

No.

CR 14

00531

RMW

PSG

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

Filed

OCT 29 2014

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE

THE UNITED STATES OF AMERICA

VS.

MARK FEATHERS

INDICTMENT

COUNTS ONE TO SEVENTEEN: 15 U.S.C. §§ 78j(b), 78ff; 17 C.F.R. § 240.10b-5
(Securities Fraud)

COUNTS EIGHTEEN TO TWENTY-NINE: 18 U.S.C. § 1341 (Mail Fraud)

A true bill.



Foreperson

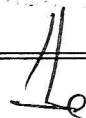
Filed in open court this 29 day of

A.D. 2014

UNITED STATES MAGISTRATE JUDGE

Bail. \$

No Bail Arrest Warrant



MELINDA HAAG (CABN 132612)
United States Attorney

SEALED BY ORDER
OF COURT

Filed

OCT 29 2014

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

CR 14 00531RMW

UNITED STATES OF AMERICA,

Plaintiff,

v.

MARK FEATHERS,

Defendant.

No. CR

VIOLATIONS:

15 U.S.C. §§ 78j(b), 78ff;
17 C.F.R. §§ 240.105-5, 240.10b-1, and
240.10b-2 (Securities Fraud);
18 U.S.C. § 1341 (Mail Fraud)
(SAN JOSE VENUE)

PSG

INDICTMENT

The Grand Jury charges:

Introductory Allegations

At all times relevant to this Indictment, unless otherwise specified:

Relevant Individuals and Entities

1. MARK FEATHERS ("FEATHERS") was a resident of Los Altos, California.

2. Small Business Capital Corp. ("SBCC") was a privately-held California corporation formed in 2004 with its principal place of business in Los Altos, California. FEATHERS was the founder, CEO, and a director of SBCC.

3. SBCC was the sole manager of three investment funds, Investors Prime Fund, LLC

1 (“IPF”), SBC Portfolio Fund, LLC (“SPF”), and SBC Senior Commercial Mortgage Fund, LLC
2 (“SCMF”) (collectively, referred to herein as the “Funds”). Through SBCC, FEATHERS was the
3 controlling person of IPF, SPF and SCMF. IPF was the managing member of a subsidiary company,
4 Small Business Capital, LLC (“SBC LLC”).

5 4. IPF was a California limited liability company formed by FEATHERS in May 2005, with
6 its principal place of business in Los Altos, California. SBCC was the sole manager of IPF. IPF was
7 engaged in the business of investing in loans secured by first deeds of trust on commercial and income-
8 producing residential real estate located primarily in California.

9 5. SPF was a California limited liability company formed by FEATHERS in July 2007, with
10 its principal place of business in Los Altos, California. SBCC was the sole manager of SPF. SPF was
11 engaged in the business of investing in loans secured by deeds of trust on commercial and income-
12 producing residential real estate in California and other states.

13 6. As of June 2012, FEATHERS and SBCC had raised a total of more than \$50 million
14 from over 250 investors through the offer and sale of securities in the form of membership interests in
15 the Funds.

16 The Operating Agreements of IPF and SPF

17 10. IPF and SPF entered into similar operating agreements with SBCC. These operating
18 agreements defined the terms of SBCC’s duties and obligations as manager of IPF and SPF. The
19 operating agreements were signed, or were to be signed, by FEATHERS on behalf of SBCC, and by
20 FEATHERS as “attorney-in-fact” for the investors in IPF and SPF.

21 11. The operating agreements expressly provided that SBCC owed a fiduciary duty to IPF
22 and SPF, as the sole manager of each Fund.

23 12. At all relevant times, FEATHERS and SBCC had ultimate authority over IPF and SPF,
24 including the content of any statements made by IPF or SPF in connection with their offering of
25 securities to investors, such as the advertisements, newsletters, and offering documents.

26 IPF’s and SPF’s Offering Documents

27 13. FEATHERS, through SBCC, sent prospective investors offering materials for the Funds:
28 typically, an offering circular for IPF, and a private placement memorandum for SPF (collectively, the

1 “Offering Documents”). The Offering Documents for IPF and SPF were updated and re-issued
2 generally on an annual basis.

