

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA,)	<u>INDICTMENT</u>
)	
Plaintiff,)	
)	CASE NO.
v.)	
)	
KENNETH JACKSON,)	JUDGE
WILLIAM SCHURECK,)	
DENNIS DECIANCIO, and)	Title 18, United States Code, §§ 1001(a)(2), 1341,
DARYL DANE DONOHUE, aka)	1343, 1349, 1956(a)(1)(B)(i), 1956(h), 1957, and 2
DANE DONOHUE,)	Title 15, United States Code, §§ 78j(b) and 78ff
)	Title 17, Code of Federal Regulations, § 240.10b-5
Defendants.)	

The Grand Jury charges:

GENERAL ALLEGATIONS

At all times material and relevant to this Indictment:

A. The Defendants and Their Business Entities

1. The defendant KENNETH JACKSON was a resident of Glenmont, Ohio, which is located in the Northern District of Ohio, Eastern Division. With the assistance of others, in April 2007, JACKSON established Medical Safety Solutions (“MSS”), a Nevada corporation, doing business in Ohio, with its principal place of business in Mansfield, Ohio, and its purported “research and development center” in Glenmont, Ohio, co-located with JACKSON’s residence. MSS was an entity purportedly created to develop, market, manufacture, sell, and distribute a

medical device known as the “Sharps Terminator.” JACKSON held the title of Director of Research and Development for MSS and was familiar with all aspects of MSS’s operations. JACKSON was also identified in MSS sales literature as “key management.” Among other things, JACKSON communicated with MSS shareholders.

2. The defendant WILLIAM SCHURECK was a resident of Lexington, Ohio, and one of MSS’s co-founders. SCHURECK held the title of Chief Executive Officer for MSS and was familiar with all aspects of MSS’s operations. Among other things, SCHURECK communicated with MSS shareholders. SCHURECK also was the President of Schur Partnership, a general partnership established at least as early as February 1988 doing business in Ohio, with its principal place of business in Lexington, Ohio.

3. The defendant DENNIS DECIANCIO was a resident of Macedonia, Ohio. DECIANCIO was a long-time associate of JACKSON’s and he co-founded MSS with JACKSON, SCHURECK, and others. DECIANCIO frequently attended trade shows at which he demonstrated the Sharps Terminator and solicited persons to invest in MSS. DECIANCIO also communicated with MSS shareholders.

4. The defendant DARYL DANE DONOHUE, aka DANE DONOHUE, was a resident of Mansfield, Ohio. DONOHUE was a long-time associate of JACKSON’s and, among other things, had previously participated in obtaining required premarket clearance and approval from the Food and Drug Administration (“FDA”) for a medical device known as the “Needlezap.” DONOHUE held himself out as an “FDA consultant” employed by MSS for the sole purpose of obtaining FDA approval for the Sharps Terminator. DONOHUE also communicated with shareholders.

B. Regulation of Medical Devices by the FDA

5. The FDA was an agency within the United States Department of Health and Human Services. Under the Federal Food, Drug, and Cosmetic Act of 1938, (codified at Title 21, United States Code, Sections 301-397) (the “FDCA”), the FDA was responsible for protecting and promoting public health by assuring, among other things, that devices intended for use in the medical treatment of human beings are safe and effective for their intended uses and that the labeling of such devices not be false or misleading and that it bear adequate directions to safely use the product. In accordance with this statutory mandate, the FDA regulated the manufacturing, labeling, and shipment in interstate commerce of all such devices.

6. As defined by Title 21, United States Code, Section 321(h), the term “device” included an “instrument, apparatus, implement, machine, contrivance . . . or other similar or related article, including any component, part, or accessory, which is . . . intended for use in the . . . cure, mitigation, treatment, or prevention of disease, in man or other animals.”

7. The FDCA (21 U.S.C. §§ 360(k), 351(f)) required every manufacturer of a new device to obtain either “approval” or “clearance” from the FDA before marketing that device. “Approval” and “clearance” were unique standards and have different meanings when used by the FDA, with “approval” involving a higher level of scrutiny by FDA than “clearance.” To begin the approval or clearance process, including any communications with the FDA, the sponsor of a device was first required to prepare and send to the FDA an appropriate premarket submission.

8. All devices distributed in interstate commerce in the United States fell into one of three regulatory classes under the FDCA. Class I devices were subject to the least stringent regulatory requirements, Class III devices were subject to the most stringent regulatory

requirements, and Class II devices were subject to requirements that fall in between Class I and Class III. The classification assigned to each type of device was set by the FDA in accordance with its statutory mandate and determined by the degree of regulatory control the FDA deemed necessary to provide reasonable assurance of safety and effectiveness for its intended use.

21 U.S.C. § 360c.

9. All device manufacturers, regardless of the class of device manufactured, were required to register with the FDA the name and place of business of the establishments engaged in the “manufacture, preparation, propagation, compounding, or processing” of the device.

21 U.S.C. § 360(b)(2). The term “manufacture” included repackaging or otherwise changing the container, wrapper, or labeling of a device package. 21 U.S.C. § 360(a)(1).

10. All devices that were not in commercial distribution before May 28, 1976, when the Medical Device Amendments to the FDCA became effective, were automatically assigned to Class III by operation of law. 21 U.S.C. § 360e. Class III devices could not be legally marketed in the United States until both the manufacturer had submitted to the FDA a premarket approval application (“PMA Application”) to the FDA and the FDA had approved that application. 21 U.S.C. § 351(f). The FDA would not grant premarket approval unless it determined that the information provided by the sponsor in the PMA Application demonstrated, through valid scientific evidence, reasonable assurance that the device was safe and effective when used in accordance with its labeling. The extent and type of testing required before the FDA would approve a Class III device varied depending on the type of device. 21 U.S.C. §§ 360c, 360e.

11. Traditionally, a device sponsor performed all such testing and studies before it submitted the PMA Application to FDA and submitted that information as part of its application.

It would perform any additional testing and studies only if the FDA required it to do so post-submission. In limited situations, the sponsor of a device that relied on technology that was already well-established in the industry could follow a modified PMA Application process wherein it entered into an agreement with FDA, called a “product development protocol” (“PDP”), before it conducted clinical testing and studies. Under a PDP, the device sponsor and the FDA came to an early agreement as to what the device sponsor would do to demonstrate the safety and effectiveness of a new device. This early interaction on the development cycle of a device allowed a sponsor to address the FDA’s concerns before expensive and time consuming resources were expended. A PDP was essentially a contract that described the agreed-upon details of design and development activities, the outputs of these activities, and the acceptance criteria for these outputs. It established reporting milestones through which the sponsor, at their own pace, kept FDA informed of its progress. The PDP process began by the sponsor formally submitting to FDA a PDP application and entering into a PDP agreement with FDA, executed by both parties. Once the FDA determined and declared that the sponsor had completed all of the agreed-upon milestones of the PDP agreement, the device was considered to have an approved PMA. 21 C.F.R. § 814.19.

12. Class I and Class II devices could not be legally marketed in the United States until the manufacturer had submitted to the FDA a “510(k) submission” (unless exempted by FDA) and FDA had cleared the device. 21 C.F.R. Part 807, Subpart E.

13. Needle destruction devices were regulated as Class III devices. Accordingly, all needle destruction devices required premarket approval by the FDA before they could be legally marketed in the United States.

14. The Center for Devices and Radiological Health (“CDRH”) was the branch of the FDA responsible for the premarket approval of Class III medical devices, and the clearance (where required) of Class I and Class II devices. The CDRH and other parts of FDA regulated the manufacturing of those devices and monitored the use of those devices for safety issues.

15. When an entity submitted a device for FDA approval, the CDRH created a specific and unique identifying number, based on the type of submission and device and using an established uniform naming convention. All PMA Applications were assigned an identification number that began with a “P.” All 510K applications were assigned an identification number that began with a “K.” All PDP applications and agreements were assigned an identification number that began with a “D.” The year the device was submitted to the FDA for approval was also part of the assigned identification number.

16. At times, the FDA would inspect an entity’s manufacturing or other facilities before it would approve a device application. Such inspections typically occurred in connection with PMA Applications, as opposed to other types of premarket submissions. The FDA generally did not inspect an entity’s facilities before the entity filed a valid premarket application for approval of a medical device.

C. Federal Securities Law

17. Federal securities laws and regulations prohibited fraud in connection with the purchase and sale of securities, including the use of false and misleading statements and the failure to disclose material information to potential investors.

18. Title 15, United States Code, Section 78j(b), made it unlawful for any person, directly or indirectly, by the use of any means or instrumentality of interstate commerce or of the mails, to use or employ, in connection with the purchase or sale of any security (registered on a

national securities exchange or not), to use or employ any manipulative or deceptive device or contrivance in contravention of such rules and regulations as the United States Securities and Exchange Commission (“SEC”) may prescribe as necessary or appropriate in the public interest or for the protection of investors, including: (a) employing any device, scheme, and artifice to defraud; (2) making untrue statements of material fact and omitting to state material facts necessary to make statements made, in the light of the circumstances they were made, not misleading; and (3) engaging in acts, practices, and courses of business that operated as a fraud and deceit.

D. JACKSON’s History of Securities Fraud

19. In August 1992, JACKSON was criminally convicted in a state court of multiple counts of the unlicensed sale of securities and the sale of unregistered securities, as well as passing bad checks, perjury, theft, and aggravated theft. He was incarcerated from 1992 until September 1999. The convictions stemmed from JACKSON’s operation of an approximately \$13 million Ponzi scheme that involved the sale of securities in “Vision Television Network.” As a result of his convictions, the SEC permanently enjoined JACKSON from holding any corporate officer or director position in a publicly traded company. The SEC further obtained a disgorgement order from a federal district court that required JACKSON to pay approximately \$1.8 million to the SEC, plus post-judgment interest.

E. E Med, SMS, and the “Needlezap”

20. In or around August 2001, at JACKSON’s direction, a company known as E Med Future, Inc. (“E Med”) was established. E Med was a privately held company, which later became a publicly traded company, created to produce and market a product known as the

“Needlezap,” which purported to be a device that incinerated hypodermic needles. The Needlezap was a Class III medical device and obtained premarket approval from the FDA in 2003.

21. JACKSON’s title at E Med was Director of Research and Development. DONOHUE held the title “Executive Vice President.” JACKSON and DONOHUE both actively participated in the FDA premarket approval process for Needlezap.

22. In or around November 21, 2003, JACKSON, DONOHUE, and other individuals applied for a patent for the Needlezap. The United States Patent and Trademark Office issued patent number “US 7,034,243 B2” for the Needlezap on or about April 25, 2006.

23. In or around April 2005, E Med’s Board of Directors dismissed JACKSON for financial improprieties. E Med went into receivership in or around August 2006.

24. At JACKSON’s direction, on approximately July 14, 2005, William E. Allonas, III, who is named but not charged in this indictment, established Safe Medical Solutions (“SMS”) as an Ohio limited liability company, doing business in Ohio, with its principal place of business in Bucyrus, Ohio. Allonas was SMS’s sole partner. With the assistance of Allonas, JACKSON initially used SMS in connection with an attempt to continue marketing Needlezap units. Beginning in approximately April 2007, however, and continuing thereafter, SMS no longer distributed or otherwise provided or sold any actual goods; from that time, it likewise did not manufacture any tangible goods or provide or sell any legitimate services. Instead, it operated only as a “shell company.”

25. As part of the final disposition of E Med’s receivership, on January 31, 2008, JACKSON and SMS were permanently enjoined from, among other things, claiming any title or property rights to the Needlezap patent (US Patent No. 7,034,243) or the Needlezap invention.

F. The “Sharps Terminator”

26. In or around April 2007, JACKSON, SCHURECK, DECIANCIO, and others established MSS. JACKSON, SCHURECK, DECIANCIO, and others held MSS out as the entity created to develop, market, and sell a hypodermic needle destruction device they called the “Sharps Terminator.” The Sharps Terminator was a Class III medical device and required premarket approval from the FDA before it could be sold in the United States.

27. MSS first filed a PMA application with the FDA for the Sharps Terminator on or about October 23, 2012, which was dated September 27, 2012. Prior to that time, neither JACKSON, SCHURECK, DONOHUE, DECIANCIO, MSS, nor anyone else associated with MSS filed a PMA application for the Sharps Terminator, entered into a PDP agreement with FDA, or otherwise filed for FDA approval of the Sharps Terminator.

28. JACKSON and SCHURECK filed a “provisional” application for a patent for the Sharps Terminator in or around April 2007, but did not file an actual patent application until in or around September 15, 2011. As of the date of this indictment, the United States Patent and Trademark Office had not issued a patent for the Sharps Terminator.

G. The Scheme to Defraud

29. Between approximately November 2007 and May 13, 2013, JACKSON, SCHURECK, DECIANCIO, and DONOHUE were engaged in the unregistered offer and sale of securities. More specifically, Defendants sought out persons to invest money in MSS on a “private placement” basis, meaning that such persons purchased shares of stock in MSS, but those stock shares were not registered with the SEC nor traded on any public exchange.

30. JACKSON, SCHURECK, DECIANCIO, and DONOHUE offered to sell and sold approximately 10 million shares of “Class A preferred stock” in MSS, at a cost of \$0.50 per share.

Defendants also offered to sell 1 million shares of “Class B” stock in MSS at a cost of \$5.00 per share; Defendants sold many, but not all, of the Class B shares.

31. Defendants devised a scheme to defraud persons, collectively referred to as “investors,” by inducing them to purchase shares of stock in or loan money to MSS through materially false and fraudulent misrepresentations and omissions of material facts about MSS, its product, the “Sharps Terminator,” about the nature and disposition of the investment money, and about JACKSON’s personal history. Such representations and omissions included, but were not limited to, the following:

- a. On repeated occasions between approximately April 2007 and approximately May 25, 2011, Defendants fraudulently represented that MSS had submitted a PMA Application for the Sharps Terminator to the FDA when it had not.
- b. On repeated occasions between approximately April 2007 and approximately May 25, 2011, Defendants fraudulently represented that FDA approval for the Sharps Terminator was forthcoming or imminent when, in truth and in fact, at the time Defendants made those representations, MSS had not even submitted a PMA Application or otherwise initiated with FDA the premarket approval process.
- c. On repeated occasions between approximately May 25, 2011, and approximately September 27, 2012, Defendants fraudulently represented that the FDA had approved the Sharps Terminator when, in truth and in fact, the FDA had not done so and, indeed, MSS had not even submitted a PMA Application or otherwise initiated with FDA the premarket approval process.
- d. Defendants created and provided to investors fake FDA identification numbers in connection with their claims that FDA approval was forthcoming or had been obtained, including, but not limited to the following numbers:
 - i. “US#PD 073601/234 and filed under PDP 814.819”; and
 - ii. “PD073601/234”
- e. Defendants fraudulently represented to certain investors that a patent had been issued to JACKSON for the Sharps Terminator, owned by MSS, when, in truth and in fact, no such patent had been issued.

