCaw, McGrosh Prof. Corp., Walter Miller, Doris Miller, Daniel P. Winnick, Franklin Morgan, Barbara Murley, Robert Nearing, Denver Ostafowich, Pacific Western Bank, Thomas Edward Paras, FNU Patterson, FNU Patzer, FNU Percy, Randall Perry, Stephanie Perry, Sam Pert, FNU Pirker, Donald Piska, Doris Piska, Paul Quist, FNU Radford, FNU Rains, Angel Radcliff Rhoades, FNU Rimmed, FNU Rimmer, RLA-JCW Capital, LLC, Rosemary Christian Fellowship, FNU Rowat, Darren Rowat, Brenda Rushton, Brian Rushton, F. Rhett Sanders, Georgia Sapp, Donald Sappinton, James Schatz, Craig Schweitzer, J. V. Schweitzer, Claude Sequin, Paul Shaw, Elsie Shaw, Skyward Management Inc., James Snyder, Southwest Investments/Burger, FNU Stott, J. Strohachien, Joan Strohachien, FNU Tamika, FNU Taylor, The Hillpro Group, Inc., Arvid V. Waller, FNU Williams, William A. Williamson, Dan Hillock, Ned Wolf, FNU Worries, FNU Wrubleski, Fuzhen Zhang, and John and Jane Does,

Defendants in Interpleader

COMES NOW Plaintiff United States of America, by and through its counsel, Karen P. Hewitt, United States Attorney, and Leah R. Bussell, Assistant U.S. Attorney, and states for its complaint in interpleader as follows:

1. This Court has jurisdiction pursuant to Title 28, United States Code, Section 1335 and Rule 22, Fed. R. Civ. P.

2. Venue in this jurisdiction is proper pursuant to Title 28, United States Code, Section 1397.

3. Plaintiff is now, and at all times mentioned in the complaint, the United States of America, acting by and through its agencies, including the Federal Bureau of Investigations and the United States Attorney.

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1 4. Upon information and belief, Defendants are or may be individuals residing in the
2 United States and Canada who did business with or invested funds with or through Cameron
3 Campbell, Garth Baily, and HMS Financial, Inc.

4 5. On or about April 15, 2004, \$3,521,863.63 was seized by Plaintiff from the
5 attorney trust account of Cameron Campbell at First National Bank in La Jolla, California
6 (account ending 1426).

7 6. On or about June 18, 2004, \$1,059,200 was seized by Plaintiff from Integrated
8 Payment Systems, which funds represented proceeds from checks processed by Integrated Payment
9 Systems for First National Bank which had attempted to return funds to forty-seven (47) individual
10 payors from deposits made into the attorney trust account by Cameron Campbell.

11 7. The funds described in paragraphs 5 and 6 above were deposited into interest-
12 bearing accounts held by the United States Marshals Service with interest accruing thereon
13 respectively through February 11, 2009, in the amounts of \$571,781.58 and \$170,039.88.

14 8. Contemporaneously with the filing of this complaint, the United States has
15 deposited with the Clerk of the District Court the sums representing the seized funds plus accrued
16 interest.

17 **Summary of HMS Financial's High-Yield Investment Scheme**

18 9. Headquartered in Canada, HMS Financial Inc. ("HMS") offered a purportedly
19 high-yield investment program from the years of approximately 2001 to 2004. The investment
20 scheme operated essentially as follows:

21 a. Potential investors were advised of high-yield investments available with
22 HMS that purportedly paid returns ranging from 6% to 15% per month (or more). These returns
23 were purportedly obtained through participation in special European bank "programs."

24 b. Potential investors were directed to make their checks payable to, or wire
25 their funds to, a Canadian lawyer, Garth Bailey, or his professional corporation.

26 c. Potential investors were advised that Mr. Bailey had assets in his possession
27 of \$30 million or more, which was security for the investors' funds.

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1 d. Mr. Bailey typically received the investor funds, deposited those funds into
2 bank accounts, and then followed the directions of HMS with respect to the subsequent transfer
3 of the funds.

