

# United States District Court

SOUTHERN DISTRICT OF FLORIDA

UNITED STATES OF AMERICA  
V.

## CRIMINAL COMPLAINT

GARY C. BRESTLE, and  
ISBELIA Q. BRESTLE

(Name and Address of Defendant)

CASE NUMBER

FILED BY JMS/JMH  
MAG. SEC. D.C.  
DEC 08 2005  
CLARENCE MADDOX  
CLERK U.S. DIST. CT.  
S.D. OF FLA. - W.P.B.

I, the undersigned complainant, being duly sworn state the following is true and correct to the best of my knowledge and belief. Beginning on or about October 16, 2001 and continuing to on or about December 12, 2005 in Palm Beach County, in the Southern District of Florida and elsewhere, defendant(s) did, (Track Statutory Language of Offense) knowingly and willfully combine, conspire, confederate, agree and reach a tacit understanding with each other and with persons known and unknown to commit the following offense against the United States: mail fraud (a violation of 18 USC § 1341), and wire fraud (a violation of 18 USC § 1343). The defendants did knowingly and willfully devise and intend to devise a scheme and artifice to defraud and for obtaining money and property from investors throughout the United States by means of material and false pretenses, representations and promises, well knowing the pretenses, representations and promises would be and were false and fraudulent when made, as more particularly described below. The object of the scheme and artifice to defraud was for the defendants to unlawfully enrich themselves by inducing victims to send and provide money to Interconnect Trading USA, Inc., Island Ocean Trading, Inc., and Ocean 221, Inc., based on false representations as to investments that would be made. The defendants committed the following overt acts in furtherance of the conspiracy to commit wire fraud: On or about August 1, 2003, a promissory note in favor of Steve Mackler was created and executed; on or about September 2, 2003, a promissory note in favor of Steve Mackler was created and executed;

Manner and Means of Executing the Scheme to Defraud: Under false and fraudulent pretenses, defendants Gary C. Brestle and Isbelia Q. Brestle, together with other persons known and unknown, recruited people, or caused others to recruit people, to invest in containers of goods purportedly being shipped in foreign commerce. Both Brestles recruited others to solicit investors to invest millions of dollars with defendants. In order to attract investors, defendants made false representations to investors. The false representations included assurances that containers of goods were being purchased with the invested moneys; that defendants were investing their own money in the containers of goods, and that there were buyers ready and willing to purchase the containers of goods. Contrary to their representations, there were no containers of goods purchased with the moneys invested by the victims, there were no purchasers for these non-existent containers and the defendants had not invested their own money in the purchase of containers of goods. Instead, the moneys were used for personal expenses of defendants and others and for the purpose of promoting the fraud, lulling victims of the fraud into believing there was a legitimate business by making "Ponzi" payments and by purchasing goods to deceive the victims into believing they had actually invested in the purchase of goods in containers being imported into the United States.

In furtherance of the scheme to defraud and to effect the aims and objects of the scheme to defraud, the defendants caused Steven Mackler to wire funds to account at Wachovia Bank on August 1, 2003 in the amount of \$300,000, and on September 2, 2003 in the amount of \$300,000. On or about October 21, 2003, defendants wire transferred \$100,000 to Michael Blank payable to his account entitled HCB at a bank in the US Virgin Islands. *Wachovia bank is located in Florida. The wires to Blank's account in the Virgin Islands originated in Florida.*

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*Zek*

Interstate Transportation of Property Taken by Fraud: On or about July 2, 2004, the defendants did willfully cause property worth more than \$5,000, that is a check and money in the value of \$100,000, to be transported in interstate commerce, knowing the check and money was to be stolen and taken by fraud, to wit: Check number 1196 issued by Carole Kempermann to Island Ocean Trading USA Inc., drawn on a Smith Barney account located in Englewood Cliffs, New Jersey. On or about October 8, 2003, the defendants did willfully cause a person to travel in interstate commerce in execution of a scheme to defraud a person of property worth more than \$5,000, that is Jarrett N. Cohan traveled from Pennsylvania to Florida for the purpose of providing defendants with a funds in the amount of \$75,000. On or about May 6, 2004, the defendants did willfully cause property worth more than \$5,000, that is a check and money in the value of \$70,000, to be transported in interstate commerce, knowing the check and money was stolen and taken by fraud, to wit: check number 2215 issued by Stephen J. Perricone to Ocean 221 Inc., drawn on a Bridge hampton National Bank account located in New York.

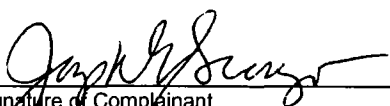
*gm*  
*gm* The defendants did knowingly conduct and attempt to conduct a financial transaction affecting interstate and foreign commerce which involved the proceeds of a specified unlawful activity, that is wire fraud and interstate transportation of money or property obtained by fraud, in violation of 18 USC §§ 1343 and 2314, with the intent to promote the carrying on of the specified unlawful activity and while conducting and attempting to conduct such financial transaction, knew that the property involved in the financial transaction represented the proceeds of unlawful activity; to wit: On or about October 21, 2003, a wire transfer of \$100,000 to Michael Blank's account in the US Virgin Islands purporting to be a repayment of investment. On or about June 9, 2003, a check was issued by defendants to Joseph Yariv in the amount of \$10,000. On or about June 18, 2004, defendants issued checks as follows: Max Fricker for \$10,000; Jarrett Cohan for \$3,000; and Sandra and Joseph Kollen for \$12,000.

in violation of Title 18 United States Code, Section(s) 1343, 1349, 2314, and 1956

I further state that I am a(n) FBI, SPECIAL AGENT and that this complaint is based on the following facts:  
Official Title

Please see attached affidavit.

