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CLERK, U.S. DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

January 2004 Grand Jury

05 CR 1010

BEN

Criminal Case No.

UNITED STATES OF AMERICA,

Plaintiff,

v.

MARVIN IRWIN FRIEDMAN (1),
PAUL HENRIE LEVY (2),
ALICE MAE SWIDERSKI (3),

Defendants.

INDICTMENT

Title 18, U.S.C., Sec. 371 - Conspiracy;
Title 18, U.S.C., Sec. 1341 - Mail Fraud;
Title 18, U.S.C., Sec. 1343 - Wire Fraud;
Title 18, U.S.C., Sec. 1956 - Money Laundering;
Title 18, U.S.C., Sec. 1001 - False Statement;
Title 26, U.S.C., Sec. 7206(1) - Filing a False
Tax Return; Title 18, U.S.C., Sec. 2 - Aiding
and Abetting; Title 18, U.S.C., Sec. 981 and 982
and Title 28, U.S.C., Sec. 2461(c) - Criminal
Forfeiture

The grand Jury charges:

Introductory Allegations

1. Defendants MARVIN IRWIN FRIEDMAN and PAUL HENRIE LEVY were managing members of LF Global Investments, LLC (hereinafter "LF Global"), a corporation that was organized under the laws of the State of California with offices located at 12230 El Camino Real, Ste. 220, San Diego, California.

2. LF Global was the managing partner of Global Money Management, LP (hereinafter "GMM"), a limited partnership that was organized under the laws of the State of California with offices located at 12230 El Camino Real, Ste. 220, San Diego, California.

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FAD:bt:San Diego
6/9/05

1 3. Defendant ALICE MAE SWIDERSKI was employed by GMM and LF Global.

2 4. GMM was in the business of soliciting investments from members of the public in a private
3 hedge fund that purported to pool investor funds which were invested in securities of public and private
4 companies. GMM's offering to the public was in the form of limited partnership interests.

5 Count 1

6 [18 U.S.C. § 371]

7 Conspiracy

8 (Against All Defendants)

9 5. Beginning on a date unknown to the grand jury and continuing through in or about
10 August 2004, within the Southern District of California and elsewhere, defendants MARVIN IRWIN
11 FRIEDMAN, PAUL HENRIE LEVY, and ALICE MAE SWIDERSKI, and others known and unknown
12 to the grand jury, knowingly conspired and agreed with each other, and persons known and unknown
13 to the grand jury, to commit offenses against the United States, to wit: mail fraud and wire fraud.

14 6. It was part of the conspiracy that defendants MARVIN IRWIN FRIEDMAN, PAUL
15 HENRIE LEVY, and ALICE MAE SWIDERSKI, devised and intended to devise a material scheme to
16 defraud and to obtain money from investors in GMM by means of materially false and fraudulent
17 pretenses, representations, or promises, and for the purpose of executing and attempting to execute this
18 fraudulent scheme, knowingly placed, and caused to be placed, in an authorized depository for mail,
19 certain matters or things to be sent and delivered by the United States Postal Service according to the
20 directions thereon, in violation of Title 18, United States Code, Section 1341.

21 7. It was part of the conspiracy that defendants MARVIN IRWIN FRIEDMAN, PAUL
22 HENRIE LEVY, and ALICE MAE SWIDERSKI devised and intended to devise a material scheme to
23 defraud and to obtain money from investors in GMM by means of materially false and fraudulent
24 pretenses, representations, or promises, and for the purpose of executing this fraudulent scheme,
25 knowingly transmitted and caused to be transmitted by means of wire communication in interstate
26 commerce writings, signals and sounds, in violation of Title 18, United States Code, Section 1343.

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Means by Which Objects of the Conspiracy Were to be Accomplished

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2 8. It was part of the conspiracy that defendants MARVIN IRWIN FRIEDMAN, PAUL
3 HENRIE LEVY, and ALICE MAE SWIDERSKI devised a material scheme to defraud in which it was
4 reasonably foreseeable that mail and wire communications would be used to further the scheme, and the
5 objects of the conspiracy were to be accomplished, in substance as follows:

6 a. Defendants MARVIN IRWIN FRIEDMAN, PAUL HENRIE LEVY, and ALICE
7 MAE SWIDERSKI would induce potential investors to send money and property to GMM by false,
8 fraudulent, and misleading representations that GMM had produced substantial positive annual returns
9 since its inception in 1993.

10 b. Defendants MARVIN IRWIN FRIEDMAN, PAUL HENRIE LEVY, and ALICE
11 MAE SWIDERSKI would induce potential investors to send money and property to GMM by false,
12 fraudulent, and misleading representations that investor funds would be invested in securities, both
13 common stock and debt obligations, of public and private companies.

