

RECEIVED DEC 16 1991

IN CASE YOU'RE
INTERESTED.

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
June 1990 Grand Jury

UNITED STATES OF AMERICA,

Plaintiff,

v.

CHARLES H. KEATING JR.,
JUDY J. WISCHER,
CHARLES H. KEATING III,
ROBERT M. WURZELBACHER,
ANDREW F. LIGGET,
Defendants.

No. CR 91-

I N D I C T M E N T

[18 U.S.C. § 1962(c):
Racketeering; 18 U.S.C.
§ 1962(d): Conspiracy;
18 U.S.C. § 1344: Bank
Fraud; 18 U.S.C. § 2314:
Interstate Transportation
of Stolen Property; 18 U.S.C.
§ 657: Misapplication of
Funds; 15 U.S.C. §§ 77q(a)
and 77x: Securities Fraud]

The Grand Jury charges:

COUNT ONE

[18 U.S.C. § 1962(c)]

[Defendants KEATING, WISCHER, KEATING III, WURZELBACHER and LIGGET]

INTRODUCTION

1. During the time relevant to this Indictment:

a. Lincoln Savings and Loan Association ("Lincoln")
was a financial institution based in Irvine, California, with
deposits insured by the Federal Savings and Loan Insurance
Corporation.

JRA: DAS: ACH: das

1 b. Lincoln was owned by American Continental
2 Corporation ("ACC"), a company headquartered in Phoenix,
3 Arizona.

4 c. Amcors Investments Corporation ("Amcors
5 Investments") and Amcor Funding Corporation ("Amcors Funding")
6 were Phoenix-based companies owned by Lincoln.

7 d. Defendant CHARLES H. KEATING JR. ("KEATING") was
8 an attorney, the chairman of the board of directors of ACC, and
9 ACC's largest individual shareholder. Acting individually and
10 through his family members and other associates, defendant
11 KEATING dominated and directed the affairs of ACC, Lincoln,
12 Amcors Investments, and Amcor Funding. Defendant KEATING's
13 income from ACC between 1986 and 1989 was at least approximately
14 \$8.4 million.

15 e. Defendant JUDY J. WISCHER was a certified public
16 accountant, the president of ACC, and a director of Lincoln.
17 For parts of the time relevant to this Indictment, defendant
18 WISCHER also held executive positions with Amcor Investments and
19 Amcors Funding. Defendant WISCHER's income from ACC and Lincoln
20 between 1986 and 1989 was at least approximately \$3 million.

21 f. Defendant CHARLES H. KEATING III ("KEATING III"),
22 the son of defendant KEATING, was executive vice-president of
23 ACC and, for parts of the time relevant to this Indictment,
24 president of Amcor Investments and chairman of the board of
25 directors of Amcor Investments. Defendant KEATING III's income
26 from ACC and Lincoln between 1986 and 1989 was at least

1 approximately \$3.1 million.

2 g. Defendant ROBERT M. WURZELBACHER, a son-in-law of
3 defendant KEATING, was senior vice-president of ACC and, for a
4 part of the time relevant to this Indictment, chief executive
5 officer of Amcor Investments. Defendant WURZELBACHER's income
6 from ACC and Lincoln between 1986 and 1989 was at least
7 approximately \$3.1 million.

8 h. Defendant ANDREW F. LIGGET was chief financial
9 officer of ACC and a director of Lincoln. Defendant LIGGET's
10 income from ACC and Lincoln between 1986 and 1989 was at least
11 approximately \$964,000.

12 2. In or about March 1986, Lincoln and ACC entered into
13 an intercompany tax sharing agreement, which remained in effect
14 until in or about September 1988. Lincoln and ACC interpreted
15 the agreement to require Lincoln to make cash payments to ACC
16 equal to a percentage of any profits recorded by Lincoln. This
17 percentage was approximately 46% in 1986, approximately 38% in
18 1987, and approximately 34% in 1988.

19 3. Beginning in or about December 1986 and continuing
20 until in or about February 1989, ACC issued more than \$200
21 million worth of subordinated debentures ("ACC bonds") and sold
22 them through the use of Lincoln's branch network. The ACC bonds
23 were subordinated to all other debts of ACC; that is, purchasers
24 of the ACC bonds were entitled to repayment of their principal
25 only if ACC was able to pay all its other debts.

26 4. At all times relevant to this Indictment, ACC,

1 Lincoln, Ancor Investments, and Ancor Funding, together with the
2 other direct and indirect subsidiaries of ACC and Lincoln,
3 collectively constituted an "enterprise" within the meaning of
4 Title 18, United States Code, Section 1961(4), which enterprise
5 was engaged in, and the activities of which affected, interstate
6 and foreign commerce.

7 PATTERN OF RACKETEERING ACTIVITY

8 5. Beginning at a time unknown to the Grand Jury and
9 continuing through at least April 1989, within the Central
10 District of California and elsewhere, defendants KEATING,
11 WISCHER, KEATING III, WURZELBACHER and LIGGET, along with others
12 known and unknown to the Grand Jury, being persons employed by
13 and associated with the enterprise described above, which
14 enterprise was engaged in, and the activities of which affected,
15 interstate and foreign commerce, knowingly conducted and
16 participated, directly and indirectly, in the conduct of the
17 enterprise's affairs through a pattern of racketeering activity,
18 as defined by Title 18, United States Code, Sections 1961(1) and
19 (5).

20 6. The purpose of the pattern of racketeering activity
21 was to obtain money from and through Lincoln, for the use and
22 benefit of defendants KEATING, WISCHER, KEATING III,
23 WURZELBACHER and LIGGET, and certain of their associates and
24 family members. To accomplish this purpose, defendants KEATING,
25 WISCHER, KEATING III, WURZELBACHER and LIGGET, along with
26
27
28

1 others, devised, participated in, and executed the following
2 schemes:

3 a. Beginning no later than in or about March 1986
4 and continuing at least until in or about January 1989,
5 defendants KEATING, WISCHER, KEATING III, WURZELBACHER and
6 LIGGET, with others, devised, participated in, and executed a
7 scheme to create sham profits for Lincoln and ACC based on
8 fraudulent sales of land or other assets. This scheme is
9 referred to in this Indictment as "the sham profits scheme," and
10 is described more fully below in paragraphs 8 through 46.

11 b. Beginning no later than in or about December 1986
12 and continuing at least until in or about February 1989,
13 defendants KEATING, WISCHER, KEATING III, WURZELBACHER and
14 LIGGET, with others, devised, participated in and executed a
15 scheme to sell ACC bonds through the use of Lincoln's branch
16 network, by deceiving victim purchasers about the high degree of
17 risk associated with the bonds, the finances and prospects of
18 Lincoln and ACC, and the dishonest management of Lincoln and
19 ACC. This scheme is referred to in this Indictment as "the bond
20 sales scheme," and is described more fully below in paragraphs
21 47 through 49.

22 c. Beginning no later than in or about December 1986
23 and continuing at least until in or about July 1988, defendant
24 LIGGET, with others, devised, participated in, and executed a
25 scheme to transfer to ACC money lawfully belonging to Lincoln,
26 through premature payments by Lincoln to ACC under the

1 intercompany tax sharing agreement. By making these premature
2 payments, Lincoln in effect provided ACC with interest-free
3 loans, to the detriment of Lincoln and the benefit of ACC. This
4 scheme is referred to in this Indictment as "the tax sharing
5 theft," and is described more fully below in paragraphs 50
6 through 52.

7 d. Beginning at a time unknown to the Grand Jury and
8 continuing at least until March 31, 1989, defendants KEATING and
9 WISCHER, with others, devised, participated in, and executed a
10 scheme to use Lincoln's money and property in a fraudulent
11 manner to release ACC from a costly obligation. The obligation
12 was to repurchase an interest in a loan secured by land in a
13 development known as Rancho Acacias. This scheme is referred to
14 in this Indictment as "the Rancho Acacias bailout scheme," and
15 is described more fully below in paragraphs 53 through 58.

16 e. Beginning no later than in or about February 1989
17 and continuing at least until in or about April 1989, defendants
18 KEATING, WISCHER, KEATING III, WURZELBACHER and LIGGET, with
19 others, in contemplation of ACC's declaration of bankruptcy, and
20 to defeat the provisions of the United States bankruptcy laws,
21 devised, participated in, and executed a scheme to transfer
22 money from ACC through a series of fraudulent loans to
23 defendants KEATING, KEATING III and WURZELBACHER, and others.
24 This scheme is referred to in this Indictment as "the insider
25 loans scheme," and is described more fully below in paragraphs
26 59 through 66.

1 7. The pattern of racketeering activity consisted of the
2 following acts, described in the indicated paragraphs of the
3 Indictment:

<u>ACT</u>	<u>PARAGRAPH</u>	<u>DEFENDANTS</u>
1	41	KEATING, WISCHER, KEATING III
2	42	KEATING, WISCHER
3	43	KEATING, WISCHER
4	44	KEATING, WISCHER
5	45	KEATING, WISCHER, WURZELBACHER
6	46	KEATING, WISCHER
7-20	49	KEATING, WISCHER, KEATING III, WURZELBACHER, LIGGET
21-23	52	LIGGET
24	58	KEATING, WISCHER
25	63	KEATING, WISCHER, KEATING III, LIGGET
26	63	KEATING, WISCHER, WURZELBACHER, LIGGET
27	63	KEATING, KEATING III, LIGGET
28	64-66	KEATING
29	64-66	KEATING III, LIGGET
30	64-66	LIGGET

THE SHAM PROFITS SCHEME

General Description of the Scheme

8. Beginning no later than in or about March 1986 and continuing at least until in or about January 1989, defendants KEATING, WISCHER, KEATING III, WURZELBACHER and LIGGET, with others, devised, participated in, and executed a scheme to defraud, and to obtain money and property owned by Lincoln, and under Lincoln's custody and control, by means of false and fraudulent pretenses, representations and promises. Specifically, the scheme called for creating sham profits for Lincoln and ACC based on fraudulent sales of undeveloped land or other assets. The sham profits were intended and used to give Lincoln and ACC a false appearance of financial health, and to trigger cash payments from Lincoln to ACC under the intercompany tax sharing agreement.

