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SOUTHERN DISTRICT OF CALIFORNIA

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

June 2011 Grand Jury

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UNITED STATES OF AMERICA,)	Case No. <u>12CR1848-JAH</u>
)	
Plaintiff,)	<u>I N D I C T M E N T</u>
)	(Superseding)
v.)	
	)	Title 18, U.S.C., Sec. 371 -
MARY ARMSTRONG (1),	)	Conspiracy to Commit Wire Fraud
aka Mary Fountain,	)	and Money Laundering;
aka Mary Daniels,	)	Title 18, U.S.C., Sec. 1343 -
aka Mary Polanco,	)	Wire Fraud; Title 18, U.S.C.,
aka Mary Medina,	)	Sec. 1956(a)(1)(B)(i) - Money
WILLIAM FOUNTAIN (3),	)	Laundering; Title 18, U.S.C.,
aka William Fleming,	)	Secs. 981 and 982, and Title 28,
aka Robert Fleming,	)	U.S.C., Sec. 2461(c) - Criminal
JOHN ALLEN (4),	)	Forfeiture
)	
Defendants.)	

The grand jury charges:

INTRODUCTORY ALLEGATIONS

1. From approximately August 2006, until approximately December 2007, defendant MARY ARMSTRONG, aka Mary Fountain, aka Mary Daniels, aka Mary Polanco, aka Mary Medina, was a mortgage loan broker operating under various broker licenses held by others. A mortgage broker works on behalf of borrowers to obtain mortgage financing from independent lenders. Defendant ARMSTRONG operated under the business names New York Security Investment, Global Capital Banking, and Global Capital Financing, among others. Defendant WILLIAM FOUNTAIN,

EWA:vp:San Diego
9/19/12

1 aka William Fleming, aka Robert Fleming, worked with defendant
2 ARMSTRONG as part of these ventures.

3 2. Defendant JOHN ALLEN was a mortgage loan processor who
4 operated Cornerstone Mortgage Solutions in Laguna Hills, California.
5 In approximately April 2007, ALLEN began participating in real estate
6 transactions with ARMSTRONG and FOUNTAIN.

7 3. Teresa Rose (charged elsewhere) was a real estate agent
8 licensed to practice in the state of California. Rose maintained an
9 office at Coldwell Banker Country Realty in Ramona, within the
10 Southern District of California.

11 4. Justin Mensen (charged elsewhere) lived in Washington state
12 and periodically traveled to the Southern District of California in
13 order to participate in real estate transactions with ARMSTRONG and
14 Rose.

15 5. A Uniform Residential Loan Application, also known as
16 "Fannie Mae Form 1003" or "Freddie Mac Form 65" (hereinafter, "loan
17 application") was typically submitted by a prospective home buyer in
18 order to obtain financing from a mortgage lender. The mortgage lender
19 relied on the accuracy of the information provided in a loan
20 application in determining whether to approve a mortgage loan and
21 disburse funds for the purchase of real estate.

22 Count 1

23 18 U.S.C. 371

24 CONSPIRACY TO COMMIT WIRE FRAUD AND MONEY LAUNDERING

25 6. The allegations contained at paragraphs 1 through 5 are
26 realleged and incorporated by reference.

27 7. Beginning on a date unknown to the grand jury, but no later
28 than August 2006, and continuing through a date unknown to the grand

1 jury, but no earlier than December 2007, within the Southern District
2 of California and elsewhere, defendants MARY ARMSTRONG, aka Mary
3 Fountain, aka Mary Daniels, aka Mary Polanco, aka Mary Medina, WILLIAM
4 FOUNTAIN, aka William Fleming, aka Robert Fleming, and JOHN ALLEN did
5 knowingly and intentionally conspire and agree with each other and
6 with Teresa Rose (charged elsewhere), Justin Mensen (charged
7 elsewhere) and others to commit offenses against the United States,
8 that is, Wire Fraud; in violation of Title 18, United States Code,
9 Section 1343, and Money Laundering; in violation of Title 18,
10 United States Code, Sections 1956 and 1957.

