

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

Civil Action No.

FILED UNDER RESTRICTION

UNITED STATES OF AMERICA,

Plaintiff,

v.

5105 EAST 39TH AVENUE, DENVER, COLORADO;

FIRST AMERICAN BANK ACCOUNT # 29009285801;

WELLS FARGO BANK ACCOUNT # 90182676;

WELLS FARGO BANK ACCOUNT # 7962024811;

WELLS FARGO BANK ACCOUNT # 3342985821;

WELLS FARGO BANK SAFE DEPOSIT BOX # CONOR0102812731;

FIFTH THIRD BANK ACCOUNT # 7541501073;

FIFTH THIRD BANK ACCOUNT # 7540485781;

FIFTH THIRD BANK ACCOUNT # 7540300303; and

FIFTH THIRD BANK ACCOUNT # 7541360421,

Defendants.

VERIFIED COMPLAINT FOR FORFEITURE *IN REM*

The United States of America, by and through United States Attorney John F. Walsh and Assistant United States Attorney James S. Russell, pursuant to Supplemental Rules for Admiralty, Maritime and Asset Forfeiture Actions G(2), states:

JURISDICTION AND VENUE

1. The United States of America (the "United States") has commenced this action pursuant to the civil forfeiture provisions of 21 U.S.C. § 881, 18 U.S.C. § 985, and 18 U.S.C. § 981 seeking forfeiture of defendant property based upon violations of 21 U.S.C. § 801 et seq. and 18 U.S.C. §§ 1956 and 1957. This Court has jurisdiction under 28 U.S.C. §§ 1345 and 1355.

2. Venue is proper under 21 U.S.C. § 881(j) and 28 U.S.C. § 1395 as some of the defendant property is located, and most of the acts described herein occurred, in the District of Colorado.

DEFENDANT PROPERTY

3. Defendant property is more fully described, titled and encumbered as follows:

a. 5105 East 39th Avenue, Denver, Colorado, hereinafter "defendant Warehouse", and described as follows:

That part of the Southwest $\frac{1}{4}$ Southeast $\frac{1}{4}$ of Section 19, Township 3 South, Range 67 West of the 6th P.M. City and County of Denver, State of Colorado, more particularly described as follows:

Commencing at a point on the North line of the Southwest $\frac{1}{4}$ Southeast $\frac{1}{4}$ of said Section 19, which is 30 feet West of the Northeast corner of said Southwest $\frac{1}{4}$ Southeast $\frac{1}{4}$ of said Section 19, said point being on the West line of Forest Street; thence South along the West line of Forest Street a distance of 495.24 feet to the North line of East 39th Avenue; Thence West along the North line of East 39th Avenue a distance of 200 feet to the true point of beginning; Thence continuing West along the North line of Said 39th Avenue a distance of 140 feet; Thence North along a line parallel with the West line of Forest Street a distance of 303.04 feet to a point 191.94 feet South of the North line of said Southwest $\frac{1}{4}$ Southeast $\frac{1}{4}$ of said Section 19; Thence East along a line 191.94 feet South of and parallel to the North line of said Southwest $\frac{1}{4}$ Southeast $\frac{1}{4}$ a distance of 140 feet; Thence South parallel to the West line of Forest Street a distance of 303.15 feet to the true point of beginning.

Defendant Warehouse is titled in the names of David S. Life Revocable Krause Trust dated September 5, 2007, and JRD Group Enterprises, LLC. Defendant Warehouse is encumbered with a Deed of Trust from Davis S. Krause for the benefit of David S. Krause Revocable Life Trust in the principal amount of \$250,000.00, and is further encumbered with a Deed of Trust from Janet Joyce for the benefit of JRD Group Enterprises LLC in principal amount of \$250,000.00. Defendant Warehouse is also encumbered with a Statement of Lien for the benefit of Keenan Consulting Group, Inc. in the principal amount of \$2,200.

b. All funds in First American Bank Account #29009285801 held in the name of 5105 East 39th Ave., LLC, hereinafter defendant First American Account;

c. All funds in Wells Fargo Bank Account #90182676 held in the name of Rafael Craveiro, hereinafter defendant Wells Fargo Account #2676;

d. All funds in Wells Fargo Bank Account #7962024811 held in the name of Interbev LLC, hereinafter defendant Wells Fargo Account #4811;

e. All funds in Wells Fargo Bank Account #3342985821 held in the name of Rafael Craveiro, hereinafter defendant Wells Fargo Account #5821;

f. All funds in Wells Fargo Bank Safe Deposit Box Number CONOR0102812731 at Wells Fargo Bank, 1700 Broadway, Denver, Colorado, hereinafter defendant Safe Deposit Box;

g. All funds in Fifth Third Bank Account #7541501073 held in the name of Nugget, LLC, hereinafter defendant Nugget Account #1073;

h. All funds in Fifth Third Bank Account #7540485781 held in the

name of John Churchill Minerals LLC, hereinafter defendant Churchill Minerals Account #5781;

i. All funds in Fifth Third Bank Account #7540300303 held in the name of John Churchill, hereinafter defendant John Churchill Account #0303; and

j. Up to \$30,915.00 in Fifth Third Bank Account #7541360421 held in the name of Ann Churchill Living Trust, hereinafter defendant Ann Churchill Account #0421.

FACTUAL BASIS FOR FORFEITURE

4. Except as otherwise noted, all of the following facts and information have been discovered by me or reported to me from the observations and investigations of fellow law enforcement officers.

Background

5. In about July 2012, Special Agents from the Colorado Department of Revenue, Criminal Tax Enforcement Section initiated an investigation into the illegal marijuana activities of David Krause, Janet Joyce, Brenden Joyce, Conley Hoskins, Rafael Craveiro, John Churchill, Nathan Churchill, Ann Churchill, and other co-conspirators. Some members of this Drug Trafficking Organization owned and/or operated entities that cultivated marijuana in industrial warehouses and conducted marijuana sales in the State of Colorado. Some members of this Drug Trafficking Organization cultivated and distributed marijuana through various entities/businesses in Colorado, and utilized financial institutions in and outside of Colorado to facilitate and conceal their illegal drug business. See Attachment 1, which is incorporated into this

Complaint. As set forth below, many members of this Drug Trafficking Organization have now been indicted by the State of Colorado for various drug and financial felonies.

6. This investigation has involved over 100,000 pages of documents and numerous interviews, with varying figures for marijuana production, marijuana sales, amount of marijuana related figures, and related expenditures. In abundance of caution, investigators have used conservative figures herein.

7. The investigation further revealed that members of this Drug Trafficking Organization utilized Limited Liability Companies (“LLCs”) and Trusts to facilitate their business and financial dealings or conceal the identity of the co-conspirators and ownership of the illegal drug proceeds.

Limited Liability Companies and Trusts

8. A search of the Colorado, Illinois, and Michigan Secretary of State records revealed the following Limited Liability Companies (LLCs) associated with the Drug Trafficking Organization.

a. JRD Group Enterprises, LLC was formed with the Illinois Secretary of State on September 21, 2010, with its only listed member as Janet Joyce;

b. 5105 E. 39th Ave., LLC (a.k.a. 5105 E. 39th Ave., 5105 East 39th Ave., LLC, 5105 East 39th Ave., 5105 E. 39th St. LLC), was formed with the Colorado Secretary of State on June 30, 2010. David Krause is listed as the individual filing the 2013 Period Report for the LLC. On October 1, 2010, Janet Joyce through JRD Group Enterprises, LLC purchased 50% of David R. Krause’s interest in 5105 E. 39th Ave., LLC, for \$300,000. This resulted in Janet Joyce and David Krause now each owning

50% of this LLC.

c. Craveiro, LLC, was formed with the Colorado Secretary of State on January 5, 2009. Rafael B. Craveiro de Sa is listed as the individual filing the 2013 Periodic Report for the LLC. In an affidavit dated May 15th, 2013, Rafael Craveiro stated that he is the sole owner of Craveiro, LLC.;

d. Nugget, LLC, was formed with the Michigan Secretary of State on September 23, 2011. Nathan Churchill is listed as the President and Ann Churchill is listed as a member and financial manager;

e. Churchill Minerals, LLC was formed with the Michigan Secretary of State on September 15, 2004. John Churchill and Ann Churchill are listed as members; and

f. Interbev LLC was formed with the Colorado Secretary of State on August 24, 2005. Rafael Bitancourt Craveiro de Sa is listed as the individual forming this LLC.

9. The investigation has revealed that in addition to creating LLCs, Ann Churchill and David Krause also created the following trusts:

- a. Ann Churchill Living Trust (a.k.a. Ann Churchill Trust); and
- b. David S. Krause Revocable Life Trust dated September 5, 2007 (a.k.a. David S. Krause Revocable Life Trust), member David Krause.