3 14. **The IPF Offering Circulars.** IPF issued and provided offering circulars to prospective
4 investors, four of which were issued in 2009, 2010, and 2011. FEATHERS reviewed and approved the
5 IPF offering circulars before they were distributed to prospective investors. The IPF Offering Circulars
6 contained substantially similar offering terms. In general, IPF would make or purchase loans secured by
7 first deeds of trust on commercial and income-producing residential real estate. Investors were to
8 receive monthly a “Member Preferred Return” of the greater of 7.5%, or the prime rate, on their
9 investments. Investors were offered the option to receive their Member Preferred Return as a monthly
10 cash distribution from income from Fund operations, or to allow their proportionate share of Fund
11 income to compound and be reinvested by the Fund for their accounts.

12 15. The 2009 Offering Circular for IPF stated: “Fund profits will first be allocated entirely to
13 the Members each year up to the amount of the Member Preferred Return, which is the greater of 7.5%
14 per annum or the prime rate, which is adjusted monthly. Any profits exceeding the Member Preferred
15 Return may be retained by the Manager.” Substantially similar and/or identical representations were
16 made in IPF’s 2010 Offering Circular, 1/2011 Offering Circular, and 6/2011 Offering Circular.

17 16. **SPF Private Placement Memoranda.** SPF issued and provided private placement
18 memoranda to prospective investors, in 2007, 2009, and 2011. The SPF Private Placement Memoranda
19 contained substantially similar terms as those offered by IPF. In general, SPF would make or purchase
20 loans secured by first and seconds deeds of trust on commercial and income-producing residential real
21 estate. Investors were to receive monthly “Member Return” on their investment of the greater of the
22 prime rate plus 1.5%, or 7.5% per year. As with IPF, investors in SPF were offered the option to receive
23 their Member Return as a monthly cash distribution of income from Fund operations, or to allow their
24 proportionate share of Fund income to be reinvested for their accounts.

25 17. The SPF Private Placement Memoranda contained substantially similar representations as
26 those in the IPF Offering Circulars. The 2007 PPM stated, in pertinent part: “Members are entitled to a
27 preferred return on their investment at a simple annual rate equal to the greater of (a) the Prime Rate
28 plus 1.5%, or (b) 7.5% per annum. All profits of the Fund exceeding the Member Return shall be

1 retained by the Manager.” Substantially identical representations were made in SPF’s 2009 PPM and
2 2011 PPM. The SPF Private Placement Memoranda contained substantially similar representations that
3 investor returns would be paid from profits as the representations in the IPF offering circulars.

4 18. FEATHERS and SBCC represented to investors, among other things, that the monies
5 deposited with the Funds would be used only according to the Offering Documents and would not be
6 used to fund the operations of SBCC.

7 19. FEATHERS and SBCC also advised investors, among other things, that the monies
8 generated from the investments would provide the Funds with sufficient capital for operations and that
9 investors would be paid up to the rate of return, before any profits would accrue to SBCC and
10 FEATHERS.

11 20. FEATHERS and SBCC transmitted, via the United States Mail, periodic account
12 statements to investors in the Funds that recorded the status of prior investments in one of the Funds and
13 any accrued interest, or, if the investor so chose, a disbursement of all or portions of the gains to date, at
14 the discretion of the investor. This accrued interest or disbursement was represented by SBCC as the
15 profits stemming from positive performance of the particular Fund, as of the date of the statement.

16 21. FEATHERS and SBCC also transmitted, via United States Mail, electronic mail, and
17 hand delivery, updates to investors about the business operations of SBCC and the Funds generally, as
18 well as opportunities to invest additional monies into one or both of the Funds.

19 The Scheme to Defraud

20 22. Beginning in or about January 2009 and continuing through at least in or about
21 June 2012, FEATHERS knowingly devised a material scheme and artifice to defraud investors in
22 connection with the purchase or sale of securities, and to obtain money and property by means of false
23 and fraudulent pretenses, representations, and promises, and by omitting and concealing material facts.

24 23. FEATHERS obtained more than \$50 million from investors for the stated purpose of
25 entering into investments in the Funds operated by SBCC. FEATHERS and SBCC represented to
26 prospective investors that the Funds would pay “Member Returns” of at least 7.5% from profits
27 generated by the Funds’ mortgage loan portfolios. Contrary to those representations, since at least 2010
28 for IPF and since 2011 for SPF, Feathers and SBCC paid returns to investors in excess of net profits of

1 the Funds, a “Ponzi” scheme in which the returns were partially funded with money from new investors.

