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DISTRICT OF ARIZONA
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IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ARIZONA

United States of America, Plaintiff, vs. 1. John Keith Hoover, (1-38, 41-52) 2. John Brandon Hoover, (30-41, 50, 53, 54) 3. Deborah Boice Hoover, (41-52) Defendants.	CR-14-00554-PHX-SRB(DKD) **SUPERSEDING INDICTMENT** VIO: 18 U.S.C. § 1343 (Wire Fraud) Counts 1-15 18 U.S.C. § 1341 (Mail Fraud) Counts 16-29 18 U.S.C. § 1349 (Conspiracy to Commit Bank Fraud) Count 30 18 U.S.C. § 1344 (Bank Fraud) Counts 31-38 31 U.S.C. § 5324(a) (Structuring Financial Transactions) Counts 39-40 18 U.S.C. § 371 (Conspiracy to Commit Bankruptcy Fraud) Count 41 18 U.S.C. § 152(1) (Concealment of Assets) Count 42 18 U.S.C. § 152(2) (False Testimony in a Bankruptcy Proceeding)

Counts 43-45

18 U.S.C. § 152(3)
(False Declarations in a Bankruptcy Proceeding)
Counts 46, 47

18 U.S.C. § 152(7)
(Fraudulent Transfer and Concealment of Property in Contemplation of Bankruptcy)
Counts 48-51

18 U.S.C. § 152(4)
(False Proof of Claim)
Count 52

18 U.S.C. §1957
(Transactional Money Laundering)
Counts 53, 54

18 U.S.C. § 981
18 U.S.C. § 982
21 U.S.C. § 853
28 U.S.C. § 2461(c)
31 U.S.C. § 5317
(Forfeiture Allegations)

THE GRAND JURY CHARGES:

At all times material to this indictment, within the District of Arizona and elsewhere:

INTRODUCTION

DEFENDANTS

1. JOHN KEITH HOOVER ("J. HOOVER" or "JKH") is an attorney who resides in Mohave Valley, Arizona, and is in the business of real estate development and property management. At various times between 1997 and the present, he created a network of entities for the purpose, among others, of soliciting individuals to invest in real estate developments. The largest of these was known as El Rio Country Club.

2. JOHN BRANDON HOOVER ("B. HOOVER" or "JBH") is a resident of California, the son of J. HOOVER, and a self-described real estate consultant.

3. DEBORAH BOICE HOOVER ("D. HOOVER" or "DBH") is the wife of J. HOOVER and mother of B. HOOVER.

RELEVANT ENTITIES

4. Equity Capital Lenders, LLC ("ECL") purports to be a lending institution managed by B. HOOVER and D.B. Between 2008-2011, J. HOOVER and D. HOOVER ("the HOOVERS") transferred various assets to ECL to conceal control and ownership of their assets. From 2009-2010, ECL paid substantially all of the HOOVERS' business expenses.

5. Hoover Quality Homes, Inc. is in the business of building homes in Fort Mohave, AZ and surrounding areas. It was wholly owned by J. HOOVER until being transferred to ECL between 2008-2010.

6. El Rio Country Club, LLC is a business entity established by J. HOOVER to develop and sell residential lots in a golf course community in Mohave Valley, Arizona that covered approximately a square mile.

7. Rio Oro, LLC, is a business entity designed to hold and develop a parcel of land located in California adjacent to the Colorado River. J. HOOVER diverted money received from investors and borrowed against the land and other business entities for his own benefit.

8. Aztech Arizona, LLC was a Bullhead City, Arizona based cable and communications company. It was established by J. HOOVER to provide cable service for residents of El Rio Country Club and surrounding developments. B. HOOVER received a salary from 2008-2010 as the manager of Aztech.

9. Hoover Land & Investments, LLC did business under the name of The Hoover companies. It provided management and accounting services to J. HOOVER's other various entities.

10. Counsel Corp (a subchapter C Corporation) was a real estate brokerage wholly owned by J. HOOVER until it was transferred to ECL between 2008-2010.

11. El Rio Capital, LLC was an entity J. HOOVER used to recruit investors and lend money to El Rio Country Club.

12. Sevenstar Capital, LLC was established in 2005 for the purpose of raising money from investors for unsecured promissory notes. It lent investor money to other J. HOOVER companies. From 2005-2007, J. HOOVER frequently withdrew monies from Sevenstar Capital.

13. Hoover Brothers Rentals, LLC was owned by J. HOOVER and B. HOOVER and rented equipment to other J. HOOVER companies.

14. Marina Professional Plaza, LLC was an entity J. HOOVER used to recruit investors for developing office or commercial buildings in Bullhead City, Arizona.

15. El Rio Professional Plaza, LLC was organized to hold and manage commercial and office space constructed in Mohave Valley, Arizona adjacent to El Rio Country Club.

16. SCI Terre D'Argent was a French Corporation established as a holding company for a Paris apartment purchased by the HOOVERS.

17. Diamond BE was a business name used by B. HOOVER as owner/operator from at least 2006 to 2013, when a limited liability company of the same name was organized in Arizona, naming B. HOOVER and his sister as the two members of the company.

18. Mariposa Phases 1-8 was a series of eight Limited Liability Companies established by J. HOOVER for the development of land in the Fort Mohave area.

19. Mountain Star Capital was an LLC established by J. HOOVER ostensibly for the benefit of T.H. J. HOOVER maintained control over how T.H.'s money was invested and disbursed.

20. Oregon Pines, LLC was established by J. HOOVER to hold a parcel of land located in Oregon.

21. El Rio Holdings, LLC was established as a holding company for assets of El Rio

Country Club and related entities. Investors who had lent money to El Rio Capital or Sevenstar Capital received an interest in this entity in lieu of repayment of their loans.

22. Rancho San Juan Commercial, LLC was established to hold a parcel of land for development in the Needles, California area.

23. Excellence Equities, LLC was organized in Arizona in May 2011. Rancho San Juan Commercial transferred the parcel that it had held in the Needles, California area to this entity that same month.

FINANCIAL INSTITUTIONS

24. Wells Fargo Bank, NA, is headquartered in San Francisco, California, and is FDIC insured.

25. Washington Mutual Bank, FA, was purchased by JP Morgan Chase in 2008 and was insured by the FDIC during the time period of the scheme.

26. JP Morgan Chase Bank, NA, is headquartered in New York City, New York, and is FDIC insured.

27. Mohave State Bank is headquartered in Lake Havasu City, Arizona, and is FDIC insured.

28. First National Bank of Arizona was headquartered in Phoenix, Arizona, and FDIC insured at the time of the scheme.

29. Whittier Municipal Employees Federal Credit Union was headquartered in Whittier, California, and was NCUA insured during the time period of the scheme.

30. Los Angeles Federal Credit Union is based in Los Angeles, California, and is NCUA insured.

SELF DIRECTED IRA CUSTODIAN

31. Trust Administration Services Corporation (TASC) was originally a division of First Regional Bank of San Diego and offered Custodial Accounts which allowed individuals and their representatives to self-direct the investment of assets of an Individual Retirement Account. Self-directed IRA accounts that were administered by

TASC were subsequently administered by Sterling Trust, based in Waco, Texas, and Equity Trust Company, based in Elyria, Ohio.

SUMMARY OF WIRE, MAIL, BANK, AND BANKRUPTCY FRAUD SCHEMES

32. Between 1997 and the present, the exact dates are unknown, J. HOOVER raised in excess of $20,000,000 from at least 460 investors for land development projects.

33. J. HOOVER improperly used some of the money for operational expenses for his various companies, primarily the El Rio Country Club and Golf Course located in Mohave Valley, Arizona.

34. J. HOOVER improperly used a large portion of money derived from investors for personal expenditures. Personal expenditures were, in many cases, disguised as business expenses. These expenses included, among others, to maintain a multi-million-dollar home in Newport Beach, California, a condominium in Newport Beach, California, an apartment in Paris, France, a 2006 Bentley Flying Spur automobile purchased for over $150,000, other luxury automobiles, art work, jewelry, home furnishings, an expensive wedding and salary for his son, schooling for his daughter in Paris, France, high end hotel rooms for family and friends, and other lavish expenditures.

35. Investor money also was improperly used on junkets disguised as business related trips for J. HOOVER's family and employees that included, among others, Paris, France, Hawaii, China, South America, and Europe and other lavish trips.

36. When investor funds were not available, J. HOOVER, with the assistance of B. HOOVER, refinanced properties by misrepresenting material information to lenders that included employment, salary, assets, liabilities, and the source of down payments. By doing so, J. HOOVER and B. HOOVER committed bank fraud.

37. Once J. HOOVER had exhausted the investor money, he filed for bankruptcy protection. With the complicity of his wife D. HOOVER and son B. HOOVER, he committed bankruptcy fraud by concealing from the Bankruptcy Court: home furnishings, real and personal property, recent transactions, and control of other assets.

SCHEME TO DEFRAUD INVESTORS BY WIRE AND MAIL FRAUD

38. Beginning in or about 1997 and continuing through the present, the exact dates are unknown to the Grand Jury, in the District of Arizona and elsewhere, J. HOOVER defrauded investors, and committed wire and mail fraud, by doing the following:

a. J. HOOVER, in his capacity as a friend, associate, and attorney, obtained monies from California and Arizona based investors, several of whom were recently widowed. Some of these widows provided J. HOOVER with the bulk of their estates following the deaths of her husbands. The widows relied on J. HOOVER's long term friendship with their families and experience as an attorney to make sound investments.

b. J. HOOVER also obtained monies from investors who had no experience in speculative real estate and relied upon J. HOOVER's experience and advice. In many cases, J. HOOVER encouraged investors to liquidate otherwise secure retirement funds to invest in his own speculative real estate ventures.

c. J. HOOVER misrepresented that the investor money was invested in secured loans. J. HOOVER instead used that money for his own high risk speculative real estate ventures in Arizona and elsewhere. He also used the investor money on his own personal expenses. When the investments lost considerable value, he failed to disclose the extent of the loss to investors.

d. J. HOOVER sold, to a category of investors, ownership interests in specific real estate projects that included Mariposa, El Rio Country Club, Marina Professional Plaza, and Rio Oro, among others. Despite representations that the monies would remain in the companies described above, J. HOOVER diverted monies from these investments to Sevenstar Capital. From Sevenstar Capital, these monies flowed to other unrelated real estate projects or his own personal expenditures.

e. J. HOOVER induced a number of investors to make what they believed to be low-risk, short-term loans to Sevenstar Capital, El Rio Capital, or J. HOOVER'S family trust with the promise of better than average returns.

f. J. HOOVER ceased paying interest on these loans in November 2007, and induced or attempted to induce his investors to exchange their promissory notes for interests in a new entity called El Rio Holdings, LLC.

g J. HOOVER made the following representations directly to investors (or directed sales representatives to make the following representations):

1. When the investors attempted to obtain their monies, they were falsely told that the money was dissipated or tied up in an investment and unavailable for redemption;

2. Investors were falsely told that J. HOOVER's business entities owned property that was "free and clear" without liens and purchased with cash;

3. Investors were provided with inflated valuations of the land held in the business entities in which they had invested;

4. Investors were misled concerning which specific properties secured the collateral for promissory notes;

5. Investors were falsely told that J. HOOVER would "match" the investor's investment in a particular project or that others, including his father-in-law, D.B., and/or son B. HOOVER, were also investing in a particular investment (which gave investors a false sense of security);

6. In some cases, investors were convinced to liquidate an Individual Retirement Account ("IRA") and place the funds in a self-directed IRA, with the false promise that the money would be returned by the time the investor would need the money;

7. Investors were falsely told that their money would be put toward a particular parcel and did not know that J. HOOVER was instead using the

money for other operational expenses of his companies or his own personal expenses;

8. Investors were falsely told that the investments were secure because there was title insurance and the investor would receive insurance proceeds in the event of a default;

9. Inexperienced investors were provided with inaccurate time estimates for the return of their funds and completion of projects, when J. HOOVER knew there was a low probability of a return in the time frame that was represented. Further, he frequently diverted investor funds to projects on which he placed a higher priority, to the detriment of the investor.

h. J. HOOVER had the investors liquidate mutual funds and securities, life insurance policies, and social security death benefits and directed the proceeds from these investments to LLCs controlled by J. HOOVER.

i. J. HOOVER set up bank accounts that contained investor money so he was the only one who had signing authority.

j. Without consent, J. HOOVER would convert loans that the investor had made to one of his entities into an equity interest.

k. In some cases, J. HOOVER signed documents transferring monies on behalf of the investor without their knowledge.

l. J. HOOVER had investors give him authority to make investment decisions on their behalf and invested monies in his best interest and not the investors'.

m. The source of interest payments made to investors on promissory notes executed by J. HOOVER was derived from money from other investors.

n. J. HOOVER defrauded investors of Rio Oro, LLC by obtaining loans secured by the real property intended to be developed, without the consent or knowledge of the investors, and then transferring the funds obtained through those

loans to other entities in which J. HOOVER had or has an interest. J. HOOVER defaulted on secured loans, thus causing the investors to lose any interest they had in the property.

o. J. HOOVER made "call requests" to investors in his various entities, by demanding additional funds from those investors, purportedly for the payment of taxes and overhead expenses associated with operating those entities.

p. From the time when Sevenstar Capital was formed in 2005, a substantial portion of the monies that investors paid into entities, such as the Mariposa phases and Rio Oro, were transferred from those entities into Sevenstar Capital, often within a week of receipt of the monies.

q. From Sevenstar Capital, several million dollars were lent to El Rio Country Club and Aztech Arizona or to J. HOOVER, rather than to the entities where the investors had directed their money.

