

SEAL BY ORDER
OF COURT

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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

2010 JUL 22 A 7:38
RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
N.D. CALIF. SAN JOSE

THE UNITED STATES OF AMERICA

vs.

THOMAS JOSEPH O'MEARA

INDICTMENT

COUNT ONE: 18 U.S.C. § 1349 – Conspiracy to Commit Wire and Mail Fraud

COUNTS TWO -FIFTEEN: 18 U.S.C. § 1343 – Wire Fraud

COUNTS SIXTEEN - TWENTY SIX: 18 U.S.C. § 1341 – Mail Fraud

COUNTS TWENTY SEVEN - THIRTY TWO: 18 U.S.C. § 1957(a) – Money Laundering

A true bill.

J. Hard
Foreperson

Filed in open court this 21 day of July

A.D. 2010

Richard V. Imboden
UNITED STATES MAGISTRATE JUDGE

Bail. \$ no bail arrest warrants

DOCUMENT NO. CSA's INITIALS
DISTRICT COURT CRIMINAL CASE PROCESSING

FILED

2010 JUL 22 A 7:38

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
N.D. CALIF. SAN JOSE

1 JOSEPH P. RUSSONIELLO (CSBN 44332)
2 United States Attorney

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8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN JOSE DIVISION

JF

11
12 UNITED STATES OF AMERICA,

CR 10 00562

13 Plaintiff,

VIOLATIONS: 18 U.S.C. § 1349 –
Conspiracy to Commit Wire and Mail
14 v. Fraud; 18 U.S.C. § 1343 – Wire Fraud; 18
U.S.C. § 1341 – Mail Fraud; 18 U.S.C. §
15 1957 – Money Laundering; 18 U.S.C. §
981(a)(1)(C) and 28 U.S.C. § 2461(c) –
16 Forfeiture Allegation; 18 U.S.C. § 982 –
Forfeiture Allegation

HRL

17

18 THOMAS JOSEPH O'MEARA,

19 Defendant.

20 INDICTMENT

21 The Grand Jury charges:

22 COUNT ONE: 18 U.S.C. § 1349 – Conspiracy to Commit Wire and Mail Fraud

23 A. INTRODUCTORY ALLEGATIONS

24 At all times relevant to this Indictment:

25 1. Running Horse, LLC was an incorporated California limited liability real estate
development company with its principal place of business in Fresno, California.

26 2. Cypress Investment Corporation ("Cypress Investment") was a California licensed
27 real estate broker-corporation with its principal place of business in Carmel, California.

28 3. Thomas Joseph O'Meara ("O'Meara"), a resident of Carmel, California, was

INDICTMENT

DOCUMENT NO.	CSA's INITIALS
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DISTRICT COURT CRIMINAL CASE PROCESSING	

1 President/Managing Member of Running Horse, LLC and the Chief Executive
2 Officer/Designated Broker-Officer for Cypress Investment. O'Meara controlled and directed
3 both Running Horse LLC and Cypress Investment's marketing, business activities, and
4 employees. O'Meara was a California licensed real estate broker until September 2008.

5 4. In approximately 2003, O'Meara, while operating and directing Running Horse,
6 LLC as its President/Managing Member, began a development of major golf course and housing
7 development project which he named the Running Horse Golf and Country Club ("the Running
8 Horse Development"). The Running Horse Development involved three large contiguous land
9 parcels totaling over 450 acres in southwestern Fresno, California. O'Meara's plan for the
10 Running Horse Development included the construction of an 18 hole golf course and country
11 club that would be adjoined by 780 residential units within a gated community. O'Meara used
12 Running Horse, LLC to facilitate the Running Horse Development in several ways, including
13 acquiring the Fresno-area land required for the proposed golf course and residential units.
14 O'Meara and others formed and used multiple entities affiliated with the Running Horse
15 Development, including Running Horse, LLC, Running Horse Development, Cypress Source
16 LLC, Cypress Investment, and Titan Asset Management.

17 5. O'Meara's business partner on the Running Horse Development was a Managing
18 Member of Running Horse, LLC, and beginning in 2003 operated and managed the Running
19 Horse Development along with O'Meara. O'Meara's business partner was a California licensed
20 real estate broker until September 2008.

21 6. One of the Fresno-area property lots O'Meara and others acting on his behalf
22 obtained a partial interest in was Assessor's Parcel Number 327-100-17. APN# 327-100-17 was
23 zoned to be a ponding basin for water runoff and was to have been physically located outside of
24 the proposed Running Horse golf course/country club and adjoining housing development.