11 Purpose of the Conspiracy

12 8. Defendants ARMSTRONG, FOUNTAIN, and ALLEN agreed with each
13 other and with Teresa Rose, Justin Mensen, and others to defraud
14 mortgage lenders out of funds by means of materially false and
15 fraudulent pretenses, representations, and promises, and the
16 concealment of material facts, and then to launder the proceeds by
17 concealing and disguising the nature, location, source, ownership, and
18 control of the funds and by engaging in transactions over \$10,000.

19 Methods and Means of the Conspiracy

20 9. To further the criminal conspiracy, defendants ARMSTRONG,
21 FOUNTAIN, ALLEN, and others utilized the following methods and means,
22 among others:

23 (a) Rose would identify properties for sale in Ramona,
24 California, that could be used to fraudulently obtain a mortgage loan
25 in excess of the true asking price.

26 (b) Rose would negotiate with the sellers of these
27 properties, and convince the sellers to inflate the reported sales
28 price by approximately \$100,000, with the understanding that the

1 sellers would pay the difference between the increased purchase price
2 and the sellers' true asking price to "construction" or "development"
3 companies, which were in fact sham companies controlled by the
4 conspirators.

5 (c) ARMSTRONG, ALLEN, and others would identify additional
6 properties in El Cajon, California, the State of Washington, and
7 elsewhere, that could be used to fraudulently obtain mortgage loans
8 in excess of the true asking price.

9 (d) ARMSTRONG would identify individuals with good credit
10 to serve as nominee purchasers ("straw buyers") for the selected
11 properties, and arrange to obtain mortgage loans on their behalf. In
12 discussions with the straw buyers, ARMSTRONG would describe the scheme
13 as an "investment," and would promise the straw buyers payments of
14 approximately \$10,000 per transaction.

15 (e) ARMSTRONG would knowingly prepare loan applications for
16 the straw buyers containing materially false and misleading
17 information about the buyers' employment, income, assets, liabilities,
18 and intent to occupy the properties.

19 (f) Rose and Mensen would add straw buyers as signatories
20 on their personal bank accounts to verify false assets owned by straw
21 buyers, in order to convince lenders to fund mortgage loans for the
22 straw buyers.

23 (g) FOUNTAIN and Mensen would create sham companies that
24 would be used by the conspirators to verify false employment, income,
25 and rental history by the straw buyers, in order to convince lenders
26 to fund mortgage loans for the straw buyers.

27 (h) FOUNTAIN and ARMSTRONG would obtain from A.Y., an
28 accountant corporation representative, false Forms W-2 and pay stubs

1 in the names of straw buyers and false letters verifying A.Y.'s review
2 of straw buyers' tax returns, in order to convince lenders to fund
3 mortgage loans for the straw buyers.

4 (i) ALLEN would create false Forms W-2, pay stubs and bank
5 account statements in the names of straw buyers to be submitted to
6 mortgage lenders, in order to convince lenders to fund mortgage loans
7 for the straw buyers.

8 (j) Mensen would create sham "construction" or
9 "development" companies that would be used by the conspirators to
10 receive payments out of escrow at the close of each real estate
11 transaction, thereby concealing and disguising from the escrow
12 companies, mortgage lenders, and sellers the fact that the funds were
13 being diverted to the conspirators.

14 (k) ARMSTRONG, FOUNTAIN, ALLEN, Rose, Mensen, and others
15 would cause the funding of mortgage loans through interstate wire
16 transmissions of funds into and out of the Southern District of
17 California and elsewhere.

18 (l) ARMSTRONG would direct Mensen to disburse the proceeds
19 of the conspiracy out of accounts Mensen controlled to, among other
20 designees, ARMSTRONG and FOUNTAIN, in amounts greater than \$10,000.

21 (m) ARMSTRONG, FOUNTAIN, and Mensen would conceal and
22 disguise the nature, location, source, ownership, and control of these
23 proceeds through various financial transactions, including the
24 disbursement of illicit proceeds in cash, cashier's checks, and
25 official checks.