9. In furtherance of this scheme, defendants KEATING, WISCHER, KEATING III, WURZELBACHER and LIGGET, with others, devised, participated in, and executed a series of fraudulent sales, which typically took place as follows:

a. Amcor Investments or Amcor Funding sold undeveloped land or some other asset for a price far above what the buyer would pay in a true, arm's length sale. Amcor Investments or Amcor Funding financed most of the purchase price by accepting a promissory note, secured only by the land or asset sold.

1 to R.A. Homes, and based on that sham profit caused Lincoln to
2 increase its cash payments to ACC under the intercompany tax
3 sharing agreement by approximately \$3.9 million.

4 14. In reality, as defendants KEATING, WISCHER and KEATING
5 III well knew:

6 a. R.A. Homes agreed to purchase land in Continental
7 Ranch only after defendant KEATING orally (i) promised that
8 Lincoln would reimburse R.A. Homes for the down payment on the
9 purchase; (ii) agreed that Amcor Investments would retain
10 responsibility for developing and marketing the property; and
11 (iii) guaranteed that R.A. Homes would be able to sell the land
12 at a profit within a year following the purchase.

13 b. Defendants KEATING and WISCHER, with others,
14 caused Lincoln to reimburse R.A. Homes for the down payment on
15 the purchase, by providing R.A. Homes with two unsecured lines
16 of credit, the first on or about September 23, 1986, for
17 approximately \$3 million, and the second on or about November
18 13, 1986, for approximately \$2 million.

19 15. Defendants KEATING, WISCHER and KEATING III, with
20 others, fraudulently hid the true nature of the Continental
21 Ranch sale by, among other things:

22 a. causing the sale to be structured and documented
23 in a manner that hid the fact that R.A. Homes agreed to buy land
24 in Continental Ranch only on the conditions that Lincoln
25 reimburse R.A. Homes for the down payment on the purchase, that
26 Amcor Investments retain responsibility for developing and

1 marketing the property, and that defendant KEATING guarantee
2 R.A. Homes a quick profit on the transaction;

3 b. causing the \$3 million and \$2 million lines of
4 credit Lincoln provided to R.A. Homes to be structured and
5 documented so as to create the false impression that the lines
6 of credit and the Continental Ranch sale were unrelated,
7 independent transactions;

8 c. falsely telling an appraiser hired to determine
9 the value of the land sold to R.A. Homes that the sale was an
10 "arm's length deal"; and

11 d. fraudulently withholding from the public and the
12 auditors for Lincoln and ACC the true extent of the promises
13 made to R.A. Homes, the relationship between the Continental
14 Ranch sale and the \$3 million and \$2 million lines of credit
15 provided to R.A. Homes, and the true extent of Amcor
16 Investments' continued role in the development and marketing of
17 the portion of Continental Ranch sold to R.A. Homes.

18 The Fraudulent Sale of an Interest in the Crowder Water Ranch

19 16. On or about September 30, 1986, defendants KEATING and
20 WISCHER, with others, caused Amcor Investments to engage in a
21 fraudulent sale of a one-third interest in approximately 13,542
22 acres known as the Crowder Water Ranch to C.V. Nalley III
23 ("Nalley"), at a price of approximately \$20 million, consisting
24 of an approximately \$5 million cash down payment and an
25 approximately \$15 million promissory note, secured only by the
26 property interest sold. Nalley was a friend of defendant

1 KEATING, and owned and operated automobile dealerships in and
2 around Atlanta, Georgia.

3 17. Defendants KEATING and WISCHER, with others, further
4 caused Amcor Investments, Lincoln and ACC to record a sham
5 profit of approximately \$15.2 million on the Crowder Water Ranch
6 sale, and based on that sham profit caused Lincoln to increase
7 its cash payments to ACC under the intercompany tax sharing
8 agreement by approximately \$7 million.

9 18. In reality, as defendants KEATING and WISCHER well
10 knew:

11 a. Nalley agreed to purchase an interest in the
12 Crowder Water Ranch only after defendant KEATING orally (i)
13 guaranteed that Nalley would be able to sell his interest at a
14 profit within a short period following the purchase; (ii)
15 promised Nalley a substantial fee for participating in the
16 Crowder Water Ranch transaction; (iii) agreed to reimburse
17 Nalley for his down payment and other out-of-pocket costs by
18 paying him approximately \$3.5 million for certain stock he had
19 previously been unable to sell and loaning him the remainder of
20 his down payment and other out-of-pocket costs; and (iv) agreed
21 not to require Nalley to make any periodic payments on the
22 promissory note.

23 b. Defendants KEATING and WISCHER, with others, in
24 fact caused Lincoln to reimburse Nalley for his out-of-pocket
25 costs on the Crowder Water Ranch deal by (i) providing Nalley
26 with most of the down payment by paying him approximately \$3.5

1 million in cash on September 30, 1986 for certain stock Nalley
2 had previously been unable to sell; (ii) loaning Nalley
3 approximately \$1,550,000 through a line of credit in December
4 1986 to allow him to reimburse one of his automobile
5 dealerships, from which Nalley had borrowed the remainder of the
6 down payment; and (iii) loaning Nalley an additional
7 approximately \$950,000 through the line of credit in April 1987
8 to reimburse him for taxes he owed as a result of his sale of
9 the stock on September 30, 1986.

10 c. To carry out defendant KEATING's oral promises to
11 Nalley, defendants KEATING and WISCHER, with others, (i)
12 permitted Nalley to make no payments on either his \$15 million
13 promissory note or his line of credit from September 30, 1986
14 through January 25, 1989; and (ii) on or about January 25, 1989,
15 caused Amcor Investments to repurchase Nalley's remaining
16 interest in the Crowder Water Ranch for approximately \$22.5
17 million, consisting of a cash payment of approximately \$7.5
18 million and the cancellation of his \$15 million promissory note.

19 19. Defendants KEATING and WISCHER, with others,
20 fraudulently hid the true nature of the Crowder Water Ranch sale
21 by, among other things:

22 a. causing the Crowder Water Ranch sale to be
23 structured and documented in a manner that hid the true extent
24 of the promises made to Nalley;

25 b. causing the Crowder Water Ranch sale, the
26 purchase of stock from Nalley, and the line of credit to Nalley

1 to be structured and documented so as to create the false
2 impression that the Crowder Water Ranch sale, the stock sale,
3 and the line of credit were unrelated, independent transactions;
4 and

5 c. fraudulently withholding from the public and the
6 auditors for Lincoln and ACC the true extent of the promises
7 made to Nalley and the relationship between the Crowder Water
8 Ranch sale, Lincoln's purchase of stock from Nalley, and
9 Lincoln's subsequent loans to Nalley.

10 The Fraudulent Sale to West Continental Mortgage

11 20. On or about March 30, 1987, defendants KEATING and
12 WISCHER, with others, caused Amcor Investments to engage in a
13 fraudulent sale of approximately 1,000 acres of undeveloped land
14 to West Continental Mortgage and Investment Corporation
15 ("Westcon"), at a price of approximately \$14 million, consisting
16 of an approximately \$3.5 million down payment and an
17 approximately \$10.5 million promissory note, secured only by the
18 undeveloped land. The land Westcon purchased was part of
19 approximately 8,576 acres of undeveloped land owned by Amcor
20 Investments in an area southeast of Phoenix, Arizona known as
21 Hidden Valley.

22 21. Defendants KEATING and WISCHER, with others, further
23 caused Amcor Investments, Lincoln and ACC to record a sham
24 profit of approximately \$9.7 million on the Westcon sale, and
25 based on that sham profit caused Lincoln to increase its cash
26 payments to ACC under the intercompany tax sharing agreement by

1 approximately \$3.7 million.

2 22. In reality, as defendants KEATING and WISCHER well
3 knew:

4 a. Westcon had no ability and no intention either to
5 pay the down payment or to make payments on the promissory note
6 out of its own funds, and agreed to purchase the 1,000-acre
7 parcel only on the condition that E.C. Garcia and Company
8 ("ECGC"), and its president Ernest C. Garcia II ("Garcia"), loan
9 Westcon approximately \$3.5 million for the down payment.

10 b. Garcia had agreed to participate in the purchase
11 of the 1,000-acre parcel only after defendant KEATING orally
12 promised and agreed, among other things, to cause Lincoln (i) to
13 reimburse ECGC for the down payment money; (ii) to provide ECGC
14 with an approximately \$30 million line of credit, and, if
15 needed, an additional loan of approximately \$5 million in the
16 future; and (iii) to repurchase the property if Garcia
17 requested.

18 c. With the knowledge and consent of defendants
19 KEATING and WISCHER, Garcia substituted Westcon as the purchaser
20 to keep the approximately \$10.5 million promissory note from
21 appearing on ECGC's financial statements.