4 10. In the course of this HMS investment scheme, 247 guaranteed funds checks, all
5 payable to Garth Bailey or his professional corporation, were deposited by Cameron Campbell at
6 First National Bank in La Jolla, California. The checks represented investments in the HMS
7 scheme made by investors throughout the United States and Canada.

8 11. Garth Bailey has subsequently admitted under penalty of perjury that, based upon
9 events and documents that he has reviewed, that HMS conducted an illegal Ponzi scheme. The
10 Law Society of Alberta suspended Bailey in March 2005. Furthermore, the Alberta Securities
11 Commission issued a cease trading Order against HMS, its principals, and Bailey.

12 12. Given the defendants' competing claims for the funds seized from Campbell, the
13 United States cannot determine which of the Defendants in Interpleader are entitled to the
14 proceeds.

15 13. The United States files this interpleader action in good faith and without any
16 collusion with any of the parties hereto. The United States claims no interest in the proceeds
17 seized from Campbell. The United States acted to restrain the dissipation of the funds by
18 Campbell in perpetuation of his various fraud schemes and to pay his own personal expenses and
19 interests.

20 **Prayer for Relief**

21 Wherefore, the United States prays for judgment against Defendants in Interpleader and
22 each of them as follows:

23 1. That the Defendants in Interpleader and each of them be required to interplead and
24 litigate among themselves their claims to the proceeds described;

25 2. That the Court determine and enter an order setting forth the proper recipients of
26 the proceeds;

27 3. That the United States be dismissed from this action with prejudice following
28 payment of the proceeds into the registry of the Court;

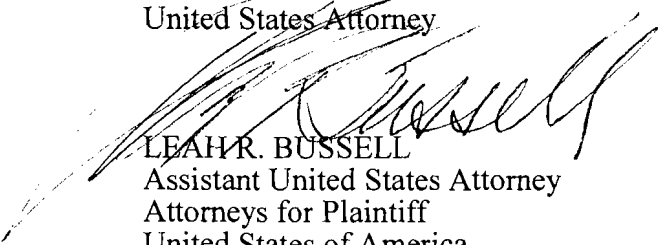
1 4. That the United States be awarded its costs in bringing this action to be determined
2 by the Court and be paid out of the proceeds; and

3 5. For such other and further relief as the Court deems just and equitable under the
4 circumstances.

5
6 DATED: February 11, 2009

7 Respectfully submitted,

8 KAREN P. HEWITT
9 United States Attorney

10 
11 LEAH R. BUSSELL
12 Assistant United States Attorney
13 Attorneys for Plaintiff
14 United States of America
15 Email: leah.bussell@usdoj.gov
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UNITED STATES
DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
SAN DIEGO DIVISION

159942 - KD

February 11, 2009
10:46:51

Registry

USAO #: INTERPLEADER
Amount.: \$1,059,200.00 CK
Check#: 819800169061

Total-> \$1,059,200.00

FROM: USA V. ADAIR, ET AL
09CV0254-JM
INTERPLEADER

UNITED STATES
DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
SAN DIEGO DIVISION

159944 - KD

February 11, 2009
10:49:48

Registry

USAO #: INTERPLEADER-INTEREST
Amount.: \$170,039.88 CK
Check#: 819800169060

Total-> \$170,039.88

FROM: USA V. ADAIR, ET AL
09CV0254-JM
INTERPLEADER-INTEREST

UNITED STATES
DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
SAN DIEGO DIVISION

159941 - KD

February 11, 2009
10:45:39

Registry

USAO #: INTERPLEADER
Amount.: \$3,521,863.63 CK
Check#: 819800169063

Total-> \$3,521,863.63

FROM: USA V. ADAIR, ET AL
09CV0254-JM
INTERPLEADER

UNITED STATES
DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
SAN DIEGO DIVISION

159943 - KD

* * C O P Y * *
February 11, 2009
10:48:43

Registry

USAO #: INTERPLEADER-INTEREST
Amount.: \$571,781.88 CK
Check#: 819800169062

Total-> \$571,781.88

FROM: USA V. ADAIR, ET AL
09CV0254-JM
INTERPLEADER-INTEREST