

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Honorable
: :
v. :
: Crim. No. 11-740 (RBK)
: :
NICODEMO S. SCARFO :
a/k/a "Nicky," :
a/k/a "Nick," :
a/k/a "Cousin," : Title 18 U.S.C. §§ 371,
a/k/a "Junior," : 922(g) (1), 1343, 1349,
a/k/a "Nick Promo," : 1512(k), 1956(h), 1962(d),
a/k/a "Mr. Apple," : and 2
a/k/a "Mr. Macintosh," :
SALVATORE PELULLO :
a/k/a "Sal," :
a/k/a "The Consultant," :
a/k/a "Cousin," :
a/k/a "Mr. Turner," :
WILLIAM MAXWELL :
a/k/a "Bill," :
JOHN MAXWELL :
WILLIAM HANDLEY :
a/k/a "Bill," :
CORY LESHNER :
JOHN PARISI :
a/k/a "JP," :
DAVID ADLER :
a/k/a "Dave," :
HOWARD DROSSNER :
GARY McCARTHY :
DONALD MANNO :
a/k/a "Donny," :
LISA MURRAY-SCARFO :
a/k/a "Lisa Murray," and :
TODD STARK :

RECEIVED
OCT 26 2011
AT 8:30
WILLIAM T WALSH - M
CLERK

INDICTMENT

The Grand Jury in and for the District of New Jersey,
sitting at Camden, charges:

COUNT ONE

[RICO Conspiracy, 18 U.S.C. § 1962(d)]

At various times relevant to this Indictment:

1. The defendants NICODEMO S. SCARFO ("SCARFO"), also known as "Nicky," also known as "Nick," also known as "Cousin," also known as "Junior," also known as "Nick Promo," also known as "Mr. Apple," also known as "Mr. Macintosh"; SALVATORE PELULLO, also known as "Sal," also known as "The Consultant," also known as "Cousin," also known as "Mr. Turner"; WILLIAM MAXWELL, also known as "Bill"; JOHN MAXWELL; WILLIAM HANDLEY, also known as "Bill"; CORY LESHNER; JOHN PARISI, also known as "JP"; DAVID ADLER, also known as "Dave"; HOWARD DROSSNER; GARY McCARTHY; and DONALD MANNO, also known as "Donny"; unindicted co-conspirator Nicodemo D. Scarfo ("NDS" or "unindicted co-conspirator NDS"), also known as "Uncle Nick," also known as "Nicky Senior," also known as "Mr. MacArthur"; and unindicted co-conspirator Vittorio Amuso ("VA" or "unindicted co-conspirator VA"), also known as "Vic," also known as "Uncle Vic," also known as "Papa"; together with others, known and unknown, were members and associates of a criminal organization engaged in crimes, including wire fraud, mail fraud, bank fraud, securities fraud, money laundering, extortion, obstruction of justice, and other offenses.

The Enterprise

2. The criminal organization, including its members and associates, constituted an "enterprise" as that term is defined in Title 18, United States Code, Section 1961(4), that is, a group of individuals associated in fact (hereafter the "Scarfo-Pelullo Enterprise" or the "Enterprise"). The Enterprise constituted an ongoing organization whose members and associates functioned as a continuing unit for the common purpose of achieving its objectives. The Enterprise, which operated in the District of New Jersey and elsewhere, was engaged in, and its activities affected, interstate and foreign commerce.

3. La Cosa Nostra ("LCN") was a national and international criminal organization known to its members as "This Thing of Ours" and to the general public as the "Mafia" or the "Mob." Families of the LCN, such as the Philadelphia and Lucchese Families, were structured criminal organizations each with a well defined chain of command, including but not limited to, a "boss," "underboss," who acted as the second in command, and "captains," who supervised and controlled the activities of one or more groups or "crews" of individual "soldiers" or members of the Family who had been formally initiated or "made" as members of the LCN. Members and associates of the LCN were responsible for advising the next higher level of proposed criminal activity. Those higher levels in turn decided whether to sanction the

criminal activity of those below them. Likewise, made members were required to earn money and share profits with their chain of command.

4. Unindicted co-conspirator NDS was the boss of the Philadelphia Family of the LCN from approximately 1982 to 1989. Following the conviction and incarceration of NDS, there was an internal struggle for control of the Philadelphia LCN Family, which resulted in the attempted murder of defendant SCARFO. After the attempted murder, unindicted co-conspirator VA, the boss of the Lucchese LCN Family and with whom NDS had been imprisoned in the mid-1990s, arranged for SCARFO to become a made member of the Lucchese LCN Family. As a made member, SCARFO was required to earn money for the Lucchese LCN Family and otherwise participate in its affairs.

5. In conducting the affairs of the Enterprise, its members and associates made use of, sought to benefit, and benefitted from, its connection to the LCN. In addition, certain members and associates of the Scarfo-Pelullo Enterprise sought to ensure that the proceeds obtained through the various illegal activities of the Enterprise were used to enrich members and associates of the LCN, and proceeds were in fact distributed to members and associates of the LCN.

6. The Scarfo-Pelullo Enterprise operated with the assistance and direction of members and associates of the LCN,

and was assisted by numerous criminal partners and associates, including but not limited to the defendants named in the Indictment.

The Purposes of the Enterprise

7. The purposes of the Enterprise were: (A) to generate money for its members and associates through the commission of various illegal acts, including wire fraud, mail fraud, bank fraud, securities fraud, money laundering, and extortion; and (B) to conceal the existence of the Enterprise, including but not limited to the LCN's influence over the Enterprise, and avoid detection of its illegal activities by regulatory authorities and law enforcement through obstruction of justice, false statements, and other means.

8. Beginning in or about April 2007, members and associates of the Enterprise, including defendants SCARFO and PELULLO, devised a plan to take over FirstPlus Financial Group ("FPFG"), a publicly traded company located in Texas, and to replace its existing board of directors and management with individuals who would serve at the direction of SCARFO and PELULLO.

9. In or about June 2007, members and associates of the Enterprise, including defendants SCARFO and PELULLO, executed the plan and seized control of FPFG by threatening its existing management. Following the takeover, members and associates of the Enterprise directed FPFG's new management to approve the

acquisition of companies owned and controlled by SCARFO and PELULLO for millions of dollars and several hundred thousand shares of FPFG stock. Members and associates of the Enterprise knew that the acquired companies had little, if any, value and were grossly overvalued.

10. In addition, members and associates of the Enterprise aided defendants SCARFO and PELULLO in looting hundreds of thousands of dollars from FPFG and its subsidiaries through fraudulent consulting agreements which gave de facto control over FPFG to SCARFO and PELULLO. SCARFO and PELULLO used the stolen money to finance lavish lifestyles that included a luxury home for SCARFO, expensive automobiles, a yacht, and jewelry.

11. Members and associates of the Enterprise, including defendants SCARFO and PELULLO, concealed their crimes through a multitude of lies and deception. The concealment of the Enterprise's criminal activity involved, among other things, false statements and material omissions in required filings with the United States Securities and Exchange Commission ("SEC"), laundering the proceeds of the criminal activity through the ownership and control of various companies, and concealing defendant SCARFO's involvement in the Enterprise's activities from law enforcement and regulatory authorities, the United States District Court for the District of New Jersey (the "District Court"), and the United States Probation Office for the

District of New Jersey (the "Probation Office").

12. Ultimately, members and associates of the Enterprise, including defendants SCARFO and PELULLO, planned to fraudulently increase the value of the FPFPG stock in order to realize additional profits by selling their shares at an artificially high price.

13. Members and associates of the Enterprise committed their crimes with the knowing assistance and participation of various individuals and professionals, including lawyers and accountants, who were members and associates of the Scarfo-Pelullo Enterprise. These professionals, along with other members and associates of the Enterprise, violated, conspired to violate, and caused others to violate the fiduciary duties owed to FPFPG and its shareholders. The scheme to defraud FPFPG ultimately resulted in a loss to FPFPG and its shareholders of at least approximately \$12 million.

14. The Enterprise and its members and associates also assisted defendants SCARFO and PELULLO, and others known and unknown, in obtaining and storing a cache of weapons for use in protecting the Enterprise because of the LCN influence over the Enterprise and the historically violent nature of the LCN.

Relevant Entities

15. FPFPG was a publicly traded company, incorporated in Nevada, with its principal office located in Irving, Texas. FPFPG

was a financial services company and was registered with the SEC pursuant to Section 12 of the Securities Exchange Act of 1934. FPPG had a Board of Directors whose members were responsible for, and had fiduciary duties to review and approve, the fairness of transactions between FPPG and its controlling shareholders, officers, and directors, commonly referred to as "related party transactions." As a publicly traded company, FPPG was obligated to file certain reports with the SEC that disclosed all material facts about the company to its investors, as set forth more fully in paragraphs 82 through 91 and re-alleged here. Among other things, FPPG was required to fully and accurately disclose in its applicable SEC filings the identities of the individuals who exercised control over FPPG and its subsidiaries, as well as the identities of individuals involved in related party transactions with FPPG.

16. Learned Associates of North America LLC ("Learned Associates") was a company controlled by defendant SCARFO and which served as SCARFO's corporate alter ego. Learned Associates was owned by the Lana Marie Domenica Scarfo ("LMDS") Trust. The LMDS Trust, which was ostensibly created in the name of SCARFO's mother and for the benefit of SCARFO's children, was actually controlled by SCARFO and was used by him as a vehicle for money laundering and to conceal his ownership interest in various entities. SCARFO and other members and associates of the

Enterprise utilized Learned Associates as a mechanism to perpetrate the scheme to defraud FPPG, launder proceeds of the fraud, and conceal SCARFO's involvement in the fraud from law enforcement and regulatory authorities, the District Court, and the Probation Office.

17. Seven Hills Management LLC ("Seven Hills") was a company owned by defendant PELULLO and which served as PELULLO's corporate alter ego. Seven Hills was owned by the Coconut Grove Trust. The Coconut Grove Trust was ostensibly created for the benefit of PELULLO's children but was actually controlled by PELULLO and was used by him as a vehicle to conceal his ownership of various entities and assets. PELULLO and other members and associates of the Enterprise utilized Seven Hills as a mechanism to perpetrate the scheme to defraud FPPG, launder proceeds of the fraud, and conceal PELULLO's involvement in the fraud from law enforcement and regulatory authorities.

18. Rutgers Investment Group LLC ("Rutgers") was registered with the New Jersey Department of State as a limited liability company in or about March 2007. Rutgers was owned, in part, by defendants SCARFO and PELULLO through their control of Learned Associates and Seven Hills, respectively. As described below, in or about June 2007, PELULLO and other members and associates of the Enterprise caused FPPG to acquire Rutgers through a wholly owned subsidiary of FPPG, Rutgers, Inc., which was created by

members and associates of the Enterprise specifically for the purpose of the acquisition. Although Rutgers had little, if any value, FPFPG purchased Rutgers for \$1,825,000 and 500,000 shares of FPFPG common stock.

19. Globalnet Enterprises LLC ("Globalnet") was registered with the Pennsylvania Secretary of State as a limited liability company in or about August 2006. Globalnet was owned, in part, by defendants SCARFO and PELULLO through their control of Learned Associates and Seven Hills, respectively. In or about July 2007, PELULLO and other members and associates of the Enterprise caused FPFPG to acquire Globalnet through a wholly owned subsidiary of FPFPG, FirstPlus Enterprises, which was created by members and associates of the Enterprise specifically for the purpose of the acquisition. Although Globalnet had little value, FPFPG purchased Globalnet for \$4,540,000 and 1,100,000 share of FPFPG common stock.

20. The Premier Group LLC ("Premier Group") was registered with the Florida Secretary of State as a limited liability company in or about July 2007. Premier Group was owned, in part, by defendants SCARFO and PELULLO through their control of Learned Associates and Seven Hills, respectively. In or about January 2008, PELULLO and other members and associates of the Enterprise caused FPFPG to acquire Premier Group for \$700,000 and 1,000,000 shares of FPFPG common stock.

Roles of the Defendants

21. Defendant SCARFO was a made member of the Lucchese LCN Family and prior associate of the Philadelphia LCN Family. SCARFO controlled, directly and indirectly, FPFG and various corporate entities and trusts, to further his own and the Lucchese Family's interests in violation of the fiduciary duties owed by the officers and directors, as well as professionals, to FPFG and its shareholders. SCARFO was convicted of a felony in the United States District Court for the District of New Jersey in 2002. In or about April 2005, he began to serve a term of federal supervised release, which required him to report to the Probation Office on a monthly basis. Among other conditions of his supervised release, SCARFO was required to inform his probation officer of any employment in which SCARFO was engaged; any financial transactions in which he was involved that exceeded \$500; and any contact he had with convicted felons.

22. Defendant PELULLO was an associate of both the Lucchese and Philadelphia LCN Families, a trusted confidant of defendant SCARFO, and SCARFO's closest partner in directing and conducting the affairs of the Enterprise. As a result of this relationship, PELULLO was required to ensure that SCARFO received a share of all monies earned through PELULLO's criminal activities. In August 1999, PELULLO was convicted in the United States District Court for the Eastern District of Pennsylvania of bank fraud and

making a false statement in an SEC filing. In July 2002, PELULLO was convicted of wire fraud in the United States District Court for the Eastern District of Pennsylvania. Although PELULLO purported to act as a "consultant" to FPPG, he in fact exercised direct control over the affairs of FPPG, acted as de facto Chief Executive Officer, and controlled FPPG's operations through other members and associates of the Enterprise. As a result of this control, PELULLO owed fiduciary duties to FPPG and its shareholders.

23. Defendant WILLIAM MAXWELL, an attorney licensed to practice law in the State of Texas, became the Special Counsel to FPPG's Board of Directors at the direction of defendants SCARFO and PELULLO, and worked to promote the Enterprise's affairs. As Special Counsel, WILLIAM MAXWELL owed fiduciary duties to FPPG and its shareholders.

24. Defendant JOHN MAXWELL, the brother of defendant WILLIAM MAXWELL, became the Chief Executive Office ("CEO") and President of FPPG as well as a member of its Board of Directors at the direction of defendants SCARFO and PELULLO. In that capacity, JOHN MAXWELL owed fiduciary duties to FPPG and its shareholders.

25. Defendant HANDLEY, a long-time friend of defendant PELULLO, became the Chief Financial Officer ("CFO") of FPPG as well as a member of its Board of Directors at the direction of

defendants SCARFO and PELULLO. In that capacity, HANDLEY owed fiduciary duties to FPPG and its shareholders.

26. Defendant LESHNER was employed by defendant PELULLO and was responsible for various tasks related to the day-to-day management of various corporate entities and trusts on behalf of SCARFO and PELULLO, including the manufacturing of false and fraudulent accounting records and invoices. Specifically, LESHNER managed bank and credit accounts to conceal the source and use of proceeds obtained through the Enterprise's illegitimate activities.

27. Defendant PARISI, defendant SCARFO's cousin, was the nominal "manager" of Learned Associates. PARISI managed bank and credit accounts associated with Learned Associates and other corporate and trust entities at SCARFO's direction to conceal the source and use of proceeds obtained through the Enterprise's illegitimate activities.

28. Defendant ADLER, an attorney licensed to practice law in the State of New York, represented FPPG and was the lawyer responsible for overseeing the company's corporate filings with the SEC. As an attorney, ADLER assisted the Enterprise in defrauding the FPPG shareholders by concealing the existence of the Enterprise and its control over FPPG, while at the same time maintaining the appearance of compliance with SEC rules and regulations to make the acquisitions and other activities of the

Enterprise appear legitimate.