26 (n) Rose would arrange to rent the purchased properties to
27 local tenants, and direct them to make their payments to Mensen.
28 Mensen would use portions of the rental income and escrow payments to

1 make occasional mortgage payments to the lenders, so that the
2 "investment" would appear legitimate to potential straw buyer
3 recruits.

4 (o) ARMSTRONG and FOUNTAIN would use the email account
5 "globalcapbanking@yahoo.com" to communicate with each other and with
6 others in furtherance of the conspiracy, by, for example,
7 communicating with real estate professionals and sending incorporation
8 documents, Forms W-2 and pay stubs.

9 (p) Through the execution of their fraudulent conspiracy,
10 the defendants would cause, on or about the dates listed below (Column
11 "A"), the following properties (Column "B") to be purchased in the
12 names of straw buyers (Column "D"), for the following approximate sale
13 amounts (Column "C"), and would cause the following transfers of funds
14 to occur from escrow to bank accounts they controlled (Column "E"):

A	B	C	D	E
Date	Address	Purchase Price	Straw buyer	Wire from Escrow
9/7/06	427 W. Haverford Rd Ramona CA	\$640,000	Mensen	\$69,547
9/13/06	22715 Tombill Rd Ramona CA	\$750,000	Mensen	\$89,920
9/25/06	1231 Bonita Way El Cajon CA	\$720,000	Mensen	\$83,705
10/10/06	163 Steffy Ln Ramona CA	\$750,000	L.B.	\$77,065
12/1/06	709 10th St Ramona CA	\$699,000	G.S.	\$92,204
12/12/06	16927 Handlebar Rd Ramona CA	\$949,000	G.S.	\$88,976
1/24/07	637 10th St Ramona CA	\$699,000	K.T.	\$92,551
1/31/07	15268 Moonglow Dr Ramona CA	\$675,000	K.T.	\$90,903

A	B	C	D	E
Date	Address	Purchase Price	Straw buyer	Wire from Escrow
1/31/07	22954 Tombill Rd Ramona CA	\$995,000	K.T.	\$87,249
3/21/07	16061 Cassie Pl NW Poulsbo, WA	\$629,950	R.H.	\$89,171
3/30/07	17009 88th St Ct KPN, Vaughn WA	\$825,000	R.H.	\$83,877
3/30/07	20925 Welch Rd Snohomish WA	\$725,000	R.H.	\$91,741
5/15/07	631 Hanson Ln Ramona CA	\$600,000	N.W.	\$84,752
6/13/07	1511 Madrona Pt Bremerton, WA	\$649,000	L.D.	\$168,113
9/17/07	1517 Madrona Pt Bremerton, WA	\$628,280	M.A.	\$130,688
9/24/07	414 Index Pl NE Renton, WA	\$599,000	J.S.	\$92,512

Overt Acts

10. In furtherance of this unlawful agreement, and to carry out its objects, the following overt acts, among others, were committed within the Southern District of California and elsewhere:

(a) On or about September 4, 2006, ARMSTRONG caused to be submitted to lender Fieldstone Mortgage Company a loan application for Mensen's purchase of property at 427 West Haverford Road, which contained the following statements and omissions: (1) that Mensen intended to occupy the property as his primary residence; (2) that Mensen was the owner of Ratcliff Construction, earning a salary of \$20,000 per month; and (3) the omission that Mensen had loan applications pending with other lenders for the purchase of at least two additional properties.

1 (b) In or around August and September 2006, Rose arranged
2 for "S&G Drywall" to verify Mensen's employment at Ratcliff
3 Construction.

4 (c) On or about September 5, 2006, Rose caused to be
5 submitted to lender Fieldstone Mortgage Company a Special Occupancy
6 Rider, which stated that Mensen would use the property located at
7 427 West Haverford Road as his primary residence.

8 (d) On or about September 14, 2006, Rose faxed an addendum
9 to the purchase contract for 163 Steffy Lane which stated "Seller to
10 pay to Ratcliff Construction Co. \$90,000.00 for services rendered at
11 close of escrow" and which was dated August 17, 2006.