22 d. ECGC was able to loan Westcon approximately \$3.5
23 million for the down payment only because Lincoln modified the
24 terms of a pre-existing loan from Lincoln to ECGC. The
25 modification permitted ECGC to sell certain land pledged as
26 security for the pre-existing loan, and to forward most of the

1 proceeds from the sales to Westcon rather than to Lincoln.

2 23. On or about March 30, 1987, in return for Garcia's
3 participation in the sale to Westcon, defendants KEATING and
4 WISCHER, with others, caused Lincoln to provide ECGC with an
5 approximately \$30 million line of credit, of which approximately
6 \$19.6 million was disbursed immediately to finance a stock
7 purchase by ECGC.

8 24. On or about May 1, 1987, in return for Garcia's
9 participation in the sale to Westcon, defendants KEATING,
10 WISCHER, and WURZELBACHER, with others, caused Lincoln to loan
11 ECGC an additional approximately \$5.6 million.

12 25. On or about June 30, 1987, in return for Garcia's
13 participation in the sale to Westcon, and to reimburse ECGC for
14 the down payment money ECGC had loaned to Westcon, defendants
15 KEATING and WISCHER, with others, caused ACC to overpay
16 substantially for land purchased from ECGC near the intersection
17 of Fort Lowell Road and Swan Road in Tucson, Arizona ("the Fort
18 Lowell and Swan property").

19 26. Defendants KEATING and WISCHER, with others,
20 fraudulently hid the true nature of the Westcon transaction by,
21 among other things:

22 a. causing the sale to Westcon to be structured and
23 documented in a manner that hid the true extent of the promises
24 made to Westcon, Garcia and ECGC;

25 b. causing the sale to Westcon, the line of credit
26 and loan provided to ECGC, and the purchase of the Fort Lowell

1 and Swan property to be structured and documented so as to
2 create the false impression that the sale of land to Westcon,
3 the line of credit and loan, and the purchase of the Fort Lowell
4 and Swan property were unrelated, independent transactions; and

5 c. fraudulently withholding from the public and the
6 auditors for Lincoln and ACC the true extent of the promises
7 made to Westcon, Garcia and ECGC, and the relationship between
8 the Westcon sale, the line of credit and loan provided to ECGC,
9 and the purchase of the Fort Lowell and Swan property.

10 The Fraudulent Sale of the GOSLP Interest

11 27. On or about June 30, 1987, defendants KEATING and
12 WISCHER, with others, caused Amcor Funding to engage in a
13 fraudulent sale of an interest in an investment known as General
14 Oriental Securities Limited Partnership ("the GOSLP interest")
15 at a price of approximately \$60 million, consisting of an
16 approximately \$10 million down payment and an approximately \$50
17 million promissory note, secured only by the GOSLP interest.
18 The purchaser of the GOSLP interest was a newly-formed entity
19 controlled by Garcia and owned by his company ECGC.

20 28. Defendants KEATING and WISCHER, with others, further
21 caused Amcor Funding, Lincoln and ACC to record a sham profit of
22 approximately \$38.3 million on the sale of the GOSLP interest,
23 and based on that sham profit caused Lincoln to increase its
24 cash payments to ACC under the intercompany tax sharing
25 agreement by approximately \$14.5 million.

26 29. In reality, as defendants KEATING and WISCHER well

1 knew:

2 a. Garcia had no intention of paying off the \$50
3 million promissory note, and agreed to purchase the GOSLP
4 interest only on the condition that, at the same time, (i)
5 Lincoln pay ECGC approximately \$38 million in cash for certain
6 overpriced promissory notes owned by ECGC; (ii) Lincoln sell
7 ECGC certain stock at a discount price; and (iii) ACC reimburse
8 ECGC for the down payment on the Westcon purchase by overpaying
9 substantially for the Fort Lowell and Swan property.

10 b. Through the purchase of overpriced promissory
11 notes and land from ECGC, Lincoln provided substantially all of
12 the down payment on the GOSLP interest.

13 30. Defendants KEATING and WISCHER, with others,
14 fraudulently hid the true nature of the GOSLP transaction by,
15 among other things:

16 a. causing the sale of the GOSLP interest, the
17 purchase of promissory notes from ECGC, the sale of stock to
18 ECGC, and the purchase of the Fort Lowell and Swan property to
19 be structured and documented so as to create the false
20 impression that they were unrelated, independent transactions;
21 and

22 b. fraudulently withholding from the public and the
23 auditors for Lincoln and ACC the relationship between the sale
24 of the GOSLP interest, the purchase of promissory notes from
25 ECGC, the sale of stock to ECGC, and the purchase of the Fort
26 Lowell and Swan property.

1 The Fraudulent Sale to Hidden Valley Properties Limited
2 Partnership

3 31. On or about January 29, 1988, defendants KEATING,
4 WISCHER and WURZELBACHER, with others, caused Amcor Investments
5 to engage in a fraudulent sale of approximately 445 acres in
6 Hidden Valley to a newly-formed entity known as the Hidden
7 Valley Properties Limited Partnership ("HVPLP"), at a price of
8 approximately \$6 million, consisting of an approximately \$1.5
9 million cash down payment and an approximately \$4.5 million
10 promissory note, secured only by the undeveloped land.

11 32. Defendants KEATING, WISCHER and WURZELBACHER, with
12 others, further caused Amcor Investments, Lincoln and ACC to
13 record a sham profit of approximately \$4.4 million on the sale
14 to HVPLP, and based on that sham profit caused Lincoln to
15 increase its net payments to ACC under the intercompany tax
16 sharing agreement by approximately \$1.5 million.

17 33. In reality, as defendants KEATING, WISCHER and
18 WURZELBACHER well knew:

19 a. HVPLP agreed to purchase land in Hidden Valley
20 only on the condition that ACC purchase overpriced land in
21 Peoria, Arizona ("the Peoria property") from Sun Olive Limited
22 Partnership ("SOLP"), an entity consisting of substantially the
23 same investors, and controlled by the same individuals, as
24 HVPLP.

25 b. Through ACC's purchase of the Peoria property,
26 ACC provided all of HVPLP's down payment.

1 34. Defendants KEATING, WISCHER and WURZELBACHER, with
2 others, fraudulently hid the true nature of the HVPLP sale by,
3 among other things:

4 a. causing the sale to HVPLP and the purchase from
5 SOLP to be structured and documented so as to create the false
6 impression that they were unrelated, independent transactions,
7 rather than an exchange of property;

8 b. causing the 445-acre parcel in Hidden Valley to
9 be sold not to SOLP, but to a separate entity, HVPLP, formed
10 specifically for this transaction; and

11 c. fraudulently withholding from the public and the
12 auditors for Lincoln and ACC the relationship between the HVPLP
13 and SOLP transactions.

14 The Fraudulent Sale to Gascon Development, Inc.

15 35. On or about June 30, 1988, defendants KEATING and
16 WISCHER, with others, caused Amcor Investments to engage in a
17 fraudulent sale of approximately 500 acres in Hidden Valley to
18 Gascon Development, Inc. ("GDI"), at a price of approximately \$8
19 million, consisting of an approximately \$2 million cash down
20 payment, loaned to GDI by Amcor Investments, and an
21 approximately \$6 million promissory note, secured only by the
22 undeveloped land.

23 36. Defendants KEATING and WISCHER, with others, further
24 caused Amcor Investments, Lincoln and ACC to record a sham
25 profit of approximately \$6 million on the sale to GDI, and based
26 on that sham profit caused Lincoln to increase its cash payments

1 to ACC under the intercompany tax sharing agreement by
2 approximately \$2 million.

3 37. In reality, as defendants KEATING and WISCHER well
4 knew: GDI agreed to purchase land in Hidden Valley only after
5 defendant KEATING orally promised and agreed with GDI's
6 president Neil Gascon ("Gascon"), among other things, (i) that
7 GDI would not have to place any of its funds at risk; (ii) that
8 GDI could sell the land back at a later time if GDI so desired;
9 and (iii) that, in exchange for GDI's purchase of the 500-acre
10 parcel in Hidden Valley, a subsidiary of Lincoln would sell its
11 interest in a commercial development project known as Torrance
12 Center I to GDI at a discount price.

13 38. Defendants KEATING and WISCHER, with others,
14 fraudulently hid the true nature of the sale of Hidden Valley
15 land to GDI by, among other things:

16 a. causing the Hidden Valley sale to GDI to be
17 structured and documented in a manner that hid the true extent
18 of the promises made to GDI and Gascon;

19 b. causing the Hidden Valley sale and the Torrance
20 Center I sale to be structured and documented so as to create
21 the false impression that the two sales were unrelated and
22 independent; and

23 c. fraudulently withholding from the public and the
24 auditors for Lincoln and ACC the true extent of the promises
25 made to GDI and Gascon, and the relationship between the Hidden
26 Valley sale to GDI and the Torrance Center I sale.

Tax Sharing Payments and Credits Based on the Sham Profits

39. At the direction of defendant LIGGET, and based in part on the sham profits described above, Lincoln made the following payments to ACC under the intercompany tax sharing agreement:

a. Approximately \$16.3 million in a series of three payments in or about October 1986, approximately \$3.9 million of which was attributable to the sham profit recorded on the fraudulent sale to R.A. Homes, and approximately \$7 million of which was attributable to the sham profit recorded on the fraudulent sale to Nalley.

b. Approximately \$4.9 million in a series of two payments in or about May 1987, approximately \$3.7 million of which was attributable to the sham profit recorded on the fraudulent sale to Westcon.

c. Approximately \$14.2 million in a payment in or about July 1987, most or all of which was attributable to the sham profit recorded on the fraudulent sale of the GOSLP interest.