2 24. FEATHERS and SBCC also represented to investors that the Funds had conservative
3 lending standards, were generally prohibited from making loans to SBCC, and that the Funds’ loans
4 were secured, performing, and current. In reality, and contrary to these representations, beginning as
5 early as approximately 2007, and no later than around 2009, and continuing through 2012, FEATHERS
6 and SBCC caused the Funds to transfer over \$7 million to SBCC, and improperly to record a majority of
7 these transfers as receivables due from SBCC. SBCC, at the direction of FEATHERS, used the money
8 to pay its operating expenses, including FEATHERS and his companies. FEATHERS and SBCC’s
9 disclosures to investors were false and misleading, because they failed to disclose that:

- 10 a. FEATHERS and SBCC had improperly taken over \$7 million from the Funds in
11 loans and management fees;
- 12 b. FEATHERS and SBCC had caused the Funds to record the amounts loaned as
13 assets in the form of receivables;
- 14 c. the receivables that were recorded were, in reality, unsecured loans;
- 15 d. SBCC borrowed additional money from IPF to make interest payments on these
16 receivables; and,
- 17 e. the Funds were not able to assess the collectability of these receivables.

18 Moreover, by recording these transfers as receivables on the Funds’ financial statements, FEATHERS
19 and SBCC concealed that the money was being used to pay SBCC’s operating expenses rather than to
20 invest in mortgage loans, as represented in the Offering Documents and promised to the Funds’
21 investors.

22 25. FEATHERS and SBCC owed a fiduciary duty to the Funds’ investors, but FEATHERS
23 and SBCC failed to disclose the significant conflicts of interest arising from causing the Funds to
24 transfer over \$7 million to SBCC so it could pay its expenses, and recording a majority these transfers as
25 assets of the Funds. Moreover, in the first quarter of 2012, FEATHERS and SBCC caused SPF to sell
26 mortgage loans to IPF at substantial premiums over the outstanding balance of the loans, and then
27 caused SPF to use the premiums to pay management fees to SBCC. FEATHERS and SBCC failed to
28 disclose these inter-company transactions, at inflated prices, designed solely to funnel investor funds to
FEATHERS and SBCC.

26. In addition to these misrepresentations and omissions in the Offering Documents, during 2010 and 2011 Feathers and SBCC sent regular newsletters to investors in IPF and SPF. In those newsletters, FEATHERS and SBCC regularly made statements reassuring investors that the funds were making loans secured by first and second deeds of trust and that all loans were performing. In reality, the Funds had unsecured loans to SBCC, these loans were not generating returns, and the Funds themselves were not generating returns as represented in the Offering Documents or the subsequent account statements transmitted to investors.

27. As of approximately June 2012, as a result of their fraudulent scheme, as FEATHERS well knew, SBCC held unsecured loans in excess of \$5.5 million owed to the Funds, had made “Ponzi” payments intended to lull investors into a false sense of security by creating the appearance that the Funds were engaging in successful debt financing agreements and otherwise acting to preserve and increase the investors’ monies, and, in the process, had diverted approximately \$2 million dollars to the personal benefit of FEATHERS and members of his family as well as other unauthorized expenditures.

COUNTS ONE TO SEVENTEEN: 15 U.S.C. §§ 78j(b), 78ff; 17 C.F.R. § 240.10b-5 (Securities Fraud)

28. The factual allegations of paragraphs 1 through 27 are realleged as if fully set forth herein.

29. On or about the dates set forth below, in the Northern District of California and elsewhere, the defendant,

MARK FEATHERS,

willfully and knowingly, directly and indirectly, by use of the means and instrumentalities of interstate commerce, the mails, and the facilities of national securities exchanges, in connection with the purchase and sale of securities, did use and employ manipulative and deceptive devices and contrivances, and aided and abetted others in using and employing manipulative and deceptive devices and contrivances, in contravention of Title 15, United States Code, Sections 78j(b) and 78ff, Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2, and Title 18, United States Code, Section 2, by (A) employing devices, schemes and artifices to defraud; (B) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (C) engaging in acts, practices and

courses of business which operated and would operate as a fraud and deceit upon persons, to wit, used and caused others to use the means and instrumentalities of interstate commerce, the mails, and the wires in the manner, on or about the dates, set forth below:

