

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 99-8125-Cr-HURLEY/Johnson(s)(s)(s)

UNITED STATES OF AMERICA,

Plaintiff,

-versus -

18 U.S.C. § 371

GARLAND HOGAN, 18 U.S.C. § 1341

GARY J. PIERCE, 18 U.S.C. § 1956

CSI AG, LTD., 18 U.S.C. § 1957

RAPHAEL R. LEVY, 18 U.S.C. § 982

AMERICAN BENEFITS SERVICES, 18 U.S.C. § 2

JEFFREY A. PAINE,

WANDA TIRADO,

ALAN RICHARD LEWIS,

IVAN BURGOS,

ZANE BALSAM,

JUAN ARROYO,

HARVEY BRANDAU, and

CHERYL POINDEXTER,

Defendants. **THIRD SUPERSEDING INDICTMENT**

The Grand Jury charges that:

INTRODUCTORY ALLEGATIONS

At all times relevant and material to this indictment:

1. Viatical settlements are the purchase of life insurance policies or their benefits at a discounted rate from a terminally ill person. The beneficial interest in the insurance policies purchased is sold or re-assigned to an investor. A viatical investor receives the full benefits when the ill person dies.
2. On or about January 23, 1996, Viatical Federated Title And Trust Incorporated was caused to be incorporated in the State of Florida. The corporate formation fees were paid by ZANE BALSAM. John J. Rassulo was listed as the initial Director, President, Vice President, Treasurer and Secretary. On or about May 31, 1996 the name of this corporation

was changed to Financial Federated Title & Trust, Inc., ("Financial Federated"). The name change fees were paid by HARVEY BRANDAU.
3. Viatical Asset Management was a Florida corporation formed on or about August 10, 1995, by Frederick C. Brandau. On or about May 23, 1996, Viatical Asset Management changed its name to Asset Base Management. At some time between May 24, 1996 and December 16, 1997, the exact date being unknown to the grand jury, Asset Base Management, Inc. was administratively dissolved by the State of Florida.
4. On or about December 17, 1997, Frederick C. Brandau, caused an application for reinstatement to be filed for Asset Base Management, changing its business address from 9720 NW 3rd Manor, Sunrise, Florida to 5317 Lake Worth Road, Lake Worth, Florida, the business offices of RAPHAEL LEVY.
5. On or about December 31, 1997, an amendment to the articles of incorporation were filed for Asset Base Management replacing Frederick C. Brandau as the sole director, President, Secretary and Treasurer, with RAPHAEL R. LEVY. On or about February 6, 1998, RAPHAEL R. LEVY signed and caused a 1998 annual report to be filed for Asset Base Management, Inc. listing a person known to the grand jury as the President, Secretary, Treasurer and sole director of the company.
6. American Benefits Services, Inc., ("ABS"), was incorporated in the State of Florida on or about May 13, 1997. JEFFREY A. PAINE was listed as the registered agent, and RAPHAEL R. LEVY as the corporation's sole director.
7. On or about July 29, 1997, Frederick C. Brandau caused a person known to the grand jury to form ASSET SECURITY CORPORATION, ("ASSET SECURITY"), in the State

of Florida. John J. Rassulo was listed as the initial Director, President, Vice President, Treasurer and Secretary.

8. On or about November 4, 1997, Frederick C. Brandau incorporated VIATICAL ASSET RECOVERY CORP., ("VARC"), in the State of Florida. John J. Rassulo was listed as the initial Director, President, Vice President, Treasurer and Secretary.

9. From at least as early as February, 1996, Viatical Asset Management, Asset Base Management, and later ABS operated as viatical settlement brokerage companies engaged in the business of locating investors who would purchase interests in viatical settlements. ABS obtained investor funds through a network of independent insurance agents and financial consultants. Prior to January, 1998, Viatical Asset Management, Asset Base Management, and ABS did not use an attorney or escrow agent to hold investor funds. Beginning in February, 1998, however, investor funds were funneled from ABS to the escrow agent, and then to Financial Federated.

10. In connection with its viatical settlement brokerage business ABS used one or more participation disclosure documents that described the viatical settlement program it was offering for sale to investors. The participation disclosure documents made specific material representations in writing to potential investors.

11. Through the participation disclosure document, ABS represented to investors that it had established a relationship with two distinct independent Trust & Escrow Companies referred to as the Financial Escrow Agent and the "VIB" (Viaticated Insurance Benefits) Trust Company.

12. Beginning at least as early as February 15, 1996, Financial Federated served as the escrow agent for ABM. After January, 1998, JEFFREY A. PAINE, an attorney licensed to practice law in the State of Florida, with an office in West Palm Beach, acted as the Financial Escrow Agent for ABS.

13. Financial Federated acted as the VIB Trust Company used by ABS.

14. From a date beginning shortly after their formation, the exact date being unknown to the grand jury, both Financial Federated and ASSET SECURITY were beneficially owned and managed by Frederick C. Brandau.

15. CSI Ag, Ltd., (hereafter "CSI"), was an international business company beneficially owned by defendant GARY J. PIERCE.

16. From at least as early as February, 1996 and continuing through approximately August, 1999, the exact dates being unknown to the grand jury, in Palm Beach County, in the Southern District of Florida and elsewhere, the defendants,

GARLAND HOGAN, GARY J. PIERCE,

CSI, Ag. Ltd.,
RAPHAEL R. LEVY,
AMERICAN BENEFITS SERVICES, INC.,
JEFFREY A. PAINE,
ALAN RICHARD LEWIS

and others known and unknown to the grand jury, did knowingly, willfully and unlawfully devise and intend to devise a scheme and artifice to defraud and for obtaining money and property from investors throughout the United States by means of false and fraudulent pretenses, representations and promises, well knowing that the pretenses, representations and promises would be and were false and fraudulent when made.

17. The defendants, Frederick C. Brandau, GARLAND HOGAN, RAPHAEL R. LEVY, AMERICAN BENEFITS SERVICES, ALAN RICHARD LEWIS, and JEFFREY A. PAINE, together with other persons known and unknown to the grand jury, by means of false and fraudulent pretenses, representations, and promises which they knew to be false and fraudulent when made, caused and induced persons to send personal checks, bank checks, wire transfers or money orders to Financial Federated, AMERICAN BENEFITS SERVICES, INC., or companies associated with them, and thereby enabled the defendants and others known to the grand jury to defraud monies from investors throughout the United States.

OBJECT OF THE SCHEME AND ARTIFICE TO DEFRAUD

18. The object of the scheme and artifice to defraud was that the defendants, together with others known and unknown to the Grand Jury, would unlawfully enrich themselves by knowingly and willfully making false and fraudulent representations and promises, and by knowingly and willfully omitting and concealing material facts from prospective investors, thereby fraudulently inducing them to send personal checks, bank checks, wire transfers or money orders to Financial Federated, Viatical Asset Management, Asset Base Management, AMERICAN BENEFITS SERVICES, INC. and the Escrow Agent, in the total amount of at least \$117,000,000 via the United States mails or via interstate courier such as, Federal Express.

MANNER & MEANS OF EXECUTING THE SCHEME TO DEFRAUD

19. Under false and fraudulent pretenses Frederick C. Brandau, and defendants, GARLAND HOGAN, RAPHAEL LEVY, and JEFFREY C. PAINE, together with other persons known and unknown to the grand jury participated in recruiting and educating

insurance agents to solicit investors in viaticated insurance policies. GARLAND HOGAN and JEFFREY C. PAINE participated in one or more of these meetings in which it was falsely represented that they were verifying the existence of actual insurance policies underlying the viatical investments when in truth and in fact no such verification was performed.

20. GARLAND HOGAN, RAPHAEL R. LEVY, AMERICAN BENEFITS SERVICES, and ALAN RICHARD LEWIS represented to investors that:

- (a) investor funds obtained by American Benefits Services and Financial Federated would be used to purchase viaticated insurance benefits;
- (b) as a result of Financial Federated or an affiliated company purchasing the viaticated insurance benefits with the investor's money, the investor was guaranteed a 42% rate of return within 36 months on his or her investment if the insured party died;
- (c) individual investors were told in writing that an attorney would be utilized to ensure that the methods and documentation used by both trust and escrow services apply well established industry underwriting criteria;
- (d) the defendants caused to be represented to individual investors that a viaticated insurance policy, or a partial interest in such a policy in fact had been purchased with the investor's funds;
- (e) the defendants caused to be represented to individual investors that a medical overview had been performed on the insured party;
- (f) ABS provides a 'title of ownership' to each investor from Financial Federated, which purported to be a "guaranteed receivable from the Insurance Company;"
- (g) ABS represented to investors that RAPHAEL R. LEVY "had distinguished himself in the service of the U.S. by serving in the INS" and that this business had been formed in 1988;
- (h) the investment participation was "low risk" because investors' monies were "secured by \$300,000 State Insurance Guaranty Fund;"
- (i) the investment participation was "low risk" because investors' monies were "Secured by a Guaranteed Insurance Industry Receivable;"
- (j) ABS and Financial Federated represented to investors that their investment was protected by a Fidelity Bond issued by Preferred National Insurance Company.