Marijuana Dispensaries

10. The investigation also revealed that the following individuals also owned, financed, and operated the following medical marijuana facilities in the Denver,

Colorado area:

a. All Care Wellness Centers, LLC, a marijuana retail store located at 9202 West Alameda, Lakewood, Colorado is owned by Conley Hoskins and Rafael Craveiro;

b. Jane Medicals, LLC (a.k.a. Jane Medicals Colfax, LLC), a marijuana retail store located at 7380 East Colfax, Denver, Colorado is owned by Conley Hoskins;

c. Higher Health Medical, LLC (a.k.a. Higher Health Medical) a marijuana retail store located at 527 East Mississippi, Denver, Colorado is owned by Conley Hoskins;

d. Tea Alchemy, LLC (a.k.a. Tea Alchemy) a marijuana retail store located in Nederland, Colorado was owned by Brenden Joyce and Shasta Fite. Records reveal that this retail store has closed.

DRUG ACTIVITIES

11. The investigation has revealed that David Krause formed the 5105 E. 39th Ave., LLC in June 2010 as a mechanism to buy an industrial warehouse at 5105 E. 39th Avenue, Denver, Colorado ("defendant Warehouse"). Krause and his LLC purchased defendant Warehouse with the intention of growing large amounts of marijuana in it and profiting from the sale of the marijuana grown there; in October 2010 Janet Joyce bought 50% of 5105 E. 39th Ave., LLC and they then spent several hundred thousand dollars renovating defendant Warehouse and improving its marijuana growing capabilities.

12. David Krause and Janet Joyce utilized financial institutions as instruments to further their drug business, by moving funds through their bank accounts to pay for the marijuana operations and depositing marijuana proceeds back into their accounts. David Krause and Janet Joyce leased defendant marijuana Warehouse to Conley Hoskins. Conley Hoskins ran the day-to-day marijuana growing operation at defendant Warehouse. Conley Hoskins also owns All Care Wellness, Jane Medicals, and Higher Heath Medical marijuana retail stores. Rafael Craveiro is the co-owner of All Care Wellness, a marijuana retail store. Rafael Craveiro and Conley Hoskins utilized financial institutions as instruments to further their drug business as set forth more fully below.

13. Nathan Churchill is an out-of-country business partner with Rafael Craveiro and investor in marijuana retail stores. Nathan Churchill also utilized financial institutions as instruments to further his drug business. John Churchill and his wife Ann Churchill assisted their son Nathan Churchill, and other members of this Drug Trafficking Organization, by utilizing financial institutions in support of this Drug Trafficking Organization as set forth more fully below.

Defendant 5105 E. 39th Ave. Warehouse

14. Defendant 5105 E. 39th Ave. Warehouse is described as a commercial warehouse in Denver, Colorado which has been and is being utilized to cultivate and process marijuana. E-mail, interviews, and/or documents obtained during the investigation revealed that from no later than October 2010 and continuing to the present, hundreds of marijuana plants being cultivated at defendant 5105 E. 39th Ave.

Warehouse, and hundreds of pounds of processed marijuana were distributed illegally from defendant Warehouse.

15. The recorded owners of defendant Warehouse are David S. Krause Revocable Life Trust dated September 5, 2007 and JRD Group Enterprises LLC. Utilizing the 5105 East 39th Ave., LLC, David Krause initially purchased the property in approximately July 2010 for \$540,560, with no bank lien recorded. In approximately October 2010 Janet Joyce utilizing her company, JRD Group Enterprises, LLC obtained 50% ownership of defendant 5105 E. 39th Ave., with no bank lien recorded. However there are two Owner Deeds of Trust recorded against the property: a First Deed of Trust from Davis S. Krause for the benefit of David S. Krause Revocable Life Trust in the principal amount of \$250,000, and a Second Deed of Trust from Janet Joyce for the benefit of JRD Group Enterprises LLC in principal amount of \$250,000. Evidence shows that Krause and Joyce then completed approximately \$300,000 worth of capital improvements to defendant Warehouse.

16. Beginning no later than October 2010, defendant Warehouse was being utilized to cultivate marijuana. Evidence obtained from interviews and an e-mail between David Krause and Matt Buder (a retail marijuana store owner) revealed that the first marijuana grow at defendant Warehouse began with 60 to 80 marijuana plants, intended to extend to continuous marijuana grows and harvests, and the first marijuana harvest in February 2011 was expected to yield approximately 15 pounds of marijuana. Around the time of that expected February 2011 harvest, in another e-mail David Krause admitted to Shasta Fite (an associate of Tea Alchemy retail marijuana store)

that he cultivated fifteen (15) pounds of marijuana at defendant Warehouse.

17. During additional e-mail exchanges in February 2011 through March 2011, David Krause communicated with Shasta Fite regarding their business relationship and the cultivation of marijuana at defendant 5105 E. 39th Ave. On February 28, 2011, David Krause stated to Shasta Fite in an e-mail, "...we have enough capacity for 200 lights [marijuana grow lights]". In another e-mail in March 2011, David Krause stated to Shasta Fite... "our planned 30 [pounds of processed marijuana] soon to be 60lbs cultivated per month."

18. In April 2011, All Care Wellness Centers, LLC (Conley Hoskins and Rafael Craveiro as 50/50 owners as of September 2011) formed a business relationship with 5105 E. 39th Ave., LLC (David Krause and Janet Joyce), owner of defendant Warehouse. All Care Wellness Centers, LLC and 5105 E. 39th Ave., LLC entered into a lease agreement involving defendant Warehouse, whereby All Care Wellness Centers, LLC would be the Tenant of defendant Warehouse, and 5105 E. 39th Ave., LLC would be the Landlord of defendant Warehouse. The lease agreement states that defendant Warehouse would be used "for the cultivation of marijuana..." The lease agreement further states that the "Tenant agrees to pay to Landlord as a monthly minimum rent (the 'Minimum Rent'), without notice, demand, or offset except as expressly provided herein, the amount of \$6,000".

19. Furthermore, in April 2011, 5105 E. 39th Ave., LLC (David Krause and Janet Joyce) as "Lender", and All Care Wellness Centers, LLC, Conley Hoskins, President as "Borrower" executed a Promissory Note with All Care/Hoskins in the

amount of \$200,000. The Promissory Note states, "in return for the sum of Two hundred thousand dollars (\$200,000) received, the undersigned borrower, All Care Wellness Centers, LLC, owned and personally guaranteed by Conley Hoskins (Borrower), located in the state of Colorado, promises to pay 5105 E. 39th St LLC of Denver, Colorado, the "Lender", half (50%) of all profits [marijuana proceeds] from All Care Wellness Centers, LLC, dispensary until the note is repaid with a 5% interest fee and an option to purchase half of the All Care Wellness Centers, LLC (ACW) that shall be effect after July 2011." The parties subsequently agreed that the marijuana proceeds payment would be \$6,000 per month. In other words, Conley Hoskins, doing business as All Care Wellness Centers, is to pay 5105 E. 39th Ave., LLC (David Krause and Janet Joyce) approximately \$6,000 in marijuana proceeds a month towards their investment of \$200,000, in addition to the \$6,000 per month he was paying them as rent for defendant Warehouse.

20. Investigators know that marijuana growing operations, such as the one at defendant Warehouse, consume extremely large amounts of electricity (as shown in defendant Warehouse utility records) which is necessary to power the high intensity marijuana growing lights needed to grow marijuana plants. The high amount of electricity is consistent with someone who has an indoor marijuana growing operation.

21. Investigators have reviewed Xcel Energy records for defendant Warehouse. These records showed that from November 2011 through January 2014 (while defendant Warehouse was in full marijuana growing operation), defendant Warehouse had an average monthly kilowatt usage of 47588 hours. Based on their

experience in investigating marijuana operations, investigators therefore established that defendant Warehouse was utilizing upwards of 200 high intensity marijuana grow lights, and that 200 high intensity marijuana grow lights can conservatively support 1200 marijuana plants growing at any one time. As noted above, David Krause states in his own e-mail traffic, "...we have enough capacity for 200 lights." In addition, investigators have learned that 1,200 marijuana plants can conservatively yield 60 pounds of marijuana per harvest; as also stated above, David Krause's own e-mail traffic states..."our planned 30 [pounds of processed marijuana] soon to be 60lbs cultivated per month."

22. The investigation revealed that, beginning no later than October 2011 and continuing to the present, members of the Drug Trafficking Organization illegally produced and distributed marijuana that was cultivated at defendant Warehouse to marijuana centers that sold marijuana in the Denver Colorado area, including Jane Medicals, LLC, All Care Wellness Centers, LLC, and Higher Health Medical, LLC, which are owned and/or operated by Conley Hoskins and/or Rafael Craveiro; from their marijuana proceeds Hoskins paid David Krause and Janet Joyce. The marijuana was sold in amounts varying between 1/8 ounce and 2 ounces, the lesser amounts being sold for more money per unit; to be conservative investigators have used a one ounce quantity as a guide.