14 c. Defendants MARVIN IRWIN FRIEDMAN, PAUL HENRIE LEVY, and ALICE
15 MAE SWIDERSKI would induce investors not to withdraw their funds and to send additional money
16 and property to GMM by issuing false, fraudulent, and misleading investor account statements indicating
17 that investors were routinely earning substantial positive returns;

18 d. Defendants MARVIN IRWIN FRIEDMAN, PAUL HENRIE LEVY, and ALICE
19 MAE SWIDERSKI would induce investors not to withdraw their funds and to send additional money
20 and property to GMM by issuing false, fraudulent, and misleading partnership tax returns indicating that
21 GMM had significant assets and was generating substantial profits.

22 e. Defendants MARVIN IRWIN FRIEDMAN, PAUL HENRIE LEVY, and ALICE
23 MAE SWIDERSKI would induce investors to send money and property to GMM by false, fraudulent,
24 and misleading representations that LF Global would only receive fees if GMM generated net income;

25 f. Defendants MARVIN IRWIN FRIEDMAN, PAUL HENRIE LEVY, and ALICE
26 MAE SWIDERSKI would induce investors to send money and property to GMM by false, fraudulent,
27 and misleading representations that GMM would only reimburse its general partner for "expenses of the
28 partnership incurred or paid in the ordinary course of business" on behalf of GMM.

1 g. Defendants MARVIN IRWIN FRIEDMAN, PAUL HENRIE LEVY, and ALICE
 2 MAE SWIDERSKI would obtain more than \$100 million from investors on the basis of the foregoing
 3 false representations and others; and

4 h. Defendants MARVIN IRWIN FRIEDMAN, PAUL HENRIE LEVY, and ALICE
 5 MAE SWIDERSKI would convert substantial amounts of money of GMM investors to defendants
 6 MARVIN IRWIN FRIEDMAN and PAUL HENRIE LEVY's personal use and benefit.

7 OVERT ACTS

8 9. In furtherance of the conspiracy and to effect and accomplish the objects thereof, the
 9 following overt acts, among others, were committed within the Southern District of California, and
 10 elsewhere:

11 a. In or about 1997, defendants MARVIN IRWIN FRIEDMAN and PAUL
 12 HENRIE LEVY prepared false and misleading offering materials consisting of
 13 a Private Information Statement, a GMM partnership agreement, and a
 14 Performance History Chart.

15 b. In or around the summer of 1998, defendants MARVIN IRWIN FRIEDMAN and
 16 PAUL HENRIE LEVY traveled to Santa Rosa, California to meet with an
 17 investment banking firm that represented high net worth investors in order to
 18 induce these investors to invest in the GMM hedge fund. At that meeting,
 19 defendants MARVIN IRWIN FRIEDMAN and PAUL HENRIE LEVY provided
 20 a Private Information Statement, the GMM partnership agreement, and a
 21 Performance History Chart of the GMM hedge fund to the investment banking
 22 firm knowing that these documents would be used by the firm to solicit investors
 23 for the GMM hedge fund.

24 c. On or about September 27, 1999, defendants MARVIN IRWIN FRIEDMAN and
 25 PAUL HENRIE LEVY solicited an investment in the amount of \$90,000 from
 26 Mary Cassanova.

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- 1 d. On or about August 16, 2000, defendants MARVIN IRWIN FRIEDMAN and
2 PAUL HENRIE LEVY caused check # 2525 in the amount of \$500,000 drawn
3 on account #0050013928 in the name of GMM at Union Bank (hereinafter
4 "GMM's Union Bank Account") to be deposited into account #0050014614 at
5 Union Bank in the name of LF Global Investments, LLC (hereinafter "LF
6 Global's Union Bank Account"). Defendants MARVIN IRWIN FRIEDMAN
7 and PAUL HENRIE LEVY then caused check #3649 drawn on LF Global's
8 Union Bank Account to be paid to COM2001.com for the purchase of stock on
9 behalf of LF Global.
- 10 e. On or about November 20, 2000, defendants MARVIN IRWIN FRIEDMAN and
11 PAUL HENRIE LEVY solicited an investment from the Charles Bradley Trust.
- 12 f. On or about November 20, 2000, defendants MARVIN IRWIN FRIEDMAN and
13 PAUL HENRIE LEVY caused the Charles Bradley Trust to wire \$750,000 to
14 GMM's Union Bank Account.
- 15 g. On or about November 27, 2000, defendant PAUL HENRIE LEVY caused
16 \$750,000 to be transferred from the GMM's Union Bank Account to account
17 # 7350019493 at Union Bank in the name of BLM Enterprises, Inc. (hereinafter
18 the "BLM's Union Bank Account") which was an entity controlled by defendant
19 PAUL HENRIE LEVY.
- 20 h. On or about December 1, 2000, defendants MARVIN IRWIN FRIEDMAN and
21 PAUL HENRIE LEVY solicited an investment from the Linda Bradley Trust.
- 22 i. On or about December 1, 2000, defendants MARVIN IRWIN FRIEDMAN and
23 PAUL HENRIE LEVY caused the Linda Bradley Trust to wire \$3,000,000 to
24 GMM's Union Bank Account.
- 25 j. On or about December 4, 2000, defendant PAUL HENRIE LEVY caused
26 \$1,300,000 to be transferred from the GMM's Union Bank Account to the
27 BLM's Union Bank Account.