40. In a series of payments in or about May, July and August 1988, at the direction of defendant LIGGET, Lincoln made a net payment of at least approximately \$5.1 million to ACC under the intercompany tax sharing agreement. Approximately \$1.5 million of this net payment was attributable to the sham profit recorded on the fraudulent sale to HVPLP, and

1 approximately \$2 million of the net payment was attributable to
2 the sham profit recorded on the fraudulent sale to GDI.

3 Racketeering Activity in Furtherance of the Sham Profits Scheme

4 41. Racketeering Act 1 consists of all of the following
5 acts, relating to the sale to R.A. Homes, any one of which acts
6 alone constitutes Racketeering Act 1:

7 Act 1(a) through 1(d): On or about the dates set forth
8 below, within the Central District of California and elsewhere,
9 in violation of Title 18, United States Code, Section 1343,
10 defendants KEATING, WISCHER and KEATING III, having knowingly
11 devised and participated in the sham profits scheme described in
12 paragraphs 8 through 40 of the Indictment, caused the following
13 signs, signals and sounds to be transmitted by means of wire in
14 interstate commerce, for the purpose of executing the scheme:

	<u>DATE</u>	<u>WIRE TRANSMISSION</u>
15		
16	<u>Act 1(a)</u>	9/26/86
17		Wire instructions from Phoenix,
18		Arizona, to the Federal Reserve Bank
19		("FRB") in San Francisco, California,
20		transferring \$1,000,000 from Lincoln's
21		FRB account to Valley National Bank,
22		Tucson, Arizona, for credit to R.A.
23		Homes
24	<u>Act 1(b)</u>	9/26/86
25		Wire instructions from Phoenix,
26		Arizona, to the Federal Reserve Bank in
27		San Francisco, California, transferring
28		\$1,000,000 from Lincoln's FRB account
		to Continental National Bank, Las
		Vegas, Nevada, for credit to R.A. Homes
		of Las Vegas
	<u>Act 1(c)</u>	10/31/86
		Wire instructions from Phoenix,
		Arizona, to the Federal Reserve Bank in
		San Francisco, California, transferring
		\$1,000,000 from Lincoln's FRB account

to Valley National Bank, Tucson,
Arizona, for credit to R.A. Homes

Act 1(d) 11/13/86 Wire instructions from Phoenix,
Arizona, to the Federal Reserve Bank in
San Francisco, California, transferring
\$2,000,000 from Lincoln's FRB account
to Valley National Bank, Tucson,
Arizona, for credit to R.A. Homes

42. Racketeering Act 2 consists of all of the following
acts, relating to the sale of an interest in the Crowder Water
Ranch, any one of which acts alone constitutes Racketeering Act
2:

Acts 2(a) through 2(d): On or about the dates set forth
below, within the Central District of California and elsewhere,
in violation of Title 18, United States Code, Section 1343,
defendants KEATING and WISCHER, having knowingly devised and
participated in the sham profits scheme described in paragraphs
8 through 40 of the Indictment, caused the following signs,
signals and sounds to be transmitted by means of wire in
interstate commerce, for the purpose of executing the scheme:

	<u>DATE</u>	<u>WIRE TRANSMISSION</u>
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<u>Act 2(a)</u>	9/30/86	Telephone call from Phoenix, Arizona to Bankers Trust Company in New York, New York, directing wire transfer of \$3,500,000 from the account of Phoenician Financial Corporation to Nalley's account at First Georgia Bank in Atlanta, Georgia
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<u>Act 2(b)</u>	12/31/86	Wire instructions from Phoenix, Arizona, to the Federal Reserve Bank in San Francisco, California, transferring \$1,525,000 from Lincoln's FRB account to Citizen's and Southern National Bank, Atlanta, Georgia, for credit to Powell, Goldstein, Frazer & Murphy
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4/9/87

Wire instructions from Phoenix, Arizona, to the Federal Reserve Bank in San Francisco, California, transferring \$1,025,000 from Lincoln's FRB account to Citizen's and Southern National Bank, Atlanta, Georgia, for credit to Powell, Goldstein, Frazer & Murphy

1/25/89

Wire instructions from Phoenix, Arizona, to the Federal Reserve Bank in San Francisco, California, transferring \$4,330,630.87 from Lincoln's FRB account to Trust Company Bank, Atlanta, Georgia, for credit to Nalley, doing business as 2560 Moreland Limited

Act 2(e): On or about January 25, 1989, within the Central District of California and elsewhere, in violation of Title 18, United States Code, Sections 1957 and 2(b), defendants KEATING and WISCHER knowingly and willfully engaged and caused others to engage in a monetary transaction in criminally derived property that was of a value greater than \$10,000 and was derived from a violation of Title 18, United States Code, Section 657, namely, \$4,330,630.87 that was transferred from Lincoln's account at the Federal Reserve Bank in San Francisco, California, to Trust Company Bank, Atlanta, Georgia, for credit to Nalley, doing business as 2560 Moreland Limited.

43. Racketeering Act 3 consists of all of the following acts, relating to the sale to Westcon, any one of which acts alone constitutes Racketeering Act 3:

Acts 3(a) through 3(c): On or about the dates set forth below, within the Central District of California and elsewhere, in violation of Title 18, United States Code, Section 1343, defendants KEATING and WISCHER, having knowingly devised and

1 participated in the sham profits scheme described in paragraphs
2 8 through 40 of the Indictment, caused the following signs,
3 signals and sounds to be transmitted by means of wire in
4 interstate commerce, for the purpose of executing the scheme:

	<u>DATE</u>	<u>WIRE TRANSMISSION</u>
5		
6	<u>Act 3(a)</u> 3/31/87	Wire instructions from Phoenix, Arizona, to the Federal Reserve Bank in San Francisco, California, transferring \$19,600,000 from Lincoln's FRB account to Arizona Bank, Tucson, Arizona, for credit to Santa Cruz Resources, Inc.
7		
8		
9	<u>Act 3(b)</u> 5/1/87	Wire instructions from Phoenix, Arizona, to the Federal Reserve Bank in San Francisco, California, transferring \$5,600,000 from Lincoln's FRB account to Valley National Bank, Tucson, Arizona, for credit to Stewart Title & Trust
10		
11		
12		
13	<u>Act 3(c)</u> 6/30/87	Wire instructions from Phoenix, Arizona to the Federal Reserve Bank in San Francisco, California, transferring \$7,400,000 from the FRB account of United Bank of Arizona, Phoenix, Arizona, to Valley National Bank, Tucson, Arizona, for credit to Stewart Title & Trust
14		
15		
16		
17		

18 44. Racketeering Act 4 consists of the following act,
19 relating to the sale of the GOSLP interest:

20 On or about June 30, 1987, within the Central District of
21 California and elsewhere, in violation of Title 18, United
22 States Code, Section 1343, defendants KEATING and WISCHER,
23 having knowingly devised and participated in the sham profits
24 scheme described in paragraphs 8 through 40 of the Indictment,
25 caused the following signs, signals and sounds to be transmitted
26 by means of wire in interstate commerce, for the purpose of

1 executing the scheme: wire instructions from Phoenix, Arizona,
2 to the Federal Reserve Bank in San Francisco, California,
3 transferring \$36,581,007.44 from Lincoln's FRB account to Valley
4 National Bank, Tucson, Arizona, for credit to Stewart Title &
5 Trust.

6 45. Racketeering Act 5 consists of the following act,
7 relating to the sale to HVPLP:

8 On or about January 27, 1988, within the Central District
9 of California and elsewhere, in violation of Title 18, United
10 States Code, Section 1343, defendants KEATING, WISCHER and
11 WURZELBACHER, having knowingly devised and participated in the
12 sham profits scheme described in paragraphs 8 through 40 of the
13 Indictment, caused the following signs, signals and sounds to be
14 transmitted by means of wire in interstate commerce, for the
15 purpose of executing the scheme: wire instructions from
16 Phoenix, Arizona to the Federal Reserve Bank in San Francisco,
17 California, transferring \$1,882,007.51 from the FRB account of
18 Valley National Bank, Phoenix, Arizona, to First Interstate
19 Bank, Phoenix, Arizona, for credit to First American Title.

20 46. Racketeering Act 6 consists of all of the following
21 acts, relating to the sale to GDI, any one of which acts alone
22 constitutes Racketeering Act 6:

23 Acts 6(a) through 6(c): On or about the dates set forth
24 below, within the Central District of California and elsewhere,
25 in violation of Title 18, United States Code, Section 1343,
26 defendants KEATING and WISCHER, having knowingly devised and

1 participated in the sham profits scheme described in paragraphs
2 8 through 40 of the Indictment, caused the following signs,
3 signals and sounds to be transmitted by means of wire in
4 interstate commerce, for the purpose of executing the scheme:

	<u>DATE</u>	<u>WIRE TRANSMISSION</u>
5	<u>Act 6(a)</u>	
6	5/88	Telephone call from defendant WISCHER
7		in Phoenix, Arizona, to Gascon in San
8		Diego, California
9	<u>Act 6(b)</u>	
10	6/27/88	Telecopied letter from Ann M. Oakley in
11		Phoenix, Arizona, to Gascon in San
12		Diego, California
13	<u>Act 6(c)</u>	
14	6/29/88	Telecopied letter from Donald L. Kidder
15		in San Diego, California, to Ronald M.
16		Stoll, in Phoenix, Arizona

THE BOND SALES SCHEME

Description of the Scheme

47. Beginning no later than December 1986 and continuing at least until in or about February 1989, within the Central District of California and elsewhere, defendants KEATING, WISCHER, KEATING III, WURZELBACHER and LIGGET, with others, knowingly and willfully, in the offer and sale of securities, (a) employed a scheme to defraud, (b) obtained money by means of untrue statements of material fact and omissions to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, and (c) engaged in transactions, practices and courses of business that operated as frauds and deceits upon the purchasers. Specifically, defendants KEATING, WISCHER, KEATING III, WURZELBACHER and LIGGET carried out a scheme calling for ACC bonds to be sold through the use of Lincoln's branch network, and for purchasers of ACC bonds to be deceived about the high degree of risk associated with the bonds, the finances and prospects of Lincoln and ACC, and the dishonest management of Lincoln and ACC.