25 7. O'Meara was actively involved in the marketing, development, and day-to-day
26 operations of the Running Horse Development, as well as also being primarily responsible for
27 recruiting investors. O'Meara managed and controlled the Running Horse Development and
28 Cypress Investment from both his Carmel office and the Fresno office for the Running Horse

1 Development, which was located on the site of the proposed golf course development. O'Meara
2 paid Running Horse Development employees out of bank accounts affiliated with both Running
3 Horse, LLC and Cypress Investment.

4 8. Nicklaus Design was an international golf course design firm headquartered in
5 North Palm Beach, Florida. Nicklaus Design was founded by golfer Jack Nicklaus and is
6 privately owned by the Nicklaus Family. Nicklaus Design had been involved in the design of
7 hundreds of golf courses around the world, including golf courses that have hosted significant
8 PGA Tour competitive events. On or about April 2005, O'Meara retained Nicklaus Design to
9 provide design services for the proposed golf course on the Running Horse Development.
10 O'Meara used the fact that Nicklaus Design had been retained to recruit investors, including
11 placing the Nicklaus Design logo and a picture of Jack Nicklaus on the Running Horse
12 Development's website www.runninghorsegolf.com. In reliance upon representations made to
13 them by O'Meara, Jack Nicklaus and other members of the Nicklaus Design team attended a
14 press conference on the site of the proposed Running Horse golf course in January 2006.
15 Notwithstanding his repeated promises to do so, O'Meara failed to pay Nicklaus Design all of the
16 money they were contractually owed and their work on the Running Horse Development ceased
17 on or about June 2006 due to non-payment.

18 9. The PGA Tour was a membership organization of professional golfers
19 headquartered in Ponte Vedra Beach, Florida. The PGA Tour facilitated competitive
20 professional golf events (known as PGA Tour events) which take place at various locations
21 throughout the United States. In 2005 and early 2006, O'Meara discussed with PGA Tour
22 officials the prospect of the first Fresno-area PGA Tour event in decades to be held at the
23 Running Horse Development. During these discussions, O'Meara represented that the Running
24 Horse Development was a viable project that would be completed within a year, and that the
25 majority of charitable contributions generated by a potential PGA Tour event would go to Central
26 California Veterans Home Charities. O'Meara assured the PGA Tour that the Running Horse
27 Development could meet their ticket and concession revenue expectations for a PGA Tour event.
28 Acting on O'Meara's assurances regarding the Running Horse Development, the PGA Tour on or

1 about February 2006 entered into an agreement with Cypress Source LLC (“Cypress Source”),
2 another corporate entity O’Meara controlled, regarding an official PGA Tour golf tournament in
3 October 2007 which was to be known as the “The Running Horse Classic.” On behalf of
4 Running Horse, LLC and Cypress Source, O’Meara signed the February 2006 agreement with the
5 PGA Tour. In reliance upon representations made to them by O’Meara, the PGA Tour
6 announced publicly that a PGA Tour event with a purse of \$4.5 million would take place at the
7 Running Horse Golf & Country Club in Fresno the week of October 22, 2007.

8 10. O’Meara solicited investment money from commercial lenders, including La Jolla
9 Loans and Scripps Investments and Loans, Inc. La Jolla Loans was a commercial lender
10 headquartered in San Diego, California. Scripps Investments was a commercial lender
11 headquartered in La Jolla, California. From 2004 to 2005, La Jolla invested over \$10 million
12 into the Running Horse Development. In 2004, Scripps invested a total of approximately \$1.85
13 million into the Running Horse Development.

14 11. The Running Horse Development ultimately expended all loan monies received
15 from La Jolla and Scripps and O’Meara became desperate for more investments to complete the
16 project. Due to this need for additional funding, O’Meara in 2004 increasingly marketed the
17 Running Horse Development as an investment opportunity to private individual investors.

18 12. O’Meara and others affiliated with the Running Horse Development encouraged
19 private individual investors to invest their monies into that project through two title companies,
20 Stewart Title and Chicago Title. At the direction of O’Meara and others acting on his behalf,
21 private individual investors often wired their investments initially to these title companies which
22 would then forward those funds, via wire, to Running Horse Development-affiliated bank
23 accounts O’Meara controlled.