23. Specifically, records discovered by the investigation revealed that from October 2011 through May 2013, defendant Warehouse supplied massive amounts of marijuana to Hoskins' retail marijuana stores Jane Medicals, All Care Wellness Centers,

and Higher Health Medical. This investigation shows from interviews and sales records obtained during the investigation that between October 2011 and May 2013 Jane Medicals, All Care Wellness Centers, and Higher Health Medical had retail sales of marijuana for approximately \$4,587,055.53. Investigators know that during this period of time between October 2011 and May 2013, an average retail price of marijuana would be \$200 per ounce which would equal \$3,200.00 a pound, if a pound was sold in one ounce increments. Based upon the investigators' analysis and records, Jane Medicals, All Care Wellness Centers, and Higher Health Medical sold and distributed to retail customers approximately 1,433 ($\$4,587,055.53/3200$) pounds of marijuana. Jane Medicals and All Care Wellness Centers received marijuana from defendant Warehouse and one other source. This investigation revealed that, from this total 1,433 pounds of marijuana, at least 508 pounds of marijuana (initial 15 pounds reported by Krause, 200 pounds reported by Brenden Joyce, 185 pounds determined from Jane Medicals marijuana records, and 108 pounds determined from Higher Health Medical retail sales records) were cultivated in and distributed from defendant Warehouse to All Care Wellness Centers, Jane Medicals, and Higher Health Medical. Investigators estimate that these 508 pounds of marijuana cultivated and distributed from defendant Warehouse were conservatively sold for approximately \$1,625,600 ($508 \times 3,200$) if sold in one ounce increments. This investigation revealed that the defendant Warehouse continues to cultivate and distribute marijuana. As set forth below, the investigation has revealed that marijuana proceeds were at various times deposited in defendant Accounts and Safe Deposit Box and involved in the targets' marijuana and money

laundering activities.

24. More specifically, this investigation revealed that from May 2012 until the present Higher Health Medical has received marijuana only from defendant 5105 E. 39th Ave Warehouse. Interviews and documents show that between May 2012 and May 2013 the marijuana received by Higher Health Medical from defendant Warehouse resulted in approximately \$345,000 in retail sales (included in the \$4,587,055.53 above). Based upon investigators' analysis this approximately \$345,000 would have resulted in approximately 108 pounds ($345,000/3,200$) of marijuana sold at Higher Health Medical that was cultivated at and distributed from defendant Warehouse. These 108 pounds are included with the 508 pounds of marijuana mentioned in the previous paragraphs. This investigation revealed that Jane Medicals, All Care Wellness Centers, and Higher Health Medical all continue to distribute and sell marijuana.

25. During an interview, Drug Trafficking Organization member Brenden Joyce (son of Janet Joyce) admitted to investigators that from September 2011 to March 2012, he illegally cultivated marijuana at defendant Warehouse, which resulted in the harvest and sale of 200 pounds of processed marijuana.

26. During another interview, Brenden Joyce told investigators that in November 2011 there was a meeting among Brenden Joyce, Conley Hoskins, and other marijuana co-conspirators. Brenden Joyce told investigators that during this meeting, they discussed that marijuana was illegally cultivated at defendant Warehouse, under the name of Tea Alchemy, which the co-conspirators had assumed from another entity. In addition, e-mail traffic among David Krause, Janet Joyce, and Brenden Joyce

revealed that all three subjects were fully aware of the illegal nature of the marijuana operation at defendant Warehouse. For example, on February 28, 2012 David Krause wrote an e-mail to Janet Joyce and Brenden Joyce stating ,...“We are operating illegally and selling pot illegally and have been for months. This is a felony to the landlord that has the license, not the employee. We are subject to tax evasion and operating an illegal facility...”

27. On January 24, 2014, agents conducted surveillance at defendant 5105 E. 39th Ave. Warehouse. During the surveillance, while adjacent to the north side of defendant Warehouse, agents detected the odor of marijuana emitting from defendant Warehouse, indicating it is still producing and processing marijuana.

28. In summary, this investigation has revealed that between October 2010 and May 2013 hundreds of marijuana plants were illegally cultivated at, and hundreds of pounds of marijuana were illegally harvested, processed, and distributed from, defendant Warehouse. Investigators know that at least 508 pounds of processed marijuana was illegally harvested and distributed from defendant Warehouse-15 pounds harvested from the original grow in February 2011, and 493 pounds in subsequent harvests between October 2011 and May 2013. Investigators also believe that, based on utility records and the amount marijuana sold from marijuana at retail stores supplied by defendant Warehouse, the total amount of finished and processed marijuana that came from defendant Warehouse was much greater than the documented 508 pounds of marijuana.

DRUG INVOLVED FINANCIAL ACTIVITIES

29. The Colorado Department of Labor conducted a nationwide wage inquiry on targets of this investigation. A nationwide state wage inquiry shows that David Krause has reported earned income of \$44,999.91 for 2012, and \$53,999.82 for 2012, with no other state wage reported.

30. A nationwide state wage inquiry shows that Janet Joyce has no reported state wage income.

31. A nationwide state wage inquiry shows that Rafael Craveiro has a reported state wage income of \$22,500.08 for 2010, \$6,543.47 for 2011, \$12,958.19 for 2012, and \$7,899.05 for 2013 & YTD).

32. John Churchill and Ann Churchill have no reported state wage income pursuant to a nationwide state wage inquiry.

33. The investigation has revealed that various accounts at the following banks have been used to promote the illegal marijuana business described herein, and to receive marijuana proceeds.

Defendant First American Account

34. As previously set forth, David Krause, who later sold a half interest to Janet Joyce, established 5105 E. 39th Ave., LLC, to purchase defendant Warehouse for marijuana operations, and to oversee the marijuana cultivation and distribution network established above. The investigation has revealed that 5105 E. 39th Ave., LLC (David Krause and Janet Joyce) has utilized known and unknown accounts at First American Bank, located in the Chicago, Illinois area, to hold and transfer illegal marijuana moneys.

35. Bank records show that defendant First American Bank Account number 29009285801, in the name of "5105 EAST 39th AVE LLC" (David Krause and Janet Joyce) has received funds used to promote Conley Hoskins' marijuana operations and also marijuana proceeds from Conley Hoskins. As outlined in previous paragraphs, per terms of the Lease Agreement and the Promissory Note Krause and Joyce agreed to lend Hoskins \$200,000 to fund the All Care Wellness Centers retail marijuana store; Conley Hoskins through All Care Wellness Centers (Conley Hoskins and/or Rafael Craveiro) agreed to pay 5105 E. 39th Ave., LLC (David Krause and Janet Joyce) \$6,000 per month as rent to use defendant Warehouse as a marijuana operation, and another 50% of the monthly marijuana proceeds, later quantified as another \$6,000 per month, to pay off the \$200,000 loan. During an interview in September 2012, Janet Joyce told investigators that she had deposited \$100,000 into the First American Bank account that is associated with 5105 E. 39th Ave., LLC. Janet Joyce went on to tell investigators that she deposited \$100,000 into a First American Bank account and this was added to \$100,000 that David Krause had deposited into the same First American Bank account and together this money was invested with Conley Hoskins in his illegal marijuana enterprise, as outlined above. Evidence shows that on April 11, 2011, a check was issued from defendant First American Bank Account in the amount of \$200,000 to Conley Hoskins, and appeared to be signed by David Krause. Therefore investigators believe that Krause and Joyce each deposited \$100,000 into defendant First American Bank Account, then issued a \$200,000 check from that same defendant First American Bank Account to fund and facilitate the marijuana operations at defendant Warehouse.

36. Target interviews also indicate that beginning in June 2011, bank account(s) at First American Bank on behalf of David Krause and/or Janet Joyce received approximately \$360,000 (\$12,000 a month for 30 months) in illegal marijuana proceeds in both cash and check. As a result of the "Lease Agreement" and the "Promissory Note" Agreement, bank records for part of that time establish that from no later than June 2011 to March 2012 marijuana proceeds from Conley Hoskins were deposited into defendant First American Bank Account.

37. In total, defendant First American Account received at least \$360,000 in proceeds from the illegal sale of marijuana. In light of the above, there is probable cause to believe at least \$360,000 in proceeds traceable to violations of U.S.C. §§ 841, 846, and 856 have been deposited into this account and are therefore, subject to forfeiture pursuant to 21 U.S.C. § 881(a)(6).

38. In addition, defendant First American Account was involved in money launderings transactions or attempted transactions in violation of 18 U.S.C. §§ 1956 and 1957, and as such all funds in defendant First American Account are involved in money laundering and are subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(A).

Defendant Wells Fargo Bank Accounts

39. Investigations have revealed that illegal drug traffickers frequently deal in cash and often use safe deposit boxes to store their illegal drug proceeds.

40. This investigation has revealed that Rafael Craveiro, a 50% owner of All Care Wellness Centers, LLC, and Nathan Churchill have utilized Wells Fargo bank accounts located in the Denver, Colorado area to conduct illegal marijuana activities.

Among other accounts, investigators have identified the following Wells Fargo bank accounts and safe deposit box belonging to Rafael Craveiro or controlled by Craveiro: defendant Wells Fargo Account number 90182676; defendant Wells Fargo Account number 7962024811; defendant Wells Fargo Account number 3342985821; and defendant Safe Deposit Box number CONOR0102812731, located at Wells Fargo bank 1700 Broadway, Denver, Colorado.