48. The scheme was carried out in the following manner:

a. Beginning in or about December 1986, at the direction of defendants KEATING and WISCHER, and with the assistance and encouragement of defendants KEATING III, WURZELBACHER and LIGGET, ACC bonds were sold in Lincoln branches by employees designated as "bond representatives." The bond

1 representatives typically were Lincoln employees temporarily
2 transferred to ACC's payroll.

3 b. In or about August 1988, following notification
4 that the State of California would no longer permit sales of ACC
5 bonds in Lincoln branches, ACC opened small bond sales offices
6 adjacent to or near Lincoln branches. Sales of ACC bonds were
7 shifted to these small offices, to which Lincoln employees
8 referred potential bond purchasers.

9 c. At the direction of defendants KEATING and
10 WISCHER, and with the assistance and encouragement of defendants
11 KEATING III, WURZELBACHER and LIGGET, bond purchasers were led
12 to believe, among other things, (i) that ACC was a financially
13 sound and secure company; (ii) that ACC's financial statements
14 truthfully and accurately reflected the company's earnings; and
15 (iii) that the management of ACC and Lincoln was honest and
16 trustworthy.

17 d. In truth, as defendants KEATING, WISCHER, KEATING
18 III, WURZELBACHER and LIGGET well knew, (i) ACC, far from being
19 a financially sound and secure company, struggled continually to
20 show a profit, managed to do so only by engaging in fraudulent
21 sales, and by January 1989 at the latest was considering filing
22 for bankruptcy; (ii) the earnings reported in ACC's financial
23 statements were inflated by the reporting of sham profits from
24 fraudulent sales of undeveloped land and other assets entered
25 into by Ancor Investments and Ancor Funding; and (iii) the
26 management of ACC and Lincoln was untrustworthy and deceitful.

1 e. In or about late 1987, at the same time that
2 purchasers of ACC bonds were being told that ACC was financially
3 sound and secure, ACC, at the direction and with the knowledge
4 of defendants KEATING and LIGGET, told a very different story to
5 certain owners of ACC senior debentures. The senior debentures
6 were bonds sold by ACC paying a higher interest rate than the
7 ACC bonds sold through the Lincoln branches. Owners of the ACC
8 senior debentures were entitled to repayment of their principal
9 before owners of the ACC bonds sold through the Lincoln
10 branches. To convince owners of the senior debentures to sell
11 them back to ACC at a discount, ACC, using a broker, told the
12 senior debenture owners that ACC was financially troubled and
13 might very well be unable to make interest payments coming due.
14 At the direction and with the knowledge of defendants KEATING
15 and LIGGET, ACC failed to disclose to purchasers of the ACC
16 bonds sold through the Lincoln branches, or to owners of ACC
17 senior debentures, that the two groups were being told flatly
18 inconsistent stories about ACC's financial prospects.

19 f. On or about February 9, 1989, in part in an
20 effort to boost declining sales of ACC bonds, defendant KEATING
21 directed the issuance of a press release fraudulently claiming
22 that a planned sale of Lincoln by ACC was "proceeding smoothly,"
23 that closing of the sale was "imminent," and that the sale was
24 "expected to be completed sooner than originally anticipated."
25 In fact, as defendant KEATING well knew at the time, the sale
26 was not "proceeding smoothly," closing of the sale was not

1 "imminent," and Lincoln had been notified that the sale was
2 unlikely to receive necessary regulatory approval as quickly as
3 previously anticipated.

4 g. Throughout the duration of the bond sales scheme,
5 and for the purpose of executing the scheme, defendants KEATING,
6 WISCHER, KEATING III, WURZELBACHER and LIGGET, with others,
7 caused ACC to send bond certificates and other materials to ACC
8 bond purchasers through the mail.

9 Racketeering Activity in Furtherance of the Bond Sales Scheme

10 49. On or about the following dates, within the Central
11 District of California and elsewhere, in violation of Title 15,
12 United States Code, Sections 77q(a) and 77x, defendants KEATING,
13 WISCHER, KEATING III, WURZELBACHER and LIGGET, employing and
14 engaging in the fraudulent scheme, transactions, practices, and
15 courses of business described in paragraphs 47 and 48 of the
16 Indictment, knowingly and willfully caused securities, namely
17 ACC bonds, to be offered and sold to the following victims by
18 the use of the mails and other means and instruments of
19 transportation and communication in interstate commerce:

	<u>DATE</u>	<u>VICTIM(S)</u>
20 <u>Act 7</u>	8/26/87	Hoyt Ambrosius
21 <u>Act 8</u>	12/1/87	Ronna Edgers
22 <u>Act 9</u>	1/20/88	Thomas Wilkie
23 <u>Act 10</u>	2/25/88	Grace Bock
24 <u>Act 11</u>	6/10/88	Jack and Irene Matson

	<u>DATE</u>	<u>VICTIM(S)</u>
<u>Act 12</u>	7/5/88	Lindsay and Kathryn Livengood
<u>Act 13</u>	7/13/88	Robert Carlisle
<u>Act 14</u>	8/5/88	Edward Griffith
<u>Act 15</u>	8/18/88	John Felix
<u>Act 16</u>	11/2/88	Donald Bowman
<u>Act 17</u>	12/1/88	Harry and Edna Kotick
<u>Act 18</u>	1/17/89	Grover Gilbert
<u>Act 19</u>	2/13/89	Rose and Nancy Chin
<u>Act 20</u>	2/13/89	Mitchell and Irene Luczynski

1
2 THE TAX SHARING THEFT

3 Description of the Theft

4 50. In or about March 1986, ACC and Lincoln entered into a
5 contractual, intercompany tax sharing agreement. Under the
6 agreement, Lincoln was required to make cash payments to ACC,
7 four times each year, equal to a percentage of the profits
8 recorded by Lincoln. Specifically, the agreement required the
9 payments to be made between the fifteenth day and the thirtieth
10 day of January, May, July and October.

11 51. To provide ACC with the benefits of the cash payments
12 sooner than the tax sharing agreement called for them to be
13 made, defendant LIGGET directed that all or part of some of the
14 payments be made early. By making these premature payments,
15 Lincoln in effect paid ACC unauthorized dividends in the form of
16 interest-free loans, to the detriment of Lincoln and the benefit
17 of ACC.

18 Racketeering Activity in Furtherance of the Tax Sharing Theft

19 52. Racketeering Acts 21 through 23 consist of the
20 following acts:

21 On or about each of the dates set forth below, within the
22 Central District of California and elsewhere, in violation of
23 Title 18, United States Code, Sections 2314 and 2(b), defendant
24 LIGGET, for the purpose of executing the tax sharing theft
25 described in paragraphs 50 and 51 of the Indictment, knowingly
26 and willfully caused money having a value of \$5,000 or more to

1 be transported, transmitted and transferred in interstate
2 commerce by wire transfers from Lincoln's account at the Federal
3 Reserve Bank in San Francisco, California, to an account held by
4 ACC at Bankers Trust Company in New York, New York, knowing the
5 money to have been stolen, converted and taken by fraud.

	<u>DATE</u>	<u>AMOUNT</u>
<u>Act 21</u>	12/30/86	\$10,000,000
<u>Act 22</u>	4/9/87	\$4,500,000
<u>Act 23</u>	7/1/87	\$14,186,000

1
2 THE RANCHO ACACIAS BAILOUT SCHEME

3 Description of the Scheme

4 53. Beginning at a time unknown to the Grand Jury and
5 continuing at least until March 31, 1989, within the Central
6 District of California and elsewhere, defendants KEATING and
7 WISCHER, with others, devised, participated in, and executed a
8 scheme to defraud Lincoln, and to obtain money and property
9 owned by Lincoln, and under Lincoln's custody and control, by
10 means of false and fraudulent pretenses, representations and
11 promises. Specifically, the scheme called for using Lincoln's
12 money and property to release ACC from a costly obligation, and
13 for hiding the fact that Lincoln's money and property were being
14 used in this way.

15 54. The obligation from which Lincoln relieved ACC
16 originally arose in or about December 1987. At that time, ACC
17 had a "loan participation" in a loan Lincoln had made to finance
18 the purchase of an approximately 51-acre parcel of land in a
19 Riverside County, California development known as Rancho Acacias
20 ("the Rancho Acacias loan"). A "loan participation" is a
21 contract in which a party reimburses a lender for part of the
22 funds provided to a borrower, in exchange for receiving a share
23 of the borrower's payments. In or about December 1987, ACC sold
24 the Rancho Acacias loan participation to a French financial
25 institution, Saudi European Bank ("SEB"), for approximately \$5.4
26 million. As part of the written sales agreement, ACC agreed to

1 repurchase the loan participation if SEB so demanded.

