

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA) No.
)
) Violations: Title 7, United States
) Code, Sections 6o(1), 13(a)(1) and
) (a)(2); Title 18, United States
PHILIP J. BAKER) Code, Sections 401(3), 1343,
) 1512(c)(1) and (c)(2)

COUNT ONE
(Wire Fraud)

The SPECIAL SEPTEMBER 2008 Grand Jury charges:

1. At times material to this indictment:

Regulatory Background

a. The Commodity Futures Trading Commission (“CFTC”) was an independent federal regulatory agency charged with administering and enforcing the Commodity Exchange Act (“the Act”), 7 U.S.C. § 1 et seq., and the regulations promulgated thereunder.

b. The National Futures Association (“NFA”) was a not-for-profit membership corporation and self-regulatory organization registered with the CFTC as a futures association under the Act. The NFA was headquartered in Chicago, Illinois. The NFA conducted audits and investigations of NFA member firms, including registered commodity pool operators and commodity trading advisors, to monitor for compliance with NFA rules, some of which incorporate by reference CFTC regulations.

c. A commodity pool was any investment trust, syndicate or similar form of enterprise operated for the purpose of trading commodity futures. A

commodity pool operator (“CPO”) was any person engaged in the business of a commodity pool, and who in connection therewith, solicited, accepted or received from others, funds, securities, or property for the purpose of trading in commodity futures. Unless exempted or excluded from registration, a CPO was required to be registered with the CFTC, and to be a member of the NFA, before it could act on behalf of another person in connection with commodity futures trading. A participant was any person who had any direct financial interest in a commodity pool. The Act and CFTC regulations required CPO’s to maintain certain books and records and, upon request by the CFTC or the NFA, to make available for inspection those books and records.

d. A commodity trading advisor (“CTA”) was any person who, for compensation or profit, engaged in the business of advising others, either directly or through publications, writings, or electronic media, as to the value of or the advisability of trading commodity futures and, as part of a regular business, issued analyses or reports concerning any of the activities referred to above. Unless exempted or excluded from registration, a CTA was required to be registered with the CFTC, and to be a member of the NFA, before it could act on behalf of another person in connection with commodity futures trading. The Act and CFTC regulations required CTA’s to maintain certain books and records and, upon request by the CFTC or the NFA, to make available for inspection those books and records.

Entities and Individuals

e. Defendant PHILIP J. BAKER was the managing director of the Lake Shore Group of Companies (the “Lake Shore Entities” or “Lake Shore”) which

engaged in the business of trading commodity futures on behalf of several pools of investors. Defendant BAKER was responsible for the operation of all of the Lake Shore Entities, and approved the final form of all of the Lake Shore Entities' promotional and disclosure literature.

f. At various times between approximately January 2002 and September 2007, defendant BAKER operated several commodity pools associated with the Lake Shore Group of Companies. Among them were Lake Shore Alternative Financial Asset, Ltd., Lake Shore Alternative Financial Asset Account I, Ltd., and Lake Shore Alternative Financial Asset Account II, Ltd. Lake Shore Alternative Financial Asset Fund IV U.S. was registered with the Illinois Secretary of State as a limited liability company in April 2007, and defendant BAKER held himself out as its managing partner. The Lake Shore commodity pools traded futures contracts that were offered on several futures exchanges around the world, including the Chicago Mercantile Exchange located in Chicago, Illinois.

g. Prior to approximately January 2007, neither defendant BAKER nor the Lake Shore Entities controlled by him were registered with the CFTC, nor were they members of the NFA. In approximately January 2007, however, an entity identified as Lake Shore Asset Management, Ltd. ("Lake Shore Ltd.") became a CFTC-registered, NFA member CTA and CPO, and BAKER was subsequently approved by the NFA as a principal of Lake Shore Ltd. Defendant BAKER held himself out as the managing partner of Lake Shore Ltd. The main office of Lake Shore Ltd. purportedly was in Hamilton, Bermuda.

h. At various times prior to January 2007, an entity known as Lake Shore Asset Management, Inc. (“Lake Shore Inc.”) had been registered with the CFTC as a CTA and CPO, and had been a member of the NFA, although it repeatedly reported to the NFA that it was a dormant entity which had no customers and no active trading accounts. Defendant BAKER was not a principal of Lake Shore Inc. and Lake Shore Inc. did not manage the investment of funds in any commodity pool operated by defendant BAKER or the Lake Shore Entities. In approximately November 2006, defendant BAKER paid Former Lake Shore Principal B \$20,000 to withdraw Lake Shore Inc.’s NFA registration, and to transfer to defendant BAKER the right to use the name “Lake Shore Asset Management” in Illinois in connection with matters regulated by the NFA.

i. Hanford Investments, Ltd. was an entity incorporated in the Turks and Caicos Islands, and its registered office was purportedly P.O. Box 656, Tropicana Plaza, Leeward Highway, Providenciales, Turks and Caicos Islands, British West Indies. Defendant BAKER was Hanford’s managing partner.

j. Sentinel Management Group, Inc. was an Illinois corporation with its principal place of business located in Northbrook, Illinois. Sentinel was a CFTC-registered, NFA member Futures Commission Merchant. According to defendant BAKER, Sentinel was the sub-custodian and cash manager of participant funds in various commodity pools operated by Lake Shore.