39. J. HOOVER took the following actions to obtain money from investors or dissuade them from seeking repayment:

a. In or around December 1997, J. HOOVER provided YM with a document stating that she had $684,936 in notes receivable. This document gave no detail as to which parties had issued the promissory notes. However, a similar statement from December 2001 showed that $432,400 of the notes were unsecured loans made to J. HOOVER'S company Counsel Corp. At different times during the scheme, YM had the majority of her monies invested with Sevenstar Capital and El Rio holdings, as well as Counsel Corp.

b. In April 2001, J. HOOVER assisted TH with consolidating assets from various retirement accounts into one self-directed IRA with TASC. J. HOOVER instructed TASC to direct all communications related to the account through J. HOOVER'S office. Around this same time, J. HOOVER established Mountain Star Capital. J. HOOVER had signing authority on the Mountain Star Capital

bank account and TH did not. J. HOOVER had TH place the life insurance proceeds from the death of her husband with J. HOOVER, along with the proceeds from cashing out other life insurance policies for TH and her children. At different times during the scheme, J. HOOVER invested TH's money and her children's money in Sevenstar Capital, Rio Oro, El Rio Country Club, and multiple phases of Mariposa.

c. In or around April 2003, J. HOOVER signed documents on behalf of PC to authorize the purchase of an unsecured promissory note from El Rio Country Club in the amount of $182,000 with funds from PC's self-directed IRA with TASC.

d. In or around February 2004, J. HOOVER had PC execute a document retroactively giving J. HOOVER authority to make all investment decisions for PC's IRA beginning in January 2003. At different times during the scheme, J. HOOVER invested PC's money in Sevenstar Capital, El Rio Holdings, Rio Oro and Marina Professional Plaza.

e. In or around October 2005, J. HOOVER advised JL in writing to invest $600,000 of her retirement funds in Mariposa Phase V, Marina Professional Plaza and Sevenstar Capital. J. HOOVER also suggested that JL surrender an annuity, incurring a $7,000 penalty, in order to invest the money in J. HOOVER'S companies.

f. Between November 2007 and March 2008, J. HOOVER sent letters to several investors, including DF, asking that they convert their promissory notes from El Rio Capital and Sevenstar Capital to an ownership interest in El Rio Holdings, thereby forgoing any expectation of payment of interest or repayment of principal. DF lent money to the El Rio Country Club and invested in one of the Mariposa phases.

COUNTS 1-15

Wire Fraud

(Violation of 18 U.S.C. §1343)

40. Paragraphs 1 through 39 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

SCHEME AND ARTIFICE

41. From or about at least 1997, the exact date being unknown to the Grand Jury, through on or about April 22, 2014, in the District of Arizona and elsewhere, the defendant J. HOOVER, did knowingly and with the intent to defraud devise and intend to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, promises, and omissions.

PURPOSE OF THE SCHEME AND ARTIFICE

42. It was the purpose of the scheme and artifice that J. HOOVER would solicit and obtain millions of dollars of investors' funds through false pretenses, representations, promises, and omissions all in order to obtain substantial economic benefits for himself and family members through the payment of fees, wages, bonuses, commissions, interest in real estate, and other monies. These funds were purportedly to be invested for the benefit of the investors but instead were diverted, misused, and misappropriated for other purposes. Once the investor money was exhausted, family members (including his wife D. HOOVER and son B. HOOVER) assisted J. HOOVER in actively concealing the remaining assets from the Bankruptcy Court.

USE OF WIRES

43. On or about the dates specified as to each count below, the defendant J. HOOVER, for the purpose of executing the aforesaid scheme and artifice, did knowingly transmit and cause to be transmitted, by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds, as more particularly described below:

COUNT	APPROX. DATE	DESCRIPTION OF WIRE COMMUNICATION	
1	10/02/2009	Interbank Wire	Rio Oro, LLC wired $1,814,687.72 (of the $4,000,000 that it borrowed on August 31, 2009) from Rio Oro's bank account at JP Morgan Chase to First American Title Insurance of Mohave, Inc. in Bullhead City, Arizona. The wire paid off promissory note from Hoover Quality Homes, Inc., secured by a lien that had been on property including the land for Mariposa Phases V, VI, VII and VIII since April 2004.
2	06/03/2011	Fax	JKH, as managing member of Hoover Development Company, LLC, manager of El Rio Holdings, LLC sent a letter via facsimile to Sterling Trust providing valuation of PC's interest in El Rio Holdings LLC as $6,600. [10% of the amount invested, and the amount shown as thevaluation on PC's IRA statements for the prior quarter.] The letter also provided similar valuation of the interests in El Rio Holdings, LLC of 9 other IRA account holders.
3	01/26/2012	E-mail	JKH, as manager, sent an e-mail message to PC regarding a call for additional capital previously issued to Mariposa investors and proposed a buyout of those investors who do

			not make capital calls. JKH asks that $240 be sent from each member to Management Professionals, LLC for accounting costs.
4	02/06/2012	E-mail	JKH, as manager, sent an e-mail message to PC regarding a call for capital previously issued to investors in the Estates at Rancho San Juan and proposed a buyout of those investors who do not meet requirements of capital calls. JKH asks that $178 be sent from each member to Management Professionals, LLC for accounting costs.
5	02/06/2012	E-mail	JKH, as manager, sent an e-mail message to PC regarding a call for capital previously issued to investors in Marina Professional Plaza, LLC and proposed buyout of those investors who do not meet requirements of capital calls. JKH asks that $410 be sent from each member to Management Professionals, LLC for accounting costs.
6	04/16/2012	E-mail	JKH transmits a Schedule K-1 via e-mail to HH for Mariposa Phase IV, LLC for 2011. JKH indicates that other K-1's will require a $99 fee per K-1.
7	02/18/2013	E-mail	JKH transmits to HH via e-mail a letter notifying investors that K-1's are completed and that each Form K-1 will cost $99, which should be sent to Management Professionals.

			JKH promises a letter updating the company outlook will be coming shortly.
8	02/18/2013	E-mail	JKH exchanges e-mail messages with HH, stating that JKH will not send a Schedule K-1 to HH unless HH helps pay the accountants for the preparation of the tax returns.
9	02/19/2013	E-mail	JKH transmits a letter to HH via e-mail regarding a call for capital made to Mariposa Phase II, LLC investors two years earlier. JKH offers investors the choice of meeting their capital call or selling their interest to a new LLC for an estimated 4% of their initial investment.
10	03/18/2013	E-mail	JKH transmits a letter via e-mail to TH notifying investors that K-1's for Fairway I, LLC are completed and that each Form K-1 will cost $99, which should be sent to Management Professionals, LLC. JKH promises a letter updating the company outlook will be coming shortly.
11	03/20/2013	E-mail	JKH transmits a letter via e-mail to TH notifying investors that K-1's for Rio Oro are completed and that each Form K-1 will cost $99, which should be sent to Management Professionals, LLC. JKH promises a letter

			updating the company outlook will be coming shortly.
12	03/21/2013	E-mail	JKH transmitted a letter via e-mail notifying investors [entity not specified] that K-1's are completed and that each Form K-1 will cost $99, which should be sent to Management Professionals, LLC. JKH promises a letter updating the company outlook will be coming shortly.
13	05/08/2013	E-mail	JKH transmits a letter to TH via e-mail regarding an unmet call for capital made to Rancho San Juan Hills, LLC investors two years earlier. JKH offers investors the choice of meeting their capital call or selling their interest to a new LLC for an estimated 3% of their initial investment.
14	03/03/2014	E-mail	JKH transmits a message to HH via e-mail regarding all Mariposa phases, which states "We are in the process of concluding the sale of Phase 3 to the newly formed limited liability company." JKH is actively searching for third parties willing to purchase the interests of selling members.

15	03/03/2014	E-mail	JKH transmitted a message to TH via e-mail regarding the Rancho San Juan, LLC restructuring proposal: "Thus far not enough existing members have been willing to purchase the membership interests of those choosing to sell." JKH stated that they only have until May 2014 to gather sufficient funds to pay delinquent taxes or they will be in jeopardy of losing the property.

All in violation of 18 U.S.C. § 1343.

COUNTS 16-29

Mail Fraud

(Violation of 18 U.S.C. § 1341)

44. Paragraphs 1 through 39 of this indictment are re-alleged and incorporated by reference as though fully set forth herein.

45. From in or about at least 1997, the exact date being unknown to the Grand Jury, through April 22, 2014, in the District of Arizona and elsewhere, the defendant J. HOOVER, did knowingly and with intent to defraud devise and intend to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, promises, and omissions.

PURPOSE OF THE SCHEME AND ARTIFICE

46. It was the purpose of the scheme and artifice that J. HOOVER would solicit and obtain millions of dollars of investors' funds through false pretenses, representations, promises, and omissions all in order to obtain substantial economic benefits for himself and family members through the payment of fees, wages, bonuses, commissions, interest in real estate, and other monies. These funds were purportedly to be invested for the benefit of the investors but instead were diverted, misused, and misappropriated for other

purposes. Once the investor money was exhausted, family members (including his wife D. HOOVER and son B. HOOVER) assisted J. HOOVER in actively concealing the remaining assets from the Bankruptcy Court.

USE OF THE MAILS

47. On or about the dates specified as to each count below, defendant J. HOOVER, for the purpose of executing the aforesaid scheme and artifice, and attempting to do so, knowingly deposited and caused to be deposited the matters and things listed below, and caused the matters and things to be sent and delivered, by private and commercial interstate carrier and by the United States Postal Service:

COUNT	APPROX. DATE	DESCRIPTION OF MAILING	
16	08/20/2009	Mail	JKH sent a letter to PC stating that the restructure of El Rio Country Club, LLC had been legally finalized. "Our ability to survive the most severe recession since the 1930's is directly attributable to you, to all of our other investors who have agreed to participate in the El Rio restructure (now 84% of all outstanding investors) and to those who have not yet agreed to participate but have refrained from actions which would force El Rio into bankruptcy to the detriment of all." The letter says that those who had become equity owners would receive quarterly reports commencing 3rd quarter 2009.
17	01/27/2010	Mail	JKH mailed a letter to PC, transmitting a Schedule K-1 for Mariposa Phase II, LLC, and stating: "The good news is that we own our property at Mariposa

			without debt.... Unfortunately the additional monies that were raised at the time of the original syndication of our company which were designed to carry the property's expenses for a two year period, have carried the expenses they were designed to carry but are now depleted."
18	02/19/2010	Mail	JKH mailed a letter to PC, transmitting a Schedule K-1 for Marina Professional Plaza, LLC for 2009. JKH reported that the company had traded part of its property in 2009 for property at Hwy 95 and Hulet Road. JKH also stated: "In addition, our company seized the opportunity to acquire a member interest in San Juan Vistas, LLC an 80 acre commercial and industrial site on Highway 95 in Needles, California." The letter also said that the monies that had been invested with the company were depleted, and that JKH would likely make a call for additional funds from each investor.
19	03/19/2010	Mail	JKH mailed a letter to PC, transmitting a Schedule K-1 for Aztech Arizona, LLC for 2009. JKH stated that the company had made all the personnel cuts it could and still provide service, but also said that Aztech Arizona, LLC was launching a new program to attract customers with radio based telephone/internet service.
20	03/19/2010	Mail	JKH mailed a letter to PC, transmitting a Schedule K-1 for Rio Oro, LLC for 2009. JKH reported that