2
3 55. In or about late 1988 and early 1989, SEB told ACC
4 that, in accordance with the written agreement, SEB intended to
5 require ACC to repurchase the Rancho Acacias loan participation.
6 To convince SEB not to do so, defendants KEATING and WISCHER,
7 with others, promised SEB that, among other things, if SEB
8 released ACC from its obligation to repurchase the loan
9 participation, Lincoln would buy it instead. SEB agreed, and on
10 or about March 13, 1989, released ACC from its obligation to
11 repurchase the loan participation.

12 56. In exchange for SEB's agreement not to force ACC to
13 repurchase the Rancho Acacias loan participation, defendants
14 KEATING and WISCHER, with others, not only caused Lincoln to buy
15 the loan participation, but also gave SEB a "profits
16 participation" entitling SEB to 25% of the profits from any sale
17 of the 51-acre parcel. As defendants KEATING and WISCHER well
18 knew, however, the profits participation was not ACC's to give,
19 but rather belonged to Lincoln.

20 57. To protect the transaction from regulatory challenge,
21 defendants KEATING and WISCHER, with others, fraudulently hid
22 the fact that Lincoln was buying the loan participation so that
23 ACC would not have to repurchase it. Defendants KEATING and
24 WISCHER, with others, hid this fact by, among other things, (i)
25 delaying Lincoln's purchase until on or about March 31, 1989,
26 more than two weeks after ACC was released from its obligation

1 to purchase the loan participation; and (ii) causing ACC's
2 release from its obligation and Lincoln's purchase of the loan
3 participation to be structured and documented so as to create
4 the false impression that they were unrelated and independent.

5 Racketeering Activity in Furtherance of the Rancho Acacias
6 Bailout Scheme

7
8 58. Racketeering Act 24 consists of both of the following
9 acts, either of which alone constitutes Racketeering Act 24:

10 Act 24(a): On or about March 31, 1989, within the Central
11 District of California and elsewhere, in violation of Title 18,
12 United States Code, Section 1343, defendants KEATING and
13 WISCHER, having knowingly devised and participated in the Rancho
14 Acacias bailout scheme described in paragraphs 53 through 57 of
15 the Indictment, caused the following signs, signals, and sounds
16 to be transmitted by means of wire in interstate commerce, for
17 the purpose of executing the scheme: wire instructions from
18 Phoenix, Arizona, to the Federal Reserve Bank in San Francisco,
19 California, transferring approximately \$5,761,822.21 from
20 Lincoln's FRB account to Marine Midland Bank, New York, New
21 York, for credit to SEB.

22 Act 24(b): On or about March 31, 1989, within the Central
23 District of California and elsewhere, in violation of Title 18,
24 United States Code, Sections 1957 and 2(b), defendants KEATING
25 and WISCHER knowingly and willfully engaged and caused others to
26 engage in a monetary transaction in criminally derived property
27 that was of a value greater than \$10,000 and was derived from a
28 violation of Title 18, United States Code, Section 657, namely,

1 approximately \$5,761,822.21 that was transferred from Lincoln's
2 account at the Federal Reserve Bank in San Francisco,
3 California, to Marine Midland Bank, New York, New York, for
4 credit to SEB.
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1
2 THE INSIDER LOANS SCHEME

3 Description of the Scheme

4 59. Between early 1989, when ACC began to plan for
5 bankruptcy, and on or about April 13, 1989, when the bankruptcy
6 petition was filed, defendants KEATING, WISCHER, KEATING III,
7 WURZELBACHER and LIGGET, with others, in contemplation of ACC's
8 bankruptcy filing, fraudulently transferred money out of ACC,
9 for the personal benefit of defendants KEATING, WISCHER, KEATING
10 III and WURZELBACHER, and members of their families. To prevent
11 these transfers of money from being challenged by ACC's
12 creditors, including the purchasers of ACC bonds, defendants
13 KEATING, WISCHER, KEATING III, WURZELBACHER and LIGGET, with
14 others, disguised the transfers as loans from Medema Homes of
15 Utah ("Medema"), a company owned by ACC, to defendants KEATING,
16 KEATING III and WURZELBACHER, and to defendant WISCHER's
17 husband.

18 60. In reality, as defendants KEATING, WISCHER, KEATING
19 III, WURZELBACHER and LIGGET well knew:

20 a. the money for the loans came not from Medema but
21 from ACC;

22 b. the recipients of the loans had no intention of
23 repaying the money; and

24 c. during the time relevant to this Indictment,
25 Medema was a shell corporation used only to loan money to
26 certain officers and employees of ACC.

1 61. Specifically, defendants KEATING, WISCHER, KEATING
2 III, WURZELBACHER and LIGGET, with others, caused ACC to make
3 the following transfers, disguised as loans from Medema:

4 a. A transfer of approximately \$125,000 to defendant
5 KEATING III on February 28, 1989.

6 b. A transfer of approximately \$125,000 to defendant
7 WURZELBACHER on February 28, 1989.

8 c. A transfer of approximately \$100,000 to defendant
9 KEATING III on March 2, 1989.

10 d. A transfer of approximately \$300,000 to defendant
11 KEATING on March 7, 1989.

12 e. A transfer of approximately \$100,000 to defendant
13 KEATING III on March 29, 1989.

14 f. A transfer of approximately \$225,000 to defendant
15 WISCHER's husband on April 3, 1989.

16 62. Of the approximately \$250,000 transferred from ACC to
17 defendants KEATING III and WURZELBACHER on February 28, 1989,
18 approximately \$228,700 was in turn transferred to defendant
19 KEATING that same day, allowing defendant KEATING to make an
20 approximately \$200,000 payment on a personal loan. Much of the
21 \$228,700 was channeled to defendant KEATING through payments
22 from defendants KEATING III and WURZELBACHER to other members of
23 defendant KEATING's family, who in turn, along with defendants
24 KEATING III and WURZELBACHER, then made payments to defendant
25 KEATING. By channeling the money from ACC to defendant KEATING
26

1 through defendants KEATING III and WURZELBACHER and other
2 members of defendant KEATING's family, defendants KEATING,
3 KEATING III and WURZELBACHER hid the transfer of money from ACC
4 to defendant KEATING.
5

6 Racketeering Activity in Furtherance of the Insider Loans Scheme

7 63. Racketeering Acts 25 through 27 consist of the
8 following acts:

9 On or about the dates set forth below, in the District of
10 Arizona, in violation of Title 18, United States Code, Section
11 152, the defendants set forth below, in contemplation of a
12 bankruptcy case regarding ACC under Title 11, United States
13 Code, and with intent to defeat the provisions of Title 11,
14 knowingly and fraudulently transferred and concealed property of
15 ACC, by means of the following payments in the form of
16 fraudulent loans from Medema:

	<u>DEFENDANT(S)</u>	<u>DATE</u>	<u>DESCRIPTION</u>
17 <u>Act 25</u>	KEATING 18 WISCHER 19 KEATING III LIGGET	2/28/89	\$125,000 transfer to defendant KEATING III by ACC check
20 <u>Act 26</u>	KEATING 21 WISCHER WURZELBACHER 22 LIGGET	2/28/89	\$125,000 transfer to defendant WURZELBACHER by ACC check
23 <u>Act 27</u>	KEATING 24 KEATING III LIGGET	3/2/89	\$100,000 transfer to defendant KEATING III by ACC check

64. Racketeering Acts 28 through 30 consist of the following acts, described below in paragraphs 65 and 66:

Act 28 consists of Act 28(a), Act 28(b), and Act 28(c), any one of which alone constitutes Racketeering Act 28.

Act 29 consists of Act 29(a), Act 29(b) and Act 29(c), any one of which alone constitutes Racketeering Act 29.

Act 30 consists of Act 30(a), Act 30(b) and Act 30(c), any one of which alone constitutes Racketeering Act 30.

65. On or about the dates set forth below, in the District of Arizona, in violation of Title 18, United States Code, Section 1343, the defendants set forth below, having knowingly devised and participated in the scheme to defraud described in paragraphs 59 through 61 of the Indictment, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, caused the following signs, signals and sounds to be communicated by means of wire in interstate commerce, for the purpose of executing the scheme:

	<u>DEFENDANT(S)</u>	<u>DATE</u>	<u>DESCRIPTION</u>
<u>Act 28(a)</u>	KEATING	3/7/89	Wire instruction by computer from Phoenix, Arizona, to Bankers Trust Company in New York, New York, directing transfer of \$300,000 from ACC's account to Medema's account at Thunderbird Bank in Phoenix, Arizona

	<u>DEFENDANT(S)</u>	<u>DATE</u>	<u>DESCRIPTION</u>
<u>Act 28(b)</u>	KEATING	3/7/89	Wire transfer of \$300,000 from ACC's account at Bankers Trust Company in New York, New York, to Medema's account at Thunderbird Bank in Phoenix, Arizona
<u>Act 29(a)</u>	KEATING III LIGGET	3/29/89	Wire instruction by computer from Phoenix, Arizona, to Bankers Trust Company in New York, New York, directing transfer of \$100,000 from ACC's account to Medema's account at Thunderbird Bank in Phoenix, Arizona
<u>Act 29(b)</u>	KEATING III LIGGET	3/29/89	Wire transfer of \$100,000 from ACC's account at Bankers Trust Company in New York, New York, to Medema's account at Thunderbird Bank in Phoenix, Arizona
<u>Act 30(a)</u>	LIGGET	4/3/89	Wire instruction by computer from Phoenix, Arizona, to Bankers Trust Company in New York, New York, directing transfer of \$225,000 from ACC's account to Medema's account at Thunderbird Bank in Phoenix, Arizona