COUNT	APPROXIMATE DATE	DESCRIPTION
1	11/13/2009	ST Investment of \$200,000 into IPF
2	3/24/2010	RM Investment of \$50,000 into SPF
3	3/24/2010	JP Investment of \$100,000 into IPF
4	6/3/2010	SW Investment of \$50,000 into IPF
5	12/24/2010	JP Investment of \$60,647.67 into IPF
6	1/26/2011	RG Investment of \$50,000 into IPF
7	3/9/2011	SW Investment of \$100,000 into IPF
8	6/27/2011	SW Investment of \$50,000 into SPF
9	8/3/2011	RG Investment of \$20,000 into IPF
10	9/9/2011	RG Investment of \$100,000 into SPF
11	11/7/2011	ST Investment of \$200,000 into SPF
12	11/8/2011	SW Investment of \$50,000 into SPF
13	1/4/2012	AS Investment of \$50,000 into IPF
14	2/7/2012	RM Investment of \$80,000 into SPF
15	2/17/2012	AS Investment of \$100,000 into IPF
16	3/9/2012	ST Investment of \$250,000 into IPF
17	3/9/2012	PB Investment of \$99,740.42 into IPF

All in violation of Title 15, United States Code, Sections 78j(b) and 78ff; Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

COUNTS EIGHTEEN TO TWENTY-NINE: 18 U.S.C. § 1341 (Mail Fraud)

30. The factual allegations of paragraphs 1 through 27 are realleged as if fully set forth herein.

31. On or about the dates set forth below, in the Northern District of California and elsewhere, the defendant,

MARK FEATHERS,

having devised and intending to devise a material scheme and artifice to defraud, and for obtaining money and property by means of materially false or fraudulent pretenses, representations, and promises, for the purpose of executing such scheme and artifice and attempting to do so, placed in a post office and authorized depository for mail matter, matters and things to be sent and delivered by the Postal Service, and deposited and caused to be deposited matters and things sent and delivered by private or commercial interstate carrier, and took and received therefrom, such matters and things, and knowingly caused to be delivered by mail and such carrier according to the direction thereon, and at the place at which it is directed to be delivered by the person to whom it is addressed, such matters and things, in violation of Title 18, United States Code, Section 1341, specifically:

COUNT	APPROXIMATE DATE	DESCRIPTION
18	6/1/2010	SBCC Newsletter to JP
19	7/21/2010	SBCC Newsletter to JP
20	8/11/2010	SBCC Newsletter to JP
21	12/1/2010	IPF Account Statement to JP
22	2/10/2011	IPF Account Statement to SW
23	7/1/2011	IPF Account Statement to RG
24	9/2011	SBCC Newsletter to JP
25	9/1/2011	SPF Account Statement to SW
26	10/2011	SBCC Newsletter to JP
27	11/1/2011	SPF Account Statement to ST
28	12/1/2011	SPF Account Statement to RM
29	3/2/2012	IPF Account Statement to ST

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

1 FORFEITURE ALLEGATION: (18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461 -

2 Forfeiture of Fraud Proceeds)

3 32. The allegations of Counts One through Twenty-nine of this Indictment are re-alleged and
4 incorporated herein pursuant to the provisions of 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c).

5 33. Upon a conviction for Count One through Twenty-Nine, alleged above, the defendant,

6 MARK FEATHERS,

7 shall forfeit to the United States any property, real or personal, which constitutes or is derived from
8 proceeds traceable to said offense, including but not limited to a sum of money equal to the total
9 proceeds from the commission of said offense.

10 34. If, as a result of any act or omission of the defendant, any of said property

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

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

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

14 d. has been substantially diminished in value; or

15 e. has been commingled with other property which cannot be divided without
16 difficulty;

17 any and all interest defendant has in any other property, up to the value of the property described in
18 paragraph 33 above, shall be forfeited to the United States, pursuant to 21 U.S.C. § 853(p), as
19 incorporated by 28 U.S.C. § 2461.

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1 All in violation of Title 18, United States Code, Sections 981(a)(1)(C), 1343, 1349; Title 28,
2 United States Code, Section 2461; and Rule 32.2 of the Federal Rules of Criminal Procedure.