- f. Defendants fraudulently represented that the Sharps Terminator was a fully developed, functioning, “market-ready” product that was ready for mass-production when, in truth and in fact, it was not.
- g. Defendants failed to disclose that JACKSON had prior criminal convictions in the State of Ohio for securities fraud and other criminal violations, and that JACKSON was involved in making financial decisions for MSS.
- h. Defendants misrepresented to investors that their funds would be used for purposes directly associated with bringing the Sharps Terminator to market, including to “finalize” FDA approval for the Sharps Terminator, to begin manufacturing it, to market and distribute it, and to research and develop additional, secondary products, and then diverted investor money to other uses.
- i. Although Defendants technically disclosed to some investors, in writing, their intent to transfer approximately \$3 million of MSS’s money to JACKSON and Schur Partnership via a so-called “asset purchase” of the rights and title to the Sharps Terminator, Defendants fraudulently mislead investors through actions and statements contradicting that disclosure. Among other things, Defendants:
 - i. stated in the “Research and Development” section of the prospectuses that MSS “is the owner of the FDA ‘Pre-market Approval’ (PMA) and all related technology”;
 - ii. failed to include in the “Financials” section of the Class A prospectus any statement regarding the “asset purchase”;
 - iii. failed to include in the “Financials” section of the Class A prospectus any other statement that investor money would be transferred to JACKSON and Schur Partnership to purchase the Sharps Terminator;
 - iv. buried the disclosure that MSS would pay JACKSON and Schur Partnership approximately \$3 million for the Sharps Terminator “technology” via an “asset purchase” in the middle of a written addendum to MSS’s Articles of Incorporation that was attached at the back of the Class A share prospectus;
 - v. verbally contradicted the disclosure by telling investors that neither JACKSON nor SCHURECK would be compensated nor personally benefit in any way until the FDA had approved the Sharps Terminator and it was in production;

- vi. verbally contradicted the disclosure by telling investors that once the FDA had approved the Sharp Terminator, JACKSON and SCHURECK's compensation would consist only of royalty payments based on actual sales;
- vii. affirmatively told investors that their funds would be used for direct costs incurred by MSS, going forward, to bring the Sharps Terminator to market;
- viii. failed to verbally tell investors that MSS would pay JACKSON and Schur Partnership approximately \$3 million for the Sharps Terminator "technology" that would be used to enrich Defendants and pay their personal expenses and past debts.

32. To induce investors to invest in MSS, Defendants promised a substantial return in the short run.

33. To further induce potential investors to purchase stock and loan money to MSS, Defendants misrepresented to investors the likely potential return on investments in MSS.

34. To establish relationships of trust, Defendants used the personal, social, and business relationships of current investors to find additional prospective investors and encouraged current investors to recruit these individuals based on Defendants' material fraudulent misrepresentations and omissions.

35. To gain credibility for MSS and thereby induce additional investments, Defendants touted the reputations and backgrounds of certain investors to other investors and enlisted those investors in promoting the Sharps Terminator.

36. Defendants gave "extra," unsolicited shares of stock in MSS as a reward to certain investors who successfully recruited additional investors or otherwise helped promote the Sharps Terminator; they did so to lull the investors into a false sense of security that FDA approval for and production of the Sharps Terminator were proceeding on track.

37. Defendants enticed investors to give additional money to MSS by encouraging them to sign up as future “distributors” of the Sharps Terminator who would, in theory, earn additional, large profits. Defendants required such persons to buy and pay for a certain number of Sharps Terminator units up front, before the product was FDA approved or, indeed, properly functioning, and to pay \$1,000 to attend a sales “training” class.

38. To make MSS appear functional and the Sharp Terminator appear “market-ready,” Defendants took current and prospective investors to MSS’s “R&D facility” and showed them parts, a small number of assembled Sharps Terminator units, and large numbers of Sharps Terminator boxes, many of which were really empty.

39. To lull investors into a false sense of security and to encourage additional investments, Defendants continued to make false encouraging statements about the progress of FDA approval for the Sharps Terminator. Among other things, Defendants

- a. told investors that FDA representatives were scheduled to inspect and had in fact inspected MSS’s facilities in relation to FDA approval for the Sharps Terminator when, in truth and in fact, no such inspections either were scheduled or had occurred and, indeed, MSS had not yet submitted a PMA Application or otherwise initiated with FDA the premarket approval process required to trigger such an inspection;
- b. repeatedly asserted, over the course of several years, that FDA approval was “imminent,” “weeks away,” “days away,” and otherwise forthcoming, even though MSS still had not submitted a PMA Application or otherwise initiated with FDA the premarket approval process;
- c. told investors who questioned the continued lack of FDA approval that MSS was not permitted, under FDA regulations, to disclose information about a pending PMA Application when, in truth and in fact, there was no prohibition on public disclosures by applicants, but instead only prohibitions on public disclosures by the FDA.

40. To lull investors and to encourage additional investments, Defendants falsely claimed that MSS had sold large quantities of Sharps Terminator units internationally, in countries

that did not require FDA approval to sell such units when, in truth and in fact, very few, if any Sharps Terminator units had actually been delivered and, at most, MSS only had in place limited conditional agreements to purchase units in the future.

41. To lull investors and to encourage additional investments, SCHURECK and JACKSON gave investors promissory notes wherein MSS promised to repay loan proceeds, with interest, by a certain date, when, as they then well knew, MSS would not repay the investments according to the promissory notes.

42. To lull investors and to encourage additional investments, SCHURECK and JACKSON gave investors post-dated checks in amounts constituting original loan proceeds and promissory notes that they had no intention of actually funding or paying back.

43. To lull investors into a false sense of security and to induce them to make additional investments, on occasion, Defendants misused funds from new investors to make small "earnings" payments to other current investors who had complained about the lack of return on their investment.

44. During the course of the scheme, Defendants misused investor money while continuing to solicit new investors and to lead investors to believe a return on their investments was forthcoming. Among other things, JACKSON and SCHURECK siphoned off and misappropriated investor funds for personal use. JACKSON and SCHURECK also misused investor money to make payments to DONOHUE and DECIANCIO and others to entice additional persons to invest in MSS.

45. Between in or around as early as November 2007 and on or about May 13, 2013, as a result of the foregoing conduct, MSS investors incurred a combined out-of-pocket loss of more than approximately \$7 million, even crediting the fractional return of investments that some

investors received. In addition, MSS investors did not receive the millions of dollars of investment gains that Defendants falsely promised to them during the scheme. As a result of Defendants' scheme, several investors suffered financial hardships.

H. Representative Investment Solicitations

1. *Investor William B.*

46. In or around the Spring of 2008, SCHURECK travelled to Tennessee and solicited William B. to invest in MSS while at his home, after a mutual acquaintance who had already invested in MSS introduced them. SCHURECK demonstrated how the Sharps Terminator worked with a unit he had brought with him and told William B. that if he wanted to purchase MSS stock, he needed to "buy it quick" because MSS "was expecting FDA approval in the beginning of May [2008]." SCHURECK further told William B. that MSS would go public and its stock would be for sale on a publicly traded stock exchange by the beginning of 2009 at a price multiple times higher than that offered by SCHURECK. SCHURECK failed to disclose JACKSON's prior criminal convictions to William B., and did not tell him that JACKSON would be involved in making financial decisions for MSS. SCHURECK told William B. that his investment funds would be used to operate MSS and for product development.

47. SCHURECK induced William B. to purchase shares of stock in MSS for approximately \$50,000 on or about May 13, 2008. SCHURECK and JACKSON further induced William B. to purchase additional shares of stock in MSS for approximately \$50,000 on or about September 4, 2008 and approximately \$50,000, on or about February 2, 2009.

48. In or around October 2008, SCHURECK asked William B. to set up a meeting with additional potential investors, which William B. did. At or around that time, SCHURECK made

similar representations about the Sharps Terminator and induced many of those people to also invest in MSS.

49. To lull William B. and other investors into a false sense of security, and to induce William B. to make additional investments in MSS, between in or around 2008 and 2012, JACKSON and SCHURECK sent written communications to and had oral conversations with William B. in which they falsely reported the status of FDA approval for the Sharps Terminator, communications between MSS and the FDA, and imminent plans to “mass-produce” the Sharps Terminator.

50. Among others, on or about April 12, 2009, JACKSON sent an email to William B. in which he stated, “Good News! The FDA is now in the process of inspecting our facility and evaluating our production procedures for the Sharps Terminator. Tuesday, April 7th 2009 they were given all of our clinical and non-clinical test data to evaluate and compare to the claims we want to make for the product. On Thursday they requested we do a [sic] additional lab test on the IV Needles and we are in the process of doing that test now.”

51. Similarly, on or about April 24, 2009, at the direction of JACKSON and SCHURECK, MSS sent an email to William B. which stated, “We continued to make our way through the FDA inspection this week, a few requests they have made were very minor and we finished the lab test on the IV needle which turned out very well. Although we can’t predict the exact time they will finish with us, I am very optimistic it will be soon.”

52. Similarly, on or about June 26, 2009, JACKSON sent an email to William B. in which he stated, “in addition to the FDA verbal approval yesterday, we also received notice of allowance from the Patent and Trademark Office.”

53. On the following dates and in the following amounts, JACKSON induced William B. to invest additional funds in MSS by purchasing several thousand units of “prepaid inventory” that he could sell, as a “Master Distributor,” as soon as FDA approval was received: approximately \$50,000 on or about July 24, 2009; approximately \$125,000 on or about October 2, 2009 (purchased through a corporate entity, with a business partner); and approximately \$87,000 on or about December 4, 2009 (purchased through a corporate entity, with a business partner). JACKSON represented these funds would be used for production tooling and equipment. As an incentive to make these purchases, JACKSON also told William B. that he would “receive 50,000 shares of common stock in MSS.”

54. On or about October 2, 2009, shortly after William B. wired \$125,000 to MSS, JACKSON and SCHURECK caused approximately half of the funds to be transferred to Schur Partnership, purportedly for an “asset purchase” and “loan repayment,” which SCHURECK then used to make payments to persons who had provided money for other failed ventures with which Defendants previously had been associated and otherwise transferred to pay bills for JACKSON and his family members.

55. To lull William B. and other investors into a false sense of security, on or about June 29, 2012, JACKSON told William B. and others that a supplemental filing required by the FDA to grant premarket approval for the Sharps Terminator was “complete except for the table of contents,” and the he would file it with the FDA within a couple of days.

56. On or about July 3, 2012, JACKSON sent an email to William B. and other investors about the purported supplemental FDA filing, stating, “Filed today. I’ll stop all fund raising activities. . . . that would be real smart.”

57. On or about July 8, 2012, JACKSON sent an email to investor Kit J., which was forwarded to William B., that purported to reflect the tracking number for the supplemental FDA filing.

2. Investor William F.

58. In or around the Summer of 2008, JACKSON and SCHURECK flew to California and solicited William F. to invest in MSS while at his home, after a friend of William F.'s introduced them. JACKSON and SCHURECK described their plans to manufacture and distribute the Sharps Terminator, and demonstrated how it worked with a unit they had brought with them.

59. JACKSON and SCHURECK told William F. that a patent had been issued for the Sharps Terminator. JACKSON and SCHURECK also told William F. that they had submitted an application to the FDA for premarket approval several months earlier, that all of the testing required by FDA had been completed, and that they expected approval from FDA within a few months. JACKSON told William F. that the FDA had already been to MSS's research and development facility and completed an inspection. JACKSON and SCHURECK further told William F. that they were both independently wealthy and would not receive any compensation, in any form, until MSS went public. Neither JACKSON nor SCHURECK told William F. about JACKSON's prior criminal convictions. JACKSON and SCHURECK told William F. that his investment funds would be used to finalize the FDA approval process, to begin manufacturing, and for marketing. They represented that William F. would receive dividends equal to his entire investment for every 100,000 Sharps Terminator units sold.

60. JACKSON and SCHURECK induced William F. to purchase shares of stock in MSS for approximately \$10,000 on or about October 31, 2008. They further induced William F.

and his wife to purchase additional shares of stock in MSS for approximately \$64,067.08 on or about November 25, 2008 and approximately \$8,904.08, on or about January 9, 2009, as well as to purchase additional shares on behalf of their son.

61. JACKSON encouraged William F. to seek additional investors for MSS, which William F. did.

62. To lull William F. into a false sense of security, in June 2009, JACKSON showed William F. a photocopy of a patent that JACKSON claimed had been issued for the Sharps Terminator.

~~63. To lull William F. into a false sense of security, during 2009, 2010, and 2011,~~
JACKSON, SCHURECK, and DONOHUE sent written communications to and had oral conversations with William F. in which they falsely reported the status of FDA approval for the Sharps Terminator, communications between MSS and the FDA, and imminent plans to “mass-produce” the Sharps Terminator. Among others, on May 25, 2011, SCHURECK and JACKSON sent and caused to be sent to William F. an email stating that MSS had “received our PDP clearance number to manufacture and market the Sharps Terminator in the US market” and that “[t]he PDP number assigned to the product is PD073601/234.”

64. To lull William F. into a false sense of security, after William F. had learned, post-investments, that JACKSON had been previously accused of wrongdoing by the SEC, DECIANCIO told William F. that JACKSON had simply “done business with the wrong guy” and had not done anything wrong when, in truth and in fact, DECIANCIO knew that JACKSON had been criminally convicted for securities fraud. JACKSON told William F. that these allegations were a “misunderstanding” and that he had been “cleared” of all charges.

65. To lull William F. into a false sense of security, in January 2012, SCHURECK and JACKSON caused MSS to send William F. a check in the approximate amount of \$1,361.93 and a second check in the approximate amount of \$212.80 payable to William F. and his wife. They represented that the check was a dividend payment based on the sale of Sharps Terminator units that had been paid for and delivered. In truth and in fact, the money came from new investors who had recently purchased shares in MSS.

3. Investor Linda K.

66. In or around the Summer of 2008, JACKSON and SCHURECK met with Linda K. and her family members and solicited her to invest in MSS. JACKSON and SCHURECK told Linda K. that they had submitted an application to the FDA, and that FDA approval would be received "any day." JACKSON told Linda K. that he was "very close with the FDA," and SCHURECK supported what JACKSON said. SCHURECK told Linda K. that the minimum investment amount was \$10,000. JACKSON and SCHURECK told Linda K. that her funds would be used to manufacture the Sharps Terminator at a facility in Colorado. JACKSON and SCHURECK further told Linda K. that they would not receive any compensation, in any form, until MSS had brought the Sharps Terminator to market. Neither JACKSON nor SCHURECK told Linda K. about JACKSON's prior criminal convictions, nor did they disclose that JACKSON would make financial decisions for MSS.

67. JACKSON and SCHURECK induced Linda K. to purchase shares of stock in MSS for approximately \$50,000 on or about July 8, 2008. They further induced Linda K. to purchase additional shares of MSS stock in the following amounts and on the following dates, each time claiming that FDA approval was imminent: on or about August 16, 2008, for approximately \$25,000; and on or about October 15, 2008 for approximately \$25,000.

68. SCHURECK encouraged Linda K. to seek additional investors for MSS, which Linda K. did, sometimes loaning them money to invest.

69. To lull Linda K. into a false sense of security, to reward her for finding additional persons to invest in MSS, and to encourage her to invest more money in MSS, in or around August 2009, SCHURECK sent shares of stock to Linda K. that she had not purchased, telling her it was “Christmas time and Santa has arrived,” and that MSS was “one vote away from FDA approval.”

70. To lull Linda K. into a false sense of security and to encourage her to invest more money in MSS, between 2008 and 2012, JACKSON and SCHURECK continued to report, falsely and repeatedly, on the status of FDA approval for the Sharps Terminator and communications between MSS and the FDA, providing excuses for the delay and claiming that approval was imminent. They also told Linda K. that the Sharps Terminator was fully functional and ready for mass production.