			another riverfront development had begun leasing/selling lots Memorial Day 2009 and also stated: "Accordingly I arranged sufficient financing to enable us to proceed to a final map stage on 135 acres of our site.... Our goal is to have our mapping process completed by Memorial Day 2010 so we can begin sales of the beachfront properties."
21	01/13/2011	Mail	JKH mailed letter informing DF [and other investors] that he was filing for bankruptcy protection. JKH wrote: "My Counsel advises me that my personal bankruptcy filing should protect those projects in which I am managing member, general partner, member, partner or any combination thereof, from invasion or interruption by outside creditors or other partners, or member seeking recompense from me. This assurance was actually the impetus for the filing." JKH also wrote: "I apologize to you for any hardship that my personal financial failure may cause you but will endeavor to minimize the impact on you."
22	03/31/2010	Mail	JKH mailed a letter to PC transmitting a Schedule K-1 and 2009 Profit and Loss statement for El Rio Holdings, LLC. JKH ascribed the tardiness of the tax return to uncertainty caused by investors who had not yet signed their subscription agreements to convert debt to equity and stated that those who

			converted their notes to equity now would receive a diminished amount of equity. JKH stated that the company was behind some on property taxes but had 6 years to redeem the property. JKH pointed out the operating agreement provides that no calls for capital can be made on our existing members.
23	04/07/2011	Mail	JKH mailed a letter to YM that proposed an amendment to operating agreement of Rio Oro, LLC allowing for discounted buyout of members who fail to meet capital calls.
24	04/11/2011	Mail	JKH mailed a letter to YM, transmitting a 2010 Schedule K-1, for El Rio Holdings, LLC. In the letter, JKH strongly recommended approval of an amendment to the operating agreement allowing calls for additional capital and strong incentives for members to contribute additional capital when called upon to do so.
25	04/14/2011	Mail	JKH mailed a letter to PC transmitting a proposed amendment to Operating Agreement to allow for capital calls. JHK stated that the alternative is to sell our property to the highest bidder, which, undoubtedly will result in a substantial loss of your investment.
26	04/19/2011	Mail	JKH sent a letter to Sterling Trust, the successor to Trust Administration Service Corporation. The letter contained notice that changes had been made in the books and records of Rio Oro, LLC.

			Accordingly the value of PC's interest in Rio Oro, LLC was reduced to $20,000, and the value of YM's interest in Rio Oro, LLC was $5,600 [10% of the respective amounts invested.]
27	10/16/2013	Mail	JKH mailed a letter to HH regarding the sale of an unspecified phase of Mariposa. JKH stated that he was in the process of establishing an escrow for the purchase of the land for $2,935 per acre for a total sales price of $76,355 and that: "The buyer is a new LLC of which you have been given the opportunity to become a member."
28	03/02/2014	Mail	JKH mailed a letter to TH regarding Rio Oro, LLC. JKH called for additional capital of $31,000 from the investors, distributed pro-rata. JKH proposed an amendment to operating agreement allowing anyone to purchase the interests of members defaulting on their capital calls for 10% of the defaulting member's interest. The amendment provided that such a purchaser may pay with a 10 year promissory note, bearing 1% interest.
29	03/15/2014	Mail	JKH mailed a letter to TH [and an identical letter to PC] regarding El Rio Holdings, LLC. JKH called for $783,000 in additional funds from investors. JKH indicated that he would take non-payment of the additional funds as an election by the investor to sell their interest in the El Rio property.

All in violation of 18 U.S.C. § 1341.

COUNT 30

Conspiracy to Commit Bank Fraud

(Violation of 18 U.S.C. § 1349)

48. Paragraphs 1 through 39 of this indictment are re-alleged and incorporated by reference as though fully set forth herein.

49. From a time unknown to the grand jury but at least as early as October 2004 through April 22, 2014, in the District of Arizona, defendants J. HOOVER and B. HOOVER and others known and unknown to the grand jury, conspired, confederated, and agreed with each other to commit Bank Fraud, in violation of 18 U.S.C. § 1344.

The Purpose of the Conspiracy

50. The purpose of the conspiracy was as follows:

a. To obtain money and funds from financial institutions to refinance existing properties so that banks would not foreclose on those properties; and

b. To use the money and funds for business and personal expenditures.

Means and Method of the Conspiracy

51. It was part of the conspiracy that J. HOOVER and B. HOOVER would submit false loan applications that misrepresented income, assets, and liabilities so that they could refinance existing properties. In some cases, they recruited family members to use as straw buyers for the properties. The scheme was completed in the following manner:

a. J. HOOVER was a developer who used primarily lenders based in California or Arizona to obtain loans for development projects in Arizona and his personal residences in both California and Arizona.

b. J. HOOVER recruited family members, including his son B. HOOVER, D.B., S.G., and M.G., as borrowers for loans.

c. J. HOOVER misrepresented his income and that of his son B. HOOVER, inflated assets, omitted or misrepresented liabilities, and misrepresented the source of down payments so that he could refinance existing properties.

All in violation of Title 18 U.S.C. § 1349.

COUNTS 31-38

Bank Fraud

(Violation of 18 U.S.C. § 1344)

52. Paragraphs 1 through 39 of this indictment are re-alleged and incorporated by reference as though fully set forth herein.

53. On or about the dates specified below, in the District of Arizona and elsewhere, each instance being a separate count of this indictment, defendants J. HOOVER and B. HOOVER knowingly executed, and attempted to execute, a scheme and artifice to defraud a financial institution and to obtain any of the moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, a financial institution by means of materially false and fraudulent pretenses, representations, promises, and omissions.

PURPOSE OF THE SCHEMES AND ARTIFICES

54. It was a purpose of the schemes and artifices that the defendants J. HOOVER and B. HOOVER would borrow money from banks and credit unions using false or misleading claims on loan applications and personal financial statements.

55. The counts of Bank Fraud are as follows:

Count	Transaction	Date	Description of Misrepresentation
31	$5,000,000 construction loan to El Rio Country Club, LLC, as business based in Mohave Valley, Arizona, from Wells Fargo Bank, NA, for which JKH	09/01/2005	JKH and DBH signed an agreement stating that there had been no material adverse change in their financial condition since the most recent financial statement received by the Bank. They also reaffirmed (among other documents) the loan agreement dated June 13, 2005,

	and DBH were Guarantors		which required them as guarantors to provide financial statements that fairly represented their financial condition and had been prepared in accordance with generally accepted accounting principles [Under Section 10.1-Financial Information].
32	Continuation of $5,000,000 construction loan to El Rio Country Club, LLC, as business based in Mohave Valley, Arizona, from Wells Fargo Bank, NA, for which JKH and DBH were Guarantors	04/19/2006	The bank received an updated statement of financial condition for JKH and DBH as of 12/31/2005. The statement reports total assets of $91,482,455, including balances of bank accounts that do not wholly belong to JKH or DBH. The statement also falsely claims that the bulk of the assets in JKH's and DBH's IRA accounts were invested in First Trust Deeds.
33	Continuation of $5,000,000 construction loan to El Rio Country Club, LLC, as business based in Mohave Valley, Arizona, from Wells Fargo Bank, NA, for which JKH	05/04/2007	The bank received an updated statement of financial condition for JKH and DBH as of 09/30/2006. The statement reports total assets of $100,351,009 including balances of bank accounts that do not wholly belong to JKH or DBH. The statement lists JKH's interest in each of the eight Mariposa Phases as

	and DBH were Guarantors		$320,000, and falsely claims that the property for Mariposa Phases V through VIII are free and clear.
34	Continuation of $5,000,000 construction loan to El Rio Country Club, LLC, as business based in Mohave Valley, Arizona, from Wells Fargo Bank, NA, for which JKH and DBH were Guarantors	06/30/2007	The bank received an updated statement of financial condition for JKH and DBH as of 06/30/2007. The statement reports total assets of $101,613,788 and includes the same false and misleading statements regarding bank balances, asset values, nature of IRA assets, and the status of Mariposa properties as the statements as of 09/30/2004, 12/31/2005 and 9/30/2006. JKH inflated the value of a parcel of land in Oregon at $3,087,000.
35	$220,000 Mortgage for JKH-DBH from Washington Mutual Bank, FA	08/15/2007	JKH and DBH signed a Form 1003, Uniform Residential Loan application that falsely stated that JKH received $50,000 per month in base employment income from his law offices in order to refinance a mortgage on a residence in Fort Mohave, Arizona and receive cash proceeds of about $22,833.
36	$156,000 mortgage for JBH from Washington	11/01/2007	JBH signed a Form 1003, Uniform Residential Loan Application that

	Mutual Bank, FA		falsely represented that JBH made $20,000 per month from base employment income with Diamond BE, LLC and $5,000 per month in bonuses.
37	$232,000 mortgage for JBH from Los Angeles Federal Credit Union	05/03/2010	JBH provided a signed statement from the seller stating $68,000 had been paid by JBH to MG in cash outside of escrow and obtained financing with a loan application that included claim that an un-borrowed down payment of $60,000 had been made. JBH also signed an amendment dated 04/02/2010 to the purchase contract stating the seller, MG, had made over $60,000 in improvements to the house acquired on 03/10/2010 and listing 15 improvements the seller had made. Based on these representations, the value and sales price of the home were determined to be $290,000.
38	$101,250 mortgage for SG and MG from Los Angeles Federal Credit Union	11/14/2012	SG and MG sign a loan application that includes a false claim that they have made an un-borrowed down payment of $40,000 towards the purchase of a property in Mohave

			Valley for $150,000 from Newport Land & Investments, LLC.

All in violation of 18 U.S.C. § 1344.

COUNTS 39-40

(Structuring Financial Transactions)

(31 U.S.C. § 5324(a))

Introduction

56. Five days before J. HOOVER filed for bankruptcy, B. HOOVER opened a business bank account, known as Diamond BE, LLC, at JP Morgan Chase in Mohave Valley, Arizona.

57. Two months after J. HOOVER filed for bankruptcy, B. HOOVER opened a business bank account, known as Newport Land and Investments, at JP Morgan Chase in Mohave Valley, Arizona.

58. From May 3, 2011, through July 14, 2011, B. HOOVER structured $79,000 in cash withdrawals from the two aforementioned accounts. JP Morgan Chase mailed B. HOOVER a Structuring Warning Letter on July 11, 2011 to the address B. HOOVER used to open the account, which is also the address of J. HOOVER and D. HOOVER.

59. On or about the dates below, in the District of Arizona and elsewhere, B. HOOVER did knowingly and for purpose of evading the reporting requirements of 31 U.S.C. § 5313, and the regulations promulgated thereunder, structure and assist in structuring currency transactions with one or more domestic financial institutions, and did knowingly cause and attempt to cause a domestic financial institution to fail to file a Currency Transaction Report, as set forth in the following charts:

COUNT 39

Diamond BE LLC – B. HOOVER - Chase Bank

Count	Account	Date	Amount	Description
39	XXXXX5018	5/5/2011	$ (5,000.00)	Cash Withdrawal

	XXXXX5018	5/9/2011	$ (5,000.00)	Cash Withdrawal
	XXXXX5018	5/11/2011	$ (5,000.00)	Cash Withdrawal
		Total	$ (15,000.00)	

COUNT 40

Newport Land & Investments – B. HOOVER - Chase Bank

Count	Account	Date	Amount	Description
40	xxxxx4953	5/3/2011	$ (5,000.00)	Cash Withdrawal
	xxxxx4953	5/5/2011	$ (5,000.00)	Cash Withdrawal
	xxxxx4953	5/11/2011	$ (5,000.00)	Cash Withdrawal
	xxxxx4953	5/17/2011	$ (5,000.00)	Cash Withdrawal
	xxxxx4953	5/20/2011	$ (5,000.00)	Cash Withdrawal
	xxxxx4953	6/1/2011	$ (6,000.00)	Cash Withdrawal
	xxxxx4953	6/2/2011	$ (6,000.00)	Cash Withdrawal
	xxxxx4953	7/5/2011	$ (6,000.00)	Cash Withdrawal
	xxxxx4953	7/7/2011	$ (5,000.00)	Cash Withdrawal
	xxxxx4953	7/11/2011	$ (5,000.00)	Cash Withdrawal
	xxxxx4953	7/12/2011	$ (5,000.00)	Cash Withdrawal
	xxxxx4953	7/14/2011	$ (6,000.00)	Cash Withdrawal
			Total	$ (64,000.00)

All in violation of 31 U.S.C. § 5324(a).

Introduction to Counts 41-52

60. In 2007, J. HOOVER was heavily indebted to a number of banks, including M&I Marshall and Isley Bank and Wells Fargo Bank, N.A., based upon personal obligations and guarantees of debts in the name of J. HOOVER's entities. At that time, J. HOOVER'S promissory notes and deeds of trust were in default and many investors in J. HOOVER's various projects were demanding returns of their capital.