41. Nathan Churchill is a United States citizen who has been living in Brazil for the last 30 years, and his last known United States residency was in Michigan; his parents are John and Ann Churchill, also of Michigan. During two separate interviews, both Rafael Craveiro and Nathan Churchill told investigators that Nathan Churchill invested/loaned \$290,000 to Rafael Craveiro for the purchase of 50% interest in the marijuana profits of All Care Wellness Centers, the retail marijuana store run by Hoskins and Craveiro.

42. This investigation revealed that both Rafael Craveiro and Nathan Churchill have received marijuana proceeds from Conley Hoskins through All Care Wellness Centers, from marijuana grown at defendant Warehouse, and deposited these marijuana proceeds into Wells Fargo bank accounts owned by Rafael Craveiro.

Defendant Wells Fargo Account #2676

43. Bank records show that in August 2011, Nathan Churchill issued a cashier's check from SunTrust Bank to Rafael Craveiro in the amount of \$290,000, to invest in All Care Wellness Centers. Bank records also show that in August 2011, Rafael Craveiro deposited the \$290,000 cashier's check into his (Rafael Craveiro's)

defendant Wells Fargo Account #2676. Colorado Secretary of State records show that on September 30, 2011, an amendment was executed to the entity "All Care Wellness Centers, LLC" (a marijuana retail store), adding Rafael Craveiro as 50% owner (along with Conley Hoskins) to All Care Wellness Centers, LLC. It should be noted that the amendment was witnessed by John W. Churchill and Nathan Churchill.

44. During interviews between September 2012 and February 2013, Rafael Craveiro told investigators that he received monthly marijuana payments from Hoskins/All Care Wellness Centers, per his agreement with Conley Hoskins, and that all monthly deposits from All Care Wellness Centers and/or Conley Hoskins into his (Rafael Craveiro's) defendant Wells Fargo Account #2676 were profits from the sale of marijuana. Craveiro stated that Conley Hoskins was having problems keeping bank accounts on which to write checks due to the fact that the cash Hoskins was depositing was coming from marijuana proceeds and smelled like marijuana, which the banks will not accept. Craveiro stated because of these issues with the banks, the majority of the monies Craveiro received as monthly marijuana proceeds from All Care Wellness Centers and Hoskins was in the form of cash.

45. Rafael Craveiro also told investigators that Conley Hoskins would make structured cash deposits into Rafael Craveiro's Wells Fargo bank accounts so that the cash deposits "would not raise any red flags with the bank." For example, bank records show that from October 2011 through July 2013, Rafael Craveiro's defendant Wells Fargo Account #2676 received 30 separate deposits in excess of \$217,000, of which 23 of the 30 deposits were cash deposits from Conley Hoskins and/or All Care Wellness

Centers from marijuana proceeds. Craveiro indicated that all these monies were marijuana sales proceeds and all came from Hoskins and their marijuana operations.

46. Specifically, financial records show that Rafael Craveiro had a \$31,557.00 cash deposit into Defendant Wells Fargo Account #2676 on July 30, 2013, and a \$25,000 cash deposit into defendant Wells Fargo Account #2676 on June 28, 2013.

47. Wells Fargo bank records also show that Rafael Craveiro was paying back Nathan Churchill with marijuana proceeds monies owed to Nathan Churchill for Churchill's investment in All Care Wellness Centers retail marijuana store. Evidence shows that from November 2011 through January 2013, over \$112,000 in twelve separate checks were written by Rafael Craveiro on defendant Wells Fargo Accounts #2676 and #5821, and deposited into defendant Fifth Third Bank Account number 7541501073 (Defendant Nugget Account #1073) registered in the name of Nugget LLC (Nathan Churchill and John Churchill, signors).

48. In total, defendant Wells Fargo Account #2676 received at least \$217,000 in proceeds from the illegal sale of marijuana. In light of the above, there is probable cause to believe at least \$217,000 in proceeds traceable to violations of U.S.C. §§ 841, 846, and 856 have been deposited into this account and are therefore, subject to forfeiture pursuant to 21 U.S.C. § 881(a)(6).

49. In addition, defendant Wells Fargo Account #2676 was involved in money launderings transactions or attempted transactions in violation of 18 U.S.C. §§ 1956 and 1957, and as such all funds in defendant Wells Fargo Account #2676 are involved in money laundering and are subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(A).

Defendant Wells Fargo Account #4811

50. Wells Fargo bank records show that between June 2012 and February 2013, after receiving marijuana proceeds into defendant Wells Fargo Account #2676 from Hoskins and/or All Care Wellness Centers, Rafael Craveiro transferred approximately \$13,000 from defendant Wells Fargo Account #2676 into defendant Wells Fargo Account #4811, on which Rafael Craveiro is a signor.

51. In total, defendant Wells Fargo Account #4811 received at least \$13,000 in proceeds from the illegal sale of marijuana. In light of the above, there is probable cause to believe at least \$13,000 in proceeds traceable to violations of 21 U.S.C. §§ 841, 846, and 856 have been deposited into this account and are therefore, subject to forfeiture pursuant to 21 U.S.C. § 881(a)(6).

52. In addition, defendant Wells Fargo Account #4811 was involved in money launderings transactions or attempted transactions in violation of 18 U.S.C. § 1956, and as such all funds in defendant Wells Fargo Account #4811 are involved in money laundering and are subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(A).

Defendant Wells Fargo Account #5821

53. As described above, Wells Fargo bank records show that Rafael Craveiro was paying back Nathan Churchill with marijuana proceeds monies owed to Nathan Churchill for Churchill's investment in All Care Wellness Centers retail marijuana store. Specifically, on November 3, 2011, a check for \$5,923.08 was written from defendant Wells Fargo Account #5821 to Nugget LLC, for marijuana proceeds from the illegal sale of marijuana owed to Nathan Churchill. This check was then deposited into defendant

Nugget Account #1073 registered in the name of Nugget LLC (Nathan Churchill and John Churchill, signors).

54. Defendant Wells Fargo Account #5821 was thus involved in money laundering transactions or attempted transactions in violation of 18 U.S.C. § 1956, and as such all funds in defendant Wells Fargo Account #5821 are involved in money laundering and are subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(A).

Defendant Safe Deposit Box

55. As state above, Craveiro was having problems keeping bank accounts on which to write checks due to the fact that the cash Hoskins was depositing was coming from marijuana proceeds and smelled like marijuana, which the banks will not accept. Craveiro stated because of these issues with the banks, the majority of the monies Craveiro received as monthly marijuana proceeds from All Care Wellness Centers and Hoskins was in the form of cash.

56. Wells Fargo bank records also show that between October 2011 and July 2013, there were multiple months in which the monthly marijuana proceeds from All Care Wellness Centers and/or Hoskins to Craveiro were not deposited into known Wells Fargo bank accounts. Previous subpoena responses from Craveiro do not indicate he was banking with any other bank than Wells Fargo. Based upon interviews with Craveiro and his own bank records there are multiple months in which the cash Craveiro received as marijuana proceeds from All Care Wellness Centers and/or Hoskins is unaccounted for. However, Craveiro did maintain defendant Safe Deposit Box, located at Wells Fargo bank 1700 Broadway, Denver, Colorado; based on their

experience with drug trafficking and drug financing, investigators know that drug traffickers often utilize safe deposit boxes to hold their illegal drug proceeds, and therefore in this case investigators believe Craveiro has stashed marijuana cash proceeds into defendant Safe Deposit Box, located at Wells Fargo bank 1700 Broadway, Denver, Colorado.

Fifth Third Bank

57. The investigation revealed that John Churchill and his wife Ann Churchill are Michigan residents and are the parents of Nathan Churchill. The investigation has also revealed that Rafael Craveiro and Nathan Churchill utilize Fifth Third Bank accounts that are located in the Michigan area to conduct their illegal marijuana activities, including defendant account number 7541501073 (defendant Nugget Account #1073); Nathan Churchill and Ann Churchill are listed as officers of Nugget LLC, and Nathan Churchill and John Churchill are signors on the LLC's defendant account number 7541501073. In addition, evidence shows that Ann Churchill Living Trust, Fifth Third Bank account number 7541360421(defendant Ann Churchill Account #0421), John Churchill Minerals LLC, Fifth Third Bank account number 7540485781 (defendant Churchill Minerals Account #5781), and John Churchill's Fifth Third Bank account #7540300303 (defendant John Churchill Account #0303), were also being utilized to further the illegal activities of this Drug Trafficking Organization.

Defendant Nugget Account #1073

58. Fifth Third Bank records revealed that in October 2011, \$10,000 was transferred from defendant Churchill Minerals Account #5781 initially to fund defendant

Nugget Account #1073.

59. Fifth Third Bank records further show that other than the initial \$10,000 deposit from defendant Churchill's Minerals Account #5781 into defendant Nugget Account #1073, the only other deposits into defendant Nugget Account #1073 came from Rafael Craveiro's defendant Wells Fargo Bank Accounts #2676 and #5821, as marijuana proceeds from All Care Wellness Centers and Conley Hoskins.