CFTC Litigation With Defendant BAKER and Lake Shore

k. On June 13, 2007, NFA staff reviewed the website found at www.lakeshorefunds.com and saw a press release entitled *Lake Shore Asset Management Launches Lake Shore IV*. The press release stated, “In its 13-year history, Lake Shore’s flagship ‘Program I’ has generated a 28.27% compound annual return.”

l. On June 14, 2007, NFA staff presented themselves at Lake Shore Ltd.’s office at 875 North Michigan Avenue, Chicago, Illinois, to conduct an audit in order to verify information presented on the website. When NFA staff requested access to books and records, Former Lake Shore Principal A told them that the records were outside the United States, but told them there was a password-protected area of the website that contained information responsive to their request. On June 15, Former Lake Shore Principal A gave NFA staff a user name and password to access the protected part of the website and, over the next few days, NFA staff viewed and printed material found there. On June 19, the NFA’s access to the protected part of the website was revoked by Lake Shore.

m. On June 21, 2007, the CFTC issued a document request to Lake Shore Ltd. The CFTC requested, among other things, the name and address of each Lake Shore pool participant and client. Between June 21 and June 26, CFTC staff communicated with Lake Shore Ltd. through attorneys for defendant BAKER and Lake Shore Ltd., but defendant BAKER and Lake Shore Ltd. refused to produce records to the CFTC.

n. On June 26, 2007, the CFTC filed a *Complaint for Injunctive and Other Equitable Relief and for Civil Monetary Penalties Under the Commodity Exchange Act* against Lake Shore Ltd. in the United States District Court for the Northern District of Illinois, case number 07 C 3598, a matter assigned to Judge Blanche M. Manning. The CFTC also moved for a restraining order freezing the assets of Lake Shore Ltd. to preserve those assets for the benefit of pool participants. The CFTC requested that the restraining order also direct Lake Shore Ltd. to make its books and records available to CFTC staff. The information sought by the CFTC included the name and address of each pool participant, prospective pool participant, and client, and itemized records of Lake Shore Ltd.'s commodity futures transactions.

o. On June 27, 2007, District Judge Manning issued a restraining order directing Lake Shore Ltd., its employees and its attorneys to permit the CFTC immediately to inspect and copy all records of Lake Shore Ltd.'s business operations wherever those records were situated. In 2007 and 2008, Judge Manning issued further orders requiring defendant BAKER and Lake Shore to produce books and records to the CFTC.

2. Beginning in January 2002, and continuing through September 2007, at Chicago and Northbrook, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, together with others known and unknown to the grand jury, devised, intended to devise, and participated in a scheme to defraud and to obtain money and

property from Lake Shore pool participants and prospective pool participants by means of materially false and fraudulent pretenses, representations, promises and material omissions, which scheme is more fully described in the following paragraphs.

3. It was part of the scheme that beginning in January 2002, and continuing through September 2007, (the “relevant time period”), defendant BAKER fraudulently solicited and accepted and caused to be solicited and accepted funds from at least 700 entities and individuals worldwide for the purpose of, among other things, trading commodity futures contracts in several commodity pools. Defendant BAKER’s solicitations were fraudulent in that he did not provide material information, and he falsely represented, among other things:

a. that the Lake Shore commodity pools generated positive returns during the relevant time period, when in fact Lake Shore experienced substantial trading losses during that time period;

b. that no management fee would be charged by any except one of the Lake Shore pools, that no operational expenses would be passed on to the pool participants, and that participants would only pay a “profit incentive fee” if the pools generated profits, when in fact defendant BAKER converted millions of dollars in participant funds to his own use even though the Lake Shore pools were not profitable;

c. that defendant BAKER co-founded Lake Shore in 1993, and that Lake Shore was a CFTC-registered member of the NFA, and was regulated by those entities, when in fact defendant BAKER was not officially associated with a registered Lake Shore Entity until January 2007, and the actual principals of Lake Shore Inc.

repeatedly reported to the NFA that Lake Shore was a dormant company that conducted no business during the relevant time period.

As a result of defendant BAKER'S misrepresentations and material omissions, he fraudulently obtained approximately \$312 million from Lake Shore pool participants. During the relevant time period defendant BAKER misappropriated at least \$30 million in participants' funds, and incurred several million dollars in net losses trading commodity futures using participants' funds.

4. It was further part of the scheme that defendant BAKER presented and caused to be presented to prospective commodity pool participants various forms of promotional and disclosure literature. The literature took the form of "confidential explanatory memoranda" and "fact sheets" as well as other documents and presentations. Defendant BAKER presented the literature to prospective pool participants in person, through sales persons and representatives, and at the website www.lakeshorefunds.com.