Continued on the attached and made a part hereof:  Yes  No

  
\_\_\_\_\_  
Signature of Complainant  
JOSEPH SCONZO, SPECIAL AGENT  
FEDERAL BUREAU OF INVESTIGATION

Sworn to before me, and subscribed in my presence,

DECEMBER 8, 2005 at WEST PALM BEACH, FLORIDA  
Date City and State

*James M. Hopkins*  
~~ANNE VITUNAC~~  
CHIEF UNITED STATES MAGISTRATE JUDGE  
Name and Title of Judicial Officer

  
\_\_\_\_\_  
Signature of Judicial Officer

## AFFIDAVIT FOR CRIMINAL COMPLAINT

Your affiant, Joseph G. Sconzo, is a Special Agent with the Federal Bureau of Investigation. I have been an agent for twenty (20) years and have been assigned to the White Collar Crime Squad at the Palm Beach County Resident Agency for the past four (4) years. I have investigated matters involving internet fraud, mail fraud, mortgage fraud and wire fraud during that time. I have made arrests and conducted searches pertaining to these types of investigations.

This investigation focuses on a pyramid or "ponzi" scheme orchestrated by Gary C. Brestle, and involving upwards of twenty (20) victims in violation of Title 18, United States Code, Sections 1343 and 1349, conspiracy to commit wire fraud and wire fraud; and 1956, that is money laundering.

The following information is in support of an affidavit for the issuance of an arrest warrant based upon the attached criminal complaint. The statements contained in this affidavit are based in part on information provided by other law enforcement personnel, interviews of witnesses, and on my experience and background as an Agent with the FBI. Since this affidavit is being submitted for the limited purpose of securing ~~X~~ an arrest warrant, I have not included each and every fact known to me concerning this investigation. I have set forth only the facts that I believe are necessary to establish probable cause to believe that a violation of Title 18, Sections 1343, 1349, & 1956, have been committed by Gary C. Brestle, Isbelia Brestle and others. *JMA*

### FACTUAL BACKGROUND

This matter was originally investigated by the State of Florida, Office of Financial Regulation (SFOFR) and then referred to FBI, PBCRA. The complaint originated from Ernie and Carole Kempermann, who reside in New York State. The Kempermanns advised Investigator, John Ward, SFOFR, that they provided a check dated July 2, 2004, in the amount of \$100,000.00 to a family friend, identified as Stephen Perricone. Perricone was to invest the funds with Gary Brestle. Perricone had previously invested with Brestle which produced positive results. In turn, Perricone invited some of his friends to invest with Brestle.

In return, the Kempermanns were provided a Promissory Note by Gary Brestle. The funds were to be used as a investment in Brestle's business with the expectation of having \$140,000.00 returned to them within 30 days. However, Brestle did not pay back the Kempermanns within the allotted time frame as indicated in the promissory note. The investment was to be used to purchase

distressed goods being shipped from other countries. The goods were described by Brestle as electronic equipment and/or toys and were in shipping containers.

Gary Brestle described his business to witnesses as acting as a "middle man" between selling brokers and buying brokers for the transactions involving containers of goods. Brestle claims that he is a "diverter of goods" which are already on the sea in containers and have lost a buyer. Brestle allegedly purchases the containers from a selling broker, at a deep discount, with investor's funds, and then sells the container to a willing buyer. In most cases, Brestle indicated to the investors that he already had the goods sold and this was why the turn around would be so quick.

During the course of the investigation no evidence was found to support the claim that any "shipping containers" were, or are being bought by Brestle. All of the investors interviewed advised that when they questioned Brestle about the status of their investments and of the goods purchased with their money, and requested proof that the transactions actually occurred, Brestle would show only generic documentation. These documents generally described the products involved. No documents were ever provided to support the purchase or sale, such as bills of lading, invoices, or U.S. Custom's importation documentation. Brestle continuously offered reasons for delays in payments. These excuses included: 1) that US Customs had held up the shipments; 2) the 9/11/01 Terrorist Attacks and the Department of Homeland Security had created a series of problems and restrictions that were causing delays; 3) K-Mart had gone bankrupt and flooded the market with the same goods; and 4) the buyer backed out of the deal for a multitude of reasons. These excuses regularly coincided with current events that could be easily verified through the review of newspapers or internet articles, or TV broadcasts.

Brestle made claims to investors that he had people on the docks in Miami that were watching his containers. He told Stephen Perricone that he regularly paid off people at the docks, and suggested an individual with Organized Crime connections, Phil Bruno, was assisting in securing the shipments. To another investor, Joseph Yariv, Brestle said his payoffs went to an individual only identified as "Callahan". During an unrelated business trip to San Francisco, Michael Blank attempted to verify the existence of container loads of items that he had invested in that were supposedly held in Customs at the port in either Los Angeles or Long Beach. He notified Brestle of his intentions from California and was met with a barrage of

obscenities and comments telling him that it was not his business.

Department of Homeland Security - ICE Special Agent Letitia Jeffers confirmed that neither Gary C. Brestle nor any of the aforementioned companies have any record of importing shipping containers entering the United States. Furthermore, an analysis of the personal and corporate bank accounts involved so not support the operation of an import/export business or purchase of distressed goods. The only dealings with any companies or corporations involved the provision of investment monies by victims.

Initially, bank records for the corporate accounts were subpoenaed for the year 1/1/04 - 12/31/04. An analysis was done on the accounts for Ocean 221, Interconnect Trading USA, Inc., Island Ocean Trading, Inc., and two personal accounts maintained by Isbelia Brestle. These accounts are as follows:

- 1) Colonial Bank Account # [REDACTED]7000;
- 2) Colonial Bank Account # [REDACTED]5672;
- 3) Colonial Bank Account # [REDACTED]6556;
- 4) Bank of America Account # [REDACTED]7070.

The analysis shows an excess of \$8 Million Dollars going into the accounts maintained by the Brestles, primarily from investors, and an excess of \$8 Million Dollars going out to Brestle, his wife, her relatives, Abraham and Mauricio Quijada, Brestle's companies, and possible investors. There is no evidence to support that investor funds are, or were being utilized to purchase "shipping containers" containing electronic goods and/or toys or any other inventory of products from other countries.

An analysis of the bank records from the following accounts revealed the following:

Interconnect Trading USA, Inc.