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- 1 k. On or about December 18, 2000, defendant MARVIN IRWIN FRIEDMAN
2 caused check #2537 in the amount of \$40,000 drawn on GMM's Union Bank
3 Account to be deposited into LF Global's Union Bank Account. Defendant
4 MARVIN IRWIN FRIEDMAN then caused check # 3792 in the amount of
5 \$40,000 drawn on LF Global's Union Bank Account to be deposited into
6 defendant MARVIN IRWIN FRIEDMAN's personal account #6441014310
7 located at Union Bank (hereinafter "Friedman's Union Bank Account").
- 8 l. In or around February 2001, defendants MARVIN IRWIN FRIEDMAN and
9 PAUL HENRIE LEVY caused quarterly statements and a performance history
10 chart to be mailed to investors which contained false and misleading information.
- 11 m. In or around March 2001, defendants MARVIN IRWIN FRIEDMAN and PAUL
12 HENRIE LEVY caused annual partnership tax returns to be mailed to investors
13 which contained false and misleading information.
- 14 n. On or about July 20, 2001, defendant PAUL HENRIE LEVY opened bank
15 account #21-800163-71 at California Bank & Trust in the name of Global Money
16 Management, L.P (hereinafter the "GMM's CB&T Account").
- 17 o. On or about August 15, 2001, defendants MARVIN IRWIN FRIEDMAN and
18 PAUL HENRIE LEVY caused \$600,000 to be transferred from GMM's Union
19 Bank Account to LF Global's Union Bank Account. Defendants MARVIN
20 IRWIN FRIEDMAN and PAUL HENRIE LEVY then caused check #4085 in the
21 amount of \$549,000 drawn on LF Global's Union Bank Account to be paid to
22 Alexis Communications for the purchase of stock on behalf of LF Global.
- 23 p. On or about August 23, 2001, Defendants MARVIN IRWIN FRIEDMAN and
24 PAUL HENRIE LEVY caused \$350,000 to be transferred from GMM's Union
25 Bank Account to LF Global's Union Bank Account. Defendants MARVIN
26 IRWIN FRIEDMAN and PAUL HENRIE LEVY then caused check #4095 in the
27 amount of \$350,000 drawn on LF Global's Union Bank Account to be paid to
28 Alexis Communications for the purchase of stock on behalf of LF Global.

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- q. On or about September 13, 2001, Defendant PAUL HENRIE LEVY solicited an investment from Ed Hoffman.
- r. On or about September 20, 2001, defendants PAUL HENRIE LEVY and ALICE MAE SWIDERSKI caused a check in the amount of \$200,000 from Ed Hoffman to be deposited in the GMM CB&T Account.
- s. On or about December 19, 2001, defendant MARVIN IRWIN FRIEDMAN caused check #4234 in the amount of \$30,305.72 drawn on LF Global's Bank Account to be paid to American Express for personal credit card charges made by defendant MARVIN IRWIN FRIEDMAN.
- t. On or about January 25, 2002, defendants MARVIN IRWIN FRIEDMAN and PAUL HENRIE LEVY solicited an investment from Anthony M. Micheli.
- u. On or about January 25, 2002, defendants PAUL HENRIE LEVY and ALICE MAE SWIDERSKI caused a check in the amount of \$100,000 from Anthony Micheli to be deposited into GMM's CB & T Account.
- v. On or about February 12, 2002, defendant PAUL HENRIE LEVY caused check # 5050 in the amount of \$294,935.96 drawn on GMM's Union Bank Account to be paid to Ed Matsuiishi P/S Plan as an investor repayment.
- w. In or around February 2002, defendants MARVIN IRWIN FRIEDMAN, PAUL HENRIE LEVY, and ALICE MAE SWIDERSKI caused quarterly statements and a performance history chart to be mailed to investors which contained false and misleading information.
- x. In or around March 2002, defendants MARVIN IRWIN FRIEDMAN, PAUL HENRIE LEVY and ALICE MAE SWIDERSKI caused annual partnership tax returns to be mailed to investors which contained false and misleading information.
- y. On or about May 13, 2002, Defendant MARVIN IRWIN FRIEDMAN solicited an investment from Mark Carpenter.