21. The defendants knew that the above-described material factual representations were false and fraudulent when made because:

(a) while over \$117 million in investor funds were transferred to Financial Federated for the primary purpose of purchasing insurance policies, less than \$6 million was actually used to purchase policies whose combined face value totaled less than \$7 million, and the vast remainder of such monies was used to fund commissions for ABS and Financial Federated employees, and to purchase real and personal property around the United States that had nothing to do with the viatical business;

(b) a guaranteed 42% rate of return would have required a total face value of approximately \$166 million in life insurance policies to have been purchased with investor funds of \$117 million, and Financial Federated and an affiliated company purchased policies whose combined face value was approximately \$7 million;

(c) the defendants knew that the methods and documentation used by the "escrow agent" for ABS, did not comply with any established underwriting criteria. Specifically, the defendants knew that the only documents Financial Federated provided to the escrow agent were an irrevocable assignment of trust benefits, a "Confirmation of Conditions for Funding", and a Federal Express shipping label. The defendants knew that none of these documents provided sufficient information to enable an investor to verify independently that insurance benefits had been purchased by Financial Federated;

(d) the defendants knew that Financial Federated had not purchased sufficient viaticated insurance benefits because they had spent approximately \$6 million to purchase policies whose face value was approximately \$7 million.

(e) Financial Federated fraudulently represented that medical reviews were being conducted on insured persons, when in truth and in fact Financial Federated did not conduct medical reviews;

(f) the defendants knew that the irrevocable assignment of trust benefits was not a "guaranteed receivable from the Insurance Company." The defendants knew that 90% of the investors' funds had been used to buy real and personal property and pay professional commissions, and not insurance policies. Accordingly, the defendants knew that the vast majority of the assigned "trust benefits" were worthless, and not a 'guaranteed receivable' since most investors had no underlying insurance policy securing their investment.

(g) RAPHAEL R. LEVY knew he had never worked for the Immigration and Naturalization Service, ("INS"), and he also knew that ABS had not been incorporated in the State of Florida until 1997;

(h) the \$300,000 State Insurance Guaranty Fund did not provide any protection whatsoever to any investor against investment fraud;

(i) the investment participation was not "low risk" because most investors' monies were not secured by any life insurance policies;

(j) the Fidelity Bond issued by Preferred National Insurance Company was designed to protect an employer from employee theft, was never designed to function as a liability policy for investors, and in any event the bond coverage was limited to only \$250,000 per employee;

22. Defendants RAPHAEL R. LEVY and JEFFREY A. PAINE also knowingly, intentionally and fraudulently caused investors to send money to ABS by representing that investors' funds would be deposited directly with PAINE as the "Financial Escrow Agent" for the sole purpose of securing viaticated insurance benefits, and that the investors' monies received by PAINE would not be disbursed by him until the existence of the insurance policies had been confirmed. In truth and in fact, JEFFREY A. PAINE did not verify the existence of actual insurance policies, but merely rubber stamped records that were provided to him by Financial Federated.

23. Defendant GARY J. PIERCE also knowingly, intentionally and fraudulently caused numerous investors and other persons known to the grand jury to be lulled into inaction or otherwise delay possible recourse against Financial Federated TITLE & TRUST by causing intentionally false and misleading information to be published and sent by the United States mails or interstate courier to the investors. These communications were intentionally and fraudulently designed to lull investors into the belief that their respective investments were safe.

24. GARY J. PIERCE and others known to the grand jury represented in a mailed communication to the investors that:

(a) CSI had made every effort to provide the government with information pertinent to their investigation;

(b) CSI, through Gary J. Pierce, had invited the federal authorities to negotiate a solution beneficial to all parties, but that the government had not responded.

25. GARY J. PIERCE knew that the above-described material factual representations were false and fraudulent when made because:

(a) CSI and Pierce had not taken all measures to cooperate with the authorities but instead had evaded process. Pierce also had falsely and fraudulently represented to the Federal Bureau of Investigation, ("FBI"), and others known to the grand jury that he caused to be sent subpoenaed insurance policies to the FBI, when in truth and in fact he had not;

COUNT 1

CONSPIRACY TO COMMIT MAIL FRAUD

26. The allegations of paragraphs one through twenty-five are realleged and incorporated herein by reference.

27. From at least as early as February, 1996, and continuing through approximately August, 1999, the exact dates being unknown to the grand jury, at Palm Beach County, in the Southern District of Florida, and elsewhere, the defendants,

GARLAND HOGAN,

GARY J. PIERCE,

CSI Ag Ltd.,

RAPHAEL R. LEVY,

AMERICAN BENEFITS SERVICES, INC.,

JEFFREY A. PAINE, and

ALAN RICHARD LEWIS,

did knowingly and willfully combine, conspire, confederate, agree and reach a tacit understanding with each other and with other persons known and unknown to the Grand Jury to commit offenses against the United States:

(a) to knowingly and willfully devise a scheme and artifice to defraud and to obtain money and property from investors by means of false and fraudulent pretenses, and representations, as more fully set forth at paragraphs one through twenty above, and to knowingly use and cause to be used the United States mails, and private or commercial interstate carriers for the purpose of executing the scheme and artifice to defraud, in violation of Title 18, United States Code, Section 1341; and

(b) to knowingly and willfully devise a scheme and artifice to defraud and for obtaining money and property from customers throughout the United States by means of false and fraudulent pretenses, representations and promises, as more fully set forth at paragraphs one through nineteen above, and, for the purpose of executing the scheme and artifice to defraud, to transmit and cause to be transmitted in interstate commerce by means of wire communications, certain signals and sounds, in violation of Title 18, United States Code, Section 1343. **OVERT ACTS**

28. In furtherance of the conspiracy, and to effect its aims and objects, one or more of the co-conspirators committed at least one of the following overt acts in the Southern District of Florida:

a. The mail and wire communications set forth hereafter at Counts 2 through 14 are incorporated herein and further alleged as though stated herein as individual overt acts done in furtherance of the conspiracy.

b. The acts of corporate formation and amendment described in paragraphs 2, 3, 4, 8 and 9 are incorporated herein and further alleged as though stated herein as individual overt acts done in furtherance of the conspiracy.

c. On or about January 8, 1996, Frederick C. Brandau caused Box 418 to be rented at a remote mail business known as Mailbox Plus in the name of Viatical Asset Management. The address assigned to Box 418 was Suite 418, 10117 W. Oakland Park Blvd., Sunrise, FL.

d. In or about November, 1996, RAPHAEL R. LEVY solicited a prospective investor known to the grand jury.

e. In or about January, 1997, RAPHAEL R. LEVY provided to a viatical investor known to the grand jury a copy of a Travelers Life Insurance policy that purportedly had been caused to be purchased by American Benefits Services.

f. In or about May, 1997, RAPHAEL R. LEVY met with a prospective investor known to the grand jury.

g. In or about July, 1997, Frederick C. Brandau met with William Ramsay for the purpose of recruiting him to lure prospective investors in viatical settlements. .

h. In or about August, 1997, Frederick C. Brandau falsely represented to William Ramsay that Financial Federated was buying its viaticated insurance policies from a company known as Kelco in the State of Kentucky.

i. On various dates between March, 1996 and March, 1998, Frederick C. Brandau caused FEDERATED FINANCIAL to issue checks to the order of "VAM or Fred Brandau" in an amount totaling at least \$880,000, most of which were cashed by Frederick C. Brandau.

j. Frederick C. Brandau caused Suite 418, 10117 W. Oakland Park Blvd., Sunrise, FL, to be listed with the State of Florida as the address for Viatical Asset Recovery Corporation in 1998.

k. On or about January 1, 1998, the exact date being unknown to the grand jury, Frederick C. Brandau participated with persons known and unknown to the grand jury, in re-writing a Participation Disclosure document under the name of American Benefits Services, Inc., and Asset Base Management.

l. On various dates between on or about June 18, 1997 through on or about October 20, 1998, Frederick C. Brandau caused more than \$1.1 million in checks to be issued to Mad Dog Hawgs, a motorcycle dealership in Crystal River, Florida. The \$1.1 million was originally derived from investor funds received by Financial Federated to purchase viaticated insurance policies.

m. On various dates between on or about September 22, 1997, through on or about March 23, 1999, Frederick C. Brandau caused more than \$29,000,000 in checks and or wire transfers from the Financial Federated checking accounts at Union Bank to be deposited into a checking account in the name of ASSET SECURITY at First Union Bank. The \$29,765,000 was originally derived from investor funds received by Financial Federated to purchase viaticated insurance policies. None of the funds in the ASSET SECURITY checking account were used to purchase insurance policies.

n. On various dates between on or about January 30, 1997, through on or about October 12, 1998, Frederick C. Brandau caused more than \$1.1 million in checks from the Financial Federated checking account at Union Bank to be issued to B.C.N.U., Inc., a corporation that operated a Ft. Lauderdale restaurant doing business as East Coast Burrito Factory. The \$1.1 million was originally derived from investor funds received by Financial Federated to purchase viaticated insurance policies.

o. On various dates between on or about February 6, 1998, through on or about March 23, 1999, Frederick C. Brandau caused more than \$750,000 in checks from the Financial Federated checking account at Union Bank to be issued to Cornerstone, a Monroe County, Florida, construction business for work unrelated to viaticated insurance policies. The \$750,000 was originally derived from investor funds received by Financial Federated to purchase viaticated insurance policies.

p. On various dates between on or about September 18, 1996, through on or about March 18, 1999, Frederick C. Brandau caused approximately \$7,054,139.55 in checks from the Financial Federated checking account at Union Bank to be issued to E.L.S. Group, for purposes other than buying viaticated insurance policies. The \$7,054,139.55 was originally derived from investor funds received by Financial Federated to purchase viaticated insurance policies.

q. On or about August 11, 1997, Frederick C. Brandau caused a check for approximately \$100,000 from the Financial Federated checking account at Union Bank to be issued to Internet Access Company for purposes other than buying viaticated insurance policies. The \$100,000 was originally derived from investor funds received by Financial Federated to purchase viaticated insurance policies.

r. On various dates between on or about January 28, 1998, through on or about September 10, 1998, Frederick C. Brandau caused approximately \$41,000 in checks from the Financial Federated checking account at Union Bank to be issued to Islamorada Elevator Company for elevator work in Monroe County, Florida, unrelated to viaticated insurance policies. The \$41,000 was originally derived from investor funds received by Financial Federated to purchase viaticated insurance policies.