60. As stated above, Wells Fargo bank records show that Rafael Craveiro was using marijuana proceeds from his Colorado marijuana operation to pay back Nathan Churchill for his (Nathan Churchill's) investment in All Care Wellness Centers. Evidence shows that from November 2011 through November 2012, Rafael Craveiro wrote twelve separate checks from defendant Wells Fargo Bank Accounts #2676 and #5821 totaling over \$112,000, which were deposited into defendant Fifth Third Bank Nugget Account #1073.

61. Evidence shows that John Churchill was sending marijuana proceeds in the form of checks from defendant Nugget LLC, Fifth Third Bank account number 7541501073, to Nathan Churchill who was residing in Brazil. For example, Fifth Third bank records show that in September 2012, after Rafael Craveiro had deposited marijuana proceeds into defendant Nugget, Account #1073 with Fifth Third Bank, John Churchill issued check number 1009 from defendant Nugget Account #1073 to Nathan Churchill in the amount of \$20,000. During the investigation, Nathan Churchill told investigators that he had invested over \$350,000 into Conley Hoskins' marijuana enterprise, to include All Care Wellness Centers, Jane Medicals, and Higher Health,

which funds were separate from the \$290,000 he had loaned Rafael Craveiro for 50% of All Care Wellness Centers. Nathan Churchill went on to tell investigators that he was expecting a 10% return on his investment. Bank records show that between January 2012 and March 2012, Nathan Churchill sent 5 separate wires to the benefit of Conley Hoskins, totaling approximately \$367,700 and each of these wires was sent from bank(s) in Brazil to now closed accounts at both Key Bank and UMB Bank. These monies appear to be the investment in Hoskins' marijuana enterprise Nathan Churchill described to investigators.

62. This investigation revealed and investigators learned that between November 1, 2011 and January 1, 2013, Rafael Craveiro wrote checks totaling over \$112,000 in marijuana proceeds from defendant Wells Fargo Accounts #2676 and #5821 to Nugget LLC, which checks were deposited into the Churchill's defendant Nugget Account #1073.

63. In total, defendant Nugget Account # 1073 received at least \$112,000 in proceeds from the illegal sale of marijuana. In light of the above, there is probable cause to believe at least \$112,000 in proceeds traceable to violations of U.S.C. §§ 841, 846, and 856 have been deposited into this account and are therefore, subject to forfeiture pursuant to 21 U.S.C. § 881(a)(6).

64. In addition, defendant Nugget Account #1073 was involved in money launderings transactions or attempted transactions in violation of 18 U.S.C. §§ 1956 and 1957, and as such all funds in defendant Nugget Account #1073 are involved in money laundering and are subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(A).

Defendant Churchill Minerals Account #5781

65. Investigators learned that in June, 2013 there was a withdrawal from defendant Fifth Third Bank Nugget Account #1073, in the amount \$15,915 and on the same day the same amount was deposited into John and Ann Churchill's defendant Fifth Third Bank Minerals LLC account #5781.

66. In total, defendant Churchill Mineral Account #5781 received at least \$15,915 in proceeds from the illegal sale of marijuana. In light of the above, there is probable cause to believe at least \$15,915 in proceeds traceable to violations of U.S.C. §§ 841, 846, and 856 have been deposited into this account and are therefore, subject to forfeiture pursuant to 21 U.S.C. § 881(a)(6).

67. In addition, defendant Churchill Minerals Account #5781 was involved in money launderings transactions or attempted transactions in violation of 18 U.S.C. §§ 1956 and 1957, and as such all funds in defendant Churchill Minerals Account #5781 are involved in money laundering and are subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(A).

Defendant John Churchill Account #0303

68. Fifth Third Bank records show that in March 2012, \$10,000 was transferred from defendant Nugget Account #1073 to defendant John Churchill Fifth Third Account #0303, which is controlled by John Churchill.

69. Further on January 4, 2013, \$20,000 was transferred within defendant Fifth Third Bank from defendant Nugget Account #1073 to John Churchill's defendant Fifth Third Bank Account #0303. The investigation revealed these monies were

marijuana proceeds previously deposited by Rafael Craveiro from his Wells Fargo bank account.

70. In total, defendant John Churchill Account #0303 received at least \$30,000 in proceeds from the illegal sale of marijuana. In light of the above, there is probable cause to believe at least \$30,000 in proceeds traceable to violations of U.S.C. §§ 841, 846, and 856 have been deposited into this account and are therefore, subject to forfeiture pursuant to 21 U.S.C. § 881(a)(6).

71. In addition, defendant John Churchill Account #0303 was involved in money launderings transactions or attempted transactions in violation of 18 U.S.C. §§ 1956 and 1957, and as such all funds in defendant John Churchill Account #0303 are involved in money laundering and are subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(A).

Defendant Ann Churchill Account #0421

72. On November 2, 2012, \$20,000 of marijuana proceeds was transferred within Fifth Third Bank from defendant Nugget Account #1073 to Ann Churchill's defendant Fifth Third Bank Account #0421.

73. Also, in June, 2013 (on the same date as the previous transaction), there was a second withdrawal from defendant Fifth Third Bank Nugget Account #1073, in the amount \$15,915 and deposited into Ann Churchill Living Trust's defendant Fifth Third Bank account #0421. The investigation revealed these monies were marijuana proceeds previously deposited by Rafael Craveiro from his Wells Fargo bank accounts.

74. In total, defendant Ann Churchill Account #0421 received at least \$35,915

in proceeds from the illegal sale of marijuana. In light of the above, there is probable cause to believe at least \$35,915 in proceeds traceable to violations of U.S.C. §§ 841, 846, and 856 have been deposited into this account and are therefore, subject to forfeiture pursuant to 21 U.S.C. § 881(a)(6).

75. In summary the individual and entities set forth herein used the aforementioned Fifth Third Bank accounts to hold and transfer marijuana proceeds from defendant warehouse and All Care Wellness Centers, and further are involved in money laundering.

CRIMINAL CHARGES

76. Based in part on the facts as set forth herein, in May 2013, the investigation by the Colorado Department of Revenue, Criminal Tax Enforcement Section and the Colorado State Attorney General office resulted in the indictment of David Krause, Conley Hoskins, Brenden Joyce, 5105 E. 39th Ave., LLC, All Care Wellness Centers, LLC, Jane Medicals, LLC, and other co-conspirators, as part of a 71 count State grand jury indictment. Various individuals and entities were charged with violations of Colorado Organized Crime Control Act (COCCA), Cultivation of Marijuana, Conspiracy to Commit Cultivation of Marijuana, Distribution of Marijuana, Conspiracy to Distribute or Possess with Intent to Manufacture or Distribute Marijuana, Money Laundering, Theft, Securities Fraud, Keeping Property for Unlawful Distribution of Controlled substance, Managing and controlling a Property for Manufacture of Controlled Substances, Tax Evasion, Conspiracy to Commit Tax Evasion, Computer Crime, Forgery, Attempt to Influence a Public Servant, Offering a Fax Instrument for

Recording, Medical Marijuana-Unlawful Acts, and several counts of Special Offender. This indictment became case numbers 2013CR1439, 1440, 1441, 1449, 1450, and 1451 in Jefferson County Colorado District Court.

77. So far, David Krause has pleaded guilty to one count of Taxation – Filing a False Return in case # 2013-CR-1441, and 5105 E. 39th Ave. LLC has pleaded guilty to Marijuana – Cultivation 30/more plants in case # 2013CR1449.

CONCLUSION

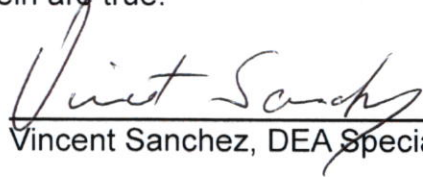
78. As stated above, the evidence shows that David Krause, Janet Joyce, Conley Hoskins, Brenden Joyce, Rafael Craveiro, Nathan Churchill, and other individuals had knowledge of or operated an ongoing illegal marijuana growing operation at defendant Warehouse for the past several years, and have received proceeds from the illegal sale of marijuana. The facts set forth above are not all of the facts known to the investigation, but are sufficient to establish probable cause to believe that the defendant Warehouse is subject to forfeiture pursuant to 21 U.S.C. §881(a)(3), (a)(6), and (a)(7).

79. This investigation also reveals that David Krause, Janet Joyce, Nathan Churchill, John Churchill, Ann Churchill, and Rafael Craveiro received proceeds from, and utilized funds to promote, the illegal cultivation and distribution of marijuana in violation of Title 21, United States Code, Sections, 841 and 846, and Title 18, United States Code, Sections 1956, and 1957, that the subject bank accounts and safety deposit box represent and contain proceeds traceable to these violations, and these property are thus subject to forfeiture pursuant to Title 21, United States Code, Sections

881(a)(3), (a)(6), and (a)(7), and Title 18 United States Code, Section 981(a)(1)(A).