Colonial Bank Account # [REDACTED]7000 (1/31/2004 - 11/30/2004)

Investors Deposits	\$758,000.00
Island Ocean Trading Deposits	\$39,600.00
Ocean 221, Inc Deposits	<u>\$374,700.00</u>
Total Deposits	\$1,173,000.00
Total Out	\$1,241,964.00

Island Ocean Trading, Inc.

Colonial Bank Account # [REDACTED] 5672 (1/31/2004 - 11/30/2004)

Investors Deposits	\$740,975.00
Interconnect Trading. Deposits	\$74,000.00
Ocean 221, Inc. Deposits	<u>\$1,009,350.00</u>
Total Deposits	\$1,824,325.00
Total Out	\$1,853,074.00

Ocean 221, Inc.

Colonial Bank Account # [REDACTED] 6556 (1/31/2004 - 11/30/2004)

Total Deposits	\$5
Investor Deposits	\$5,032,903.88
Total Out	\$5,089,652.56

Isbelia Quijada Brestle

Bank of America Account # [REDACTED] 7070

for the period of 1/1/04 through 3/25/05

Total Deposits	\$494,563.57
Total Investor Deposits	\$154,500.00
Total Deposits from other Corps. involved in scheme.	\$251,326
Total Deposits from Isabelia Brestle	\$27,056.19

Based upon the analysis of these four accounts for the stated time period, a total of \$6,686,378.88 was provided by investors. An analysis of Island Ocean Trading Inc., account # [REDACTED] 5672 for the period of December 13, 2002 through June 30, 2005, and Ocean 221 Inc., account # [REDACTED] 6556 for the period of April 26, 2002 through June 30, 2005, reveals a pattern consistent with the pattern of deposits, transfers and withdrawals found above.

An analysis of the other accounts reviewed during the course of investigation into this matter is as follows:

Wachovia Bank account number [REDACTED] 5341  
for the period of 7/8/04 through 9/30/05  
for Interconnect Trading, USA, Inc.:

Bank statements for the period of 7/8/04 through 4/30/05 were analyzed. Based upon these statements for this time period, \$166,000 went into the account and \$165,739.97 came out of the account. From 5/1/05 through 9/30/05, supporting documentation

exists which shows the following:

Deposits into this account:

\$55,000 from investors

The withdrawals on this account show:

\$15,500 to Isbelia or Gary Brestle

\$2,000 to Bruce Keihner

\$12,500 to David Raben, Attorney

\$25,000 to investor

Another \$19,000 was written to investors but the checks bounced thereafter.

The initial balance on the account for the above period was \$260.03. Total fees were \$294.35. The account was overdrawn by \$34.32.

Wachovia Bank account number [REDACTED] 0196  
for the period of 7/14/04 through 9/30/05  
for Global Waste Systems:

Bank statements for the period of 7/24/04 through 4/30/05 were analyzed. Based upon these statements for this time period, \$39,300 went into the account and \$39,286.54 came out of the account. From 5/1/05 through 9/30/05, supporting documentation exists which shows the following:

Of the \$43,500 deposited into the account the following analysis exists:

\$10,000 from Island Ocean Trading at Wachovia Bank  
\$10,000 from Tropical Trading at SunTrust Bank  
\$5,000 from Island Ocean Trading at Wachovia Bank  
\$5,000 from Island Ocean Trading at Wachovia Bank  
\$12,000 from Tropical Trading at SunTrust Bank  
\$42,000 - total

\$1,500 from an unknown source

The withdrawals on this account show:

\$23,518.10 to expenses, attorney's fees, and bank fees  
\$9,500 to Gary Brestle  
\$5,000 to an investor

\$38,018.10 - total

Wachovia Bank account number [REDACTED] 5869  
for the period of 5/14/04 through 1/31/05  
for Ocean 221, Inc

Bank statements for this period reveal total deposits of \$825,361.81 and total withdrawals of \$825,361.81. Deposits include large sums of money that are consistent with amounts indicated by investors during this time period. Judy Ricco advised that she invested \$170,000 on 6/17/04. A review of the bank statement for that period indicates a deposit of \$170,000 on 6/17/04. Checks written during this time period are also consistent with information provided by investors. Steve Perricone advised that on 5/24/05, he received \$149,000. This coincides with the bank statement from this account for check number 101 dated 5/25/04. The activity on this account is substantially similar to that of the other corporate accounts involved in this scheme.

Wachovia Bank account number [REDACTED] 5354  
for the period of 7/8/04 through 9/30/05  
for Island Ocean Trading, Inc.

Bank statements for the period 7/8/04 through 4/29/05 reveal total deposits of \$1,454,964.00 and total withdrawals and checks of \$1,454,782.31. Supporting documentation exists for 4/30/05 through 9/30/05. An analysis of this reveals the following:

Deposits into this account:

\$150,000	from investors
\$29,000	from other corporations in the scheme
<u>\$610,000</u>	from Secured Financial Network
\$889,000	- total

Withdrawals/checks from this account:

\$8,700.00	to Mauricio Quijada
\$6,000.00	to Bruce Keihner
\$140,000.00	to Tropical Trading
\$20,000.00	to Global Waste Systems
\$7,000.00	to Island Ocean Trading
\$116,739.08	for Personal Expenses
\$183,074.99	to Isbelia & Gary Brestle
<u>\$403,955.00</u>	to Investors
\$885,469.07	- Total



SunTrust Bank account number [REDACTED] 2458  
for the period of 1/05 through 9/30/05  
for Tropical Trading & Enterprises, Inc.