Misrepresentations Concerning Commodity Pool Performance

5. It was further part of the scheme that defendant BAKER represented and caused to be represented that Lake Shore's various funds had generated high returns in all years from 2002 through 2007. For example, in a document called *Lake Shore Group of Companies Fact Sheet, Lake Shore I*, dated May 31, 2007, defendant BAKER misrepresented that "Lake Shore Alternative Financial Asset Fund I, Limited" had generated the following returns:

2003 – 22.48%
2004 – 29.81%
2005 – 18.95%
2006 – 5.73%
2007 – .55%

In a document called *Lake Shore Group of Companies Fact Sheet, Lake Shore IV*, dated December 31, 2006, defendant BAKER misrepresented that “Lake Shore Alternative Financial Asset Fund IV, Ltd.” had generated the following returns:

2002 – 55.50%
2003 – 37.02%
2004 – 33.80%
2005 – 40.30%
2006 – 21.40%

Defendant BAKER stated at the bottom of the Fund IV Fact Sheet that the results for 2002, showing a 55.50% return, were simulated and based on a combination of returns from other Lake Shore funds. In fact, the Lake Shore Entities experienced significant trading losses in 2002, 2003, 2004, 2005 and 2007, and experienced approximately \$38 million in net losses trading futures contracts during the relevant time period.

6. It was further part of the scheme that defendant BAKER misrepresented and caused to be misrepresented that Lake Shore had a long history of trading success. For example, in a document called *Lake Shore Group of Companies, Lake Shore Asset Management Limited OVERVIEW*, defendant BAKER stated that “Lake Shore has a track record of strong investment performance over the past 13 years.” In a press release entitled *Lake Shore Asset Management Launches Lake Shore IV*, which was posted at the website www.lakeshorefunds.com, defendant BAKER stated, “In its 13-year history, Lake Shore’s flagship ‘Program I’ has generated a 28.27% compound

annual return.” In fact, Lake Shore only began trading commodity futures in 2002, and did not have a thirteen-year track record. Lake Shore experienced significant trading losses in 2002, 2003, 2004, 2005 and 2007, and experienced approximately \$38 million in net losses trading futures contracts during the relevant time period.

7. It was further part of the scheme that defendant BAKER misrepresented and caused to be misrepresented that Lake Shore had approximately \$1 billion in assets under management. In fact, Lake Shore never had approximately \$1 billion in assets under management.

8. It was further part of the scheme that defendant BAKER published and caused to be published at the website www.lakeshorefunds.com participant account statements that contained false information.

Misrepresentations and Material Omissions Concerning Lake Shore’s Registration With the CFTC and Membership in the NFA

9. It was further part of the scheme that Defendant BAKER represented and caused to be represented that Lake Shore was a CFTC-registered member of the NFA. In fact, the actual principals of the CFTC-registered, NFA member entity called Lake Shore *Inc.* repeatedly told the NFA that Lake Shore *Inc.* had no customers or pool participants, and did not trade commodity futures during the relevant time period. Defendant BAKER was never an NFA-approved principal of Lake Shore *Inc.* Lake Shore *Ltd.* was a CFTC-registered, NFA member only from January 2007, and it ceased operation in June 2007. No other Lake Shore Entity was registered with the CFTC or was a member of the NFA during the relevant time period.

10. It was further part of the scheme that defendant BAKER emphasized, in literature provided to prospective pool participants, the benefit of United States regulatory oversight of Lake Shore, stating that the NFA conducted audits and investigations of registered entities, and reviewed their promotional and disclosure literature. In fact, prior to June 2007, the NFA never conducted an audit of any Lake Shore Entity, or reviewed any of their promotional or disclosure literature, because the actual principals of Lake Shore, Inc. did no business in Lake Shore's name and repeatedly told the NFA that Lake Shore Inc. was dormant.

**Misrepresentations Concerning Defendant BAKER'S Association
With Lake Shore and its Principals, and Concerning His Education**

11. It was further part of the scheme that defendant BAKER misrepresented and caused to be misrepresented that he was a co-founder of Lake Shore and that he had worked with Lake Shore since 1994. In fact, defendant BAKER was not a co-founder of Lake Shore, and he used the name "Lake Shore" in promotional and disclosure literature prior to November 2006 without the permission of the actual principal of Lake Shore Inc. In November 2006, Former Lake Shore Principal B sold defendant BAKER the right to use the name "Lake Shore." The only CFTC and NFA-regulated entity with which defendant BAKER was formally associated was Lake Shore Ltd. which was first registered in January 2007.

12. It was further part of the scheme that defendant BAKER falsely held out Former Lake Shore Principal A, Former Lake Shore Principal B, and Sentinel Principal A as members of Lake Shore's "advisory board" and as being actively involved

in Lake Shore's operations. In fact, none of these individuals were actively involved in Lake Shore's operations. When Former Lake Shore Principal B learned that defendant BAKER publicly claimed that Former Lake Shore Principal B was associated with defendant BAKER and with Lake Shore, Former Lake Shore Principal B repeatedly told defendant BAKER to stop making such claims. Sentinel Principal A was not aware that defendant BAKER was claiming that Sentinel Principal A was on Lake Shore's advisory board in any capacity.