VERIFICATION OF VINCENT SANCHEZ
DRUG ENFORCEMENT ADMINISTRATION SPECIAL AGENT


I, Special Agent Vincent Sanchez, hereby state and aver under the pains and penalties of perjury that I have read the foregoing Factual Basis for Forfeiture and that the facts and information contained therein are true.



Vincent Sanchez, DEA Special Agent

STATE OF COLORADO)
CITY AND) ss
COUNTY OF DENVER)

The foregoing was acknowledged before me this 19th day of February, 2014 by Special Agent Vincent Sanchez, Drug Enforcement Administration.



Pamela S. Jebens
Notary Public, State of Colorado
My Commission Expires: 3-19-2016



FIRST CLAIM FOR RELIEF

80. The Plaintiff repeats and incorporates by reference the paragraphs above.

81. By the foregoing and other acts, defendant Warehouse constitutes property used or intended to be used as a container of controlled substances in violation of 21 U.S.C. §801, et seq., and therefore, is forfeited to the United States pursuant to 21 U.S.C. § 881(a)(3).

SECOND CLAIM FOR RELIEF

82. The Plaintiff repeats and incorporates by reference the paragraphs above.

83. By the foregoing and other acts, defendant Warehouse constitutes real

property used, or intended to be used, to commit, or to facilitate the commission of a violation of 21 U.S.C. § 801, et seq., and therefore, is forfeited to the United States pursuant to 21 U.S.C. § 881(a)(7).

THIRD CLAIM FOR RELIEF

84. The Plaintiff repeats and incorporates by reference the paragraphs above.

85. By the foregoing and other acts, \$360,000 in defendant First American Account constitutes money furnished or intended to be furnished by any person in exchange for a controlled substance, in violation of 21 U.S.C. § 801, et seq., and therefore, is forfeited to the United States pursuant to 21 U.S.C. § 881(a)(6).

FOURTH CLAIM FOR RELIEF

86. The Plaintiff repeats and incorporates by reference the paragraphs above.

87. By the foregoing and other acts, \$360,000.00 in defendant First American Account constitutes proceeds traceable to such an exchange in violation of 21 U.S.C. §801 et seq., and therefore, is forfeited to the United States pursuant to 21 U.S.C. §881(a)(6).

FIFTH CLAIM FOR RELIEF

88. The Plaintiff repeats and incorporates by reference the paragraphs above.

89. By the foregoing and other acts, \$360,000.00 in defendant First American Bank constitutes money used or intended to be used to facilitate a violation of violation of 21 U.S.C. §801 et seq., and therefore, is forfeited to the United States pursuant to 21 U.S.C. §881(a)(6).

SIXTH CLAIM FOR RELIEF

90. The Plaintiff repeats and incorporates by reference the paragraphs above.

91. By the foregoing and other acts, all funds in defendant First American Account were property involved in or traceable to violations of money laundering in violation of 18 U.S.C. § 1956, and are, therefore, forfeited to the United States pursuant to 18 U.S.C. § 981(a)(1)(A).

SEVENTH CLAIM FOR RELIEF

92. The Plaintiff repeats and incorporates by reference the paragraphs above.

93. By the foregoing and other acts, all funds in defendant First American Account were property involved in or traceable to violations of money laundering in violation of 18 U.S.C. § 1957, and are, therefore, forfeited to the United States pursuant to 18 U.S.C. § 981(a)(1)(A).

EIGHTH CLAIM FOR RELIEF

94. The Plaintiff repeats and incorporates by reference the paragraphs above.

95. By the foregoing and other acts, \$217,000 in defendant Wells Fargo Account #2676 constitutes money furnished or intended to be furnished by any person in exchange for a controlled substance, in violation of 21 U.S.C. § 801, et seq., and therefore, is forfeited to the United States pursuant to 21 U.S.C. § 881(a)(6).

NINTH CLAIM FOR RELIEF

96. The Plaintiff repeats and incorporates by reference the paragraphs above.

97. By the foregoing and other acts, \$217,000 in defendant Wells Fargo Account # 2676 constitutes proceeds traceable to such an exchange of violation of 21 U.S.C. §801 et seq., and therefore, is forfeited to the United States pursuant to 21

U.S.C. §881(a)(6).

TENTH CLAIM FOR RELIEF

98. The Plaintiff repeats and incorporates by reference the paragraphs above.

99. By the foregoing and other acts, \$217,000 in defendant Wells Fargo Account #2676 constitutes money used or intended to be used to facilitate a violation of violation of 21 U.S.C. §801 et seq., and therefore, is forfeited to the United States pursuant to 21 U.S.C. §881(a)(6).

ELEVENTH CLAIM FOR RELIEF

99. The Plaintiff repeats and incorporates by reference the paragraphs above.

100. By the foregoing and other acts, all funds in defendant Wells Fargo Account #2676 were property involved in or traceable to violations of money laundering in violation of 18 U.S.C. § 1956, and are, therefore, forfeited to the United States pursuant to 18 U.S.C. § 981(a)(1)(A).

TWELFTH CLAIM FOR RELIEF

101. The Plaintiff repeats and incorporates by reference the paragraphs above.

102. By the foregoing and other acts, all funds in defendant Wells Fargo Account #2676 were property involved in or traceable to violations of money laundering in violation of 18 U.S.C. § 1957, and are, therefore, forfeited to the United States pursuant to 18 U.S.C. § 981(a)(1)(A).

THIRTEENTH CLAIM FOR RELIEF

103. The Plaintiff repeats and incorporates by reference the paragraphs above.

104. By the foregoing and other acts, \$13,000 in defendant Wells Fargo

Account #4811 constitutes money furnished or intended to be furnished by any person in exchange for a controlled substance, in violation of 21 U.S.C. § 801, et seq., and therefore, is forfeited to the United States pursuant to 21 U.S.C. § 881(a)(6).

FOURTEENTH CLAIM FOR RELIEF

105. The Plaintiff repeats and incorporates by reference the paragraphs above.

106. By the foregoing and other acts, \$13,000 in defendant Wells Fargo Account #4811 constitutes proceeds traceable to such an exchange of violation of 21 U.S.C. §801 et seq., and therefore, is forfeited to the United States pursuant to 21 U.S.C. §881(a)(6).

FIFTEENTH CLAIM FOR RELIEF

107. The Plaintiff repeats and incorporates by reference the paragraphs above.

108. By the foregoing and other acts, \$13,000 in defendant Wells Fargo Account #4811 constitutes money used or intended to be used to facilitate a violation of violation of 21 U.S.C. §801 et seq., and therefore, is forfeited to the United States pursuant to 21 U.S.C. §881(a)(6).

SIXTEENTH CLAIM FOR RELIEF

109. The Plaintiff repeats and incorporates by reference the paragraphs above.

110. By the foregoing and other acts, all funds in defendant Wells Fargo Account #4811 were property involved in or traceable to violations of money laundering in violation of 18 U.S.C. § 1956, and are, therefore, forfeited to the United States pursuant to 18 U.S.C. § 981(a)(1)(A).

SEVENTEENTH CLAIM FOR RELIEF

111. The Plaintiff repeats and incorporates by reference the paragraphs above.

112. By the foregoing and other acts, all funds in defendant Wells Fargo Account #4811 were property involved in or traceable to violations of money laundering in violation of 18 U.S.C. § 1957, and are, therefore, forfeited to the United States pursuant to 18 U.S.C. § 981(a)(1)(A).

EIGHTEENTH CLAIM FOR RELIEF

113. The Plaintiff repeats and incorporates by reference the paragraphs above.

114. By the foregoing and other acts, all funds in defendant Wells Fargo Account #5821 was property involved in or traceable to violations of money laundering in violation of 18 U.S.C. § 1956, and is, therefore, forfeited to the United States pursuant to 18 U.S.C. § 981(a)(1)(A).

NINETENTH CLAIM FOR RELIEF

115. The Plaintiff repeats and incorporates by reference the paragraphs above.

116. By the foregoing and other acts, all funds in defendant Safe Deposit Box constitute money furnished or intended to be furnished by any person in exchange for a controlled substance in violation of 21 U.S.C. § 801, *et seq.*, and therefore, is forfeited to the United States pursuant to 21 U.S.C. § 881(a)(6).

TWENTIETH CLAIM FOR RELIEF

117. The Plaintiff repeats and incorporates by reference the paragraphs above.

118. By the foregoing and other acts, all funds in defendant Safe Deposit Box constitute proceeds traceable to such an exchange of violation of 21 U.S.C. §801 *et seq.*, and therefore, is forfeited to the United States pursuant to 21 U.S.C. §881(a)(6).

TWENTY-FIRST CLAIM FOR RELIEF

119. The Plaintiff repeats and incorporates by reference the paragraphs above.

120. By the foregoing and other acts, all funds in defendant Safe Deposit Box constitute money used or intended to be used to facilitate a violation of violation of 21 U.S.C. §801 et seq., and therefore, is forfeited to the United States pursuant to 21 U.S.C. §881(a)(6).