24 13. As part of recruiting individual investors to the Running Horse Development,
25 O’Meara and others encouraged private investors to invest their monies into the project through
26 private loans secured by purported deeds of trust on Running Horse Development parcels or
27 other real property, including O’Meara’s personal home and vacation properties, as well as
28 through tax-deferred real estate exchanges pursuant to Internal Revenue Service Code Section

1 1031 (26 U.S.C. § 1031). In general, a Section 1031 exchange allowed taxpayers to avoid paying
2 tax on capital gains from the sale of their investment real property by depositing the sale
3 proceeds from an investment real estate sale, that would otherwise qualify as a taxable capital
4 gain, with a qualified intermediary for up to 180 days. Under Section 1031, if the taxpayer
5 purchased another investment property within those 180 days, the proceeds from the first sale
6 may have been rolled over into the new investment without being taxed as capital gains.

7 14. On July 17, 2006, La Jolla filed a Notice of Default with the Fresno County
8 Recorder against Running Horse, LLC related to its outstanding loans incurred in connection
9 with the Running Horse Development. On July 28, 2006, Scripps filed a Notice of Default
10 related to its outstanding loans incurred in connection with the Running Horse Development.
11 Another lender filed a notice of default against the Running Horse Development in August 2006.

12 15. By August 1, 2006, construction on the Running Horse Development had ceased
13 with no residential units completed and only two of the 18 planned holes of the golf course
14 completed.

15 16. The Running Horse Development ultimately failed, resulting in a total loss to
16 individual and institutional investors of over \$25 million. Only two of the eighteen holes of the
17 golf course were ever completed, no residential units were ever built on the proposed location of
18 the Running Horse Development, and the 450 acres that the Running Horse Golf and Country
19 Club was to have been located on in Fresno are still largely undeveloped. O'Meara sold the
20 Running Horse Development on or about March 2007 and subsequently declared bankruptcy.
21 No PGA Tour event took place at the Running Horse property in October 2007.

22 17. The FEDWIRE system was an electronic funds transfer and book-entry securities
23 transfer service that linked twelve Federal Reserve Banks with approximately 10,000 depository
24 institutions nationwide. Every funds transfer sent through FEDWIRE automatically triggers an
25 electronic wire communication to the Funds Transfer Host Application located in East
26 Rutherford, New Jersey for registration before being transferred to its final destination.

27 18. The following accounts were affiliated with O'Meara and/or the Running Horse
28 Development:

INDICTMENT

- 1 a. Bank of America account ending in 555 was a bank account for Running
2 Horse, LLC.
- 3 b. Union Bank of California account ending in 493 was a bank account for Running
4 Horse, LLC.
- 5 c. First National Bank account ending in 996 was a bank account for Cypress
6 Investment Corporation.
- 7 d. Comerica account ending in 576 was a bank account for Stewart Title.
- 8 e. Bank of America account ending in 852 was a bank account for Chicago Title.

9 **B. THE OBJECTS OF THE CONSPIRACY**

10 19. Beginning on or about 2004, and continuing through on or about 2007, in the
11 Northern District of California and elsewhere the defendant,

12 **THOMAS JOSEPH O'MEARA,**

13 and O'Meara's business partner (A) did knowingly conspire and agree to execute, and to attempt
14 to execute, a material scheme and artifice (1) to defraud as to a material matter, and (2) to obtain
15 money by means of materially false and fraudulent pretenses, representations, and promises, and
16 (B) for the purpose of executing such scheme and artifice and attempting to do so (1) did
17 knowingly cause to be transmitted in interstate commerce by a wire communication certain
18 writings, signs, signals, in violation of Title 18, United States Code, Section 1343; and (2) did
19 knowingly cause matters and things to mailed and delivered by the United States Postal Service
20 and through a commercial interstate carrier, in violation of Title 18, United States Code, Section
21 1341.

22 **The Scheme to Defraud**

23 20. As part of the conspiracy to defraud and to obtain money by means of materially
24 false and fraudulent pretenses, representations, and promises, O'Meara and others acting on his
25 behalf solicited millions of dollars from individual investors through false pretenses, failed to
26 disclose material information and failed to hold and secure investors' funds as promised. In all,
27 O'Meara raised a total of approximately \$16 million from private individual investors for the
28 Running Horse Development by such false or fraudulent means as:

INDICTMENT

1 a. Soliciting investments from individual investors under the false and fraudulent
2 pretense that investors would be provided with high rates of return and/or security on existing
3 parcels of property within the development;

4 b. Soliciting investments and/or endorsements under the false and fraudulent
5 pretense that the golf course at the Running Horse Development was either near completion or in
6 fact completed;

7 c. Failing to disclose material information to individual investors and other entities
8 with respect to the true financial condition and financial viability of the Running Horse
9 Development, including but not limited to the fact that La Jolla and other lenders had filed
10 Notices of Default against the Running Horse Development;

11 d. Failing to disclose material information to individual investors regarding a lack of
12 progress on the Running Horse Development, the failure to obtain all the property required for
13 the project's completion, and Nicklaus Design's stoppage of work on the project due to non-
14 payment.