13. It was further part of the scheme that defendant BAKER misrepresented and caused to be misrepresented that he held a bachelor of science degree with a concentration in finance from Liberty University in Lynchburg, Virginia. In fact, defendant BAKER did not have any degree from that institution.

Misrepresentations Concerning Fees and Expenses

14. It was further part of the scheme that defendant BAKER misrepresented and caused to be misrepresented that the Lake Shore commodity pools would bear all expenses incurred in connection with their organization and ongoing operation, and that such expenses would not be passed on, either directly or indirectly, to the pool participants. Defendant BAKER further stated in the literature that no management fee would be charged by any pool (with the exception of "Fund IV" which was purportedly launched in 2007), that Lake Shore would charge only a "profit incentive fee" equal to 25% of the "net new appreciation," and that Lake Shore "operated on the basis of 100% pay for performance." In fact, defendant BAKER did charge the pool participants millions of dollars in fees and expenses, and otherwise misappropriated

their funds, as described in paragraphs 16 through 18 below.

15. It was further part of the scheme that in a document called *Lake Shore Group of Companies, Lake Shore Asset Management Limited OVERVIEW*, defendant BAKER stated “Lake Shore has taken a unique approach to fees. It believes that the client must profit before Lake Shore can profit. In line with this philosophy, Lake Shore only charges a performance fee: No fee to enter, No fee to exit, No management fee (Lake Shore Alternative Financial Asset Fund I, II, and III), Performance fee of 25%.” In fact, defendant BAKER did charge the pool participants millions of dollars in fees and expenses, and otherwise misappropriated their funds, as described in paragraphs 16 through 18 below.

Misappropriation of Pool Participant Funds

16. It was further part of the scheme that defendant BAKER caused the transfer of approximately \$10 million in interest earned on participant funds at Sentinel to Hanford during the relevant time period even though Lake Shore experienced approximately \$38 million in net losses trading futures contracts during that same time period.

17. It was further part of the scheme that defendant BAKER caused approximately \$23 million in “introducing broker fees” to be paid by Lake Shore’s futures trading firms to Hanford during the relevant time period even though Lake Shore experienced significant net losses trading futures contracts during that same time period.

18. It was further part of the scheme that defendant BAKER, during May and June 2007, caused approximately \$1 million in pool participant funds to be transferred from Sentinel to Anglo International Associates, which was located in London, England, for the benefit of defendant BAKER.

Defendant BAKER'S Concealment of Evidence of the Scheme

19. It was further part of the scheme that defendant BAKER and others concealed and misrepresented, and caused to be concealed and misrepresented, the existence, the purposes and the acts done in furtherance of the scheme.

20. It was further part of the scheme that defendant BAKER caused 38 boxes of Lake Shore records to be shipped from offices in Ontario, Canada to Hamilton, Bermuda on or about June 25, 2007, while his attorney was in communication with the CFTC and the NFA regarding their request for Lake Shore documents. Defendant BAKER caused Lake Shore's computer server to be shipped from Canada to Bermuda on or about June 26.

21. It was further part of the scheme that defendant BAKER directed that an additional 20 boxes of Lake Shore records be shipped from Ontario, Canada, to Hamilton, Bermuda on or about July 4, 2007, approximately eight days after the entry of District Judge Manning's order directing the production of the records.

22. It was further part of the scheme that defendant BAKER caused Lake Shore's computer server and books and records to be shipped from Hamilton, Bermuda, to Geneva, Switzerland, on or about September 11, 2007.

23. On or about June 13, 2007, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate and foreign commerce, certain wirings, signs and signals, namely, postings on the website www.lakeshorefunds.com, which was hosted on a computer server in Ontario, Canada, and was accessible throughout the world, including in Chicago, Illinois;

In violation of Title 18, United States Code, Section 1343.

COUNT TWO
(Wire Fraud)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. On or about May 7, 2005, at Chicago and Northbrook, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate and foreign commerce, certain wirings, signs and signals, namely, an electronic mail communication routed through a computer server in Ontario, Canada, to Northbrook, Illinois, directing that Sentinel wire transfer \$52,500 to Hanford Investments, Ltd.;

In violation of Title 18, United States Code, Section 1343.

COUNT THREE
(Wire Fraud)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. On or about May 9, 2005, at Chicago and Northbrook, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate and foreign commerce, certain wirings, signs and signals, namely, a wire transfer of \$52,500 from Sentinel's account at the Bank of New York, New York, to the account of Hallmark Trust, Ltd., at the First Caribbean International Bank, Turks and Caicos Islands, for the benefit of Hanford Investments, Ltd.;

In violation of Title 18, United States Code, Section 1343.

COUNT FOUR
(Wire Fraud)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. On or about December 4, 2005, at Chicago and Northbrook, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate and foreign commerce, certain wirings, signs and signals, namely, an electronic mail communication from London, England, to Northbrook, Illinois, requesting that Sentinel wire transfer \$40,000 to Hanford Investments, Ltd.;

In violation of Title 18, United States Code, Section 1343.