29. Defendant DROSSNER, a Certified Public Accountant in the Commonwealth of Pennsylvania, was retained by defendant PELULLO to provide accounting services for FPFPG. As the accountant for FPFPG, DROSSNER was responsible for preparing the company's financial statements and had an obligation to provide truthful information free from material omissions to the company's independent public auditor. At PELULLO's direction, DROSSNER ultimately usurped the role of the independent public auditor by withholding material information about defendant PELULLO and by failing to disclose and causing others to fail to disclose to the SEC the true nature of the financial condition of FPFPG and the entities it acquired. In addition, DROSSNER provided accounting services for Seven Hills and various other corporate entities and trusts owned and controlled by defendants SCARFO and PELULLO.

30. Defendant McCARTHY, an attorney licensed to practice law in the Commonwealth of Pennsylvania, was retained by defendant PELULLO to represent PELULLO and Seven Hills during the acquisition of Rutgers, Globalnet, and Premier Group by FPFPG. At various times, McCARTHY also represented FPFPG in its pursuit of other acquisitions at PELULLO's direction.

31. Defendant MANNO, an attorney licensed to practice law in the State of New Jersey, was retained by defendant SCARFO to,

among other things, conceal the source and use of proceeds obtained through the Enterprise's illegitimate activities and prevent law enforcement, the District Court, and the Probation Office from detecting SCARFO's control and ownership over Learned Associates and various other corporate entities and trusts. MANNO further provided advice and counsel to SCARFO to assist SCARFO in maintaining the appearance of compliance with SCARFO's supervised release conditions in order to permit the Enterprise to continue its illegal conduct undetected.

The Racketeering Conspiracy

32. From in or about April 2007, up to and including on or about the date of this Indictment, in the District of New Jersey and elsewhere, the defendants NICODEMO S. SCARFO, also known as "Nicky," also known as "Nick," also known as "Cousin," also known as "Junior," also known as "Nick Promo," also known as "Mr. Apple," also known as "Mr. Macintosh"; SALVATORE PELULLO, also known as "Sal," also known as "The Consultant," also known as "Cousin," also known as "Mr. Turner"; WILLIAM MAXWELL, also known as "Bill"; JOHN MAXWELL; WILLIAM HANDLEY, also known as "Bill"; CORY LESHNER; JOHN PARISI, also known as "JP"; DAVID ADLER, also known as "Dave"; HOWARD DROSSNER; GARY McCARTHY; and DONALD MANNO, also known as "Donny"; unindicted co-conspirator NDS, also known as "Uncle Nick," also known as "Nicky Senior," also known as "Mr. MacArthur"; and unindicted co-conspirator VA, also known

as "Vic," also known as "Uncle Vic," also known as "Papa"; and others known and unknown to the Grand Jury, being persons employed by and associated with the racketeering enterprise described in paragraphs 1 through 14 above, namely the Scarfo-Pelullo Enterprise, which was engaged in, and the activities of which affected, interstate and foreign commerce, knowingly and intentionally conspired and agreed with each other and others to violate Title 18, United States Code, Section 1962(c), to wit, to conduct and participate, directly and indirectly, in the conduct of the affairs of the Enterprise through a pattern of racketeering activity, as that term is defined in Title 18, United States Code, Sections 1961(1) and 1961(5), consisting of:

- a. Multiple acts indictable under:
 - i. Title 18, United States Code, Section 1341
(Mail Fraud);
 - ii. Title 18, United States Code, Section 1343
(Wire Fraud);
 - iii. Title 18, United States Code, Section 1344
(Bank Fraud);
 - iv. Title 18, United States Code, Section 1512
(Obstruction of Justice);
 - v. Title 18, United States Code, Section 1951
(Extortion);
 - vi. Title 18, United States Code, Section 1952

- (Interstate Travel in Aid of Racketeering);
- vii. Title 18, United States Code, Sections 1956 and 1957 (Money Laundering); and
- b. Multiple offenses involving:
- i. Fraud in the Sale of Securities, in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

It was part of the conspiracy that each defendant agreed that a conspirator would commit at least two acts of racketeering activity in the conduct of the affairs of the enterprise.

The Manner and Means of the Conspiracy

33. Among the manner and means by which the defendants, and other members and associates of the Enterprise, conducted and participated in the conduct of its affairs were the following:

Takeover of FPFPG

34. Members and associates of the Scarfo-Pelullo Enterprise relied on explicit and implicit threats of economic and physical harm and intimidation to assume and maintain control of FPFPG, ensure that the Enterprise's demands were followed, and that the Enterprise's affairs were concealed.

35. In or about April 2007, defendants SCARFO, PELULLO, McCARTHY, and others attended a meeting at McCARTHY's law office to discuss the takeover of FPFPG.

36. In or about May 2007, defendants PELULLO, JOHN MAXWELL, WILLIAM MAXWELL, PARISI, and others known and unknown to the Grand Jury, attended various meetings in Texas to discuss the takeover of FPFPG. At one of the meetings, PELULLO and WILLIAM MAXWELL discussed a plan to take over FPFPG by manufacturing allegations of wrongdoing on the part of FPFPG's existing management and board members. Specifically, the plan called for PELULLO and WILLIAM MAXWELL to falsely allege that an individual, known to the Grand Jury and identified here as Individual #1, had engaged in financial improprieties with FPFPG's assets while serving as a member of FPFPG's board of directors. In addition, the plan called for PELULLO and WILLIAM MAXWELL to threaten Individual #1 and FPFPG with a lawsuit based on the false allegations.

37. In or about late May or early June 2007, PELULLO met with Individual #1 and threatened a lawsuit against him/her and FPFPG if Individual #1 did not immediately use his/her influence to turn over control of FPFPG. Individual #1 contacted FPFPG's other board members and persuaded them to relinquish control of FPFPG as a result of these threats.

38. Accordingly, on or about June 7, 2007, to control the Enterprise's affairs, members and associates of the Scarfo-Pelullo Enterprise caused FPFPG's existing board of directors to appoint additional new members, who had been selected by the

Scarfo-Pelullo Enterprise. Following the appointment of these new board members, the Enterprise caused the original board members to resign. The newly constituted board of directors then appointed certain executive officers who served at the direction of the Enterprise. These "figurehead" FPFPG board members (hereafter "figurehead board") and executive officers conducted transactions designed to benefit the Enterprise while concealing the roles of defendants PELULLO and SCARFO in controlling FPFPG. The figurehead board served to "rubber stamp" the directives of PELULLO and SCARFO and made the board's decisions appear to be independent and legitimate to conceal the involvement and control of PELULLO and SCARFO in creating these directives, as well as their illicit purposes. PELULLO used his direct control of the figurehead board to approve transactions that were designed to personally benefit members and associates of the Scarfo-Pelullo Enterprise to the detriment of the FPFPG shareholders.

39. On or about June 11, 2007, Individual #2, whose identity and relationship to FPFPG are known to the Grand Jury, was summoned to a meeting at FPFPG's office in Irving, Texas. After being introduced to defendant PELULLO at FPFPG's office, PELULLO told Individual #2 that he (PELULLO) had a lot of money and that he was going to grow the company, meaning FPFPG. In an attempt to assert his authority, PELULLO told Individual #2, "don't f**k with me."

40. In or about June 2007, following the takeover of FPPG, defendant PELULLO had a conversation with Individual #3, a member of FPPG's new board of directors whose identity is known to the Grand Jury. During the conversation, PELULLO stated, "if you ever rat, your wives will be f**ked . . . and your kids will be sold off as prostitutes."

41. In or about June 2007, following the takeover of FPPG, defendant PELULLO had a conversation with Individual #3, during which PELULLO said, "you have mine and Nicky's family in your hands," meaning defendant SCARFO.

Consulting and Legal Services Agreements

42. Having assumed control of FPPG through its new figurehead board of directors and executive officers, defendants SCARFO and PELULLO caused the creation and execution of legal services and consulting agreements that were used to misappropriate and funnel money out of FPPG and into accounts controlled by the Enterprise on a monthly basis. These legal services and consulting agreements included the following:

a. Members and associates of the Enterprise caused defendant WILLIAM MAXWELL to be hired as FPPG's "special counsel," through the execution of a purported "legal services" agreement. Based on the nearly unlimited scope of the agreement, the figurehead board of FPPG effectively abdicated its control of FPPG to WILLIAM MAXWELL. This "legal services" agreement awarded

defendant WILLIAM MAXWELL a monthly payment of \$100,000 plus expenses and, among other things, granted him the authority to enter into "consulting" agreements at his discretion, for which the company would ultimately be charged. Between June 2007 and March 2008, approximately \$3.5 million was sent via wire transfers from accounts associated with FPPG to accounts controlled by defendant WILLIAM MAXWELL, ostensibly for his own services and those of the purported consultants.

b. One such "consulting" agreement, executed between defendant WILLIAM MAXWELL and defendant PELULLO's corporate alter ego, Seven Hills, fraudulently portrayed PELULLO as a mere "consultant" to FPPG. In fact, PELULLO was actually FPPG's de facto Chief Executive Officer and controlled its operations through other members and associates of the Enterprise, including the figurehead board and executive officers. Between May 2007 and March 2008, approximately \$1.5 million of the \$3.5 million received by WILLIAM MAXWELL from FPPG was sent via wire transfers from accounts associated with defendant WILLIAM MAXWELL to accounts associated with PELULLO's corporate alter ego, Seven Hills.

c. In turn, defendant PELULLO, through Seven Hills, executed a "consulting" agreement with defendant SCARFO, through SCARFO's corporate alter ego, Learned Associates. Although SCARFO performed no legitimate work pursuant to this agreement,

SCARFO received \$33,000 per month, including during the three-month period that SCARFO was confined to his home by order of the District Court. Between June 2007 and April 2008, approximately \$425,000 was sent via wire transfers from accounts associated with Seven Hills to accounts associated with SCARFO's corporate alter ego, Learned Associates, pursuant to the fraudulent consulting agreement.

Fraudulent Acquisitions

43. As a publicly traded company, FPFPG was obligated to make regular filings with the SEC, and was obligated in those filings to disclose all material facts about the company to the SEC and its shareholders. Among other things, FPFPG was required to fully and accurately disclose in its SEC filings the identities of the individuals who exercised control over FPFPG and its subsidiaries, as well as the identities of individuals involved in related party transactions with FPFPG. Members and associates of the Enterprise willfully failed to disclose material facts regarding defendant SCARFO's and PELULLO's control over FPFPG and their ownership of the entities purchased by FPFPG as a result of their control.

44. Members and associates of the Scarfo-Pelullo Enterprise caused FPFPG to acquire corporate entities in which defendants SCARFO and PELULLO had an ownership interest. These entities, including Rutgers, Globalnet, and Premier Group, were acquired as

part of the scheme to defraud FPPG shareholders and deceive the SEC and to transfer millions of dollars and several hundred thousand shares of FPPG common stock to defendants PELULLO and SCARFO. These corporate entities owned by SCARFO and PELULLO, through their ownership of Learned Associates and Seven Hills, respectively, had little, if any, value and were grossly overvalued at the time of their acquisition by FPPG. Furthermore, while SEC regulations required that FPPG disclose that these acquisitions were "related party" transactions because of defendant PELULLO's control of FPPG, members and associates of the Enterprise failed to make the required disclosures.

45. To justify these acquisitions, defendant PELULLO obtained inflated business evaluation reports in support of the Rutgers, Globalnet, and Premier Group transactions. These reports were designed to make Rutgers, Globalnet, and Premier Group appear more valuable than they were.

46. In or about June 2007, defendant PELULLO and other members and associates of the Enterprise caused FPPG to acquire Rutgers. To complete the sale, the members and associates of the Enterprise caused FPPG to send a wire transfer of \$1,825,000 to a bank account associated with Rutgers LLC, which account was controlled by defendants SCARFO and PELULLO by virtue of their control and ownership of Learned Associates and Seven Hills, respectively. In addition to the money transfer, members and

associates of the Enterprise caused FPFPG to issue 500,000 shares of FPFPG common stock that were were subsequently reissued to SCARFO and PELULLO, in the names of their corporate alter egos, Learned Associates and Seven Hills, respectively.

47. In or about July 2007, defendant PELULLO and other members and associates of the Enterprise caused FPFPG to acquire Globalnet Enterprises for \$4,540,000. To complete the sale, the members and associates of the Enterprise caused FPFPG to send a wire transfer of \$3,070,000 to defendant WILLIAM MAXWELL. WILLIAM MAXWELL then sent a wire transfer of \$2,970,000 to a bank account associated with Globalnet Enterprises, which account was controlled by defendants SCARFO and PELULLO by virtue of their control and ownership of Learned Associates and Seven Hills, respectively. In addition to the money transfer, members and associates of the Enterprise caused 1,100,000 shares of FPFPG common stock to issue to Globalnet Enterprises. Those shares were subsequently reissued to SCARFO and PELULLO, in the names of their corporate alter egos, Learned Associates and Seven Hills, respectively, and to others known to the Grand Jury. The remaining \$1,495,000 was executed as a promissory note payable to Globalnet within two years of the transaction.

48. In or about January 2008, members and associates of the Enterprise caused FPFPG to acquire Premier Group. To complete the sale, members and associates of the Enterprise caused FPFPG to

enter into a purchase agreement which provided that the owners of Premier Group, including Learned Associates and Seven Hills, were to receive \$700,000 and 1,000,000 shares of FPFG common stock. FPFG agreed to pay \$125,000 in cash and the remaining \$575,000 in a series of promissory notes.

Concealment of the Scheme

49. Members and associates of the Scarfo-Pelullo Enterprise went to great lengths to conceal the scheme, including defendant SCARFO's and defendant PELULLO's involvement and control, the related-party nature of the acquisitions, and the use of corporate funds for personal gain, among other things. To that end, members and associates of the Enterprise (1) caused false statements and material omissions to be made in documents filed with the SEC; (2) attempted to cause the destruction of a videotape reflecting PELULLO's presence at the October 2007 FPFG shareholder meeting; and (3) regularly engaged in coded conversations and avoided communicating over the telephone in an effort to thwart detection by law enforcement.

50. Members and associates of the Enterprise were concerned that all aspects of their involvement in the scheme might be uncovered, including defendant SCARFO's and defendant PELULLO's role in the takeover. For example, on December 5, 2007, in a recorded telephone call with SCARFO, PELULLO told him about the sudden death of a former FPFG executive (hereafter Individual #4)

who had provided information to PELULLO and defendant WILLIAM MAXWELL that they used at the time of the takeover to extort control of FPFG from Individual #1. At the time of his death, Individual #4 was employed by FPFG as a member of its "compliance team." During the conversation, SCARFO and PELULLO expressed relief regarding Individual #4's death. After laughing about how he was "crushed" that "the rat is dead," PELULLO acknowledged that Individual #4 was "the only connection, the only tie to anything." As the news sunk in to SCARFO, he stated, "Oh boy. Yeah, Sal, you wanna know something though? . . . That's one that I know you can't take credit for . . . [laughter] . . . and that's the natural best thing. You know what I mean? . . . That is so like Enron-ish. You know what I mean? Kenneth Lay, he bailed out and took a heart attack."