3 DATED: 10/29/14

A TRUE BILL

4
5 

6 FOREPERSON

7 MELINDA HAAG
8 United States Attorney

9
10 
11 J. DOUGLAS WILSON
12 Chief, Criminal Division

13
14 Approved as to form:

15
16 
17 TIMOTHY J. LUCEY
18 Assistant United States Attorney

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

BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT
☐ SUPERSEDING

OFFENSE CHARGED

COUNTS ONE TO SEVENTEEN: 15 U.S.C. § 78j(b), 78ff; 17 C.F.R. § 240.10b-5 (Securities Fraud)

COUNTS EIGHTEEN TO TWENTY-NINE: 18 U.S.C. § 1341 (Mail Fraud)

☐ Petty
☐ Minor
☐ Misdemeanor
☒ Felony

PENALTY: COUNTS ONE TO SEVENTEEN: Up to 30 years imprisonment, a fine of up to \$1 million or twice the amount of gain or loss, whichever is greater, five years of supervised release, and \$100 special assessment.

COUNTS EIGHTEEN TO TWENTY-NINE: 20 years imprisonment, \$250,000 fine or twice the amount of gain or loss, three years of supervised release, and \$100 special assessment.

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

S/A Cameron Purves - FBI

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

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

☐ this is a reprosecution of charges previously dismissed which were dismissed on motion of:

☐ U.S. ATTORNEY ☐ DEFENSE

SHOW
DOCKET NO.

☐ this prosecution relates to a pending case involving this same defendant

MAGISTRATE
CASE NO.

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

Name and Office of Person
Furnishing Information on this form MELINDA HAAG

☒ U.S. Attorney ☐ Other U.S. Agency

Name of Assistant U.S.
Attorney (if assigned) TIMOTHY J. LUCEY

Name of District Court and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

DEFENDANT - U.S.

MARK FEATHERS

DISTRICT COURT NUMBER

CR 14 00531

DEFENDANT

BMW

IS NOT IN CUSTODY

Has not been arrested, pending outcome this proceeding.

1) ☒ If not detained give date any prior summons was served on above charges

2) ☐ Is a Fugitive

3) ☐ Is on Bail or Release from (show District)

IS IN CUSTODY

4) ☐ On this charge

5) ☐ On another conviction

☐ Federal ☐ State

6) ☐ Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

Has detainer been filed? ☐ Yes ☐ No

If "Yes" give date filed

DATE OF
ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED
TO U.S. CUSTODY

Month/Day/Year

☐ This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

☐ SUMMONS ☐ NO PROCESS* ☒ WARRANT

Bail Amount: No Bail

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

Defendant Address:

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

Date/Time: _____ Before Judge: _____

Comments:

SEALED BY ORDER
OF COURT

United States District Court
Northern District of California

Filed

OCT 29 2014

CRIMINAL COVER SHEET

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE

Instructions: Effective January 3, 2012, this Criminal Cover Sheet must be completed and submitted, along with the Defendant Information Form, for each new criminal case.

Case Name:

USA v. MARK FEATHERS

Case Number:

CR 14 00531

RMW

PSG

Total Number of Defendants:

1 ☒

2-7 ☐

8 or more ☐

Is This Case Under Seal?

Yes ☐

No ☒

Does this case involve ONLY charges under 8 U.S.C. § 1325 and/or 1326?

Yes ☐

No ☒

Venue (Per Crim. L.R. 18-1):

SF ☐ OAK ☐

SJ ☒

EUR ☐

MON ☐

Is any defendant charged with a death-penalty-eligible crime?

Yes ☐

No ☒

Assigned AUSA (Lead Attorney):

Timothy J. Lucey

Is this a RICO Act gang case?

Yes ☐

No ☒

Date Submitted:

October 29, 2014

Comments:

Save

Print

Clear Form

United States District Court

NORTHERN

DISTRICT OF

CALIFORNIA

UNITED STATES OF AMERICA,

PLAINTIFF

v.

MARK FEATHERS

DEFENDANT(S).

NO. CR

CR 14 00 ~~541~~ 531

VENUE: SAN JOSE

RMW
PSG

Filed

OCT 29 2014

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE

I, the undersigned, foreman of the grand jury of this court, at the GJ 13-1 term
begun and held at San Jose, California on the 29TH day, of
October, 2014, in pursuance of Rule 6(c) of the Federal Rules of Criminal

Procedure, do herewith file with the clerk of court a record of the number of grand jurors
concurring in the finding of the indictment in the above case, this record not to be made
public except on order of the court, to wit:

17

grand jurors concurring.