COUNT FIVE
(Wire Fraud)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. On or about December 5, 2005, at Chicago and Northbrook, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate and foreign commerce, certain wirings, signs and signals, namely, a wire transfer of \$40,000 from Sentinel's account at the Bank of New York, New York, to the account of Hallmark Trust, Ltd., at the First Caribbean International Bank, Turks and Caicos Islands, for the benefit of Hanford Investments, Ltd.;

In violation of Title 18, United States Code, Section 1343.

COUNT SIX
(Wire Fraud)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. On or about December 6, 2006, at Chicago and Northbrook, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce, certain wirings, signs and signals, namely, a wire transfer of \$150,000 from UBS Financial Services, Inc., Weehawken, New Jersey, to Sentinel's account at the Bank of New York, New York, as an investment in Lake Shore Alternative Financial Asset Fund III, Ltd.;

In violation of Title 18, United States Code, Section 1343.

COUNT SEVEN
(Wire Fraud)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. On or about December 15, 2006, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate and foreign commerce, certain wirings, signs and signals, namely, a wire transfer of \$20,000 from the account of Anglo American Associates, Ltd. at the Royal Bank of Scotland in London, England, to an account at Harris Trust and Savings Bank in Chicago, Illinois, for the benefit of Former Lake Shore Principal B, for defendant BAKER'S purchase of the right to use the name "Lake Shore";

In violation of Title 18, United States Code, Section 1343.

COUNT EIGHT
(Wire Fraud)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. On or about December 19, 2006, at Chicago and Northbrook, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate and foreign commerce, certain wirings, signs and signals, namely, a wire transfer of \$500,000 from Larrain Vial SA Corredora De Bolsa, Santiago, Chile, to Sentinel's account at the Bank of New York, New York, as an investment in Lake Shore Alternative Financial Asset Fund III, Ltd.;

In violation of Title 18, United States Code, Section 1343.

COUNT NINE
(Wire Fraud)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. On or about January 19, 2007, at Chicago and Northbrook, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate and foreign commerce, certain wirings, signs and signals, namely, a wire transfer of \$150,000 from Larrain Vial SA Corredora De Bolsa, Santiago, Chile, to Sentinel's account at the Bank of New York, New York, as an investment in Lake Shore Alternative Financial Asset Fund III, Ltd.;

In violation of Title 18, United States Code, Section 1343.

COUNT TEN
(Wire Fraud)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. On or about March 8, 2007, at Chicago and Northbrook, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate and foreign commerce, certain wirings, signs and signals, namely, a wire transfer of \$50,000 from Larrain Vial SA Corredora De Bolsa, Santiago, Chile, to Sentinel's account at the Bank of New York, New York, as an investment in Lake Shore Alternative Financial Asset Fund, Ltd.;

In violation of Title 18, United States Code, Section 1343.

COUNT ELEVEN
(Wire Fraud)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. On or about March 13, 2007, at Chicago and Northbrook, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate and foreign commerce, certain wirings, signs and signals, namely, a wire transfer of \$100,000 from Larrain Vial SA Corredora De Bolsa, Santiago, Chile, to Sentinel's account at the Bank of New York, New York, as an investment in Lake Shore Alternative Financial Asset Fund, Ltd.;

In violation of Title 18, United States Code, Section 1343.

COUNT TWELVE
(Wire Fraud)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. On or about March 23, 2007, at Chicago and Northbrook, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate and foreign commerce, certain wirings, signs and signals, namely, a wire transfer of \$60,000 from Larrain Vial SA Corredora De Bolsa, Santiago, Chile, to Sentinel's account at the Bank of New York, New York, as an investment in Lake Shore Alternative Financial Asset Fund IV, Ltd.;

In violation of Title 18, United States Code, Section 1343.

COUNT THIRTEEN
(Wire Fraud)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. On or about May 11, 2007, at Chicago and Northbrook, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate and foreign commerce, certain wirings, signs and signals, namely an electronic mail communication routed through a computer server in Ontario, Canada, to Northbrook, Illinois, requesting that Sentinel wire transfer \$711,762.67 to the account of Anglo International Associates, Ltd. at the Royal Bank of Scotland, London, England, for the benefit of Hanford Investments, Ltd.;

In violation of Title 18, United States Code, Section 1343.

COUNT FOURTEEN
(Wire Fraud)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. On or about May 11, 2007, at Chicago and Northbrook, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate and foreign commerce, certain wirings, signs and signals, namely a wire transfer of \$711,762.67 from the Sentinel account at Bank of New York, New York, to the account of Anglo International Associates, Ltd. at the Royal Bank of Scotland, London, England, for the benefit of Hanford Investments, Ltd.;

In violation of Title 18, United States Code, Section 1343.

COUNT FIFTEEN
(Wire Fraud)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. On or about June 19, 2007, at Chicago and Northbrook, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate and foreign commerce, certain wirings, signs and signals, namely, an electronic mail communication routed through a computer server in Ontario, Canada, to Northbrook, Illinois, requesting that Sentinel wire transfer \$444,641.09 to the account of Anglo International Associates, Ltd. at the Royal Bank of Scotland, London, England, for the benefit of Hanford Investments, Ltd.;

In violation of Title 18, United States Code, Section 1343.