51. Immediately after assuming control of FPFG, members and associates of the Enterprise also embarked on a course of action to personally benefit themselves and their co-conspirators at the expense of FPFG and its shareholders. They did so by using FPFG funds for their own personal gain, and then concealing their actions and intent to defraud. They also extensively used the telephone to do so.

a. For example, on October 12, 2007, in a recorded telephone call with defendant JOHN MAXWELL, defendant PELULLO said, "you're killing me." When JOHN MAXWELL asked what PELULLO

meant, PELULLO responded, "the detail shows up . . . on the card," meaning JOHN MAXWELL's use of an FPPG debit card. PELULLO then said, "you gotta kill it . . . not the money, just how we're doin' it." After telling JOHN MAXWELL that he (PELULLO) would be in Texas the following week, PELULLO said, "burn it . . . we could say . . . we got it lost . . . or somebody that we fired had it." PELULLO and JOHN MAXWELL then laughed. Later in the conversation, after getting defendant WILLIAM HANDLEY on the phone, PELULLO told him, "when I get down there, every single check card that's in that company, I'm gonna burn myself. . . . All the detail is showin' up." PELULLO then asked HANDLEY, "what never lies?" HANDLEY responded, "the paper," to which PELULLO said, "the bank statements." PELULLO then said, "I rather would have seen a \$5,000 check to JOHN MAXWELL as an advance, a loan, whatever, and let him take the money and do what he wants with it."

b. On October 13, 2007, in a recorded telephone conversation with defendant PELULLO, defendant LESHNER described a set of miscellaneous expenses that had not been recorded in defendant WILLIAM MAXWELL's records. PELULLO stated, "we're not gonna use them if they're already paid, . . . a good auditor will find that." The following day, on October 14, 2007, in a recorded telephone conversation with LESHNER, PELULLO asked, "did you do the master invoice, like I said?" In response, LESHNER

provided a detailed explanation of what the invoices reflected and informed PELULLO about "five numbers" of which he (LESHNER) was unsure. The "numbers" reflected dollar amounts totaling approximately \$150,000, according to LESHNER. LESHNER said, "we could charge it off against the expenses and it's not a problem, unless it was, you know, stuff that was incurred legitimately"

c. Corporate assets were also misappropriated through FPPG's purchase of an airplane in or about December 2007. Defendants SCARFO, PELULLO, and WILLIAM MAXWELL, purchased a Mitsubishi model MU-2B-60 turbo-propeller aircraft, serial number 1562 S.A. (hereafter the "FPPG plane"), with money they took from FPPG. The FPPG plane was purchased for approximately \$625,000 and was purportedly for the use of FPPG's board members and executive officers. It was technically owned by Velia Charters, Inc., a subsidiary of FPPG that was created by members of the Enterprise at the direction of PELULLO and WILLIAM MAXWELL in order to purchase the FPPG plane. In reality, the FPPG was used by defendants PELULLO and WILLIAM MAXWELL in furtherance of the affairs of the Enterprise and its control over FPPG. For example, after vacationing in the Bahamas in PELULLO's and SCARFO's newly purchased yacht, PELULLO and WILLIAM MAXWELL used the FPPG plane to fly to Atlanta, Georgia to visit unindicted co-conspirator NDS in prison. They then flew on the FPPG plane to

Atlantic City to attend the FPPG Christmas Party.

52. As attorneys and accountants, defendants ADLER, McCARTHY, MANNO, and DROSSNER were instrumental to the successful execution of the fraud and, in particular, to the efforts to conceal the fraud from law enforcement and regulatory authorities.

a. From the earliest days of the scheme, defendant PELULLO played a leading role in the plan to take over FPPG. On or about May 10, 2007, PELULLO had a lengthy telephone conversation with defendant ADLER regarding FPPG even though PELULLO held no position with FPPG. Shortly after that conversation, ADLER learned that PELULLO had a federal criminal fraud conviction.

b. Defendant PELULLO made his control of FPPG known to other members of the Enterprise. For example, on October 15, 2007, PELULLO called ADLER to discuss the shareholders who had yet to vote their shares to ratify the figurehead board, among other things. At PELULLO's direction, ADLER added JOHN MAXWELL to the call. PELULLO told ADLER, "David, part of the conversation you've gotta close your ear," and then said, ". . . now listen to me. This is coming from our friend from back Jersey [meaning defendant SCARFO] . . . and it's gotta be executed without a flaw, without a hesitation, without a second to waste." PELULLO described for JOHN MAXWELL and ADLER the list

of un-voted shareholders, and ordered JOHN MAXWELL, "I don't care what you gotta do, I don't care how you do it, but before the close of the day, I want these guys bought, sold, and voted . . . Get back to the office NOW . . . Nobody wants to come back north and explain that we lost this because of this bullshit," to which JOHN MAXWELL responded, "Right, I got it." PELULLO continued, ". . . You, yourself, individually, go back, find these people's names and numbers . . . get on the phone. I don't care if they're in a funeral parlor, I don't care if they're in a doctor's office, I don't care if they're in a f**kin' hospital on a respirator, we'll send somebody there, I want their vote, I want their signature, and I want it done by the close of the day today," to which JOHN MAXWELL responded, "Done." ADLER then suggested that their proxy solicitor research the names and addresses of the un-voted shareholders, to which PELULLO responded, "well the official position of the company is 'do it!'"

c. On October 17, 2007, pursuant to its bylaws, FPFPG held its annual shareholders meeting, over which defendant JOHN MAXWELL, the CEO, presided. On October 25, 2007, having witnessed JOHN MAXWELL's poor performance at the FPFPG shareholder meeting on October 17, 2007, defendant ADLER spoke to defendant PELULLO about his (PELULLO's) role at FPFPG. In a recorded telephone call, ADLER told PELULLO, "I am not suggesting for a

moment that, in [sic] a substantive level, things have to change. We just have to figure out how to dress it up the best." Later in the conversation, ADLER and PELULLO discussed that the shareholder meeting was, as ADLER stated "a debacle" because JOHN MAXWELL "can't run a meeting" and referred to him as a "figurehead" and stated that "if that's our public face, we got a problem."

d. Defendant McCARTHY also had a conversation with defendant PELULLO on October 25, 2007, regarding the operation of FPFPG and PELULLO's control. In a recorded telephone call, McCARTHY told PELULLO ". . . but if someone were to ask . . . who's sort of out front on a lot of things, there's a name that would come up [meaning PELULLO]." PELULLO responded, "That's what we're trying to avoid," to which McCARTHY replied, "Right."

e. Similarly, in another recorded telephone call on October 25, 2007, PELULLO told McCARTHY that "we just gotta figure out a way, because I've been the driving force on getting everything to the point where it is right now . . . and a lot of those guys are lost . . . so without me, it's a little rough." PELULLO continued, "Nobody knows how to direct these attorneys and accountants . . . better than I do."

53. Concealing the related-party nature of the Rutgers, Globalnet, and Premier Group acquisitions was also critical to the perpetration of the fraud, and it was part of the scheme that

the attorneys and accountants would facilitate that concealment.

a. On or about September 18, 2007, in a recorded telephone call defendant PELULLO told defendant ADLER about a new potential acquisition. PELULLO told ADLER, "FirstPlus Financial Group, on the recommendation of special counsel through its consultant Seven Hills [is recommending] . . . the acquisition of [a mortgage company]." PELULLO further explained that defendant MCCARTHY would handle drafting the purchase agreement and he (PELULLO) needed ADLER only to provide the selling company with a due diligence checklist. When PELULLO asked ADLER to welcome the head of the mortgage company with open arms, ADLER responded, "I know how to do that. . . . When you want to make a deal I want you to make a deal. I'm not going to create any problems." PELULLO replied that the head of the mortgage company "drank the Jim Jones juice so he believes in the story that when the stock becomes fifty dollars, he's got a \$125 million." ADLER then asked PELULLO if he (ADLER) would have a chance to comment on the purchase agreement, in his role as securities counsel, to which PELULLO responded, "Absolutely." ADLER further explained that the reason for his inquiry was that "I would want to be somewhat more rigorous in that agreement than we were in the other two deals [referring to the Rutgers and Globalnet acquisitions]. I think those agreements were fine, . . . but now we're dealing,

we're outside the family here and everything's gotta be buttoned down tight."

b. Defendant ADLER's knowledge of the related-party nature of the Rutgers, Globalnet, and Premier Group acquisitions was further evidenced in a recorded telephone call that took place between defendant PELULLO and ADLER on February 6, 2008. During that call, ADLER spoke to PELULLO about "some business decisions that need[ed] to be made in the Premier deal." ADLER then said, "I need someone at the FirstPlus end of the world to talk to about a few things," to which PELULLO responded, "me and Bill Handley can do it with ya'." ADLER replied, "no, well, I don't want you doing it cause you're selling to me. . . . No disrespect, but . . . you understand what I'm saying."

Obstruction of Justice

54. Aside from the need to hide defendant SCARFO's involvement from FPFPG's shareholders, SCARFO's involvement also needed to be concealed from the District Court and the Probation Office. Members and associates of the Scarfo-Pelullo Enterprise and their co-conspirators took various steps to conceal SCARFO's involvement in FPFPG from those federal authorities.

55. Accordingly, realizing that his probation officer or the District Court might uncover his involvement in the scheme to defraud FPFPG, on or about August 16, 2007, defendant SCARFO filed a petition with the District Court to terminate the remaining

portion of his supervised release earlier than its April 2008 scheduled expiration. According to the petition, SCARFO's supervised release made it "difficult for him to . . . further his, already promising, growth in the business community." Despite the fact that SCARFO was trying to convince the District Court that he was a legitimate businessman, the petition failed to disclose his corporate alter ego, Learned Associates, the hundreds of thousands of dollars SCARFO had obtained from the Rutgers and Globalnet acquisitions only weeks earlier, and the \$33,000 a month "consulting" agreement he had just signed with PELULLO's company, Seven Hills.

56. Defendant MANNO knew that defendant SCARFO was the person who actually owned and controlled Learned Associates despite defendant PARISI's role as its "managing partner." MANNO also knew that, through SCARFO's control of Learned Associates, SCARFO had made hundreds of thousands of dollars as a result of the Rutgers and Globalnet acquisitions.

57. Defendants SCARFO, PELULLO, WILLIAM MAXWELL, and MANNO were well aware of the risk that SCARFO's supervised release conditions posed to the continued operation of the Enterprise and actively sought to neutralize that risk. On September 4, 2007, in a recorded telephone conversation, SCARFO and PELULLO discussed devising a story to tell SCARFO's probation officer so that SCARFO and PELULLO could continue to "associate" with each

other. While discussing the story, PELULLO suggested that SCARFO, "run it by Donny" (referring to MANNO). Additionally, SCARFO failed to inform SCARFO's probation officer of SCARFO's ongoing contact and association with PELULLO, which was a violation of the terms of SCARFO's federal supervised release and for which SCARFO could have been incarcerated.

58. In or about September 2007, defendants SCARFO, PELULLO, WILLIAM MAXWELL, and MANNO embarked on a plan to deceive SCARFO's probation officer and the District Court by manufacturing a job offer from WILLIAM MAXWELL to SCARFO. Specifically, SCARFO drafted a letter on WILLIAM MAXWELL's letterhead, which WILLIAM MAXWELL and MANNO reviewed. In an email response to WILLIAM MAXWELL and SCARFO, MANNO said, "[t]he letter looks fine with the changes that Nick made. In effect, by removing [the probation officer] from the first letter, it makes it a two step process. This will give [SCARFO] an opportunity to bring it to her personally and give her more of a sense of power over the final job offer." The letter, including the final version which was ultimately submitted to SCARFO's probation officer, failed to disclose SCARFO's involvement with FPFG, the transactions involving Rutgers and Globalnet, and the \$33,000 a month he was already receiving pursuant to his "consulting" agreement through Learned Associates. MANNO also consulted PELULLO about the deceptive letter, and in a recorded telephone call, left a

message for PELULLO on September 20, 2007 "want[ing] to touch bases (sic) really with Bill ahh, about the job and some new developments up here . . ."

59. In late October 2007, defendant McCARTHY became concerned about maintaining possession of records related to the creation of Learned Associates. At defendant PELULLO's direction, McCARTHY forwarded the records to defendant MANNO. Later that same day, PELULLO reported to defendant SCARFO that the records had been sent to MANNO, stating, "I had Gary send everything for Learned Associates, me and Gary discussed it, over to Donny Manno under attorney privilege confidential information." PELULLO also stated, "your records are now sealed under attorney client privileged" and ". . . Gary's pretty slick. You know, he thought of that." With approval of what PELULLO had done, SCARFO said, "[l]ayers upon layers like an onion."

60. It was integral to the scheme that defendants SCARFO and PELULLO continue to associate with each other in clear violation of SCARFO's supervised release conditions. With SCARFO still under the supervision of the Probation Office, defendant MANNO attended an FPPG Christmas party which was held at a restaurant in New Jersey on December 20, 2007. In advance of the party, MANNO sent out invitations to the FPPG Christmas party to associates of SCARFO on behalf of SCARFO. PELULLO and SCARFO hosted the party on behalf of FPPG despite their lack of any

official positions with the company. During the party, MANNO socialized with SCARFO and PELULLO, and was provided with a gift. SCARFO's ongoing contact and association with PELULLO, a convicted felon, was never brought to the attention of SCARFO's probation officer and the judge who monitored SCARFO's supervised release.

Money Laundering

61. Members and associates of the Scarfo-Pelullo Enterprise and their co-conspirators took various steps to assist defendants SCARFO and PELULLO, among others, in concealing the source and laundering the proceeds of the scheme to defraud FPPG. This was accomplished by moving the proceeds of the scheme through various accounts, and the proceeds of the scheme were used to finance a lavish lifestyle that included luxury automobiles, a yacht, a luxury home for SCARFO, mortgage and rental payments, and jewelry as well as recurring monthly expenses.

SCARFO's Purchases

62. Throughout the scheme to defraud FPPG, the money obtained from FPPG was the only substantial asset of Learned Associates. Defendant SCARFO utilized the proceeds of the fraud he obtained through Learned Associates to fund various purchases, including but not limited to:

- a. Monthly payments of \$1,239.77 for an Audi A6 automobile;

b. Monthly lease payments of \$1,700 for a condominium in Brigantine, New Jersey;

c. Monthly mortgage payments of \$3,068.81 for a house he purchased for his ex-wife in New Jersey;

d. In excess of \$29,000 for jewelry for his second wife, defendant LISA MURRAY-SCARFO (charged in Counts 21 and 22 of this Indictment but not in Count 1) including an engagement ring and a tennis bracelet; and

e. A deposit of \$10,000 on an Audi R8 automobile that was valued in excess of \$100,000.

PELULLO's Bentley

63. In early July 2007, with the proceeds obtained as a result of the fraudulent sale of Globalnet to FPPG, defendant PELULLO purchased a Bentley Continental GT convertible automobile for \$216,963.80. PELULLO registered the automobile in the name of Seven Hills and utilized his mother's address for the registration.