Tropical Trading & Enterprises, Inc. Account# [REDACTED]  
2458 SunTrust Bank, 1/05 thru 9/30/05

	<u>Deposits</u>	<u>Checks</u>	<u>With/Debits</u>	<u>Balance</u>
Jan.	\$0.00			\$0.00
Feb	\$240,032.00	-\$231,500.00	-\$32.00	\$8,500.00
Mar	\$0.00	-\$5,000.00		\$3,500.00
Apr	\$300,000.00	-\$271,298.91	-\$27,980.00	\$4,221.09
May	\$5,060.00	-\$9,086.09		\$195.00
Jun	\$160,500.00	-\$48,105.64	-\$78,207.33	\$34,382.03
Jul	\$620,000.00	-\$427,873.25	-\$148,830.62	\$77,678.16
Aug	\$240,000.00	-\$259,968.97	-\$50,802.02	\$6,907.17
Sep	\$85,000.00	-\$74,250.00	-\$8,480.12	\$9,177.05

\$1,650,592.00 DEPOSITS/CREDITS

-\$1,641,414.95 CHECKS/WITHDRAWALS

Tropical Trading & Enterprises, Inc., Account# [REDACTED] 2458  
SunTrust Bank, 1/05 thru 9/30/05

Analysis of the records shows that during the period of January 2005 through September 30, 2005, investor funds were received into this account. During this period, this account had deposits totaling \$439,125.00 from investors. The remaining deposits were from transfers from bank accounts for the following related companies, cash, the Brestles and Bruce Keihner: Interconnect Trading, Global Waste, Island Ocean, and Clausewitz Consulting. The total deposits into the account were \$1,650,592.00 and the total withdrawals amounted to \$1,641,414.95.

Colonial Bank account number [REDACTED] 8495  
for Isbelia Brestle  
period covers 05/01/2002 through 06/21/2005

The deposits to this bank account totaled approximately \$382,768.47. The deposits predominantly came from the following corporations involved in the scheme:

Interconnect Trading Company, Inc.	\$	9,000.00
Interconnect Trading USA, Inc.		30,000.00

Ocean 221, Inc.	69,000.00
Island Ocean Trading, Inc.	<u>168,207.94</u>
	276,207.94

Additional significant deposits:

First Choice Credit Union	50,000.00
Colonial Bank Account [REDACTED] 1626	20,000.00
The Breakers Payroll	<u>17,261.51</u>
	87,261.51

The checks and withdrawals from this account totaled approximately \$382,768.47. Approximately \$304,231.22 of this total was disbursed for what appeared to be personal expenditures.

Funds distributed to Isbelia Brestle and corporations:

Isbelia Brestle	\$ 11,000.00
Ocean 221, Inc.	7,000.00
Global Waste Systems	<u>10,000.00</u>
	28,000.00

Funds distributed to potential investors:

January Turner	13,676.00
Margaret Severo Trust	7,106.25
Jackson Marchal	12,791.00
Ken Huckaby	2,000.00
Ken Zengage	964.00
RNJ Enterprises	5,000.00
Ralph Noe, Jr.	4,000.00
Thomas Pastore	<u>5,000.00</u>
	50,537.25

Bank of America account # [REDACTED] 7070  
for Isbelia Quijada Brestle  
for the period of 12/25/01 through 9/26/05

An analysis of the deposit activity pertaining to account # [REDACTED] 7070 revealed funds were received from numerous sources with approximately \$66,359.73 from The Breakers Resort at which Isbelia Quijada Brestle is employed. The funds from The Breakers Resort were deposited by Electronic Funds Transfer [EFT] from the Breakers Payroll Account. Furthermore, approximately \$672,400.00 in funds were received from six corporations [Interconnect Trading Company, Inc.; Interconnect Trading USA, Inc.; Island Ocean Trading, Inc.; Ocean 221, Inc.; Tropical Trading and Enterprises, Inc.; and Tropical Trading, Inc.], all of which are controlled by Isbelia Quijada Brestle and Gray Brestle. These funds consisted of company

checks and bank cashier's checks from the various banks where the various company accounts were maintained.

An analysis of the withdrawal activity pertaining to account # [REDACTED] 7070 revealed funds were used for Car Payments; Household Expenses, such as Mortgage Payments, Insurance, Utilities, Cell Phones, Landscaping, and Pool Service; Travel & Entertainment Expenses, such as Restaurants, Airfare, Hotels, Limousines and Travel Agent Fees; Credit Cards; Clothing and Jewelry; as well as numerous checks payable to Brestle Family Members, Quijada Family Members, Investors and Business Associates.

This analysis indicated the following deposits:

- 1) Interconnect Trading Company, Inc.  
Bank of America account number [REDACTED] 0165  
in the amount of \$58,900
- 2) Interconnect Trading USA, Inc.  
Colonial Bank account number [REDACTED] 7000  
in the amount of \$56,500  
Wachovia Bank account number [REDACTED] 5341  
in the amount of \$20,000
- 3) Island Ocean Trading, Inc.  
Colonial Bank account number [REDACTED] 5672  
in the amount of \$119,000  
Wachovia Bank account number [REDACTED] 5354  
in the amount of \$129,000
- 4) Ocean 221, Inc.  
Colonial Bank account number [REDACTED] 6556  
in the amount of \$141,000  
Wachovia Bank account number [REDACTED] 5869  
in the amount of \$30,000
- 5) Tropical Trading and Enterprises, Inc.  
SunTrust Bank account number [REDACTED] 2458  
in the amount of \$118,000

First Choice Credit Union account # [REDACTED] 496  
for Isbelia Brestle  
for the period of 10/04 through 6/30/05

A preliminary analysis of this account indicates the following transactions:

\$50,000 payment to Galena Capital

\$12,500 payment to Rob Roy  
\$20,000 payment to Isabella Miller  
\$20,000 payment to Neal Haeger

The following transactions were also noted:

\$50,000 payment to Interconnect Trading, Inc.,  
Colonial Bank

\$60,000 payment to Island Ocean Trading, Inc.,  
Wachovia Bank

\$50,000 payment to Isbelia Brestle

Payments to various other institutions for personal expenses were made as well.