Foreman

1 MELINDA HAAG (CABN 132612)
United States Attorney

2 J. DOUGLAS WILSON (DCBN 412811)
3 Chief, Criminal Division

4 TIMOTHY J. LUCEY (CABN 172332)
Assistant United States Attorney

5 150 Almaden Boulevard, Suite 900
6 San Jose, California 95113
7 Telephone: (408) 535-5061
8 FAX: (408) 535-5066
Timothy.lucey@usdoj.gov

9 Attorneys for United States of America

10 UNITED STATES DISTRICT COURT
11 NORTHERN DISTRICT OF CALIFORNIA
12 SAN JOSE DIVISION

13 UNITED STATES OF AMERICA,

14 Plaintiff,

15 v.

16 MARK FEATHERS,

17 Defendant.
18
19
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No. CR

14 00531
APPLICATION AND ~~PROPOSED~~ ORDER OF
THE COURT SEALING SUPERSEDING
INDICTMENT AND ARREST WARRANT HNL

SAN JOSE VENUE

21 Now comes the United States of America, by and through its counsel, the United States Attorney
22 for the Northern District of California, and moves this Court for an Order sealing the Indictment in this
23 matter until the arrest of the defendant, or otherwise ordered by the Court. The United States makes this
24 request on the basis that the investigation of the defendant and others is ongoing and continuing, such
25 that public disclosure of this Indictment would be likely to adversely effect such ongoing investigation.

26 The United States requests that the Court order the Clerk of the Court to furnish copies of the
27 Indictment to the United States Attorney's Office and to special agents of the Federal Bureau of

28 ///

[PROPOSED] SEALING ORDER

SEALED BY ORDER
OF COURT
Filed

OCT 29 2014

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE

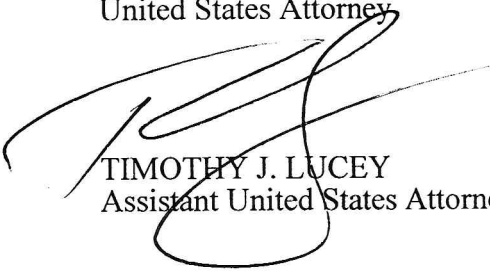
RMW
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22

1 Investigation.

2 Respectfully Submitted,

3 MELINDA HAAG
4 United States Attorney

5
6 
7 TIMOTHY J. LUCEY
8 Assistant United States Attorney

9 Based on the motion of the Government, and the need to ensure the safety of law enforcement
10 agents in the execution of this warrant, to protect against the potential destruction of evidence, and to
11 prevent the possible flight of the defendant, it is hereby ordered that the Indictment and arrest warrant in
12 the above-entitled case be sealed until further order of the court.

13 IT IS SO ORDERED.

14 DATED: 10/29/14

15
16 
17 HON. HOWARD R. LLOYD
18 United States Magistrate Judge
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UNITED STATES DISTRICT COURT

for the

Northern District of CaliforniaSEALED BY ORDER
OF COURT

United States of America

v.

Case No.

CR 14-00531-RMW**Mark Feathers***Defendant***ARREST WARRANT**

To: Any authorized law enforcement officer

YOU ARE COMMANDED to arrest and bring before a United States magistrate judge without unnecessary delay*(name of person to be arrested)***Mark Feathers**

who is accused of an offense or violation based on the following document filed with the court:

☒ Indictment
 ☐ Superseding Indictment
 ☐ Information
 ☐ Superseding Information
 ☐ Complaint
☐ Probation Violation Petition
 ☐ Supervised Release Violation Petition
 ☐ Violation Notice
 ☐ Order of the Court

This offense is briefly described as follows:

Counts 1-17: 15:78j(b), 78ff: 17 C.F.R. 240.10b-5 (Securities Fraud)**Counts 18-29:** 18:1341 - Mail FraudDate: **Oct 29, 2014***Cita F. Escalano**Issuing officer's signature*City and state: **San Jose, CA****Cita F. Escalano-CR CSA***Printed name and title***Return**This warrant was received on *(date)*at *(city and state)*, and the person was arrested on *(date)*

Date:

ORIGINAL WARRANT HELD BY
 U.S. MARSHALS, SAN JOSE
 NOTIFY ABOVE OFFICE UPON ARREST
 DO NOT MAKE RETURN ON THIS COPY

Arresting officer's signature
Printed name and title