61. By 2009, several lawsuits and foreclosure proceedings were being filed by J. HOOVER's creditors, including several banks and individual investors, such as T. H. and J. F., against J. HOOVER, D. HOOVER, and their related entities.

62. In late 2007, in the midst of J. HOOVER'S numerous real estate development projects and impending lawsuits, J. HOOVER caused the formation of a Delaware company called Equity Capital Lenders, LLC ("ECL"). Nominal ownership of ECL was originally held by D.B. Later, on about January 2010, B. HOOVER acquired a nominal ownership interest in ECL as well. J. HOOVER held out ECL as a "lending business" but J. HOOVER testified under oath that he did not know how ECL obtained any capital to fund loans and that he did not know of other borrowers from ECL besides himself and D. HOOVER.

63. By 2009, when J. HOOVER was aware of the growing seriousness of his financial problems based upon the lawsuits, claims, and collection efforts being made by banks, investors, and other creditors, J. HOOVER was diverting funds he was receiving on behalf of his various corporate entities and funds he was receiving from various personal real estate rental activities, as well as commissions being earned in connection with real estate investment activity, into financial accounts held in the name of ECL.

64. By the time that J. HOOVER and D. HOOVER filed for bankruptcy in early 2011, they had unfettered access to and unrestricted use of funds being held in financial accounts in the name of ECL and they regularly used funds from ECL accounts for the benefit of their family and themselves, paying substantially all of their regular personal living expenses with funds from ECL accounts. J. HOOVER claimed that his and D. HOOVER's use of ECL funds were considered loans even though J. HOOVER did not keep track of the precise amounts or dates of such "loans".

Overview of Chapter 7, Title 11, United States Code

65. Chapter 7 of the Bankruptcy Code was enacted to assist the honest but unfortunate debtor in getting a "fresh start" from burdensome debts. That fresh start is accomplished

by the Bankruptcy Court's entry of an order of discharge, which forever releases the debtor from liability for certain debts and prohibits the creditors from ever taking any actions to collect on those debts.

66. A Chapter 7 bankruptcy is also known as a "straight bankruptcy" or liquidation. The filing of a Chapter 7 petition automatically creates the bankruptcy "estate," which consists of all of the debtor's legal and equitable interests in property as of the date of the filing of the petition.

67. A Chapter 7 case begins with the filing of a petition with the Bankruptcy Court. When a petition is filed, the debtor immediately receives an automatic stay, or injunction, that prohibits creditors from pursuing any further collection activity and that prevents creditors from initiating or continuing any lawsuits, wage garnishments, levies, or even telephone calls demanding payment.

68. At the same time, upon the filing of the petition, the "estate" is created and all of the debtor's legal and equitable interests in property as of that date are vested in the estate. The debtor is thereafter prohibited from selling or otherwise disposing of the non-exempt estate assets unless the trustee abandons the property or sells the property back to the debtor. Ordinarily, the trustee will sell the assets and distribute the proceeds pro rata among the debtor's creditors.

69. If a creditor has a valid lien on specified property of the debtor to secure a debt owed by the debtor to the creditor, the creditor is secured and is entitled to either recover the property or receive payment in the amount representing the fair market value of the property up to the amount of the debt owed. If the debt owed is more than the value of the property, the debt is under secured and the property subject to the lien is generally not available to satisfy the other creditors' debts. If the debt owed is less than the value of the secured property, the debtor will have equity in the property in the amount of the difference between the value of the property and the amount of the debt that is secured by

the lien on the property. In that case, the value of the debtor's equity in the property is theoretically available to pay debtor's creditors in a Chapter 7 case.

70. After the bankruptcy petition is filed, the debtor is required to file with the Bankruptcy Court a schedule of assets and liabilities. The debtor's schedule of assets and liabilities is generally provided on forms provided by the Bankruptcy Court and is separated into lettered sections, such as Schedule A consisting of the debtor's interests in any real property. Other items of information required in the schedules include the following:

a. A list of all personal property assets of the debtor on Schedule B;

b. A list of all creditors with the amounts and nature of the debts owed by debtor on Schedules D, E, and F; and

c. A detailed list of the debtor's monthly income and living expenses on Schedules I and J.

71. The debtor is also required to file a statement of financial affairs, which is referred to as the "SOFA", on which the debtor is required to divulge specifically requested information pertaining to the debtor's financial affairs and transactions before the bankruptcy filing.

72. Between 21 and 40 days after the petition is filed, the trustee will hold a meeting of creditors at which the debtor is questioned under oath. The meeting is commonly referred to as the "341 meeting" after the Bankruptcy Code statute, section 341, dictating that the meeting take place. Creditors are allowed to appear at the 341 meeting and ask the debtor questions about his assets, liabilities, and financial affairs.

73. After the 341 meeting, the trustee administers the case. If all of the debtor's assets are exempt or are subject to valid liens securing debts that exceed the value of the secured asset, the case is a "no asset" case and there will be no distribution to creditors. If there are nonexempt assets not subject to valid liens, then the trustee will marshal, or collect, and sell those assets for the benefit of creditors. Once the trustee has made all

distributions to creditors, any debts that remain unpaid are typically discharged. Under some circumstances, such as fraud, however, the Bankruptcy Court may refuse to grant the debtor a discharge.

74. In a Chapter 7 case, any property newly acquired by the debtor after the filing of the bankruptcy petition is not included in the estate, and, therefore, is not subject to being sold by the trustee to pay creditors. Assets in which the debtor had any legal or equitable interest as of the bankruptcy filing are included within the estate and, therefore, may not be sold or otherwise disposed of by the debtor once the case is commenced. In short, those assets no longer belong to the debtor and the debtor no longer has a right to sell those assets unless and until the trustee abandons the property or sells the property back to the debtor.

75. The Bankruptcy Court can deny a debtor a discharge if it finds that, with the intent of hindering, delaying, or defrauding the creditors in bankruptcy, the debtor failed to disclose the debtor's interest in any property at the commencement of the case.

76. It is the debtor's duty under the U.S. Bankruptcy Code to cooperate with the trustee in achieving the goal of liquidating the debtor's non-exempt assets in an efficient manner in order to maximize the return to debtor's creditors. A debtor's failure to cooperate with the trustee, for example, by hiding assets or providing false information to the trustee, may also serve as the basis for the Bankruptcy Court to deny the debtor a discharge in bankruptcy.

The Defendants' Bankruptcy Fraud Scheme

77. By December 2010, the HOOVERS were facing multiple lawsuits, foreclosures, creditors' claims, and collection activities.

78. On about December 10, 2010, just about one month before their bankruptcy filing, the HOOVERS received a tax refund in the form of a check dated December 7, 2010 and made payable to the HOOVERS by the United States Treasury in the amount of $158,238.

79. On December 14, 2010, exactly one month before the bankruptcy filing, the HOOVERS endorsed their entire tax refund check of $158,238 to S.W., a California attorney who leased office space at the HOOVERS' commercial property located at XXXXX S. Birch Street, Newport Beach, California.

80. The endorsement of the HOOVERS' tax refund specified that S.W. was to retain $100,000 as repayment of a purported loan from S.W. and that S.W. would be directed by future correspondence as to how to disburse the remaining $58,238.

81. J. HOOVER subsequently instructed S.W. to transfer the remaining balance of the tax refund, totaling $58,238, to an escrow account held at Pioneer Title Agency in Bullhead City, Arizona, Escrow No. XXXX1830 – 031 – DEY (the "Pioneer Escrow Account").

82. Thereafter, on January 5, 2011, 9 days before the bankruptcy filing, J. HOOVER directed Pioneer Title Agency to wire transfer the net proceeds of the escrow account to a JPMorgan Chase Bank account held in the name of ECL.

83. In order to conceal that the source of the transfer of $58,238 from the Pioneer Escrow Account came directly from a portion of the HOOVERS' personal tax refund, J. HOOVER devised a scheme whereby it was made to appear as if the transfer represented funds received as part of a larger loan by the "Soto Family Trust" to ECL.

84. J. HOOVER effectuated the foregoing scheme by directing his son, B. HOOVER, purportedly on behalf of ECL, to issue a Promissory Note Secured by Deed of Trust, in the amount of $180,000 payable by ECL to the Soto Family Trust on December 28, 2010.

85. The purported loan from the Soto Family Trust to ECL was set out in escrow and transfer documents, which were made to appear as though the Soto Family Trust was advancing a $180,000 cash loan to ECL, which was deposited into ECL's JP Morgan Chase Bank account ending 7706. Of that $180,000 amount, however, $58,238 consisted of $58,238 from the HOOVERS' $158,238 tax refund, which was transferred first to S.W., then to the Pioneer Escrow Account, and finally to the ECL JP Morgan Chase

Bank account. Another $21,762 was funded by the borrower, ECL, itself coming from Horizon Community Bank account ending 0540, over which J. HOOVER held signatory authority. Only $100,000 of the "loan" may have come from the Soto Family Trust. D. HOOVER held signatory authority over the ECL JP Morgan Chase Bank account, ending 7706, to which the purported loan funds were transferred.

86. This entire transaction, by which at least $58,000 of personal tax refunds payable to the HOOVERS was transferred to ECL, was completed just eight days before the HOOVERS' bankruptcy filing.

87. The funds in the JP Morgan Chase Bank account ending 7706 were routinely transferred to a second account at JP Morgan Chase Bank, ending 7775, over which D. HOOVER also held signatory authority. D. HOOVER routinely used the funds in the JP Morgan Chase Bank account ending 7775 to pay the HOOVERS' living expenses, shopping at luxury stores including Neiman Marcus, Saks Fifth Avenue, Bergdorf Goodman, staying at luxury hotels including the Four Seasons in Las Vegas and Florida, the Fairmont Princess in Scottsdale, Arizona, and paying Newport Beach, Big Canyon Country Club dues, among other expenses.

88. In about December 2010, J. HOOVER and D. HOOVER received another federal tax refund check dated December 7, 2010 and made payable to the HOOVERS by the United States Treasury in the amount of $63,697.85.

89. On December 23, 2010, J. HOOVER and D. HOOVER endorsed and deposited their $63,697.85 federal tax refund check into Horizon Community Bank account number ending 0540 held in the name of ECL.

90. The Defendants effectuated the foregoing scheme to conceal their receipt and transfer to ECL of personal federal tax refunds in excess of $220,000 on the eve of their bankruptcy filing.

<u>The HOOVERS' Bankruptcy Proceedings</u>

91. On January 14, 2011, the HOOVERS filed a voluntary Chapter 7 bankruptcy petition in the United States District Court for the District of Arizona under case number 0:11-01119-RJH.

92. On February 4, 2011, the HOOVERS filed with the Bankruptcy Court Schedules of Assets and Liabilities and a Statement of Financial Affairs ("SOFA") in their bankruptcy case. The HOOVERS each individually signed the Schedules and SOFA under penalty of perjury.

93. In their Schedules and SOFA, the HOOVERS attested under oath to the following, among other things:

a. That on the date of the bankruptcy filing, the HOOVERS held ownership interests in ten parcels of real property located in Arizona, California, and Texas;

b. That on the date of the bankruptcy filing, seven of the ten parcels of real property identified on Schedule A were encumbered by liens in favor of ECL;

c. That as a result of the value of the real properties on the date of the bankruptcy filing in combination with the value of the liens held by ECL, the HOOVERS had no equity in the value of those seven parcels of real property on which ECL held liens;

d. That on the date of the bankruptcy filing, the only financial accounts in which they had any interest were a Charles Schwab Bank Trust account with a zero balance and a Whittier Municipal Employees Credit Union account with an $86.44 balance;

e. That on the date of the bankruptcy filing, they owned household goods and furnishings, including audio, video, and computer equipment, with a total value of just $8,000;

f. That on the date of the bankruptcy filing, they owned art objects, antiques, and other collectibles with a value of just $200;

g. That on the date of the bankruptcy filing, they owned jewelry with a total value of just $1,000;

h. That they owed secured debt to ECL;

i. That their two Mercedes vehicles were subject to liens securing debt owed to a company called Atlantic Auto Finance and that the amount of debt to Atlantic Auto Finance exceeded the value of the Mercedes vehicles;

j. That within ninety days before the bankruptcy filing, they had made no payments to any creditors in excess of $5,000;

k. That within one year before the bankruptcy filing, they had made no payments to any creditors who are insiders, which includes family members, companies owned or controlled by the HOOVERS, and companies owned by any of their family members;

l. That they had made no gifts in excess of $200 in value to anyone within one year before the bankruptcy filing;

m. That they had transferred no property, either absolutely or as security, within two years before the bankruptcy filing;

n. That they had transferred no property to a self-settled trust or similar device of which the HOOVERS were beneficiaries within ten years before the bankruptcy filing;

o. That there had been no setoffs made by any creditors against a debt owed by the HOOVERS within 90 days before the bankruptcy filing;

p. That they held or controlled no property owned by another person.