15 e. Failing to hold and secure individual investors' funds as promised;

16 f. Failing to acquire property of like value for individual investors utilizing Section
17 1031 exchanges

18 g. Failing to provide the security promised to individual investors to induce them to
19 invest.

20 C. THE MANNER AND MEANS OF THE CONSPIRACY

21 21. It was part of the conspiracy that O'Meara and others acting on his behalf used
22 false and fraudulent promises and pretenses to solicit private individual investors by encouraging
23 investment in Running Horse Development at a time when they knew, but failed to disclose, the
24 fact that project was in poor financial condition and faced numerous substantial obstacles to
25 completion.

26 22. Among the false and fraudulent statements O'Meara, and others acting on his
27 behalf, knowingly made to investors to induce them to invest in the Running Horse
28 Development, were the following:

INDICTMENT

1 a. That the Running Horse Development had acquired all the property necessary to
2 complete the Running Horse golf course and adjoining residential development, when in fact
3 O'Meara and others acting on his behalf knew that the Running Horse Development had been
4 unable to acquire all of the required property.

5 b. That construction on the Running Horse golf course was almost completed, when
6 in fact O'Meara and others acting on his behalf knew that the Running Horse golf course was
7 never close to completion, and that construction on the golf course had halted by mid-2006 with
8 only two of the 18 proposed holes having been completed.

9 c. That the City of Fresno was about to provide the necessary final authorizations
10 and approvals to complete the Running Horse Development, when in fact O'Meara and others
11 acting on his behalf knew these final authorizations and approvals were not forthcoming.

12 d. That O'Meara had received the necessary approvals from the City of Fresno to
13 offer for sale and sell lots within the Running Horse Development, when in fact O'Meara and
14 others acting on his behalf knew O'Meara lacked those approvals and thus was not legally
15 authorized to offer to sell and sell lots within the Running Horse Development

16 e. That Jack Nicklaus Design and the PGA Tour were confident in late 2006 about
17 the progress of the Running Horse Development, and that the Running Horse golf course was on
18 schedule to host a PGA Tour event in October 2007, when in fact O'Meara and others acting on
19 his behalf knew that Nicklaus Design had ceased work on the project in June 2006 due to non-
20 payment of fees, that the PGA Tour had in mid-2006 communicated to O'Meara serious concerns
21 about the lack of progress on the Running Horse Development, and that the Running Horse
22 Development was not on track to complete a golf course, let alone host a 2007 PGA Tour event.

23 f. That investors could purchase particular lots within the Running Horse
24 Development at a discounted price, and that these investors would receive deeds of trust
25 reflecting their 100% ownership in particular lots within the Running Horse Development, when
26 in fact O'Meara and others acting on his behalf knew they could not legally sell specific lots
27 within the Running Horse Development, and investors therefore could not receive the deeds of
28 trust they had been promised.

1 g. That the Running Horse Development was in good financial condition, when in
2 fact O'Meara and others acting on his behalf knew it suffered from consistent cash flow
3 problems, was in default on over \$10 million in loans it had previously received from
4 commercial lenders, and failed to disclose that several of those lenders had filed notices of
5 default against the Running Horse Development in 2006.

6 h. That the investments of those individual investors providing short-term bridge
7 loans were secured by deeds of trust granting them a preferred position on specific lots located
8 within the Running Horse Development, when in fact O'Meara and others acting on his behalf
9 knew that in many cases investors never received a recorded deed of trust as promised. O'Meara
10 and others acting on his behalf also knew that in most cases where investors did receive a deed of
11 trust on a property lot it was for APN# 327-100-17, a low value proposed ponding basin located
12 outside the Running Horse Development that was not entirely owned by Running Horse LLC and
13 had been pledged as security for numerous Running Horse investors without their knowledge.