<u>DEFENDANT</u>	<u>DATE</u>	<u>DESCRIPTION</u>
<u>Act 30(b)</u> LIGGET	4/3/89	Wire transfer of \$225,000 from ACC's account at Bankers Trust Company in New York, New York, to Medema's account at Thunderbird Bank in Phoenix, Arizona

66. On or about the dates set forth below, in the District of Arizona, in violation of Title 18, United States Code, Section 152, the defendants set forth below, in contemplation of a bankruptcy case regarding ACC under Title 11, United States Code, and with intent to defeat the provisions of Title 11, knowingly and fraudulently transferred and concealed property of ACC, by means of the following payments in the form of fraudulent loans from Medema:

<u>DEFENDANT(S)</u>	<u>DATE</u>	<u>DESCRIPTION</u>
<u>Act 28(c)</u> KEATING	3/7/89	\$300,000 transfer to defendant KEATING by wire transfer and Medema counter check
<u>Act 29(c)</u> KEATING III LIGGET	3/29/89	\$100,000 transfer to defendant KEATING III by wire transfer and Medema counter check
<u>Act 30(c)</u> LIGGET	4/3/89	\$225,000 transfer to defendant WISCHER's husband by wire transfer and Medema counter check

COUNT TWO

[18 U.S.C. § 1962(d)]

[Defendants KEATING, WISCHER, KEATING III, WURZELBACHER and LIGGET]

67. The Grand Jury hereby repeats and realleges each and every allegation contained in paragraphs 1 through 66 of the Indictment.

68. Beginning at a time unknown to the Grand Jury, and continuing through at least April 1989, within the Central District of California and elsewhere, defendants KEATING, WISCHER, KEATING III, WURZELBACHER and LIGGET, along with others known and unknown to the Grand Jury, being persons employed by and associated with the enterprise described in paragraph 4 of the Indictment, knowingly and willfully conspired to violate Title 18, United States Code, Section 1962(c), in the manner set forth in paragraphs 1 through 66 of the Indictment.

69. It was further part of the conspiracy that each defendant agreed that two or more acts of racketeering activity would be committed in the conduct of the affairs of the enterprise.

COUNTS THREE THROUGH TWELVE

[18 U.S.C. § 1344]

[Defendants KEATING, WISCHER, KEATING III, WURZELBACHER and LIGGET]

70. The Grand Jury hereby repeats and realleges each and every allegation contained in paragraphs 1 through 40 of the Indictment.

71. On or about the dates set forth below, within the Central District of California and elsewhere, defendants KEATING, WISCHER, KEATING III, WURZELBACHER and LIGGET, through the transactions set forth below, knowingly executed, attempted to execute, and participated in a scheme to defraud Lincoln, a financial institution, and to obtain money and property owned by and under the custody and control of Lincoln by means of false and fraudulent pretenses, representations and promises; specifically, the sham profits scheme described in paragraphs 8 through 40 of the Indictment.

<u>COUNT</u>	<u>DATE</u>	<u>DESCRIPTION</u>
3	9/26/86	Wire transfer of \$1,000,000 from Lincoln to the account of R.A. Homes at Valley National Bank in Tucson, Arizona
4	9/26/86	Wire transfer of \$1,000,000 from Lincoln to the account of R.A. Homes of Las Vegas at Continental National Bank in Las Vegas, Nevada
5	10/31/86	Wire transfer of \$1,000,000 from Lincoln to the account of R.A. Homes at Valley National Bank in Tucson, Arizona
6	11/13/86	Wire transfer of \$2,000,000 from Lincoln to the account of R.A. Homes at Valley National Bank in Tucson, Arizona

<u>COUNT</u>	<u>DATE</u>	<u>DESCRIPTION</u>
7	12/31/86	Wire transfer of \$1,525,000 from Lincoln to the account of Powell, Goldstein, Frazer & Murphy at Citizen's and Southern National Bank in Atlanta, Georgia
8	3/31/87	Wire transfer of \$19,600,000 from Lincoln to the account of Santa Cruz Resources, Inc. at Arizona Bank in Tucson, Arizona
9	4/9/87	Wire transfer of \$1,025,000 from Lincoln to the account of Powell, Goldstein, Frazer & Murphy at Citizen's and Southern National Bank in Atlanta, Georgia
10	5/1/87	Wire transfer of \$5,600,000 from Lincoln to the account of Stewart Title & Trust at Valley National Bank in Tucson, Arizona
11	6/20/87	Wire transfer of \$36,581,007.44 from Lincoln to the account of Stewart Title & Trust at Valley National Bank in Tucson, Arizona
12	1/25/89	Wire transfer of \$4,330,630.87 from Lincoln to the account of Nalley, doing business as 2560 Moreland Limited, at Trust Company Bank in Atlanta, Georgia

COUNTS THIRTEEN THROUGH TWENTY-TWO

[18 U.S.C. § 657]

[Defendants KEATING, WISCHER, KEATING III, WURZELBACHER and LIGGET]

72. The Grand Jury hereby repeats and realleges each and every allegation contained in paragraphs 1 through 40 of the Indictment.

73. On or about the dates set forth below, within the Central District of California and elsewhere, defendant KEATING, being connected with Lincoln, and defendants WISCHER, KEATING III, WURZELBACHER and LIGGET, being connected with Lincoln and being officers, agents, and employees of Lincoln, abstracted, purloined, and willfully misapplied the following moneys, funds and credits belonging to Lincoln and pledged and intrusted to its care.

<u>COUNT</u>	<u>DATE</u>	<u>DESCRIPTION</u>
13	9/26/86	Wire transfer of \$1,000,000 from Lincoln to the account of R.A. Homes at Valley National Bank in Tucson, Arizona
14	9/26/86	Wire transfer of \$1,000,000 from Lincoln to the account of R.A. Homes of Las Vegas at Continental National Bank in Las Vegas, Nevada
15	10/31/86	Wire transfer of \$1,000,000 from Lincoln to the account of R.A. Homes at Valley National Bank in Tucson, Arizona
16	11/13/86	Wire transfer of \$2,000,000 from Lincoln to the account of R.A. Homes at Valley National Bank in Tucson, Arizona

<u>COUNT</u>	<u>DATE</u>	<u>DESCRIPTION</u>
17	12/31/86	Wire transfer of \$1,525,000 from Lincoln to the account of Powell, Goldstein, Frazer & Murphy at Citizen's and Southern National Bank in Atlanta, Georgia
18	3/31/87	Wire transfer of \$19,600,000 from Lincoln to the account of Santa Cruz Resources, Inc. at Arizona Bank in Tucson, Arizona
19	4/9/87	Wire transfer of \$1,025,000 from Lincoln to the account of Powell, Goldstein, Frazer & Murphy at Citizen's and Southern National Bank in Atlanta, Georgia
20	5/1/87	Wire transfer of \$5,600,000 from Lincoln to the account of Stewart Title & Trust at Valley National Bank in Tucson, Arizona
21	6/20/87	Wire transfer of \$36,581,007.44 from Lincoln to the account of Stewart Title & Trust at Valley National Bank in Tucson, Arizona
22	1/25/89	Wire transfer of \$4,330,630.87 from Lincoln to the account of Nalley, doing business as 2560 Moreland Limited, at Trust Company Bank in Atlanta, Georgia

COUNTS TWENTY-THREE THROUGH THIRTY-NINE

[15 U.S.C. §§ 77q(a) and 77x]

[Defendants KEATING, WISCHER, KEATING III, WURZELBACHER and LIGGET]

74. The Grand Jury hereby repeats and realleges each and every allegation contained in paragraphs 1 through 40, 47 and 48 of the Indictment.

75. On or about the following dates, within the Central District of California and elsewhere, defendants KEATING, WISCHER, KEATING III, WURZELBACHER and LIGGET, employing and engaging in the fraudulent scheme, transactions, practices, and courses of business described in paragraphs 47 and 48 of the Indictment, knowingly and willfully caused securities, namely ACC bonds, to be offered and sold to the following victims by the use of the mails and other means and instruments of transportation and communication in interstate commerce:

<u>COUNT</u>	<u>DATE</u>	<u>VICTIM(S)</u>
23	8/17/87	Grace Bock
24	8/26/87	Hoyt Ambrosius
25	12/1/87	Ronna Edgers
26	1/20/88	Thomas Wilkie
27	2/25/88	Grace Bock
28	4/10/88	Harry and Edna Kotick
29	5/17/88	Edward Griffith
30	6/10/88	Jack and Irene Matson
31	7/5/88	Lindsay and Kathryn Livengood

	<u>COUNT</u>	<u>DATE</u>	<u>VICTIM(S)</u>
1			
2	32	7/13/88	Robert Carlisle
3	33	8/5/88	Edward Griffith
4	34	8/18/88	John Felix
5	35	11/2/88	Donald Bowman
6	36	12/1/88	Harry and Edna Kotick
7	37	1/17/89	Grover Gilbert
8	38	2/13/89	Rose and Nancy Chin
9	39	2/13/89	Mitchell and Irene Luczynski

COUNTS FORTY THROUGH SIXTY-FOUR

[18 U.S.C. §§ 2314 and 2(b)]

[Defendants KEATING, WISCHER, KEATING III, WURZELBACHER and LIGGET]

76. The Grand Jury hereby repeats and realleges each and every allegation contained in paragraphs 1 through 40, 47 and 48 of the Indictment.