94. J. HOOVER claimed on a financial statement dated June 30, 2007, that his and D. HOOVER's net worth as of that date, consisting of the value of total personal assets less total personal debts, was $93,058,101.00. Just three and a half years later, J. HOOVER and D. HOOVER attested under oath on their bankruptcy pleadings that their net worth as of January 14, 2011, was zero.

95. On or about May 12, 2011, B. HOOVER signed and filed a proof of claim purportedly on behalf of ECL, claiming that J. HOOVER and D. HOOVER owed ECL at least $3.1 million secured by valid liens on the HOOVERS' property, including real estate.

J. HOOVER'S Ownership and Control of ECL

96. As a result of J. HOOVER'S dominion and control over, access to, and use of ECL funds, at the time of the bankruptcy filing, J. HOOVER had constructive ownership and control of ECL and its financial accounts.

97. The HOOVERS knowingly and fraudulently concealed from the trustee of their estate, and from creditors, the United States Trustee, and the Bankruptcy Court, J. HOOVER's beneficial and proprietary interest in ECL, by failing to disclose that ownership and interest on their verified Schedules and SOFA in their bankruptcy case.

98. In contemplation of bankruptcy and in order to deprive creditors of any means to recover their debts, the HOOVERS transferred substantial sums of cash and property to ECL. At the time of the bankruptcy, the HOOVERS had unfettered, unrestricted access to and use of ECL assets, including funds in financial accounts in the name of ECL. The only discernible reason for the transfer of funds and assets to ECL was to shield the HOOVERS' personal assets from potential creditors and later from the scrutiny of the bankruptcy court and interested parties.

99. By the time the bankruptcy was filed, ECL was a sham entity whose separate status as a legal entity should have been disregarded because ECL was merely the alter ego or business conduit of J. HOOVER. As such, the HOOVERS were required to disclose not only their beneficial interest in ECL but the individual assets of ECL.

Atlantic Auto Finance

100. In June 2007, the HOOVERS owned a 2006 Bentley Flying Spur automobile. At that time, the Bentley was subject to a lien securing debt in the amount of about $136,000 owed by the HOOVERS to JP Morgan Chase Bank. At some point in 2008, the debt to

JP Morgan Chase Bank securing the Bentley was paid off and the HOOVERS held title of the Bentley free and clear of any liens.

101. In 2010, the HOOVERS sold the Bentley for $90,000. Less than three months before the bankruptcy filing, J. HOOVER testified under oath that he and D. HOOVER had been living on and spending the $90,000 received from the sale of the Bentley.

102. The HOOVERS never disclosed the sale of the Bentley on their SOFA, including specifically Item #10 of SOFA.

103. During the course of the bankruptcy proceedings, the Chapter 7 trustee discovered that in June 2010, the Bentley had been sold to a third party for $90,000. The trustee then asked the HOOVERS to explain the circumstances of that sale, why it had not been disclosed on their SOFA, and where the money had gone.

104. In response to the Chapter 7 trustee's inquiries, B. HOOVER represented that at the time the Bentley was sold in June 2010, the Bentley was not owned by the HOOVERS individually, but was owned by the Hoover "family limited partnership," which was established in 2008 and of which B. HOOVER was a 50% partner, the HOOVERS were 25% partners, and B. HOOVER'S sister, E.H., was a 25% partner.

105. B. HOOVER claimed that ownership of the Bentley had been transferred by the HOOVERS to the family limited partnership in January 2009. Documents reveal that at the same time, in about January 2009, the HOOVERS recorded liens against the Bentley in favor of an entity called Atlantic Auto Finance in exchange for a purported loan by Atlantic Auto Finance in the amount of $100,000. Despite requests by the Chapter 7 trustee for documentation to substantiate that Atlantic Auto Finance had actually loaned money to J. HOOVER, D. HOOVER, or the HOOVERS' family limited partnership, no such documentation was ever provided.

106. According to B. HOOVER, Atlantic Auto Finance was the name under which business was conducted by an entity called North Carolina Renewables LLC, which was a wholly-owned subsidiary of ECL. North Carolina Renewables, LLC was registered in

2007 as a Delaware corporation whose principal offices were located in the HOOVERS' commercial property located at S.W. Birch Street in Newport Beach, California. The corporate registration documents filed on behalf of North Carolina Renewables, LLC were signed by J. HOOVER.

107. B. HOOVER further represented to the Chapter 7 trustee that when the family limited partnership sold the Bentley in June 2010 for $90,000, that money was used to pay off $90,000 of the purported loan from Atlantic Auto Finance (on behalf of North Carolina Renewables, LLC) and that the remaining $10,000 of that debt was written off as bad debt by Atlantic Auto Finance's parent company, ECL.

108. Bank documents reveal that, on about June 17, 2010, the $90,000 received from the sale of the Bentley was deposited directly into a JP Morgan Chase Bank account held in B. HOOVER's name.

109. The HOOVERS attested under oath on Schedule D of their bankruptcy Schedules that their two Mercedes Benz vehicles which they owned free and clear of any liens as of June 2007 were subject, at the time of the bankruptcy filing, to liens in favor of Atlantic Auto Finance. The liens placed on the Mercedes Benz vehicles in favor of Atlantic Auto Finance were also put into place in January 2009, at a time when the HOOVERS were facing multiple lawsuits, creditors' claims, and collection activities.

110. The HOOVERS failed to disclose in their bankruptcy case that Atlantic Auto Finance was the "doing business as" or "dba" name of an North Carolina Renewables, LLC, in which J. HOOVER claimed to have an ownership interest. The address provided by the HOOVERS on Schedule D for Atlantic Auto Finance is located at an address in Lynchburg, Virginia. During the course of the HOOVERS bankruptcy, a subpoena directed to Atlantic Auto Finance at the address provided by the HOOVERS was returned with the notation that there was no business at that address. The Chapter 7 trustee subsequently investigated and discovered that the address listed for Atlantic Auto Finance was a personal residence owned by an individual, M.W., who appeared to have

no connection with Atlantic Auto Finance.

The Estate or "Garage" Sale

111. At the time of the bankruptcy filing, the HOOVERS declared that they owned household goods and furnishings worth approximately $8,000 and books, pictures, other art objects, antiques, and collections worth approximately $200.

112. The entire value of the HOOVERS' household goods and furnishings was declared by the HOOVERS to be exempt from creditors' claims in bankruptcy under an Arizona statute which said, at the time, that each debtor was entitled to keep up to $4,000 worth of household goods and furnishings without having to turn those assets over to creditors. The HOOVERS claimed a total combined exemption amount of $8,000 under the Arizona statute.

113. Based on the values that the HOOVERS listed for all of their assets, both real estate and personal property, and based upon the exemptions claimed by the HOOVERS, the HOOVERS had a "no asset" estate insofar as all of their assets were either exempt from creditors or fully secured by liens in favor of, among others, ECL or Atlantic Auto Finance (as in the case of the two Mercedes vehicles).

114. Consequently, based on what the HOOVERS disclosed in their bankruptcy documents, there would have been no non-exempt assets available to pay any creditors any portion of the HOOVERS' debts in bankruptcy.

115. At the time of the bankruptcy filing, the HOOVERS in fact owned household goods and furnishings and other personal property assets in excess of the values stated in the bankruptcy schedules, including but not limited to, two crystal chandeliers, a Steinway grand piano, a custom pool table, and family heirlooms (the "undisclosed assets").

116. The HOOVERs knowingly and fraudulently concealed the undisclosed assets from the Chapter 7 trustee, the U.S. Trustee, the creditors, and the Bankruptcy Court upon the filing and during the course of the bankruptcy case.

117. In about November 2012, during the course of the HOOVERS' bankruptcy proceedings, while the Chapter 7 trustee was undertaking efforts to collect and sell estate assets for the benefit of creditors, the HOOVERS advertised that they would be holding an "estate sale," in the nature of a garage or yard sale, in Bullhead City, Arizona.

118. In about November 2012, the HOOVERS conducted the estate sale by selling thousands of dollars' worth of undisclosed assets that had been intentionally and fraudulently concealed from their bankruptcy estate.

COUNT 41

Conspiracy to Commit Bankruptcy Fraud

(Violation of 18 U.S.C. § 371)

119. Paragraphs 1-39 and 60-118 are re-alleged and incorporated as if fully set forth herein.

120. From on or about late 2010, and continuing thereafter until April 22, 2014, in the District of Arizona and elsewhere, defendants J. HOOVER, B. HOOVER, and D. HOOVER conspired, confederated, and agreed with each other to commit the following offenses against the United States:

a. Concealment of Assets in violation of 18 U.S.C. § 152(1);

b. False Testimony in a Bankruptcy Proceeding in violation of 18 U.S.C. § 152(2);

c. False Declarations in a Bankruptcy Proceeding in violation of 18 U.S.C. § 152(3);

d. Fraudulent Transfer and Concealment of Property in Contemplation of Bankruptcy in violation of 18 U.S.C. § 152(7); and

e. False Proof of Claim in violation of 18 U.S.C. § 152(4).

121. Overt acts were committed in furtherance of the conspiracy, including but not limited to the overt acts listed in paragraphs 60-118.

All in violation of 18 U.S.C. § 371.

COUNT 42

Concealment of Assets in Bankruptcy Proceeding

(Violation of 18 U.S.C. § 152(1))

122. Paragraphs 1-39 and 60-121 are re-alleged and re-incorporated as if fully set forth herein.

123. On or about February 4, 2011 in the District of Arizona, the HOOVERS knowingly and fraudulently concealed from a custodian, trustee, marshal, and other officer of the court charged with the control and custody of property, and in connection with a case under title 11, from creditors and the United States Trustee, the following property belonging to the estate of a debtor, by failing to disclose in their Schedules and/or SOFA the following assets:

Source/Date of Concealment	Assets Concealed
Schedules filed on February 4, 2011 [Doc #18]	One crystal chandelier originally kept at the HOOVERS' Newport Beach home
	A second crystal chandelier also originally kept at the HOOVERS' Newport Beach home
	A Steinway grand piano original kept at the HOOVERS' Newport Beach home
	A custom made pool table located at the HOOVERS' residence in Bullhead City, Arizona
	J. HOOVER's collection of framed one hundred dollar bills and one thousand dollar bills
	All of the undisclosed assets that were owned by the HOOVERS at the time of the bankruptcy and that were later held out for sale

	at the HOOVERS' personal estate sale in about November 2012
	Bank accounts in the name of ECL to which the HOOVERS had unfettered access and unrestricted use
	J. HOOVER's ownership interest in ECL
	Cash proceeds remaining from the more than $220,000 worth of tax refunds that the HOOVERS received within one month before the bankruptcy filing
	J. HOOVER'S ownership interest in an entity called Oregon Pines, LLC, which owned 2,000 of land in Klamath County, Oregon at the time of the bankruptcy filing
	J. HOOVER'S ownership interest in an entity called Rancho San Juan Commercial, LLC, which owned a parcel of land in the area of Needles, California
	All of the undisclosed personal property assets that were owned by the HOOVERS at the time of the bankruptcy, that were later seized by federal agents pursuant to search and seizure warrants executed on April 22, 2014, and that are itemized in the forfeiture allegation under personal property description of this indictment.

	The value of J. HOOVER's ownership interest in and ongoing business of the entity called Hoover Brothers Rentals ("HBR"), which owned two parcels of land on Aztec Road in Fort Mohave County, Arizona at the time of the bankruptcy filing and which, at the time of the bankruptcy filing, was the majority owner of Rancho San Juan Commercial, LLC, which in turn over 45 acres of property in Needles, California at the time of the bankruptcy filing
	J. HOOVER's ownership, proprietary, and equitable interest in and control of Equity Capital Lenders, LLC ("ECL") and its assets, which included at the time of the bankruptcy a note and deed of trust secured by real property located at 444 Montezuma in Prescott, Arizona

All in violation of 18 U.S.C. § 152(1).