71. Among other communications, on or about March 25, 2009, JACKSON sent an email to Linda K. in which he stated,

I am glad that we didn't paint ourselves into a corner with contracts in the early stages of the company because there's no benefit to doing that until the product is ready to ship. Now that the product is finished, we are ready to enter into contracts that are meaningful and guarantee sales to MSS. . . . The unit is done, it's ready for production, manufacturing companies are begging for the business of manufacturing the product. . . . We should all be at the peak of excitement. However, I must say over the past few weeks it seems one or two negative people that have demonstrated over and over in every meeting we have the need to “turn the company management over to someone” and “let them run with it.” In other words, now that the builders, including shareholders have raked and scraped their way through product development, conserving the capitol [sic] for product, manufacturing, tooling, etc. . . . no executive salaries or bonuses, no expensive facilities, very

low overhead etc..... now they suggest we should “bring in the brokers and bankers” to show us how it’s done. . . These thieves are in full bloom when they sense a company is ready to “milk.” . . . We are not delinquent on any filings required, accounting, taxes or otherwise. . . I expect to sell one million Terminator over the next 12 months. . . Bill and I haven’t taken any bonus, maybe we should bring in some EX AIG executives to show us the ropes..... (just a little humor).

72. On or about May 19, 2009, JACKSON and SCHURECK sent and caused to be sent an email to Linda K. and other investors that stated,

I think it’s safe to say we are in the home stretch on the FDA approval. They requested our “final labeling” which we will be submitted on Today. . . . Our existing class A shareholders have the option to pick up the balance of the class A if they desire, we want that closed out by the end of this month. We are making extreme progress in putting a world-wide distribution program in place. This will be disclosed with the FDA approval.

73. On or about October 5, 2009, JACKSON and SCHURECK sent and caused to be sent an email to Linda K. and other investors that stated,

As we come to the beginning of the fourth quarter 2009, many new developments are taking place here at MSS. Even though we are still waiting for our approval letter from the FDA, we have indications that it will be here soon. Friday September 25 I was told that it had been signed off by the review committee. My past experience with the FDA tells me they should be drafting our approval letter and the summary of safety and effectiveness. The reason I haven’t been putting out announcements every time we hear something is because the FDA has very stringent regulations on making press release and/or public statements until final written approval is received.

74. In or around November 2009, SCHURECK induced Linda K. to loan an additional \$75,000 to MSS, interest free, for a period of three months, which he said was needed to start manufacturing the Sharps Terminator in Colorado. . As an incentive to do so, SCHURECK

promised to give Linda K. "founders stock," and he gave her an undated MSS check for \$75,000. SCHURECK also told Linda K. that she could convert the loan into shares of MSS Class B stock.

75. On or about June 1, 2010, shortly after Linda K. cashed the check that SCHURECK gave her in November 2009, which, in turn, was funded by investment money from an individual who SCHURECK told his money would be used for initial operational costs, SCHURECK and JACKSON asked Linda K. to "reloan" \$65,000 to MSS.

76. On or about June 14, 2010, JACKSON sent an email to Linda K. in which he stated that MSS needed \$165,450 "to put units into production sufficient for FDA inspection."

77. To lull Linda K. into a false sense of security, in or around 2010, after Linda K. expressed concerns about the manner in which JACKSON, SCHURECK, and others were operating MSS and the lack of progress in bringing the Sharps Terminator to market, SCHURECK described JACKSON as having a "sterling character."

78. To lull Linda K. into a false sense of security, JACKSON and SCHURECK repeatedly told Linda K. that neither of them were compensated by MSS in any way. SCHURECK regularly stated, "everybody benefits before we do."

79. To lull Linda K. into a false sense of security, in or around January 2012, SCHURECK and JACKSON caused a check in the approximate amount of \$2,660 to be sent to Linda K. They represented that the check was a dividend payment based on sales of Sharps Terminator units. In truth and in fact, the money came from new investors who had recently purchased shares in MSS.

4. Investor Terry B.

80. In or around the Spring of 2008, SCHURECK solicited Terry B. to invest in MSS, after then-MSS investor William B. introduced them. SCHURECK told Terry B. that MSS had

applied for FDA approval. SCHURECK failed to disclose JACKSON's prior criminal convictions, and did not tell him that JACKSON would be involved in making financial decisions for MSS. SCHURECK told Terry B. that his investment funds would be used to operate MSS and for initial production. He did not disclose that Terry B.'s money would be used to purchase technology and to repay old loans and shareholders.

81. SCHURECK induced Terry B. to purchase shares of stock in MSS for approximately \$50,000 on or about July 18, 2008.

82. JACKSON and DONOHUE met with Terry B. after his initial investment, and DONOHUE spoke to him on several occasions. JACKSON and DONOHUE, as well as SCHURECK repeatedly told Terry B. that FDA approval was "imminent" and induced him to purchase additional shares of MSS stock for approximately \$25,000 on or about January 14, 2009, and approximately \$25,000 on or about May 29, 2009.

83. To lull Terry B. into a false sense of security, between approximately 2008 and 2012, DONOHUE, JACKSON, and SCHURECK repeatedly described to Terry B. problems with FDA that they claimed were impeding the final approval, and each time told him that, as a result, the approval would be forthcoming in just a few more months.

84. On or about February 10, 2009, JACKSON sent an email to Terry B. in which he stated, "We are expecting FDA approval any day now. We are ready for our final inspection which should happen within the next few weeks. We are in production, although full production won't begin until we run several small batches to make sure everything is right with our manufacturing procedures."

85. On or about May 19, 2009, JACKSON and SCHURECK caused an email to be sent to investors, which was forwarded to Terry B. In it, they stated, "I think it is safe to say we are in

the home stretch on the FDA approval. They requested our 'final labeling' which we will be submitting on Today. The final labeling includes the operating manual, instructions for use, warranty, packaging etc." They solicited further investment in MSS, stating, "Our existing class A shareholders have the option to pick up the balance of the class A if they desire, we want that closed out by the end of the month."

86. On or about January 12, 2010, DONOHUE sent an email to Terry B. purporting to explain the lack of FDA approval. DONOHUE stated, in response to Terry B. asking about a claimed conference call with the FDA, "Hey Terry, They asked for three things; an updated copy of our complaint log; the complaint procedure—which they already have; but possibly misplaced. And, finally a copy of the warranty that we will be sending with the units. I read into it as very positive; again, based on my past experience."

87. On or about February 25, 2010, DONOHUE sent an email to Terry B. purporting to explain the lack of FDA approval. In response to Terry B.'s questions about the FDA approval status, DONOHUE stated, "Hey Terry . . . what they call the typing pool is actually a formatting department; where they plug in their portion of the safety and effectiveness data; approval dates, label recommendations etc. . . Also they were closed over a week for bad weather, and they milked that I'm sure. . . In our last call, they indicated they are moving toward final review. . . . Since I have personally been through this Class 3 process before, I believe that we are in the final stage and close."

88. On or about April 11, 2010, DONOHUE sent an email to Terry B. purporting to explain the lack of FDA approval. In response to Terry B.'s questions about the FDA approval status, DONOHUE stated, "Hey Terry . . . We all share your frustration with the time the clearance has taken; and their seemingly insensitive attitude toward companies trying to make a go of it in

the medial business. . . . Since we were advised they signed off on the ST; the next step is for them to send us a letter and publish their findings.”

89. On or about May 24, 2010, DONOHUE sent an email to Terry B. purporting to explain the lack of FDA approval. In response to Terry B.’s questions about the FDA approval status, DONOHUE stated, “Terry, We have tried to keep everyone updated on our communication with the FDA. . . . Many times we called and asked if there is anything else we can provide; only to receive an answer of we’ll let you know.”

90. On or about June 8, 2011, DONOHUE sent an email to Terry B. in which he stated, “We are sending FDA final labeling, etc.; also it’s all about production now.”

91. On or about January 7, 2012, DONOHUE sent an email to Terry B. stating, “2012 should be an exciting year now that both Serbian and US manufacturing are in production.”

92. In or around January 2012, SCHURECK and JACKSON caused a check in the amount of \$2,128 to be sent to Terry B. purporting to be a dividend payment based on sales of Sharps Terminator units.

93. In or around May or June 2012, DONOHUE sent a letter to Terry B. and other investors stating:

At the beginning of the year, you received a dividend check; along with a letter explaining the disbursement schedule for the first quarter of this year. Since your checks are directly related to royalty payments that we receive from overseas sales, I want to offer an explanation of the brief delay on disbursements for the first quarter.

94. On or about October 16, 2012, DONOHUE sent an email to Terry B. In response to Terry B.’s questions about the FDA approval status and whether MSS was still in business,

DONOHUE stated, "Yes, we are still here working very hard; filed the final FDA papers two weeks ago. We should have a complete update for everyone soon."

5. *Investor Ralph S.*

95. Sometime toward the end of 2008, SCHURECK spoke to Ralph S. and solicited him to invest in MSS. SCHURECK represented that the Sharps Terminator was "market ready," that FDA approval of the Sharps Terminator was imminent, and that Ralph S.'s money would be used for the company's infrastructure. SCHURECK did not tell Ralph S. that his investment money would be used to make payments in relation to previous lawsuits and debts. SCHURECK likewise did not disclose JACKSON's criminal history or the fact that JACKSON made financial decisions for MSS.

96. JACKSON and SCHURECK induced Ralph S. to purchase shares of stock in MSS for approximately \$10,000 on or about November 12, 2008.

97. In or around February 2009, to lull Ralph S. and other investors into a false sense of security, Defendants bussed Ralph S. and other shareholders to MSS's research and development facility and showed the investors Sharps Terminator parts, units, and boxes. They also touted the credentials of other MSS investors.

98. In or around late 2010, JACKSON and SCHURECK induced Ralph S. and his business partners to make an additional investment in MSS by becoming Sharps Terminator distributors. They induced Ralph S. and a business partner to invest approximately \$60,000 for "prepaid inventory." As an incentive to do so, JACKSON and SCHURECK told Ralph S. and his partner that they would make \$300 per unit sold. They also continued to tell Ralph S. that FDA approval was 30 days away.

99. To lull Ralph S. into a false sense of security, JACKSON and SCHURECK repeatedly described to Ralph S. problems with FDA that they claimed were impeding the final approval, and each time told him that, as a result, the approval would be forthcoming in just a few more months.

100. To lull Ralph S. into a false sense of security, SCHURECK regularly told him that he “never got a dime from MSS.”

101. To lull Ralph S. into a false sense of security, in or around January 2012, SCHURECK and JACKSON caused a check in the amount of \$212.80 to be sent to Ralph S. They represented that the check was a dividend payment based on sales of Sharps Terminator units. In truth and in fact, the money came from new investors who had recently purchased shares in MSS.

6. Investor Hamid H.

102. In or around Fall 2008, JACKSON flew to California and solicited Hamid H. and others to invest in MSS. JACKSON told Hamid H. and the others that MSS had submitted an application to the FDA for premarket approval, the application was in its final stage, and it would be approved by the end of 2008.

103. On or about November 15, 2008, JACKSON spoke at a MSS shareholders meeting in Mansfield, Ohio, which Hamid H. attended. At that time, JACKSON reiterated that the FDA application had been filed and would be approved by year-end. SCHURECK also represented to Hamid H. that FDA approval was “right around the corner.”

104. Prior to Hamid H. investing any money in MSS, JACKSON also told Hamid H. that JACKSON had a patent for the Sharps Terminator. To lull Hamid H. into a false sense of security, JACKSON sent to Hamid H. a copy of the patent for the Needlezap, to which JACKSON

had no right, title, or interest and, indeed, and previously been enjoined by a court from using. In addition, JACKSON also told Hamid H. that the FDA had already inspected MSS's research and development facility and had "approved" it. JACKSON and SCHURECK further told Hamid H. that neither of them would receive any compensation, in any form, until MSS began selling Sharps Terminator units, at which time they would make money only via the shares of MSS stock that they themselves owned. Neither JACKSON nor SCHURECK told Hamid H. about JACKSON's prior criminal convictions.

105. On or about November 4, 2008, JACKSON and SCHURECK induced Hamid H. to invest approximately \$25,000 in Class-A shares of MSS. JACKSON told Hamid H. that his money would be used for the plant that would manufacture the Sharps Terminator, as well as for distribution and marketing.

106. In or around September 2010, SCHURECK and JACKSON induced Hamid H. to invest an additional approximately \$12,500 in MSS by purchasing "prepaid units" that he could sell as soon as FDA approval was received, which JACKSON and SCHURECK represented would be received "any day."

107. To lull Hamid H. into a false sense of security, during 2009, 2010, and 2011, JACKSON and SCHURECK sent written communications to and had oral conversations with Hamid H. in which they falsely reported the status of FDA approval for the Sharps Terminator, communications between MSS and the FDA, and imminent plans to "mass-produce" the Sharps Terminator. Among others, on or about May 25, 2011, SCHURECK and JACKSON sent and caused to be sent to Hamid H. a written communication stating that MSS had "received our PDP clearance number to manufacture and market the Sharps Terminator in the US market" and that "[t]he PDP number assigned to the produce is PD073601/234."

108. In or around the first half of 2011, JACKSON and SCHURECK held a training session at MSS's Mansfield facility for investors who had also purchased Sharps Terminator "distributorships." At that time, to lull Hamid H. into a false sense of security, JACKSON told Hamid H. that MSS had 5,000 Sharps Terminator units "ready to go," located in a warehouse at JACKSON's house; in truth and in fact, neither JACKSON nor MSS had 5,000 working Sharps Terminator units at that time.

109. In or around the Fall of 2011, in response to a threatened lawsuit by Hamid H. and other investors and in an effort to continue successfully soliciting other persons to invest in MSS, DONOHUE called Hamid H. and asked "what it would take to keep them all quiet." In response to Hamid H.'s demand that the current management step aside and provide transparency, DONOHUE stated that this would not happen unless the investors gave JACKSON, SCHURECK and the others an additional \$5 million.

110. To lull Hamid H. into a false sense of security, in or around February 2012, SCHURECK and JACKSON caused a check in the amount of \$532.00 to be sent to Hamid H. They represented that the check was a dividend payment based on the sale of Sharps Terminator units that had been paid for and delivered. In truth and in fact, the money came from new investors who had recently purchased shares in MSS.

111. To lull Hamid H. into a false sense of security, in or around September 2012, DONOHUE told Hamid H. that the delay in obtaining FDA approval was caused because "every time FDA asks for something, the process starts over again."

7. Investor Martin L.

112. In or around December 2008 and January 2009, SCHURECK solicited Martin L. to invest in MSS and the Sharps Terminator after another investor introduced them. SCHURECK

showed a prototype to Martin L. and told him that MSS was trying to raise money to get the Sharps Terminator to market, and that Martin L.'s money would be used to finalize mass-production of the Sharps Terminator unit, which was otherwise market-ready. SCHURECK told Martin L. that MSS had applied for FDA approval and that the approval would be granted "any time now." SCHURECK introduced Martin L. to JACKSON, who also said that MSS had submitted an application to FDA and was waiting for FDA approval. SCHURECK and JACKSON described JACKSON's position with MSS as the Director of Research and Development, and the inventor of the Sharps Terminator. They did not disclose JACKSON's criminal history and the fact that JACKSON made financial decisions for MSS.

113. SCHURECK and JACKSON induced Martin L. to purchase shares of stock in MSS for approximately \$25,000 on or about January 3, 2009, and for an additional approximately \$25,000 on or about January 26, 2009.

114. To lull Martin L. and other investors into a false sense of security, at a shareholders meeting in Mansfield, Ohio held in or around February 2009, SCHURECK and JACKSON told investors that FDA approval was "weeks or days away." SCHURECK further told other investors that Martin L. had worked in the banking industry for 20 years, and introduced another investor as a former professional football player.

115. To lull Martin L. into a false sense of security and to encourage Martin L. to promote the Sharps Terminator, in March 2009, SCHURECK gave Martin L. a blank check, signed by SCHURECK, and told him to use it to pay for any expenses.