COUNT SIXTEEN
(Wire Fraud)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. On or about June 20, 2007, at Chicago and Northbrook, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate and foreign commerce, certain wirings, signs and signals, namely, a wire transfer of \$444,641.09 from Sentinel's account at the Bank of New York, New York, to the account of Anglo International Associates, Ltd. at the Royal Bank of Scotland, London, England, for the benefit of Hanford Investments, Ltd.;

In violation of Title 18, United States Code, Section 1343.

COUNT SEVENTEEN
(Wire Fraud)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. On or about September 11, 2007, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate and foreign commerce, certain wirings, signs and signals, namely, an electronic mail communication routed through a computer server in Ontario, Canada, to Hamilton, Bermuda, directing that a Lake Shore computer server formerly located in Ontario, Canada, be shipped to Switzerland;

In violation of Title 18, United States Code, Section 1343.

COUNT EIGHTEEN
(Commodity Pool Operator Fraud)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. Beginning in January 2002, and continuing to June 2007, at Chicago and Northbrook, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, a commodity pool operator and associated person of a commodity pool operator, by use of a means or instrumentality of interstate commerce, knowingly employed a device, scheme and artifice to defraud commodity pool participants and prospective participants, and knowingly engaged in a transaction, practice and course of business which operated as a fraud or deceit upon commodity pool participants and prospective participants, which scheme, practice, and course of business is further described in paragraphs 2 through 22 of Count One of this indictment.

3. On or about May 11, 2007, at Chicago and Northbrook, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, for the purpose of executing the above-described scheme, practice and course of business, knowingly caused to be transmitted by means of wire communication in interstate and foreign commerce, certain wirings, signs and signals, namely a wire transfer of \$711,762.67 from the Sentinel account at Bank of New York,

New York, to the account of Anglo International Associates, Ltd. at the Royal Bank of
Scotland, London, England, for the benefit of Hanford Investments, Ltd.;

In violation of Title 7, United States Code, Sections 60(1) and 13(a)(2).

COUNT NINETEEN
(Commodity Pool Operator Fraud)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. Beginning in January 2002, and continuing to June 2007, at Chicago and Northbrook, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, a commodity pool operator and associated person of a commodity pool operator, by use of a means or instrumentality of interstate commerce, knowingly employed a device, scheme and artifice to defraud commodity pool participants and prospective participants, and knowingly engaged in a transaction, practice and course of business which operated as a fraud or deceit upon commodity pool participants and prospective participants, which scheme, practice, and course of business is further described in paragraphs 2 through 22 of Count One of this indictment.

3. On or about June 20, 2007, at Chicago and Northbrook, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, for the purpose of executing the above-described scheme, practice and course of business, knowingly caused to be transmitted by means of wire communication in interstate and foreign commerce, certain wirings, signs and signals, namely a wire transfer of \$444,641.09 from the Sentinel account at Bank of New York,

New York, to the account of Anglo International Associates, Ltd. at the Royal Bank of
Scotland, London, England, for the benefit of Hanford Investments, Ltd.;

In violation of Title 7, United States Code, Sections 60(1) and 13(a)(2).

COUNT TWENTY
(Embezzlement of Commodity Pool Funds)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. Beginning in January 2007, and continuing to June 2007, at Chicago and Northbrook, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, a person registered and required to be registered under the Act, and an employee and agent of a person registered and required to be registered under the Act, embezzled, stole and with criminal intent converted to his own use and to the use of another person, money and property with a value in excess of \$100, which was received by defendant and his employees and agents, said money and property having been received from Lake Shore customers and commodity pool participants in connection with defendant's business;

In violation of Title 7, United States Code, Section 13(a)(1).

COUNT TWENTY-ONE
(Obstruction of Official Proceeding)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. At times material to this indictment:

a. On or about June 25, 2007, defendant BAKER caused 38 boxes of Lake Shore records to be shipped from offices in Ontario, Canada to Hamilton, Bermuda, while his attorneys were in communication with the CFTC and the NFA regarding their request for Lake Shore documents. Defendant BAKER caused Lake Shore's computer server to be shipped from Canada to Bermuda on or about June 26.

b. On June 26, 2007, the CFTC filed a *Complaint for Injunctive and Other Equitable Relief and for Civil Monetary Penalties Under the Commodity Exchange Act* against Lake Shore Ltd. in the United States District Court for the Northern District of Illinois, case number 07 C 3598, a matter assigned to Judge Blanche M. Manning. The CFTC also moved for a restraining order freezing the assets of Lake Shore Ltd. in order to preserve those assets for the benefit of commodity pool participants. The CFTC requested that the restraining order also direct Lake Shore Ltd. to make its books and records available to CFTC staff. The information sought by the CFTC included the name and address of each pool participant, prospective pool participant, and client, and itemized records of Lake Shore Ltd.'s commodity futures transactions.