s. On or about March 26, 1998, RAPHAEL R. LEVY met with a prospective viatical investor known to the grand jury.

t. On or about January 26, 1999, Frederick C. Brandau caused a check for approximately \$85,630 from the Financial Federated checking account at Union Bank to be issued to Lotus Motorsports, Inc., for purchasing a luxury sports car titled in the name of a relative and not for the purpose of buying viaticated insurance policies. The \$85,630 was originally derived from investor funds received by Financial Federated to purchase viaticated insurance policies.

u. On various dates between on or about July, 1997, and January, 1999, Frederick C. Brandau caused numerous checks totaling at least \$146,000 to be issued to Major Motorcar, Inc., and Major Muscle, Inc., Pompano, Florida automobile businesses, for purposes other than buying viaticated insurance policies. The \$146,000 was originally derived from investor funds received by Financial Federated to purchase viaticated insurance policies.

v. On various dates between on or about July, 1997, and July, 1998, Frederick C. Brandau caused numerous checks totaling at least \$100,000 to be issued to Harley Davidson of Ft. Lauderdale, a motorcycle dealership, for purposes other than buying viaticated insurance policies. The \$100,000 was originally derived from investor funds received by Financial Federated to purchase viaticated insurance policies.

w. On various dates between on or about December 24, 1998, and February, 1999, Frederick C. Brandau caused checks totaling at least \$955,746, to be issued to Palm Beach Motorcars for the purpose of buying Lotus and Aston Martin luxury automobiles for his friends and relatives, which purchases were totally unrelated to the business of buying viaticated insurance policies. These monies were originally derived from investor funds received by Financial Federated to purchase viaticated insurance policies.

x. In or about June, 1998, in St. Lucie County, Florida, Frederick C. Brandau, and GARLAND HOGAN, RAPHAEL LEVY, JEFFREY PAINE and others known and unknown to the grand jury attended a meeting with numerous insurance agents for the purpose of promoting the activities of Financial Federated.

y. In or about October, 1998, in Ft. Lauderdale, Florida, Frederick C. Brandau, RAPHAEL LEVY, GARLAND HOGAN, and others known and unknown to the grand jury, attended a meeting with persons known and unknown to the grand jury for the purpose of promoting the activities of Financial Federated.

z. On various dates between on or about June, 1996, and March, 1999, Frederick C. Brandau caused checks totaling at least \$560,000 to be issued to Pensco Pension Services, Inc. for commissions and partial investor distributions in connection with investments directed to Financial Federated through Pensco Pension Services, Inc.

aa. On various dates between on or about August, 1997, and February, 1999, Frederick C. Brandau caused checks totaling at least \$917,000 to be issued to Performance Marine, a Pompano, Florida, boat dealer for the purpose of making an investment totally unrelated

to buying viaticated insurance policies. The \$917,000 was originally derived from investor funds received by Financial Federated.

bb. On various dates between on or about October, 1997, and March, 1999, Frederick C. Brandau caused checks totaling at least \$535,000 to be issued to Phoenix Productions, for purposes totally unrelated to buying viaticated insurance policies. The \$535,000 was originally derived from investor funds received by Financial Federated to purchase viaticated insurance policies.

cc. On various dates between on or about July, 1998, through November, 1998, Frederick C. Brandau caused checks totaling at least \$245,000 to be issued to Steven G, for home decorating services totally unrelated to buying viaticated insurance policies. The \$245,000 was originally derived from investor funds received by Financial Federated to purchase viaticated insurance policies.

dd. On various dates between on or about March 9, 1998, and October 20, 1998, GARLAND HOGAN signed numerous documents entitled "Confirmation of Conditions for Funding" for investors personally certifying that a partial interest in one or more life insurance policies issued by various insurance companies had been purchased, that a medical overview had been conducted on the insured person, and that the insurance policy was "past contestation." The "Confirmation" documents signed by Hogan pertained to the following investors amongst others: Edward and Roberta Kligfeld, William H. Warren, Lawrence and Joan Davidson, Arlene Barbush, Irving and Eva Bennett, Robert May, and Scott May.

ee. In or about September, 1999, the exact date being unknown to the grand jury, GARY PIERCE had a meeting in Ft. Lauderdale, Broward County, with an investor known to the grand jury.

ff. Between August 12, 1997, and March 11, 1999, GARLAND HOGAN received approximately \$2,947,133 in checks and wire transfers issued from Financial Federated.

gg. On or about May 1, 1998, Frederick C. Brandau hired an employee known to the grand jury to work at ASSET SECURITY.

hh. On or about February 12, 1999, Frederick C. Brandau caused a document containing a list of trust numbers to be telefaxed from the Hilton Business Center, Burbank, CA to GARLAND HOGAN in Ft. Lauderdale, FL.

ii. On or about April 1, 1999, Frederick C. Brandau caused a document containing a list of trust numbers to be telefaxed from Fiji to GARLAND HOGAN in Ft. Lauderdale, FL.

jj. On or about June 15, 1999, GARY J. PIERCE falsely and fraudulently represented to persons known to the grand jury and to an FBI agent that he had caused two packages to be forwarded from CSI to the FBI consisting of insurance policies previously subpoenaed from FREDERICK BRANDAU and entities controlled by BRANDAU.

kk. On or about December 18, 1996, ALAN LEWIS caused a communication to be made with Harald Roelle in Germany concerning a viatical investment.

ll. Sometime after February, 1999, the exact date being unknown to the grand jury, GARY J. PIERCE and RAPHAEL LEVY conducted a meeting in Boca Raton, Palm Beach County, with a person known to the grand jury.

mm. Sometime after March, 1999, the exact date being unknown to the grand jury, GARY J. PIERCE met with an insurance agent known to the grand jury.

nn. On or about August 27, 1999, GARY J. PIERCE caused a letter to be sent to investors via the United States mails or interstate courier.

oo. On or about February 12, 1997, RAPHAEL R. LEVY met with investor Stanley Ellis and made numerous false representations to induce him to invest in a viaticated insurance policy purportedly issued by New York Life;

pp. On various dates between February, 1996, and continuing until at least March, 1999, the exact dates being unknown to the grand jury RAPHAEL R. LEVY caused numerous ABS agents

to make misrepresentations concerning the scope and purpose of a Fidelity Bond issued by Preferred National Insurance Company for the purpose of inducing persons to invest in viaticated insurance policies through ABS.

qq. On or about April 30, 1999, ALAN RICHARD LEWIS caused an international telefax communication to be sent from the offices of Financial Federated to a person known to the grand jury in Germany.

rr. On or about March 12, 1999, JEFFREY A. PAINE caused a letter to be sent to a person known to the grand jury in which PAINE represented that investors desiring to receive their guaranteed 15% rate of return would be paid back with new investors' monies that normally would be utilized to purchase additional policies.

ss. On or about November, 1996, RAPHAEL R. LEVY provided to an investor known to the grand jury a copy of what LEVY purported to be a viaticated insurance policy with Farmer's New World underlying that particular investor's viatical investment.

In violation of Title 18, United States Code, Sections 1341, and 1343; all in violation of Title 18, United States Code, Section 371.

COUNTS 2 THROUGH 14

USE OF THE MAILS

29. The allegations of paragraphs one through twenty-eight are realleged and incorporated herein by reference.

30. On or about the dates enumerated as to each count, at Palm Beach and Broward Counties, in the Southern District of Florida, and for the purpose of executing the aforesaid scheme and artifice to defraud and for obtaining money and property by false and fraudulent pretenses, representations and promises, the defendants enumerated as to each count did knowingly cause to be delivered by the United States Postal Service, or by private or commercial interstate carrier according to the direction thereon, mail matter, as more particularly described below:

<u>COUNT</u>	<u>DATE</u>	<u>DEFENDANT</u>	<u>DESCRIPTION OF MAILING</u>
2	February 27, 1997	RAPHAEL R. LEVY AMERICAN BENEFITS SERVICES, INC	Federal Express shipment from Federated Title & Trust, Lauderhill, FL to Stanley Ellis, Palm Beach Gardens, FL
3	May 7, 1997	RAPHAEL R. LEVY AMERICAN BENEFITS SERVICES	Federal Express shipment to Caroline S. Mills, Lantana, FL
4	October 23, 1997	RAPHAEL R. LEVY AMERICAN BENEFITS SERVICES	Federal Express shipment from Federated Title & Trust, Lauderhill, FL to Stanley Ellis, Palm Beach Gardens, FL
5	April 23, 1998	RAPHAEL R. LEVY AMERICAN BENEFITS SERVICES GARLAND HOGAN JEFFREY A. PAINE	Federal Express shipment from Federated Title & Trust, Lauderhill, FL through the escrow agent in West Palm Beach, FL to Edward Kligfeld, Lauderhill, FL
6	May 4, 1998	RAPHAEL R. LEVY AMERICAN BENEFITS SERVICES GARLAND HOGAN JEFFREY A. PAINE	Federal Express shipment from Federated Title & Trust, Lauderhill, FL through the escrow agent in West Palm Beach, FL to Robert May, Lake Worth, FL
7	May 4, 1998	RAPHAEL R. LEVY AMERICAN BENEFITS SERVICES GARLAND HOGAN JEFFREY A. PAINE	Federal Express shipment from Federated Title & Trust, Lauderhill, FL through the escrow agent in West Palm Beach, FL to Scott May, West Palm Beach, FL
8	May 20,	RAPHAEL R. LEVY	Priority U.S. Mail package Express