116. In an effort to use Martin L.'s banking background to encourage other persons to invest in MSS, in May 2009, SCHURECK asked Martin L. to serve as MSS's president on a voluntary basis and to help set up the company.

117. To lull Martin L. into a false sense of security and to encourage him to remain associated with MSS despite Martin L. raising questions about MSS's operations, in or around September 2009, SCHURECK issued one million shares of MSS common stock to Martin L. for Martin L.'s "dedication" to MSS.

118. To lull Martin L. and other investors into a false sense of security, in or around late 2009, JACKSON and SCHURECK told Martin L. and others that the FDA was going to inspect MSS's facility and instructed them not to come to the facility that day. SCHURECK later told Martin L. that FDA inspectors had come and had reviewed for quality control purposes manuals that Martin L. knew to be incomplete.

119. To lull Martin L. and other investors into a false sense of security, during 2010 and 2011, JACKSON and SCHURECK continued to report, falsely and repeatedly, on the status of FDA approval for the Sharps Terminator and communications between MSS and the FDA, providing excuses for the delay and claiming that approval would be received within a few weeks and "any day." They also falsely claimed that MSS had sold large numbers of Sharps Terminator units overseas and had already shipped or would ship large quantities of such units in the near term.

120. To prevent Martin L. from filing a civil suit against MSS alleging fraud, which would make it more difficult for Defendants to continue inducing people to invest in MSS, SCHURECK told Martin L. he had found a person to buy Martin L.'s share of stock, and arranged for MSS to pay Martin L. \$75,000 in or around September 2012.

8. Investor Gregory G.

121. In or around June 2009, SCHURECK solicited Gregory G. to invest in MSS and the Sharps Terminator. SCHURECK told Gregory G. that FDA premarket approval for the Sharps

Terminator was in process, and that the FDA had inspected the MSS facility and had “approved” it. SCHURECK also told Gregory G. that MSS and its investors owned a patent for the Sharps Terminator, and that none of MSS’s officers received compensation. SCHURECK did not disclose JACKSON’s criminal history and the fact that JACKSON made financial decisions for MSS. SCHURECK further told Gregory G. that his funds would be used to finalize the FDA approval and to start manufacturing the Sharps Terminator.

122. SCHURECK induced Gregory G. to purchase shares of stock in MSS for approximately \$10,000 on or about June 28, 2009.

123. To lull Gregory G. into a false sense of security, between 2009 and 2012, SCHURECK, JACKSON, and DECIANCIO repeatedly represented to Gregory G. that FDA approval was imminent. Among such representations included a shareholder letter that SCHURECK and JACKSON sent and caused to be sent to Gregory G. stating that the FDA had issued a “PDP clearance number” for the Sharps Terminator.

124. SCHURECK, JACKSON, and DECIANCIO induced Gregory G. to loan MSS an additional approximately \$40,000 on or about August 22, 2011. SCHURECK represented that the money would be used to finalize the FDA approval. As an incentive to make the loan, SCHURECK told Gregory G. that MSS would repay him in 90 days, at a rate of 25% interest and signed a promissory note to that effect. On or about August 18, 2011, DECIANCIO sent an email to Gregory G. encouraging him to accept the loan terms proposed by SCHURECK.

125. MSS did not timely repay the loan, but to lull Gregory G. into a false sense of security, on or about March 21, 2012, after approximately \$110,000 from three other MSS investors was deposited into MSS’s bank account, SCHURECK caused a one-time payment of \$5,000 to be wired to Gregory G.

9. Investor Jeff N.

126. In or around the Winter of 2009, DECIANCIO solicited Jeff N. to invest in MSS while at a conference in Philadelphia, Pennsylvania. DECIANCIO obtained and provided contact information for Jeff N. to SCHURECK, who called Jeff N. repeatedly and continued to solicit Jeff N.

127. SCHURECK told Jeff N. that the technology for the Sharps Terminator was “ready to go,” and that FDA approval for the Sharps Terminator was “imminent.”

128. SCHURECK induced Jeff N. to purchase shares of stock in MSS for approximately \$100,000 on or about May 28, 2010. SCHURECK told Jeff N. that the funds he was investing would be used for initial operational costs to launch the company once the FDA had approved the Sharps Terminator. Neither SCHURECK nor DECIANCIO told Jeff N. about JACKSON’s prior criminal convictions.

129. SCHURECK asked Jeff N. to assist MSS in putting together marketing and promotional materials for the Sharps Terminator, which Jeff N. did. SCHURECK gave Jeff N. additional shares of MSS stock as a “reward.”

130. To lull Jeff N. into a false sense of security, JACKSON repeatedly told Jeff N. that the FDA would approve the Sharps Terminator in the near term and that the application was proceeding on track. JACKSON told Jeff N., falsely, that delays were caused because MSS had upgraded the Sharps Terminator and therefore had to resubmit various filings to the FDA. DONOHUE, DECIANCIO, and SCHURECK also repeatedly assured Jeff N. that FDA approval was forthcoming in the near term.

131. On or about December 28, 2010, DECIANCIO sent an email to Jeff N., requesting that he assemble people to whom MSS could sell additional shares of stock,

representing that MSS would soon receive its FDA approval. DECIANCIO's statements included the following:

I know you are well respected and people will come and listen. We have networked all our shareholders the same way and we know it works... We have talked with our FDA consultant in DC. He is setting up a luncheon meeting with the Director of the FDA that not only is friend, but former colleague. He has agreed to have our clearance letter with him to hand over at that time. He will then fax us a copy and FedEx the original to us. The Board has voted the day after we receive hard copy shares will move to \$7.50....The investment money is needed for manufacturing and marketing costs....

132. In or around Spring 2012, SCHURECK induced Jeff N. to invest an additional approximately \$150,000 in MSS by purchasing a partial interest in a "Master Distributorship," which Jeff N. did on or about May 4, 2012.

10. Investor Leon O.

133. On or about June 16, 2010, SCHURECK, JACKSON, and others solicited Leon O. to invest in MSS and the Sharps Terminator. SCHURECK, JACKSON, and others fraudulently represented to Leon O. that the FDA had approved the Sharps Terminator, and MSS was simply waiting for the paperwork. SCHURECK further represented to Leon O. that the price per share of MSS stock would increase from \$5.00 to \$7.50 when the approval became public.

134. SCHURECK, JACKSON and others fraudulently induced Leon O. to purchase prepaid inventory of Sharps Terminator units, which they promised to deliver to South Africa in a short period of time, and shares of stock in MSS, at a severely reduced price, for approximately \$100,000, causing Leon O. to wire to MSS approximately \$80,000 on or about June 30, 2010, and \$20,000 on or about July 7, 2010.

11. Investor Andrew L.

135. In or around February 2011, SCHURECK travelled to Alsip, Illinois to solicit Andrew L. and others to invest in MSS and the Sharps Terminator, after a friend who had already invested introduced them. SCHURECK represented that MSS had a patent for the Sharps Terminator, but could not answer Andrew L.'s more detailed questions and therefore referred him to JACKSON.

136. On or about February 10, 2011, JACKSON, DONOHUE, DECIANCIO met with Andrew L. at JACKSON's home. JACKSON told Andrew L. that the FDA approval for the Sharps Terminator was "imminent" and would happen in the next 30 to 90 days. JACKSON further provided details to Andrew L. about the purported PDP filing with the FDA, but said that Andrew L. could not see the PDP filing number because of the PDP process. JACKSON told Andrew L. that the FDA had inspected MSS's research and development facility and had approved it. JACKSON further told Andrew L. that the Sharps Terminator was a "market ready device" and indicated that MSS was then-prepared to produce between 5,000 and 10,000 units per month. Neither JACKSON nor SCHURECK, DONOHUE, or DECIANCIO told Andrew L. about JACKSON's prior criminal convictions.

137. JACKSON and the other Defendants induced Andrew L. and his business partners to invest in MSS by becoming Sharps Terminator distributors. JACKSON and the others induced Andrew L. to invest \$100,000 for "prepaid inventory" on February 17, 2011. As an incentive to do so, JACKSON told Andrew L. that he could purchase 20,000 shares of stock in MSS for \$2. JACKSON also told Andrew L. that other products he had developed were part of MSS's assets.

138. To lull Andrew L. into a false sense of security, in May 2011, JACKSON told Andrew L. that he had received an approval number from FDA, but because MSS had changed the

Sharps Terminator design, he need to submit the new specifications to FDA. JACKSON told Andrew L. that, notwithstanding this development, FDA approval would be issued in 2 months.

139. To lull Andrew L. into a false sense of security, SCHURECK regularly told him that he “never got a dime from MSS.”

140. In or around June 2011, after several Sharps Terminator demonstration units failed, JACKSON induced Andrew L. and his business partners to spend large sums of money to reengineer the Sharps Terminator in Serbia so it would function properly, as intended and as previously represented by JACKSON.

141. In or around June 2011, SCHURECK asked Andrew L. and his business partners to repurchase shares from other investors to settle a lawsuit.

142. In or around August 2011, SCHURECK told Andrew L. he could purchase the shares at a discount and then resell them to make money, which Andrew L. agreed to do.

143. In or around May 2012, to lull Andrew L. into a false sense of security, after Andrew L. provided JACKSON with documents from laboratory tests of the newly designed Serbian model of the Sharps Terminator, JACKSON told Andrew L. that these documents were the “last step” in the FDA clearance process and that he would have FDA clearance in 60 days.

144. In or around June 2012, to lull Andrew L. and other investors into a false sense of security, at a meeting in Cleveland, Ohio, JACKSON and SCHURECK told investors that MSS would receive FDA clearance in 45 days.

145. In or around early October 2012, to lull Andrew L. and other investors into a false sense of security, JACKSON provided Andrew L. and his business partners with a document that he claimed was on file with the FDA. JACKSON told Andrew L. that, because he had previously

made a PDP filing with the FDA, which he claimed to have done in 2010, the FDA would grant PMA clearance in 30 days.

12. Investor Pam Z.

146. On or about May 25, 2011, DECIANCIO solicited Pam Z. to invest in MSS and the Sharps Terminator. DECIANCIO sent an email to Pam Z. stating that MSS had received FDA clearance to manufacture the Sharps Terminator in the United States, providing a PDP number, and stating that share prices would increase to \$7.50 as soon as MSS received its formal clearance letter, but shareholders had a “window of opportunity” to buy shares at the lower \$5.00 price.

147. DECIANCIO further induced Pam Z. to invest approximately \$5,000 in MSS on or about June 2, 2011.

13. Undercover Law Enforcement “Investor”

148. In or around the Fall of 2011, JACKSON, DECIANCIO, and DONOHUE solicited a law enforcement officer acting in an undercover capacity (“UCA”) to invest in MSS and the Sharps Terminator.

149. In or around the Fall of 2011, DECIANCIO sent an email to a person working with the UCA, referring to himself as the “Cofounder of MSS” and stating as follows:

The company is now preparing to raise an additional \$5,000,000 in Preferred B financing, offering a \$20 royalty override on the first 500,000 units to repay investors two (2) times their initial investment. These proceeds will help manufacturing, inventory, and marketing efforts targeted by MSS.

150. On or about October 26, 2011, DECIANCIO and DONOHUE travelled to South Carolina to meet with the UCA and the person working with him to discuss investment opportunities in MSS and the Sharps Terminator.

151. DECIANCIO provided sales literature to the UCA and the person working with him, which falsely represented that MSS had received FDA clearance for the Sharps Terminator and had received an FDA approval number. DONOHUE made similar statements.

152. DONOHUE told the UCA and the person working with him that he was responsible for part of the FDA approval and had written the "quality manual." Both DONOHUE and DECIANCIO falsely stated that MSS had obtained "clearance" from FDA in May 2011. DECIANCIO further stated that the FDA would not have the information posted on their website because it was "running behind," but stated that, "We are legal to sell it. Regardless." To emphasize the purported credibility of MSS, DONOHUE further stated MSS had obtained a legal opinion.

153. In an effort to avoid losing the UCA and the person working with him as investors and mitigate any concerns created by knowledge of shareholder lawsuits then being filed, on or about November 16, 2011, DECIANCIO sent the person working with the UCA an email fraudulently stating:

If you Google Medical Safety Solutions Inc. the stupid lawsuit comes up but not the dismissal. It is a shame any one can sue anyone, but it does cause damage, because people believe what they read in the news. The dismissal never seams [sic] to get published or brought to light. I felt if you were investing you need to see both sides of the story and the truth. . . . They claimed we never applied for FDA but as you can see our clearance number on the flyer, they said we were all evangelists [sic], and committed Securities fraud, and on and so ridiculous, our CEO's son is a retired high ranking person with the FBI, do you think for a minute he would allow this to go on.

154. On or about February 24, 2012, JACKSON, SCHURECK, and DECIANCIO met with the UCA and person working with him. During this meeting, JACKSON falsely represented

that the FDA was in possession of all of MSS's lab test results, and had inspected MSS's research and development facility. JACKSON stated that the minimum investment was \$5,000, and that this money would go toward manufacturing costs.

14. Investor Craig H.

155. In or around the Winter of 2011, DECIANCIO solicited Craig H. to invest in MSS and the Sharps Terminator while at a trade show. DECIANCIO provided contact information for MSS to Craig H.

156. On or about January 9, 2012, DECIANCIO sent an email to Craig H. making the following representation:

On Monday, May 23rd, MSS received our PDP clearance number to manufacture and market the Sharps Terminator in the US market. This is a long awaited milestone in the building of Medical Safety Solutions and we are now taking immediate steps to launch the product on a worldwide basis.

The email included a color photograph with an FDA clearance number.

157. SCHURECK, JACKSON, and DONOHUE made similar false representations to Craig H. regarding FDA approval for the Sharps Terminator at times before January 13, 2012. None of Defendants told Craig H. about JACKSON's prior criminal convictions and that he would be making financial decisions for MSS.

158. JACKSON, SCHURECK, DECIANCIO, and DONOHUE induced Craig H. to purchase shares of stock in MSS for approximately \$25,000 on or about January 13, 2012. They further induced Craig H. to invest an additional approximately \$56,000 on or about January 31, 2012, and another \$25,000 on or about February 10, 2012. JACKSON and SCHURECK told Craig H. that the funds he was investing would be used for manufacturing costs for the Sharps Terminator and to get it to market. They further represented to Craig H. that he would receive a

high return on his investment, in a short timeframe, and that MSS had “a half million” Sharps Terminator units “ready to go” that were under contract to be sold in Serbia.

159. On or about January 23, 2012, SCHURECK and JACKSON caused several checks to be prepared, drawn on MSS Acct 4523, with notations on the memo line stating “Preferred A – Dividend” or “Preferred B – Dividend,” made payable to MSS investors. SCHURECK and JACKSON used at least \$56,000 received from Craig H. to fund these checks. Such checks included, but are not limited to the following: check number 1062, in the approximate amount of \$1361.93, payable to William F.; check number 1063, in the approximate amount of \$212.80, payable to William F. and Melissa F.; check number 1080, in the approximate amount of \$532.00, made payable to Hamid H.; check number 1111, in the approximate amount of \$2,660, made payable to Linda K.; and check number 1182, in the approximate amount of \$212.80, payable to Ralph S. SCHURECK and JACKSON subsequently caused these checks to be sent to investors, along with a letter SCHURECK signed stating that the checks were dividend payments.

160. To lull Craig H. into a false sense of security, throughout 2012, JACKSON, SCHURECK, DONOHUE, and DECIANCIO repeatedly assured Craig H. that the FDA’s formal approval for the Sharps Terminator would be issued in 30 to 90 days.