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- z. On or about August 26, 2002, defendant PAUL HENRIE LEVY caused check #4560 in the amount of \$19,147.23 drawn on LF Global's Union Bank Account to be paid to American Express for personal credit card charges by defendant PAUL HENRIE LEVY.
- aa. On or about October 10, 2002, defendant PAUL HENRIE LEVY solicited an investment from Karen Eilenn Esch.
- bb. On or about October 30, 2002, defendant MARVIN IRWIN FRIEDMAN caused check #2546 in the amount of \$100,000 drawn on GMM's Union Bank Account to be deposited into LF Global's Union Bank Account. Defendant MARVIN IRWIN FRIEDMAN then caused check #4660 in the amount of \$90,000 to be deposited into Friedman's Union Bank Account.
- cc. On or about December 24, 2002, defendants MARVIN IRWIN FRIEDMAN and ALICE MAE SWIDERSKI caused \$81,000 to be transferred from GMM's Union Bank Account to LF Global's Union Bank Account.
- dd. On or about December 30, 2002, defendant MARVIN IRWIN FRIEDMAN caused check # 2547 in the amount of \$80,000 drawn on GMM's Union Bank Account to be deposited into the LF Global's Union Bank Account.
- ee. On or about December 30, 2002, defendant MARVIN IRWIN FRIEDMAN caused check #4750 in the amount of \$160,000 drawn on the LF Global's Union Bank Account to be deposited into Friedman's Union Bank Account.
- ff. In or around February 2003, defendants MARVIN IRWIN FRIEDMAN, PAUL HENRIE LEVY, and ALICE MAE SWIDERSKI caused quarterly statements and a performance history chart to be mailed to investors which contained false and misleading information.
- gg.. In or around March 2003, defendants MARVIN IRWIN FRIEDMAN, PAUL HENRIE LEVY and ALICE MAE SWIDERSKI caused annual partnership tax returns to be mailed to investors which contained false and misleading information.

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- hh. On or before March 27, 2003, defendants MARVIN IRWIN FRIEDMAN and PAUL HENRIE LEVY solicited an investment from Edward Kozel Sr.
- ii. On or about March 27, 2003, defendants PAUL HENRIE LEVY and ALICE MAE SWIDERSKI caused four checks for \$100,000 each (\$400,000 total) from Edward Kozel Sr. to be deposited in GMM's CB&T Account.
- jj. On or about April 1, 2003, defendants MARVIN IRWIN FRIEDMAN and ALICE MAE SWIDERSKI caused \$150,000 to be transferred from GMM's Union Bank Account to LF Global's Union Bank Account.
- kk. On or about April 4, 2003, defendant MARVIN IRWIN FRIEDMAN caused check #4884 in the amount of \$150,000 drawn on LF Global's Union Bank Account to be deposited into Friedman's Union Bank Account.
- ll. On or about August 20, 2003, defendants MARVIN IRWIN FRIEDMAN and ALICE MAE SWIDERSKI caused a wire transfer to made in the amount of \$5,000,000 from GMM's Union Bank Account to Oxbridge Associates LP as an investor repayment.
- mm. In or around October 2003, defendants MARVIN IRWIN FRIEDMAN and ALICE MAE SWIDERSKI prepared and caused quarterly account statements to be mailed to investors which contained false and misleading information.
- nn. In or around January 2004, defendants MARVIN IRWIN FRIEDMAN and ALICE MAE SWIDERSKI prepared and caused quarterly account statements to be mailed to investors which contained false and misleading information.
- oo. In or around February 2004, defendants PAUL HENRIE LEVY and ALICE MAE SWIDERSKI instructed GMM's computer consultant to remove and discard the hard drives from computers used by defendants PAUL HENRIE LEVY and ALICE MAE SWIDERSKI as well as GMM's network server.

1 pp. On or about March 18, 2004, in order to prevent law enforcement agents from
 2 learning about his role in the conspiracy to defraud investors, defendant PAUL
 3 HENRIE LEVY falsely told government agents that he was not involved in the
 4 removal and discarding of the computer hard drives.

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

6 Counts 2-9

7 [18 U.S.C. § 1341 and 2]

8 Mail Fraud

9 (Against All Defendants)

10 10. Beginning on a date unknown to the grand jury and continuing through in or about
 11 February 2004, within the Southern District of California, and elsewhere, defendants MARVIN IRWIN
 12 FRIEDMAN, PAUL HENRIE LEVY, and ALICE MAE SWIDERSKI, devised and intended to devise,
 13 with the intent to defraud, a material scheme to defraud and to obtain money from GMM investors by
 14 means of false and fraudulent pretenses, representations, or promises, as described in paragraphs 8 and
 15 9 of Count 1.