TWENTY-SECOND CLAIM FOR RELIEF

121. The Plaintiff repeats and incorporates by reference the paragraphs above.

122. By the foregoing and other acts, \$112,000 in defendant Nugget Account #1073 constitutes money furnished or intended to be furnished by any person in exchange for a controlled substance, proceeds traceable to an exchange of controlled substances, and money used or intended to be used to facilitate a violation of 21 U.S.C. § 801, *et seq.*, and therefore, is forfeited to the United States pursuant to 21 U.S.C. § 881(a)(6).

TWENTY-THIRD CLAIM FOR RELIEF

123. The Plaintiff repeats and incorporates by reference the paragraphs above.

124. By the foregoing and other acts, \$112,000 in defendant Nugget Account #1073 constitutes proceeds traceable to such an exchange of violation of 21 U.S.C. §801 et seq., and therefore, is forfeited to the United States pursuant to 21 U.S.C. §881(a)(6).

TWENTY-FOURTH CLAIM FOR RELIEF

125. The Plaintiff repeats and incorporates by reference the paragraphs above.

126. By the foregoing and other acts, \$112,000 in defendant Nugget Account #1073 constitutes money used or intended to be used to facilitate a violation of violation of 21 U.S.C. §801 et seq., and therefore, are forfeited to the United States pursuant to 21 U.S.C. §881(a)(6).

TWENTY-FIFTH CLAIM FOR RELIEF

127. The Plaintiff repeats and incorporates by reference the paragraphs above.

128. By the foregoing and other acts, all funds in defendant Nugget Account #1073 were property involved in or traceable to violations of money laundering in violation of 18 U.S.C. § 1956, and are, therefore, forfeited to the United States pursuant to 18 U.S.C. § 981(a)(1)(A).

TWENTY-SIXTH CLAIM FOR RELIEF

129. The Plaintiff repeats and incorporates by reference the paragraphs above.

130. By the foregoing and other acts, all funds in defendant Nugget Account #1073 was property involved in or traceable to violations of money laundering in violation of 18 U.S.C. § 1957, and are, therefore, forfeited to the United States pursuant to 18 U.S.C. § 981(a)(1)(A).

TWENTY-SEVENTH CLAIM FOR RELIEF

131. The Plaintiff repeats and incorporates by reference the paragraphs above.

132. By the foregoing and other acts, \$15,915 in defendant Churchill Minerals Account #5781 constitutes money furnished or intended to be furnished by any person in exchange for a controlled substance in violation of 21 U.S.C. § 801, et seq., and therefore, is forfeited to the United States pursuant to 21 U.S.C. § 881(a)(6).

TWENTY-EIGHTH CLAIM FOR RELIEF

133. The Plaintiff repeats and incorporates by reference the paragraphs above.

134. By the foregoing and other acts, \$15,915 in defendant Churchill Minerals Account #5781 constitutes proceeds traceable to such an exchange of violation of 21 U.S.C. §801 et seq., and therefore, is forfeited to the United States pursuant to 21 U.S.C. §881(a)(6).

TWENTY-NINTH CLAIM FOR RELIEF

135. The Plaintiff repeats and incorporates by reference the paragraphs above.

136. By the foregoing and other acts, \$15,915 in defendant Churchill Minerals Account #5781 constitutes money used or intended to be used to facilitate a violation of violation of 21 U.S.C. §801 et seq., and therefore, is forfeited to the United States pursuant to 21 U.S.C. §881(a)(6).

THIRTIETH CLAIM FOR RELIEF

137. The Plaintiff repeats and incorporates by reference the paragraphs above.

138. By the foregoing and other acts, all funds in defendant Churchill Minerals Account #5781 were property involved in or traceable to violations of money laundering in violation of 18 U.S.C. § 1956, and are, therefore, forfeited to the United States pursuant to 18 U.S.C. § 981(a)(1)(A).

THIRTY-FIRST CLAIM FOR RELIEF

139. The Plaintiff repeats and incorporates by reference the paragraphs above.

140. By the foregoing and other acts, all funds in defendant Churchill Minerals Account #5781 were property involved in or traceable to violations of money laundering

in violation of 18 U.S.C. § 1957, and are, therefore, forfeited to the United States pursuant to 18 U.S.C. § 981(a)(1)(A).

THIRTY-SECOND CLAIM FOR RELIEF

141. The Plaintiff repeats and incorporates by reference the paragraphs above.

142. By the foregoing and other acts, \$30,000 in defendant John Churchill Account #0303 constitutes money furnished or intended to be furnished by any person in exchange for a controlled substance in violation of 21 U.S.C. § 801, *et seq.*, and therefore, is forfeited to the United States pursuant to 21 U.S.C. § 881(a)(6).

THRITY-THIRD CLAIM FOR RELIEF

143. The Plaintiff repeats and incorporates by reference the paragraphs above

144. By the foregoing and other acts, \$30,000 in defendant John Churchill Account #0303 constitutes proceeds traceable to such an exchange of violation of 21 U.S.C. §801 *et seq.*, and therefore, is forfeited to the United States pursuant to 21 U.S.C. §881(a)(6).

THRITY-FOURTH CLAIM FOR RELIEF

145. The Plaintiff repeats and incorporates by reference the paragraphs above

146. By the foregoing and other acts, \$30,000 in defendant John Churchill Account #0303 constitutes money used or intended to be used to facilitate a violation of violation of 21 U.S.C. §801 *et seq.*, and therefore, is forfeited to the United States pursuant to 21 U.S.C. §881(a)(6).

THIRTY-FIFTH CLAIM FOR RELIEF

147. The Plaintiff repeats and incorporates by reference the paragraphs above

148. By the foregoing and other acts, all funds in defendant John Churchill Account #0303 were property involved in or traceable to violations of money laundering in violation of 18 U.S.C. § 1956, and are, therefore, forfeited to the United States pursuant to 18 U.S.C. § 981(a)(1)(A).

THIRTY-SIXTH CLAIM FOR RELIEF

149. The Plaintiff repeats and incorporates by reference the paragraphs above

150. By the foregoing and other acts, all funds in defendant John Churchill Account #0303 were property involved in or traceable to violations of money laundering in violation of 18 U.S.C. § 1957, and are, therefore, forfeited to the United States pursuant to 18 U.S.C. § 981(a)(1)(A).

THIRTY-SEVENTH CLAIM FOR RELIEF

151. The Plaintiff repeats and incorporates by reference the paragraphs above

152. By the foregoing and other acts, \$35,915 in defendant Ann Churchill Account #0421 constitutes money furnished or intended to be furnished by any person in exchange for a controlled substance in violation of 21 U.S.C. § 801, *et seq.*, and therefore, is forfeited to the United States pursuant to 21 U.S.C. § 881(a)(6).

THIRTY-EIGHTH CLAIM FOR RELIEF

153. The Plaintiff repeats and incorporates by reference the paragraphs above

154. By the foregoing and other acts, \$35,915 in defendant Ann Churchill Account #0421 constitutes proceeds traceable to such an exchange of violation of 21 U.S.C. §801 *et seq.*, and therefore, is forfeited to the United States pursuant to 21 U.S.C. §881(a)(6).

THIRTY-NINTH CLAIM FOR RELIEF

155. The Plaintiff repeats and incorporates by reference the paragraphs above

156. By the foregoing and other acts, \$35,915 in defendant Ann Churchill Account #0421 constitutes money used or intended to be used to facilitate a violation of violation of 21 U.S.C. §801 et seq., and therefore, is forfeited to the United States pursuant to 21 U.S.C. §881(a)(6).

WHEREFORE, the United States prays for entry of a final order of forfeiture for the defendant property in favor of the United States, that the United States be authorized to dispose of the defendant property in accordance with law, and that the Court enter a finding of probable cause for the seizure of the defendant property and issue a Certificate of Reasonable Cause pursuant to 28 U.S.C. § 2465.

DATED this 19th day of February, 2014.