12 (e) On or about September 20, 2006, Mensen signed Articles
13 of Amendment, to be filed with the Florida Department of State
14 Division of Corporations, listing straw buyers L.B. and G.S. as
15 president and vice president of the corporation New Ratcliffe Trading,
16 Inc.

17 (f) On or about October 11, 2006, Mensen received a wire
18 payment of \$77,065.89 from escrow relating to straw buyer L.B.'s
19 purchase of 163 Steffy Lane, deposited to Ratcliff Land &
20 Development's US Bank account number x1443, which Mensen controlled.

21 (g) On or about October 11, 2006, Mensen purchased seven
22 official checks for \$10,000 each and one official check for \$7,009
23 from Ratcliff Land & Development's US Bank account number x1443,
24 sequentially numbered 503605800 through 503605807, all made payable
25 to WILLIAM FOUNTAIN.

26 (h) On or about October 17, 2006, FOUNTAIN cashed US Bank
27 official check number 503605800 from Mensen for \$10,000.

28

1 (i) On or about October 18, 2006, FOUNTAIN cashed US Bank
2 official check number 503605801 from Mensen for \$10,000.

3 (j) On or about October 23, 2006, FOUNTAIN cashed US Bank
4 official check number 503605806 from Mensen for \$10,000.

5 (k) On or about November 21, 2006, Rose faxed an addendum
6 to the purchase contract for 709 10th Street, dated September 15,
7 2006, which stated "Seller to pay to D and S Land and Development Co.
8 \$100,000 for services rendered," signed by the seller.

9 (l) On or about November 30, 2006, Rose signed a Consumer
10 Signature Card at the Ramona office of Ramona National Bank
11 authorizing straw buyer G.S. as an account holder on her personal
12 savings account (x8211).

13 (m) On or about November 30, 2006, Rose faxed a
14 Verification of Deposit relating to G.S.'s purchase of 16927 Handlebar
15 Road, which stated that G.S. owned personal savings account number
16 x8211, with a current balance of \$60,496.54.

17 (n) On or about December 1, 2006, Mensen received a wire
18 payment of \$92,204.13 from escrow to his personal Bank of America
19 account number x0098, relating to straw buyer G.S.'s purchase of
20 property at 709 10th Street, Ramona.

21 (o) On or about December 8, 2006, Rose faxed a "D and S
22 Land and Development Work Order," dated August 24, 2006, which stated
23 the sellers of 16927 Handlebar Road were provided a work order for
24 \$100,000 in construction.

25 (p) On or about December 12, 2006, Rose faxed an addendum
26 to the purchase contract for 16927 Handlebar Road, dated September 14,
27 2006, which stated "Sellers to pay to D and S Land and Development
28 Construction Co. \$100000. for services rendered," signed by straw

1 buyer G.S. and the seller.

2 (q) On or about January 12, 2007, Mensen signed a Profit
3 Amended Report, to be filed with the State of Washington Secretary of
4 State, listing Mensen as president, and FOUNTAIN and straw buyers
5 K.T., G.S., and L.B. as officers and directors, of the corporation
6 Ratcliff Construction, Inc.

7 (r) In or around January 2007, Mensen added straw buyer
8 K.T. as an account holder on Mensen's personal Bank of America account
9 number x0098.

10 (s) On or about May 9, 2007, Mensen emailed to
11 globalcapbanking@yahoo.com draft "investor" recruiting materials,
12 including a "short version of what Global capital Financing is all
13 about." According to this description, Global Capital would
14 "facilitate loans on investment homes by using your credit" and pay
15 the investor "\$10,000/home purchased. Depending on your credit score
16 and history, multiple properties can be purchased at one time."

17 (t) On or about May 10, 2007, ARMSTRONG caused to be
18 submitted to lender First Magnus a loan application for straw buyer
19 N.W.'s purchase of 631 Hanson Lane, which contained the following
20 statements: (1) that N.W. intended to occupy the property as his
21 primary residence; and (2) that N.W. was a Development Manager at
22 Ratcliff Construction, earning a salary of \$12,500 per month.