15. Investor Ron M.

161. In or around early 2012, JACKSON and others solicited Ron M. to invest in MSS and the Sharps Terminator. JACKSON told Ron M. that the product was market-ready and merely awaiting FDA premarket approval, which was a “done deal.” JACKSON failed to disclose his prior criminal convictions to Ron M., and the fact that he would make financial decisions for MSS.

162. JACKSON induced Ron M. to purchase MSS shares for approximately \$25,000 on or about February 3, 2012. JACKSON told Ron M. that MSS was “ramping up” for production and that his investment funds would be used to increase production of battery cells.

163. On or about February 3, 2012, SCHURECK and JACKSON used at least \$25,000 received from Ron M. to fund the investor dividend checks referenced in paragraph 159, above.

16. Investor Gary K.

164. In or around early 2012, SCHURECK solicited Gary K. to invest in MSS and the Sharps Terminator after being introduced by a friend of Gary K.’s, who was also an investor. SCHURECK told Gary K. that MSS had submitted an application for premarket approval to the FDA for the Sharps Terminator, approval was “months away,” and sales were imminent. SCHURECK indicated that Gary K. would receive a return on an investment in one to two years.

165. SCHURECK induced Gary K. to purchase shares of stock in MSS for approximately \$25,000 on or about February 23, 2012. SCHURECK told Gary K. that his funds would be used to continue development of manufacturing, for marketing, and other administrative costs. SCHURECK did not tell Gary K. about JACKSON’s prior criminal convictions and that JACKSON would be involved in making financial decisions for MSS.

17. Prospective Investor Richard C.

166. In or around May 2011, JACKSON and DECIANCIO solicited a prospective investor, Richard C., to invest in MSS and the Sharps Terminator. As part of this solicitation, JACKSON and DECIANCIO falsely represented that MSS was waiting on an FDA letter of approval, which would arrive “any day now.”

167. On or about May 7, 2011, DECIANCIO sent Richard C. an email seeking to fraudulently induce this prospective investor to purchase shares in MSS, stating as follows:

You will not find any information about the Sharps Terminator or Medical Safety Solutions on the FDA website. We have all the documentation at the headquarters if you care to go and view it..... I'm sorry but you see why we do not let that number out. Kenneth Jackson said he would show all the documentation to any shareholder that wants to come in and look at it, but he cannot send the confidential information out. There are no secrets. Anyone that has come in to the company to look has left completely satisfied.

18. Other Example Representations to Investors

168. On or about July 5, 2010, DECIANCIO sent an email to investor Richard S. fraudulently stating, "The FDA is scheduled to come in Wednesday the 23rd, 24th, and 25th thru the 8th for inspection for final FDA clearance."

169. On or about July 8, 2010, DECIANCIO sent an email to investor Richard S. fraudulently stating, "We received a clean inspection from the FDA today, They told us we would receive our clearance shortly."

170. On or about July 17, 2010, DECIANCIO sent an email to investor Richard S. fraudulently stating:

The FDA came in Wednesday June the 23rd through July 22nd for inspection for final FDA clearance. . . . After two weeks at our facility, we received a clean inspection from the FDA July 22nd. They told us we would receive our clearance shortly. In our past experience this process usually takes a week to 10 days (we know they are running 45 days behind). We are in contact with the FDA weekly and we are very close to receiving the clearance letter.

171. On or about January 27, 2011, DECIANCIO sent an email to investor Stanley B. containing the following fraudulent statement, intending to induce investment in MSS:

As far as the FDA, according to the FDA Director we have been cleared for sale, it is just a matter of getting us the letter. [JACKSON] is personally tracking it. You may

have heard in the news about the FDA holding up clearance letters for medical devices on major Pharmaceutical companies, so we are not alone on the wait. We feel with the latest news given to us we are days away from our letter. On this we have no control.

172. In or around May 2011, SCHURECK provided a “script” and an MSS shareholder list to persons associated with MSS and directed them to call the shareholders, tell them that the Sharps Terminator had FDA approval, and solicit them to invest additional money in MSS. As part of this script, SCHURECK directed the callers to tell investors that they had a “small window” of opportunity to purchase additional shares at \$5 per share before the MSS Board raised prices to \$7.50 per share.

I. Expenditures of Investor Funds

173. Together, JACKSON and SCHURECK had complete control over the bank accounts associated with MSS, into which MSS investor money was deposited. SCHURECK had signature authority on the accounts, but JACKSON typically directed the manner in which the funds in MSS’s accounts were used.

1. Gambling

174. Between 2005 and 2013, JACKSON frequented the following casinos: Rio Casino (Nevada), Argosy Casino (Indiana), Greektown Casino (Michigan), Hardrock Casino (Florida), Wheeling Island (West Virginia), Mountaineer Racetrack (West Virginia), Hoosier Park (Indiana), Mandalay Bay Resort and Casino (Nevada), Hollywood Casino (Indiana), High Winds Casino (Oklahoma). While there, JACKSON used funds from MSS investors to gamble.

175. The total amount of money JACKSON spent on gambling at table games and at slot machines at the Mountaineer Casino is, approximately, as follows: 2009: \$145,070; 2010: \$365,002; 2011: \$1,049,955; 2012: \$1,366,173; 2013 (through May 2013): \$418,513.

2. *Transfers from MSS to Schur Partnership*

176. Between on or about November 7, 2007, and October 31, 2012, JACKSON and SCHURECK caused approximately \$3,107,788.73 to be transferred from MSS bank accounts to Schur Partnership bank accounts primarily via checks with notations in the memo lines stating "Asset Purchase" and "Loan Repayments."

177. JACKSON and SCHURECK caused Schur Partnership to transfer approximately \$631,100 back to MSS bank accounts, primarily via checks with notations in the memo lines stating "Loan."

178. JACKSON and SCHURECK further caused Schur Partnership to transfer the money it received from MSS to make payments personally benefiting SCHURECK and JACKSON.

a. *Transfers from Schur Partnership to
SCHURECK to Directly Benefit
SCHURECK and JACKSON*

179. Between in or around December 17, 2007, and October 31, 2012, SCHURECK wrote multiple checks to himself from Schur Partnership Acct 3618 totaling approximately \$612,320.33. Of that amount, checks totaling approximately \$239,275 had notations in the memo line stating "draw," and checks totaling approximately \$137,400 had notations in the memo line stating "Loan to Ken Jackson Repayment of Loan." Notations on other of those checks stated that they were for "parts" and "labor" and to "reimburse expenses."

180. Examples of the foregoing include, but are not limited to, the following:

- a. On or about July 30, 2009, SCHURECK wrote a check from MSS Acct 3537 for \$20,000 to Schur Partnership, with a notation in the memo line stating "Asset Purchase."

- b. On or about July 31, 2009, SCHURECK wrote a check from Schur Partnership Acct 3618 in the amount of \$6,000, payable to himself, with a notation in the memo line stating "draw."
- c. On or about October 2, 2009, after MSS investor William B. wired approximately \$125,000 into MSS Acct 3537, SCHURECK transferred or caused to be transferred approximately \$61,500 to Schur Partnership Acct 3618.
- d. On or about October 2, 2009, SCHURECK wrote a check from Schur Partnership Acct 3618 in the amount of \$7,000, payable to himself, with a notation in the memo line stating "draw."
- e. On or about October 2, 2009, SCHURECK wrote a check from Schur Partnership Acct 3618 in the amount of \$1,000, payable to a law firm, with a notation in the memo line stating "Loan to Ken Jackson Repayment of Loan."
- f. On or about October 21, 2009, SCHURECK wrote a check from Schur Partnership Acct 3618 in the amount of \$2,400, payable to himself, with a notation in the memo line stating "Loan to Ken Jackson Repayment of Loan."
- g. On or about November 16, 2009, after depositing the approximately \$75,000 that MSS investor Linda K. loaned to MSS into MSS Acct 3537, SCHURECK wrote check number 1781 from MSS Acct 3537, in the amount of \$20,000, payable to Schur Partnership, with a notation in the memo line stating "asset purchase," which SCHURECK deposited into Schur Partnership Acct 3618 on the same date.
- h. On or about November 16, 2009, SCHURECK check number 1316, drawn on Schur Partnership Acct 3618, in the approximate amount of \$2,500 made payable to himself, with a notation in the memo line stating "Loan to Ken Jackson Repayment of Loan."
- i. On or about November 17, 2009, SCHURECK wrote check number 1312, drawn on Schur Partnership Acct 3618, in the approximate amount of \$7,000 made payable to himself, with a notation in the memo line stating "draw."
- j. On or about March 4, 2010, after two MSS investor checks in the approximate total amount of \$15,000 cleared MSS Account 3537, SCHURECK wrote check number 1919 in the approximate amount of \$5,000 payable to Schur Partnership, with a notation in the memo line stating "Asset Purchase."

- k. On or about March 8, 2010, SCHURECK wrote check 1333 from Schur Partnership Account 3618 in the approximate amount of \$4,000, to himself, with a notation in the memo line stating "draw."
- l. On or about February 7 and 8, 2011, after four MSS investor checks in the approximate total amount of \$65,000 cleared MSS Account 3537, SCHURECK wrote check numbers 2533 and 2541 in the approximate amounts of \$6,500 and \$16,000 payable to Schur Partnership, with a notation in the memo line stating "asset purchase."
- m. On or about February 9, 2011, SCHURECK wrote check number 1418 from Schur Partnership Account 3618 in the approximate amount of \$5,000, to himself, with a notation in the memo line stating "draw."
- n. On or about September 20, 2011, after an MSS investor check in the approximate amount of \$15,000 cleared MSS Account 3537, SCHURECK wrote check number 2959 in the amount of \$5,000 payable to Schur Partnership, with a notation in the memo line stating "Repayment of Loan."
- o. On or about September 21, 2011, SCHURECK wrote check 1636 from Schur Partnership Account 3618 in the amount of \$5,000, to himself, with a notation in the memo line stating "draw."
- p. On or about February 21, 2012, after an MSS investor check in the approximate amount of \$5,000 cleared MSS Account 3537, SCHURECK wrote check number 3243 in the amount of \$2,550 payable to Schur Partnership, with a notation in the memo line stating, "asset purchase."
- q. Also on or about February 21, 2012, SCHURECK wrote check 1762 from Schur Partnership Account 3618 in the amount of \$2,550, to himself, with a notation in the memo line stating "draw."
- r. On or about February 22, 2012, after an MSS investor check in the approximate amount of \$5,000 cleared MSS Account 3537, SCHURECK wrote check number 3245 in the amount of \$2,500 payable to Schur Partnership, with a notation in the memo line stating "asset purchase."
- s. Also on or about February 22, 2012, SCHURECK wrote check 1763 from Schur Partnership Account 3618 in the amount of \$2,000 to himself, with a notation in the memo line stating "draw."

b. Payments to Investors in Other Failed Projects

181. Between in or around October 17, 2007, and October 31, 2012, SCHURECK and JACKSON repeatedly caused Schur Partnership to use thousands of dollars that MSS transferred

to it to make payments to persons who had earlier invested in the E Med and Needlezap and other failed ventures with which Defendants had been associated.

182. Examples of the foregoing include, but are not limited to, the following:

- a. On or about December 12, 2007, after MSS investor checks approximately totaling \$35,000 cleared MSS Acct 3537, SCHURECK wrote a check from MSS Acct 3537 in the amount of \$22,000 payable to Schur Partnership.
- b. On or about December 24, 2007, SCHURECK wrote a check from Schur Partnership Acct 3618 in the approximate amount of \$1,000, with a notation in the memo line stating "interest," to make a payment to a former investor in one of SCHURECK's failed past project whose initials are T.F.
- c. On or about December 27, 2007, SCHURECK and someone acting at his direction wrote a check from Schur Partnership Acct 3618 in the approximate amount of \$500, with a notation in the memo line stating "loan repayment," to make a payment to former investors in one of SCHURECK's failed past project whose initials are J.W. and V.W.
- d. On or about December 31, 2007, SCHURECK and someone acting at his direction wrote two checks from Schur Partnership Acct 3618 in the approximate amount of \$1,000 each, each with a notation in the memo line stating "loan repayment," to make payments to former investors in one of SCHURECK's failed past project whose initials are J.E. and A.E.
- e. On or about January 15 and 16, 2008, after MSS investor checks approximately totaling \$60,000 were deposited into or cleared MSS Acct 3537, SCHURECK wrote two checks from MSS Acct 3537, in the amounts of \$5,000 and \$10,000, both payable to Schur Partnership.
- f. On or about January 22, 2008, SCHURECK and someone acting at his direction wrote three checks from Schur Partnership Acct 3618, each in the approximate amount of \$1,000, each with a notation in the memo line stating either "loan repayment" or "interest, to make payments to former investors in one of SCHURECK's failed past project whose initials are M.K., E.S. and M.S, and L.R.
- g. On or about January 23, 2008, SCHURECK and someone acting at his direction wrote a check from Schur Partnership Acct 3618 in the approximate amount of \$1,000, with a notation in the memo line stating "loan repayment," to make a payment to former investors in one of SCHURECK's failed past project whose initials are J.W. and V.W.

- h. On or about July 30, 2009, after MSS investor checks approximately totaling \$65,000 cleared MSS Acct 3537, SCHURECK wrote a check from MSS Acct 3537, in the amounts of \$20,000, payable to Schur Partnership.
- i. Between on or about August 3 and 7, 2009, SCHURECK and someone acting at his direction wrote ten checks from Schur Partnership Acct 3618, each in the approximate amount of \$1,000, each with a notation in the memo line stating either "loan repayment" or "interest, to make payments to former investors in one of SCHURECK's failed past project, including investors whose initials are R.C., M.K., E.S. and M.S, L.R., C.V.S. and D.V.S., J.W. and V.W., T.F., and W.J.
- j. On or about November 12, 2010, after MSS investor check in the approximate total amount of \$55,000 cleared MSS Acct 3537, SCHURECK wrote a check from MSS Acct 3537 in the amount of \$5,000, payable to Schur Partnership.
- k. On or about November 17, 2010, SCHURECK and someone acting at his direction wrote a check from Schur Partnership Acct 3618 in the amount of \$1,000, with a notation in the memo line stating "loan repayment," to make a payment a former investor in one of SCHURECK's failed past project whose initials are J.W.

c. Other Transfers.

183. Between in or around October 17, 2007, and October 31, 2012, SCHURECK and JACKSON repeatedly caused Schur Partnership to use investor funds that MSS transferred to it to make payments to persons who returned that money to JACKSON for his personal use and otherwise used it to benefit JACKSON.

184. Examples of the foregoing include, but are not limited to, the following:

- a. On or about October 2, 2009, SCHURECK caused approximately \$25,000 to be wired from Schur Partnership Acct 3618 to PR Market Research. Portions of that money were further transferred as follows: to pay approximately \$9,400 on accounts titled to "PR Market Research Kenneth Jackson" that included credit card charges for personal expenses; to pay a check in the approximate amount of \$5,000 made payable to P.D. with a notation in the memo line stating "payroll"; and to pay checks totaling approximately \$7,700 made payable to R.L.
- b. On or about November 16, 2009, after transferring MSS investor money from MSS Acct 3537 into Schur Partnership Acct 3618, SCHURECK

wrote check number 1317, drawn on Schur Partnership Acct 3618, in the approximate amount of \$4,000 made payable to D.M., with a notation in the memo line stating "Loan to Ken Jackson Repayment of Loan."

- c. On or about November 17, 2009, SCHURECK wrote check number 1318, drawn on Schur Partnership Acct 3618, in the approximate amount of \$3,500 made payable to R.L., with a notation in the memo line stating "Loan to Ken Jackson Repayment of Loan."