	1998	AMERICAN BENEFITS SERVICES GARLAND HOGAN JEFFREY A. PAINE	shipment from Federated Title & Trust, Lauderdale Hill, FL through the escrow agent in West Palm Beach, FL to William H. Warren, PO Box 10703, Naples, FL
9	June 2, 1998	RAPHAEL R. LEVY AMERICAN BENEFITS SERVICES GARLAND HOGAN JEFFREY A. PAINE	Federal Express shipment from Federated Title & Trust, Lauderdale Hill, FL through the escrow agent in West Palm Beach, FL to Lawrence and Joan Davidson, Boynton Beach, FL
10	July 29, 1998	RAPHAEL R. LEVY AMERICAN BENEFITS SERVICES GARLAND HOGAN JEFFREY A. PAINE	Federal Express shipment from Federated Title & Trust, Lauderdale Hill, FL through the escrow agent in West Palm Beach, FL to Irving and Eva Bennett, Boca Raton, FL
11	August 20, 1998	RAPHAEL R. LEVY AMERICAN BENEFITS SERVICES GARLAND HOGAN JEFFREY A. PAINE	Federal Express shipment from Federated Title & Trust, Lauderdale Hill, FL through the escrow agent in West Palm Beach, FL to Theodore Pace, Weston, FL
12	December 28, 1998	RAPHAEL R. LEVY AMERICAN BENEFITS SERVICES, INC GARLAND HOGAN JEFFREY A. PAINE	Federal Express shipment from Federated Title & Trust, Lauderdale Hill, FL to Stanley Ellis, Palm Beach Gardens, FL
13	December 18, 1996	ALAN R. LEWIS RAPHAEL R. LEVY	Federal Express shipment from Federated Title & Trust, Lauderdale Hill, FL to Dr. Harald Roelle, Bucholz, Germany
14	October 23, 1998	RAPHAEL R. LEVY AMERICAN BENEFITS SERVICES,	Federal Express shipment from Federated Title & Trust, Lauderdale Hill, FL to Wayne T. Holsinger, Tempe, AZ

		INC GARLAND HOGAN JEFFREY A. PAINE	
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All in violation of Title 18, United States Code, Sections 1341 and 2.

COUNT 15

CONSPIRACY TO LAUNDER PROCEEDS OF ILLEGAL ACTIVITY

31. The allegations of paragraphs one through twenty-six, twenty-eight, and thirty are realleged and incorporated herein by reference.

32. From at least as early as, February, 1996, and continuing through approximately September, 1999, the exact dates being unknown to the grand jury, at Palm Beach and Broward Counties, in the Southern District of Florida, and elsewhere, the defendants,

GARLAND HOGAN,

GARY J. PIERCE,

CSI Ag Ltd.,

RAPHAEL R. LEVY,

AMERICAN BENEFITS SERVICES, INC.,

WANDA TIRADO ,

ALAN RICHARD LEWIS,

IVAN BURGOS,

ZANE BALSAM,

JUAN ARROYO,

HARVEY BRANDAU, and

CHERYL POINDEXTER,

did knowingly combine, conspire, confederate and agree with each other and with others known and unknown to the Grand Jury to commit offenses against the United States, that is, to conduct and attempt to conduct financial transactions affecting interstate and

foreign commerce, which involved the proceeds of a specified unlawful activity, that is, mail fraud and wire fraud, in violation of Title 18, United States Code, Sections 1341 and 1343, knowing the property involved represented the proceeds of some form of unlawful activity, with the intent to promote the carrying on of said unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i), to conceal or disguise the nature, source or ownership of such proceeds, in violation of Title 18, United States Code, Section 1956(a)(1)(B); and to engage in monetary transactions in criminally derived property of a value greater than \$10,000, which property was derived from wire fraud, in violation of Title 18, United States Code, Section 1957; all in violation of Title 18, United States Code, Section 1956(h).

OBJECT OF THE MONEY LAUNDERING SCHEME

33. It was the object of the money laundering conspiracy that defendants GARLAND HOGAN, GARY J. PIERCE, CSI Ag, RAPHAEL R. LEVY, AMERICAN BENEFITS SERVICES, WANDA TIRADO, JUAN ARROYO, ALAN RICHARD LEWIS, IVAN BURGOS, ZANE BALSAM, HARVEY BRANDAU and CHERYL POINDEXTER, together with themselves and with other persons known and unknown to the grand jury attempted to conceal or disguise the nature, source or ownership of monies deposited into the checking accounts of Financial Federated. These monies were thereafter expended directly out of the Financial Federated checking account, or caused to be transferred to one or more checking accounts in the name of Asset Security, an entity owned or controlled by FREDERIC BRANDAU. After funds were transferred to Asset Security from FEDERATED FINANCIAL the defendants thereafter sought to disguise the original source of these funds when the monies were used to purchase assets consisting of both real and personal property. Nearly all of the assets of Asset Security including monies deposited into its checking accounts, derived from investor monies deposited with Financial Federated and which were the proceeds of a mail and or wire fraud. It was further an object of the money laundering conspiracy that the defendants would cause the proceeds of mail and wire fraud activity to be used to purchase assets for their own benefit and for the benefit of numerous straw and nominee owners in a manner that would disguise that the monies used to purchase the assets had originated from the mail and wire fraud proceeds received by Financial Federated.

34. It was also an object of the money laundering conspiracy that the defendants: (a) conducted financial transactions with the proceeds of mail and wire fraud in order to promote the on-going fraud, that is, by paying trade creditors and making Ponzi-type payments to lull investors; and (b) engaged in monetary transactions in criminally derived property valued over \$10,000, which property was derived from mail and wire fraud.

MANNER & MEANS OF LAUNDERING THE PROCEEDS

OF ILLEGAL WIRE FRAUD ACTIVITY

It was part of the money laundering conspiracy that:

35. One or more of the defendants caused Financial Federated deposits exceeding \$29,000,000 to be transferred and deposited into the checking accounts of Asset Security CORPORATION, a company beneficially owned by Frederick C. Brandau. These deposits into the Asset Security checking account represented the proceeds of a specified unlawful activity, namely mail fraud and wire fraud in violation of Title 18, United States Code, Sections 1341 and 1343.

36. The defendants would and did cause checks to be issued from the Financial Federated and the Asset Security CORPORATION checking accounts in payment of assets, both real and personal property, in which title was taken in the names of straw and nominee owners to disguise that the assets had been purchased with monies originally derived from the mail and wire fraud perpetrated by Financial Federated and defendants Frederick C. Brandau and GARLAND HOGAN, and other persons known and unknown to the grand jury.

37. Defendant WANDA TIRADO and others known to the grand jury would and did cause checks issued from the Financial Federated and Asset Security checking accounts to be used to pay the on-going trade creditors of AMERICAN BENEFITS SERVICES and its predecessor companies in an effort to promote the mail and wire fraud.

38. In order to promote the on-going scheme to defraud, Frederick C. Brandau and defendant RAPHAEL R. LEVY caused mail and wire fraud proceeds to be beneficially received by LEVY from Financial Federated funds, in at least the following amounts in connection with the following entities controlled by him: (a) AMERICAN BENEFITS SERVICES, at least \$14,000,000; (b) Levy Insurance Agency, at least \$3,000,000; (c) U.S. Benefits Services, at least \$3,000,000; and (d) First R and R Trust, at least \$1,500,000.

39. Frederick C. Brandau caused an international wire transfer to be made from the Bahamas with the proceeds of mail and wire fraud to account 3290204697 at CITIBANK, at Fort Lauderdale, Florida.

40. In order to conceal or disguise the nature, source or ownership of mail fraud proceeds, Frederick C. Brandau and defendant ZANE BALSAM caused mail and wire fraud proceeds to be issued to one or more companies owned or controlled by ZANE BALSAM in at least the following amounts: (a) \$7,000,000 to ELS Group, Inc.; (b) \$3,000,000 to Real Time Encryption, Inc.; (c) \$300,000 to Virtual Motion Entertainment Group, Inc.

41. In order to conceal or disguise the nature, source or ownership of mail fraud proceeds, Frederick C. Brandau and defendant ZANE BALSAM caused at least \$1,899,000 in mail and wire fraud proceeds to be issued to a Canadian entity known as Robbins, Appleby & Taub in connection with the purchase of an office building in Toronto, Canada.

42. Frederick C. Brandau and defendant GARY J. PIERCE attempted to hide and conceal large sums of investor monies received by Financial Federated by causing wire transfers

from bank accounts controlled by Frederick C. Brandau in the United States to one or more accounts controlled by GARY J. PIERCE and CHERYL POINDEXTER in the Bahamas. GARY J. PIERCE and CHERYL POINDEXTER thereafter acted in concert to transfer the funds from the Bahamas to one or more bank accounts in California under their control in a manner designed to conceal or disguise the true nature, source, location or origin of the funds.

43. Beginning as early as March 27, 1999, the exact date being unknown to the grand jury Frederick C. Brandau and defendant GARY J. PIERCE caused the transfer of numerous parcels of real property originally purchased with monies of Financial Federated and Asset Security. The deeds to these parcels of real property had been listed in the names of Asset Security, straw owners, relatives of Frederick C. Brandau, and employees of Frederick C. Brandau. The transfer of these properties to CSI Ag Ltd. was accomplished after Frederick C. Brandau and defendant GARY J. PIERCE had actual knowledge of the grand jury investigation through the use of forged and fraudulent deeds.

44. Defendant Gary J. Pierce caused international wire transfers to be made from the Bahamas with the proceeds of mail and wire fraud to pay friends, associates, and family members in California, Indiana, and other locations.

45. Defendant RAPHAEL R. LEVY attempted to conceal or disguise his receipt of mail and wire fraud proceeds from Financial Federated by forming and causing to be formed separate trusts known as First R & R Trust, and M & M Associates Trust and hiring a third party known to the grand jury to control financial accounts opened in the names of First R & R Trust, and M & M Associates Trust.