23 (u) At an unknown date, but not later than May 2007, Rose
24 prepared an addendum to the purchase contract for 631 Hanson Lane,
25 dated December 22, 2006, which stated "Sellers agree to pay D and S
26 Land and Development invoice out of escrow. Said invoice shall not
27 exceed \$100,000," signed by the sellers and straw buyer N.W.

28 (v) On or about May 17, 2007, Mensen received a wire

1 payment of \$84,752.06 from escrow relating to straw buyer N.W.'s
2 purchase of 631 Hanson Lane, deposited to Mensen's Wells Fargo account
3 number x8185.

4 (w) On or about May 18, 2007, Mensen withdrew \$10,000 in
5 cash from Wells Fargo account number x8185 at branch 00963 in Laguna
6 Woods, California.

7 (x) On or about May 18, 2007, Mensen withdrew \$22,000 in
8 cash from Wells Fargo account number x8185 at branch 00640 in Lake
9 Forest, California.

10 (y) On or about May 29, 2007, Mensen received an email from
11 globalcapbanking@yahoo.com, which contained information for straw
12 buyer L.D., including the claim that L.D.'s position at Ratcliff
13 Construction was "Lead Man" and that L.D. earned a gross monthly
14 salary of \$6,000.

15 (z) On or about May 30, 2007, A.Y. received an email from
16 globalcapbanking@yahoo.com providing straw buyer L.D.'s address and
17 social security number and requesting "2005-2006 need asap."

18 (aa) On or about May 31, 2007, A.Y. emailed to
19 globalcapbanking@yahoo.com 2005 and 2006 Forms W-2 for Ratcliff
20 Construction, showing salaries paid to various individuals, including
21 straw buyers N.W. and L.D.

22 (bb) On or about May 31, 2007, ALLEN received an email from
23 globalcapbanking@yahoo.com, which included a list of "search criteria"
24 for additional properties to purchase, including a "price reduction"
25 of "\$100k + w/ comps to support the original sale price."

26 (cc) On or about May 31, 2007, ALLEN faxed loan applications
27 to two different lenders for straw buyer L.D.'s purchase of 1511
28 Madrona Point and 1517 Madrona Point.

1 (dd) On or about May 31, 2007, ALLEN received an email from
2 globalcapbanking@yahoo.com providing straw buyer L.D.'s April and May
3 2007 bank account statements, showing total deposit balances of
4 \$802.57 and \$1,082.36, respectively.

5 (ee) On or about May 31, 2007, ALLEN emailed to
6 globalcapbanking@yahoo.com straw buyer L.D.'s April and May 2007 bank
7 account statements, showing total deposit balances of \$37,802.57 and
8 \$38,082.36, respectively.

9 (ff) On or about June 12, 2007, ALLEN emailed to
10 globalcapbanking@yahoo.com pay stubs and Forms W-2 for Ratcliff
11 Construction, showing salary paid to straw buyer L.D., along with
12 handwritten notes altering the payment amounts. In the cover email,
13 ALLEN wrote, "Please make correction on each and every paystub and
14 w2."

15 (gg) On or about June 17, 2007, ALLEN emailed to
16 globalcapbanking@yahoo.com purchase contracts for six properties in
17 Mission Viejo, California, for straw buyer John S., which ALLEN
18 described included "126K Profit."

19 (hh) On or about June 27, 2007, ALLEN received an email from
20 globalcapbanking@yahoo.com providing straw buyer L.D.'s June 2007 bank
21 account statement, showing a total deposit balance of \$14,150.40.

22 (ii) On or about June 28, 2007, ALLEN emailed to
23 globalcapbanking@yahoo.com straw buyer L.D.'s June 2007 bank account
24 statement, showing a total deposit balance of \$152,392.91.