The FBI has been able to identify victims as a result of the review of bank records. A questionnaire, requesting clarifying information, was provided to the following identified victims:

- 1) Michael Blank;
- 2) Chris & Michelle Chilvers;
- 3) Jerry Katz;
- 4) Sheldon Katz and Judith Ricco;
- 5) Steve Perricone;
- 6) Sandra and Joseph Kollen;
- 7) Steve Mackler;
- 8) Harald Max Fricker and Helga C. Baentsch;
- 9) Mark Spector;
- 10) Deanna, Robert, & Brian Stepanian;
- 11) Carole & Ernie Kempermann;
- 12) Rita Ellman;
- 13) Susan Edwards;
- 14) Maryanne and Frank Cottone;
- 15) Maria and James Cottone;
- 16) Amy (Roy) and Neil Hager;
- 17) Colleen and Thomas O'Brian;
- 18) Joseph Vermilyea;
- 19) Joseph Yariv;
- 20) Ron Wexler;
- 21) Jarrett Cohan;

This questionnaire was designed to allow the individual to provide as much information as possible regarding their investment history with Brestle and his companies. Almost uniformly, the responses indicated that Brestle solicited their investment with a Promissory Note and post dated checks corresponding to the note.

The return time frame was between 8 days and 2 months, and the rate of return varied between 25% and 40%. None of these promissory notes reflect the purchase of shipping containers as the purpose of the investment; instead these notes purport to be promissory notes for loans. In fact, each of the investors was told by Gary Brestle that the purpose of their providing money to him and his wife through the various companies was to purchase the containers of goods as described elsewhere in this affidavit. ✕

*JM JMA*

In furtherance of the investment scheme, Gary Brestle signed and issued promissory notes in his name collectively with one of the above listed companies. For instance, Brestle began to deal with Micheal Blank on June 4, 2003 and Blank was provided with a promissory note in the name of Brestle and Island Ocean Trading Incorporated. Mr. Blank was involved in approximately twelve "deals" with Brestle. Brestle signed a promisory note obliging Interconnect Trading USA in favor of Rita Ellman on March 11, 2004. Ms. Ellman also received promissory notes obliging Ocean 221 Inc. and Brestle dated April 15, 2004 and Interconnect Trading USA Inc and Mr. Brestle dated April 28, 2004. Beginning February 2, 2004, Sheldon Katz received a series of six different promisory notes obliging Brestle and Island Ocean Corporation in deals with Katz. Stephen Perricone invested in approximately fourteen deals beginning February 17, 2004, with Brestle and either Interconnect Trading Inc., Ocean 221 Inc., or Island Ocean Trading Inc. Records indicate that this activity of obliging a company and Brestle personally obligating himself continued through at least September 2005 when Brestle accepted funds from a company known as Secured Financial Network. As a result, the investors are informed that both share responsibility for the "loan", plus the interest as stated on the promissory note.

Through the course of the investigation, I learned that Gary Brestle, date of birth [REDACTED] 47, SSAN [REDACTED] 6017, is married to Isbelia Quijada Brestle. Mrs. Brestle, date of birth, [REDACTED] 66, SSAN [REDACTED] 6360, is listed as president of several Florida Corporations including: Ocean 221, Inc., Island Ocean Trading, Inc., Tropical Trading and Enterprises, Inc., Interconnect Trading USA, Inc, and Global Waste Systems, Inc. These corporations are located either at the Brestle residence, 221 Ocean Terrace, Palm Beach, Florida, at 125 Worth Avenue, Suite 330, Palm Beach, Florida, or 2217 Sunderland Avenue, Wellington, Florida. Corporate checking accounts for these companies, as well as personal accounts for Isbelia Quijada Brestle, to date, have been located at Bank of America, Wachovia Bank, Colonial Bank, and SunTrust Bank. Gary Brestle has no signature authority on any of the companies' financial accounts or on Mrs. Brestle's personal accounts. Mrs. Brestle holds signature authority on all of the accounts found to

date, and shares this responsibility with her father, Abraham Quijada.

According to Joseph Yariv, he made an initial investment with Brestle on October 16, 2001. Arrive invested with a partner, Ron Wexler. This initial deal did not go through and consequently Brestle returned the money to Yariv and Wexler. Thereafter Yariv and Wexler invested seven to eight more times with Brestle beginning March 20, 2002 and continuing through February 3, 2003. Yariv and Wexler began to get payments from Brestle. These payments appear to follow a pattern: upon Brestle receiving a sum of money from another investor, within several days checks to pay old investors were issued. As an example, on June 6, 2003, Michael Blank invested \$240,000 with Brestle. On June 9, 2003, Brestle issued a check in the amount of \$10,000 to Yariv and Wexler and on June 13, 2003, Yariv and Wexler received an additional check for \$10,000. On June 17, 2004, Judith Ricco invested \$170,000. On June 18, 2004, Max Fricker received \$10,000, Jarret Cohan received \$3,000, and Sandra and Joseph Kollen received \$12,000. All of these checks can be classified as Ponzi payments meant to lull the victim investors into inaction.

When Brestle presented his opportunities to prospective investors he described the "deal" as an investment. Therefore, the investor believes he/she was investing in a program with Gary Brestle, and one of the aforementioned companies. These investments were promoted as being for the purchase of container loads of toys and action figures, digital cameras, DVD players, various sizes of Plasma TVs, and home stereo receivers and speakers, which had already left port and were on the seas. In numerous instances, Brestle informed the investor that he, too, was investing his own money into the deal. He sometimes provided the investor with a handwritten list of "references". An example of such a list was provided to Stephen Perricone. This list included the following names:

- 1) John Adams 561-386-0657
- 2) Ken Huckaby 561-317-6825
- 3) Jamie Wainland 561-852-4855
- 4) Ken Zengage 561-734-7608
- 5) Ralph Noe 954-242-1399

Based on reviews of financial records by law enforcement officials, all of the aforementioned individuals appear to have obtained returns on their investments from Brestle. Perricone indicated that Ralph Noe was held out by Brestle as a broker he deals with. During the interview of Joseph Yariv, Yariv advised that Brestle held Noe out as a partner. Yariv stated that when

problems began with repayment from Brestle he contacted Noe. Noe acted surprised and insulted that Yariv had continued to invest with Brestle after early dealings that he was involved in. When Brestle found out that Yariv had spoken with Noe, Brestle called Yariv and was irrate.