SCARFO's and PELULLO's Yacht

64. In October 2007, defendants SCARFO and PELULLO devised a plan to purchase a 1996, 83' Falcon luxury yacht for \$850,000. The money used by SCARFO and PELULLO to purchase the yacht, named "Priceless," was derived from the proceeds of the fraudulent sale of Globalnet to FPPG.

a. The yacht was purchased by P.S. Charters LLC,

which was owned by Learned Associates and Seven Hills, and thus defendants SCARFO and PELULLO, respectively.

b. The money used to purchase the yacht originally came from FPPG, ostensibly as the final payment in the fraudulent Globalnet acquisition. On or about November 1, 2007, \$1,250,000 was transferred from an FPPG account to an account associated with Globalnet, an account that was controlled by defendants SCARFO and PELULLO. Thereafter, the money was transferred to an account associated with P.S. Charters and ultimately to defendant McCARTHY's attorney escrow account, from which the final payment for the yacht was made.

c. On November 21, 2007, during a recorded telephone call, defendant SCARFO told defendant PELULLO that he was "very concerned" about the insurance for the "boat." Specifically, SCARFO said that he was concerned about the name under which the insurance was listed, i.e., P.S. Charters. SCARFO added, "it might be okay for the logo, but when . . . they're ready to pay a claim, who the f**k is P and S Charters?" PELULLO then laughed, after which SCARFO said that the insurance policy also listed PELULLO as the insured party. After additional conversation about the insurance, PELULLO said, "that's the last thing I want, my name on there."

SCARFO's House

65. In approximately January 2008, members of the

Enterprise assisted defendant SCARFO in purchasing a \$715,000 house in Egg Harbor Township, New Jersey (hereafter the "Egg Harbor House"). The \$215,000 used for the down payment on the Egg Harbor House came directly from the scheme to defraud FPPG. For that reason, as well as the fact that SCARFO did not inform his probation officer of the purchase, SCARFO went to great lengths to conceal his role as the true owner and financier of the Egg Harbor House purchase.

66. In early February 2008, at the direction of defendant PELULLO, defendant DROSSNER used his position as a certified public accountant to assist SCARFO in manufacturing fraudulent tax returns for use by SCARFO's future wife, defendant MURRAY-SCARFO, in securing a \$500,000 mortgage to purchase the Egg Harbor House.

67. On February 5, 2008, defendant PELULLO called defendant DROSSNER to discuss a set of tax returns that DROSSNER had prepared for defendant MURRAY-SCARFO and had given to PELULLO. The returns did not reflect sufficient income to support the mortgage necessary to purchase the Egg Harbor House. During the recorded telephone conversation, PELULLO explained that "[s]he paid seven hundred and fifteen thousand for the house . . . [and] [s]he put two hundred and fifteen thousand in cash down." PELULLO continued, "you know how it works. Umm, even though I may make sixty-eight thousand dollars a year on a W2 income I

still have the ability to afford things through different entities," to which DROSSNER responded, "right." PELULLO then stated, "[s]he has the ability through her future husband and everything that's goin' on to afford the mortgage. How do I, what can I do income-wise to help her on these returns that have not been filed yet, to be able to substantiate or support a mortgage for ahh five hundred thousand?" After speaking to a mortgage broker whom PELULLO added to the conversation, PELULLO and DROSSNER discussed the income figures that would appear on the fraudulent returns DROSSNER was going to create. Specifically, PELULLO told DROSSNER, "maybe '06 at hundred and thirty. '07 at ahh a hundred and sixty. And then a letter umm stating '08 income will be, '08 income's projected to be the same."

68. Defendant DROSSNER prepared the new set of tax returns with the fraudulent figures provided by defendant PELULLO. When PELULLO saw that the 2007 return did not reflect enough income to get to the desired \$160,000, PELULLO asked DROSSNER, "can you throw some interest income?" DROSSNER responded, "[y]eah, how much?" PELULLO then said, "[y]eah, 500 bucks just to get to 160," to which DROSSNER responded, "okay." The tax returns with the fraudulent income figures were subsequently finalized by DROSSNER, signed by defendant MURRAY-SCARFO, and filed by DROSSNER with the Internal Revenue Service. The returns were

also submitted in support of the mortgage for which MURRAY-SCARFO was attempting to qualify.

69. Defendant MANNO assisted defendant SCARFO in concealing the source of the income used for the \$215,000 down payment that was used to complete the purchase. SCARFO married defendant MURRAY-SCARFO on February 14, 2008. That evening, SCARFO sent the following text message to MANNO: ". . . it's official. Thank you for helping get to this point. I am a happy man. Listen JP (meaning defendant PARISI) will be contacting you in th[e] morning to transfer funds. Please [get] with him. I want to see the transfer take place tomorrow. Goodnight and I'm on my honeymoon." On or about February 15, 2008, \$140,000 was transferred from a bank account related to the LMDS trust to an escrow account controlled by MANNO. MANNO ultimately issued a check from the escrow account in the amount of \$215,000, which was used as the down payment for the Egg Harbor House.

70. Prior to the settlement for the Egg Harbor House, defendants SCARFO and PELULLO attempted to secure a lower interest rate on the mortgage that defendant MURRAY-SCARFO had obtained utilizing the fraudulent tax returns. Despite the fact that she was now married to defendant SCARFO, MURRAY-SCARFO indicated on the mortgage application that she was not married. MURRAY-SCARFO also indicated on the mortgage application that none of the money used for the down payment had been borrowed,

when in fact, SCARFO previously had MURRAY-SCARFO sign a promissory note that required her to repay the money to the LMDS trust, a copy of which SCARFO gave to defendant MANNO.

71. On March 6, 2008, in a three-way recorded telephone conversation, defendants SCARFO, PELULLO, and MANNO discussed fabricating a "gift letter" in support of the mortgage application. During the conversation, PELULLO told MANNO that the purpose of the letter was "to show that the two hundred and fifteen thousand" was a gift from the LMDS trust and did not have to be repaid. Later in the conversation, SCARFO said, "[w]e don't want to hand over the trust," to which MANNO replied, "[n]o, we're not gonna give them the trust." Despite MANNO's knowledge that MURRAY-SCARFO had signed a promissory note that required her to repay the money to SCARFO, MANNO drafted the gift letter as instructed by SCARFO and PELULLO. The gift letter and fraudulent tax returns were submitted in support of the mortgage application.

72. On March 28, 2008, defendant MURRAY-SCARFO attended a settlement for the property and obtained the mortgage for \$500,000. MURRAY-SCARFO and defendant SCARFO made one mortgage payment before the fraudulent activity at FPFPG came to an end in May 2008 as a result of law enforcement intervention. Thereafter, with their source of money from FPFPG gone, MURRAY-

SCARFO and SCARFO did not make the required payments and the property went into foreclosure.

Firearms and Ammunition

73. Due to the historically violent nature of the LCN in general, and an attempt on defendant SCARFO's life by a rival faction of the Philadelphia LCN Family in particular, members and associates of the Enterprise equipped themselves with multiple firearms.

SCARFO's Firearms and Ammunition

74. As a convicted felon, defendant SCARFO was prohibited from purchasing or possessing firearms and ammunition. Nonetheless, various members of the Enterprise assisted SCARFO in obtaining firearms or ammunition.

a. In early September 2007, defendant JOHN MAXWELL purchased a .357 revolver from a pawn shop in Dallas, Texas, and drove for approximately 48 hours from Texas to Atlantic City, New Jersey where he delivered the revolver to defendant SCARFO. SCARFO possessed the gun on or about May 8, 2008.

b. On December 27, 2007, in a recorded telephone conversation, defendant PELULLO told defendant TODD STARK (charged elsewhere in this Indictment) that he (PELULLO) needed "two pairs" of "those size nine shoes" [meaning 9mm ammunition]. STARK replied, "absolutely." On or about December 28, 2007, STARK purchased two boxes of 9mm Independence ammunition from a

gun shop in Atlantic County, New Jersey, which were ultimately given to SCARFO.

c. On or about May 8, 2008, defendant SCARFO possessed a Smith & Wesson Model 469 9mm pistol, along with approximately 26 rounds of .357 caliber ammunition and approximately 100 rounds of 9mm ammunition.

PELULLO's Firearms and Ammunition

75. Like defendant SCARFO, defendant PELULLO was prohibited, as a convicted felon, from purchasing or possessing firearms and ammunition. In May 2008, PELULLO possessed a .38 caliber pistol along with approximately 50 rounds of .38 caliber ammunition and approximately 157 rounds of .32 caliber ammunition in the Seven Hills office that PELULLO maintained in Philadelphia, Pennsylvania. In addition, PELULLO possessed a .32 caliber pistol along with eight rounds of .32 caliber ammunition at his house in Elkins Park, Pennsylvania.

Yacht Firearms

76. Defendants SCARFO and PELULLO stored a cache of firearms and ammunition on their yacht, Priceless:

- a. Norinco 7.62 caliber rifle, model SKS;
- b. Ewbank 7.62 caliber rifle, model EMAKM;
- c. Wei Dong 12 gauge shotgun, model SAS12;
- d. Sig Sauer 9mm pistol, model P-6;
- e. Taurus .38 caliber revolver, model 83;

- f. Taurus .22 caliber pistol, model PT-22;
- g. Approximately 2500 rounds of 7.62 caliber ammunition; and
- h. Seventeen additional boxes of ammunition.

77. On November 23, 2007, defendants SCARFO, PELULLO, and LESHNER had a three-way telephone conversation, which was recorded. LESHNER was in Florida to take delivery of SCARFO'S and PELULLO'S yacht. At one point in the conversation, LESHNER spoke to someone in the background stating that he was on the phone with the yacht's "owners." Toward the end of the conversation, SCARFO told LESHNER to get "snorkeling equipment and, uh, some of those, uh, spear guns" [meaning the firearms], to which PELULLO replied, "you're gonna go snorkelin'?" SCARFO replied, "listen, follow me, I'll tell you when I see ya."

78. Defendant PELULLO brought the firearms onto the yacht shortly before the yacht was taken to the Bahamas. In December 2007, PELULLO, along with defendants LESHNER, WILLIAM MAXWELL, and others, used the yacht during a trip to the Bahamas.

79. On or about April 26, 2008, following the end of defendant SCARFO's supervised release, SCARFO and defendant PELULLO traveled to Florida so that SCARFO could see the yacht for the first time and take a trip on it.

LCN Influence Over the Enterprise

80. Members and associates of the Enterprise were influenced by members and associates of the LCN and sought to enrich them with the proceeds of the scheme to defraud FPFPG. Members and associates of the Enterprise also capitalized on the influence of the LCN in conducting the affairs of the Enterprise.

a. On June 14, 2007, in a recorded prison telephone call, defendant SCARFO told his father, unindicted co-conspirator NDS, in reference to the takeover of FPFPG, "[y]ou know honest to God we're good six to ten months off from being able to help everybody . . . you know, you'll get, you'll get explained about it." NDS responded, "I wanna know when it's complete . . . yeah because ahh, you know especially Uncle Vic man," (meaning unindicted co-conspirator VA, the imprisoned boss of the Lucchese LCN family). SCARFO responded, "[o]h yeah without a doubt."

b. On September 7, 2007, in a recorded telephone conversation with defendant PELULLO, defendant SCARFO referred to an "iron fist in a velvet glove," but stated "there's no iron fist" in the velvet glove right now, it just has to be a "velvet glove" right now. SCARFO continued, "in a about a year or two, when . . . we're talking total financial supremacy, . . . then that's where the iron fist comes in."

c. Defendant MANNO also maintained a close association with unindicted co-conspirator NDS. On September 20, 2007, defendant PELULLO visited NDS at the federal prison in Atlanta, Georgia. That same day, defendant MANNO in a recorded telephone conversation, left a voice mail message for PELULLO during which he said, ". . . I talked to Nicky (meaning defendant SCARFO), I know where you're at . . . I hope all is well and ahh, give our friend ahh a big hello for me." Later that same day, PELULLO returned MANNO's call. During that recorded conversation, MANNO asked, "you had a good visit today?" PELULLO responded, "[y]eah it was a great visit, he says hello and he sends his best I let him know all the help and support you're givin' us"

d. On October 17, 2007, following FPG's annual shareholder meeting, defendant PELULLO called defendant SCARFO to tell him "we crushed them" [meaning the opposition shareholders who had, among other things, opposed seating the figurehead board]. After describing some of the details of the meeting, SCARFO said, "congratulations brother," to which PELULLO responded, "it was all upon your direction . . ." and "the only people that can f**k it up now . . . is us." Later in the conversation, PELULLO said, "talk to your pop and let him know," to which SCARFO said, "I'll let you do the honors, like last time."

e. In or about November 2007, defendant WILLIAM MAXWELL told Individual #5, whose identity is known to the Grand Jury, that defendant PELULLO "consulted" with "the mob." WILLIAM MAXWELL also said that he was attempting to get unindicted co-conspirator NDS out of prison and that he (WILLIAM MAXWELL) would be "set for life" if he was successful.

f. On November 29, 2007, defendant WILLIAM MAXWELL sent the following text message to defendant PELULLO: "Know you won't get this till iu get out from ur visit but it is important for me for u to know how absolutely fond I am to his cases . . . truly wish I could see him regularly one of the best things that happened to my family was to know u sooner . . . maybe I could have gotten uncle nick out sooner and kept u and the family a little safer . . . see u." PELULLO visited unindicted co-conspirator NDS at the federal prison in Atlanta, Georgia that same day.

g. In January 2008, unindicted co-conspirator NDS mailed two letters along with several other documents from the federal prison in Atlanta, Georgia to defendant MANNO. The envelope in which the documents were mailed contained the notation on the outside that the contents contained "legal mail." As a result, the contents, which included a letter directed to MANNO, another directed to his son, defendant SCARFO, and additional documents for SCARFO, were not reviewed by officials

from the Federal Bureau of Prisons, the agency which is responsible for the security and operation of federal prisons. In the first letter, NDS asked MANNO to forward the contents to SCARFO. In the second letter, NDS instructed SCARFO to keep the contents "for the future" and to "review them." The contents consisted of information related to investigations and prosecutions involving two groups of individuals that have historically operated the New Jersey crew of the Lucchese LCN Family. In his letter to SCARFO, NDS further stated that the two groups were "rats and the younger ones are glorified rats by proxy As far as I'm concerned their [sic] all lying rats." Despite the fact that the second letter, along with its contents, clearly contained a communication regarding LCN affairs and that the letter was not intended for MANNO, MANNO dutifully delivered the letter and its contents to SCARFO.

h. On April 6, 2008, during a recorded telephone conversation following the end of defendant SCARFO's supervised release, SCARFO discussed how he wanted defendant PELULLO to handle FPPG's affairs going forward in relation to SCARFO. Specifically, SCARFO said that he needed PELULLO to repeat and reinforce the idea that, "we gotta follow this guy" (meaning SCARFO). PELULLO responded, "just because they didn't see you and I try to enforce that, it was, you know, you behind the

scenes, and I was just a conduit, . . . through you, to make sure that things got done the way we planned to get them done."

All in violation of Title 18, United States Code,
Section 1962(d).

COUNT TWO

[Securities Fraud Conspiracy, 18 U.S.C. § 371]

The Grand Jury further alleges:

81. The allegations set forth in paragraphs 8 through 13, 15 through 30, 33 through 60, and 80, of this Indictment are re-alleged as if fully set forth in this Count.

Relevant State and Federal Laws and Regulations

82. Nevada corporate law imposes fiduciary duties on controlling shareholders, officers, and directors of Nevada corporations such as FPFG that forbid them from using their position(s) of trust and confidence to further their private interests and require them to act on an informed basis. Furthermore, these fiduciary duties forbid controlling shareholders, officers, and directors from usurping corporate opportunities for their own personal benefit. N.R.S. 78.120; 78.138. Controlling shareholders, officers, and directors seeking to engage in related party transactions with a company under their control must disclose all material facts regarding such transactions in applicable SEC filings and to FPFG shareholders.