14 i. That investors should invest through Section 1031 exchanges since the proceeds
15 from the sales of their personal properties would be transferred into 100% ownership of
16 equivalent value property within the Running Horse Development, when in fact O'Meara and
17 others acting on his behalf knew that investors who used Section 1031 exchanges to invest in the
18 Running Horse Development were not receiving 100% ownership of equivalent value property
19 within the Running Horse Development, but instead without their knowledge often received only
20 a near worthless fractional interest in a proposed ponding basin, the aforementioned lot APN#
21 327-100-17 described above.

22 j. That their investment principal would be guaranteed, when in fact O'Meara and
23 others acting on his behalf knew they were not handling investors' money in a manner that would
24 guarantee their principal.

25 k. That investors would be paid high rates of return as high as 20% annually and/or
26 "investment bonuses" as high as 30% for a three month investment, when in fact O'Meara and
27 others acting on his behalf knew that they could not deliver investors these promised high rates
28 of return or investment bonuses.

1 l. That investors would receive a return on their investment within six months or
2 sooner, when in fact O'Meara and others working on his behalf knew that virtually all investors
3 would not be receiving their investment returns within six months and most in fact received no
4 investment returns at all

5 m. That O'Meara's personal properties which he had pledged as security for various
6 investments were free of mechanic's liens and contained sufficient value to provide security for
7 individuals' investments, when in fact O'Meara knew that his personal properties were
8 substantially encumbered and did not contain sufficient value to secure individuals' investments
9 as he had promised.

10 n. That investor funds would be invested or otherwise used for Running Horse
11 investment-related purposes, when in fact O'Meara and others working on his behalf knew that
12 investors funds had been diverted without their knowledge or permission to O'Meara's company
13 Cypress Investment as well as to make property tax payments on O'Meara's personal residences.

14 o. That individual investors would have their funds returned from the proceeds of a
15 pending sale of the Running Horse Development, when in fact O'Meara and others working on
16 his behalf knew investors were not about to have their funds returned from the proceeds of a
17 pending sale.

18 23. Among other fraudulent activities in furtherance of the conspiracy, O'Meara and
19 others working on his behalf created and executed agreements and related contracts on behalf of
20 the Running Horse Development with investors and vendors, caused Running Horse's
21 employees, including sales associates and office staff, to create the false impression with
22 investors that the Running Horse Development was a trustworthy, financially-sound enterprise,
23 that investor funds were secured by, among other items, valuable deeds of trust on Running
24 Horse Development property, promissory notes, post-dated checks, and O'Meara's personal
25 properties. Investors were not told that their investments would be used to pay off Running
26 Horse's obligations to prior investors, or that investor funds would be diverted outside of the
27 Running Horse Development.

28 24. In furtherance of the conspiracy, O'Meara monitored and controlled the deposits

1 of investor funds into the Running Horse Development. O'Meara diverted, and directed others to
2 divert, without permission certain individual investors' funds: (a) to different accounts and
3 entities controlled by O'Meara, including, among others, Cypress Investment accounts; (b) to pay
4 "interest" purportedly owed to existing Running Horse investors; and (c) to pay the property
5 taxes on O'Meara's personal properties.

6 25. It was a further part of the conspiracy that O'Meara and others acting on his behalf
7 persuaded some individual investors to invest monies through false or fraudulent claims about
8 the nature and adequacy of security which would be given to the investors, including but not
9 limited to the recordation of deeds of trust against parcels within the Running Horse
10 Development, the recording of deeds of trust in priority or preferred position, and/or that real
11 property had sufficient to secure the investments of private investors, when in fact each of these
12 claims was knowingly false when made.

13 26. It was a further part of the conspiracy that O'Meara and others acting on his behalf
14 persuaded some individuals who intended to purchase parcels within the Running Horse
15 Development to sign Investor Agreements rather than Purchase Agreements so that the
16 individual's purchase monies would pass outside escrow and be utilized for purposes other than
17 the purchase of the parcel of property desired by the individual.

18 27. In connection with the scheme to defraud, O'Meara and others accepted millions
19 of dollars of deposits, cumulatively, from over fifty investors. As part of this scheme to defraud,
20 O'Meara and others acting on his behalf also diverted individuals interested in Cypress
21 Investment to invest in Running Horse Development. From the outset of the scheme, and
22 throughout its duration, O'Meara and others received investor deposits through interstate wire
23 transfers from financial institutions located outside the State of California, and also transferred
24 and caused others to transfer investor deposits through interstate wire transfers to financial
25 institutions located outside the State of California.