Respectfully submitted,

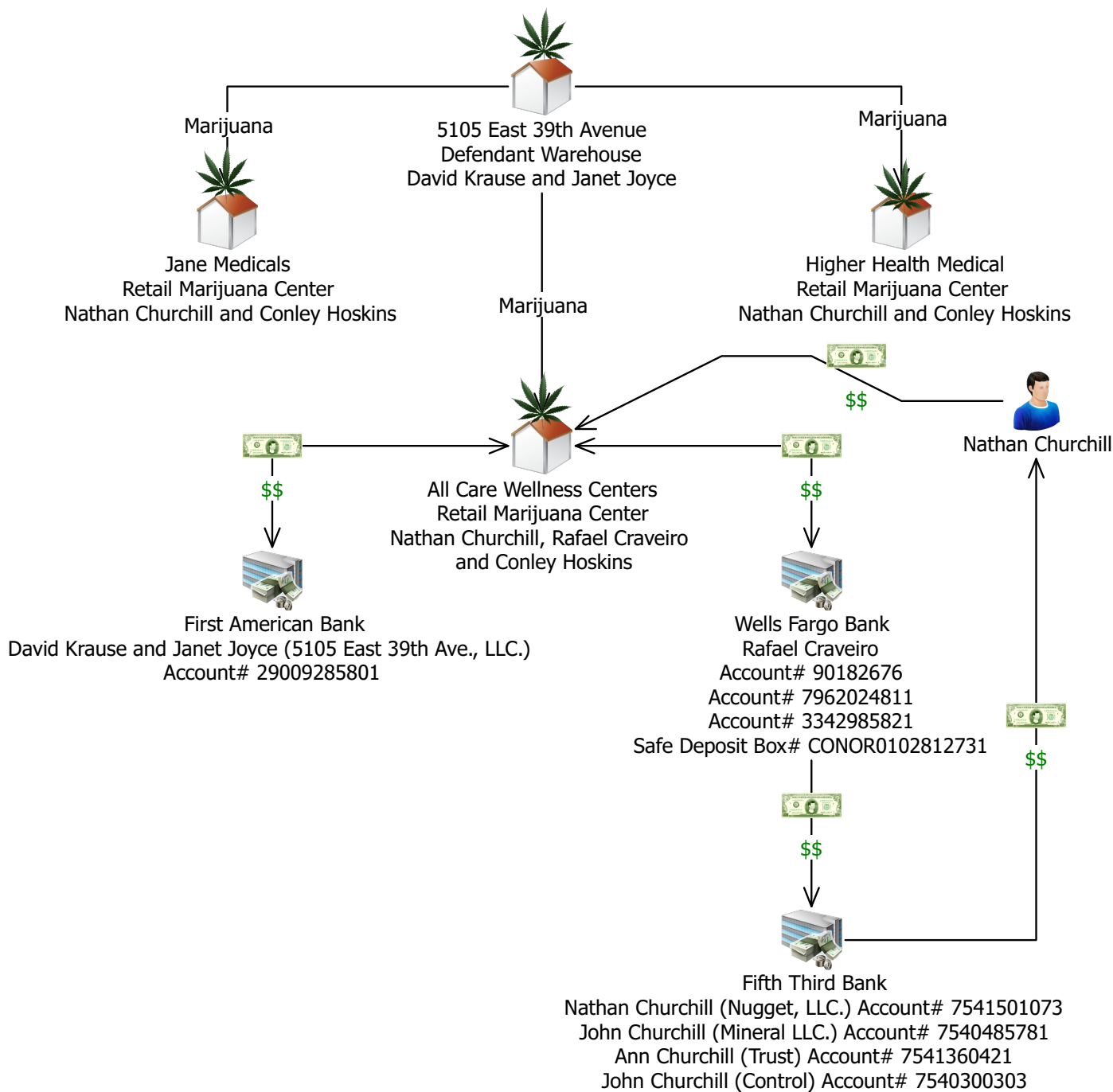
JOHN F. WALSH
United States Attorney

By:


James S. Russell
Assistant U.S. Attorney
U.S. Attorney's Office
1225 Seventeenth Street, Ste. 700
Denver, Colorado 80202
Telephone: (303) 454-0100
E-mail: james.russell5@usdoj.gov
Attorney for the United States

Attachment 1

Simplified Marijuana and Financial Tracing 5105 East 39th Avenue Et Al



IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

Civil Action No. FILED UNDER RESTRICTION

UNITED STATES OF AMERICA,

Plaintiff,

v.

5105 EAST 39TH AVENUE, DENVER, COLORADO;

FIRST AMERICAN BANK ACCOUNT # 29009285801;

WELLS FARGO BANK ACCOUNT # 90182676;

WELLS FARGO BANK ACCOUNT # 7962024811;

WELLS FARGO BANK ACCOUNT # 3342985821;

WELLS FARGO BANK SAFE DEPOSIT BOX # CONOR0102812731;

FIFTH THIRD BANK ACCOUNT # 7541501073;

FIFTH THIRD BANK ACCOUNT # 7540485781;

FIFTH THIRD BANK ACCOUNT # 7540300303; and

FIFTH THIRD BANK ACCOUNT # 7541360421,

Defendants.

ORDER FOR WARRANT FOR ARREST OF PROPERTY *IN REM*

Plaintiff has instituted the *in rem* action herein and requested issuance of process. It appears to the Court from the Verified Complaint filed herein that the Court has jurisdiction over the defendant property, and it appears, for the reasons and causes set forth in the Verified Complaint, that there is probable cause to believe the defendant

property is subject to a decree of forfeiture, and that a Warrant for Arrest of the defendant property should enter.

IT IS THEREFORE ORDERED AND DECREED that a Warrant for Arrest of Property *In Rem* for the defendant property shall issue as prayed for and that the United States Marshals Service and/or any other duly authorized law enforcement officer is directed to arrest and seize the defendant property as soon as practicable, and to use whatever means may be appropriate to protect and maintain it in your custody until further order of this Court;

THAT the United States Marshals Service and/or any other duly authorized law enforcement officer shall promptly return the Warrant to the Court; and

THAT pursuant to Rule G(4)(a)(iv)(C) of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions, the United States shall post notice on an official internet government site for at least 30 consecutive days, stating that all persons claiming or asserting an interest in the defendant property must file their Claims with the Clerk of this Court pursuant to Rule G of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions no later than 60 days after the first day of publication on an official internet government forfeiture site, and shall serve and file their Answers to the Verified Complaint within twenty-one (21) days after the filing of their Claims with the Office of the Clerk, United States District Court for the District of Colorado, with a copy sent to Assistant United States Attorney James S. Russell, United States Attorney's Office, 1225 17th Street, Suite 700, Denver, Colorado.

SO ORDERED this ____ day of _____, 2014.

BY THE COURT:

United States Magistrate Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

Civil Action No.

FILED UNDER RESTRICTION

UNITED STATES OF AMERICA,

Plaintiff,

v.

5105 EAST 39TH AVENUE, DENVER, COLORADO;

FIRST AMERICAN BANK ACCOUNT # 29009285801;

WELLS FARGO BANK ACCOUNT # 90182676;

WELLS FARGO BANK ACCOUNT # 7962024811;

WELLS FARGO BANK ACCOUNT # 3342985821;

WELLS FARGO BANK SAFE DEPOSIT BOX # CONOR0102812731;

FIFTH THIRD BANK ACCOUNT # 7541501073;

FIFTH THIRD BANK ACCOUNT # 7540485781;

FIFTH THIRD BANK ACCOUNT # 7540300303; and

FIFTH THIRD BANK ACCOUNT # 7541360421,

Defendants.

WARRANT FOR ARREST OF PROPERTY *IN REM*

TO: UNITED STATES MARSHALS SERVICE AND /OR ANY OTHER DULY
AUTHORIZED LAW ENFORCEMENT OFFICER:

PURSUANT to the Order for Warrant for Arrest of Property In Rem issued by this
Court, YOU ARE HEREBY COMMANDED TO ARREST AND SEIZE as soon as

practicable, all the defendant property described in the Verified Complaint for Forfeiture In Rem described as follows:

a. All funds in First American Bank Account #29009285801 held in the name of 5105 East 39th Ave., LLC, hereinafter defendant First American Account;

b. All funds in Wells Fargo Bank Account #90182676 held in the name of Rafael Craveiro, hereinafter defendant Wells Fargo Account #2676;

c. All funds in Wells Fargo Bank Account #7962024811 held in the name of Interbev LLC, hereinafter defendant Wells Fargo Account #4811;

d. All funds in Wells Fargo Bank Account #3342985821 held in the name of Rafael Craveiro, hereinafter defendant Wells Fargo Account #5821;

e. All funds in Wells Fargo Bank Safe Deposit Box Number CONOR0102812731 at Wells Fargo Bank, 1700 Broadway, Denver, Colorado, hereinafter defendant Safe Deposit Box;

f. All funds in Fifth Third Bank Account #7541501073 held in the name of Nugget, LLC, hereinafter defendant Nugget Account #1073;

g. All funds in Fifth Third Bank Account #7540485781 held in the name of John Churchill Minerals LLC, hereinafter defendant Churchill Minerals Account #5781;

h. All funds in Fifth Third Bank Account #7540300303 held in the name of John Churchill, hereinafter defendant John Churchill Account #0303; and Up to \$30,915.00 in Fifth Third Bank Account #7541360421 held in the name of Ann Churchill Living Trust, hereinafter defendant Ann Churchill Account #0421

and to use whatever means may be appropriate to protect and maintain it in your custody until further order of this Court;

PROMPTLY TO make your return of the Warrant with the Court;

DONE at Denver, Colorado, this _____ day of _____, 2014.

GREGORY C. LANGHAM
Clerk of the U.S. District Court

By: _____
Deputy Clerk

Please wait...

If this message is not eventually replaced by the proper contents of the document, your PDF viewer may not be able to display this type of document.

You can upgrade to the latest version of Adobe Reader for Windows®, Mac, or Linux® by visiting http://www.adobe.com/go/reader_download.

For more assistance with Adobe Reader visit <http://www.adobe.com/go/acrreader>.

Windows is either a registered trademark or a trademark of Microsoft Corporation in the United States and/or other countries. Mac is a trademark of Apple Inc., registered in the United States and other countries. Linux is the registered trademark of Linus Torvalds in the U.S. and other countries.