Once the funds are presented to Brestle the investor has no control or authority over what is done with the funds. Brestle receives these funds from the investors by wire transfers into the corporate accounts, personal checks, cashiers checks, and in some instances cash. Brestle provided explicit instructions to Michael Blank, Stephen Mackler, Max Fricker, and other investors for wiring the funds into his Island Ocean Trading, Inc, account # [REDACTED] 5672, at Colonial Bank. He received checks from investors outside of Florida through the mail or by FedEx. He personally received checks by local investors either at his home, office, or at a place convenient for the investors. In some instances, he accompanied the investors to their banks in order to obtain the funds. In some instances he received wire transfers of funds for the purpose of carrying out the scheme to defraud: to wit, the defendants caused Steven Mackler to wire funds to account at Wachovia Bank on August 1, 2003 in the amount of \$300,000, and on September 2, 2003 in the amount of \$300,000. On or about October 21, 2003, defendants wire transferred \$100,000 to Michael Blank payable to his account entitled HCB at a bank in the US Virgin Islands in furtherance of the scheme to defraud. In other instances, interstate transportation of checks and money was caused by defendants to carry out the scheme, to wit: defendants caused check number 1196 issued by Carole Kempermann to Island Ocean Trading USA Inc., drawn on a Smith Barney account located in Englewood Cliffs, New Jersey, to be given to defendant which was cashed and transported across state line. On or about May 6, 2004, the defendants did cause a check and money in the value of \$70,000, to be transported in interstate commerce, that is check number 2215 issued by Stephen J. Perricone to Ocean 221 Inc., drawn on a Bridgehampton National Bank account located in New York. And the defendants caused a person to travel in interstate commerce for the purpose of obtaining property stolen by fraud: On or about October 8, 2003, the defendants did willfully cause Jarrett N. Cohan traveled from Pennsylvania to Florida for the purpose of providing defendants with a funds in the amount of \$75,000 as part of this scheme. A review of the bank records show that the investors' monies were deposited into the following accounts:

- 1) Suntrust Account # [REDACTED] 2458
- 2) Colonial Bank Account # [REDACTED] 5672
- 3) Colonial Bank Account # [REDACTED] 6556
- 4) Colonial Bank Account # [REDACTED] 7000

- 5) Bank of America Account # [REDACTED] 7070
- 6) Colonial Bank Account # [REDACTED] 3495
- 7) Wachovia Bank Account # [REDACTED] 5869
- 8) Wachovia Bank Account # [REDACTED] 5341
- 9) First Choice Credit Union account # [REDACTED] 496

Upon receiving the funds, Brestle provided the investor with a post dated check for the amount invested plus interest ( for example in the case of the Kempermann's, \$100,000.00 investment = post dated check for \$140,000.00). When the investors attempted to cash or deposit the check, the check was returned for Non-Sufficient Funds (NSF). Investors attempted to collect from Brestle and were usually met with excuses as to why the "deal" never occurred, or was delayed, and/or he would provide the investor with a small amount of funds in the form of cashier check or would not pay anything at all.

As a result of interviews of investors, we have established that Brestle pays out on either the initial investment, or the first few investments. Once the investor reaches a comfort level sufficient enough to either invest far more money, or recommend Brestle to other investors, these pay outs either cease or diminish greatly. Brestle pays investors by corporate checks. In some instances, the investor was able to cash the post dated checks that were provided with the Promissory Note. Usually, Brestle would instruct the investor not to cash these checks, and would then provide an alternative check for the investor to cash. Brestle has made payments to investors in person by check or cash, by depositing money directly into investor accounts at their banks, and through the mail. On numerous occasions, the checks provided by Brestle were returned for insufficient funds, and the investors were met with the excuse that another investor who was holding a check probably beat them to the bank. The purpose of these payments is to lull the investors into inaction and to provide a believable story that investments are paying so as to encourage other individuals to invest. Some such payments were: On or about October 21, 2003, a wire transfer of \$100,000 to Michael Blank's account in the US Virgin Islands purporting to be a repayment of investment. On or about June 9, 2003, a check was issued by defendants to Joseph Yariv in the amount of \$10,000. On or about June 18, 2004, defendants issued checks as follows: Max Fricker for \$10,000; Jarrett Cohan for \$3,000; and Sandra and Joseph Kollen for \$12,000. All of the listed payments were purported to be return of investment.

Brestle's recruitment of investors is generally accomplished by word of mouth. Michael Blank was solicited by Bruce Keihner, a partner and attorney for Gary Brestle. Blank had "successful"



initial investments with Brestle. As a result he solicited two of his friends, Stephen Mackler and Max Fricker, to invest. The very next investment started a downhill chain of events resulting in over \$750,000.00 in losses to Blank. Meanwhile, Mackler lost \$600,000 and Fricker, who had invested with Helga C. Baentsch, lost approximately \$350,000.

Brestle provided Blank with a business card for Interconnect Trading Company which listed his business location as Palm Beach, Florida and Panama City, Panama. Brestle constantly bragged about his connections in South America, especially in Venezuela. Brestle claimed that his wife, Isbelia, was a former Miss Venezuela, and that she maintains contact there. He told Blank and Sheldon Katz that his father-in-law, Abraham Quijada, had money in Venezuela and that he would eventually gain access to it. Both Brestle and Bruce Keihner spoke to Stephen Perricone and Brian and Robert Stepanian about setting up business in St. Thomas as a means of paying out on investments without the US tax implications.

Similar stories existed with other initial investors. Brestle solicited Jamie Wainland and she recouped almost all of her money. Wainland, a modest investor at best, brought in her son, Jeremy, Lily Cortes, Larry Shapiro, Sheldon Katz, Jerry Katz, Herb Rifkin and Israel Mossat of Electronics Explosion, and Jim McMillan and Ken Campbell of Bluewater Trading. While Brestle repaid Cortes and Shapiro, her son Jeremy, according to Wainland lost so much money he had to declare bankruptcy. Jeremy lost his life to a drug overdose immediately following this bankruptcy. Meanwhile, Sheldon Katz lost \$550,000, Jerry Katz \$210,000, and Bluewater Trading has filed civil suit against Brestle to attempt to recoup its significant losses. Sheldon Katz brought in Judy Ricco, Mark Spector, and James Blau, who subsequently lost \$170,000, \$150,000, and \$150,000, respectively.