25 (jj) On or about August 5, 2007, ARMSTRONG purchased an
26 advertisement in the Los Angeles Times, seeking "Employee/Staff with
27 excellent credit scores," and promising individuals with "a credit
28 score of 670 or better" earnings of at least \$15,000 per month "by

1 partnering up and providing their credit." The advertisement promised
2 "cash at closing" with "no up front or investment costs."

3 (kk) On or about August 17, 2007, FOUNTAIN signed Articles
4 of Incorporation, listing straw buyers M.A. and J.S. as directors, and
5 FOUNTAIN as the incorporator and registered agent, of the corporation
6 Productions West, Inc.

7 (ll) On or about September 5, 2007, A.Y. emailed to
8 globalcapbanking@yahoo.com a letter stating that straw buyer M.A. was
9 the self-employed owner of Productions West, and that A.Y. had
10 reviewed M.A.'s taxes for the past three years.

11 (mm) On or about September 5, 2007, A.Y. emailed to
12 globalcapbanking@yahoo.com a letter stating that straw buyer J.S. was
13 the self-employed owner of Productions West and Cottage Home Design,
14 and that A.Y. had reviewed J.S.'s taxes for the past three years.

15 (nn) On or about September 21, 2007, Mensen received a wire
16 payment of \$130,688.32 from escrow relating to straw buyer M.A.'s
17 purchase of 1517 Madrona Point, deposited to Mensen's Bank of America
18 account number x2550.

19 (oo) On or about September 21, 2007, Mensen withdrew \$10,000
20 in cash from Bank of America account number x2550 at branch 0002129
21 in Los Angeles, California.

22 (pp) On or about September 21, 2007, Mensen withdrew \$10,000
23 in cash from Bank of America account number x2550 at branch 0000310
24 in Los Angeles, California.

25 (qq) On or about September 21, 2007, Mensen withdrew \$29,000
26 in cash from Bank of America account number x2550 at branch 0000021
27 in Los Angeles, California.

28 //

1 (rr) On or about October 15, 2007, ALLEN emailed to
2 globalcapbanking@yahoo.com credit reports for two new straw buyers.

3 (ss) On or about November 4, 2007, Mensen emailed a list of
4 properties purchased as part of the scheme, along with rental income,
5 to globalcapbanking@yahoo.com.

6 (tt) On or about December 28, 2007, ALLEN emailed to
7 globalcapbanking@yahoo.com an invoice from Cornerstone Mortgage
8 Solutions to Maryann Armstrong of Global Capital, requesting payment
9 of \$1,875.

10 All in violation of Title 18, United States Code, Section 371.

11 Count 2

12 18 U.S.C. 1343

13 WIRE FRAUD

14 11. The allegations contained at paragraphs 1 through 5 are
15 realleged and incorporated by reference.

16 12. Beginning on a date unknown to the grand jury, but no later
17 than August 2006, and continuing through a date unknown to the grand
18 jury, but no earlier than November 2007, within the Southern District
19 of California and elsewhere, defendant MARY ARMSTRONG, aka Mary
20 Fountain, aka Mary Daniels, and others, with the intent to defraud,
21 devised and intended to devise a scheme to defraud as to material
22 matters and to obtain money and property by means of materially false
23 and fraudulent pretenses, representations, and promises, and the
24 concealment of material facts.

25 13. The allegations contained at paragraph 9 of this Indictment
26 are realleged as more fully describing the scheme.

27 Wire Transmission in Furtherance of the Scheme

28 14. On or about May 17, 2007, within the Southern District of

1 California and elsewhere, for the purpose of executing the above-
2 described scheme to defraud and to obtain money and property by
3 materially false and fraudulent pretenses, representations, and
4 promises, and omissions of material facts, defendant ARMSTRONG and
5 others caused to be transmitted, in interstate and foreign commerce,
6 by means of wire and radio communication, certain writings, signs,
7 signals, pictures, and sounds, to wit, the interstate wire
8 transmission of approximately \$84,752.06 in funds fraudulently
9 obtained from a mortgage lender, into Mensen's Wells Fargo account
10 number x8185.