77. On or about the dates set forth below, within the Central District of California and elsewhere, defendants KEATING, WISCHER, KEATING III, WURZELBACHER and LIGGET knowingly and willfully caused money having a value of \$5,000 or more to be transported, transmitted and transferred in interstate commerce, by wire transfers in approximately the following amounts, from accounts held by ACC at Lincoln in California to accounts held by ACC at the receiving banks set forth below, knowing the money to have been taken by fraud, through the bond sales scheme described in paragraphs 47 and 48 of the Indictment:

<u>COUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>RECEIVING BANK</u>
40	2/26/87	\$440,000	United Bank of Arizona, Phoenix, Arizona
41	3/9/87	\$1,100,000	United Bank of Arizona, Phoenix, Arizona
42	4/27/87	\$788,000	United Bank of Arizona, Phoenix, Arizona
43	5/22/87	\$499,000	United Bank of Arizona, Phoenix, Arizona
44	6/8/87	\$589,000	United Bank of Arizona, Phoenix, Arizona

	<u>COUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>RECEIVING BANK</u>
1				
2				
3	45	7/27/87	\$754,375	United Bank of Arizona, Phoenix, Arizona
4	46	8/3/87	\$943,000	United Bank of Arizona, Phoenix, Arizona
5	47	9/8/87	\$631,000	Valley National Bank, Phoenix, Arizona
6				
7	48	10/30/87	\$498,000	Valley National Bank, Phoenix, Arizona
8				
9	49	11/16/87	\$2,549,000	Valley National Bank, Phoenix, Arizona
10	50	12/31/87	\$2,445,000	Valley National Bank, Phoenix, Arizona
11				
12	51	1/11/88	\$1,517,000	Valley National Bank, Phoenix, Arizona
13	52	2/8/88	\$1,234,000	Valley National Bank, Phoenix, Arizona
14				
15	53	3/14/88	\$1,849,000	Valley National Bank, Phoenix, Arizona
16	54	4/14/88	\$1,937,000	Bankers Trust Company, New York, New York
17				
18	55	5/5/88	\$5,612,000	Bankers Trust Company, New York, New York
19	56	6/20/88	\$834,000	Bankers Trust Company, New York, New York
20				
21	57	7/18/88	\$1,063,000	Bankers Trust Company, New York, New York
22	58	8/30/88	\$719,000	Bankers Trust Company, New York, New York
23				
24	59	9/19/88	\$781,000	Bankers Trust Company, New York, New York
25	60	10/11/88	\$1,281,000	Bankers Trust Company, New York, New York
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<u>COUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>RECEIVING BANK</u>
61	11/14/88	\$792,000	Bankers Trust Company, New York, New York
62	12/02/88	\$383,624	Bankers Trust Company, New York, New York
63	1/12/89	\$466,000	Bankers Trust Company, New York, New York
64	2/9/89	\$173,000	Bankers Trust Company, New York, New York

COUNTS SIXTY-FIVE THROUGH SIXTY-EIGHT

[18 U.S.C. § 657]

[Defendant LIGGET]

78. The Grand Jury hereby repeats and realleges each and every allegation contained in paragraphs 1, 2, 50 and 51 of the Indictment.

79. On or about the dates set forth below, within the Central District of California and elsewhere, defendant LIGGET, being connected with Lincoln and being an officer, agent and employee of Lincoln, executing the tax sharing theft described in paragraphs 50 and 51 of the Indictment, abstracted, purloined, and willfully misapplied the following moneys, funds and credits belonging to Lincoln and pledged and intrusted to its care.

<u>COUNT</u>	<u>DATE</u>	<u>AMOUNT</u>
65	12/30/86	\$10,000,000
66	4/9/87	\$4,500,000
67	7/1/87	\$14,186,000
68	7/7/88	\$14,000,000

COUNTS SIXTY-NINE THROUGH SEVENTY-ONE

[18 U.S.C. §§ 2314 and 2(b)]

[Defendant LIGGET]

80. The Grand Jury hereby repeats and realleges each and every allegation contained in paragraphs 1, 2, 50 and 51 of the Indictment.

81. On or about the dates set forth below, within the Central District of California and elsewhere, defendant LIGGET, for the purpose of executing the tax sharing theft described in paragraphs 50 and 51 of the Indictment, knowingly and willfully caused to be transported, transmitted and transferred in interstate commerce, by wire transfer, money having a value of \$5,000 or more, by wire transfers from Lincoln's account at the Federal Reserve Bank in San Francisco, California, to an account held by ACC at Bankers Trust Company in New York, New York, knowing the money to have been stolen, converted and taken by fraud.

<u>COUNT</u>	<u>DATE</u>	<u>AMOUNT</u>
69	12/30/86	\$10,000,000
70	4/9/87	\$4,500,000
71	7/1/87	\$14,186,000

COUNTS SEVENTY-TWO THROUGH SEVENTY-FOUR

[18 U.S.C. § 1344]

[Defendants KEATING and WISCHER]

82. The Grand Jury hereby repeats and realleges each and every allegation contained in paragraphs 1, 2, and 53 through 57 of the Indictment.

83. On or about the dates set forth below, within the Central District of California and elsewhere, defendants KEATING and WISCHER, through the transactions set forth below, knowingly executed, attempted to execute, and participated in a scheme to defraud Lincoln, a financial institution, and to obtain money and property owned by and under the custody and control of Lincoln by means of false and fraudulent pretenses, representations and promises; specifically, the Rancho Acacias bailout scheme described in paragraphs 53 through 57 of the Indictment.

<u>COUNT</u>	<u>DATE</u>	<u>TRANSACTION</u>
72	3/9/89	Transfer of 25% profits participation in Rancho Acacias property to ACC
73	3/13/89	Transfer of 25% profits participation in Rancho Acacias property to SEB
74	3/31/89	Wire transfer of \$5,761,822.21 from Lincoln to the account of SEB at Marine Midland Bank, New York, New York

COUNTS SEVENTY-FIVE AND SEVENTY-SIX

[18 U.S.C. § 657]

[Defendants KEATING and WISCHER]

84. The Grand Jury hereby repeats and realleges each and every allegation contained in paragraphs 1, 2, and 53 through 57 of the Indictment.

85. On or about the dates set forth below, within the Central District of California and elsewhere, defendant KEATING, being connected with Lincoln, and defendant WISCHER, being connected with Lincoln and being an officer, agent and employee of Lincoln, abstracted, purloined, and willfully misapplied the following moneys, funds, credits and things of value belonging to Lincoln and pledged and intrusted to its care.

<u>COUNT</u>	<u>DATE</u>	<u>ITEM</u>
75	3/9/89	25% profits participation in Rancho Acacias property
76	3/31/89	\$5,761,822.21

COUNT SEVENTY-SEVEN

[18 U.S.C. §§ 2314 and 2(b)]

[Defendants KEATING and WISCHER]

86. The Grand Jury hereby repeats and realleges each and every allegation contained in paragraphs 1, 2, and 53 through 57 of the Indictment.

87. On or about March 31, 1989, within the Central District of California and elsewhere, defendants KEATING and WISCHER knowingly and willfully caused to be transported, transmitted and transferred in interstate commerce, by wire transfer, money having a value of \$5,000 or more, namely a wire transfer of \$5,761,822.21, from Lincoln in California to the account of SEB at Marine Midland Bank, New York, New York, knowing the money to have been stolen, converted, and taken by fraud, through the Rancho Acacias bailout scheme described in paragraphs 53 through 57 of the Indictment.

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FORFEITURE

[18 U.S.C. § 1963]

[Defendants KEATING, WISCHER, KEATING III, WURZELBACHER and LIGGET]

88. For the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 1963, the Grand Jury hereby repeats and realleges each and every allegation contained in paragraphs 1 through 69 of the Indictment.

89. Defendants KEATING, WISCHER, KEATING III, WURZELBACHER and LIGGET have acquired and maintained interests in violation of Title 18, United States Code, Section 1962; all of which interests are thereby subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(1).

90. Defendants KEATING, WISCHER, KEATING III, WURZELBACHER and LIGGET have interests in, securities of, claims against, and property and contractual rights affording a source of influence over the enterprise described in paragraph 4 of the Indictment, which enterprise defendants KEATING, WISCHER, KEATING III, WURZELBACHER and LIGGET established, operated, controlled, conducted and participated in the conduct of, in violation of Title 18, United States Code, Section 1962; all of which interests are thereby subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(2).

91. Defendants KEATING, WISCHER, KEATING III, WURZELBACHER and LIGGET obtained, directly and indirectly, proceeds from racketeering activity in violation of Title 18, United States

1 d. has been substantially diminished in value; or
2
3 e. has been commingled with other property which
4 cannot be divided without difficulty;
5 any other property or interests of defendants KEATING, WISCHER,
6 KEATING III, WURZELBACHER or LIGGET, up to the value of such
7 property described in paragraphs 89 through 92 of the
8 Indictment, shall be subject to forfeiture to the United States
9 pursuant to Title 18, United States Code, Section 1963(m).

10
11 A TRUE BILL

12
13 _____
14 Foreperson

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16 LOURDES G. BAIRD
17 United States Attorney

18 ROBERT L. BROGIO
19 Assistant United States Attorney
20 Chief, Criminal Division
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