83. FPFG stock was publicly quoted under the ticker symbol "FPFX.PK" on the over-the-counter ("OTC") securities market, commonly referred to as the "Pink Sheets."

84. Under SEC rules, "control" is defined as "the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise." Title 17, Code of Federal Regulations, § 240.12b-2.

85. Under SEC rules, an "affiliate" is "a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the specified person." Title 17, Code of Federal Regulations, § 240.12b-2.

86. Under the Securities Exchange Act of 1934, "[t]he term 'director' means any director of a corporation or any person performing similar functions with respect to any organization, whether incorporated or unincorporated." Title 15, United States Code, § 78c(a)(7).

87. Under SEC rules, an "executive officer" means a registrant's "president, any vice president of the registrant in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy making function or any other person who performs similar policy making functions for the registrant." Title 17, Code of Federal Regulations, § 240.3b-7.

88. Generally Accepted Accounting Principles ("GAAP") and SEC regulations provide that a public company and its management

must disclose related party transactions in quarterly and annual filings with the SEC.

89. Statement of Financial Accounting Standards No. 57 ("FAS 57") sets forth the GAAP requirements for related party transaction disclosures. Paragraph 2 of FAS 57 provides that a public company's "[f]inancial statements shall include disclosures of material related party transactions." "Related party transactions" include those between "an enterprise and its principal owners, management, or members of their immediate families" and those between a company and its "affiliates." [FAS 57, ¶ 1]. "Affiliate" includes any company that is under common control or management with the public company. [FAS 57, ¶ 24(a, b)]. Disclosures of related party transactions shall include (a) the nature of the relationship involved, (b) a description of the transactions for each period for which income statements are presented and such other information necessary to an understanding of the effects of the transactions on the financial statements, (c) the dollar amount of the transactions for each of the periods for which income statements are presented, and (d) amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement. [FAS 57, ¶ 24(a, b)].

90. Under FAS 57, each of FPFPG's reports on Forms 10-QSB (filed in August and November 2007) and 10-KSB (filed in March

2008) should have disclosed details of FPFPG's related party transactions with defendants SCARFO, PELULLO, and WILLIAM MAXWELL, and their affiliates including, but not limited to, Learned Associates and Seven Hills. Form 10-QSB is a quarterly report that provides a summary of a public company's financial performance. Form 10-KSB is an annual report that provides a comprehensive overview a public company's business and financial condition.

91. In addition, SEC regulations require further disclosures of related party transactions in applicable SEC filings. Among other things, Part III of Form 10-KSB requires disclosure of "Certain Relationships and Related Transactions," specifically including disclosures prescribed by Item 404 of SEC Regulation S-K. Item 404(a) of Regulation S-K requires a description of any transactions exceeding \$120,000 to which the public company is a party and in which any director, executive officer or member of their immediate families has a direct or indirect material interest. Item 404(a) requires disclosure of the person and the person's relationship to the public company, the nature of the person's interest in the transaction and, where practicable, the amount of the person's interest in the transaction.

92. Under these SEC regulations, all of the transactions described above in paragraphs 18 through 20, and 43 through 48 -

in which defendants SCARFO and PELULLO, and others, had direct or indirect material interests - were required to be accurately disclosed in FPFPG's applicable SEC filings.

STATUTORY ALLEGATION

93. From in or about April 2007 through in or about May 2008, in the District of New Jersey and elsewhere, the defendants, NICODEMO S. SCARFO, also known as "Nicky," also known as "Nick, also known as "Cousin," also known as "Junior," also known as "Nick Promo," also known as "Mr. Apple," also known as "Mr. Macintosh"; SALVATORE PELULLO, also known as "Sal," also known as "The Consultant," also known as "Cousin," also known as "Mr. Turner"; WILLIAM MAXWELL, also known as "Bill"; JOHN MAXWELL; WILLIAM HANDLEY, also known as "Bill"; CORY LESHNER; JOHN PARISI; DAVID ADLER, also known as "Dave"; HOWARD DROSSNER; and GARY McCARTHY did knowingly and willfully conspire and agree with each other and others to commit offenses against the United States, to wit, (a) fraud in connection with the purchase and sale of securities issued by FPFPG, contrary to Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5; (b) falsified books, records, and accounts of FPFPG, contrary to Title 15, United States Code, Sections 78m(b) (2) (A), 78m(b) (5) and 78ff, and Title 17, Code of Federal Regulations, Section 240.13b2-1; (c) false statements and material omissions to the auditor for FPFPG in

connection with the audit and examination of FPPG's financial statements, contrary to Title 15, United States Code, Section 78ff, and Title 17, Code of Federal Regulations, Section 240.13b2-2; and (d) false and misleading statements and omissions of material fact in reports and documents required to be filed under the Securities Exchange Act of 1934 and the rules and regulations thereunder, in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

OVERT ACTS

94. In furtherance of the conspiracy and to effect its illegal objects, the following overt acts, among others, were committed in the District of New Jersey and elsewhere:

a. On or about June 7, 2007, defendant ADLER and other members of the conspiracy caused FPPG to file a Form 8-K with the SEC detailing the change in control that occurred with respect to FPPG's board of directors. The form failed to disclose (i) the true nature of the control exerted over FPPG by members of the conspiracy, including defendants SCARFO, PELULLO, and WILLIAM MAXWELL, and (ii) the legal services and consulting agreements involving defendants WILLIAM MAXWELL and PELULLO.

b. On or about June 12, 2007, defendant MCCARTHY caused a draft of the Rutgers purchase agreement to be sent via email to defendants PELULLO and PARISI.

c. On or about November 14, 2007, defendant ADLER and other members of the conspiracy caused FPFPG to file a Form 10-QSB with the SEC detailing the company's financial condition. The form failed to disclose (i) the true nature of the conspirators' ongoing control of FPFPG (ii) the relationships among the conspirators and the various transactions with FPFPG including defendant WILLIAM MAXWELL's legal services agreement and defendants SCARFO's and PELULLO's consulting agreements, and (iii) the true nature of the acquisitions of Rutgers and Globalnet by FPFPG in that SCARFO and PELULLO had ownership interests in those companies and sold those companies to FPFPG at grossly overvalued prices.

d. On March 31, 2008, in a recorded telephone conversation, PELULLO told SCARFO that the "10-K" would "pop up on [SCARFO's] phone," [meaning that SCARFO would receive a copy of FPFPG's Form 10-KSB when it was filed with the SEC].

e. On or about March 31, 2008, members of the conspiracy caused FPFPG to file its annual report on Form 10-KSB. The form failed to fully disclose (i) the true nature of conspirators' ongoing control of FPFPG (ii) the relationships among the conspirators and the various transactions with FPFPG including defendant WILLIAM MAXWELL's legal services agreement and defendants SCARFO's and PELULLO's consulting agreements, and (iii) the true nature of the acquisitions of Rutgers, Globalnet,

and Premier Group by FPFG in that SCARFO and PELULLO had ownership interests in those companies and sold those companies to FPFG at grossly overvalued prices.

All in violation of Title 18, United States Code, Section 371.

COUNT THREE

[Wire Fraud Conspiracy, 18 U.S.C. § 1349]

The Grand Jury further alleges:

95. The allegations set forth in paragraphs 8 through 13, 15 through 30, and 33 through 60, of this Indictment are re-alleged as if fully set forth in this Count.

96. From in or about April 2007 through in or about May 2008, in the District of New Jersey and elsewhere, the defendants, NICODEMO S. SCARFO, also known as "Nicky," also known as "Nick," also known as "Cousin," also known as "Junior," also known as "Nick Promo," also known as "Mr. Apple," also known as "Mr. Macintosh"; SALVATORE PELULLO, also known as "Sal," also known as "The Consultant," also known as "Cousin," also known as "Mr. Turner"; WILLIAM MAXWELL, also known as "Bill"; JOHN MAXWELL; WILLIAM HANDLEY, also known as "Bill"; CORY LESHNER; JOHN PARISI, also known as "JP"; DAVID ADLER, also known as "Dave"; HOWARD DROSSNER; and GARY McCARTHY did knowingly and intentionally conspire and agree with each other and others to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing such scheme and artifice, to transmit and cause to be transmitted by means of wire communications in interstate and foreign

commerce, certain writings, signs, signals, and sounds, contrary to Title 18, United States Code, Section 1343.

Objects of the Conspiracy

97. The objects of the conspiracy were for defendants, NICODEMO S. SCARFO, also known as "Nicky," also known as "Nick," also known as "Cousin," also known as "Junior," also known as "Nick Promo," also known as "Mr. Apple," also known as "Mr. Macintosh"; SALVATORE PELULLO, also known as "Sal," also known as "The Consultant," also known as "Cousin," also known as "Mr. Turner"; WILLIAM MAXWELL, also known as "Bill"; JOHN MAXWELL; WILLIAM HANDLEY, also known as "Bill"; CORY LESHNER; JOHN PARISI, also known as "JP"; DAVID ADLER, also known as "Dave"; HOWARD DROSSNER; and GARY McCARTHY to (a) make money for themselves and their co-conspirators through the takeover and looting of FPFPG and (b) avoid detection and disruption by the public, the shareholders of FPFPG, law enforcement and the SEC.

Manner and Means of the Conspiracy

98. It was part of the conspiracy that members of the conspiracy seized and maintained control of FPFPG and its assets through the extortionate takeover of the company and its board of directors.

99. It was further part of the conspiracy that members of the conspiracy stole money from FPFPG through fraudulent consulting and legal services agreements.

100. It was further part of the conspiracy that members of the conspiracy stole money from FPFPG by causing FPFPG to acquire corporate entities, at grossly inflated prices, in which defendants SCARFO and PELULLO had an ownership interest.

101. It was further part of the conspiracy that members of the conspiracy violated, and caused others to violate, the fiduciary duties owed to FPFPG and its shareholders by running FPFPG for the personal benefit of the members of the conspiracy and not in the best interests of FPFPG and its shareholders.

102. It was further part of the conspiracy that members of the conspiracy caused false statements and material omissions to be made in documents filed with the SEC.

103. It was further part of the conspiracy that members of the conspiracy (a) transferred money via interstate wires, including into the District of New Jersey, and (b) made and received telephone calls across state lines, including into and out of the District of New Jersey, to discuss, carry out, perpetrate and cover up the scheme to defraud.

104. In all, by the means above, the scheme to defraud FPFPG ultimately resulted in a loss to FPFPG and its shareholders of at least approximately \$12 million.

All in violation of Title 18, United States Code, Section 1349.

COUNTS FOUR THROUGH SIXTEEN
[Wire Fraud - 18 U.S.C. § 1343]
(Consulting and Legal Services Payments)

The Grand Jury further alleges:

105. The allegations set forth in paragraphs 8 through 13, 15 through 30, 33 through 60, and 97 through 104, of this Indictment are re-alleged as if fully set forth herein.

106. In furtherance of the scheme to defraud, the defendants, NICODEMO S. SCARFO, also known as "Nicky," also known as "Nick," also known as "Cousin," also known as "Junior," also known as "Nick Promo," also known as "Mr. Apple," also known as "Mr. Macintosh"; SALVATORE PELULLO, also known as "Sal," also known as "The Consultant," also known as "Cousin," also known as "Mr. Turner"; WILLIAM MAXWELL, also known as "Bill"; JOHN MAXWELL; WILLIAM HANDLEY, also known as "Bill"; CORY LESHNER; JOHN PARISI, also known as "JP"; DAVID ADLER, also known as "Dave"; HOWARD DROSSNER; and GARY MCCARTHY caused money looted from FPFPG pursuant to the fraudulent consulting and legal services agreements to be distributed via wire transfers. The defendants caused the money to be sent via wire transfer from FPFPG bank accounts to defendant WILLIAM MAXWELL's bank account. The defendants caused money destined for defendants SCARFO and PELULLO to be sent via wire transfer from WILLIAM MAXWELL's account to Seven Hills' bank account. The defendants then caused money destined for SCARFO to be sent via wire transfer from Seven

Hills' bank account in Pennsylvania to Learned Associates' bank account in New Jersey. On or about the dates set forth in the tables below, the defendants caused wire transfers of funds looted from FPFPG pursuant to the fraudulent legal services and consulting agreements to move from and to the accounts set forth in the tables below.

(Wirings to Distribute July 2007 Payments)

Date	Amount	Source Acct.	Beneficiary Acct.
7/3/07	\$220,000	FPFG xxxxxxxx2676	William Maxwell xxxxxx3939
7/3/07	\$180,000	FPFG xxxxxxxx2676	William Maxwell xxxxxx3939
7/3/07	\$50,000	William Maxwell xxxxxx3939	Seven Hills xxxxxx7216
7/3/07	\$50,000	William Maxwell xxxxxx3939	Seven Hills xxxxxx7216
7/5/07	\$33,000	Seven Hills xxxxxx7216	Learned Associates xxxxxx3017

(Wirings to Distribute August 2007 Payments)

Date	Amount	Source Acct.	Beneficiary Acct.
8/1/07	\$100,000	FPFG xxxxxxxx2676	William Maxwell xxxxxx3939
8/2/07	\$100,000	William Maxwell xxxxxx3939	Seven Hills xxxxxx7216
8/2/07	\$33,000	Seven Hills xxxxxx7216	Learned Associates xxxxxx3017

(Wirings to Distribute September 2007 Payments)

Date	Amount	Source Acct.	Beneficiary Acct.
8/30/07	\$176,855.19	FPFG xxxxxxxxx2676	William Maxwell xxxxxxxx3939
8/31/07	\$50,000	William Maxwell xxxxxxxx3939	Seven Hills xxxxxx7216
8/31/07	\$50,000	William Maxwell xxxxxxxx3939	Seven Hills xxxxxx7216
8/31/07	\$50,000	William Maxwell xxxxxxxx3939	Seven Hills xxxxxx7216
8/31/07	\$6,855.19	William Maxwell xxxxxxxx3939	Seven Hills xxxxxx7216
8/31/07	\$33,500	Seven Hills xxxxxx7216	Learned Associates xxxxxxxx3017

(Wirings to Distribute October 2007 Payments)

Date	Amount	Source Acct.	Beneficiary Acct.
10/5/07	\$50,000	William Maxwell xxxxxxxx3939	Seven Hills xxxxxx7216
10/5/07	\$50,000	William Maxwell xxxxxxxx3939	Seven Hills xxxxxx7216
10/5/07	\$15,000	William Maxwell xxxxxxxx3939	Seven Hills xxxxxx7216
10/9/07	\$36,202.29	Seven Hills xxxxxx7216	Learned Associates xxxxxxxx3017

(Wirings to Distribute November 2007 Payments)

Date	Amount	Source Acct.	Beneficiary Acct.
11/1/07	\$100,000	FPFG xxxxxxxxx2676	William Maxwell xxxxxxxx3939
11/2/07	\$300,000	FPFG xxxxxxxxx9573	William Maxwell xxxxxxxx3939

Date	Amount	Source Acct.	Beneficiary Acct.
11/2/07	\$130,000	William Maxwell xxxxxxx3939	Seven Hills xxxxxx7216
11/5/07	\$40,863.91	Seven Hills xxxxxx7216	Learned Associates xxxxxxx3017

(Wirings to Distribute December 2007 Payments)