46. RAPHAEL R. LEVY promoted the mail fraud scheme by causing sales commissions to be paid to the following sales agents, among others: Borg Intergroup Ltd., David Kligfeld, Innovative Business Concepts, and U.S. Golden Eagle Trust.

47. Frederick C. Brandau, and defendants RAPHAEL R. LEVY, WANDA TIRADO, and IVAN BURGOS, caused at least \$535,000 in mail and wire fraud proceeds to be transferred by wire from banks in the Southern District of Florida for the purpose of developing real property in Mexico.

48. Defendant WANDA TIRADO caused checks and wire transfers consisting of mail and wire fraud proceeds in an amount exceeding \$500,000 to be issued to the order of relatives in order to conceal or disguise the nature, source or ownership of such proceeds.

49. In order to conceal or disguise the nature, source or ownership of mail fraud proceeds, RAPHAEL R. LEVY caused AMERICAN BENEFITS SERVICES to issue checks to M & M Associates Trust totaling at least \$750,000.

50. ALAN RICHARD LEWIS caused Financial Federated and Asset Security to issue at least \$335,000 in checks for his benefit to the order of Asset Based Services, Ltd., a Turks & Caicos company, and caused such funds to be sent outside of the United States.

51. ALAN RICHARD LEWIS caused real property in Palm Beach County and Monroe County to be purchased with funds derived from Financial Federated and title to be placed in the names of his wife, Karin Lewis, and Lewis Limited Partnership, respectively.

52. IVAN BURGOS caused more than \$250,000 in Financial Federated checks for his benefit to be issued to the order of family members.

53. IVAN BURGOS and Frederick C. Brandau purchased more than \$750,000 in jewelry with funds provided by Financial Federated, and caused the purchases to be made in the name of Waterbed Odyssey, a defunct Florida corporation.

54. IVAN BURGOS caused or participated in the purchase of one or more parcels of real property with mail and wire fraud funds provided by Financial Federated and caused title to be taken in the names of himself and members of his family.

55. IVAN BURGOS participated in executing numerous forged deeds by which title to real property was purportedly transferred from various owners to C.S.I. Ag, Ltd.

56. CHERYL POINDEXTER participated in receiving at least \$190,000 in international wire transfers from Suisse Security Bank & Trust to her accounts in California.

57. CHERYL POINDEXTER participated in disguising the ownership and control of mail and wire fraud proceeds by recruiting a person known to the grand jury to receive an international wire transfer to be made from Suisse Security Bank & Trust in the Bahamas to a Bank of America account in California, and thereafter back to a bank account in Miami, Florida.

OVERT ACTS

58. In furtherance of the conspiracy and to effect its aims and objects, there was committed by one or more of the co-conspirators, at Palm Beach and Broward Counties, in the Southern District of Florida and elsewhere, at least one of the following overt acts:

a. The financial transactions representing the proceeds of mail and wire fraud, which transactions were designed to conceal or disguise the nature, source or ownership of the proceeds, and which are set forth in Counts 16 through 50 are incorporated herein and realleged as though restated herein as individual overt acts done in furtherance of the conspiracy.

b. Frederick C. Brandau caused a facsimile signature of John J. Rassulo to be added to the name of authorized signators on a FEDERATED FINANCIAL checking account at Union Bank at some time after February 2, 1996, the exact date being unknown to the grand jury.

c. On or about March 5, 1999, Frederick C. Brandau caused an amended signature card to be filed with Union Bank adding his name as an authorized signator on a Financial Federated checking account.

d. Between September 22, 1997, and March 23, 1999, the exact dates being unknown to the grand jury, Frederick C. Brandau caused approximately \$29,000,000 in Financial Federated funds derived from investors to be deposited into the First Union Bank checking accounts of Asset Security.

e. On or about January 15, 1998, Frederick C. Brandau caused Asset Security check 1062 in the amount of \$159,945.55 to be issued to the order of Dominion Title in connection with the purchase of real property located at 3301 SW 117th Avenue, Davie, Florida and titled in the name of Asset Security.

f. On or about January 21, 1998, a person known to the grand jury executed a \$450,000 mortgage to Quad-B-Ltd. in connection with the purchase of real property located at 218 Dexter Court, Tavernier, Monroe County, Florida with funds derived from a mail fraud.

g. On or about May 21, 1998, Frederick C. Brandau caused Asset Security check 1129 in the amount of \$290,000 to be issued to the order of Pall Spera Company in connection with the purchase of real property located at 3419 Weeks Hill Road, Stowe, Vermont, and titled in the name of Asset Security.

h. On or about June 22, 1998, Frederick C. Brandau caused Asset Security check 1143 in the amount of \$250,000 to be issued to the order of Citizens Title in connection with the purchase of real property located at 11500 SW 37 Ct., Davie, Florida .

i. On or about August 21, 1998, Frederick C. Brandau caused a \$600,000 mortgage in the name of Quad-B-Ltd. on real property located at 3301 SW 117th Avenue, Davie, Florida.

j. On or about October 8, 1998, Frederick C. Brandau caused Asset Security to wire transfer the sum of \$1,875,000 from its checking account to Stackpole and French in connection with the purchase of real property located 506 North Hill Road, Stowe, Vermont.

k. On or about October 23, 1998, Frederick C. Brandau caused Asset Security check 1243 in the amount of \$345,000 to be issued to the order of Citizens Title in connection with the purchase of real property located at 2260 Lazy Lane, Ft. Lauderdale, FL, (also known as Lazy Lake, FL), and titled in the name of Asset Security Corporation.

l. On or about October 27 1998, Frederick C. Brandau caused a \$385,000 mortgage in the name of Quad-B-Ltd to be executed on real property located at 2260 Lazy Lane, Ft. Lauderdale, FL, (also known as Lazy Lake, FL).

m. On or about November 2, 1998, Frederick C. Brandau caused Asset Security check 1037 at Chittendon Bank, Vermont, to be issued to Stackpole & French Trust Account in

partial payment of a \$330,000 purchase price for real property located at 231 Weeks Hill Meadow, Stowe, Vermont.

n. On or about November 13, 1998, Frederick C. Brandau caused Asset Security to wire transfer the sum of \$770,000 from its checking account to Frank Sutton Escrow in connection with the purchase of real property commonly known as Lots 52 and 53, Fairway Estates, Sky Valley, GA, and titled in the name of Asset Security.

o. On or about November 13, 1998, Frederick C. Brandau caused a \$770,000 mortgage in the name of Quad-B-Ltd to be executed on real property commonly known as Lots 52 and 53, Fairway Estates, Sky Valley, GA.

p. On or about December 21, 1998, Frederick C. Brandau caused Asset Security check 1297 in the amount of \$1,735,400 to be issued to the order of Robbins Appleby & Taub in connection with the purchase of real property, that is, two buildings located at 30 and 30A Hazelton Avenue, Toronto, Canada.

q. On or about February 26, 1999, Frederick C. Brandau caused \$165,537.08 to be wire transferred from Asset Security in Ft. Lauderdale to Anton W. Sterba in Summerville, South Carolina in connection with the purchase of real property located at 105 Lakeview Drive, Summerville, South Carolina for \$215,000, and occupied by Frederick C. Brandau's father-in-law, John J. Rassulo.

r. On or about March 30, 1999, Frederick C. Brandau caused \$400,000 to be wire transferred in separate increments of \$200,000 each from Asset Security in Ft. Lauderdale, Florida to Richard Scimone, Cambridge, Massachusetts, in connection with the purchase of real property located at 40 Greybirch Park, Belmont, Massachusetts for \$630,000, which property was titled in the name of Frederick C. Brandau's brother-in-law, John A. Rassulo, and Rassulo's wife.

s. On or about April 29, 1999, the exact date being unknown, GARY J. PIERCE caused a limited power of attorney to be executed and forwarded to a person known to the grand jury for the purpose of transferring title to CSI Ag Ltd. on multiple parcels of real property purchased with investor funds derived from the mail fraud scheme described earlier in this indictment.

t. On or about April 30, 1999, Frederick C. Brandau caused the wire transfer of \$5,000,000 in funds from Financial Federated in Ft. Lauderdale to a bank account in the Bahamas for the benefit of CSI Ag Ltd. which was controlled by GARY J. PIERCE.

u. On or about March 9, 1998, IVAN BURGOS caused the purchase of a Union Bank cashier's check in the amount of \$48,000 with mail and wire fraud funds for the purpose of buying real property located at 1855 Winding Oaks Way, Naples, Florida, and titled in the name of Debi J. Molina.

v. On or about April 16, 1998, IVAN BURGOS caused the purchase of a Union Bank cashier's check in the amount of \$100,000 with mail and wire fraud funds for the purpose of buying real property located at 2325 Carrington Court, Unit 202, Naples, Florida, and titled in the name of Debi J. Molina.

w. On or about October 14, 1998, IVAN BURGOS caused the purchase of a Union Bank cashier's check in the amount of \$79,500 with mail and wire fraud funds for the purpose of buying real property located at 1600 Misty Pines Circle, P-301, Naples, Florida, and titled in the name of Debi J. Molina.

x. On or about October 28, 1998, IVAN BURGOS caused the purchase of a Union Bank cashier's check in the amount of \$150,000 with mail and wire fraud funds for the purpose of buying real property located at 1771 Kitcheners Court, Stonebridge Unit 4, Naples, Florida, and titled in the name of Debi J. Molina.

y. On or about June 10, 1998, ALAN RICHARD LEWIS caused the purchase of a Union Bank cashier's check with mail and wire fraud proceeds in the amount of \$200,112.02 for the purpose of buying real property located at 917 Emerald Row, Gulfstream, Palm Beach County, Florida and titled in the name of Karin Lewis, as Trustee of the Karin Lewis Living Trust.