c. On June 27, 2007, District Judge Manning issued an order directing Lake Shore Ltd. and its employees and attorneys to permit the CFTC immediately to inspect and copy all records of Lake Shore Ltd.'s business operations wherever those records were situated.

d. On or about July 4, 2007, defendant BAKER directed that an additional 20 boxes of Lake Shore records be shipped from Ontario, Canada, to Hamilton, Bermuda.

e. On August 28, 2007, District Judge Manning issued a preliminary injunction freezing the assets of Lake Shore Ltd. and the other entities with which it was a "common enterprise" in order to preserve those assets for the benefit of commodity pool participants, and ordering them and their agents, officers, employees and attorneys to make books and records available to the CFTC.

f. On or about September 11, 2007, defendant BAKER caused Lake Shore's computer server and books and records to be shipped from Hamilton, Bermuda, to Geneva, Switzerland.

g. On or about September 21, 2007, defendant BAKER directed legal counsel in the United Kingdom to file a claim to commodity pool participant funds held in Lake Shore trading accounts at three commodity trading firms in London, England. The funds had been frozen pursuant to the preliminary injunction. Specifically, certain BAKER-controlled entities filed a claim in a British court asking that court to restrain the three trading firms from turning the participants' funds over to the CFTC, the NFA, or to any receiver who might appointed in CFTC case.

h. On October 4, 2007, District Judge Manning issued an order appointing a receiver (“Receiver”) for the Lake Shore Entities. The order gave the Receiver the duty and the power to take control of the assets and books and records of the Lake Shore Entities for the benefit of the commodity pool participants, to liquidate those assets and distribute them to the participants upon further order of the district court, and to initiate, defend or compromise any legal action in any jurisdiction necessary to preserve assets of the Lake Shore Entities. The order also directed the Lake Shore Entities and their agents, employees and attorneys to cooperate fully with the Receiver, and to deliver to the Receiver all assets, books and records.

i. On April 24, 2008, District Judge Manning entered a permanent injunction against the Lake Shore Entities and Hanford. The injunction prohibited them, and their officers, agents, employees and attorneys, from trading in commodity futures, engaging in business as CPO’s or CTA’s, seeking registration or exemption from registration with the CFTC, and from concealing or altering their books and records. The injunction also ordered the Lake Shore Entities and Hanford to make their books and records available to the CFTC and the Receiver, to prepare an accounting of all of their assets held outside the United States and to return those assets to the United States, and otherwise froze the assets of the Lake Shore Entities in order to preserve those assets for the benefit of commodity pool participants.

j. On September 17, 2008, District Judge Manning entered a permanent injunction against defendant BAKER. The injunction imposed essentially the same restrictions and obligations upon defendant BAKER as did the permanent

injunction entered against the Lake Shore Entities and Hanford on April 24, 2008.

k. Defendant BAKER did not produce to the CFTC or Receiver all of the books and records that District Judge Manning ordered him to produce. The records he failed to produce include, but are not limited to, the name and address of each pool participant, prospective pool participant and client, and itemized records of Lake Shore's commodity futures transactions, including records supporting Lake Shore's claims concerning positive trading performance.

3. On or about July 4, 2007, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, corruptly concealed, and attempted to conceal, records, documents and other objects with the intent to impair their availability for use in an official proceeding, namely the CFTC's lawsuit against defendant BAKER and the Lake Shore Entities, case number 07 C 3598 pending in the United States District Court for the Northern District of Illinois, and otherwise obstructed and impeded, and attempted to obstruct and impede, such proceeding;

In violation of Title 18, United States Code, Section 1512(c)(1) and (c)(2).

COUNT TWENTY-TWO
(Obstruction of Official Proceeding)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.
2. The allegations in paragraph 2 of Count Twenty-One of this indictment are hereby realleged and incorporated herein as if fully set forth.
3. On or about September 11, 2007, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, corruptly concealed, and attempted to conceal, records, documents and other objects with the intent to impair their availability for use in an official proceeding, namely the CFTC's lawsuit against defendant BAKER and the Lake Shore Entities, case number 07 C 3598 pending in the United States District Court for the Northern District of Illinois, and otherwise obstructed and impeded, and attempted to obstruct and impede, such proceeding;

In violation of Title 18, United States Code, Section 1512(c)(1) and (c)(2).

COUNT TWENTY-THREE
(Obstruction of Official Proceeding)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.
2. The allegations in paragraph 2 of Count Twenty-One of this indictment are hereby realleged and incorporated herein as if fully set forth.
3. On or about September 21, 2007, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, corruptly concealed, and attempted to conceal, records, documents and other objects with the intent to impair their availability for use in an official proceeding, namely the CFTC's lawsuit against defendant BAKER and the Lake Shore Entities, case number 07 C 3598 pending in the United States District Court for the Northern District of Illinois, and otherwise obstructed and impeded, and attempted to obstruct and impede, such proceeding;

In violation of Title 18, United States Code, Section 1512(c)(1) and (c)(2).

COUNT TWENTY-FOUR
(Criminal Contempt)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. The allegations in paragraph 2 of Count Twenty-One of this indictment are hereby realleged and incorporated herein as if fully set forth.