Date	Amount	Source Acct.	Beneficiary Acct.
12/5/07	\$320,000	FPPG xx x6346 xx	William Maxwell xxxxxxx3939
12/6/07	\$115,000	William Maxwell xxxxxxx3939	Seven Hills xxxxxx7216
12/6/07	\$33,000	Seven Hills xxxxxx7216	Learned Associates xxxxxxx3017

(Wirings to Distribute January 2008 Payments)

Date	Amount	Source Acct.	Beneficiary Acct.
1/3/08	\$300,000	FPPG xxxxxxxxx2676	William Maxwell xxxxxxx3939
1/3/08	\$165,000	William Maxwell xxxxxxx3939	Seven Hills xxxxxx7216
1/4/08	\$33,000	Seven Hills xxxxxx7216	Learned Associates xxxxxxx3017
1/4/08	\$5,222.87	Seven Hills xxxxxx7216	Learned Associates xxxxxxx3017

(Wirings to Distribute February 2008 Payments)

Date	Amount	Source Acct.	Beneficiary Acct.
1/31/08	\$200,000	FPPG xxxxxxxxx2676	William Maxwell xxxxxxx3939
2/4/08	\$140,000	William Maxwell xxxxxxx3939	Seven Hills xxxxxx7216

Date	Amount	Source Acct.	Beneficiary Acct.
2/4/08	\$33,000	Seven Hills xxxxx7216	Learned Associates xxxxxx3017
2/4/08	\$6,127.76	Seven Hills xxxxx7216	Learned Associates xxxxxx3017

(Wirings to Distribute March 2008 Payments)

Date	Amount	Source Acct.	Beneficiary Acct.
3/3/08	\$650,000	FPFG xxxxxxxx2676	William Maxwell xxxxxx3939
3/3/08	\$230,000	William Maxwell xxxxxx3939	Seven Hills xxxxx7216
3/3/08	\$33,000	Seven Hills xxxxx7216	Learned Associates xxxxxx3017
3/3/08	\$4,593.26	Seven Hills xxxxx7216	Learned Associates xxxxxx3017

(Wirings to Distribute April 2008 Payments)

Date	Amount	Source Acct.	Beneficiary Acct.
4/2/08	\$33,000	Seven Hills xxxxx7216	Learned Associates xxxxxx3017
4/2/08	\$3,982.71	Seven Hills xxxxx7216	Learned Associates xxxxxx3017

STATUTORY ALLEGATION FOR COUNTS FOUR THROUGH SIXTEEN

107. On or about the dates set forth in the table below, within the District of New Jersey and elsewhere, the defendants, NICODEMO S. SCARFO, also known as "Nicky," also known as "Nick," also known as "Cousin," also known as "Junior," also known as "Nick Promo," also known as "Mr. Apple," also known as "Mr.

Macintosh"; SALVATORE PELULLO, also known as "Sal," also known as "The Consultant," also known as "Cousin," also known as "Mr. Turner"; WILLIAM MAXWELL, also known as "Bill"; JOHN MAXWELL; WILLIAM HANDLEY, also known as "Bill"; CORY LESHNER; JOHN PARISI, also known as "JP"; DAVID ADLER, also known as "Dave"; HOWARD DROSSNER; and GARY MCCARTHY, and others known and unknown, did knowingly and intentionally devise and intend to devise a scheme and artifice to defraud and did obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing such scheme and artifice, did transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, certain writings, signs, signals and sounds, that is, wire transfers of money as set forth in the table below.

Count	Date	Amount	Source Acct.	Beneficiary Acct.
4	7/5/07	\$33,000	Seven Hills xxxxx7216	Learned Associates xxxxxx3017
5	8/2/07	\$33,000	Seven Hills xxxxx7216	Learned Associates xxxxxx3017
6	8/31/07	\$33,500	Seven Hills xxxxx7216	Learned Associates xxxxxx3017
7	10/9/07	\$36,202.29	Seven Hills xxxxx7216	Learned Associates xxxxxx3017
8	11/5/07	\$40,863.91	Seven Hills xxxxx7216	Learned Associates xxxxxx3017
9	12/6/07	\$33,000	Seven Hills xxxxx7216	Learned Associates xxxxxx3017

10	1/4/08	\$5,222.87	Seven Hills xxxxx7216	Learned Associates xxxxxx3017
11	2/4/08	\$33,000	Seven Hills xxxxx7216	Learned Associates xxxxxx3017
12	2/4/08	\$6,127.76	Seven Hills xxxxx7216	Learned Associates xxxxxx3017
13	3/3/08	\$33,000	Seven Hills xxxxx7216	Learned Associates xxxxxx3017
14	3/3/08	\$4,593.26	Seven Hills xxxxx7216	Learned Associates xxxxxx3017
15	4/2/08	\$33,000	Seven Hills xxxxx7216	Learned Associates xxxxxx3017
16	4/2/08	\$3,982.71	Seven Hills xxxxx7216	Learned Associates xxxxxx3017

All in violation of Title 18, United States Code,
Section 1343 and Section 2.

COUNTS SEVENTEEN THROUGH NINETEEN
[Wire Fraud - 18 U.S.C. § 1343]
(Acquisition Payments)

The Grand Jury further alleges:

108. The allegations set forth in paragraphs 8 through 13, 15 through 30, 33 through 60, and 97 through 104, of this Indictment are re-alleged as if fully set forth herein.

109. In furtherance of the scheme to defraud, the defendants, NICODEMO S. SCARFO, also known as "Nicky," also known as "Nick," also known as "Cousin," also known as "Junior," also known as "Nick Promo," also known as "Mr. Apple," also known as "Mr. Macintosh"; SALVATORE PELULLO, also known as "Sal," also known as "The Consultant," also known as "Cousin," also known as "Mr. Turner"; WILLIAM MAXWELL, also known as "Bill"; JOHN MAXWELL; WILLIAM HANDLEY, also known as "Bill"; CORY LESHNER; JOHN PARISI, also known as "JP"; DAVID ADLER, also known as "Dave"; HOWARD DROSSNER; and GARY MCCARTHY caused money looted from FPFPG pursuant to the fraudulent acquisitions involving Rutgers LLC and Globalnet Enterprises to be distributed via wire transfers.

Rutgers Acquisition

110. The defendants caused the money to be sent via wire transfer from an FPFPG bank account to a Rutgers LLC bank account which account defendants SCARFO and PELULLO controlled and was located in Pennsylvania. The defendants then caused money

destined for defendants SCARFO and PELULLO to be sent via wire transfer to a Globalnet Enterprises bank account in Pennsylvania and to a Seven Hills bank account also in Pennsylvania. Money destined for defendant SCARFO was also sent via wire transfer to a Learned Associates bank account in New Jersey. On or about the dates set forth in the tables below, the defendants caused wire transfers of funds looted from FPFPG pursuant to the fraudulent acquisition of Rutgers LLC to move from and to the accounts set forth in the table below.

(Wirings to Distribute Rutgers Payments)

Date	Amount	Source Acct.	Beneficiary Acct.
6/20/07	\$1,825,000	FPFG xxxxxxxx2676	Rutgers LLC xxxxx6087
6/20/07	\$667,600	Rutgers LLC xxxxx6087	Globalnet xxxxx5174
6/21/07	\$112,500	Rutgers LLC xxxxx6087	Seven Hills xxxxx7216
6/21/07	\$112,500	Rutgers LLC xxxxx6087	Learned Associates xxxxxx3017
6/22/07	\$50,000	Globalnet xxxxx5174	Seven Hills xxxxx7216
6/22/07	\$50,000	Globalnet xxxxx5174	Learned Associates xxxxxx3017

Globalnet Acquisition

111. The defendants caused the money to be sent via wire transfer from an FPFPG bank account to defendant WILLIAM MAXWELL's account. The defendants then caused the money to be sent via

wire transfer from WILLIAM MAXWELL's account to a Globalnet Enterprises account in Pennsylvania. The defendants then caused money destined for defendants SCARFO and PELULLO to be sent via wire transfer to a Seven Hills bank account in Pennsylvania and a Learned Associates bank account in New Jersey. On or about the dates set forth in the tables below, the defendants caused wire transfers of funds looted from FPFPG pursuant to the fraudulent acquisition of Globalnet Enterprises to move from and to the accounts set forth in the table below.

(Wirings to Distribute Globalnet Payments)

Date	Amount	Source Acct.	Beneficiary Acct.
7/6/07	\$3,070,000	FPFG xxxxxxxx2676	William Maxwell xxxxxx3939
7/6/07	\$2,970,000	William Maxwell xxxxxx3939	Globalnet xxxxxx5174
7/6/07	\$982,869.13	Globalnet xxxxxx5174	Seven Hills xxxxxx7216
7/6/07	\$436,369.13	Globalnet xxxxxx5174	Learned Associates xxxxxx3017

STATUTORY ALLEGATION FOR COUNTS SEVENTEEN THROUGH NINETEEN

112. On or about the dates set forth in the table below, within the District of New Jersey and elsewhere, the defendants, NICODEMO S. SCARFO, also known as "Nicky," also known as "Nick," also known as "Cousin," also known as "Junior," also known as "Nick Promo," also known as "Mr. Apple," also known as "Mr. Macintosh"; SALVATORE PELULLO, also known as "Sal," also known as

"The Consultant," also known as "Cousin," also known as "Mr. Turner"; WILLIAM MAXWELL, also known as "Bill"; JOHN MAXWELL; WILLIAM HANDLEY, also known as "Bill"; CORY LESHNER; JOHN PARISI, also known as "JP"; DAVID ADLER, also known as "Dave"; HOWARD DROSSNER; and GARY McCARTHY, and others known and unknown, did knowingly and intentionally devise and intend to devise a scheme and artifice to defraud and did obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing such scheme and artifice, did transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, certain writings, signs, signals and sounds, that is, wire transfers of money as set forth in the table below.

Count	Date	Amount	Source Acct.	Beneficiary Acct.
17	6/21/07	\$112,500	Rutgers LLC xxxxxx6087	Learned Associates xxxxxx3017
18	6/22/07	\$50,000	Globalnet xxxxxx5174	Learned Associates xxxxxx3017
19	7/6/07	\$436,369.13	Globalnet xxxxxx5174	Learned Associates xxxxxx3017

All in violation of Title 18, United States Code, Section 1343 and Section 2.

COUNT TWENTY

[Conspiracy to Commit Money Laundering, 18 U.S.C. § 1956(h)]

The Grand Jury further alleges:

113. The allegations set forth in paragraphs 8 through 13, 15 through 27, 29 through 31, and 33 through 72, of this Indictment are re-alleged as if fully set forth in this Count.

114. From in or about April 2007 through in or about May 2008, in the District of New Jersey and elsewhere, the defendants NICODEMO S. SCARFO, also known as "Nicky," also known as "Nick," also known as "Cousin," also known as "Junior," also known as "Nick Promo," also known as "Mr. Apple," also known as "Mr. Macintosh"; SALVATORE PELULLO, also known as "Sal," also known as "The Consultant," also known as "Cousin," also known as "Mr. Turner"; WILLIAM MAXWELL, also known as "Bill"; JOHN MAXWELL; WILLIAM HANDLEY, also known as "Bill"; CORY LESHNER; JOHN PARISI, also known as "JP"; HOWARD DROSSNER; GARY McCARTHY; and DONALD MANNO, also known as "Donny," did knowingly and intentionally conspire and agree with each other and others to:

(a) conduct financial transactions affecting interstate and foreign commerce, which transactions involved the proceeds of specified unlawful activity, that is, wire fraud and securities fraud, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful

activity, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, contrary to Title 18, United States Code, Section 1956(a) (1) (B) (i); and

(b) engage in monetary transactions by, through and to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, such property having been derived from a specified unlawful activity, that is wire fraud and securities fraud, contrary to Title 18, United States Code, Section 1957(a).

All in violation of Title 18, United States Code, Section 1956(h).

COUNT TWENTY-ONE

[Conspiracy to Commit Bank Fraud, 18 U.S.C. § 1349]

The Grand Jury further alleges:

115. The allegations set for in paragraphs 16 and 17, 21 through 27, 29, 31, and 65 through 72, of this Indictment are re-alleged as if fully set forth in this Count.

116. From in or about December 2007 through in or about March 2008, in the District of New Jersey and elsewhere, the defendants NICODEMO S. SCARFO, also known as "Nicky," also known as "Nick," also known as "Cousin," also known as "Junior," also known as "Nick Promo," also known as "Mr. Apple," also known as "Mr. Macintosh"; SALVATORE PELULLO, also known as "Sal," also known as "The Consultant," also known as "Cousin," also known as "Mr. Turner"; WILLIAM MAXWELL, also known as "Bill"; JOHN MAXWELL; WILLIAM HANDLEY, also known as "Bill"; CORY LESHNER; JOHN PARISI, also known as "JP"; HOWARD DROSSNER; DONALD MANNO, also known as "Donny"; and LISA MURRAY-SCARFO, also known as "Lisa Murray," did knowingly and intentionally conspire and agree with each other and others to execute a scheme and artifice to defraud financial institutions as that term is defined in Title 18, United States Code, Section 20, including St. Edmond's Federal Savings Bank, the accounts of which were insured by the Federal Deposit Insurance Corporation and to obtain moneys, funds, assets and other property owned by, and under the custody

and control of financial institutions, including St. Edmond's Federal Savings Bank, by means of materially false and fraudulent pretenses, representations and promises, contrary to Title 18, United States Code, Section 1344.

OBJECT OF THE CONSPIRACY

117. The object of the conspiracy was for defendants NICODEMO S. SCARFO, also known as "Nicky," also known as "Nick," also known as "Cousin," also known as "Junior," also known as "Nick Promo," also known as "Mr. Apple," also known as "Mr. Macintosh"; SALVATORE PELULLO, also known as "Sal," also known as "The Consultant," also known as "Cousin," also known as "Mr. Turner"; WILLIAM MAXWELL, also known as "Bill"; JOHN MAXWELL; WILLIAM HANDLEY, also known as "Bill"; CORY LESHNER; JOHN PARISI, also known as "JP"; HOWARD DROSSNER; DONALD MANNO, also known as "Donny"; and LISA MURRAY-SCARFO, also known as "Lisa Murray," to help SCARFO and MURRAY-SCARFO obtain a mortgage for the Egg Harbor House through false statements and fraudulent submissions to financial institutions, including St. Edmond's Federal Savings Bank.

OVERT ACTS

118. In furtherance of the conspiracy and to effect its illegal object, the following overt acts, among others, were committed in the District of New Jersey and elsewhere:

- a. On or about February 8, 2008, defendants PARISI

and MURRAY-SCARFO traveled from the District of New Jersey to the Eastern District of Pennsylvania so that MURRAY-SCARFO could retrieve and sign fictitious tax returns that were ultimately used to support a loan application for the Egg Harbor House.

b. On or about February 5, 2008, defendant DROSSNER emailed fraudulent tax returns to defendant PELULLO for use by defendant SCARFO's future wife, defendant MURRAY-SCARFO, in securing a \$502,000 mortgage to purchase the Egg Harbor House.

c. On or about March 6, 2008, defendant MANNO sent a letter regarding the source of money used as a down payment on the Egg Harbor House to defendant PELULLO via facsimile from the District of New Jersey to the Eastern District of Pennsylvania.

All in violation of Title 18, United States Code, Section 1349.

COUNT TWENTY-TWO

[Conspiracy to Make False Statements in Connection
with Loan Application, 18 U.S.C. § 371]

The Grand Jury further alleges:

119. The allegations set forth in paragraphs 16 and 17, 21 through 27, 29, 31, and 65 through 72, of this Indictment are re-alleged as if fully set forth in this Count.