COUNTS 43-45

False Testimony in a Bankruptcy Proceeding

(Violation of 18 U.S.C. § 152(2))

124. Paragraphs 1-39 and 60-123 are re-alleged and re-incorporated as if fully set forth herein.

125. On or about the dates set forth below, each instance being a separate count of the indictment, in the District of Arizona, the HOOVERS knowingly and fraudulently made a false material oath and account in and in relation to any case under title 11:

Count	Source/Date of False Statement	False Statement

43	May 12, 2011 Examination under Oath of J. HOOVER in connection with 0:11-bk-01119-RJH	That J. HOOVER had no ownership interest in ECL
44	May 12, 2011 Examination under Oath of J. HOOVER in connection with 0:11-bk-01119-RJH	That J. HOOVER was a borrower/debtor of ECL
45	May 12, 2011 Examination under Oath of J. HOOVER in connection with 0:11-bk-01119-RJH	That all funds utilized by the HOOVERS coming from ECL accounts were legitimate loans from ECL to the HOOVERS

All in violation of 18 U.S.C. § 152(2).

COUNTS 46-47

False Declarations in a Bankruptcy Proceeding

(Violation of 18 U.S.C. § 152(3))

126. Paragraphs 1-39 and 60-125 are re-alleged and re-incorporated as if fully set forth herein.

127. On or about the dates set forth below, in the District of Arizona, the HOOVERS knowingly and fraudulently made a false declaration, certificate, verification, and statement under penalty of perjury, as permitted under Title 28, United States Code, Section 1746, in and in relation to any case under title 11:

Count	Source/Date of False Declaration	False Statements within the Declaration
46	February 4, 2011 Schedules filed in bankruptcy case 0:11-bk-01119-RJH [Doc #18]	That ECL held valid liens securing legitimate debt with respect to certain of the HOOVERS' real estate holdings
		That J. HOOVER had no ownership or interest in ECL

		That the HOOVERS had no ownership of or interest in any financial accounts held in the name of ECL
		That on the date of the bankruptcy filing the HOOVERS had zero cash on hand
		That on the date of the bankruptcy filing, the HOOVERS held ownership of or interests in just two financial accounts with a total combined balance of $86.44
		That on the date of the bankruptcy filing, the HOOVERS owned household goods and furnishings worth just about $8,000
		That on the date of the bankruptcy filing, the HOOVERS owned art and collectibles worth just about $200
		That the HOOVERS owed genuine debts to ECL
		That the HOOVERS' two Mercedes vehicles were fully encumbered by valid liens held to secure genuine debt owed by the HOOVERS to Atlantic Auto Finance
		That J. HOOVER had no ownership in an entity called Oregon Pines, LLC
		That the HOOVERS owed no debt, by virtue of a guaranty of debt incurred by SCI Terre D'Argent ("SCI"), to the French

		bank Union de Credit pour le Batiment ("UCB"), a BNP Paribas company and to BNP Parbas Personal Finance
		That SCI was not a co-debtor of the HOOVERS.
		That the value of the HOOVERS' interest in SCI at the time of the bankruptcy filing was zero.
		That on the date of the bankruptcy filing, J. HOOVER and D. HOOVER owned furs and jewelry worth just about $1,000
		That there was no value to the HOOVERS' interest in HBR, which owned two parcels of land on Aztec Road in Mohave County, Arizona and which owned a majority, controlling interest in Rancho San Juan Commercial, LLC, which in turn owned over 45 acres of land in Needles, California at the time of the bankruptcy filing.
		That on the date of the bankruptcy filing, the HOOVERS had no interest in ECL and all of its assets, including among other things a note and deed of trust secured by real property located at 444 Montezuma in Prescott, Arizona, which had value at time of the bankruptcy filing.

47	February 4, 2011 Statement of Financial Affairs filed in bankruptcy case 0:11-bk-01119-RJH [Doc #19]	That the HOOVERS made no payments in excess of $5,000 to any creditors within 90 days before the bankruptcy filing
		That the HOOVERS had transferred no property, either absolutely or as security within two years before the bankruptcy filing
		That the HOOVERS transferred no property to a self-settled trust or similar device of which the HOOVERS were beneficiaries within ten years before the bankruptcy filing
		That there had been no setoffs made by any creditors against a debt owed by the HOOVERS within 90 days before the bankruptcy filing

All in violation of 18 U.S.C. § 152(3).

COUNTS 48-51

Fraudulent Transfer and Concealment of Property in Contemplation of Bankruptcy

(Violation of 18 U.S.C. § 152(7))

128. Paragraphs 1-39 and 60-127 are re-alleged and re-incorporated as if fully set forth herein.

129. On or about the dates listed below, in the District of Arizona, the HOOVERS, in contemplation of a case under title 11 by and against the person and any other person and corporation, and with intent to defeat the provisions of title 11, knowingly and fraudulently transferred and concealed the following property:

Count	Source/Date of Transfer or	Property Transferred/Concealed

	Concealment	
48	December 2010	Tax refund of $158,238 transferred to S.W. and then to ECL
49	December 2010	Tax refund of $63,697.85 transferred to ECL
50	June 2010	$90,000 proceeds from sale of Bentley transferred to B. HOOVER
51	December 2010	Transferred numerous parcels of real property to ECL as part of claimed settlement of purported loan from ECL to J. HOOVER'S Individual Retirement Account

All in violation of 18 U.S.C. § 152(7).

COUNT 52

False Proof of Claim

(Violation of 18 U.S.C. § 152(4))

130. Paragraphs 1-39 and 60-129 are re-alleged and re-incorporated as if fully set forth herein.

131. On or about the date set forth below, in the District of Arizona, defendants J. HOOVER, B. HOOVER, and D. HOOVER knowingly and fraudulently presented a false claim for proof against the estate of a debtor, and used any such claim in any case under title 11, in a person capacity and as and through an agent, proxy, and attorney:

Count	Source/Date of False Claim	False Claim
52	May 12, 2011, Claim #118-1 filed in case 0:11-bk-01119-RJH	That the HOOVERS were legitimately indebted to ECL for debts exceeding $3 million and that such debt was secured by valid enforceable liens on property, including real property, owned by the HOOVERS

All in violation of 18 U.S.C. § 152(4).

COUNTS 53-54

Transactional Money Laundering

(Violation of 18 U.S.C. § 1957)

132. Paragraphs 1-31 and 60-131 of this Indictment are re-alleged and re- incorporated as if fully set forth herein.

133. On or about the below-listed dates, within the District of Arizona, the defendant, B. HOOVER, did knowingly engage and attempt to engage in a monetary transaction by through or to a financial institution, affecting interstate or foreign commerce, in criminally derived property of a value greater than $10,000, that is transfer of U.S. currency, such property having been derived from a specified unlawful activity, that is, concealment of assets in a bankruptcy proceeding, 18 USC § 152(1):

COUNT	DATE	BANK	TRANSACTION
53	10/25/2012	Chase Bank in Arizona	Transfer of $65,000 in cash from Newport Land & Investments at US Bank in Arizona to Chase Bank
54	5/16/2013	US Bank in Arizona	Transfer of $75,000 in cash from B. HOOVER's personal account at Chase Bank to attorneys' firm in Phoenix, Arizona to be used to pay the bankruptcy settlement and have the bankruptcy estate cease its efforts to obtain proceeds from the sale of the Paris Apartment.

All in violation of 18 U.S.C. § 1957.

FORFEITURE ALLEGATIONS

134. Pursuant to 18 U.S.C. § 981 and 982, 21 U.S.C. § 853, 28 U.S.C. § 2461(c), and

31 U.S.C. § 5317, and upon conviction of one or more of the offenses in Counts 1-54 of this Indictment, Defendants J. HOOVER, B. HOOVER, and D. HOOVER so convicted shall forfeit to the United States, all right, title, and interest in any and all property, real and personal, involved in such offenses, or any property traceable to such property involved in each offense, or conspiracy to commit such offense, including the following: (a) all money or other property that was the subject of each transaction, transportation, transmission or transfer in violation of a statute listed in Title 18, United States Code, Section 982, (b) all other property constituting proceeds obtained as a result of those violations, and (c) all property used in any manner or part to commit or to facilitate the commission of those violations including, but not limited to the sum of money representing the amount of money involved in the offense(s) and the property named below.

Personal Property Description

1	Faux pearl bracelet and necklace
1	10k yellow gold class ring 1942 with "W"
1	14k yellow gold bracelet
1	14k yellow gold thick rope bracelet
1	14k yellow gold charm bracelet with 21 charms
1	14k yellow gold textured open work bangle with safety chain
1	14k yellow gold triple style bangle
1	14k yellow gold diamond bangle set
1	18k white hinged gold bangle with diamonds from Mauboussin Paris
1	Sterling silver large bangle
1	Sterling silver baby bangle
1	14k yellow and white gold arrow and heart diamond brooch
1	14k saftey pin brooch with diamonds
1	Sterling silver pearl brooch

1	14k yellow gold Tick Tockers diamond charm
1	House charm with "HQH" letters set with diamonds
1	14k yellow gold enameled shoe charm set with diamonds
1	18k yellow gold round charm
1	18k yellow gold enameled Faberge Egg set with diamonds and internal heart on chain
1	18k gold diamond enamel shoe charm
1	Sterling silver charms
1	14k white gold black velvet ribbon diamond choker
1	14k pair of yellow gold puzzle piece cufflinks with diamonds
1	14k pair of yellow gold diamond and onyx ying and yang designed cufflinks
1	14k pair of yellow gold nugget style cufflinks
1	14k pair of yellow gold watermelon tourmaline cufflinks
1	14k pair of yellow gold house cufflinks with diamonds with "HQH"
1	14k pair of yellow gold bird style opal and diamond cufflinks
1	14k pair of yellow gold elephant cufflinks with small round emerald eyes
1	14k pair of yellow gold $2.5 dollar Indian quarter eagle coin cufflinks with diamond accents
1	14k yellow gold diamond single cufflink button style
1	14k pair of yellow gold Russian gold coin cufflinks with diamonds
1	18k pair of yellow gold cufflinks and boutonniere set with diamonds and onyx
1	18k pair of yellow gold blue sapphire and diamond cufflinks
1	18k pair of yellow gold serpentine cufflinks
1	Platinum set of l/10th ounce liberty coin cufflinks with diamonds

1	Pair of sterling silver yellow star cufflinks
1	14k pair of blue sapphire and diamond earrings
1	14k pair of white gold pearl earrings
1	14k pair of yellow gold swirl convertible hoop earrings
1	14k pair of yellow gold pearl and diamond earrings with 2 white pearls
1	18k pair of white gold carved light purple jade flower earrings with amethyst and diamonds
1	18k pair of white gold heart diamond earrings
1	18k pair of white gold invisible set diamond earrings with princess cut diamonds
1	18k pair of yellow gold diamond inside out hoops
5	Amethyst gem stones
5	Amethyst gem stones
2	Cushion cut aquamarine gem stones
1	Blue sapphire loose stone, abraded, medium dark blue
5	Citrine gem stones
3	Low grade green sapphire gem stones
3	Peridot gem stones
1	Oval cut pink sapphire gem stone
1	George W. Bush inauguration medallion
2	10k yellow gold charms, a cartouche and a 3 monkeys with Tiger's Eye sph
2	14k yellow gold scrap pieces
2	14k yellow gold necklaces, 1 pendant, 1 pair of earrings and 1 bracelet
1	2 pearl necklaces, 2 pearl eyeglass holders and 1 pearl bracelet
1	14k yellow nugget style money clip
1	14k yellow gold neckwire

1	14k yellow gold ends on black braided cord
1	14k yellow tanzanite and diamond omega necklace set with an antique cushion cut tanzanite
1	14k yellow gold rope necklace
1	18k amethyst and diamond necklace
1	18k bucherer coil necklace with diamonds
1	Pearl strand with pink overtones and 14k yellow gold clasp
1	Three strand pearl necklace
1	14k yellow gold rope chain, 2 S link chains, 1 cable chain and 1 lobster claw clasp
1	14k yellow gold green imperial jade cross pendant and pair of earrings with diamonds
1	One Eight Reales Mexico City Mint P Assayer
1	Helmet shell cameo set in 14k yellow gold bezel
9	14k yellow gold charms
1	14k yellow gold diamond leaf pendant with round brilliant cut diamond
1	1945 Dos Pesos gold coin sent in a 14k bezel pendant
1	14k yellow gold mother of pearl big "H" pendant
1	1925 $2.5 dollar gold coin set in a 14k yellow gold nugget style bezel
1	$10 1915 Indian head gold coin sent in a 14k yellow gold nugget style bezel
1	1925 Indian $2.5 dollar gold coin set in a 14k yellow gold diamond bezel
1	18k white gold chrysoprase and diamond pendant and dual enhancer
1	18k white gold diamond heart pendant
1	18k white gold diamond and purple jade pendant on cord