Yet another group of investors resulted from the affiliation between Brestle and Ami De La Mer and Jules Sacks. De La Mer confidently stated that "he didn't lose any money and was not a victim", while refusing to complete a questionnaire provided by investigators. Sacks admitted to receiving money from Brestle for bringing in other investors, while never investing any of his own money. From this relationship, Steve Perricone and Rita Ellman were brought into the fold. Ellman is currently out approximately \$25,000 while Perricone is out \$250,000. Perricone initially enjoyed "success" in his dealings with Brestle, which prompted him to bring in his daughter, Sandra Kollen, Susan Edwards, Carole and Ernie Kempermann, Maryanne and Frank Cottone, Maria and James Cottone, Deanna, Brian and Robert Stepanian, and Joseph Vermilyea. Collectively, this group lost upwards of \$200,000.

Other individuals who invested with Brestle were established during the interview of Joseph Yariv. Yariv, along with his partner, Ron Wexler, were solicited to invest with Brestle as a result of their contact with Tom Sobeck, a client of Yariv's attorney, Robert Resnick. Sobeck suggested contact with Ralph Noe. Yariv advised that he and Ron Wexler, were met by Ralph Noe and Gary Brestle at Resnick's office in Boca Raton. After enjoying initial success with Brestle and Noe, Wexler and Yariv lost a combined amount of approximately \$600,000.00.

Neil C. Hager was approached by Brestle, when Brestle obtained a Home Equity Line of Credit on 221 Ocean Terrace, Palm Beach, Florida, using Amy Roy Hager, Neil's wife, as a mortgage broker. Brestle preyed upon Hager's Marine Corp service, as well as his love of tennis and golf, to lure Hager, and a group of his friends and family, into investing approximately \$3 Million with Brestle. To date, Hager and his group have received a total of \$317,000.00 back from Brestle for investments in electronics, TVs, tennis racquets, and golf shoes.

As an enticement to invest, or as evidence that the goods existed, Brestle would sometimes provide his biggest investors and "friends" with samples of the products he was dealing in. These samples included various sizes and models of TVs, digital cameras, laptop computers, and stereo receivers and speakers. Neil Hager produced samples of a 15" Sharp wireless LCD TV, Wilson tennis racquets, and M. Footjoy golf shoes that Brestle had told him were samples of what he invested in. Based upon an analysis of the companies bank records and investigation by the Palm Beach Police Department and the FBI, it was established that Brestle routinely purchased these products from Sound Advice on Palm Beach Lakes Blvd, in West Palm Beach, Florida. Investigators have secured copies of the purchase records from Sound Advice to verify Brestle's multiple purchases of the so-called samples. Between 4/1/04 and 4/19/04, Brestle purchased 10 Sharp 15" LCD Wireless TVs, two 20" Sharp LCD TVs, two 5" Panasonic portable DVD players, a Sharp 30" LCD TV, a 42" Panasonic TV and a 17" Phillips TV from Sound Advice. During the interviews of Sheldon Katz, Michael Blank, and Stephen Mackler, the existence of these samples was clearly established. A review of the makes and models of the products provided by Brestle to Katz and Mackler indicates that the same products were purchased by Brestle from Sound Advice at or around the time they received them from Brestle. In fact, an Orange sticker on the box of the digital camera given to Katz by Brestle indicates that the product was purchased at Sound Advice. Delivery of these items was generally in person by Brestle, by UPS, or by RSVP Pack and Ship, 277 Royal Poinciana Way, Palm Beach, Florida.

As a result of these interviews, your Affiant has learned that Brestle maintains so-called "samples" at his residence. He showed Mackler a TV, indicating that he and Blank received the TV as inventory from a deal Blank was involved in prior to bringing in Mackler. Brestle showed Yariv a Plasma TV located in his bedroom and told Yariv that this was what was in the containers he invested in.

Nearly all of the investors interviewed indicate that, at one time or another, Brestle brought them to his home, 221 Ocean Terrace, Palm Beach, Florida. Rita Ellman indicated that for her first deal, Brestle went to the computer in his home, printed out the Promissory Note, and the deal was transacted there at his home, with Jules Sacks present. They stated that Brestle hand delivered the Promissory Notes and post dated checks to them at their homes, offices and banks. They advised that Brestle brought them to his office at 125 Worth Ave, Palm Beach, Florida. Brestle shares this office space with his attorney, and partner, Bruce Keihner. Sheldon Katz advised that on at least two occasions, Isbelia Quijada Brestle accompanied Gary Brestle and signed off on the Promissory Notes or postdated checks. He recalled on one occasion taking a picture of Brestle, Isbelia and his brother, Jerry, at his Wachovia Bank branch following the signing of the Promissory Note by Gary and Isbelia.

Interviews have established that Gary Brestle regularly signed off on the Promissory Notes in the presence of the investors. On some instances, Brestle signed the post dated checks, as well. On other instances, the post dated checks were pre-signed, and Brestle merely filled out the recipient's name and amount. Joseph Yariv recalled Brestle telling him that his wife, Isbelia, had pre-signed the checks before Brestle filled them out in front of him.

Review of financial records for the individuals, as well as the corporations listed above, by SA Sconzo and other investigators involved in this investigation, indicates that in addition to Neil Haeger, there have been two additional individual investors and one corporation that have provided Brestle with substantially all of his funding since 4/05. The two individuals are Evelyn and Walter Singer, who invested \$50,000 and Harvey Goldberg, who invested \$25,000. Secured Financial Network, a Florida Corporation which was originally formed in Nevada, has provided Brestle with more that \$1 Million since 4/05, with the last available information showing an investment of \$200,000 between 9/8/05 and 9/14/05. Additionally, based on these records, as well as information obtained through witness interview, Brestle has made extremely small payments (\$1,000 - \$1500) back to selected investors as late as 11/11/05.