26 All in violation of Title 18, United States Code, Sections 1349, 1343 and 1341.

27 //

28 //

INDICTMENT

COUNTS TWO THROUGH FIFTEEN: 18 U.S.C. § 1343 – Wire Fraud

28. The factual allegations contained in paragraphs 1 through 27 are re-alleged and by this reference incorporated as if fully set forth here.

29. On or about the dates indicated for each of Counts 2 through 15 below, in the Northern District of California and elsewhere, the defendant,

THOMAS JOSEPH O'MEARA,

having devised and intending to devise a scheme and artifice (A) to defraud as to a material matter, and (B) to obtain money by means of materially false and fraudulent pretenses, representations, and promises, for the purpose of executing such scheme and artifice and attempting so to do, did knowingly cause to be transmitted in interstate commerce by a wire communication certain writings, signs, signals, and pictures, namely, the wire transfers of funds described below:

COUNT	DATE	WIRE TRANSFER
2	10/27/2005	Transfer via FEDWIRE of \$254,237.40 in investor funds from Los Angeles, California, to San Jose, California, via registration wire to East Rutherford, New Jersey.
3	12/7/2005	Transfer via FEDWIRE of \$199,677.50 in investor funds from Walnut Creek, California to Fresno, California, via registration wire to East Rutherford, New Jersey.
4	1/27/2006	Transfer via FEDWIRE of \$538,411.36 in investor funds from San Jose, California, to Fresno, California, via registration wire to East Rutherford, New Jersey.
5	2/17/2006	Transfer via FEDWIRE of \$500,000 in investor funds from Carmel, California, to Fresno, California, via registration wire to East Rutherford, New Jersey.
6	3/16/2006	Transfer via FEDWIRE of \$100,000 in investor funds from West Lake Village, California, to Fresno, California, via registration wire to East Rutherford, New Jersey.
7	3/16/2006	Transfer via FEDWIRE of \$60,222 in investor funds from Memphis, Tennessee, to Fresno, California, via registration wire to East Rutherford, New Jersey.
8	4/14/2006	Transfer via FEDWIRE of \$752,000 in investor funds from Walnut Creek, California, to San Jose, California, via registration wire to East Rutherford, New Jersey.

9	4/17/2006	Transfer via FEDWIRE of \$734,928.14 in investor funds from San Jose, California, to Fresno, California, via registration wire to East Rutherford, New Jersey.
10	6/7/2006	Transfer via FEDWIRE of \$741,981.99 in investor funds from Culver City, California, to San Jose, California, via registration wire to East Rutherford, New Jersey.
11	6/8/2006	Transfer via FEDWIRE of \$731,000.74 in investor funds from San Jose, California, to Fresno, California, via registration wire to East Rutherford, New Jersey.
12	8/18/2006	Transfer via FEDWIRE of \$33,000 in investor funds from Virginia Beach, Virginia, to San Jose, California, via registration wire to East Rutherford, New Jersey.
13	8/18/2006	Transfer via FEDWIRE of \$42,000 in investor funds from San Francisco, California, to San Jose, California, via registration wire to East Rutherford, New Jersey.
14	8/30/2006	Transfer via FEDWIRE of \$75,000 in investor funds from Francisco, California, to San Jose, California, via registration wire to East Rutherford, New Jersey.
15	9/6/2006	Transfer via FEDWIRE of \$100,000 in investor funds from West Lake Village, California, to Fresno, California, via registration wire to East Rutherford, New Jersey.

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

COUNTS SIXTEEN THROUGH TWENTY SIX: 18 U.S.C. § 1341 – Mail Fraud

30. The factual allegations contained in paragraphs 1 through 29 are incorporated as if fully set forth here.

31. On or about the dates listed for each of Counts 16 through 26 below, in the Northern District of California and elsewhere, the defendant,

THOMAS JOSEPH O'MEARA,

having knowingly and intentionally devised a material scheme and artifice to defraud and to obtain money by means of materially false and fraudulent pretenses, representations and promises, did for the purpose of executing such scheme and artifice knowingly cause the correspondence described below to be mailed and delivered by the United States Postal Service:

COUNT	DATE	ITEM SENT	SENT FROM	SENT TO
16	11/2005	\$2,000 Check	Fresno, CA	Carmel, CA