11 All in violation of Title 18, United States Code, Section 1343.

12 Counts 3 - 5

13 18 U.S.C. 1956(a)(1)(B)(i)

14 MONEY LAUNDERING

15 15. The allegations contained at paragraphs 1 through 5 are
16 realleged and incorporated by reference.

17 16. On or about May 18, 2007, within the Southern District of
18 California and elsewhere, defendant MARY ARMSTRONG, aka Mary Fountain,
19 aka Mary Daniels, did knowingly conduct and attempt to conduct and
20 cause to be conducted the following financial transactions affecting
21 interstate commerce, knowing that each transaction involved the
22 proceeds of some form of unlawful activity, and which in fact involved
23 the proceeds of specified unlawful activity, that is, Wire Fraud; in
24 violation of Title 18, United States Code, Section 1343, and knowing
25 that each transaction was designed in whole and in part to conceal and
26 disguise the nature, location, source, ownership, and control of the
27 proceeds of said specified unlawful activities:

28 //

COUNT	FINANCIAL TRANSACTION
3	Cash withdrawal of \$10,000 from Mensen's Wells Fargo account number x8185 at Wells Fargo branch 00963 in Laguna Woods, California.
4	Cash withdrawal of \$22,000 from Mensen's Wells Fargo account number x8185 at Wells Fargo branch 00640 in Lake Forest, California.
5	Cash delivery of approximately \$32,000 from Mensen to ARMSTRONG, in Newport Beach, California.

8 All in violation of Title 18, United States Code,
9 Section 1956(a)(1)(B)(i).

10 FORFEITURE ALLEGATIONS

11 17. The allegations contained in Counts 1 through 5 of this
12 Indictment are re-alleged and incorporated by reference for the
13 purpose of alleging forfeiture to the United States pursuant to
14 Title 18, United States Code, Sections 981(a)(1)(C) and 982, and
15 Title 28, United States Code, Section 2461(c).

16 18. Upon conviction of the felony offenses alleged in Counts 1
17 through 5, defendants MARY ARMSTRONG, aka Mary Fountain, aka Mary
18 Daniels, WILLIAM FOUNTAIN, aka William Fleming, aka Robert Fleming,
19 and JOHN ALLEN shall forfeit to the United States pursuant to Title
20 18, United States Code, Sections 981(a)(1)(C) and 982, and Title 28,
21 United States Code, Section 2461(c):

22 (a) any property, real or personal, which constitutes or
23 is derived from the proceeds traceable to the violations set forth in
24 Counts 1 and 2; and

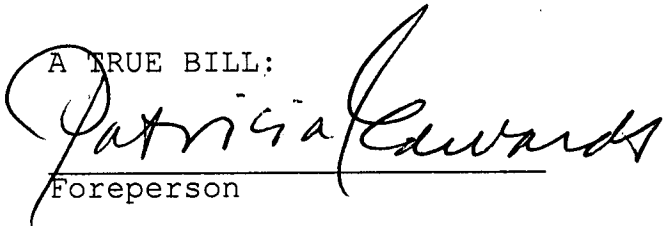
25 (b) any property, real or personal, involved in the
26 offenses set forth in Counts 3-5, or traceable to such property.

27 19. If any of the above-described property, as a result of any
28 acts or omissions of the defendants:

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

8 it is the intent of the United States, pursuant to Title 21, United
 9 States Code, Section 853(p), made applicable herein by Title 18,
 10 United States Code, Section 982(b) and Title 28, United States Code,
 11 Section 2461(c), to seek forfeiture of any other property of the
 12 defendants up to the value of the said property described above as
 13 being the subject of forfeiture.

14 DATED: September 20, 2012.

15 A TRUE BILL:
 16 
 17 Patricia Edwards
 Foreperson

18 LAURA E. DUFFY
 United States Attorney

19
 20 By: 
 21 EMILY W. ALLEN
 Special Assistant U.S. Attorney

22
 23 By: 
 24 VALERIE H. CHU
 Assistant U.S. Attorney

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