z. On or about February 13, 1999, ZANE BALSAM executed a vehicle transfer form with Symbolic Motors in California to take possession of a 1997 Mercedes S600 paid for with Financial Federated mail and wire fraud proceeds.

aa. On or about September 10, 1998, ALAN RICHARD LEWIS caused Financial Federated to issue check number 3026 to Autohaus in the amount of \$46,356.98 in payment of a 1999 Mercedes Benz E320W titled in the name of his wife.

bb. Between on or about June, 1997 and March, 1999, ALAN RICHARD LEWIS caused to be deposited into one or more bank accounts under his control at least \$1.8 million in checks issued by Financial Federated and Asset Security, payable to the order of K.A.L. USA, Inc.

cc. Between on or about November, 1998 and January, 1999, ALAN RICHARD LEWIS caused to be deposited in Swiss American National Bank of Antigua, St. John's Antigua, at least \$335,000 in Financial Federated checks issued to Asset Based Services, Ltd.

dd. On or about January 23, 1999, WANDA TIRADO issued Asset Security check 5413 to her sister, Sandra Arroyo, in the amount of \$11,000 purportedly in payment of "security services" provided by Sandra Arroyo.

ee. On or about January 25, 1999, RAPHAEL R. LEVY caused the transfer of

\$240,000 in fraud proceeds by international wire from account of First R & R Trust at Republic Security Bank, Lake Worth, Florida, to an account in Mexico.

ff. On or about February 23, 1999, WANDA TIRADO caused Financial Federated check 7669 for \$256,546.78 to be issued to Juan Arroyo as a "loan."

gg. On or about March 12, 1999, RAPHAEL R. LEVY caused ABS to issue check number 2135 to First R & R Trust in the amount of \$165,000.

hh. On or about March 26, 1999, ALAN LEWIS caused the purchase of a cashier's check in the amount of \$366,125 with mail and wire fraud funds for the purpose of purchasing real property located at 75 West Plaza del Sol, Islamorada, Monroe County, Florida, in the name of Lewis Limited Partnership.

ii. On or about March 27, 1999, IVAN BURGOS executed numerous forged warranty deeds that purported to transfer interests in real property to C.S.I., Ag., Ltd.

jj. Between on or about March 25, 1999, and August 5, 1999, GARY J. PIERCE caused six separate transfers totalling \$145,000 in mail fraud funds to be wired from the Bahamas to a person known to the grand jury who resided in California

kk. Between May 16, 1999, and approximately July 6, 1999, GARY J. PIERCE caused at least three separate transfers totalling \$120,000 in mail fraud funds to be wired from the Bahamas to a relative of his known to the grand jury.

ll. On or about April 27, 1999, WANDA TIRADO caused \$35,000 in mail and wire fraud proceeds to be loaned to a person known to the grand jury, and attempted to conceal the source of the loan.

mm. On or about May 13, 1999, RAPHAEL R. LEVY caused ABS to issue check number 2372 to First R & R Trust in the amount of \$252,415.16.

nn. Between on or about April 17, 1998, and June 16, 1999, Frederick C. Brandau and IVAN BURGOS caused more than \$750,000 in jewelry purchases to be made in the name of Waterbed Odyssey, a defunct Florida corporation, from a jeweler known to the grand jury, and caused the payments to be made with Financial Federated checks or with an American Express card issued under the name of John Rassulo.

oo. On or about June, 1999, ZANE BALSAM caused a power of attorney form containing a forged notary signature to be submitted in connection with acquiring real property in Florida under the name of a foreign corporation.

pp. Between on or about June 18, 1998 and September 17, 1998, ZANE BALSAM caused at least six separate international wire transfers with mail and wire fraud funds to be made from a bank account in the name of ELS Group, Inc. at Washington Mutual Bank, to Canadian Imperial Bank of Commerce, ("CIBC") for the benefit of RY LOR Technologies.

qq. On or about July 13, 1998, ZANE BALSAM caused RY LOR Technologies to wire transfer approximately \$1,250,661.30 in mail and wire fraud proceeds from CIBC in Canada to the escrow account English, McCaughan & O'Bryan at Sun Bank to fund the purchase of real property located at 2935 Spanish River Road, Boca Raton, Florida, and which real property was titled in the name of Tidal Wave Associates Ltd.

rr. On or about March 9, 1999, HARVEY BRANDAU caused the wire transfer of approximately \$247,000 in Financial Federated mail and wire fraud proceeds from a bank account at Union Bank, Morrisville, Vermont, to Barclay's Bank in the Bahamas.

ss. On or about March 9, 1999, HARVEY BRANDAU caused the wire transfer of approximately \$250,000 in Financial Federated mail and wire fraud proceeds from a bank account at Colonial Bank, Atlanta, Georgia, to Barclay's Bank in the Bahamas.

tt. On or about July 9, 1999, GARY J. PIERCE caused \$180,000 in mail and wire fraud funds to be wire transferred from Suisse Security Bank & Trust in the Bahamas to Bank Atlantic, account of First American Title Insurance in Florida, for the benefit of Juan Arroyo for the purpose of buying real property located at 1711 SW 1st Avenue, Pompano Beach, FL 33060.

uu. On various dates between March 25, 1999 and August 5, 1999, GARY J. PIERCE caused at least \$145,000 in mail and wire fraud proceeds to be wire transferred from a Suisse Security Bank & Trust account in the Bahamas to a person known to the grand jury in California.

vv. On various dates between May 11, 1999 and August 5, 1999, GARY J. PIERCE caused at least \$190,000 in mail and wire fraud proceeds to be wire transferred from a Suisse Security Bank & Trust account in the Bahamas to Awe Productions, Inc. doing business as Poindexter Designs, in California.

ww. On various dates between May 16, 1999 and July 6, 1999, GARY J. PIERCE caused at least \$120,000 in mail and wire fraud proceeds to be wire transferred from a Suisse Security Bank & Trust account in the Bahamas to a Wells Fargo Bank account in Indiana for the benefit of a relative known to the grand jury.

xx. On or about July 29, 1999, Frederick C. Brandau caused approximately \$1,000,000 in mail and wire fraud proceeds to be wire transferred from a Canadian Imperial Bank of Commerce account in Nassua, Bahamas to account 3290204697 at CITIBANK, at Fort Lauderdale, Florida.

yy. On or about July 21, 1999, in Palm Beach County, Florida, HARVEY BRANDAU attempted to sell and convey title to a Lotus luxury automobile that had been purchased with mail and wire fraud funds provided by Financial Federated.

zz. On or about September 17, 1999, GARY PIERCE and CHERYL POINDEXTER caused \$147,727.19 in mail and wire fraud proceeds to be wire transferred from Suisse

Security Bank & Trust in the Bahamas to Bank of America, supposedly for the benefit of Cold Stone Creamery, in California.

aaa. On or about September 20, 1999, GARY J. PIERCE and CHERYL POINDEXTER caused approximately \$50,000 in mail and wire fraud proceeds to be wire transferred from a Bank of America bank account to a bank account in Miami, Florida.

bbb. On or about March 26, 1998, RAPHAEL R. LEVY and AMERICAN BENEFITS SERVICES caused check 2847 in the amount of \$4,459.10 to be issued to Banyan Printing.

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

COUNTS 16 THROUGH 45

FINANCIAL TRANSACTIONS WITH MAIL & WIRE FRAUD PROCEEDS & WITH

THE INTENT TO CONCEAL OR DISGUISE THE NATURE,

SOURCE OR OWNERSHIP OF THE PROCEEDS

18 U.S.C. § 1956(a)(1)(B)

59 The allegations set forth in paragraphs one through twenty-eight, thirty, and thirty-two through fifty-seven of this Indictment are incorporated by reference.

60. On such dates and in the amounts set forth below, at Palm Beach, Broward, and Dade Counties, in the Southern District of Florida, the defendant named therein did knowingly conduct and attempt to conduct a financial transaction affecting interstate and foreign commerce, which involved the proceeds of a specified unlawful activity, that is, mail and wire fraud, knowing that the transaction was designed in whole and in part to conceal and disguise the nature, location, source, ownership and control of the proceeds of said specified unlawful activity and while conducting and attempting to conduct such financial transaction did know that the property involved in the financial transaction, that is, funds in the amounts set forth below, represented the proceeds of unlawful activity:

<u>COUNT</u>	<u>DATE</u>	<u>DEFENDANT</u>	<u>TRANSACTION</u>
16	September 30, 1998	GARLAND HOGAN	\$239,230.62 mortgage executed in favor of Quad-B-Ltd., Inc. on real property located at 220 Lazy Lane, Lazy Lake, FL