120. From in or about January 2008 through in or about March 2008, in the District of New Jersey and elsewhere, the defendants NICODEMO S. SCARFO, also known as "Nicky," also known as "Nick," also known as "Cousin," also known as "Junior," also known as "Nick Promo," also known as "Mr. Apple," also known as "Mr. Macintosh"; SALVATORE PELULLO, also known as "Sal," also known as "The Consultant," also known as "Cousin," also known as "Mr. Turner"; WILLIAM MAXWELL, also known as "Bill"; JOHN MAXWELL; WILLIAM HANDLEY, also known as "Bill"; CORY LESHNER; JOHN PARISI, also known as "JP"; HOWARD DROSSNER; DONALD MANNO, also known as "Donny"; and LISA MURRAY-SCARFO, also known as "Lisa Murray," did knowingly and intentionally conspire and agree with each other and others to commit an offense against the United States, to wit, to make false statements and reports, for the purpose of influencing the action of an institution the accounts of which are insured by the Federal Deposit Insurance Corporation, including St. Edmond's Federal Savings Bank, upon an application, purchase, purchase agreement, commitment, or loan,

contrary to Title 18, United States Code, Section 1014.

OBJECT OF THE CONSPIRACY

121. The object of the conspiracy was for defendants NICODEMO S. SCARFO, also known as "Nicky," also known as "Nick," also known as "Cousin," also known as "Junior," also known as "Nick Promo," also known as "Mr. Apple," also known as "Mr. Macintosh"; SALVATORE PELULLO, also known as "Sal," also known as "The Consultant," also known as "Cousin," also known as "Mr. Turner"; WILLIAM MAXWELL, also known as "Bill"; JOHN MAXWELL; WILLIAM HANDLEY, also known as "Bill"; CORY LESHNER; JOHN PARISI, also known as "JP"; HOWARD DROSSNER; DONALD MANNO, also known as "Donny"; and LISA MURRAY-SCARFO, also known as "Lisa Murray," to obtain a mortgage for the Egg Harbor House through false statements and fraudulent submissions to financial institutions, including St. Edmond's Federal Savings Bank.

OVERT ACTS

122. In furtherance of the conspiracy and to effect its illegal object, the following overt acts, among others, were committed in the District of New Jersey and elsewhere:

a. On or about February 8, 2008, defendants PARISI and MURRAY-SCARFO traveled from the District of New Jersey to the Eastern District of Pennsylvania so that MURRAY-SCARFO could retrieve and sign fictitious tax returns that were ultimately used to support a loan application for the Egg Harbor House.

b. On or about February 5, 2008, defendant DROSSNER emailed fraudulent tax returns to defendant PELULLO for use by SCARFO's future wife, defendant MURRAY-SCARFO, in securing a \$502,000 mortgage to purchase the Egg Harbor House.

c. On or about March 6, 2008, defendant MANNO sent a letter regarding the source of money used as a down payment on the Egg Harbor House to defendant PELULLO via facsimile from the District of New Jersey to the Eastern District of Pennsylvania.

All in violation of Title 18, United States Code,
Section 371.

COUNT TWENTY-THREE

[Conspiracy to Obstruct Justice, 18 U.S.C. § 1512(k)]

The Grand Jury further alleges:

123. The allegations set forth in paragraphs 8 through 13, 15 through 23, 27, 31, and 33 through 60, of this Indictment are re-alleged as if fully set forth in this Count.

124. From in or about June 2007 through in or about April 2008, in the District of New Jersey and elsewhere, defendants NICODEMO S. SCARFO, also known as "Nicky," also known as "Nick," also known as "Cousin," also known as "Junior," also known as "Nick Promo," also known as "Mr. Apple," also known as "Mr. Macintosh"; SALVATORE PELULLO, also known as "Sal," also known as "The Consultant," also known as "Cousin," also known as "Mr. Turner"; WILLIAM MAXWELL, also known as "Bill"; JOHN PARISI, also known as "JP"; and DONALD MANNO, also known as "Donny," did knowingly and intentionally conspire and agree with each other and others to:

(a) engage in misleading conduct toward another person, with intent to hinder, delay, and prevent the communication to a law enforcement officer and judge of the United States of information relating to the commission and possible commission of a Federal offense and a violation of conditions of probation, supervised release, parole, and release pending judicial proceedings, contrary to Title 18, United States Code, Section 1512(b)(3); and

(b) corruptly obstruct, influence, and impede an official proceeding, as that term is defined in Title 18, United States Code, Section 1515(a)(1)(A), contrary to Title 18, United States Code, Section 1512(c)(2).

OVERT ACTS

125. In furtherance of the conspiracy and to effect its illegal objects, the following overt acts, among others, were committed in the District of New Jersey and elsewhere:

a. On or about September 14, 2007, defendant MANNO sent an email to defendants SCARFO and WILLIAM MAXWELL regarding the fictitious employment letter offer from WILLIAM MAXWELL to SCARFO described in paragraph 58 of this Indictment.

b. On or about October 5, 2007, defendant SCARFO submitted his Monthly Supervision Report to his Probation Officer and certified that the information he furnished was complete and correct, thereby omitting the \$33,500 he received as "consulting fees" pursuant to the fraudulent consulting agreement between Learned Associates and Seven Hills.

c. On or about November 5, 2007, defendant SCARFO submitted his Monthly Supervision Report to his Probation Officer and certified that he did not make any purchases over \$500, thereby omitting the purchase of the yacht, described in paragraph 64 of this Indictment, by defendants SCARFO and PELULLO for approximately \$850,000.

d. On multiple dates between in or about August 2007 and in or about April 2008, defendant SCARFO and defendant PELULLO had contact with each other which SCARFO failed to report to his probation officer, including but not limited to the FPFG Christmas party held on or about December 20, 2007.

All in violation of Title 18, United States Code, Section 1512(k).

COUNT TWENTY-FOUR

[Conspiracy to Sell or Transfer Firearm and Ammunition to a Prohibited Person, or Possess a Firearm by a Convicted Felon
18 U.S.C. § 371]

The Grand Jury further alleges:

126. The allegations set forth in paragraphs 3 through 7, 14, 21-24, 26-27, and 73-79, of this Indictment are re-alleged as if fully set forth in this Count.

127. From in or about September 2007 through in or about May 2008, in the District of New Jersey and elsewhere, the defendants, NICODEMO S. SCARFO, also known as "Nicky," also known as "Nick," also known as "Cousin," also known as "Junior," also known as "Nick Promo," also known as "Mr. Apple," also known as "Mr. Macintosh"; SALVATORE PELULLO, also known as "Sal," also known as "The Consultant," also known as "Cousin," also known as "Mr. Turner"; WILLIAM MAXWELL, also known as "Bill"; JOHN MAXWELL; CORY LESHNER; JOHN PARISI, also known as "JP"; and TODD STARK, together with each other and others, did knowingly and intentionally conspire and agree to commit offenses against the United States, to wit:

(a) to provide firearms and ammunition to defendants SCARFO and PELULLO knowing and having reasonable cause to believe that SCARFO and PELULLO had been convicted of a crime punishable by imprisonment for a term exceeding one year, contrary to Title 18, United States Code, Section 922(d)(1); and

(b) to possess in and affecting commerce firearms and ammunition having been convicted of a crime punishable by imprisonment for a term exceeding one year, contrary to Title 18, United States Code, Section 922(g)(1).

OVERT ACTS

128. In furtherance of the conspiracy and to effect its illegal objects, the following overt acts, among others, were committed in the District of New Jersey and elsewhere:

a. On or about September 4, 2007, defendant JOHN MAXWELL purchased a Smith & Wesson Model 65 .357 revolver, bearing serial number BSP0394 at a pawn shop in Texas.

b. On or about September 4, 2007, defendant JOHN MAXWELL traveled from Texas to New Jersey for the purpose of delivering the Smith & Wesson Model 65 .357 revolver to defendant SCARFO.

c. On or about December 28, 2007, defendant STARK purchased two boxes of Independence 9mm bullets from a firearms dealer in New Jersey.

d. On or about and prior to May 8, 2008, defendants SCARFO and PELULLO possessed the following firearms and ammunition in the Southern District of Florida:

- (1) Norinco 7.62 caliber rifle, model SKS; bearing serial number 2355775
- (2) Ewbank 7.62 caliber rifle, model EMAKM; bearing serial number EL5397

- (3) Wei Dong 12 gauge shotgun, model SAS12; bearing serial number 207319
- (4) Sig Sauer 9mm pistol, model P-6; bearing serial number M410568
- (5) Taurus .38 caliber revolver, model 83; bearing serial number MJ852035
- (6) Taurus .22 caliber pistol, model PT-22; bearing serial number AXF31367
- (7) Approximately 2500 rounds of 7.62 caliber ammunition; and
- (8) Seventeen additional boxes of ammunition.

e. On or about May 8, 2008, defendant SCARFO possessed a Smith & Wesson Model 65 .357 revolver, bearing serial number BSP0394 and a Smith & Wesson Model 469 9mm pistol, bearing serial number A867579, along with approximately 26 rounds of .357 caliber ammunition and approximately 100 rounds of 9mm ammunition.

f. On or about May 8, 2008, defendant PELULLO possessed a Colt .38 caliber pistol, bearing serial number 33565, and a Walther Model PP .32 caliber pistol, bearing serial number 328974, along with approximately 50 rounds of .38 caliber ammunition and approximately 165 rounds of .32 caliber ammunition.

All in violation of Title 18, United States Code, Section 371.

COUNT TWENTY-FIVE

[Felon in Possession of a Firearm, 18 U.S.C. § 922(g)(1)]

The Grand Jury further alleges:

129. The allegations set forth in paragraphs 3-7, 21, 73 and 74, of this Indictment are re-alleged as if fully set forth in this Count.

130. On or about May 8, 2008, in the District of New Jersey, defendant NICODEMO S. SCARFO, also known as "Nicky," also known as "Nick," also known as "Cousin," also known as "Junior," also known as "Nick Promo," also known as "Mr. Apple," also known as "Mr. Macintosh," having been convicted of a crime punishable by imprisonment for a term exceeding one year in the United States District Court for the District of New Jersey and the Superior Court for the State of New Jersey, did knowingly possess in and affecting commerce firearms, namely, a Smith & Wesson Model 65 .357 revolver, bearing serial number BSP0394 and a Smith & Wesson Model 469 9mm pistol, bearing serial number A867579.

All in violation of Title 18, United States Code, Section 922(g)(1).

FORFEITURE ALLEGATION AS TO COUNT ONE

(Racketeering Offense)

131. The allegations contained in Count One of this Indictment are hereby repeated, re-alleged, and incorporated by reference herein as though fully set forth at length for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 1963.

132. Pursuant to Rule 32.2(a), Fed. R. Crim. P., the defendants, NICODEMO S. SCARFO, also known as "Nicky," also known as "Nick," also known as "Cousin," also known as "Junior," also known as "Nick Promo," also known as "Mr. Apple," also known as "Mr. Macintosh"; SALVATORE PELULLO, also known as "Sal," also known as "The Consultant," also known as "Cousin," also known as "Mr. Turner"; WILLIAM MAXWELL, also known as "Bill"; JOHN MAXWELL; WILLIAM HANDLEY, also known as "Bill"; CORY LESHNER; JOHN PARISI, also known as "JP"; DAVID ADLER, also known as "Dave"; HOWARD DROSSNER; GARY MCCARTHY; and DONALD MANNO, also known as "Donny," are hereby notified that, upon conviction of the violation of Title 18, United States Code, Section 1962, as charged in Count One of this Indictment, shall forfeit, pursuant to Title 18, United States Code, Section 1963:

a. any interests acquired and maintained in violation of Title 18, United States Code, Section 1962, pursuant to Section 1963(a) (1);

b. any interests in, securities of, claims against, and property and contractual rights of any kind affording a source of influence over, the Scarfo-Pelullo Enterprise, which the defendants established, operated, controlled, conducted, and participated in the conduct of, in violation of Title 18, United States Code, Section 1962, pursuant to Section 1963(a)(2); and

c. any property constituting and derived from proceeds obtained, directly and indirectly, from racketeering activity in violation of Title 18, United States Code, Section 1962, pursuant to Section 1963(a)(3).

133. The interests of the defendants subject to forfeiture fo the Untied States pursuant to Title 18, United States Code, Section 1963(a)(1), (a)(2), and (a)(3), include but are not limited to at least \$12 million and all interests and proceeds traceable thereto, including but not limited to the following assets:

a. Falcon vessel, bearing Vessel Identification Number 1040201, Hull Number FLNTPL83A196.

b. Mitsubishi model MU-2B-60 turbo-propeller aircraft, bearing Serial Number 1562 S.A.

c. Bentley automobile, model Continental GT Convertible, vehicle identification number SCBDR33W37C044370.

d. Audi automobile, model A6, vehicle identification number WAUEV74F77N023428.

e. One (1) ladies 18 carat white gold ring with a princess cut diamond weighing approximately 2.01 carats.

f. One (1) ladies 14 carat white gold bracelet with approximately 100 brilliant cut diamonds.

g. Contents of customer account 15624 held in the name of Learned Associates of North America, LLC, at Audi of Willow Grove, located in Willow Grove, Pennsylvania, and consisting of a \$10,000 deposit for an Audi R8 automobile.

h. Bank of America account # 003810121435.

i. Bank of America account # 003810201818.

j. Bank of America account # 381001250963.

k. Bank of America account # 3810121383.

l. Bank of America account # 004796252676.

m. Commerce Bank NA account # 7855143017.

n. Commerce Bank NA account # 0369406087.

o. Commerce Bank NA account # 0368847216.

p. Commerce Bank NA account # 368965174.

q. Guaranty Bank account # 380-3113939.

r. Guaranty Bank account # 380-3520463.

s. Guaranty Bank account # 380-3113954.

t. Guaranty Bank account # 380-6056481.

u. FirstPlus Financial Group, Inc., stock certificate number C17216 representing 200,000 shares of common stock issued to Seven Hills Management LLC, dated November 14, 2007.

v. FirstPlus Financial Group, Inc., stock certificate number C17214 representing 250,000 shares of common stock issued to Seven Hills Management LLC, dated November 14, 2007.

w. FirstPlus Financial Group, Inc., stock certificate number C17234 representing 250,000 shares of common stock issued to Seven Hills Management LLC, dated January 31, 2008.

x. FirstPlus Financial Group, Inc., stock certificate number C17217 representing 200,000 shares of common stock issued to Learned Associates of North America LLC, dated November 14, 2007.

y. FirstPlus Financial Group, Inc., stock certificate number C17215 representing 250,000 shares of common stock issued to Learned Associates of North America LLC, dated November 14, 2007.

z. FirstPlus Financial Group, Inc., stock certificate number C17235 representing 250,000 shares of common stock issued to Learned Associates of North America LLC, dated January 31, 2008.

aa. FirstPlus Financial Group, Inc., stock certificate number C17221 representing 100,000 shares of common stock issued to EFM Associates, GP, dated November 14, 2007.

bb. \$4,327 in United States currency seized from 9 Hartford Drive, Egg Harbor Township, NJ, on May 8, 2008.

Substitute Asset Provision

134. If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendants:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intention of the United States, pursuant to Title 18, United States Code, Section 1963(m), to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property.