3. *Transfers from MSS to SMS and William Allonas*

185. Sometime before JACKSON and his codefendants started MSS, William Allonas invested money with JACKSON and others in E Med Futures and the Needlezap, Vision Television Network, and other failed ventures with which JACKSON previously had been associated.

186. Between in or around January 16, 2008, and April 20, 2012, JACKSON directed SCHURECK and others to write checks from MSS Acct 3537 to (a) SMS, totaling approximately \$1,308,082.84, many with notations on the memo line indicating that the checks' purpose was to pay for "manufacturing" or "parts," and (b) William Allonas, totaling approximately \$329,253.50, many with notations on the memo line indicating that the checks' purpose was to pay for "parts" or "manufacturing." As JACKSON and SCHURECK then well knew, neither SMS nor Allonas ever provided any parts, goods, or services to MSS.

187. During this same time frame, JACKSON instructed Allonas to cash such checks and return some or all of the currency to JACKSON, some or all of which JACKSON kept for his own personal use. At times, JACKSON permitted Allonas to retain some of the money from these checks as repayments for earlier losses.

188. Examples of the foregoing include, but are not limited to, the following:

- a. On or about December 5, 2008, after an MSS investor check in the approximate amount of \$20,000 cleared MSS Acct 3537, SCHURECK

wrote a check from MSS Acct 3537 in the approximate amount of \$10,000, payable to SMS.

- b. On or about December 5, 2008, at JACKSON's direction, William Allonas deposited that check into SMS's bank account and withdrew approximately \$5,000 in cash, some or all of which he gave to JACKSON.
- c. On or about December 6, 2008, JACKSON used some or all of the cash that he received from Allonas to gamble at the Wheeling Island Casino, located in Wheeling, West Virginia.
- d. On or about December 12, 2008, after MSS investor checks totaling approximately \$62,000 were either deposited in or cleared MSS Acct 3537, SCHURECK wrote a check from MSS Acct 3537 for \$20,000 to SMS, with a notation in the memo line stating "parts."
- e. On or about December 12, 2008, at JACKSON's direction, William Allonas deposited that check into SMS's bank account and withdrew \$9,990 in cash, most or all of which he gave to JACKSON.
- f. On or about December 16, 2008, SCHURECK wrote a check from MSS Acct 3537 for \$7,500 to SMS, with a notation in the memo line stating "Terminator Parts."
- g. On or about December 16, 2008, at JACKSON's direction, William Allonas deposited that check into SMS's bank account and withdrew \$5,500 in cash, most or all of which he gave to JACKSON.
- h. On or about December 18, 2008, at JACKSON's direction, William Allonas withdrew an additional \$9,950 in cash from the SMS bank account, most or all of which he gave to JACKSON.
- i. On or about December 21, 2008, JACKSON used some or all of the cash that he received from Allonas to gamble at the Wheeling Island Casino, located in Wheeling, West Virginia.
- j. On or about July 27, 2009, shortly after MSS investor checks totaling approximately \$65,000 were deposited in MSS Acct 3537, SCHURECK wrote a check from MSS Acct 3537 for \$30,000 to SMS.
- k. On or about July 29, 2009, at JACKSON's direction, William Allonas deposited that check into SMS's bank account and withdrew \$9,800 in cash, most or all of which he gave to JACKSON.

- l. On or about July 31, 2009, at JACKSON's direction, William Allonas withdrew an additional \$6,000 in cash from the SMS bank account, most or all of which he gave to JACKSON.
- m. On or about August 2, 2009, JACKSON spent more than \$37,000 playing slot machines at the Hollywood Casino, located in Indiana, using some or all of the cash that he received from Allonas.
- n. On or about November 16, 2009, after depositing the approximately \$75,000 that MSS investor Linda K. loaned to MSS into MSS Acct 3537, SCHURECK purchased a cashier's check from that account made payable to SMS in the amount of \$20,000, which was given to William Allonas.
- o. On or about December 21, 2009, after two MSS investor checks in the approximate total amount of \$43,000 cleared MSS Acct 3537, SCHURECK wrote check number 1828 from that account, in the approximate amount of \$35,000, payable to SMS International, with a notation in the memo line stating "Manufacturing."
- p. On or about December 21, 2009, JACKSON gave that check to Allonas, who deposited it into his personal bank account and, as directed by JACKSON, withdrew some of those funds as cash and gave them to JACKSON for payment of MSS employees and JACKSON's personal use.
- q. On or about October 29, 2010, after three MSS investor checks in the approximate total amount of \$42,500 cleared MSS Acct 3537, SCHURECK wrote check number 2385 from that account, in the approximate amount of \$27,000, payable to William Allonas.
- r. On or about October 29, 2010, JACKSON gave that check to Allonas, who deposited it into his personal bank account and, as directed by JACKSON, withdrew some of those funds as cash and gave them to JACKSON for payment of MSS employees and JACKSON's personal use.

4. Transfers from MSS to PR Market Research

189. Sometime before JACKSON and his codefendants started MSS, JACKSON's sister, whose initials are P.D., invested money with JACKSON and others in E Med Futures and the Needlezap, and other failed ventures with which JACKSON previously had been associated.

190. Between approximately November 21, 2007, and March 22, 2012, JACKSON directed SCHURECK and others to write checks to PR Market Research totaling approximately

\$421,260, many with notations on the memo line indicating that the checks' purpose was to pay for "R&D" when, in truth and in fact, PR Market Research never provided any parts, goods, or services to MSS.

191. At JACKSON's direction, P.D., who nominally controlled the bank account titled to PR Market Research, used the transferred money as directed by JACKSON, which included but was not limited to paying living expenses for JACKSON and keeping portions of the money for her own use.

192. Examples of the foregoing include, but are not limited to, the following:

- a. On or about December 5, 2008, after an MSS investor check in the approximate amount of \$20,000 cleared MSS Acct 3537, SCHURECK wrote a check from MSS Acct 3537 in the amount of \$8,000, payable to PR Market Research, which at JACKSON's direction, P.D. used to pay JACKSON's personal expenses and otherwise kept for her own personal use.
- b. On or about November 16, 2009, after depositing the approximately \$75,000 that MSS investor Linda K. loaned to MSS into MSS Acct 3537, SCHURECK transferred approximately \$10,000 to PR Market Research from MSS Acct 3537, which at JACKSON's direction, P.D. used to pay JACKSON's personal expenses and otherwise kept for her own personal use.

5. *Transfers from MSS to R.L.*

193. A person whose initials were R.L. worked for MSS performing building maintenance, shipping materials to potential investors, and testing products. JACKSON paid R.L. a salary of approximately \$500 per week, in cash. As JACKSON and SCHURECK then well knew, during the relevant timeframe, R.L. was not responsible for and did not ever incur payroll or office expenses on MSS's behalf, and R.L. did not otherwise provide any goods or services to MSS.

194. Between approximately August 20, 2008, and October 29, 2012, at JACKSON's direction, SCHURECK and others under SCHURECK's control wrote checks drawn on MSS Acct 3537, made payable to R.L., totaling approximately \$751,139.47, many with notations on the memo line indicating that the checks' purpose was for "Salaries," "Payroll," and "Office Expenses." In many cases, the checks to R.L. were written shortly after MSS investor funds were deposited into MSS Acct 3537.

195. At JACKSON's direction, R.L. cashed such checks and returned the entire amount, minus his own personal salary, directly to JACKSON. JACKSON kept some or all of the currency for his own personal use.

196. Examples of the foregoing include, but are not limited to, the following:

- a. On or about September 19, 2008, SCHURECK or someone under his control wrote check number 1306 from MSS Acct 3537 in the approximate amount of \$5,000, payable to R.L., with a notation in the memo line stating "Glenmont Office Expense."
- b. On or about June 4, 2009, SCHURECK or someone under his control wrote check number 1631 from MSS Acct 3537 in the approximate amount of \$4,200, payable to R.L., with a notation in the memo line stating "Glenmont Payroll/Expense."
- c. On or about November 18, 2009, after depositing the approximately \$75,000 that MSS investor Linda K. loaned to MSS into MSS Acct 3537, SCHURECK wrote a check from MSS Acct 3537 in the approximate amount of \$4,500, payable to R.L.
- d. On or about November 25, 2009, SCHURECK wrote a check from MSS Acct 3537 in the approximate amount of \$4,500, payable to R.L., with a notation in the memo line stating "Glenmont Payroll."
- e. On or about November 26 and 27, 2009, JACKSON used some or all of the cash that he received from R.L. to gamble at the Mountaineer Casino, located in Chester, West Virginia.
- f. On or about March 3, 2010, SCHURECK or someone under his control wrote check number 1929 from MSS Acct 3537 in the approximate amount

of \$4,500, payable to R.L., with a notation in the memo line stating "Glenmont Payroll – WK of March 1st."

- g. On or about September 8, 2010, SCHURECK or someone under his control wrote check number 2282 from MSS Acct 3537 in the approximate amount of \$5,500, payable to R.L., with a notation in the memo line stating "Glenmont Salaries/Office Expenses."
- h. On or about September 9, 2010, SCHURECK or someone under his control wrote check number 2288 from MSS Acct 3537 in the approximate amount of \$5,000, payable to R.L., with a notation in the memo line stating "Glenmont Salaries/Office Expenses."
- i. On or about March 9, 2011, SCHURECK or someone under his control wrote check number 2605 from MSS Acct 3537 in the approximate amount of \$4,500, payable to R.L., with a notation in the memo line stating "Wages/Office Expenses."
- j. On or about September 20, 2011, SCHURECK or someone under his control wrote check number 2951 from MSS Acct 3537 in the approximate amount of \$4,500, payable to R.L., with a notation in the memo line stating "Glenmont wages/office expenses."
- k. On or about March 5, 2012, SCHURECK or someone under his control wrote check number 3285 from MSS Acct 3537 in the approximate amount of \$4,500, payable to R.L., with a notation in the memo line stating "Glenmont Office Expense."
- l. On or about September 7, 2012, SCHURECK or someone under his control wrote check number 3585 from MSS Acct 3537 in the approximate amount of \$5,000, payable to R.L., with a notation in the memo line stating "Glenmont Office Expense."
- m. On or about September 10, 2012, SCHURECK or someone under his control wrote check number 3594 from MSS Acct 3537 in the approximate amount of \$5,000, payable to R.L., with a notation in the memo line stating "Glenmont Office Expense."

6. *Transfers to Promote MSS and Fraudulently Induce Additional Investors*

197. Between on or around November 20, 2007 and continuing at least through October 29, 2012, JACKSON and SCHURECK used funds received from MSS investors to pay travel and other expenses associated with fraudulently inducing additional persons to invest in

MSS and the Sharps Terminator, as well as make payments to employees and “consultants” for the same purpose.

198. Examples of the foregoing include, but are not limited to, the following:

- a. On or about November 17, 2009, after depositing the \$75,000 that MSS investor Linda K. loaned to MSS into MSS Acct 3537, SCHURECK wrote a check from MSS Acct 3537 for approximately \$2,162 to himself, with a notation in the memo line stating “Reimburse Oct ‘09 expenses.”
- b. On or about November 25, 2009, SCHURECK wrote a check from MSS Acct 3537 for approximately \$1,000 to DONOHUE, with a notation in the memo line stating “Consulting Service.”
- c. On or about March 11, 2010, after two MSS investor checks totaling approximately \$15,000 were deposited to MSS account 3537, SCHURECK signed check number 1947 from that account, made payable to D.M. in the approximate amount of \$1,500, with a notation in the memo line stating “Glenmont Office Expense.”
- d. On or about May 21, 2010, after two MSS investor checks totaling approximately \$20,000 were deposited into MSS account 3537, SCHURECK signed MSS check numbers 2063 and 2071 from that account, each made payable to DONOHUE in the approximate amount of \$1,000, and each with a notation in the memo lines stating “R&D Consulting.”
- e. On or about July 16, 2010, after an MSS investor check in the approximate amount of \$10,000 was deposited to MSS account 3537, SCHURECK signed check number 2186 from that account, made payable to DONOHUE in the approximate amount of \$1,000, with a notation in the memo line stating “FDA Consulting.”
- f. On or about October 22, 2010, after two investor checks totaling approximately \$30,000 were deposited to MSS account 3537, SCHURECK signed check number 2382 from that account, made payable to D.M. in the approximate amount of \$5,800, with a notation in the memo line stating “Parts / FDA Consulting / Interaction.”
- g. On or about November 12, 2010, after an investor check in the approximate amount of \$35,000 was deposited into MSS account 3537, SCHURECK signed check number 2407 from that account, made payable to DONOHUE in the approximate amount of \$1,000, with a notation in the memo line stating “Consulting Service.”

- h. On or about July 25, 2011, shortly after investor checks totaling approximately \$166,000 were deposited into MSS account 3537, SCHURECK signed check number 2856 from that account, made payable to DECIANCIO in the approximate amount of \$3,333.34, with a notation in the memo line stating "Florida Expo – Plus Expenses," and check number 2870, made payable to DECIANCIO in the approximate amount of \$10,000, with a notation in the memo line stating "Consulting Service."
- i. On or about August 5, 2011, after an investor check in the approximate amount of \$5,000 was deposited into MSS account 3537, SCHURECK caused an MSS employee to sign check number 2901 from that account, made payable to DONOHUE in the approximate amount of \$1,000, with a notation in the memo line stating "Consulting."
- j. On or about October 25, 2011, after investor checks totaling approximately \$95,000 were deposited into MSS account 3537, SCHURECK caused check number 3027 from that account, in the approximate amount of \$9,403.42, to be paid to DECIANCIO, with a notation in the memo line "Conferences (4) Reimburse."
- k. On or about December 20, 2011, after three investor checks totaling approximately \$65,000 were deposited into MSS account 3537, SCHURECK an MSS employee to sign check number 3132 from that account, made payable to D.M. in the approximate amount of \$4,000, with a notation in the memo line that stated "Consulting Terminator."
- l. On or about March 1, 2012, after an investor check in the approximate amount of \$15,000 was deposited into MSS account 3537, SCHURECK signed check number 3284 from that account, made payable to DONOHUE in the approximate amount of \$1,000, with a notation in the memo line stating "Consulting."

7. ***Other Transfers from MSS to Pay Jackson's Personal Debts***

199. On or about February 28, 2011, JACKSON and SCHURECK deposited and caused to be deposited approximately \$107,000 that they had recently received from MSS investors, including approximately \$100,000 received from a corporate investor with the initials D.E.E., LLC., none of whom authorized their funds to be used to pay a prior personal judgment for JACKSON. More than half of this money was then transferred to Schur Partnership Acct 3618 and then transferred back to MSS Acct 3537.

200. On or about March 1, 2011, JACKSON and SCHURECK caused MSS to transfer approximately \$49,249, from MSS Acct 3537 to an account held by the United States District Court for the Western Judicial District of Pennsylvania. The payment was made against the August 12, 1992, judgment obtained by the Securities & Exchange Commission against JACKSON for \$1,815,000 plus post-judgment interest.

201. On or about March 1, 2011, JACKSON and SCHURECK caused MSS to transfer approximately \$24,900, from MSS Acct 3537 to an account held by an attorney who represented JACKSON in connection with the judgment that the SEC obtained against JACKSON in or around the early 1990s.

8. *Fractional Payments to Appease and Lull Current MSS Investors*

202. On or about February 6, 2012, SCHURECK and JACKSON transferred and caused to be transferred approximately \$98,000 of MSS investor funds from MSS Acct 3537 to MSS Acct 4523. SCHURECK and JACKSON further caused some or all of that money to be used to fund multiple individual checks from MSS Acct 4523, purporting to be "dividends" from Sharps Terminator sales, sent to other preexisting investors to lull them into a false sense of security.