17	January 23, 1999	WANDA TIRADO	Asset Security check 5413 for \$11,000 issued to Sandra Arroyo for "Security Services"
18	January 25, 1999	RAPHAEL R. LEVY	Wire transfer of \$240,000 from First R & R account at Republic Security Bank, Lake Worth, FL to Mexico
19	November 19, 1998	RAPHAEL R. LEVY	ABS check 3834 issued to M & M Associates for \$33,213.98
20	February 23, 1999	WANDA TIRADO JUAN ARROYO	Financial Federated check 7669 for \$256,546.78 issued to Juan Arroyo as a "loan"
21	March 12, 1999	RAPHAEL R. LEVY	American Benefits Services check 2135 in the amount of \$165,000 issued to First R & R Trust
22	September 10, 1998	ALAN RICHARD LEWIS	Financial Federated check 3026 in the amount of \$46,356.98 issued to the Autohaus for payment of a 1999 Mercedes E320W titled in the name of Karin Lewis
23	June 10, 1998	ALAN RICHARD LEWIS	Union Bank cashier's check in the amount of \$200,112.02 issued to Devitt, Thistle, Devitt, PA Trust Account
24	April 16, 1998	IVAN BURGOS	Union Bank cashier's check in the amount of \$100,000 issued in connection with purchase of 2325 Carrington Court, Unit 202, Naples, Florida and titled in name of Debi J. Molina
25	December 7, 1998	ALAN RICHARD LEWIS	Financial Federated check 5256 in the amount of \$100,000 issued to the order of Asset Based Services, Ltd.
26	March 3, 1999	IVAN BURGOS	Mortgage executed in favor of CSI, Ag., Ltd. in the amount of \$113,000
27	October 6, 1998	IVAN BURGOS	Financial Federated check 5031 in the amount of \$14,000 issued to Carlos Burgos
28	October 28, 1998	IVAN BURGOS	Union Bank cashier's check in the amount of \$150,000 issued in connection with purchase of 1771 Kitcheners Court, Naples, Florida and titled in name of Debi J. Molina
29	March 26, 1999	ALAN RICHARD LEWIS	Union Bank cashier's check in the amount of \$366,125.65 issued to the order of Robert Feldman Trust Account
30	April 29, 1999	IVAN BURGOS	Financial Federated check 5628 issued to Robert Buchwald in the amount of \$273,456.75 for purchase of loose diamonds

31	May 13, 1999	RAPHAEL R. LEVY	ABS check number 2372 in the amount of \$252,415.16 issued to First R & R Trust
32	February 12, 1999	ZANE BALSAM	Union Bank cashier's check in the amount of \$198,729 issued to Symbolic in payment of a 1997 Mercedes Benz S600
33	April 12, 1999	ZANE BALSAM	Asset Security escrow account check 1361 in the amount of \$1,500,000 re: Minute Communications
34	June 18, 1998	ZANE BALSAM	Wire transfer for \$450,000 from ELS Group to RY LOR TECH in Canada
35	June 26, 1998	ZANE BALSAM	Wire transfer for \$450,000 from ELS Group to RY LOR TECH in Canada
36	July 7, 1998	ZANE BALSAM	Wire transfer for \$500,000 from ELS Group to RY LOR TECH in Canada
37	April 12, 1999	ZANE BALSAM	Vehicle transfer form executed by person known to the grand jury concerning 1999 Bentley purchased from Symbolic Motors
38	February 3, 1999	ZANE BALSAM	Financial Federated check 5404 in the amount of \$88,500 issued to Palm Beach Motor Cars in payment of a 1999 Lotus automobile
39	February 3, 1999	ZANE BALSAM	Execution of documents involving transfer of title to a 1999 Lotus automobile
40	February 12, 1999	ZANE BALSAM	Financial Federated check 5435 in the amount of \$198,729 issued to Union Bank to pay for a 1997 Mercedes S600 automobile
41	July 9, 1999	GARY J. PIERCE JUAN ARROYO WANDA TIRADO	International wire transfer in the amount of \$180,000 from Suisse Security Bank & Trust in the Bahamas to Bank Atlantic for the credit of First American Title Insurance, Coral Springs, Florida
42	July 16, 1999	JUAN ARROYO	Procuring false HUD-1 statement in connection with purchase of real property located at 1711 SW 1 st Avenue, Pompano Beach, FL 33060
43	April 27, 1999	WANDA TIRADO	\$35,000 check issued from Juan Arroyo checking account at Union Bank
44	July 21, 1999	HARVEY BRANDAU	Attempted to sell and transfer title to a Lotus automobile at Palm Beach Motorcars
45	September	GARY J.	\$50,000 wire transfer from Bank of America,

	20, 1999	PIERCE CHERYL POINDEXTER	Thousand Oaks, CA to a bank account located in Miami, Florida
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All in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.

COUNTS 46 THROUGH 50

FINANCIAL TRANSACTIONS WITH PROCEEDS FROM

AND TO PROMOTE THE ARTIFICE AND SCHEME TO DEFRAUD

18 U.S.C. § 1956(a)(1)(A)(i)

61. The allegations set forth in paragraphs one through twenty-eight, thirty, thirty-two through fifty-eight and sixty of this Indictment are incorporated by reference.

62. On or about the dates enumerated as to each count, in Palm Beach and Broward Counties, in the Southern District of Florida and elsewhere the defendant, as identified below, did knowingly conduct and attempt to conduct a financial transaction affecting interstate and foreign commerce, which involved the proceeds of a specified unlawful activity, that is, mail and wire fraud, in violation of Title 18, United States Code, Sections 1341, 1343, with the intent to promote the carrying on of the specified unlawful activity and while conducting and attempting to conduct such financial transaction knew the property involved in the financial transaction, that is, monetary instruments in the approximate amounts set forth below, represented the proceeds of unlawful activity:

<u>Count</u>	<u>Date</u>	<u>Defendant</u>	<u>Transaction and Amount</u>
46	October 9, 1998	RAPHAEL R. LEVY AMERICAN BENEFITS SERVICES	ABS check 3686 issued to Borg Intergroup Ltd. in the amount of \$22,276
47	April 23, 1998	RAPHAEL R. LEVY AMERICAN BENEFITS SERVICES	ABS check 2959 issued to David Kligfeld in the amount of \$7,875
48	March 20, 1998	RAPHAEL R. LEVY AMERICAN BENEFITS SERVICES	ABS check 2819 issued to Innovative Business Concepts in the amount of \$24,682
49	September 18, 1998	RAPHAEL R. LEVY AMERICAN BENEFITS SERVICES	ABS check 3591 issued to U.S. Golden Eagle Trust in the amount of \$44,376

All in violation of Title 18, United States Code, Sections 1956(a)(1)(A)(i) and 2.

COUNTS 50 THROUGH 51

Financial Transactions with Criminally Derived Property

18 U.S.C. § 1957

63. The allegations set forth in paragraphs one through twenty-eight, thirty, thirty-two through fifty-eight, sixty and sixty-two of this Indictment are incorporated by reference.

64. On the various dates set forth below the named defendant in Palm Beach or Broward

County, in the Southern District of Florida, did knowingly engage and attempt to engage in a monetary transaction affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, such monetary proceeds having been derived from a specified unlawful activity, that is, mail and wire fraud:

<u>Count</u>	<u>Date</u>	<u>Defendant</u>	<u>Transaction</u>
50	December 4, 1998	GARLAND HOGAN	Financial Federated check 5258 in the amount of \$116,513.95 issued to GARLAND HOGAN
51	February 28, 1999	ZANE BALSAM	Financial Federated check 5463 for \$200,000 issued to Performance Marine, a boat business

All in violation of Title 18, United States Code, Sections 1957 and 2.

COUNT 52

CRIMINAL FORFEITURE 65. As a result of the foregoing offenses described in Counts 15 through 51, the defendants, GARLAND HOGAN, GARY J. PIERCE, CSI Ag LTD., RAPHAEL R. LEVY, AMERICAN BENEFITS SERVICES INCORPORATED, WANDA TIRADO, ALAN RICHARD LEWIS, IVAN BURGOS, ZANE BALSAM, JUAN ARROYO, HARVEY BRANDAU, and CHERYL POINDEXTER shall forfeit to the United States all property, real and personal, involved in the aforestated offenses and all property traceable to such property, including, but not limited to, the following:

A. \$117,000,000 in United States currency and all interest and proceeds traceable thereto, in that such sum in aggregate is property which was involved in the aforestated offenses or is traceable to such property.

B. Financial Instruments as follows:

1. 300,000 shares of stock in "Secure Transactions International Corp.", account number 16, in the name of Asset Security Corporation.

2. All United States (US) Currency in account number 47697 in the name of Financial Federated Title and Trust Inc., at Union Bank.
3. All US Currency in account number 51003546 in the name of Financial Federated Title and Trust Inc., at Union Bank.
4. All US Currency in account number 2090001846860 in the name of Asset Security Corporation at First Union National Bank.
5. All US Currency in account number 2090001846857 in the name of Asset Security Corporation at First Union National Bank.
6. All US Currency in account number 200002305730 in the name of Asset Security Corporation at First Union National Bank.
7. All US Currency in account number 2000002823128 in the name of Asset Security Corporation at First Union National Bank.
8. All US Currency in account number 2090001846239 in the name of Asset Security Corporation at First Union National Bank.
9. All US Currency in account number 2000002305727 in the name of Asset Security Corporation at First Union National Bank.
10. All US Currency in account number 2090002792748 in the name of Asset Security Corporation at First Union National Bank.
11. All US Currency in account number 2090002896453 in the name of Viatical Asset Recovery Corporation at First Union National Bank.
12. All US Currency in account number 8025604458 in the name of Financial Federated Title and Trust Inc., at Colonial Bank.
13. All US Currency in account number 274525452 in the name of Asset Security Corporation at Chittenden Bank.
14. All US Currency in account number 274526920 in the name of Asset Security Corporation at Chittenden Bank.
15. All US Currency in account number 274526939 in the name of Asset Security Corporation at Chittenden Bank.
16. All Currency in trust account number 441-391-0 at the Royal Bank of Canada, Main Branch, Bay Street, Nassau, Bahamas in the name of Anthony A. Thompson.

17. All Currency in account number 1593506 in the name of International Resources Securities LTD, at Barclays Bank PLC, Main Branch, Bay Street, Nassau, Bahamas.

18. All Currency in account number 1034-280 in the name of CSI AG, at Barclays Bank PLC, Main Branch, Bay Street, Nassau, Bahamas.

19. 100 shares of stock in Asset Equity located in Canada.

C. Real property together with all contents, appurtenances and improvements thereto and thereon, as follows:

1. A parcel of land located at 218 Dexter Ct. Tavernier, Florida.

2. A parcel of land located at 10150 W. Pamondeho Circle, Crystal River, Florida.

3. A parcel of land located in Citrus County, Florida, Section 21, Township 18 South, Range 17 East, Parcel #21-18S17E-12343.

