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**ATTORNEY FOR PLAINTIFF
UNITED STATES OF AMERICA**

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MONTANA
MISSOULA DIVISION**

<p>UNITED STATES OF AMERICA,</p> <p style="text-align: center;">Plaintiff,</p> <p style="text-align: center;">vs.</p> <p>KEITH B. KOVICK <i>dba</i> CORNERSTONE FINANCIAL, INC., and K&B INVESTMENTS, LLC.,</p> <p style="text-align: center;">Defendants.</p>	<p>CR 11- 54 -M-DWM</p> <p><u>INDICTMENT</u></p> <p>MAIL FRAUD (Count I) Title 18 U.S.C. §§ 1341, 2 (Penalty: 20 years imprisonment, \$250,000 fine, and three years supervised release)</p> <p>WIRE FRAUD (Count II) Title 18 U.S.C. §§ 1343, 2 (Penalty: 20 years imprisonment, \$250,000 fine, and three years supervised release)</p>
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	MONEY LAUNDERING (Counts III-XXIII) Title 18 U.S.C. §§ 1957, 2 (Penalty: Ten years imprisonment, 250,000 fine, and three years supervised release)
	FORFEITURE Title 18 U.S.C. § 982(a)(1)

THE GRAND JURY CHARGES:

COUNT I

From at least January 2005, and continuing until approximately January 2009, at Polson, and other locations within and without the State and District of Montana, the defendant, **KEITH B. KOVICK, dba CORNERSTONE FINANCIAL, INC.,** and **K&B INVESTMENTS, LLC.,** and uncharged aider and abettor Robert J. Congdon, having devised a material scheme or artifice to defraud, that is to engage in the sale and offer for sale of unregistered securities thereby avoiding the disclosure requirements of Montana law, commingle funds, misappropriate funds, misrepresent the priority of the investors' security, and fail to file real estate security documents of record, did for the purposes of executing said scheme, on or about the date set forth in the column headed "Date,"

mail or cause to be mailed, including but not limited to the document set forth below under the column headed "Document," addressed to the person (initials used to protect privacy) listed under the column headed "Victim," in violation of 18 U.S.C. §§ 1341, 2.

DATE	DOCUMENT	VICTIM
12/05/2006	Check 7340 for \$50,000.00	M. J.
07/10/2008	Unsigned Mortgage, Promissory Note and Envelope	D. H.
08/18/2008	Letter	D. H.
10/15/2008	Letter, Promissory Note, Montana Trust Indenture, Request for Full Reconveyance and Escrow Receipt	S. E.
01/26/2009	Letter "Dear Valued Investor"	S. E.
01/26/2009	Letter "Dear Valued Investor"	E. E.

COUNT II

That from at least January 2005, and continuing until approximately January 2009, at Polson, and other locations within and without the State and District of Montana, the defendant, KEITH B. KOVICK, *dba* CORNERSTONE FINANCIAL, INC., and K&B INVESTMENTS, LLC., and uncharged aider and abettor Robert J.

Congdon, having devised a material scheme or artifice to defraud, that is, to engage in the sale and offer for sale of unregistered securities thereby avoiding the disclosure requirements of Montana law, commingle funds, misappropriate funds, misrepresent the priority of the investors' security, and fail to file real estate security documents did for purposes of executing said scheme, on or about the date set forth in the column headed "Date," cause interstate wire communications, including but not limited to those identified below under the column headed "Document," relating to the person (initials used to protect privacy) listed under the column headed "Victim," in violation of 18 U.S.C. §§ 1343, 2.

DATE	DOCUMENT	VICTIM
04/18/2007	\$3,000.00 wire transfer	J. K.
01/15/2008	\$69,956.12 wire transfer	P. S.

COUNTS III - XXIII

That on or about the date listed below under the column headed "Date," at Polson, and other locations within the State and District of Montana, the defendant, KEITH B. KOVICK, *dba* CORNERSTONE

FINANCIAL, INC., and K&B INVESTMENTS, LLC. and uncharged aider and abettor Robert J. Congdon, did knowingly engage and attempt to engage in a monetary transaction, by, through, or to a financial institution affecting interstate or foreign commerce in criminally derived property with a value greater than \$10,000, that is, a deposit in the amount listed below in the column headed "Amount," at the financial institution and account number listed below under the column headed "Financial Institution," such property having been derived from a specified unlawful activity, that is, mail fraud, in violation of 18 U.S.C. § 1341, and wire fraud, in violation of 18 U.S.C. § 1343, all in violation of 18 U.S.C. §§ 1957 and 2.

COUNT	DATE	AMOUNT	FINANCIAL INSTITUTION
III	12/13/2006	\$75,000.00	Whitefish Credit Union Acct. xxxx32-000
IV	12/21/2006	\$75,000.00	Whitefish Credit Union Acct. xxxx32-000
V	12/05/2006	\$50,000.00	Whitefish Credit Union Acct. xxxx94-000
VI	05/02/2007	\$50,000.00	Whitefish Credit Union Acct. xxxx94-000
VII	05/02/2007	\$50,000.00	Whitefish Credit Union Acct. xxxx94-000

COUNT	DATE	AMOUNT	FINANCIAL INSTITUTION
VIII	03/28/2008	\$80,000.00	Whitefish Credit Union Acct. xxxx32-000
IX	05/16/2008	\$45,000.00	Whitefish Credit Union Acct. xxxx32-000
X	06/23/2008	\$375,000.00	Whitefish Credit Union Acct. xxxx94-000
XI	01/21/2008	\$65,000.00	Whitefish Credit Union Acct. xxxx32-000
XII	05/16/2008	\$30,000.00	Whitefish Credit Union Acct. xxxx32-000
XIII	01/24/2007	\$38,704.04	Whitefish Credit Union Acct. xxxx32-000
XIV	10/16/2008	\$50,000.00	Whitefish Credit Union Acct. xxxx94-000
XV	11/05/2008	\$120,000.00	Valley Bank Acct. xxxx756
XVI	01/04/2008	\$50,661.15	Whitefish Credit Union Acct. xxxx94-000
XVII	12/01/2006	\$75,000.00	Whitefish Credit Union Acct. xxxx94-000
XVIII	01/18/2008	\$38,500.00	Whitefish Credit Union Acct. xxxx62-000
XIX	10/16/2008	\$25,000.00	First Citizens Bank Acct. xxx01
XX	11/06/2008	\$43,000.00	First Citizens Bank Acct. xxx01
XXI	07/03/2008	\$340,000.00	Valley Bank Acct. xxxx756
XXII	07/03/2008	\$27,000.00	Valley Bank Acct. xxxx756
XXIII	08/08/2007	\$65,000.00	Whitefish Credit Union Acct. xxxx94-000


FORFEITURE ALLEGATION

As a result of the Defendant having committed the money laundering crimes in violation 18 U.S.C. §§ 1957, 2 as alleged in Counts III-XXIII, he shall forfeit to the United States cash involved in such offense in the amount of \$1,767,865.19, pursuant to 18 U.S.C. § 982(a)(1).


A TRUE BILL.



FOREPERSON



MICHAEL W. COTTER
United States Attorney
Attorney for Plaintiff



KRIS A. McLEAN
Criminal Chief Assistant U.S. Attorney
Attorney for Plaintiff

WARRANT _____

BAIL _____

CRM/SUM v Return - 11/29/11
@ 1:30 PM
JCL