16 Execution of the Material Scheme by Mail

17 11. On or about the dates set forth below, in the Southern District of California, defendants
 18 MARVIN IRWIN FRIEDMAN, PAUL HENRIE LEVY, and ALICE MAE SWIDERSKI, and others
 19 known and unknown to the grand jury, for the purpose of executing and attempting to execute the
 20 aforesaid material scheme to defraud caused to be placed in a United States post office or other
 21 authorized depository for mail matter, items to be delivered by the United States Postal Service
 22 according to the directions thereon, as set forth below:

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| <u>Count</u> | <u>Date</u> | <u>Sender</u> | <u>Addressee</u> | <u>Item</u> |
|--------------|-------------|---|---|-----------------------------------|
| 2 | 7/18/01 | Charles Schwab for Douglas Gamble Phoenix, AZ | GMM San Diego, CA | Check for \$60,000 |
| 3 | 9/04/01 | Paul Levy San Diego, CA | Edward Hoffman Neskowin, Oregon | Offering Materials |
| 4 | 5/28/02 | Charles Schwab for Sam Watson Phoenix, AZ | GMM San Diego, CA | Check for \$40,000 |
| 5 | 8/05/02 | Mark Albrecht Danville, CA | Paul Levy LF Global San Diego, CA | Account Statements |
| 6 | 10/18/02 | TASC for Karen Esch Carlsbad, CA | GMM San Diego, CA | Check for \$10,088 |
| 7 | 2/12/03 | Zenith Capital for Ken Godec Santa Rosa, CA | GMM San Diego, CA | Check for \$100,000 |
| 8 | 2/18/03 | Mark Albrecht Danville, CA | Paul Levy GMM San Diego, CA | Account Statements |
| 9 | 3/26/03 | Charles Schwab For Edward Kozel Phoenix, AZ | GMM San Diego, CA | Four checks for \$100,000 each |

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

Counts 10-17

[Title 18 U.S.C. Sec. 1343 and 2]

Wire Fraud

(Against All Defendants)

12. Beginning on a date unknown to the grand jury and continuing through in or about February 2004, in the Southern District of California, and elsewhere, defendants MARVIN IRWIN FRIEDMAN, PAUL HENRIE LEVY, and ALICE MAE SWIDERSKI, devised and intended to devise a material scheme to defraud and to obtain money from persons by false and fraudulent pretenses, representations, or promises, as described in paragraphs 8 and 9 of Count 1.

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Execution of Material Scheme by Wire Communications

13. On or about the dates set forth below, within the Southern District of California, and elsewhere, defendants MARVIN IRWIN FRIEDMAN, PAUL HENRIE LEVY, and ALICE MAE SWIDERSKI, for the purpose of executing the aforementioned material scheme to defraud and to obtain money and property by false and fraudulent pretenses, representations, and promises, did transmit and cause to be transmitted, in interstate and foreign commerce, by means of wire, radio, and television communication, the writings, signs, signals, pictures, and sounds set forth below:

| <u>Count</u> | <u>Date</u> | <u>Sender</u> | <u>Addressee</u> | <u>Communication</u> |
|--------------|-------------|--|--|-----------------------------------|
| 10 | 12/1/00 | Charles Schwab via Citibank New York, NY | GMM- Union Bank La Jolla, CA | Wire Transmission of \$3,000,000 |
| 11 | 4/4/01 | Charles Schwab via Citibank New York, NY | GMM - Union Bank La Jolla, CA | Wire Transmission of \$200,000 |
| 12 | 9/13/01 | Paul Levy San Diego, CA | Edward Hoffman Neskowin, Oregon | Telephone call |
| 13 | 5/23/01 | Washington Mutual via Fedwire | GMM-Union Bank La Jolla, CA | Wire Transmission of \$274,579.91 |
| 14 | 12/04/02 | GMM- Union Bank La Jolla, CA | DLJ-Pershing Division via JP Morgan New York, NY | Wire Transmission of \$807,376.57 |
| 15 | 01/03/01 | Norcrown Bank Livingston, NJ | GMM-Union Bank La Jolla, CA | Wire Transmission of \$1,500,000 |
| 16 | 7/22/03 | GMM- Union Bank La Jolla, CA | Steven MacDonald via J.P Morgan New York, NY | Wire Transmission of \$2,300,000 |
| 17 | 11/3/03 | GMM- Union Bank La Jolla, CA | Oxbridge Associates Valley National Bank Passaic, NJ | Wire Transmission of \$500,000 |

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

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Counts 18-20

[Title 18 U.S.C. Sec. 1956(a)(1)(A)(i)]

Money Laundering-Promotion

(Against Defendant MARVIN IRWIN FRIEDMAN)

14. On or about the dates listed below, within the Southern District of California and elsewhere, knowing that the property detailed below represented the proceeds of some form of unlawful activity, defendant MARVIN IRWIN FRIEDMAN, knowingly conducted and attempted to conduct the below listed financial transactions affecting interstate and foreign commerce which involved the proceeds of specified unlawful activity, that is mail and wire fraud, with the intent to promote the carrying on of a specified unlawful activity, that is mail and wire fraud.

| <u>Count</u> | <u>Date</u> | <u>Financial Transaction</u> |
|--------------|-------------|--|
| 18 | 8/11/03 | Check to Prentiss Properties for \$51,811.63 |
| 19 | 8/19/03 | Wire Transfer from GMM Union Bank Account to Oxford Associates LP in the amount of \$5,000,000 |
| 20 | 9/2/03 | Wire Transfer from GMM Union Bank Account to Oxford Associates LP in the amount of \$2,800,000 |

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

Counts 21-23

[Title 18 U.S.C. Sec. 1956(a)(1)(A)(i)]

Money Laundering-Promotion

(Against Defendant PAUL HENRIE LEVY)

15. On or about the dates listed below, within the Southern District of California and elsewhere, knowing that the property detailed below represented the proceeds of some form of unlawful activity, defendant PAUL HENRIE LEVY, knowingly conducted and attempted to conduct the below listed financial transactions affecting interstate and foreign commerce which involved the proceeds of specified unlawful activity, that is mail and wire fraud, with the intent to promote the carrying on of a specified unlawful activity, that is mail and wire fraud.

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| <u>Count</u> | <u>Date</u> | <u>Financial Transaction</u> |
|--------------|-------------|---|
| 21 | 9/7/01 | Check to Tasker, Cooper & Smith for \$192,450.15. |
| 22 | 2/12/02 | Check to Ed Matsuishi P/S Plan for \$294,935.96 |
| 23 | 11/27/02 | Check to Tasker, Cooper & Smith for \$130,833.25 |

5 All in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i).

6 Counts 24-26

7 [Title 18 U.S.C. Sec. 1956 (a)(1)(B)(i)]

8 Money Laundering- Concealment

9 (Against Defendant PAUL HENRIE LEVY)

10 16. On or about the dates listed below, within the Southern District of California and
 11 elsewhere, knowing that the property detailed below represented the proceeds of some form of unlawful
 12 activity, defendant PAUL HENRIE LEVY, knowingly conducted and attempted to conduct the below
 13 listed financial transactions affecting interstate commerce which involved the proceeds of specified
 14 unlawful activity, that is mail and wire fraud, knowing that the financial transactions were designed in
 15 whole or in part to conceal and disguise the nature, location, source, ownership and control of said
 16 proceeds of said specified unlawful activity, that is mail and wire fraud.

| <u>Count</u> | <u>Date</u> | <u>Financial Transaction</u> |
|--------------|-------------|--|
| 24 | 7/25/01 | Check #1 from GMM CB& T Account in the amount of \$250,000 deposited into BLM Union Bank Account |
| 25 | 9/27/02 | Check # 1049 from GMM CB& T Account in the amount of \$250,000 deposited into BLM Union Bank Account |
| 26 | 12/5/02 | Check # 6008 from GMM CB& T Account in the amount of \$500,000 deposited into BLM Union Bank Account |

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

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Counts 27-28

[Title 18 U.S.C. Sec. 1956 (a)(1)(B)(i)]

Money Laundering- Concealment

(Against Defendants PAUL HENRIE LEVY and ALICE MAE SWIDERSKI)

17. On or about the dates listed below, within the Southern District of California and elsewhere knowing that the property detailed below represented the proceeds of some form of unlawful activity, defendants PAUL HENRIE LEVY and ALICE MAE SWIDERSKI, knowingly conducted and attempted to conduct the below listed financial transactions affecting interstate commerce which involved the proceeds of specified unlawful activity, that is mail and wire fraud, knowing that the financial transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership and control of said proceeds of said specified unlawful activity, that is mail and wire fraud.

| <u>Count</u> | <u>Date</u> | <u>Financial Transaction</u> |
|--------------|-------------|--|
| 27 | 10/10/02 | Intrabank transfer from GMM CB& T Account in the amount of \$40,000 to CB& T Account in the name of Strategic Asset Management |
| 28 | 12/31/02 | Intrabank transfer from GMM CB&T Account in the amount of \$21,000 to CB&T account in the name of Sienna Farms |

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

Count 29

[18 U.S.C. § 1001]

False Statement

(Against Defendant ALICE MAE SWIDERSKI)

18. On or about August 10, 2004, within the Southern District of California, in a matter within the jurisdiction of the Department of Justice and the Department of the Treasury, departments of the United States, defendant ALICE MAE SWIDERSKI, did knowingly and willfully make a false, fraudulent, and fictitious material statement and representation, that is defendant ALICE MAE SWIDERSKI stated that she was paid \$100 per month by defendant PAUL HENRIE LEVY whereas in

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1 truth and fact, as defendant ALICE MAE SWIDERSKI then and there well knew, defendant ALICE
2 MAE SWIDERSKI received substantially more than \$100 per month from defendant PAUL HENRIE
3 LEVY, in violation of Title 18, United States Code, Section 1001.

4 Count 30

5 [26 U.S.C. Sec. 7206(1)]

6 Filing False Tax Return

7 (Against Defendant MARVIN IRWIN FRIEDMAN)

8 19. On or about October 13, 2000, within the Southern District of California, defendant
9 MARVIN IRWIN FRIEDMAN, did willfully make and subscribe to a false and fraudulent U.S.
10 Individual Income Tax Return, Form 1040 for the year 1999, which contained and was verified by a
11 written declaration that it was made under penalties of perjury and was filed with the Internal Revenue
12 Service, which return the defendant did not believe to be true and correct as to every material matter in
13 that said income tax return reported taxable income on line 39 of \$217,927.12, whereas, defendant
14 MARVIN IRWIN FRIEDMAN then well knew and believed that his correct taxable income was in
15 excess of the amount reported on the tax return, all in violation of Title 26, United States Code,
16 Section 7206(1).

17 Count 31

18 [26 U.S.C. Sec. 7206(1)]

19 Filing False Tax Return

20 (Against Defendant MARVIN IRWIN FRIEDMAN)

21 20. On or about October 14, 2002, within the Southern District of California, defendant
22 MARVIN IRWIN FRIEDMAN, did willfully make and subscribe to a false and fraudulent U.S.
23 Individual Income tax Return, Form 1040 for the year 2001, which contained and was verified by a
24 written declaration that it was made under penalties of perjury and was filed with the Internal Revenue
25 Service, which return the defendant did not believe to be true and correct as to every material matter in

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1 that said income tax return reported taxable income on line 39 of \$1,073,937.36, whereas, defendant
2 MARVIN IRWIN FRIEDMAN then well knew and believed, that his correct taxable income was in
3 excess of the amount reported on the tax return, all in violation of Title 26, United States Code,
4 Section 7206(1).

5 Count 32

6 [26 U.S.C. Sec. 7206(1)]

7 Filing False Tax Return

8 (Against Defendant MARVIN IRWIN FRIEDMAN)

9 21. On or about October 14, 2003, within the Southern District of California, defendant
10 MARVIN IRWIN FRIEDMAN, did willfully make and subscribe to a false and fraudulent U.S.
11 Individual Income Tax Return, Form 1040 for the year 2002, which contained and was verified by a
12 written declaration that it was made under penalties of perjury and was filed with the Internal Revenue
13 Service, which return the defendant did not believe to be true and correct as to every material matter in
14 that said income tax return reported taxable income on line 41 of \$0, whereas, defendant MARVIN
15 IRWIN FRIEDMAN then well knew and believed, that his correct taxable income was in excess of the
16 amount reported on the tax return, all in violation of Title 26, United States Code, Section 7206(1).

17 Count 33

18 [26 U.S.C. Sec. 7206(1)]

19 Filing False Tax Return

20 (Against Defendant ALICE MAE SWIDERSKI)

21 22. On or about March 19, 2001, within the Southern District of California, defendant ALICE
22 MAE SWIDERSKI, did willfully make and subscribe to a false and fraudulent U.S. Individual Income
23 Tax Return, Form 1040 for the year 2000, which contained and was verified by a written declaration that
24 it was made under penalties of perjury and was filed with the Internal Revenue Service, which return the
25 defendant did not believe to be true and correct as to every material matter in that said income tax return
26 reported taxable income on line 39 of \$0, whereas, defendant ALICE MAE SWIDERSKI then well
27 knew and believed, that her correct taxable income was in excess of the amount reported on the tax
28 return, all in violation of Title 26, United States Code, Section 7206(1).

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Count 34

[26 U.S.C. Sec. 7206(1)]

Filing False Tax Return

(Against Defendant ALICE MAE SWIDERSKI)

23. On or about March 19, 2002, within the Southern District of California, defendant ALICE MAE SWIDERSKI, did willfully make and subscribe to a false and fraudulent U.S. Individual Income Tax Return, Form 1040 for the year 2001, which contained and was verified by a written declaration that it was made under penalties of perjury and was filed with the Internal Revenue Service, which return the defendant did not believe to be true and correct as to every material matter in that said income tax return reported taxable income on line 39 of \$0, whereas defendant ALICE MAE SWIDERSKI then well knew and believed, that her correct taxable income was in excess of the amount reported on the tax return, all in violation of Title 26, United States Code, Section 7206(1).

Count 35

[26 U.S.C. Sec. 7206(1)]

Filing False Tax Return

(Against Defendant ALICE MAE SWIDERSKI)

24. On or about February 4, 2003, within the Southern District of California, defendant ALICE MAE SWIDERSKI, did willfully make and subscribe to a false and fraudulent U.S. Individual Income Tax Return, Form 1040 for the year 2002, which contained and was verified by a written declaration that it was made under penalties of perjury and was filed with the Internal Revenue Service, which return the defendant did not believe to be true and correct as to every material matter in that said income tax return reported taxable income on line 41 of \$3688, whereas defendant ALICE MAE SWIDERSKI then well knew and believed, that her correct taxable income was in excess of the amount reported on the tax return, all in violation of Title 26, United States Code, Section 7206(1).

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Count 36

[26 U.S.C. Sec. 7206(1)]

Filing False Tax Return

(Against Defendant ALICE MAE SWIDERSKI)

26. On or about March 15, 2004, within the Southern District of California, defendant ALICE MAE SWIDERSKI, did willfully make and subscribe to a false and fraudulent U.S. Individual Income Tax Return, Form 1040 for the year 2003, which contained and was verified by a written declaration that it was made under penalties of perjury and was filed with the Internal Revenue Service, which return the defendant did not believe to be true and correct as to every material matter in that said income tax return reported taxable income on line 40 of \$0, whereas defendant ALICE MAE SWIDERSKI then well knew and believed, that her correct taxable income was in excess of the amount reported on the tax return, all in violation of Title 26, United States Code, Section 7206(1).

Criminal Forfeiture Allegation 1

[Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c)]

Counts 2 through 17 are realleged and incorporated herein by reference as though set forth in full for the purpose of charging criminal forfeiture pursuant to the provisions of Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

As a result of the commission of the foregoing offenses alleged in Counts 2 through 17 of this indictment, defendants MARVIN IRWIN FRIEDMAN, PAUL HENRIE LEVY, and ALICE MAE SWIDERSKI shall forfeit to the United States any and all property, real and personal, which constitutes or is derived from proceeds traceable to those offenses.

In the event that any property, real or personal, which constitutes or is derived from proceeds traceable to the offenses described in Counts 2 through 17 of this Indictment, as a result of any act or omission of the defendants:

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- 1 (1) cannot be located upon the exercise of due diligence;
- 2 (2) has been transferred or sold to, or deposited with, third parties;
- 3 (3) has been placed beyond the jurisdiction of the courts;
- 4 (4) has been substantially diminished in value; or
- 5 (5) has been co-mingled with other property which cannot be divided without difficulty;

6 any other property of the defendant, up to the value of \$60,000,000 shall be forfeited to the United States
 7 pursuant to Title 18, United States Code, Section 982, and Title 21, United States Code, Section 853.
 8 All in violation of Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code,
 9 Section 2461(c).

10 Criminal Forfeiture Allegation 2

11 [Title 18, United States Code, Section 982(a)(1)]

12 Counts 18 through 28 are realleged and incorporated herein by reference as though set forth in
 13 full for the purpose of charging criminal forfeiture pursuant to the provisions of Title 18, United States
 14 Code, Section 982 (a)(1).

15 As a result of the commission of the foregoing offenses alleged in Counts 18 through 28 of this
 16 Indictment, defendants MARVIN IRWIN FRIEDMAN, PAUL HENRIE LEVY, and ALICE MAE
 17 SWIDERSKI shall forfeit to the United States any and all property, real and personal, involved in the
 18 charged offenses, or any property which is traceable to those offenses.

19 In the event that any property, real or personal, involved in the offenses described in Counts 18
 20 through 28 of this indictment, or any property traceable to such property, as a result of any act or
 21 omission of the defendants:

- 22 (1) cannot be located upon the exercise of due diligence;
- 23 (2) has been transferred or sold to, or deposited with, third parties;
- 24 (3) has been placed beyond the jurisdiction of the courts;
- 25 (4) has been substantially diminished in value; or
- 26 (5) has been co-mingled with other property which cannot be divided without difficulty,

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1 any other property of the defendant, up to the value of \$60,000,000 shall be forfeited to the United States
2 pursuant to Title 18, United States Code, Section 982, and Title 21, United States Code, Section 853.
3 All in violation of Title 18, United States Code, Section 982 (a)(1).

4 DATED: June 9, 2005.

5 A TRUE BILL:

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8 Foreperson

9 CAROL C. LAM
United States Attorney

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11 By: FAITH A. DEVINE
12 Assistant U.S. Attorney

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