The Grand Jury further charges:

**COUNT 1
(Conspiracy to Commit Mail Fraud, 18 U.S.C. § 1341, and Wire Fraud, 18 U.S.C. § 1343,
in violation of 18 U.S.C. § 1349)**

203. The factual allegations of paragraphs 1 through 176, 178 through 180, 197 through 198, and 202 of this Indictment are realleged and incorporated by reference as if fully set forth herein.

204. From in or around November 2007, and continuing through on or about May 13, 2013, in the Northern District of Ohio, Eastern Division, and elsewhere, KENNETH JACKSON, WILLIAM SCHURECK, DENNIS DECIANCIO, DARYL DANE DONOHUE, and others known and unknown to the Grand Jury, did knowingly and intentionally combine, conspire, confederate, and agree together and with each other to devise and intend to devise a scheme and artifice to defraud persons who invested money in MSS and loaned money to MSS and to obtain money and property from such persons by means of false and fraudulent pretenses, representations, and promises, and for the purpose of executing and attempting to execute the scheme and artifice to defraud:

- a. knowingly placed and caused to be placed in any post office and authorized depository for mail matter, any matter and thing, to be delivered by the Postal Service and any private and commercial interstate mail carrier according to the direction thereon, in violation of Title 18, United States Code, Section 1341; and
- b. caused to be transmitted by means of wire communication in interstate commerce, writings, signs, signals, pictures and sounds, in violation of Title 18, United States Code, Section 1343.

Object of the Conspiracy

205. The object of the conspiracy was to divert millions of dollars from third-party investors in and lenders to MSS to enrich Defendants KENNETH JACKSON, WILLIAM SCHURECK, DENNIS DECIANCIO, and DARYL DANE DONOHUE, as well as others, to pay the personal expenses and prior debts of JACKSON and SCHURECK, and to repay certain investors who had previously lost money on their earlier investments in the Needlezap and other failed ventures with which Defendants previously had been associated.

The Use of the Mail in Furtherance of the Conspiracy

206. For the purpose of executing and attempting to execute the scheme and artifice to defraud described above, KENNETH JACKSON, WILLIAM SCHURECK, DENNIS DECIANCIO, and DARYL DANE DONOHUE, caused documents to be delivered and sent through the United States mail, United Parcel Service (“UPS”), and other private and commercial interstate mail carriers to and from the Northern District of Ohio and elsewhere. Such documents included, but were not limited to, checks from MSS investors, letters to shareholders, shares of MSS stock, and purported “dividend” and “royalty” checks to shareholders.

The Use of Interstate Wires in Furtherance of the Conspiracy

207. For the purpose of executing and attempting to execute the scheme and artifice to defraud described above, KENNETH JACKSON, WILLIAM SCHURECK, DENNIS DECIANCIO, and DARYL DANE DONOHUE caused to be transmitted by means of wire communication in interstate commerce, writings, signs, signals, pictures and sounds, to and from the Northern District of Ohio and elsewhere. Such interstate wires included, but were not limited to wire transfers of investor funds to MSS, telephone calls with MSS investors, and emails to and from MSS investors regarding the FDA, FDA approval and clearance of the Sharps Terminator, manufacturing status, purported international sales, purported investor dividends, and other issues relating to the Sharps Terminator and MSS.

All in violation of Title 18, United States Code, Section 1349.

The Grand Jury further charges:

COUNTS 2-7
(Mail Fraud, in violation of 18 U.S.C. §§ 1341 & 2)

208. The factual allegations of paragraphs 1 through 176, 178 through 180, 197, 198, and 202 of this Indictment are realleged and incorporated by reference as if fully set forth herein.

The Scheme to Defraud

209. From in or around November 2007 to on or about May 13, 2013, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendants KENNETH JACKSON, WILLIAM SCHURECK, DENNIS DECIANCIO, and DARYL DANE DONOHUE, aided and abetted by each other, devised and intended to devise a scheme and artifice to defraud investors in Medical Safety Solutions and to obtain money and property from them by means of false and fraudulent pretenses, representations and promises.

210. It was part of the scheme and artifice to defraud that: The factual allegations of paragraphs 29 through 45 of this Indictment are realleged and incorporated by reference as if fully set forth herein.

The Use of the U.S. Mail

211. On or about the dates listed below, in the Northern District of Ohio and elsewhere, JACKSON, SCHURECK, DECIANCIO, and DONOHUE, as designated in the individual counts below, for the purpose of executing and attempting to execute the scheme and artifice to defraud described above, knowingly caused the following documents to be delivered by and through the United States mail, United Parcel Service ("UPS"), and other private and commercial interstate mail carriers, according to the directions thereon, each mailing constituting a separate count:

COUNT	CHARGED DEFENDANT	Date	Description of Document	Sender	Recipient / Location
2	SCHURECK JACKSON	November 10, 2011	Letter updating investors on Sharps Terminator, including clarification on FDA clearance	SCHURECK, Mansfield, Ohio	Investor William F., Pacific Palisades, California Investor Linda K., Medina, Ohio Investor Terry B., Loudon, Tennessee
					Investor Edward B., Seattle, Washington Investor Cynthia C. Kenosha, Wisconsin
3	SCHURECK JACKSON	January 24, 2012	"Dividend" check and letter to investor Linda K. drawn on MSS Bank	MSS – SCHURECK, Mansfield, Ohio	Investor Linda K., Medina, Ohio
4	SCHURECK JACKSON	January 24, 2012	Letter from SCHURECK regarding disbursement check	SCHURECK, Mansfield, Ohio	Investor Terry B., Loudon, Tennessee
5	SCHURECK JACKSON DECIANCIO DONOHUE	January 31, 2012	\$56,000 check drawn on account of Craig H. at First Trust of Onaga	Craig H., Painesville, Ohio via First Trust Onaga, Onaga, Kansas	MSS, Mansfield, Ohio

6	SCHURECK	February 23, 2012	\$25,000 check drawn on account of Gary K., drawn on Financial Resources Federal Credit Union	Gary K., West Chester, Ohio	MSS, Mansfield, Ohio
7	DONOHUE JACKSON	May or June, 2012	Letter to shareholders from DONOHUE "Since your checks are directly related to royalty payments that we receive from overseas sales..."	DONOHUE, Mansfield, Ohio	Investor Terry B., Loudon, Tennessee

212. As a result of the foregoing scheme, MSS investors incurred substantial out-of-pocket and other losses.

All in violation of Title 18, United States Code, Sections 1341 and 2.

The Grand Jury further charges:

COUNTS 8-23
(Wire Fraud, 18 U.S.C. §§ 1343 & 2)

213. The factual allegations of paragraphs 1 through 176, 178 through 180, 197, 198, and 202 of this Indictment are realleged and incorporated by reference as if fully set forth herein.

The Scheme to Defraud

214. From in or around November 2007, and to on or about May 13, 2013, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendants KENNETH JACKSON, WILLIAM SCHURECK, DENNIS DECIANCIO, and DARYL DANE DONOHUE, aided and abetted by each other, devised and intended to devise a scheme and artifice to defraud and obtain money and property from investors in Medical Safety Solutions, by means of false and fraudulent pretenses, representations, and promises.

215. It was part of the scheme and artifice to defraud that: The factual allegations of paragraphs 29 through 45 of this Indictment are realleged and incorporated by reference as if fully set forth herein.

The Use of Interstate Wire Communications

216. On or about the dates set forth below, in the Northern District of Ohio and elsewhere, JACKSON, SCHURECK, DECIANCIO, and DONOHUE, as designated in the individual counts below; for the purpose of executing and attempting to execute the scheme and artifice to defraud described above, transmitted and caused to be transmitted by means of wire communication in interstate commerce, writings, signs, signals, pictures and sounds, as described in the following chart, each transmission constituting a separate count:

COUNT	CHARGED DEFENDANT	Date of Wire	Description	Sent By / Location	Sent To / Location
8	DECIANCIO	July 17, 2010	Email from DECIANCIO stating "After Two weeks at our facility we received a clean inspection from the FDA on July 9th, They told us we would receive our clearance shortly."	DECIANCIO, Northern District of Ohio	Investor Richard S., Los Angeles, California
9	JACKSON DONOHUE	July 18, 2010	Email from JACKSON stating "All we needed was a clean inspection and we received that."	JACKSON, Northern District of Ohio	Investor Terry B., Loudon, Tennessee

10	JACKSON	September 12, 2010	FAQ document attached to email from JACKSON stating, "FDA approval is expected in the next 30 days."	MSS, Northern District of Ohio	Investor Doris P., Chicago, Illinois
11	DECIANCIO	September 15, 2010	Email from DECIANCIO stating, "As far as the FDA we are moving forward as if we have the letter. We know after many conversations with the FDA it is moments away."	DECIANCIO, Northern District of Ohio	Investor Richard S., Los Angeles, California
12	DECIANCIO	December 28, 2010	Email from DECIANCIO stating, "I know you are well respected and people will come and listen. We have networked all our shareholders the same way and we know it works... We have talked with our FDA consultant in DC. ..."	DECIANCIO, Northern District of Ohio	Investor Jeff N., Greendale, Wisconsin

13	DONOHUE	February 8, 2011	Email from DONOHUE stating, "We got a call Sunday evening from our FDA consultant; and he was upbeat about having something for us this week. He stated his guy would not be in on Monday; and he literally called moments ago and said his FDA guy was not in today also..... he will keep us updated daily; I am sure"	DONOHUE, Northern District of Ohio	Investor Terry B., Loudon, Tennessee
14	DONOHUE	March 31, 2011	Email from DONOHUE stating "I've requested a face to face meeting in DC."	DONOHUE, Northern District of Ohio	Investor Terry B., Loudon, Tennessee
15	DONOHUE	April 13, 2011	Email from DONOHUE stating "We pushed for a meeting in DC with the FDA; a few of us are going including counsel."	DONOHUE, Northern District of Ohio	Investor Terry B., Loudon, Tennessee

16	DECIANCIO	April 23, 2011	Email from DECIANCIO stating, "We were told that the FDA was going to release 1500 Noninvasive medical device clearances next week."	DECIANCIO and MSS, Northern District of Ohio	Investor Doris P., Chicago, Illinois
17	DECIANCIO	May 2, 2011	Email from DECIANCIO stating, "As far as the FDA, we are <u>still</u> waiting for the FDA	DECIANCIO, Northern District of Ohio	Investor Richard S., Lost Angeles, California
			Clearance letter. We have daily dialog with a consultant. . . . We have been cleared we just do not have the official letter. . . ."		
18	SCHURECK JACKSON	May 24, 2011	Email signed by SCHURECK and JACKSON stating "Today we received our PDP clearance number..."	MSS, Northern District of Ohio	Investor Doris P., Chicago, Illinois Investor Terry B., Loudon, Tennessee
19	SCHURECK JACKSON	May 25, 2011	Email signed by SCHURECK and JACKSON stating "Today we received our PDP clearance number..."	MSS, Northern District of Ohio	Investor William F., Pacific Palisades, California

20	DECIANCIO	August 18, 2011	Email from DECIANCIO "We can take this to the bank and spend a month to get it, but by then it would throw us behind schedule for production. Do you see our urgency!!"	DECIANCIO, Northern District of Ohio	Investor Gregory G., Kaneohe, Hawaii
21	SCHURECK	August 22, 2011	\$40,000 wire-transferred loan from Gregory G. to MSS	Greg G. via American Savings Bank, Honolulu, Hawaii	MSS Acct 3537, Mechanics Bank, Mansfield, Ohio
22	JACKSON	February 8, 2012	Email from JACKSON stating, "Dividend check was for 1,000 units that have been paid for and delivered."	JACKSON, Northern District of Ohio	Investor William F., Pacific Palisades, California
23	SCHURECK	May 4, 2012	wire transfer of approximately \$150,000 from Jeff N. to MSS	Jeff N., via Johnson Bank, Racine, Wisconsin	MSS Acct 3537, Mechanics Bank, Mansfield, Ohio

217. As a result of the foregoing scheme, MSS investors incurred substantial out-of-pocket and other losses.

All in violation of Title 18, United States Code, Sections 1343 and 2.

The Grand Jury further charges:

COUNT 24

(Securities Fraud, 15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. § 240.10b-5, and 18 U.S.C. § 2)

218. The factual allegations of paragraphs 1 through 176, 178 through 180, 197, 198, and 202 of this Indictment are realleged and incorporated by reference as if fully set forth herein.

219. From in or around November 2007, and continuing through in or around May 13, 2013, in the Northern District of Ohio, Eastern Division, and elsewhere, KENNETH JACKSON, WILLIAM SCHURECK, DARYL DANE DONOHUE, and DENNIS DECIANCIO, knowingly, by the use of the means and instrumentalities of interstate commerce and of the mails, directly and indirectly, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in contravention of the rules and regulations prescribed by the Securities and Exchange Commission, to wit: Title 17, Code of Federal Regulations, Section 240.10b-5, by

-
- ~~a. employing devices, schemes, and artifices to defraud;~~
 - b. making untrue statements of material facts and omitting to state material fact 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 that operated and would operate as a fraud and deceit upon investors,

in connection with the purchase and sale of securities, to wit: Class A and Class B preferred stock shares in MSS, with the intent to defraud investors, and did aid and abet each other in the same.

220. From in or around November 2007 through in or around May 13, 2013, the Defendants received and misappropriated more than approximately \$7 million in investor funds.

All in violation of Title 15, United States Code, Sections 78j(b) and 78ff; Title 17, Code of Federal Regulations, Section 240.10b-5; and Title 18, United States Code, Section 2.

The Grand Jury further charges:

COUNT 25
(Money Laundering Conspiracy, 18 U.S.C. § 1956(h))

General Allegations

221. The factual allegations of paragraphs 1 through 175, 177, 178, 181 through 196, and 199 through 201 of this Indictment are realleged and incorporated by reference as if fully set forth herein.

The Violation

222. From in or around November 2007, and continuing to on or about May 13, 2013, in the Northern District of Ohio, Eastern Division, and elsewhere, KENNETH JACKSON, WILLIAM SCHURECK, and others, known and unknown to the Grand Jury, did knowingly and intentionally combine, conspire, confederate, and agree together and with each other to knowingly and intentionally conduct and attempt to conduct a series of financial transactions affecting interstate commerce, which transactions involved the proceeds from a specified unlawful activity: that is, mail fraud, in violation of Title 18, United States Code, Section 1341, and wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the transactions involved the proceeds of some form of unlawful activity, and (a) knowing that the transactions were designed in whole and in part to conceal the nature, location, source, ownership, and the control of the proceeds of said specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i); and (b) knowing that they were engaging in a monetary transaction in criminally derived property of a value greater than \$10,000 derived from said unlawful activity, in violation of Title 18, United States Code, Section 1957.

Objects of the Conspiracy

223. The objects of the conspiracy were as follows:

- (A) to enrich JACKSON, SCHURECK, and their friends and associates;
- (B) to disguise the fraudulent nature and character of the proceeds obtained from a scheme to commit wire fraud and mail fraud and conceal the ultimate recipients of such proceeds by making payments and transfers of such funds to and between multiple different entities and persons that Defendants falsely claimed provided legitimate services to MSS, which and who in turn (1) transferred those funds back to JACKSON and SCHURECK to pay their own personal expenses and otherwise use to their own benefit; and (2) made payments to persons who had previously invested in E Med and the Needlezap and other failed ventures with which Defendants previously had been associated to repay losses sustained; and
- (C) to transfer \$10,000 or more at a time of the proceeds obtained from a scheme to commit wire fraud and mail fraud for the foregoing purposes.

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

The Grand Jury further charges:

COUNT 26

(Money Laundering, in violation of 18 U.S.C. §§ 1956(a)(1)(B)(i) and 2)

224. The factual allegations of paragraphs 1 through 175 and 185 through 187 are realleged and incorporated by reference as if fully set forth herein.

225. From on or about August 13, 2010 through on or about September 24, 2010, in the Northern District of Ohio, Eastern Division, and elsewhere, KENNETH JACKSON and WILLIAM SCHURECK knowingly and intentionally conducted and attempted to conduct a series of financial transactions affecting interstate commerce, to wit: JACKSON made payments and transfers to William Allonas by means of four cashier's checks and two business checks, signed by SCHURECK, totaling \$97,000, all drawn on an account held by Medical Safety Solutions and all falsely purporting to be for "parts" or "manufacturing," for the purpose of Allonas depositing said

checks into a personal bank account, and returning approximately half the money to JACKSON in cash, which transactions involved the proceeds from a specified unlawful activity, that is mail fraud, in violation of Title 18, United States Code, Section 1341, and wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the transactions involved the proceeds of some form of unlawful activity and knowing that the transactions were designed in whole and in part to conceal the nature, location, source, ownership, and the control of the proceeds of said specified unlawful activity, and aided and abetted each other in the same.

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

The Grand Jury further charges:

COUNT 27

(Money Laundering, in violation of 18 U.S.C. §§ 1956(a)(1)(B)(i) and 2)

226. The factual allegations of paragraphs 1 through 175 and 185 through 187 are realleged and incorporated by reference as if fully set forth herein.

227. On or about October 29, 2010, in the Northern District of Ohio, Eastern Division, and elsewhere, KENNETH JACKSON and WILLIAM SCHURECK knowingly and intentionally conducted and attempted to conduct a financial transaction affecting interstate commerce, to wit: JACKSON made a payment and transfer to William Allonas by means of check number 2385, signed by SCHURECK, in the amount of \$27,000, drawn on an account held by Medical Safety Solutions and falsely purporting to be for "parts" or "manufacturing," for the purpose of Allonas depositing said check into a personal bank account, and returning the majority of the money to JACKSON in cash, which transaction involved the proceeds from a specified unlawful activity, that is mail fraud, in violation of Title 18, United States Code, Section 1341, and wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the transaction involved the

proceeds of some form of unlawful activity and knowing that the transaction was designed in whole and in part to conceal the nature, location, source, ownership, and the control of the proceeds of said specified unlawful activity, and aided and abetted each other in the same.

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

The Grand Jury further charges:

COUNT 28

(Engaging in a Monetary Transaction in Property Derived from a Specified Unlawful Activity, in violation of 18 U.S.C. §§ 1957 and 2)

228. The factual allegations of paragraphs 1 through 175, 199, and 200 are realleged and incorporated by reference as if fully set forth herein.

229. On or about March 1, 2011, in the Northern District of Ohio, Eastern Division, and elsewhere, KENNETH JACKSON and WILLIAM SCHURECK, aided and abetted by each other, did knowingly engage and attempt to engage in a monetary transaction, by, through, and to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000; that is, they caused Medical Safety Solutions to initiate a wire transfer in the amount of \$49,249, from MSS Acct 3537 at Mechanics Bank in Mansfield, Ohio, to a bank account at PNC Bank operated on behalf of the United States District Court for the Western Judicial District of Pennsylvania to make partial payment against an August 12, 1992, judgment obtained by the Securities & Exchange Commission against JACKSON for \$1,815,000, plus post-judgment interest, such property having been derived from a specified unlawful activity, that is, Mail Fraud, in violation of Title 18, United States Code, Section 1341, and Wire Fraud, in violation of Title 18, United States Code, Section 1343.

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

The Grand Jury further charges:

COUNT 29
(False Statement, in violation of 18 U.S.C. § 1001(a)(2))

230. The factual allegations of paragraphs 1 through 202 are realleged and incorporated by reference as if fully set forth herein.

231. From in or around May 2011 through on or about the date of this Indictment, the Federal Bureau of Investigation (“FBI”), the Internal Revenue Service, Criminal Investigations (“IRS-CI”), and the Food and Drug Administration, Office of Criminal Investigations (“FDA-OCI”), each of which were part of the executive branch of the Government of the United States, acting in a matter within their jurisdiction, were investigating KENNETH JACKSON, William Schureck, Dennis Deciancio, Daryl Dane Donahue, William E. Allonas, III, and others, in connection with the activities of Medical Safe Solutions, Schur Partnership, Safe Medical Solutions, and representations they had made to persons solicited to invest in Medical Safe Solutions and the “Sharps Terminator.”

232. From on or about October 22, 2012, through on or about the date of this Indictment, a Federal Grand Jury sitting in the Northern District of Ohio was conducting a criminal investigation, pursuant to its powers as set forth under Rule 6 of the Federal Rules of Criminal Procedure, into the activities of JACKSON, Schureck, Deciancio, Donahue, Allonas, and others, in connection with the activities of Medical Safe Solutions, Schur Partnership, Safe Medical Solutions, and representations JACKSON, Schureck, and the others had made to persons who were solicited to invest in Medical Safe Solutions and the “Sharps Terminator.”

233. On or about March 14, 2013, Special Agents of the FDA-OCI interviewed JACKSON in connection with the investigation. On the same date, Special Agents of the FBI separately interviewed JACKSON in connection with the investigation.

234. On or about March 14, 2013, in the Northern District of Ohio, Eastern Division, and elsewhere, KENNETH JACKSON, in a matter within the jurisdiction of the executive branch of the Government of the United States, knowingly and willfully made a materially false, fictitious, and fraudulent statement and representation, that is JACKSON stated to a Special Agent of the FDA-OCI, that a consulting company known as BC Tech, located in San Jose, California, gave him the product development protocol number "PD-073601/234" for the Sharps Terminator and that he understood that number to mean that the Sharps Terminator had been "FDA approved." In truth and in fact, as JACKSON then well knew, although BC Tech did have a limited consulting relationship with JACKSON and MSS, BC Tech did not provide that product development protocol number or any other such number to JACKSON and MSS, had not been engaged to have any contact or communication with the FDA regarding the Sharps Terminator on JACKSON or MSS's behalf, and had never told JACKSON that the Sharps Terminator had been either "approved" or "cleared" by the FDA.

235. Defendant made the false statements described above with the intent to corruptly obstruct, influence and impede and to attempt to obstruct, influence and impede the Federal Grand Jury's investigation described above. Defendant's false statements caused Special Agents of the FDA-OCI, the FBI, and IRS-CI to perform additional investigation.

In violation of Title 18, United States Code, Section 1001(a)(2).

The Grand Jury further charges:

COUNT 30

(False Statement, in violation of 18 U.S.C. § 1001(a)(2))

236. The factual allegations of paragraphs 1 through 202 are realleged and incorporated by reference as if fully set forth herein.

237. On or about March 14, 2013, in the Northern District of Ohio, Eastern Division, and elsewhere, KENNETH JACKSON, in a matter within the jurisdiction of the executive branch of the Government of the United States, knowingly and willfully made the following materially false, fictitious, and fraudulent statements and representations:

-
- a. JACKSON stated to an FBI Special Agent that a consulting company known as BC Tech, located in San Jose, California, gave him the product development protocol number "PD 073601/234" for the Sharps Terminator and that he understood that number to mean that the Sharps Terminator had been "FDA cleared." In truth and in fact, as JACKSON then well knew, although BC Tech did have a limited consulting relationship with JACKSON and MSS, BC Tech did not provide that product development protocol number or any other such number to JACKSON and MSS, had not been engaged to have any contact or communication with the FDA regarding the Sharps Terminator on JACKSON or MSS's behalf, and had never told JACKSON that the Sharps Terminator had been either "approved" or "cleared" by the FDA.
 - b. JACKSON stated to an FBI Special Agent that he had no part in deciding how to use the money obtained from investors by MSS. In truth and in fact, as JACKSON then well knew, JACKSON was often the person who decided how to spend money that persons invested in MSS, and he did so on a regular basis beginning in April 2007 and continuing at least until March 14, 2013.
 - c. JACKSON stated to an FBI Special Agent that he was unaware of any complaints by investors in MSS. In truth and in fact, as JACKSON then well knew, several MSS investors complained directly to JACKSON, as well as to others, about the lack of progress in bringing the Sharps Terminator to market and about MSS's failure to obtain the FDA approval required to sell the Sharps Terminator despite repeated representations to investors over the course of several years that such approval was imminent.
 - d. JACKSON stated to an FBI Special Agent that MSS had not transferred any money to SMS. In truth and in fact, as JACKSON then well knew, at JACKSON's

direction, Schureck wrote several checks transferring money from MSS to SMS, which JACKSON personally delivered to William Allonas, III, and directed Allonas to deposit, withdraw the associated cash, and return the cash to JACKSON.

- e. After being shown two checks drawn on an MSS bank account in the amounts of approximately \$7,500, and \$20,000, respectively, made payable to SMS with notations stating "parts," JACKSON stated to an FBI Special Agent that MSS purchased parts from SMS and that these checks were in payment for such parts. In truth and in fact, as JACKSON then well knew, SMS did not manufacture or sell anything at all, including any parts that could be used in relation to the Sharps Terminator, and SMS did not provide any parts or services to MSS in return for these checks. In truth and in fact, as JACKSON then well knew, JACKSON gave these checks to Allonas for Allonas to deposit in SMS's account, withdraw the associated cash, and return the cash to JACKSON.
- f. JACKSON stated to an FBI Special Agent that, other than the limited funds obtained from the sale of 30 Geovolt units, he did not know where Schur Partnership had obtained its money, which, in turn it "lent" to JACKSON to pay his personal debts. In truth and in fact, as JACKSON then well knew, MSS had regularly transferred large sums of money it obtained from investors to Schur Partnership, purportedly to pay for the Sharps Terminator "technology," the majority of which William Schureck then returned directly to JACKSON, who used it to pay a large fine that he owed to the SEC, used it to gamble at casinos, and otherwise spent it on personal items, or to others who spent it on JACKSON's behalf.

238. Defendant made each of the foregoing false statements with the intent to corruptly obstruct, influence and impede and to attempt to obstruct, influence and impede the Federal Grand Jury's investigation described above. Defendant's false statements caused Special Agents of the FDA-OCI, the FBI, and IRS-CI to perform additional investigation.

In violation of Title 18, United States Code, Section 1001(a)(2).

The Grand Jury further charges:

COUNT 31

(False Statement, in violation of 18 U.S.C. § 1001(a)(2))

239. The factual allegations of paragraphs 1 through 202 are realleged and incorporated by reference as if fully set forth herein.

240. From in or around May 2011 through on or about the date of this Indictment, the Federal Bureau of Investigation (“FBI”), the Internal Revenue Service, Criminal Investigations (“IRS-CI”), and the Food and Drug Administration, Office of Criminal Investigations (“FDA-OCI”), each of which were part of the executive branch of the Government of the United States, acting in a matter within their jurisdiction, were investigating Kenneth Jackson, WILLIAM SCHURECK, Dennis Deciancio, Daryl Dane Donahue, William E. Allonas, III, and others, in connection with the activities of Medical Safe Solutions, Schur Partnership, Safe Medical Solutions, and representations they had made to persons solicited to invest in Medical Safe Solutions and the “Sharps Terminator.”

241. From on or about October 22, 2012, through on or about the date of this Indictment, a Federal Grand Jury sitting in the Northern District of Ohio was conducting a criminal investigation, pursuant to its powers as set forth under Rule 6 of the Federal Rules of Criminal Procedure, into the activities of Jackson, SCHURECK, Deciancio, Donahue, Allonas, and others, in connection with the activities of Medical Safe Solutions, Schur Partnership, Safe Medical Solutions, and representations Jackson, SCHURECK, and the others had made to persons who were solicited to invest in Medical Safe Solutions and the “Sharps Terminator.”

242. On or about March 22, 2013, Special Agents of the FBI and IRS-CI interviewed SCHURECK in connection with the investigation.

243. On or about March 22, 2013, in the Northern District of Ohio, Eastern Division, and elsewhere, WILLIAM SCHURECK, in a matter within the jurisdiction of the executive branch of the Government of the United States, knowingly and willfully made the following materially false, fictitious, and fraudulent statements and representations:

- a. SCHURECK stated to FBI and IRS-CI Special Agents that MSS did not compensate him and that he had yet to take any money from MSS. In truth and in fact, as SCHURECK then well knew, MSS had regularly transferred large sums of money it obtained from investors to Schur Partnership, purportedly to pay for the Sharps Terminator "technology." SCHURECK used some of this money to pay personal expenses, and transferred large portions of it directly to JACKSON and to others to pay JACKSON's personal debts and personal expenditures. SCHURECK kept at least \$239,275.00 of the money that he transferred and caused to be transferred from MSS to Schur Partnership.
- b. SCHURECK stated to FBI and IRS-CI Special Agents that SMS was a vendor that supplied parts to MSS and Jackson for the Sharps Terminator. In truth and in fact, as SCHURECK then well knew, SMS was not a vendor of any sort and did not supply parts to MSS or Jackson.
- c. SCHURECK stated to FBI and IRS-CI Special Agents that MSS received premarket approval from the FDA in May 2011 and, at that time, were "cleared" to sell the Sharps Terminator. In truth and in fact, as SCHURECK then well knew, MSS had not received premarket approval from the FDA in May 2011 and, in fact, had yet to even submit a premarket approval application to the FDA at that time.
- d. SCHURECK stated to FBI and IRS-CI Special Agents that he had never represented to potential investors that MSS had received clearance to sell from the FDA. In truth and in fact, as SCHURECK then well knew, SCHURECK told current and potential investors, verbally and in writing, first that FDA approval was imminent and later, that MSS had actually obtained FDA clearance for the Sharps Terminator.

244. Defendant made the false statements described above with the intent to corruptly obstruct, influence and impede and to attempt to obstruct, influence and impede the Federal Grand Jury's investigation described above. Defendant's false statements caused Special Agents of the FDA-OCI, the FBI, and IRS-CI to perform additional investigation.

In violation of Title 18, United States Code, Section 1001(a)(2).

FORFEITURE

The Grand Jury further charges:

245. For the purpose of alleging forfeiture pursuant to Title 18, United States Code, §§ 981 and 982, and 28 U.S.C. § 2461(c), the allegations of Counts 1 through 23 and 25 through 28 are incorporated herein by reference. As a result of the foregoing offenses, Defendants KENNETH JACKSON, WILLIAM SCHURECK, DENNIS DECIANCIO, and DARYL DANE DONOHUE, shall forfeit to the United States any property real or personal, which constitutes or is derived from proceeds traceable to a violation of the charges set forth herein; and/or any and all property, real or personal, involved in such offenses and any property traceable to such property.

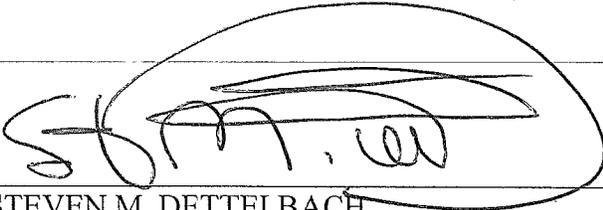
A TRUE BILL.

Original document -- Signatures on file with the Clerk of Courts, pursuant to the E-Government Act of 2002.

United States of America v. Kenneth Jackson, *et al.*,

A TRUE BILL.

FOREPERSON

A handwritten signature in black ink, appearing to read "S.M. Dettelbach", is written over a horizontal line. The signature is enclosed within a large, hand-drawn oval.

STEVEN M. DETTELBACH
United States Attorney