135. If more than one defendant is convicted of an offense, the defendants so convicted are jointly and severally liable for the amount subject to forfeiture under this forfeiture allegation.

(Title 18, United States Code, Section 1963;
Title 21, United States Code, Section 853; and
Title 28, United States Code, Section 2461).

FORFEITURE ALLEGATION AS TO COUNT TWO

(Securities Fraud Conspiracy)

136. As a result of committing the securities fraud conspiracy offense charged in Count Two of this Indictment, in violation of Title 18, United States Code, Section 371, the defendants, NICODEMO S. SCARFO, also known as "Nicky," also known as "Nick," also known as "Cousin," also known as "Junior," also known as "Nick Promo," also known as "Mr. Apple," also known as "Mr. Macintosh"; SALVATORE PELULLO, also known as "Sal," also known as "The Consultant," also known as "Cousin," also known as "Mr. Turner"; WILLIAM MAXWELL, also known as "Bill"; JOHN MAXWELL; WILLIAM HANDLEY, also known as "Bill"; CORY LESHNER; JOHN PARISI, also known as "JP"; DAVID ADLER, also known as "Dave"; HOWARD DROSSNER; and GARY McCARTHY, pursuant to Title 18, United States Code, Section 981(a)(1)(c) and Title 28, United States Code, Section 2461(c), shall forfeit all property, real and personal, that constitutes or is derived, directly and indirectly, from proceeds traceable to the commission of the offense charged in Count Two of this Indictment, including, but not limited to, the following:

a. At least twelve million dollars (\$12,000,000) in United States currency, in that such sum in aggregate is property representing the amount of proceeds obtained as a result of the offense.

- b. Falcon vessel, bearing Vessel Identification Number 1040201, Hull Number FLNTPL83A196.
- c. Mitsubishi model MU-2B-60 turbo-propeller aircraft, bearing Serial Number 1562 S.A.
- d. Bentley automobile, model Continental GT Convertible, vehicle identification number SCBDR33W37CO44370.
- e. Audi automobile, model A6, vehicle identification number WAUEV74F77N023428.
- f. One (1) ladies 18 carat white gold ring with a princess cut diamond weighing approximately 2.01 carats.
- g. One (1) ladies 14 carat white gold bracelet with approximately 100 brilliant cut diamonds.
- h. Contents of customer account 15624 held in the name of Learned Associates of North America, LLC, at Audi of Willow Grove, located in Willow Grove, Pennsylvania, and consisting of a \$10,000 deposit for an Audi R8 automobile.
- i. Bank of America account # 003810121435.
- j. Bank of America account # 003810201818.
- k. Bank of America account # 381001250963.
- l. Bank of America account # 3810121383.
- m. Bank of America account # 004796252676.
- n. Commerce Bank NA account # 7855143017.
- o. Commerce Bank NA account # 0369406087.
- p. Commerce Bank NA account # 0368847216.
- q. Commerce Bank NA account # 368965174.

- r. Guaranty Bank account # 380-3113939.
- s. Guaranty Bank account # 380-3520463.
- t. Guaranty Bank account # 380-3113954.
- u. Guaranty Bank account # 380-6056481.
- v. FirstPlus Financial Group, Inc., stock certificate number C17216 representing 200,000 shares of common stock issued to Seven Hills Management LLC, dated November 14, 2007.
- w. FirstPlus Financial Group, Inc., stock certificate number C17214 representing 250,000 shares of common stock issued to Seven Hills Management LLC, dated November 14, 2007.
- x. FirstPlus Financial Group, Inc., stock certificate number C17234 representing 250,000 shares of common stock issued to Seven Hills Management LLC, dated January 31, 2008.
- y. FirstPlus Financial Group, Inc., stock certificate number C17217 representing 200,000 shares of common stock issued to Learned Associates of North America LLC, dated November 14, 2007.
- z. FirstPlus Financial Group, Inc., stock certificate number C17215 representing 250,000 shares of common stock issued to Learned Associates of North America LLC, dated November 14, 2007.
- aa. FirstPlus Financial Group, Inc., stock certificate number C17235 representing 250,000 shares of common stock issued to Learned Associates of North America LLC, dated January 31, 2008.

bb. FirstPlus Financial Group, Inc., stock certificate number C17221 representing 100,000 shares of common stock issued to EFM Associates, GP, dated November 14, 2007.

cc. \$4,327 in United States currency seized from 9 Hartford Drive, Egg Harbor Township, NJ, on May 8, 2008.

Substitute Asset Provision

137. If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendants:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third person;

c. has been placed beyond the jurisdiction of the Court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intention of the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(c), Title 21, United States Code, Section 853(p), and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property.

(Title 18, United States Code, Section 981;
Title 21, United States Code, Section 853; and
Title 28, United States Code, Section 2461).

FORFEITURE ALLEGATION AS TO COUNTS THREE THROUGH NINETEEN

(Wire Fraud and Wire Fraud Conspiracy)

138. As a result of committing the wire fraud conspiracy offense charged in Count Three of this Indictment, in violation of Title 18, United States Code, Section 1349, and the wire fraud offenses charged in Counts Four through Nineteen, in violation of Title 18, United States Code, Section 1343, the defendants, NICODEMO S. SCARFO, also known as "Nicky," also known as "Nick," also known as "Cousin," also known as "Junior," also known as "Nick Promo," also known as "Mr. Apple," also known as "Mr. Macintosh"; SALVATORE PELULLO, also known as "Sal," also known as "The Consultant," also known as "Cousin," also known as "Mr. Turner"; WILLIAM MAXWELL, also known as "Bill"; JOHN MAXWELL; WILLIAM HANDLEY, also known as "Bill"; CORY LESHNER; JOHN PARISI, also known as "JP"; DAVID ADLER, also known as "Dave"; HOWARD DROSSNER; and GARY McCARTHY, pursuant to Title 18, United States Code, Section 981(a)(1)(c) and Title 28, United States Code, Section 2461(c), shall forfeit all property, real and personal, that constitutes or is derived, directly and indirectly, from proceeds traceable to the commission of the offense charged in Count Three of this Indictment, including, but not limited to, the following:

a. At least twelve million dollars (\$12,000,000) in United States currency, in that such sum in aggregate is property representing the amount of proceeds obtained as a result of the

offense.

b. Falcon vessel, bearing Vessel Identification Number 1040201, Hull Number FLNTPL83A196.

c. Mitsubishi model MU-2B-60 turbo-propeller aircraft, bearing Serial Number 1562 S.A.

d. Bentley automobile, model Continental GT Convertible, vehicle identification number SCBDR33W37CO44370.

e. Audi automobile, model A6, vehicle identification number WAUEV74F77N023428.

f. One (1) ladies 18 carat white gold ring with a princess cut diamond weighing approximately 2.01 carats.

g. One (1) ladies 14 carat white gold bracelet with approximately 100 brilliant cut diamonds.

h. Contents of customer account 15624 held in the name of Learned Associates of North America, LLC, at Audi of Willow Grove, located in Willow Grove, Pennsylvania, and consisting of a \$10,000 deposit for an Audi R8 automobile.

i. Bank of America account # 003810121435.

j. Bank of America account # 003810201818.

k. Bank of America account # 381001250963.

l. Bank of America account # 3810121383.

m. Bank of America account # 004796252676.

n. Commerce Bank NA account # 7855143017.

o. Commerce Bank NA account # 0369406087.

p. Commerce Bank NA account # 0368847216.

- q. Commerce Bank NA account # 368965174.
- r. Guaranty Bank account # 380-3113939.
- s. Guaranty Bank account # 380-3520463.
- t. Guaranty Bank account # 380-3113954.
- u. Guaranty Bank account # 380-6056481.
- v. FirstPlus Financial Group, Inc., stock certificate number C17216 representing 200,000 shares of common stock issued to Seven Hills Management LLC, dated November 14, 2007.
- w. FirstPlus Financial Group, Inc., stock certificate number C17214 representing 250,000 shares of common stock issued to Seven Hills Management LLC, dated November 14, 2007.
- x. FirstPlus Financial Group, Inc., stock certificate number C17234 representing 250,000 shares of common stock issued to Seven Hills Management LLC, dated January 31, 2008.
- y. FirstPlus Financial Group, Inc., stock certificate number C17217 representing 200,000 shares of common stock issued to Learned Associates of North America LLC, dated November 14, 2007.
- z. FirstPlus Financial Group, Inc., stock certificate number C17215 representing 250,000 shares of common stock issued to Learned Associates of North America LLC, dated November 14, 2007.
- aa. FirstPlus Financial Group, Inc., stock certificate number C17235 representing 250,000 shares of common stock issued

to Learned Associates of North America LLC, dated January 31, 2008.

bb. FirstPlus Financial Group, Inc., stock certificate number C17221 representing 100,000 shares of common stock issued to EFM Associates, GP, dated November 14, 2007.

cc. \$4,327 in United States currency seized from 9 Hartford Drive, Egg Harbor Township, NJ, on May 8, 2008.

Substitute Asset Provision

139. If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendants:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third person;

c. has been placed beyond the jurisdiction of the Court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intention of the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(c), Title 21, United States Code, Section 853(p), and Title 28, United States Code, Section

2461(c), to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property.

(Title 18, United States Code, Section 981;
Title 21, United States Code, Section 853; and
Title 28, United States Code, Section 2461).

FORFEITURE ALLEGATION AS TO COUNT TWENTY

(Money Laundering Conspiracy)

140. As a result of committing the money laundering conspiracy offense charged in Count Twenty of this Indictment, in violation of Title 18, United States Code, Section 1956(h), the defendants, NICODEMO S. SCARFO, also known as "Nicky," also known as "Nick," also known as "Cousin," also known as "Junior," also known as "Nick Promo," also known as "Mr. Apple," also known as "Mr. Macintosh"; SALVATORE PELULLO, also known as "Sal," also known as "The Consultant," also known as "Cousin," also known as "Mr. Turner"; WILLIAM MAXWELL, also known as "Bill;" JOHN MAXWELL; WILLIAM HANDLEY, also known as "Bill"; CORY LESHNER; JOHN PARISI, also known as "JP"; DAVID ADLER, also known as "Dave"; HOWARD DROSSNER; GARY McCARTHY; and DONALD MANNO, also known as "Donny", pursuant to Title 18, United States Code, Section 982(a)(1), shall forfeit all property, real and personal, that constitutes or is derived, directly and indirectly, from proceeds traceable to the commission of the offense charged in Count Four of this Indictment, including, but not limited to, the following:

a. At least twelve million dollars (\$12,000,000) in United States currency, in that such sum in aggregate is property representing the amount of proceeds obtained as a result of the offense.

b. Falcon vessel, bearing Vessel Identification

Number 1040201, Hull Number FLNTPL83A196.

c. Mitsubishi model MU-2B-60 turbo-propeller aircraft, bearing Serial Number 1562 S.A.

d. Bentley automobile, model Continental GT Convertible, vehicle identification number SCBDR33W37C044370.

e. Audi automobile, model A6, vehicle identification number WAUEV74F77N023428.

f. One (1) ladies 18 carat white gold ring with a princess cut diamond weighing approximately 2.01 carats.

g. One (1) ladies 14 carat white gold bracelet with approximately 100 brilliant cut diamonds.

h. Contents of customer account 15624 held in the name of Learned Associates of North America, LLC, at Audi of Willow Grove, located in Willow Grove, Pennsylvania, and consisting of a \$10,000 deposit for an Audi R8 automobile.

i. Bank of America account # 003810121435.

j. Bank of America account # 003810201818.

k. Bank of America account # 381001250963.

l. Bank of America account # 3810121383.

m. Bank of America account # 004796252676.

n. Commerce Bank NA account # 7855143017.

o. Commerce Bank NA account # 0369406087.

p. Commerce Bank NA account # 0368847216.

q. Commerce Bank NA account # 368965174.

r. Guaranty Bank account # 380-3113939.

- s. Guaranty Bank account # 380-3520463.
- t. Guaranty Bank account # 380-3113954.
- u. Guaranty Bank account # 380-6056481.
- v. \$4,327 in United States currency seized from 9 Hartford Drive, Egg Harbor Township, NJ, on May 8, 2008.

Substitute Asset Provision

141. If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendants:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intention of the United States, pursuant to Title 18, United States Code, Section 982(b) and Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property.

(Title 18, United States Code, Section 982; and
Title 21, United States Code, Section 853).

FORFEITURE ALLEGATION AS TO COUNT TWENTY-TWO

(Conspiracy to Make False Statements in Connection
with Loan Application)

142. As a result of committing the false statements conspiracy offense charged in Count Twenty-Two of this Indictment, in violation of Title 18, United States Code, Section 371, the defendants, NICODEMO S. SCARFO, also known as "Nicky," also known as "Nick," also known as "Cousin," also known as "Junior," also known as "Nick Promo," also known as "Mr. Apple," also known as "Mr. Macintosh"; SALVATORE PELULLO, also known as "Sal," also known as "The Consultant," also known as "Cousin," also known as "Mr. Turner"; WILLIAM MAXWELL, also known as "Bill"; JOHN MAXWELL; WILLIAM HANDLEY, also known as "Bill"; CORY LESHNER; JOHN PARISI, also known as "JP"; HOWARD DROSSNER; DONALD MANNO, also known as "Donny"; and LISA MURRAY-SCARFO, also known as "Lisa Murray", pursuant to Title 18, United States Code, Section 982(a)(2)(A), shall forfeit all property, real and personal, that constitutes or is derived, directly and indirectly, from proceeds traceable to the commission of the offense charged in Count Four of this Indictment, including, but not limited to, the following:

a. At one hundred thousand dollars (\$100,000) in United States currency, in that such sum in aggregate is property representing the amount of proceeds obtained as a result of the offense.

Substitute Asset Provision

143. If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendants:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third person;

c. has been placed beyond the jurisdiction of the Court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intention of the United States, pursuant to Title 18, United States Code, Section 982(b) and Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property.

(Title 18, United States Code, Section 982; and
Title 21, United States Code, Section 853).

A TRUE BILL

FCREPERSON


PAUL J. FISHMAN
United States Attorney

CASE NUMBER: 2005R01468

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA

v.

**NICODEMO S. SCARFO, a/k/a "Nicky," a/k/a "Nick,"
a/k/a "Cousin," a/k/a "Junior," a/k/a "Nick Promo,"
a/k/a "Mr. Apple," a/k/a "Mr. Macintosh,"
SALVATORE PELULLO, a/k/a "Sal," a/k/a "The Consultant,"
a/k/a "Cousin," a/k/a "Mr. Turner,"
WILLIAM MAXWELL, a/k/a "Bill,"
JOHN MAXWELL,
WILLIAM HANDLEY, a/k/a "Bill,"
CORY LESHNER,
JOHN PARISI, a/k/a "JP,"
DAVID ADLER, a/k/a "Dave,"
HOWARD DROSSNER,
GARY McCARTHY,
DONALD MANNO, a/k/a "Donny,"
LISA MURRAY-SCARFO, a/k/a "Lisa Murray," and
TODD STARK**

INDICTMENT

18 United States Code §§ 371, 922(g)(1), 1343, 1349, 1512(k), 1956(h), 1962(d), and 2

A True Bill,

For person

PAUL J. FISHMAN
U.S. ATTORNEY, NEWARK, NEW JERSEY

STEVEN J. D'AGUANNO
ASSISTANT U.S. ATTORNEY
LISA PAGE
DOJ TRIAL ATTORNEY
856-757-5026