3. On or about July 4, 2007, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, willfully disobeyed and resisted a lawful and specific order issued by District Judge Blanche M. Manning of the United States District Court for the Northern District of Illinois in case number 07 C 3598, namely the June 27, 2007, restraining order directing defendant BAKER to allow the CFTC immediately to inspect all books and records of Lake Shore Ltd.'s business operations;

In violation of Title 18, United States Code, Section 401(3).

COUNT TWENTY-FIVE
(Criminal Contempt)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. The allegations in paragraph 2 of count Twenty-One of this indictment are hereby realleged and incorporated herein as if fully set forth.

3. On or about September 11, 2007, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, willfully disobeyed and resisted lawful and specific orders issued by District Judge Blanche M. Manning of the United States District Court for the Northern District of Illinois in case number 07 C 3598, namely:

a. the June 27, 2007, restraining order directing defendant BAKER to allow the CFTC immediately to inspect all books and records of Lake Shore Ltd.'s business operations; and

b. the August 28, 2007, preliminary injunction ordering defendant BAKER to allow the CFTC immediately to inspect all books and records of Lake Shore Ltd.'s business operations as a CTA and CPO, and ordering him to not withdraw, transfer, remove, conceal or dispose of in any manner any funds of various Lake Shore Entities that were held in any financial institution;

In violation of Title 18, United States Code, Section 401(3).

COUNT TWENTY-SIX
(Criminal Contempt)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. The allegations in paragraph 2 of count Twenty-One of this indictment are hereby realleged and incorporated herein as if fully set forth.

3. On or about September 21, 2007, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, willfully disobeyed and resisted lawful and specific orders issued by District Judge Blanche M. Manning of the United States District Court for the Northern District of Illinois in case number 07 C 3598, namely:

a. the June 27, 2007, restraining order directing defendant BAKER to allow the CFTC immediately to inspect all books and records of Lake Shore Ltd.'s business operations; and

b. the August 28, 2007, preliminary injunction ordering defendant BAKER to allow the CFTC immediately to inspect all books and records of Lake Shore Ltd.'s business operations as a CTA and CPO, and ordering him to not withdraw, transfer, remove, conceal or dispose of in any manner any funds of various Lake Shore Entities that were held in any financial institution;

In violation of Title 18, United States Code, Section 401(3).

COUNT TWENTY-SEVEN
(Criminal Contempt)

The SPECIAL SEPTEMBER 2008 Grand Jury further charges:

1. The allegations in paragraphs 1 through 22 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. The allegations in paragraph 2 of count Twenty-One of this indictment are hereby realleged and incorporated herein as if fully set forth.

3. From on or about June 27, 2007, and continuing to the present, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP J. BAKER,

defendant herein, willfully disobeyed and resisted lawful and specific orders issued by District Judge Blanche M. Manning of the United States District Court for the Northern District of Illinois in case number 07 C 3598, namely:

a. the June 27, 2007, restraining order directing defendant BAKER to allow the CFTC immediately to inspect all books and records of Lake Shore Ltd.'s business operations;

b. the August 28, 2007, preliminary injunction ordering defendant BAKER to allow the CFTC immediately to inspect all books and records of Lake Shore Ltd.'s business operations as a CTA and CPO, and ordering him to not withdraw, transfer, remove, conceal or dispose of in any manner any funds of various Lake Shore Entities that were held in any financial institution;

c. the October 4, 2007, order appointing the Receiver which ordered defendant BAKER immediately to deliver to the Receiver all funds, assets and books and records of the Lake Shore Entities, and to cooperate fully with and assist the Receiver in the performance of his duties;

d. the April 28, 2008, permanent injunction against the Lake Shore Entities and Hanford which prohibited defendant BAKER from concealing or altering Lake Shore or Hanford's books and records, and which ordered him to make those books and records available to the CFTC and the Receiver, and to prepare an accounting of all of Lake Shore and Hanford's assets held outside the United States and to return those assets to the Receiver in the United States; and

e. the September 17, 2008, permanent injunction against defendant BAKER which prohibited him from concealing or altering Lake Shore or Hanford's books and records, and which ordered him to make those books and records available to the CFTC and the Receiver, and to prepare an accounting of all of Lake Shore and Hanford's assets held outside the United States and to return those assets to the Receiver in the United States;

In violation of Title 18, United States Code, Section 401(3).

FORFEITURE ALLEGATION

The SPECIAL SEPTEMBER 2008 Grand Jury further alleges:

1. The allegations in Counts One through Seventeen of this indictment are hereby realleged and incorporated herein by reference 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).

2. As a result of his violations of Title 18, United States Code, Section 1343, as alleged in Counts One through Seventeen, defendant herein, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any and all right, title, and interest he may have in any property constituting, and derived from, proceeds he obtained directly or indirectly as the result of such violations.

3. The interests of defendant subject to forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), include the sum of at least \$273,500,000.

4. If any of the forfeitable property described above, as a result of any act or omission by defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (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 divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c);

All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY