IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

| | | |
|---|---|---|
| UNITED STATES OF AMERICA | § | |
| | § | |
| v. | § | CRIM. NO. 3:03-CR-232-K |
| | § | |
| COOKE B. CHRISTOPHER (1) | § | (Supersedes Indictment filed on |
| THOMAS H. SUNDERLAND (2) | § | June 25, 2003) |
| NILS GRIFFIN (3) | § | |
| JEFFREY A. VANN (5) | § | |

The Grand Jury charges:

COUNT 1
Conspiracy
18 U.S.C §371
(18 U.S.C. §§1014,1344,1005 and 2(b))
(15 U.S.C. §§77q(a) and 77x and 80b-6(1) and 80b-17)

A. Background

1. During the period covered by this Indictment:

(a) San Clemente Securities, Inc., formerly known as San Clemente Financial Group, Inc., and San Clemente Financial Group Securities, Inc., hereinafter referred to

as “SCS,” was incorporated in the State of California, with its main offices in San Clemente, California;

(b) United Custodial Corporation, hereinafter referred to as “UCC,” was incorporated in the State of California, with offices in San Clemente, California;

(c) Defendant **Cooke B. Christopher** was the President, Chief Executive Officer and an owner of SCS and the Chief Executive Officer and an owner of UCC;

(d) Defendant **Thomas H. Sunderland** was the Executive Vice President and an owner of SCS and the Secretary and an owner of UCC;

(e) Defendant **Nils Griffin** was a salesman and supervisory broker for SCS and an investment advisor for UCC;

(f) Defendant **Jeffrey A. Vann** was an owner and broker for SCS;

(g) SCS and Defendants **Cooke B. Christopher**, **Thomas H. Sunderland, Nils Griffin** and **Jeffrey A. Vann** were licensed as broker-dealers by the National Association of Securities Dealers and the Securities and Exchange Commission;

(h) UCC was licensed as an investment advisor by the Securities and Exchange Commission;

(i) Heritage Savings Bank, SSB, formerly Terrell Federal Savings and Loan, hereinafter referred to as "Heritage," was a financial institution located in Terrell, Texas, the accounts of which were insured by the Federal Deposit Insurance Corporation;

(j) Amarillo Federal Credit Union, hereinafter referred to as "Amarillo FCU," was a financial institution located in Amarillo, Texas, the deposits of which were insured by the National Credit Union Association;

(k) Chemcel Employee Federal Credit Union, hereinafter referred to as "Chemcel EFCU," was a financial institution located in Bishop, Texas, the deposits of which were insured by the National Credit Union Association;

(l) Laredo Teachers Federal Credit Union, hereinafter referred to as "Laredo Teachers FCU," was a financial institution located in Laredo, Texas, the deposits of which were insured by the National Credit Union Association; and

(m) Department of Public Safety Federal Credit Union, hereinafter referred to as "Department of Public Safety FCU," was a financial institution located in Oklahoma City, Oklahoma, the deposits of which were insured by the National Credit Union Association.

B. The Conspiracy and Joint Scheme

2. Beginning at least as early as August, 1993, and continuing thereafter, until at least into April, 2001, the exact dates being unknown to the Grand Jury, in the Dallas Division of the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher**, **Thomas H. Sunderland, Nils Griffin** and **Jeffrey A. Vann** did knowingly, willfully and with the intent to defraud, conspire, devise, joined and participated in, with others, known and unknown to the Grand Jury, a conspiracy and joint scheme and artifice to defraud and to obtain money by means of false and fraudulent pretenses, representations and promises from financial institutions and individuals, throughout the United States, who could be and were induced to enter into investment contracts with SCS to purchase certificates of deposit and other securities, which would be held and

managed by UCC or another custodian, on behalf of the investors; to use the United States mail, commercial interstate carriers, and interstate telephone and wire services to execute and carry out the conspiracy and joint scheme and artifice, in violation of 18 U.S.C. §§1341 and 1343, respectively; to make false statements to federally insured financial institutions, to defraud federally insured financial institutions and to cause federally insured financial institutions to make false entries in their books and records, in violation of 18 U.S.C. §§1014, 1344 and 1005, respectively; to commit fraud in the offer and sales of securities, in violation of 15 U.S.C. §§77q(a) and 77x; and to commit investment advisor fraud in violation of 15 U.S.C. §§80b-6(1) and 80b-17.

C. Manner and Means

3. It was part of the aforesaid conspiracy and joint scheme and artifice that defendants **Cooke B. Christopher** and **Thomas H. Sunderland** formed and used SCS and UCC to carry on the aforesaid conspiracy and joint scheme and artifice.

4. It was further part of the aforesaid conspiracy and joint scheme and artifice that defendants **Nils Griffin** and **Jeffrey A. Vann** knowingly,

willfully, and with the intent to defraud, joined and participated in the aforesaid conspiracy and joint scheme and artifice as salesmen and brokers for SCS and UCC.

(a) Individual Investors

5. It was further part of the aforesaid conspiracy and joint scheme and artifice that defendants **Cooke B. Christopher, Thomas H. Sunderland, Nils Griffin** and **Jeffrey A. Vann**, directly and through brokers, solicited individuals throughout the United States to enter into investment contracts with SCS to purchase certificates of deposit and other securities, which would be held and managed for the investors by UCC or another custodian.

6. It was further part of the aforesaid conspiracy and joint scheme and artifice that defendants **Cooke B. Christopher** and **Thomas H. Sunderland** traveled throughout the United States to recruit brokers who would solicit individuals to purchase certificates of deposit and other securities through SCS.

7. It was further part of the aforesaid conspiracy and joint scheme and artifice that defendants **Cooke B. Christopher** and **Thomas H.**

**Sunderland** caused deceptive advertisements to be placed in newspapers soliciting individuals to purchase certificates of deposit.

8. It was further part of the aforesaid conspiracy and joint scheme and artifice that defendants **Cooke B. Christopher, Thomas H. Sunderland, Nils Griffin** and **Jeffrey A. Vann** targeted the elderly in the offer and sale of certificates of deposit.

9. It was further part of the aforesaid conspiracy and joint scheme and artifice that defendants **Cooke B. Christopher, Thomas H. Sunderland, Nils Griffin** and **Jeffrey A. Vann** received o investments to be held and managed by UCC or another custodian in order to conceal from the that they had subtracted and misapplied undisclosed premiums from the custodial principal.

9. It was further part of the aforesaid conspiracy and joint scheme and artifice that defendants **Cooke B. Christopher, Thomas H. Sunderland, Nils Griffin** and **Jeffrey A. Vann** knowingly, willfully and with the intent to defraud, made and caused to be made false and fraudulent representations to individual investors, which were false and fraudulent when made, including the following:

(a) That certificates of deposit sold by SCS were at an interest rate greater than that available directly from financial institutions;

(b) That money provided to SCS would be used to purchase a certificate of deposit in the monetary amount provided by the individual investor;

(c) That SCS would make its fees from the "spread" or would be paid a commission by the issuing institution;

(d) That the individual investor's principal was safe, would remain intact and would be insured from loss by the Federal Deposit Insurance Corporation;

(e) That confirmations, statements and IRS form 1099-NT sent to individual investors by UCC accurately set forth the status of their investment; and

(f) That monies paid to individual investors that liquidated their certificates of deposit, prior to maturity, were their initial principal plus applicable interest, minus any early withdrawal penalties, charged against their interest.

10. It was further part of the aforesaid conspiracy and joint scheme and

artifice that defendants **Cooke B. Christopher, Thomas H. Sunderland, Nils Griffin** and **Jeffrey A. Vann**, in making representations to individual investors, and causing them to be made, directly and indirectly, omitted and failed to disclose material facts, including the following:

(a) That the quoted interest rates on certificates of deposit sold through SCS were based on "annual average yield" which would return less interest than the identical rate compounded periodically by a financial institution;

(b) That SCS and UCC would subtract substantial, undisclosed fees, premiums and commissions from their principal;

(c) That confirmations, statements and IRS form 1099-NT mailed to individual investors were false, misleading and designed to convince individual investors that their principal was intact;

(d) That only part of their investment in any certificate of deposit was, at most, insured by the Federal Deposit Insurance Corporation, since their principal had been reduced by SCS and UCC;

(e) That individual investors had no ownership in the certificates of deposit purchased by them, and were not insured by the

Federal Deposit Insurance Corporation, since they were purchased in the name of UCC without specific reference to the individual investors;

(f) That individual investors who liquidated their certificates of deposit before maturity were subject to losing the undisclosed money subtracted by SCS and UCC from their principal;

(g) That money paid to some investors who liquidated their certificates of deposit before maturity was not their principal plus applicable interest paid by their certificates of deposit but was money transferred from the accounts of other investors; and

(h) That the term "callable" on the confirmations sent to individual investors did not mean they could liquidate their certificates of deposit early, but rather that the issuer could call in the certificate of deposit before maturity, putting their principal at risk.

(b) Financial Institutional Investors

11. It was further part of the aforesaid conspiracy and joint scheme and artifice that defendants **Cooke B. Christopher, Thomas H. Sunderland, Nils Griffin** and **Jeffrey A. Vann** directly and indirectly**,** solicited

financial institutions throughout the United States to enter into investment contracts with UCC to purchase certificates of deposit and other securities, which would be held and managed for the investors by UCC.

12. It was further part of the aforesaid conspiracy and joint scheme and artifice that defendants **Cooke B. Christopher, Thomas H. Sunderland, Nils Griffin** and **Jeffrey A. Vann** caused UCC to send confirmations, statements, schedules and IRS Form 1099-NT to financial institutions purchasing certificates of deposit and government securities, that were misleading and misrepresented the status their investment.

13. It was further part of the aforesaid conspiracy and joint scheme and artifice that defendants **Cooke B. Christopher**, **Thomas H. Sunderland**, **Nils Griffin** and **Jeffrey A. Vann** knowingly, and with the intent to defraud, made, and caused to be made, false and fraudulent representations to financial institutions, which were false and fraudulent when made, including the following:

(a) That money provided to SCS would be used to purchase certificates of deposit or other securities in the name of the financial institution in the principal amount provided;

(b) That their principal was safe and would remain intact;

(c) That SCS and UCC would earn their fees and commission from the "spread" or would be paid by the issuer;

(d) That the principal amount of funds invested in certificates of deposit purchased through SCS were federally insured by the Federal Deposit Insurance Corporation or the National Credit Union Association;

(e) That confirmations, statements, schedules and IRS form 1099-NT sent to them by UCC accurately set forth the status of their investment; and

(f) That funds paid to financial institutions that liquidated their investment prior to maturity were their actual principal plus any applicable interest generated by that investment.

14. It was further part of the aforesaid conspiracy and joint scheme and artifice that defendants **Cooke B. Christopher, Thomas H. Sunderland, Nils Griffin** and **Jeffrey A. Vann,** in making representations to financial institutions, and in causing such representations to be made, omitted and failed to disclose material facts, including the following:

(a) That SCS and UCC would subtract substantial, undisclosed fees and commissions from their invested "principal";

(b) That only part of their investment in any certificate of deposit was federally insured since SCS and UCC had subtracted substantial fees from their investment;

(c) That confirmations, statements, schedules and IRS form 1099-NT sent to financial institutions were false and misleading;

(d) That funds paid to financial institutions that liquidated their investment prior to maturity were actually money invested by other investors;

(e) That the financial institution had no direct ownership in the certificates of deposit and other securities purchased since they would be purchased in the name of UCC; and

(f) That on or about October 22, 1997, SCS and defendants **Cooke B. Christopher** and **Thomas H. Sunderland** were the subjects of a Cease-and-Desist Order filed by the National Credit Union Association relating to their deceptive practices in selling certificates of deposit to federally insured credit unions.

15. It was further part of the aforesaid conspiracy and joint scheme and artifice that defendants **Cooke B. Christopher, Thomas H. Sunderland, Nils Griffin** and **Jeffrey A. Vann** caused schedules of maturity to be mailed to financial institutions for the stated purpose of assisting the financial institutions to book the investment, which caused the financial institutions to make false entries in their books and records.

(c) Reverse Arbitrage

16. It was further part of the aforesaid conspiracy and joint scheme and artifice that defendants **Cooke B. Christopher, Thomas H. Sunderland, Nils Griffin** and **Jeffrey A. Vann** engaged in what they called "reverse arbitrage," in that they represented to certain financial institutions, including Heritage, that if the financial institution purchased certificates of deposit and other securities through SCS, SCS would place a corresponding amount of certificates of deposit or other securities with the financial institution for a reasonably related fee not to exceed five percent.

17. It was further part of the aforesaid conspiracy and joint scheme and artifice that defendants **Cooke B. Christopher, Thomas B. Sunderland, Nils Griffin** and **Jeffrey A. Vann** would send to Heritage and other

financial institutions proposals that SCS, for a reasonable fee, would place certain certificates of deposit at their institution in return for which the financial institution would purchase a corresponding amount of certificates of deposit or other securities through SCS which would be held and managed by UCC.

18. It was further part of the aforesaid conspiracy and joint scheme and artifice that defendants **Cooke B. Christopher, Thomas H. Sunderland, Nils Griffin** and **Jeffrey A. Vann** misapplied and subtracted substantial fees, commissions and premiums from the investment without disclosing this amount to the financial institution.

19. It was further part of the aforesaid conspiracy and joint scheme and artifice that defendants **Cooke B. Christopher, Thomas H. Sunderland, Nils Griffin** and **Jeffrey A. Vann** caused confirmations, statements, schedules and IRS Form 1099-NT to be sent to select financial institutions, including Heritage, which were false and misleading in order to disguise and conceal the amount of the fees, commissions and premiums that had been charged and subtracted by SCS and UCC.

20. It was further part of the aforesaid conspiracy and joint scheme and

artifice that defendants **Cooke B. Christopher, Thomas H. Sunderland, Nils Griffin** and **Jeffrey A. Vann** sent false and fraudulent maturity schedules to select financial institutions, including Heritage, causing the investment to be falsely entered in the books and records of the financial institution.

**********

21. It was further part of the aforesaid conspiracy and joint scheme and artifice that defendants **Cooke B. Christopher, Thomas H. Sunderland, Nils Griffin** and **Jeffrey A. Vann** fraudulently led investors to believe that UCC was an independent company that, as an investment advisor, would handle and manage their investment properly as required by applicable federal and state regulations.

22. It was also part of the aforesaid conspiracy and joint scheme and artifice that defendants **Cooke B. Christopher, Thomas H. Sunderland**, **Nils Griffin** and **Jeffrey A. Vann** used the United States mail, interstate telephone and wire services, and interstate courier services in executing and carry on the aforesaid conspiracy and joint scheme and artifice.

D. Overt Acts

23. In furtherance of the aforesaid conspiracy and joint scheme and artifice, and to effect the purpose and objects thereof, defendants **Cooke B. Christopher, Thomas H. Sunderland, Nils Griffin** and **Jeffrey A. Vann** committed, and caused the commission of, overt acts in the Northern District of Texas, and elsewhere, including the following:

(a) At least as early as June, 1993, defendants **Cooke B. Christopher** and **Thomas H. Sunderland** had formed and were using SCS to carry on the aforesaid conspiracy and joint scheme and artifice;

(b) At least as early as October 8, 1996, defendants **Cooke B. Christopher** and **Thomas H. Sunderland** formed UCC for the purpose of carrying on the aforesaid conspiracy and joint scheme and artifice;

(c) On or about October 2, 1996, defendant **Cooke B. Christopher** executed an agreement between SCS and UCC which provided that the disclosure of commissions to clients purchasing certificates of deposit was the sole responsibility of SCS;

(d) From in or about 1994 to 2001, in the Dallas Division of the Northern District of Texas, and elsewhere, defendants **Cooke B.**

**Christopher** and **Thomas H. Sunderland** recruited brokers and sold certificates of deposit to individuals through brokers located in the states of California, Oklahoma, Arkansas, Florida, Kansas, and Texas, including brokers in Dallas, Texas;

(e) From at least as early as 1994, in the Dallas Division of the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher** and **Thomas H. Sunderland** caused a "Certificate of Deposit Brokerage Selling Manual" to be distributed to brokers that instructed them to tell investors that SCS made its fees and commissions on the sale of certificates of deposit from the "rate spread";

(f) During 1998, in the Northern District of Texas, defendant **Thomas H. Sunderland** traveled by commercial airline from California, through the Northern District of Texas, to Oklahoma City, Oklahoma to present a seminar on selling certificates of deposit to brokers;

(g) On or about January 8, 1997, in the Northern District of Texas, defendants **Cooke B. Christopher**, **Thomas H. Sunderland** and **Nils**

**Griffin** caused a certificate of deposit to be sold to Amarillo FCU, Amarillo, Texas, by SCS in the stated amount of $74,063.55, from which they had subtracted and misapplied an undisclosed premium of $2,344.00, a violation of 18 U.S.C. §1344 bank fraud;

(h) On or about May 30, 1997, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Jeffrey A. Vann** caused SCS to sell a certificate of deposit to the Department of Public Safety FCU, Oklahoma City, Oklahoma, in the stated amount of $55,542.63, from which they subtracted an undisclosed premium of $4,386.81, a violation of 18 U.S.C. §1344 bank fraud;

(i) During July and August, 1997, in the Dallas Division of the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland** caused SCS to sell, through a broker, three (3) certificates of deposit totaling $176,259.63 to Virginia A. Wood, Corsicana, Texas, from which they subtracted and misapplied undisclosed premiums of $5,055.85 and a violation of 18 U.S.C. §1344 bank fraud; (j) On or about January 28, 1998, in the Dallas

Division of the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland** caused SCS to sell, through a broker, two (2) certificates of deposit, in the stated total amount of $34,000.00 to Ted Carter, Richardson, Texas, from which they subtracted and misapplied undisclosed premiums of $3,984.62;

(k) On or about February 19, 1998, in the Northern District of Texas, defendants **Cooke B. Christopher and Thomas H. Sunderland** caused SCS to sell, through a broker, a certificate of deposit in the stated amount of $11,154.09, to James and Dorothy Schulte, Amarillo, Texas, from which they had subtracted and misapplied an undisclosed premium of $679.09;

(l) On or about February 24, 1998, in Northern District of Texas, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Jeffrey A. Vann** caused SCS to sell to Chemcel EFCU a certificate of deposit, in the stated amount of $73,654.20 from which they subtracted and misapplied an undisclosed premium of $1,039.71, a violation of 18 U.S.C. §1344 bank fraud;

( ) On or about , defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Jeffrey A. Vann** caused SCS to sell a certificate of deposit to Greater New Orleans Federal Credit Union in the amount of $ , from which they subtracted an undisclosed premium of $ , a violation of 18 U.S.C. §1344 bank fraud;

January 12, 1998 $90,843.02 $9,705.30

March 16, 1998 $74,063.64 $1,272.91

February 23, 1998 $83,880.28 $1,124.40

February 27, 1998 $74,616.49 $2,002.00

March 2, 1998 $74,311,36 $1,882.42

March 20, 1998 $82,989.44 $1,859.96

March 20, 1998 $68,262.88

$1,919.88

( ) From on or about January 12, 1998, through on or about March 20, 1998, defendants **Cooke B. Christopher, Thomas H. Sunderland and Jeffrey A. Vann** caused UCC to mail to Greater New Orleans FCU, confirmations of its purchase of the aforesaid certificates of deposit that falsely indicated that its principal was intact, each such mailing a violation of 18 U.S.C. §1341, mail fraud affecting a financial institution.

( ) From on or about January 12, 1998, through on or about March 20, 1998, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Jeffrey A. Vann** caused UCC to send by interstate facsimile transmission to Greater New Orleans FCU schedules that false indicated that its principal was intact, each such transmission a violation of 18 U.S.C. §1343, wire fraud affecting a financial institution.

( ) From on or about January 31, 1998, through December 31, 1999, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Jeffrey A. Vann** caused UCC to mail to Greater New Orleans

FCU periodic statements that falsely indicated the balance of its certificates of deposits, each such mailing a violation of 18 U.S.C. §1341, mail fraud affecting a financial institution.

( ) On or about January 23, 1997, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Jeffrey A. Vann** caused SCS to sell to Helco FCU a certificate of deposit in the stated amount of $57,451.00 from which they subtracted and misapplied an undisclosed premium of $7,538.55, a violation of 18 U.S.C. §1344 bank fraud;

( ) On or about February 25, 1997, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Jeffrey A. Vann** caused SCS to sell to Helco FCU a certificate of deposit in the stated amount of $61,336.70, from which they subtracted and misapplied an undisclosed premium of $8,827.16, a violation of 18 U.S.C. §1344 bank fraud;

( ) On or about October 11, 1996, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Nils Griffin** caused SCS to sell to Latvian Credit Union a certificate of deposit in the stated amount of

$65,134.14, from which they subtracted an undisclosed premium of $13,949.71, a violation of 18 U.S.C.§1344 bank fraud;

| | | |
|---|---|---|
| November 6, 1996 | $65,134.14 | $13,697.26 |
| October 7, 1996 | $83,045.00 | $33,103.89 |
| October 4, 1996 | $74,904.31 | $23,719.88 |

( ) On or about January 15, 1998, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Nils Griffin** caused UCC to send to Latvian Credit Union by interstate facsimile transmission two(2) audit confirmation that falsely indicated that its original principal was intact and drawing interest on the certificate of deposit it purchased on October 4 and October 31, 1996, each a violation of 18 U.S.C. §1343, wire fraud affecting a financial institution.

( ) From on or about December 31, 1996, through on or about December 31, 1999, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Nils Griffin** caused UCC to mail to Latvian Credit Union periodic statements which falsely indicated that, with respect to its aforesaid certificates of deposit, its original principal was intact and drawing interest, each such mailing a violation of 18 U.S.C. §1341,

mail fraud affecting a financial institution, violation of 18 U.S.C. §1344 bank fraud;

(m) On or about March 4, 1998, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Jeffrey A. Vann** caused SCS to sell to Chemcel EFCU four (4) certificates of deposit in the total amount of $298,206.83 from which they subtracted and misapplied undisclosed premiums totaling $6,549.99, a violation of 18 U.S.C. §1344 bank fraud;

(n) On or about March 6, 1998, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Jeffrey A. Vann** caused SCS to sell to Chemcel EFCU a certificate of deposit in the stated amount of $62,483.95 from which they subtracted and misapplied an undisclosed premium of $1,856.03, a violation of 18 U.S.C. §1344 bank fraud;

(o) On or about March 13, 1998, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Jeffrey A. Vann** caused SCS to sell to Chemcel

EFCU five (5) certificates of deposit in the total amount of $335,594.38 from which they subtracted and misapplied undisclosed premiums of $7,731.95, a violation of 18 U.S.C. §1344 bank fraud;

(p) On or about March 18, 1998, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland**, and **Jeffrey A. Vann** caused SCS to sell to Chemcel EFCU three (3) certificates of deposit in the total amount of $206,851.45 from which they subtracted and misapplied undisclosed premiums of $5,301.72, a violation of 18 U.S.C. §1344 bank fraud;

(q) On or abut March 20, 1998, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Jeffrey A. Vann** caused SCS to sell to Chemcel EFCU a certificate of deposit in the stated amount of $83,535.98 from which they subtracted and misapplied an undisclosed premium of $2,406.50, a violation of 18 U.S.C. §1344 bank fraud;

(r) On or about March 23, 1998, in the Northern District of Texas, Dallas Division defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Jeffrey A. Vann** caused SCS to sell to Chemcel

EFCU eleven (11) certificates of deposit in the total amount of $785,336.79 from which they subtracted and misapplied undisclosed premiums of $14,565.44, a violation of 18 U.S.C. §1344 bank fraud;

(s) On or about March 30, 1998, in the Northern District of Texas, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Jeffrey A. Vann** caused SCS to sell to Chemcel EFCU six (6) certificates of deposit in the total amount of $411,283.38 from which they subtracted and misapplied undisclosed premiums of $8,183.10, a violation of 18 U.S.C. §1344 bank fraud;

(t) On or about April 3, 1998, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Jeffrey A. Vann** caused SCS to sell to Chemcel EFCU twenty (20) certificates of deposit in the total amount of $1,303,996.43 from which they subtracted and misapplied undisclosed premiums of $21,477.36, a violation of 18 U.S.C. §1344 bank fraud;

(u) On or about April 16, 1998, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland,** and **Jeffrey A. Vann** caused SCS to sell to Chemcel

EFCU a certificate of deposit in the total amount of $55,381.36 from which they subtracted and misapplied undisclosed premiums of $1,665.27, a violation of 18 U.S.C. §1344 bank fraud;

(v) On or about April 17, 1998, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Jeffrey A. Vann** caused SCS to sell to Chemcel EFCU five (5) certificates of deposit in the total amount of approximately $287,996.65 from which they subtracted and misapplied undisclosed premiums of $11,099.00, a violation of 18 U.S.C. §1344 bank fraud;

(w) On or about May 1,1998, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Jeffrey A. Vann** caused SCS to sell to Chemcel EFCU a certificate of deposit in the amount of $55,535.27 from which they subtracted and misapplied an undisclosed premium of $1,279.08, a violation of 18 U.S.C. §1344 bank fraud;

(x) On or about June 9, 1998, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H.**

**Sunderland,** and **Nils Griffin** caused SCS to sell a certificate of deposit to Laredo Teachers FCU, Laredo, Texas, in the stated amount of $84,092.08, from which they subtracted and misapplied an undisclosed premium of $727.85, a violation of 18 U.S.C. §1344 bank fraud;

(y) On or about June 9, 1998, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Nils Griffin** caused SCS to sell a certificate of deposit to Laredo Teachers FCU, Laredo, Texas, in the stated amount of $84,198.39, from which they subtracted and misapplied an undisclosed premium of $683.87, a violation of 18 U.S.C. §1344 bank fraud;

(z) On or about June 11, 1998, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Nils Griffin** caused SCS to sell a certificate of deposit to Laredo Teachers FCU, Laredo, Texas, in the stated amount of $83,669.54, from which they which they subtracted and misapplied an undisclosed premium of $952.66, a violation of 18

U.S.C. §1344 bank fraud;

(aa) On or about June 11, 1998, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Nils Griffin** caused SCS to sell a certificate of deposit to Laredo Teachers FCU, Laredo, Texas, in the stated amount of $83,986.05, from which they subtracted and misapplied an undisclosed premium of $731.15, a violation of 18 U.S.C. §1344 bank fraud;

(bb) On or about June 11, 1998, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Nils Griffin** caused SCS to sell a certificate of deposit to Laredo Teachers FCU, Laredo, Texas, in the stated amount of $84,092.08, from which they subtracted and misapplied an undisclosed premium of $577.55, a violation of 18 U.S.C. §1344 bank fraud;

(cc) On or about June 16, 1998, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Nils Griffin** caused SCS to sell a certificate of

deposit to Laredo Teachers FCU, Laredo, Texas, in the stated amount of $88,954.53 from which they subtracted and misapplied an undisclosed premium of $1,659.53, a violation of 18 U.S.C. §1344 bank fraud;

(dd) On or about September 11, 1998, in the Northern District of Texas, defendants **Cooke B. Christopher and Thomas H. Sunderland** caused SCS to sell a certificate of deposit in the stated amount of $21,000.00, to Elizabeth Rosamond, Dallas, Texas, from which they subtracted and misapplied an undisclosed premium of $3,182.07;

(ee) On or about September 29, 1998, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Nils Griffin** caused SCS to sell four (4) certificates of deposit to Laredo Teachers FCU, Laredo, Texas, in the total amount of $302,420.44, from which they subtracted and misapplied undisclosed premiums of $2,547.14, a violation of 18 U.S.C. §1344 bank fraud;

(ff) On or about October 2, 1998, in the Northern District of Texas,

and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Nils Griffin** caused SCS to sell a certificate of deposit to Laredo Teachers FCU, Laredo, Texas, in the stated amount of $87,865.51, from which they subtracted and misapplied an undisclosed premium of $497.38, a violation of 18 U.S.C. §1344 bank fraud;

(gg) On or about October 15, 1998, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Nils Griffin** caused SCS to sell a certificate of deposit to Laredo Teachers FCU, Laredo, Texas, in the amount of $75,604.26, from which they subtracted and misapplied an undisclosed premium of $890.38, a violation of 18 U.S.C. §1344 bank fraud;

(hh) On or about October 22, 1998, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Nils Griffin** caused SCS to sell a certificate of deposit to Laredo Teachers FCU, Laredo, Texas, in the stated amount of $82,118.67, from which they subtracted and misapplied an undisclosed premium of $1,481.67, a violation of 18 U.S.C.

§1344 bank fraud;

(ii) On or about April 16, 1999, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher** and **Thomas H. Sunderland** caused SCS to sell, through a broker in Dallas, Texas, a certificate of deposit in the stated amount of $50,000.00, to Kay Robinson, Mabank, Texas, from which they subtracted and misapplied an undisclosed premium of $5,949.93;

(jj) On or about June 22, 1999, in the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland** caused SCS to sell two (2) certificates of deposit in the total amount of $100,000.00 to James B. Matthews, Amarillo, Texas, from which they subtracted and misapplied undisclosed premiums of $8,170.32;

(kk) On or about July 9, 1999, in the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland** caused SCS to sell, through a broker, a certificate of deposit in the stated amount of $22,000.00, to Jimmie Thrasher, Amarillo, Texas, from which they subtracted and misapplied an undisclosed premium of $2,276.86;

(ll) On or about July 14, 1999, in the Dallas Division of the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland** caused SCS to sell, through a broker, two (2) certificates of deposit, in the total amount of $92,155.00, to Oak Cliff Lutheran Church, Dallas, Texas, from which they subtracted and misapplied undisclosed premiums of $3,682.23;

(mm) On or about September 23, 1999, in the Dallas Division of the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland** caused SCS to sell, through a broker, three (3) certificates of deposit, in the total amount of $167,388.36, to Margaret Skinner-Closner, Morgan, Texas, from which they subtracted and misapplied undisclosed premiums of $ 9,954.00;

(nn) On or about November 6, 1999, in the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland** caused SCS to sell, through a broker, a certificate of deposit in the stated amount of $54,924.72, to Jack Sanders, Laguna Park, Texas, from which they subtracted and misapplied an undisclosed premium of $3,005.42; and

(oo) The allegations alleged in counts 2-80 are hereby incorporated and realleged as overt acts in furtherance of the aforesaid conspiracy and joint scheme and artifice.

All in violation of 18 U.S.C. §371.

(18 U.S.C. §§1014,1344,1005 and 2(b))

(15 U.S.C. §§77q(a) and 77x and 80b-6(1) and 80b-17)

COUNT 2
Securities Fraud
15 U.S.C. §§77q(a) and 77x

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the allegations set forth in Count 1 of this Indictment.

2. Beginning at least as early as August, 1993, and continuing thereafter, at least until April, 2001, the exact dates being unknown to the Grand Jury, in the Dallas Division of the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland**, **Nils Griffin** and **Jeffrey A.Vann,** in connection with the offer and sale of securities; to wit: investment contracts to purchase certificates of deposit and other securities through SCS, by use of transportation and communication in interstate commerce, directly and indirectly, employed

the aforesaid conspiracy and joint scheme and artifice, and obtained money by means of untrue statements of material facts and omissions to state material facts necessary to make statements made, in light of the circumstances under which they were made, not misleading, and did engage in transactions, practices and course of business, which operated as a fraud and deceit upon the persons entering into investment contracts with SCS to purchase certificates of deposit and other securities.

In violation of 15 U.S.C. §§ 77q(a) and 77x.

COUNT 3
Investment Advisor Fraud
15 U.S.C. §§80b-6(1) & (2) and 80b-17

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. From at least as early as June, 1996, and continuing thereafter, at least into June, 2001, the exact dates being unknown to the Grand Jury, in the

Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland, Nils Griffin** and **Jeffrey A.Vann,** acting by and for UCC, by the use of the mails and by instrumentalities of interstate commerce, directly and indirectly, did knowingly and willfully employ the aforesaid conspiracy and joint scheme and artifice to defraud investors who entered into custodial agreements with UCC to hold and manage their investments, and did engage in transactions, practices and course of business which operated as a fraud and deceit upon investors who entered into custodial agreements with UCC.

In violation of 15 U.S.C. §§80b-6(1) & (2) and 80b-17.

COUNT 4
False Statement to Financial Institutions
18 U.S.C. §§1014 and 2(b)

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in count 1of this Indictment.

2. On or about January 7, 1997, in the Northern District of Texas, defendants **Cooke B. Christopher, Thomas H. Sunderland**, and **Nils Griffin,** for the purpose of carrying out the aforesaid conspiracy and joint scheme and artifice, did knowingly cause a false statement to be made to Amarillo FCU, in order to influence the decision and action of said financial institution to purchase a certificate of deposit through SCS, in that they caused it to be falsely represented to said financial institution that no fees would be charged against its invested principal.

In violation of 18 U.S.C. §§ 1014 and 2(b).

COUNT 5
Wire Fraud
18 U.S.C. §1343

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about January 7, 1997, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland**, and **Nils Griffin,** for the purpose of executing and carrying on the aforesaid conspiracy and joint scheme and artifice, did knowingly, and with the intent to defraud, cause to be transmitted in interstate commerce, by means of wire and radio communication, certain writings, signs, signals and sounds constituting a wire transfer of money and funds, in the amount of $74,063.53, from Amarillo FCU, Amarillo, Texas, to an account of UCC, at Bank of America, San Clemente, California, for the purchase of a certificate of deposit in that amount, and such transaction affecting a financial institution.

In violation of 18 U.S.C. §1343.

COUNT 6
Wire Fraud
18 U.S.C. §1343

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about January 23, 1997, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland**, and **Nils Griffin,** for the purpose of executing and carrying on the aforesaid conspiracy and joint scheme and artifice, did knowingly, and with the intent to defraud, cause to be transmitted in interstate commerce,

by means of wire and radio communication, certain writings, signs, signals and sounds constituting a facsimile transmittal of a confirmation for the purchase of a certificate of deposit in the amount of $74,063.53 from UCC, San Clemente, California to Amarillo FCU, Amarillo, Texas, and such transaction affecting a financial institution.

In violation of 18 U.S.C. §1343.

COUNT 7-16
Wire Fraud
18 U.S.C. §1343

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about each of the dates set forth below, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher**, **Thomas H. Sunderland** and **Nils Griffin**, for the purpose of executing and carrying on the aforesaid joint scheme and artifice, did knowingly, and with the intent to defraud, cause to be transmitted in interstate commerce, by means of wire and radio communication, certain writings, signs, signals and sounds constituting a wire transfer of money and funds, in the amount indicated, from Laredo FCU, in Laredo, Texas, through the Northern District of Texas, to an account of UCC, at Bank of America, San Clemente, California, for the purchase of a certificate of deposit, in the amount indicated, each such interstate wire transfer affecting a financial institution and constituting a separate count of this Indictment.

| COUNT | DATE | AMOUNT |
|---|---|---|
| 7 | June 9, 1998 | $84,092.08 |
| 8 | June 9, 1998 | $84,198.39 |
| 9 | June 11, 1998 | $83,669.54 |
| 10 | June 11, 1998 | $83,986.05 |
| 11 | June 11, 1998 | $84,092.08 |

| | | |
|---|---|---|
| 12 | June 16, 1998 | $88,954.53 |
| 13 | September 29, 1998 | $302,420.44 |
| 14 | October 2, 1998 | $87,865.51 |
| 15 | October 15, 1998 | $75,604.26 |
| 16 | October 22, 1998 | $82,118.87 |

Each in violation of 18 U.S.C. §1343.

COUNT 17-28
Wire Fraud
18 U.S.C. §1343

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about each of the dates set forth below, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Jeffrey A. Vann**, for the purpose of executing and carrying on the aforesaid conspiracy and joint scheme and artifice, did knowingly, and with the intent to defraud, cause to be transmitted in interstate commerce, by means of wire and radio communication, certain writings, signs, signals and sounds constituting a wire transfer of money

and funds, in the amount indicated, from Chemcel EFCU, in Bishop, Texas, through the Northern District of Texas, to an account of UCC at Bank of America, San Clemente, California, for the purchase of one or more certificates of deposit, each such interstate wire transfer affecting a financial institution and constituting a separate count of this Indictment.

| COUNT | DATE | NUMBER OF CERTIFICATES | AMOUNT OF INVESTMENT |
|---|---|---|---|
| 17 | February 24, 1998 | 1 | $73,654,20 |
| 18 | March 4, 1998 | 4 | $298, 206.83 |
| 19 | March 6, 1999 | 1 | $62,483.95 |
| 20 | March 13, 1998 | 5 | $335,594.38 |
| 21 | March 18, 1998 | 3 | $206,851.45 |
| 22 | March 20, 1998 | 1 | $83,535.98 |
| 23 | March 23, 1998 | 11 | $785,336.79 |
| 24 | March 30, 1998 | 6 | $411,283.38 |
| 25 | April 3, 1998 | 20 | $1,303,996.43 |
| 26 | April 16, 1998 | 1 | $55,381.36 |
| 27 | April 17, 1998 | 5 | $287,996.65 |
| 28 | May 1, 1998 | 1 | $55,535.27 |

Each in violation of 18 U.S.C. §1343.

COUNT 29
Wire Fraud
18 U.S.C. §1343

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about April 11, 1997, in the Northern District of Texas and elsewhere, defendants, **Cooke B. Christopher, Thomas H. Sunderland**, and **Nils Griffin,** for the purpose of executing and carrying on the aforesaid conspiracy and joint scheme and artifice, did knowingly, and with the intent to defraud, cause to be transmitted in interstate commerce, by means of wire and radio communication, certain writings, signs, signals and sounds constituting a facsimile transmittal of a maturity schedule from UCC in San Clemente, California, to Amarillo FCU, Amarillo, Texas, and such transaction affecting a financial institution.

In violation of 18 U.S.C. §1343.

COUNT 30
Wire Fraud
18 U.S.C. §1343

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about May 30, 1997, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher, Thomas H. Sunderland**, **Nils Griffin** and **Jeffrey A. Vann**, for the purpose of executing and carrying on the aforesaid conspiracy and joint scheme and artifice, did knowingly, and with the intent to defraud, cause to be transmitted in interstate commerce, by means of wire and radio communication, certain writings, signs, signals and sounds constituting a wire transfer of money and funds, in the amount of $55,542.03, from the Department of Public Safety FCU, Oklahoma City, Oklahoma, through the Northern District of Texas, to an account of UCC at Bank of America, San Clemente, California, to purchase a certificate of deposit in that amount, and such transaction affecting a financial institution.

In violation of 18 U.S.C. §1343.

COUNT 31
Wire Fraud
18 U.S.C. §1343

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about November 24, 1999, in the Dallas Division of the Northern District of Texas, and elsewhere, defendants, **Cooke B. Christopher, Thomas H. Sunderland**, and **Nils Griffin** for the purpose of executing and carrying on the aforesaid conspiracy and joint scheme and artifice, did knowingly, and with the intent to defraud, cause to be transmitted in interstate commerce, by means of wire and radio communication, certain writings, signs, signals and sounds constituting a wire transfer of money and funds, in the amount of $115,123.29, from the account of UCC, at Union Bank, San Clemente, California, to Heritage,

Terrell, Texas, and such transaction affecting a financial institution.

In violation of 18 U.S.C. §1343.

Count 32-37
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about each of the dates set forth below, the Northern District of Texas, defendants **Cooke B. Christopher, Thomas H. Sunderland**, and **Nils Griffin**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, cause to be delivered by the

United States Postal Service, according to the directions thereon, to Amarillo Federal Credit Union, P.O. Box 2026, Amarillo, Texas, 79105, an envelope containing a statement from UCC which falsely stated the status of its investments, each such use of the mail affecting a financial institution and constituting a separate count of this Indictment.

| COUNT | DATE |
|---|---|
| 32 | 13 February 1997 |
| 33 | 3 April 1997 |
| 34 | 5 July 1997 |
| 35 | 3 October 1997 |
| 36 | 8 January 1998 |
| 37 | 5 May 1998 |

Each in violation of 18 U.S.C. §1341.

Count 38
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about August 31, 1998, in the Dallas Division of the Northern

District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, cause to be delivered by the United States Postal Service, according to the directions thereon, to Virginia A. Wood, 3300 W. 2nd Ave., Corsicana, Texas 75110, an envelope containing a false confirmation statement from UCC.

In violation of 18 U.S.C. §1341.

Count 39

Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about April 30, 1999, in the Dallas Division of the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, cause to be delivered by the United States Postal Service, according to the directions thereon, to Virginia A. Wood, 9408 N.W. Country Road, No. 2220, Berry, Texas, 75102, an envelope containing a false periodic account statement concerning her certificate of deposit from UCC.

In violation of 18 U.S.C. §1341.

Count 40
Wire Fraud
18 U.S.C. §1343

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about July 12, 1999, in the Dallas Division of the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, did knowingly, and with the intent to defraud, cause to be transmitted in interstate commerce, by means of wire and radio communication, certain writings, signs, signals and sounds constituting a facsimile transmittal from UCC, San Clemente, California, to Oak Cliff Lutheran Church, Oak Cliff, Texas, of a customer purchase agreement, falsely representing that Oak Cliff Lutheran Church's principal was guaranteed on a certificate of deposit with UCC.

In violation of 18 U.S.C. §1343.

COUNT 41
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about August 15, 1999, in the Dallas Division of the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, did knowingly, and with the intent to defraud, cause to be delivered by the United States Postal Service, according to the directions thereon, to Oak Cliff Lutheran

Church, 2550 W. Illinois Ave., Dallas, Texas 75233, an envelope containing two false confirmation statements concerning its certificates of deposit, from UCC.

In violation of 18 U.S.C. §1341.

COUNT 42
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about November 16, 1999, in the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, cause to be delivered by the United States Postal Service, through the Northern District of Texas, according to the directions thereon, to Jack Sanders, P.O. Box 5630, Laguna Park, Texas 76644, an envelope containing a false account statement concerning the status of his certificate of deposit, from UCC.

In violation of 18 U.S.C. §1341.

COUNT 43
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about November 16, 1999, in the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, cause to be deposited in the mail for delivery by the United States Postal Service, according to the directions thereon, to UCC, San Clemente, California, through the Northern District of Texas, an envelope from Jack Sanders, Laguna Park, Texas, containing a personal check in the amount of $54,924.72 to purchase a certificate of deposit.

In violation of 18 U.S.C. §1341.

COUNT 44
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about September 11, 1998, in the Dallas Division of the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, cause to be deposited

in the mail for delivery by the United States Postal Service, according to the directions thereon, to UCC, San Clemente, California, an envelope from Elizabeth Rosamond, Dallas, Texas, 75233, containing a personal check in the amount of $21,000.00 to purchase a certificate of deposit.

In violation of 18 U.S.C. §1341.

COUNT 45
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about September 14, 1998, in the Dallas Division of the

Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, cause to be delivered by the United States Postal Service, according to the directions thereon, to Elizabeth Rosamond, 3412 Gladiolus Lane, Dallas, Texas, 75233, an envelope containing a false confirmation statement concerning her certificate of deposit, from UCC.

In violation of 18 U.S.C. §1341.

COUNT 46
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about January 28, 1998, in the Dallas Division of the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, cause to be delivered by the United States Postal Service, according to the directions thereon, to Ted Carter, 204 Lost Canyon Court, Richardson, Texas, 75080, an envelope containing two (2) false confirmation statements concerning his certificates of deposit, from UCC.

In violation of 18 U.S.C. §1341.

COUNT 47
Wire Fraud
18 U.S.C.§1343

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about January 12, 1998, in the Dallas Division of the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, cause to be transmitted in interstate commerce, by means of wire and radio communication, certain writings, signs, signals and sounds constituting a facsimile transmittal, from UCC, in San Clemente, California, to Ted Carter, Richardson,

Texas, of a customer purchase agreement, that falsely represented that Ted Carter's principal was guaranteed on his certificates of deposit.

In violation of 18 U.S.C. §1343.

COUNT 48
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about July 31, 1998, in the Dallas Division of the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did

knowingly, and with the intent to defraud, cause to be delivered by the United States Postal Service, according to the directions thereon, to Ted Carter, 204 Lost Canyon Court, Richardson, Texas 75080, an envelope containing two (2) false account statements concerning his certificates of deposit, from UCC.

In violation of 18 U.S.C. §1341.

COUNT 49
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference

herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about December 31, 1999, in the Dallas Division of the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, cause to be delivered by the United States Postal Service, according to the directions thereon, to Virginia A. Wood, 9408 N.W. Country Road, No. 2220, Berry, Texas 75102, an envelope containing a false account statement concerning her certificate of deposit, from UCC.

In violation of 18 U.S.C. §1341.

COUNT 50
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about April 16, 1999, in the Dallas Division of the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, cause to be delivered by the United States Postal Service, according to the directions thereon, to Kay Robinson, 115 White Cap Lane, Mabank, Texas 75147, an envelope containing a false confirmation statement concerning her certificate of deposit, from UCC.

In violation of 18 U.S.C. §1341.

COUNT 51
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about September 23, 1999, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, cause to be deposited in the mail for delivery by the United States Postal Service, through the Northern District of Texas, according to the directions thereon, to UCC, San Clemente, California, from Margaret Skinner-Closner, Morgan,

Texas, an envelope containing personal checks in the total amount of $167,388.36 in payment for three (3) certificates of deposit.

In violation of 18 U.S.C. §1341.

COUNT 52
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about September 26, 1999, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did

knowingly, and with the intent to defraud, cause to be delivered by the United States Postal Service, through the Northern District of Texas, according to the directions thereon, to Margaret Skinner-Closner, Route 1, Box 141, Morgan, Texas, 76671, an envelope containing three (3) false confirmation statements concerning her certificates of deposit, from UCC.

In violation of 18 U.S.C. §1341.

COUNT 53
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference

herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about July 9, 1999, in the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, cause to be deposited in the mail for delivery by the United States Postal Service, according to the directions thereon, to UCC, San Clemente, California, from James Thrasher, Amarillo, Texas, an envelope containing a personal check in the amount of $22,000.00 in payment for a certificate of deposit.

In violation of 18 U.S.C. §1341.

COUNT 54
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about July 12, 1999, in the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, cause to be delivered by the United States Postal Service, according to the directions thereon, to James Thrasher, 102 N. LaSalle, Amarillo, Texas, 79106, an envelope containing a false confirmation statement concerning his certificate of deposit, from UCC.

In violation of 18 U.S.C. §1341.

COUNT 55
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1of this Indictment.

2. On or about October 8, 1999, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, cause to be delivered by the United States Postal Service, through the Northern District of Texas, according to the directions thereon, to Nylda Davies, 8014 W. Hwy 84 #1041, Waco, Texas, 76712, an envelope containing a false confirmation statement concerning a certificate of deposit, from UCC.

In violation of 18 U.S.C. §1341.

COUNT 56
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about September 30, 1999, in the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, cause to be deposited in the mail for delivery by the

United States Postal Service, according to the directions thereon, through the Northern District of Texas, to UCC, San Clemente, California, an envelope from Wanda West, Waco, Texas, containing a personal check in the amount of $15,000.00 in payment for a certificate of deposit.

In violation of 18 U.S.C. §1341.

COUNT 57
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about October 5, 1999, in the Dallas Division of the Northern

District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, cause to be delivered by the United States Postal Service, through the Northern District of Texas, according to the directions thereon, to Wanda West, 713 Poage Drive, Waco, Texas, 76712, an envelope containing a false confirmation statement concerning her certificate of deposit, from UCC.

In violation of 18 U.S.C. §1341.

COUNT 58
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about September 28, 1999, in the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, cause to be delivered by the United States Postal Service, according to the directions thereon, to ANB 400 & Co. for the benefit of Dale Furr, P.O. Box 1, Amarillo, Texas, 79105, an envelope containing a false confirmation statement concerning a certificate of deposit, from UCC.

In violation of 18 U.S.C. §1341.

COUNT 59
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about February 19, 1998, in the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, cause to be delivered by the United States Postal Service, according to the directions thereon, to James and and Dorothy Schulte, 4513 Mesa Circle, Amarillo, Texas, 79109, an envelope containing a false confirmation statement concerning their certificate of deposit, from UCC.

In violation of 18 U.S.C. §1341.

COUNT 60
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about February 20, 1998, in the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, cause to be delivered by the United States Postal Service, according to the directions thereon, to James and Dorothy Schulte, 4513 Mesa Circle, Amarillo, Texas, 79109, an envelope containing a false confirmation statement concerning their certificate of

deposit, from UCC.

In violation of 18 U.S.C. §1341.

COUNT 61
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about September 17, 1998, in the Dallas Division of the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to

do so, did knowingly, and with the intent to defraud, cause to be deposited in the mail for delivery by the United States Postal Service, according to the directions thereon, to UCC, San Clemente, California, an envelope from James and Dorothy Schulte, Amarillo, Texas, which contained a personal check in the amount of $11,013.43 for the purchase of a certificate of deposit.

In violation of 18 U.S.C. §1341.

COUNT 62
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference

herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about June 22, 1999, in the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, caused to be deposited in the mail for delivery by the United States Postal Service, according to the directions thereon, to UCC, San Clemente, California, an envelope from James B. Matthews, Amarillo, Texas, containing a personal check in the amount of $100,000.00 to purchase two (2) certificates of deposit. In violation of 18 U.S.C. §1341.

COUNT 63
Mail Fraud
18 U.S.C. §1341

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. On or about June 25, 1999, in the Dallas Division of the Northern District of Texas, defendants **Cooke B. Christopher** and **Thomas H. Sunderland**, for the purpose of executing and carrying out the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, cause to be delivered by the United States Postal Service, according to the directions thereon, to James B. Matthews, 6701 Palacio, Amarillo, Texas, 79109, an envelope containing two (2) false confirmation statements concerning his certificates of deposit, from UCC.

In violation of 18 U.S.C. §1341.

COUNT 64-80
Bank Fraud
18 U.S.C. §1344

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the allegations set forth in the Introduction of this Indictment.

2. On or about each of the dates set forth below, in the Northern District of Texas, Dallas Division, defendants **Cooke B. Christopher, Thomas H. Sunderland** and **Nils Griffin,** for the purpose of executing the aforesaid conspiracy and joint scheme and artifice, and attempting to do so, did knowingly, and with the intent to defraud, cause Heritage to enter into a contract to purchase a certificate of deposit or other security, including those issued by the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA), as indicated below, from which they had misapplied and subtracted substantial undisclosed fees and commissions, in the amount indicated,

each such contract constituting a separate count of this Indictment.

| COUNT | DATE OF INVESTMENT | TYPE OF INVESTMENT | AMOUNT OF INVESTMENT | FEES COMMISSION |
|---|---|---|---|---|
| 64 | 12/17/96 | FHLMC | $503,784.13 | $200,796.08 |
| 65 | 03/24/97 | FNMA | $557,308.63 | $262,453.63 |
| 66 | 08/07/97 | FNMA | $200,872.15 | $101,694.40 |
| 67 | 01/08/98 | CD | $100,000.00 | $50,178.95 |
| 68 | 01/13/98 | CD | $100,000.00 | $47,637.13 |
| 69 | 01/14/98 | CD | $50,000.00 | $23,496.68 |
| 70 | 01/14/98 | CD | $100,000.00 | $48,915.72 |
| 71 | 01/27/98 | CD | $100,000.00 | $29,174.50 |
| 72 | 03/17/98 | CD | $100,000.00 | $52,498.55 |
| 73 | 04/03/98 | CD | $100,000.00 | $54,870.28 |
| 74 | 04/20/98 | CD | $100,000.00 | $57,110.87 |
| 75 | 05/01/98 | CD | $100,000.00 | $56,496.66 |
| 76 | 06/11/98 | CD | $100,000.00 | $56,472.30 |
| 77 | 05/06/99 | CD | $118,870.82 | $20,469.89 |
| 78 | 06/25/99 | FNMA | $446,018.00 | $169,788.00 |
| 79 | 10/27/99 | FHLMC | $501,287.30 | $271,477.30 |
| 80 | 10/27/99 | FHLMC | $3,740.95 | $1,993.45 |

Each in violation of 18 U.S.C. §1344.

COUNT 81
Continuing Financial Crimes Enterprise
18 U.S.C. §225

1. The Grand Jury hereby adopts, realleges and incorporates by reference herein, all the factual allegations set forth in Count 1 of this Indictment.

2. From in or about October, 1996, and continuing at least until April, 2000, in the Northern District of Texas, and elsewhere, defendants **Cooke B. Christopher** and **Thomas H. Sunderland** did organize, manage and

supervise a continuing financial crimes enterprise which involved a series of violations of 18 U.S.C. §§1014, 1344, 1341, 1343, 1344, and 1005, committed against and affecting federally insured banks and credit unions located in the Northern District of Texas, and elsewhere, which are more particularly set forth in the Overt Acts section of Count 1 and counts of this Indictment, which are realleged and incorporated by reference herein, committed by at least 4 persons acting in concert, and did each receive from said enterprise, by way of their ownership of SCS and UCC, $5 million in gross receipts during a 24 month period.

In violation of 18 U.S.C. §225.

A TRUE BILL

_____

FOREMAN

JANE J. BOYLE
United States Attorney

_____

LEONARD A. SENEROTE
Assistant United States Attorney
Texas Bar No. 18024700
1100 Commerce Street, 3rd Floor
Dallas, Texas 75242
214.659.8669