4. A parcel of land located in Citrus County, Florida, Section 32, Township 17 South, Range 17 East, Parcel #32-17S17E-23000.

5. A parcel of land located at 1209 W. Ivan Boulevard, Hendry County, Florida.

6. A parcel of land located at 5241 N.E. 1st Avenue, Fort Lauderdale, Florida.

7. A parcel of land located at 8150 Brent St. #732, Port Richey, Florida.

8. A parcel of land located at 3301 SW 117th Avenue, Davie, Florida.

9. A parcel of land located at 2260 Lazy Lane, Fort Lauderdale, Florida.

10. A parcel of land located at 2200 Lazy Lane, Ft. Lauderdale, Florida.

11. A parcel of land located at 98 Marina Avenue, Key Largo, Florida.

12. A parcel of land located at 2745 Meadowood Drive, Fort Lauderdale (Weston), Florida.

13. A parcel of land located at 943 S.E. 10 Street, Pompano Beach, Florida.

14. A parcel of land located in Citrus County, Florida, and more particularly described as Lot 34, SPRING RUN, Parcel #05 18S 17E 11000 0340.

15. A parcel of land located in Citrus County, Florida, and more particularly described as Lot 33, SPRING RUN, Parcel #05 18S 17E 11000 0330.

16. A parcel of land located at Unit 505, Seven Lakes Condominium 20A, Lee County, Florida, Parcel #23-45-24-42-00000.5050.
17. A parcel of land located at 3419 Weeks Hill Road, Stowe, Vermont.
18. A parcel of land located at 506 North Hill Road, Stowe, Vermont, said lands and premises contain 57.62 acres, 14 acres shown as Lot 1, and 14 acres shown as Lot 2.
19. A parcel of land located at Lots 52 & 53, Fairway Estates, Sky Valley, Georgia.
20. A parcel of land located at 231 Weeks Hill Meadow, Stowe, Vermont.
21. A parcel of land located at 1100 NW 114 Avenue, Coral Springs, Florida.
22. A parcel of land located at 11500 SW 37 Court, Davie, Florida.
23. A parcel of land located at 2935 Spanish River Road, Boca Raton, Florida.
24. A parcel of land located at 40 Grey Birch Park, Belmont, Massachusetts.
25. A parcel of land located at 105 Lakeview Drive, Summerville, South Carolina.
26. A parcel of land located at 9720 N.W. 33rd Manor, Sunrise, Florida..
27. A parcel of land located at 925 Emerald Row, Gulfstream, Palm Beach County, Florida.
28. A parcel of land located at 75 West Plaza del Sol, Islamorada, Monroe County, Florida.
29. A parcel of land located at 1711 SW 1st Avenue, Pompano Beach, Broward County, Florida.
30. A parcel of land located at 1855 Winding Oaks Way, Naples, Collier County, Florida.
31. A parcel of land located at 2325 Carrington Court, Unit 4-202, Naples, Collier County, Florida.
32. A parcel of land located at 11600 Misty Pines Circle, P-301, Naples, Collier County, Florida.
33. A parcel of land located at 1771 Kitcheners Court, Naples, Collier County, Florida.

D. Other personal property as follows:

1. A 1989 Agusta helicopter, model A109AII , identification number N74TC.

2. A 1995 Bell Long Ranger IV helicopter, model 206L4, identification number 52115.
3. A 1937 Ford 3 window, vehicle identification number W308557.
4. A 1997 Chevrolet Corvette, 2 door, vehicle identification number 1G1YY22GXV5102930.
5. A 1997 Chevrolet Tahoe, 4 door, vehicle identification number 1GNEC13R7VJ370755.
6. A 1997 Chevrolet Corvette, 2 door, vehicle identification number 1G1YY22G2V5105179.
7. A 1997 Mercedes Benz S600, 2 door, vehicle identification number WDBGA76G4VA345489.
8. A 1997 Plymouth Prowler, 2 door, vehicle identification number 1P3EW65F2VV300945.
9. A 1997 Pontiac Firebird, 2 door, vehicle identification number 2G2FS22K0V2215645.
10. A 1997 Porsche Twin Turbo, 2 door, vehicle identification number WPOAC2994VS375216.
11. A 1998 Aston Martin, 2 door, vehicle identification number SCFAA4123WK202399.
12. A 1998 Aston Martin, 2 door, vehicle identification number SCFAA4128WK202527.
13. Cashiers check number 132404 in the amount of \$90,000.00 and its proceeds which represent the proceeds from the sale of a 1998 Aston Martin, 2 door, vehicle identification number SCFAA4129WK202519.
14. A 1998 Aston Martin, 2 door, vehicle identification number SCFAA4128WK202513.
15. A 1998 Chevrolet Corvette, 2 door, vehicle identification number 1G1YY32G7W5126318.
16. A 1998 Chevrolet Corvette, 2 door, vehicle identification number 1G1YY32G0W5106248.
17. A 1998 Dodge Viper, 2 door, vehicle identification number 1B3ER65E0WV401242.
18. A 1998 Lotus Espirit V8, 2 door, vehicle identification number SCCDC0826WHA15550.

19. A 1998 Lotus Espirit V8, 2 door, vehicle identification number SCCDC0821WHA15438.
20. A 1998 Lotus Espirit V8, 2 door, vehicle identification number SCCDC0821WHA15651.
21. A 1998 Toyota Sierra Van, vehicle identification number 4T3ZF13C3WU027196.
22. A 1999 BMW 328i, 4 door, vehicle identification number WBAAM5332XKG05387.
23. A 1999 Cadillac Escalade, 4 door, vehicle identification number 1GYEK13R1XR400598.
24. A 1999 Chevrolet Corvette, 2 door, vehicle identification number 1G1YY32G5X5121412.
25. A 1999 Chevrolet Tahoe, 4 door, vehicle identification number 1GNEK13R7XJ411486.
26. A 1999 Ford 4x4 Pickup, vehicle identification number 1FTNF21LXXEB97247.
27. A 1999 Ford Expedition, 4 door, vehicle identification number 1FMPU18L5XLB44896.
28. A 1999 GMC Suburban, 4 door, vehicle identification number 3GKFK16R9XG505898.
29. A 1999 Jeep Wrangler Sahara, 2 door, vehicle identification number 1J4FY49S7XP432482.
30. A 1999 Lamborghini, 2 door, vehicle identification number ZA9RU31B4XLA12182.
31. A 1999 Lotus Espirit 13, vehicle identification number SCCDC082XXHA15679.
32. A 1999 Mercedes Benz, 4 door, vehicle identification number, WDBJF65H5XA743759.
33. A 1999 Porsche Boxter, 2 door, vehicle identification number WP0CA298XXU628634.
34. A 1999 Toyota Corolla LE, 4 door, vehicle identification number 2T1BR12E6XC108684.
35. A 1999 Bentley, 4 door, vehicle identification number SCBLB51E2XCX02511.
36. A 1957 Chevrolet Bel Air, 2 door, vehicle identification number VC57F221853.

37. A 1997 Harley Davidson motorcycle, vehicle identification number 1HD1BRL15VY046728.
38. A 1997 Harley Davidson motorcycle, vehicle identification number 1HD1BRL16VY057785.
39. A 1998 Harley Davidson motorcycle, vehicle identification number 1HD1BML4XWY036226.
40. A 1997 Bombardier Speedster, hull identification number CECB1333B797, Florida registration number FL7180KN.
41. A 1998 10'5" Bombardier Sea-Doo, hull identification number ZZN86359A898 and Florida registration number FL9248KN.
42. A 1998 10'5" Bombardier Sea-Doo, hull identification number ZZN86351A898 and Florida registration number FL9249KN.
43. 1998 10'5" Bombardier Sea-Doo, hull identification number ZZN86343A898 and Florida registration number FL9247KN.
44. A 1998 10'5" Bombardier Sea-Doo, hull identification number ZZN86281A898 and Florida registration number FL9250KN.
45. A 1998 Bombardier Challenger, hull identification number CECA0292A898.
46. A 1998 Shor Trailer, identification number 1MDHN5N19WA990607.
47. A 1998 Shor Trailer, identification number 1MDCM3K17VA906045.
48. A 1939 Red Studebaker.
49. A 1940 Ford Coupe, vehicle identification number 54544029.
50. A 1941 Beige Chevrolet, vehicle identification number AG6761.
51. A 1955 Black Chevrolet, vehicle identification number B55L008873.
52. A 1998 Jeep Cherokee, vehicle identification number 1J4GZ88Z2WC333758.
53. A 1999 Plymouth Prowler, vehicle identification number 1P3EW65G6XV501923.
54. A 1999 Plymouth Prowler, vehicle identification number 1P3EW65GXXV500788.
55. A Kit Car, vehicle identification number 1Z37K25516228.

56. Cashiers check number 132405 in the amount of \$20,000.00 and its proceeds which represent the proceeds from the sale of a 1957 Ford Fairlane D7KW16856G.

57. Cashiers check number 132406 in the amount of \$36,500.00 and its proceeds which represent the proceeds from the sale of a 1999 Plymouth Prowler, vehicle identification number 1P3EW65G5XV501685.

pursuant to Title 18, United States Code, Section 982.

If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

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

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(a)(1), and

Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendants up to the value of the property listed above as being subject to forfeiture.

All in violation of Title 18, United States Code, Section 982(a)(1), and Title 21, United States Code, Section 853(p).

A true bill.

Foreperson

GUY A. LEWIS

UNITED STATES ATTORNEY

ELLEN L. COHEN

ASSISTANT UNITED STATES ATTORNEY

STEPHEN CARLTON

ASSISTANT UNITED STATES ATTORNEY