1	18k yellow gold bezel set with an oval layered blue agate carved cameo
1	18k yellow gold heart slide pendant
1	Gold nugget with 14k bale
1	14k white gold snowflake diamond pendant necklace
1	14k yellow gold amethyst pendant and chain
1	18k white gold heart pendant on a chain
1	18k yellow gold cartouche with chain
1	Emerald cut blue topaz
1	14k yellow gold letter "B" for Bentley red enamel pin
1	18k white gold diamond pin with brilliant cut diamonds
1	Sterling silver Wizard Fantasia Mickey Mouse with amethyst ball necklace
1	10k yellow gold star ruby and diamond ring
1	10k yellow gold hydrogrossular garnet ring
1	10k yellow gold with aquamarine solitaire ring
1	10k ruby ring (broken)
1	14k and 18k white top with diamonds ring
1	14k yellow gold hydrogrossular garnet and diamond ring
1	14k yellow gold ring with diamonds missing
1	14k yellow gold solitaire diamond ring
1	14k yellow gold band ring
1	14k yellow gold diamond solitaire ring with old mine cut center stone
1	18k white gold pave style diamond ring
1	18k white diamond square spiral ring with brilliant cut diamonds
1	18k white gold diamond and padparadscha sapphire ring
1	18k yellow gold tanzanite and diamond ring with center antique

	cushion
1	18k yellow gold diamond ring with round brilliant cut diamonds
1	18k yellow gold aquamarine and diamond ring
1	18k yellow gold emerald and diamond ring
1	Handmade 18k yellow gold ruby and diamond ring
1	Sterling silver ring with white colorless stone
1	10k yellow gold diamond tie tack with three brilliant cut diamonds
1	18k yellow gold pearl tie tack
1	Patek Phillipe 18k yellow gold and leather watch band
1	18k yellow gold watch links
1	14k ladies Bulova Dior watch with diamonds
1	18k white gold Vacheron Constantine Geneve watch with diamonds
1	18k yellow gold ladies Chanel watch with black rectangular dial
1	Girard Perregaux men's watch
1	14k yellow gold ladies Universal Geneve watch with diamonds
1	18k Cartier Pasha watch
1	18k Patek Phillipe Geneve Date Classic watch with leather band
1	Bucherer pocket watch with yellow tone metal
1	Longines men watch 1950's gold filled
1	Baron stainless steel men's watch
1	"Incoming Tide" signed by June Perkins Anderson 89
1	"Crystal by Candlelight" signed by Robert Johanningmeier
1	"The Birds Nest" signed by Emile Vernon
1	"French Farm Houses, June 30, 1963" signed by Mildred Schwarz
1	"Kannst Du Lesen?" signed by Franz Hanfstaengl
2	Framed prints of Italian country villas or Tuscany with possible signature of Sambataro

1	Framed silk depticting Hmong female with white hat playing instrument
1	Photograph engraving showing wine maker inspecting wine by Franz Hanfstaengl
1	Framed contemporary Russian religious icon in book-style display box
1	Framed ceramic painted tile of lady wearing a blue dress reading a book
1	Oil on canvas in the style of Hudson River School
2	Framed machine woven wall art titled "Asian Vases"
1	Framed mosaic of Grand Canal near St. Mark's Square and Doge's Palace
1	Oil on canvas of artist standing with brush painting a canvas
1	Oil on board of kitchen scene
3	Hand painted Walt Disney film cell of Winnie the Pooh
1	The Little Mermaid animation eel
1	Framed Walt Disney film reel titled "Curtsey to the Queen"
1	Framed Walt Disney film reel of Snow White and Bashful
1	Framed charcoal of women with child signed F. Lagrue 1879
1	"Lotta Impari" labeled "Vatican 1990"
1	Mixed media on paper of renaissance woman signed by M. Berber
1	Female bust
1	Walt Disney animation reel of Snow White, the prince and the dwarves
1	Oil on board of Venice, Italy with man and woman dancing
1	Mixed media on paper of girl playing a piano
1	Print of a coastal mountain village signed by Behrens 14/53
1	Acrylic on canvas of living room with a Chinese motif signed by

	Jacqueline Rochester
1	Wall mirror
1	Wingback-style occasional chair
2	Tan upholstered loveseats
1	Wood grain faux veneer laminate lamp/end table
1	Wood grain faux veneer laminate lamp/end table
1	Dining table with eight chairs
1	Floor ginger jar on ebony finish stair step base
1	Coffee table with beveled glass insert
1	Wood grain faux veneer laminate sofa/wall table
1	Wood grain faux veneer laminate wall console
1	Wood grain faux veneer laminate server
1	Two piece stained wood and wood grain china cabinet
1	Sterling silverware in box
1	Grey bin containing silver serving trays, pieces, containers and candlesticks
1	Black bin containing various crystal glasses, stemware, paperweights, ornaments, vases & pitcher
1	Black bin containing various crystal decanters, glasses, ice bucket with tongs and tray
1	Bacarrat crystal clock
1	Herend porcelain cup and saucer, dish/server and tray with same Queen Victorian pattern
1	Grey bin containing two Herend porcelain covered urns with Queen Victorian pattern
1	Chinese porcelain charger
1	White bin with silver tea caddies, metal cups, Mickey Mouse clock,

	brushes & other items
1	Brown bin with silver, brass and glass items such as plates, salt & pepper shakers, spoons & cups
1	Framed Asian silk, orange in color
1	White bin containing mismatched china dishes such as plates, serving pieces and vases
1	1 Black bin & 1 white bin, each with sets of china dishes to include plates, cups and serving dishes
1	Black bin containing glass bowls, candy dishes, relish dishes, trays, pitchers and pressed glass
1	Brown bin containing glass cake stand, stoneware plates, wine flutes and ice bucket
1	Black bin containing Waterford and Bacarrat tumblers, stemware and cocktail glasses
1	Black bin containing crystal and glass bowls, glasses, bell, glass eggs, glass candy & jars
1	French or Belgium framed tapestry
1	Pale green framed tapestry
1	Brass chandelier with benl arms and broken electrical
1	Black bin with plates, various dishes, bowls, teapot, wine coaster, ice bucket & lids
1	Black bin with Waterford crystal flutes, stemware and pressed crystal bowls, ashtray and glasses
1	Ancient looking coin from Jerusalem
16	Fifteen liberty dollars 1990 to 1992 and one 1925 peace dollar
24	Custom silver medallions in the names of John Brandon Hoover and Evin Hoover

1	One 1934 $1,000.00 US dollar bill and one 1934 $500.00 US dollar bill
1	Cancelled Planters Bank check #8315 for $177.00 dated 11 November 1852
1	Confederate $50.00 bill, Richmond, April 6,1863
1	Sterling silver to include blue box with earrings, two broachs, cufflinks & money clip from trunk
1	Unmarked metal items including cigarette case, keychain, earrings and medal from trunk
1	Two display boxes with bone jewelry from trunk
1	Dim sum box, vintage folding fan, Asian female figurine & silver plate sake set from trunk
1	Two original woodblock prints by Shote, Japan; various Asian themed silkscreens & prints from trunk
1	Three woodblock prints, two by Kunisada and one by Toyokuni from trunk
1	Asian-style fabrics including table cloths, napkins, buffet runners and doilies from trunk
1	Handpainted tea and rice set from trunk
1	War Department certificate to Ann C. Roe, Asian geisha plaques and vintage books from trunk
1	Silk/bamboo sandals, tabi-style socks, kimono sashes & various kimono trims & adornments from trunk
1	Eleven Happi coats, four women's kimonos and three gentlemen's tea robes from trunk
1	Handmade tablecloth with repeating botanical and pheasant designs from trunk

1	Black trunk with brass finish locks
1	Vintage French opera glasses with pearl handle
1	Lladro clown sitting on ball
1	Lladro clown with accordion and small dog
1	Lladro clown with balloon bouquet
1	Lladro reclining clown with one leg raised
1	Lladro clown with head resting on hands leaning on ball with small puppy
1	Lladro seated clown with sleeping puppy in lap
1	Lladro reclining clown with right foot resting on ball
1	Lladro clown with magnifying glass
1	Lladro clown with saxophone
1	Lladro clown with violin
1	Lladro clown head with white flower in hat
1	Lladro clown head with gray hat with butterfly on it
1	Lladro clown head with pink hat
1	Lladro Don Quixote with sword and wooden stand
1	Lladro reclining clown with dog on shoulder
1	Lladro male golfer with wooden stand
1	Lladro female golfer with wooden stand
1	Lladro caddy with wooden stand
1	Lladro with mother brushing child's hair
1	Lladro with girl and boy on seesaw
1	Lladro with girl on phone and puppy
1	Lladro angel sitting with head resting on one arm
1	Lladro angel playing flute
1	Lladro angel praying on knees

1 Lladro girl with flower cart with wooden stand
1 Lladro oriental woman with fan in left hand
1 Lladro oriental woman kneeling in white kimono with vase on bench
1 Lladro oriental woman in white kimono with arms spread
1 Lladro girl holding a bouquet of flowers in arms
1 Lladro girl with basket of eggs and duck
1 Lladro girl on bench feeding kittens
1 Lladro girl sitting in flowers with butterfly
1 Slot machine with stand
1 Full length dark brown shaved mink coat with double button
1 Full length mink coat with pelts of brown with dark brown striping
1 Half length wolf fur coat with gray striping
1 Half length all black shaved mink coat
1 Full length all black shaved mink coat
1 Full length two-tone brown mink coat
1 Full length black colored silver mink coat
1 Half length cream colored faux fur coat
1 Three-quarter length white sheep wool coat
1 Steinway & Sons Patent Grand Piano with Bench

Real Property Description

- ***Legal Description of 444 Montezuma Ave., Prescott, AZ:***

Parcel I:

The North 34 feet of the East 70 feet and the South 16 feet of the East 62 feet of Lot 11, Block 31,

City of Prescott, according to the plat of record in the Office of the County Recorder of Yavapai

County, Arizona, recorded in Book 4 of Maps, Page 22.

Parcel II:

All that portion of Lot 11, Block 31, City of Prescott, according to the plat of record in the office of the County Recorder of Yavapai County, Arizona, recorded in Book 4 of Maps, Page 22 described as follows:

BEGINNING at the Southeasterly corner of Lot 12, Block 31, City of Prescott;
Thence Westerly along Southerly line of said Lot 12 Block 31, City of Prescott, 70 feet;
Thence Northerly parallel with the Easterly line of said Lot 12, 50 feet to the TRUE POINT OF BEGINNING;
Thence Northerly parallel with the Westerly line of said Lot 11, 16 feet;
Thence Easterly and parallel with the Northerly line of Lot11, 8 feet;

- ***Legal descriptions for Oregon Parcels***

Real property in the County of Klamath, State of Oregon, described as follows:

A parcel of land located in Sections 1, 2, 3, 10, 11, 12 and 13, Township 35 South, Range 11 East of the Willamette Meridian and Section 7, Township 35 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon more particularly described as follows:

Parcel 1:

Beginning at the Northeast corner of Section 1, township 35 South, Range 11 East of the Willamette Meridian; thence South 0°37'47" West, along the east boundary of Section 1, 2,643.99 feet to the East 1/4 corner of Section 1; thence South 0°39'40" West, along the east boundary of Section 1, 2,644.01 feet to the Northwest corner of Section 7, township

35 South, Range 12 East of the Willamette Meridian; thence South 89°46'30" East, along the North boundary of Section 7, 2,673.33 feet to the North 1/4 corner of Section 7; thence South 0°06'54" East, along the East boundary of the NW 1/4 of Section 7, 2,639.86 feet to the Southeast corner of the NW 1/4 of Section 7; thence North 89°47'44" West, along the South boundary of the NW 1/4 of Section 7, 2,691.19 feet to the East 1/4 corner of Section 12, Township 35 South, Range 11 East of the Willamette Meridian; thence South 0°50'49" West, along the East boundary of Section 12, 2,641.00 feet to the Southeast corner of Section 12; thence North 89°21'23" West, along the South boundary of Section 12, 1,318.58 feet to the East 1/16 corner between Sections 12 and 13; thence South 0°28'00" West, along the East boundary of the NW 1/4 of the NE 1/4 of Section 13, 734.39 feet to the Northeast corner of Block 45, Oregon Pines Subdivision; thence along the Northerly boundary of Oregon Pines Subdivision as follows: North 89°13'15" West, 474.03 feet; South 0°46'45" West, 122.26 feet; North 89°36'35" West, 803.86 feet; South 80°54'20" West, 30.00 feet; South 68°10'05" West, 420.66 feet; North 307.53 feet; North 35°20'40" West, 561.35 feet; North 54°25'00" West, 755.00 feet: South 35°35'00" West, 635.00 feet; South 58°36'25" West, 298.51 feet; North 61 °10'38" West, 262.76 feet; North 67°13'23" West, 230.07 feet; North 29°47'57" West, 212.49 feet; North 49°08'34" West, 500.05 feet; North 66°15'20" West, 375.00 feet; North 41 °14'19" West, 66.21 feet; North 66°15'20" West, 368.00 feet; North 16°34'27" East, 552.28 feet; North 68°28'12" East, 250.61 feet; North 23°44'40" East, 425.00 feet; North 52°13'27" West, 411.08 feet; North 73°25'33" West, 617.00 feet; South 16°34'27" West, 531.09 feet; North 52°00'44" West, 320.98 feet; North 0°54'13" East, 99.51 feet; North 52°00'44" West, 340.00 feet; North 74°52'11" West, 419.13 feet; North 29°11'18" West, 378.86 feet; South 88°57'42" West, 378.86 feet; South 29°53'12" West, 310.00 feet; North 59°39'37" West, 458.16 feet; North 24°11'30" East, 320.00 feet; North 65°48'30" West, 835.00 feet; South 24°11'30" West, 1,325.00 feet; South 29°43'56" East, 93.79 feet; South 56°28'30" West, 250.50 feet; South 79°54'13" West, 65.39 feet; South 56°28'30"