With regard to Brestle's relationships to other individuals in this investigation, Bruce Keihner, date of birth, [REDACTED] 46, SSAN [REDACTED] 6754, is referred to by Brestle as his attorney and partner. Keihner has received a substantial amount of money from Brestle, and based upon review of the financial records involved, it appears that Brestle leases a Mercedes for Keihner to use. Keihner, who had known Michael Blank for approximately 20 years, solicited Blank to invest with Brestle. He stated that Keihner vouched for Brestle's bonafides and integrity. and regularly provided verification of the excuses provided by Brestle for delays or lack of payment. Keihner further provided repayment schedules and is directly involved in Global Waste Systems with Brestle.

There are numerous payments to Isbelia Quijada's father, Abraham Quijada, date of birth, [REDACTED] 39, SSAN [REDACTED] 9186. There are witness statements that intimate that Brestle not only leases a Mercedes for him, but supports him and his wife as well. According to witness statements, Brestle claims that Abraham Quijada was extremely wealthy in Venezuela and was forced to leave the country because of a change in government. Brestle has made claims that Abraham Quijada is worth approximately \$40 million and that Quijada owes him \$2 to \$3 Million. Abraham Quijada is married to Isbelia Elena, date of birth, [REDACTED] 38, SSAN [REDACTED] 9195. They reside at 2217 Sunderland Ave, Wellington, Florida. Abraham Quijada received funds from the following accounts:

- 1) Suntrust Account # [REDACTED] 2458
- 2) Bank of America Account # [REDACTED] 7070

Mauricio Quijada, date of birth [REDACTED] 64, SSAN [REDACTED] 0111 is Isbelia's brother. He is referred to by Brestle as one of his employees. Mauricio receives a regular pay check as indicated by the financial records reviewed. Mauricio is also listed as an officer in some of the corporations listed below.

With regard to Isbelia Quijada Brestle, there are numerous transfers of funds to and from her personal accounts and the corporate accounts. Checks to her and to cash are drawn from the various accounts and used for her personal benefit. She has entertained substantially all of the investors at her home and provides a sense of comfort and stability that investors rely upon when investing with Gary. She has accompanied Brestle when he transacts business with investors, and has signed Promissory Notes and post dated checks. All of the corporations list her as president, and she has signatory authority on the corporate and personal accounts to accept and disburse money utilized by Brestle in dealing with the investors. An analysis of the various bank accounts associated with Isbelia Brestle and the corporations

indicates that substantial purchases have been made at department stores and fine boutiques on Worth Ave in Palm Beach and in New York. The stores include Tiffany's, Bloomingdales, Sak's, and Tourneau. All of these establishments carry fine lines of clothing, accessories, and jewelry.

It has further been established that Brestle and Keihner share a secretary/receptionist at the offices at 125 Worth Ave. Her name is Barbara Rich, and she answers the phone for both Brestle and Keihner. Rich specifically told Susan Edwards, who had called to complain that a check she received from Brestle bounced, that she couldn't understand how that was possible because she personally deposited money into the account. Other investors have also had conversations with Rich about Brestle and problems collecting the money he owed them.

A complete list of the companies that Gary Brestle, Isbelia Quijada Brestle, Bruce Keihner, Abraham Quijada, and Mauricio Quijada, have involvement in is as follows:

- 1) Ocean 221, Inc., 221 Ocean Terrace, Palm Beach, Fl. 33480
- 2) Island Ocean Trading, Inc., 221 Ocean Terrace, Palm Beach, Fl. 33480
- 3) Tropical Trading and Enterprises, Inc., 221 Ocean Terrace, Palm Beach, Fl.
- 4) Interconnect Trading USA, Inc., 221 Ocean Terrace, Palm Beach, Fl. 33480
- 5) Global Waste Systems, Inc., 125 Worth Ave, Suite 330, Palm Beach, Fl. 33480
- 6) Quadflux Energy, Inc., 221 Ocean Terrace, Palm Beach, Fl. 33480
- 7) KWS International, Inc., 221 Ocean Terrace, Palm Beach, Fl. 33480
- 8) Clausewitz Consulting, Inc., 2217 Sunderland Ave. Wellington, Fl 33414
- 9) Tripoli Enterprises, Inc., 125 Worth Ave, Suite 330, Palm Beach, Fl. 33480

Based upon the above facts, your affiant submits there is probable cause to arrest Gary C. Brestle and Isbelia Q. Brestle on charges of conspiracy to commit wire fraud, wire fraud, interstate transportation of property taken by fraud and money laundering.

FURTHER AFFIANT SAYETH NAUGHT.



JOSEPH G. SCONZO  
SPECIAL AGENT  
FEDERAL BUREAU OF INVESTIGATION

This Court finds probable cause.

Sworn and subscribed to before me  
this 8 day of ~~October~~, 2005, in West Palm Beach, Florida <sup>December,</sup> *J M A*

*James M. Hopkins*  
~~ANN E. VITUNAC~~ *James M. Hopkins*  
UNITED STATES MAGISTRATE JUDGE

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

No. 05-5320-AEV *JMH*

IN RE: COMPLAINT

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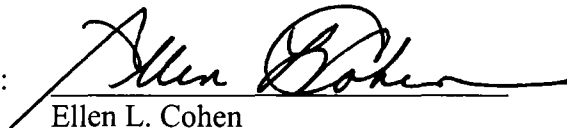
CRIMINAL COVER SHEET

1. Did this matter originate from a matter pending in the United States Attorney's Office prior to April 1, 1999?  Yes  No  
If yes, was it pending in the Central Region?  
 Yes  No
2. Did this matter originate from a matter pending in the United States Attorney's Office prior to April 1, 2003?  Yes  No
3. Did this matter originate from a matter pending in the Narcotics Section (Miami) of the United States Attorney's Office prior to May 18, 2003?  Yes  No
4. Did this matter originate from a matter pending in the Northern Region of the United States Attorney's Office prior to October 14, 2003?  Yes  No

Respectfully submitted,

R. ALEXANDER ACOSTA  
UNITED STATES ATTORNEY

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