INDICTMENT

17	11/2005	\$1,550 Check	Fresno, CA	Pacific Grove, CA
18	1/2006	\$1,666.67 Check	Fresno, CA	Pacific Grove, CA
19	1/2006	\$4,000 Check	Fresno, CA	Pacific Grove, CA
20	2/2006	\$1,666.67 Check	Fresno, CA	Pacific Grove, CA
21	2/2006	\$4,000 Check	Fresno, CA	Pacific Grove, CA
22	2/2006	\$5,000 Check	Fresno, CA	Carmel, CA
23	3/2006	\$1,666.67 Check	Fresno, CA	Pacific Grove, CA
24	3/2006	\$1,550 Check	Fresno, CA	Pacific Grove, CA
25	4/2006	\$1,250 Check	Fresno, CA	Thousand Oaks, CA
26	6/2006	\$718.46 Check	Fresno, CA	Pacific Grove, CA

All in violation of Title 18, United States Code, Section 1341.

COUNTS TWENTY SEVEN THROUGH THIRTY TWO: 18 U.S.C. § 1957(a) – Money Laundering

32. The allegations set forth in paragraphs 1 through 31, and the factual allegations set forth in each of Counts 1 through 26, are realleged and incorporated as if fully set forth here.

33. On or about the dates listed below, in the Northern District of California and elsewhere, the defendant,

THOMAS JOSEPH O'MEARA,

did knowingly engage in a monetary transaction by, through, or to a financial institution, affecting interstate commerce, involving criminally derived property of a value greater than \$10,000, said property having in fact been derived from a specified unlawful activity, namely, wire fraud:

//

INDICTMENT

COUNT	DATE	TRANSACTION
27	1/13/2006	Issuance of check in the amount of \$15,000 from Running Horse, LLC's Bank of America account ending in 555 payable to Cypress Investment.
28	2/3/2006	Issuance of check in the amount of \$25,000 from Running Horse, LLC's Bank of America account ending in 555 payable to Cypress Investment.
29	2/17/2006	Issuance of check in the amount of \$20,000 from Running Horse, LLC's Bank of America account ending in 555 payable to Cypress Investment.
30	3/2/2006	Issuance of check in the amount of \$25,000 from Running Horse, LLC's Bank of America account ending in 555 payable to Cypress Investment.
31	4/18/2006	Issuance of check in the amount of \$15,000 from Running Horse, LLC's Bank of America account ending in 555 payable to Cypress Investment.
32	5/15/2006	Issuance of check in the amount of \$25,000 from Running Horse, LLC's Bank of America account ending in 555 payable to Cypress Investment.

All in violation of Title 18, United States Code, Section 1957(a).

FORFEITURE ALLEGATION (18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) –
Forfeiture of Proceeds of Specified Unlawful Activity)

34. The allegations set forth in paragraphs 1 through 33, and in each of Counts 1 through 26, conspiracy to commit wire and mail fraud, wire fraud, and mail fraud are realleged and incorporated as if fully set forth here for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c). Upon conviction for any offense alleged in Counts 1 through 26, for conspiracy to commit wire fraud and mail fraud, wire fraud, and mail fraud, the defendant,

THOMAS JOSEPH O'MEARA,

shall forfeit to the United States all property, constituting and derived from proceeds traceable to said offense, including, but not limited to: a sum of money equal to the gross proceeds obtained as a result of the offense.

35. If any of said property, as a result of any act or omission of the defendant:

- 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;

INDICTMENT

- D. has been substantially diminished in value; or
- E. has been commingled with other property which cannot be subdivided without difficulty;

any and all interest defendant has in other property shall be vested in the United States and forfeited to the United States pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c) and Rule 32.2 of the Federal Rules of Criminal Procedure.

SECOND FORFEITURE ALLEGATION (18 U.S.C. § 982 – Forfeiture of Property Involved in Money Laundering)

36. The allegations set forth in paragraphs 1 through 35, and the allegations set forth in each of Counts 27 through 32, money laundering, are realleged and incorporated as if fully set forth here for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 982. Upon conviction for any offense alleged in Counts 27 through 32, money laundering, the defendant,

THOMAS JOSEPH O’MEARA,

shall forfeit to the United States all property, constituting and derived from proceeds traceable to said offense, including, but not limited to: a sum of money equal to the gross proceeds obtained as a result of the offense.