West, 405.22 feet; South 28°32'10" East, 116.53 feet; thence South 61°27'50" West, along the North boundary of Lot 1, Block 26, Oregon Pines Subdivision to the West boundary of Section 11, Township 35 South, Range 11 East of the Willamette Meridian; thence North 0°46'41" East, along the West boundary of Section 11 to the East 1/4 corner of Section 10; thence North 88°47'27" West, along the South boundary of the NE 1/4 of Section 10 to the centerline of the Fuego Fire Road; thence Northerly along the centerline of said road to the Most westerly corner of a tract of land described in Volume M78, Page 27828 of the Deed Records of Klamath County; thence South 66°43'2711 East, along the Southerly boundary of the property described in said Deed, 1,485.77 feet; thence along the Easterly boundary of said Deed Volume and Page North 18°40'55" East, 622.00 feet; thence North 28°30'24" East, 1,785.75 feet to the most northerly corner of a tract of land described in Volume M77 Page 21083 of the Deed Records of Klamath County; thence South 59°41'57" East, 1,082.37 feet; thence North 30°18'03" East, 1,415.51 feet to the North boundary of Section 2, Township 35 South, Range 11 East of the Willamette Meridian; thence South 89°19'06" East, along the North boundary of Section 2, 2,197.85 feet to the Northwest corner of Section 1; thence South 0°50'47" West, along the West boundary of Section 1 to the Northwest corner of the SW 1/4 of the NW 1/4 of Section 1; thence East, along the North boundary of the SW 1/4 of the NW 1/4 to the Northeast corner of the SW 1/4 of the NW 1/4 of said Section 1; thence South along the East boundary of the SW 1/4 of the NW 1/4 to the Northwest corner of the NE 1/4 of the SW 1/4 of said Section 1; thence East, along the north boundary of the NE 1/4 of the SW 1/4 to the center of said Section 1; thence North, along the North-South centerline of Section 1 to the North 1/4 corner of said Section 1; thence South 89°00'44" East, along the north boundary of Section 1, 2,643.21 feet to the Northeast corner of Section 1, the point of beginning.

EXCEPTING THEREFROM the SE 1/4 of the NW 1/4 of Section 12, Township 35

South, Range 11 East of the Willamette Meridian.

ALSO EXCEPTING THEREFROM a tract of land situated in Section 2, Township 35 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon described as follows:

Beginning at the Northwest corner of said Section 2; thence South 88°59'04" East along the Northerly line of said Section 2, a distance of 276.30 feet to the centerline of an existing Indian Service Road; thence South 33°06'52" West, along said centerline a distance of 35.00 feet; thence South 59°41'57" East, a distance of 2,030.72 feet; thence South 28°30'24" West, a distance of 665.02 feet to the northerly corner of a tract of land described in a Contract to Keith R. Shannon, recorded October 19, 1977 in Volume M77 Page 20008, Deed Records and the true point of beginning of the tract of land herein to be described; thence South 59°41'57" East along the boundary line of said Shannon tract a distance of 1,310.08 feet to an angle corner therein; thence South 28°30'24" West, a distance of 665.02 feet; thence South 32° 34'54" East a distance of 442.97 feet; thence North 87°54'59" West, a distance of 1,573.32 feet to the most Westerly corner of said Shannon tract; thence North 11 °43'00" East along the Westerly line of said Shannon tract a distance of 997.83 feet to an angle corner therein; thence continuing along the Westerly line of said Shannon tract North 28°30'24" East a distance of 665.02 feet to the true point of beginning.

ALSO EXCEPTING THEREFROM a tract of land located in Section 2, Township 35 South, Range 11 East of the Willamette Meridian, more particularly described as follows: Beginning at the Southeast corner of said Section 2; thence North 89°03'41" West along the South boundary of Section 2, 661.44 feet; thence North 8°13'29" West, 2,107.74 feet to the most easterly corner of a tract of land described in Volume M77 Page 20008 of

Deed Records of Klamath County, said point also being the most southerly corner of a tract of land described in Deed Volume M78 Page 25362; thence along the boundaries of tract described, in Volume M78 Page 25362 North 16°40'58" West, 446.58 feet; thence North 40°53'10" West, 600.00 feet; thence North 49°06'50" East, 1,438.83 feet; thence South 42°01'02" East, 667.26 feet to the East boundary of Section 2; thence South 0°50'47" West along the East boundary of Section 2, 3,424.73 feet to the Southeast corner of Section 2.

ALSO EXCEPTING THEREFROM that portion of Sections 2, 3 and 11 deeded to Leo B. Chadbourne and Charles D. Chadbourne in Warranty Deed recorded November 30, 2000 in Volume MOO Page 43079 Records of Klamath County, Oregon.

ALSO EXCEPTING THEREFROM that portion of Section 2 deeded to Mike Groves and Cheryl Groves in Warranty Deed recorded December 31, 1998 in Volume M98 Page 47996 Deed records of Klamath County, Oregon.

Parcel 2:

The following described tract of land located in Section 3, Township 35 South, Range 11 East of the Willamette Meridian, Government Lots 2 and 3, the NE 1/4 of the SW 1/4 and, beginning at the Northwest corner of the SW 1/4 of the NE 1/4 of said Section 3; thence South 88°52'34" East, along the North boundary of the SW 1/4 of the NE 1/4, 661.37 feet; thence South 0°46'36" West, along the west boundary of property described in Volume M78 Page 24280 and Volume M78 Page 23204, 2,652.69 feet to the South boundary of the NW 1/4 of the SE 1/4 of said Section 3; thence North 88°50'56" West along the South boundary of the NW 1/4 of the SE 1/4 of said Section 3, 660.35 feet to the Southwest corner of the NW 1/4 of the SE 1/4; thence northerly along the West boundary of the NW 1/4 of the SE 1/4 and the West boundary of the SW 1/4 of the NE

1/4, 2,652.38 feet, more of less to the point of beginning.

Parcel 3:

Beginning at the Northeast corner of Lot 4, Block 12, Oregon Pines Subdivision; said lot corner being North 88°47'27" West, 1,082.16 feet from the center of Section 10, Township 35 South, Range 11 East of the Willamette Meridian; thence along the northerly boundary of said Subdivision as follows: South 1°12'48" West, 593.91 feet; thence South 59°41'46" East, 856.24 feet; thence South 13°15'05" East, 464.43 feet; thence South 38°36'03" West, 320.24 feet; thence South 31 °35'19" East, 168.65 feet; thence North 76°33'23" East, 791.53 feet; thence South 62°26'30" East, 1,578.54 feet; thence North 27°27'19" East, 503.39 feet; thence North 61 °27'50" East, 425.00 feet; thence North 39°04'20" East, 43.26 feet to the center of the Fuego Fire Road: thence leaving the boundary of Oregon Pines Subdivision, northerly, along the centerline of the Fuego Fire Road to the Southeast corner of a tract of land described in Volume M81 Page 11515 of the Deed Records of Klamath County, Oregon; thence South 88°12'19" West, along said Deed boundary 1,045.42 feet; thence North 04°53'43" West, along said deed boundary, to the East-West centerline of Section 10, Township 35 South, Range 11 East of the Willamette Meridian; thence North 88°47'27" West, along the East-West centerline of Section 10 to the point of beginning.

Tax Parcel Number: R275062 and R276748 and R274152 and R274606 and R290964 and R277569 and R280305 and R277827 and R278648 and R574937 and R279175

- ***Legal description for Needles Parcels***

Real property in the unincorporated area of the County of San Bernardino, State of California, described as follows: that portion of section 21, township 8 north, range 23 East, San Bernardino base and meridian, in the county of San Bernardino, state of California, according to government township plat thereof, lying easterly of the following

described lines:

Beginning at the intersection of the north line of said section 16 and a line parallel with and distant 260.00 feet easterly, measured at right angles from the monumented centerline of improvement of state road 08-sbd-40 as shown on county surveyor's filed map nos. 7668-9 and 10, on file in the office of the county surveyor of said county; thence along said parallel line, south 16 deg. 31'04" east, 7436.10 feet, more or less, to a point opposite engineer's station 184+31.68 in said centerline, said point being the beginning of a tangent curve, concave northeasterly having a radius of 9740 feet and being concentric with the 10,000-foot radius curve in said centerline between said engineer's station 184+31.68 and station 219+65.93; thence southeasterly along said tangent curve, through a central angle of 16 deg. 16' 09" an arc distance of 2737.35 feet to a point opposite engineer's station 212+42.10, last said point being the beginning of a compound curve concave northeasterly and having a radius of 1080 feet; thence southeasterly along said compound curve through a central angle of 44 deg. 57' 47", an arc distance of 847.53 feet; thence tangent to last said curve, south 77 deg. 35' 00" east, 109. 37 feet, more or less, to the east line of said section 21.

Excepting therefrom the northerly 3033.57 feet measured along the easterly line thereof.

Also excepting therefrom all minerals, oil, gases and other hydrocarbons by whatsoever name known that may be within or under the parcel of land hereinabove described, without, however, the right to drill, dig or mine through the surface thereof as excepted by the State of California, in deed recorded may 31, 1968, in book 7035, page 473, official records of said county.

- ***Legal Description for 1927 Aztec Road, Fort Mohave, AZ:***

The Southwest quarter of the Southwest quarter of the Southeast quarter of the Northeast quarter (SW ¼ of SW ¼ of SE ¼ of NE ¼).and the West half of the Southeast quarter of the Southwest quarter of the Southeast quarter of the Northeast quarter (W ½ of SE ¼ of

SW ¼ of SE ¼ of NE ¼) of Section 23, Township 19 North, Range 22 West of the Gila and Salt River Base and Meridian, Mohave County, Arizona.

EXCEPT all gas, oil, minerals and other hydrocarbon substances lying 500 feet below the surface, as reserved in instrument recorded in Book 916 of Official Records, Page 713.

- ***Legal Description for 1951 Aztec Road, Fort Mohave, AZ*:**

The East half of the Southeast quarter of the Southwest quarter of the Southeast quarter of the Northeast quarter (E ½ SE ¼ SW ¼ SE ¼ NE ¼) of Section 23, Township 19 North. Range 22 West of the Gila and Salt 'River Base and Meridian, Mohave County, Arizona.

EXCEPT all oil, gas, minerals and other hydrocarbon substances below 500 feet, as reserved in Deed recorded in Book 916 of Official Records, page 713.

Money Judgment

$20,000,000 in U.S. currency and all interest and proceeds traceable thereto, in that such sum in aggregate is property of Title 18, United States Code, Section § 981(a)(1)(c) and 28 U.S.C. § 2461.

135. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b), and 28 U.S.C. Section 2461, the Defendants shall forfeit substitute property, up to the value of the amount described above, if by any act or omission of the Defendants, the property described above, or any portion thereof, cannot be located upon the exercise of due diligence; has been transferred, sold to or deposited with a third party; has been placed beyond the jurisdiction of the court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty.

All in accordance with Title 18, United States Code, Sections 981 and 982(a)(1); 28 United States Code, Section 2461; 19 U.S.C. Section 1343 and Rule 32.2(a), Federal Rules of Criminal Procedure.

A TRUE BILL

S/
FOREPERSON OF THE GRAND JURY
Date: September 30, 2014

JOHN S. LEONARDO
United States Attorney
District of Arizona

S/
KEVIN M. RAPP
Assistant U.S. Attorney
JENNIFER A. GIAIMO
Special Assistant U.S. Attorney