37. If any of said property, as a result of any act or omission of the defendant:

- 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;

any and all interest defendant has in other property shall be vested in the United States and forfeited to the United States pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c) and Rule 32.2 of the Federal Rules

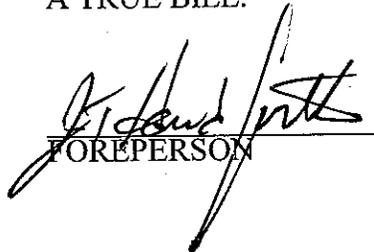
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INDICTMENT

1 of Criminal Procedure.

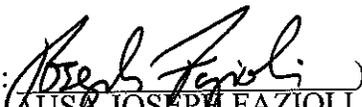
2 DATED: July 21, 2010

A TRUE BILL.


FOREPERSON

6 JOSEPH P. RUSSONIELLO
United States Attorney

8 
9 JEFF MEDROW
Deputy Chief, San Jose Branch

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11 (Approved as to form: 
AUSA JOSEPH FAZIOLI

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INDICTMENT

AO 257 (Rev. 6/78)

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

BY: COMPLAINT INFORMATION INDICTMENT
 SUPERSEDING

OFFENSE CHARGED

SEE ATTACHMENT

- Petty
- Minor
- Misdemeanor
- Felony

PENALTY:

SEE ATTACHMENT

PROCEEDING

Name of Complainant Agency, or Person (&Title, if any)
S/A Robert L. Kay - FBI, S/A David Brown - FBI, S/A Quyen Madrigal - IRS

person is awaiting trial in another Federal or State Court, give name of court

this person/proceeding is transferred from another district per (circle one) FRCrP 20, 21 or 40. Show District

this is a re prosecution of charges previously dismissed which were dismissed on motion of: **SHOW DOCKET NO.**

this prosecution relates to a pending case involving this same defendant **MAGISTRATE CASE NO.**

prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person Furnishing Information on THIS FORM **JOSEPH P. RUSSONIELLO**
 U.S. Att'y Other U.S. Agency

Name of Asst. U.S. Att'y (if assigned) **JOSEPH A. FAZIOLI**

Name of District Court, and/or Judge/Magistrate Location
NORTHERN DISTRICT OF CALIFORNIA

FILED

DEFENDANT - U.S.

2010 JUL 22 A 7:38

THOMAS JOSEPH O'MEARA

DISTRICT COURT NUMBER

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NO. 10, SAN JOSE

CR 10 00562 JF

DEFENDANT

IS NOT IN CUSTODY

HRL

- 1) Has not been arrested, pending outcome this proceeding. If not detained give date any prior summons was served on above charges
- 2) Is a Fugitive
- 3) Is on Bail or Release from (show District)

IS IN CUSTODY

- 4) On this charge
 - 5) On another conviction
 - 6) Awaiting trial on other charges } Fed'l State
- If answer to (6) is "Yes", show name of institution

Has detainer been filed? Yes No } If "Yes" give date filed

DATE OF ARREST Month/Day/Year

Or... if Arresting Agency & Warrant were not Month/Day/Year

DATE TRANSFERRED TO U.S. CUSTODY

This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

SUMMONS NO PROCESS* WARRANT Bail Amount: No Bail

If Summons, complete following:

Arraignment Initial Appearance

Defendant Address:

**Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment*

Date/Time: _____

Before Judge: _____

Comments: _____

ATTACHMENT TO PENALTY SHEET

U.S.

v.

THOMAS JOSEPH O'MEARA

COUNTS ONE: Title 18, United States Code, Section 1349 - Conspiracy to Commit Wire and Mail Fraud

Penalties:

Prison sentence	20 years
Maximum fine	\$250,000
Minimum supervised release term	3 years
Mandatory special assessment	\$100

COUNTS TWO - FIFTEEN: Title 18, United States Code, Section 1343 – Wire Fraud

Penalties:

Prison sentence	20 years
Maximum fine	\$250,000
Minimum supervised release term	3 years
Mandatory special assessment	\$100

COUNTS SIXTEEN - TWENTY-SIX: Title 18, United States Code, Section 1341 - Mail Fraud

Penalties:

Prison sentence	20 years
Maximum fine	\$250,000
Minimum supervised release term	3 years
Mandatory special assessment	\$100

COUNTS TWENTY-SEVEN - THIRTY-TWO: Title 18, United States Code, Section 1957-Money Laundering.

Penalties:

Prison sentence	10 years
Maximum fine	\$250,000
Minimum supervised release term	3 years
Mandatory special assessment	\$100