

FILED
CHARLOTTE, N. C.

JAN 29 2007

**UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF NORTH CAROLINA
STATESVILLE DIVISION**

U. S. DISTRICT COURT
W. DIST. OF N. C.

UNITED STATES OF AMERICA)
)
 v.)
)
HOWELL WAY WOLTZ)
_____)

DOCKET NO.
5:07CR3-B
BILL OF INFORMATION
Violation:
18 U.S.C. § 1956(h)

THE UNITED STATES ATTORNEY CHARGES:

At the specified times and at all relevant times:

I. Relevant People and Entities

A. Sterling Entities

1. Sterling Trust Ltd. (hereafter, "Sterling Trust") was an Anguillan corporation that maintained offices in Anguilla, British West Indies.
2. Sterling ACS Ltd. (hereafter, "Sterling ACS") was a Bahamian corporation in the business of incorporating off-shore entities and providing related financial services.
3. Sterling Bank Ltd. (hereafter, "Sterling Bank") was a St. Lucian corporation operating as a bank.

B. Individuals

4. Defendant HOWELL WAY WOLTZ (hereafter, "H. WOLTZ") was the president, a director, and a shareholder of Sterling Trust. In addition, H. WOLTZ was the president and a director of Sterling ACS.
5. Vernice Chaitan Woltz (hereafter, "V. Woltz"), a co-conspirator unindicted herein, was the wife of H. WOLTZ, a certified public accountant, a director of Sterling Trust, a director and chief financial officer of Sterling ACS, and a director of Sterling Bank.
6. Samuel T. Currin, a co-conspirator unindicted herein, was an attorney licensed to practice law in the State of North Carolina who represented Mr. J in various capacities. In addition, Currin was a shareholder and director of Sterling Bank.
7. Mr. J was a client and business partner of Currin. In or about December 2003, Mr.

J was indicted by a Virginia grand jury on charges that he unlawfully concealed his identity in order to send spam e-mail regarding, among other things, penny stocks. In or about November 2004, Mr. J was convicted of those charges in a Virginia state court.

8. Mr. O, a co-conspirator unindicted herein, was a resident of Kalamazoo, Michigan and the president of a securities consulting company.

9. Mr. K, a co-conspirator unindicted herein, was a resident of Montreal, Canada and a long-time stock promoter.

10. Mr. R, a co-conspirator unindicted herein, was an attorney licensed to practice law in the State of Florida and purportedly served as counsel to entities controlled by Mr. J, Mr. K, and Mr. O. Mr. R's law firm maintained a client trust account at SunTrust Bank in Tampa, Florida.

11. Mr. H, a co-conspirator unindicted herein, was a consultant to Sterling Bank.

C. Financial Institutions

12. SunTrust Bank (hereafter, "SunTrust") was a financial institution, to wit a bank the deposits of which were insured by the Federal Deposit Insurance Company (hereafter, "FDIC"), which was engaged in and the activities of which affected interstate and foreign commerce.

13. Bank of America (hereafter, "BoA") was a financial institution, to wit a bank the deposits of which were insured by the FDIC, which was engaged in and the activities of which affected interstate and foreign commerce.

14. The Branch Banking and Trust Company (hereafter, "BB&T") was a financial institution, to wit a bank the deposits of which were insured by the FDIC, which was engaged in and the activities of which affected interstate and foreign commerce.

15. First Citizens Bank (hereafter, "First Citizens") was a financial institution, to wit a bank the deposits of which were insured by the FDIC, which was engaged in and the activities of which affected interstate and foreign commerce.

16. Coastal Federal Bank (hereafter, "Coastal Bank") was a financial institution, to wit a bank the deposits of which were insured by the FDIC, which was engaged in and the activities of which affected interstate and foreign commerce.

17. World Trade Financial Corp. (hereafter, "World Trade Financial") was a broker-dealer headquartered in San Diego, California. Advantage Trading Group, Inc. (hereafter, "Advantage Trading") was World Trade Financial's clearing agent in Longwood, Florida.

18. Sunstate Equity Trading, Inc. (hereafter, "Sunstate") was a broker-dealer

headquartered in Tampa, Florida.

19. Electronic Access Direct, Inc. (hereafter, "Electronic Access") was a broker-dealer headquartered in Sarasota, Florida.

20. Newbridge Securities Corp. (hereafter, "Newbridge") was a broker-dealer headquartered in Fort Lauderdale, Florida.

21. Securities & Investment Planning Company (hereafter, "SIPC") was a broker-dealer headquartered in Boca Raton, Florida.

22. First Curacao International Bank N.V. (hereafter, "First Curacao") was a licensed bank engaged in the business of banking under the rules and regulations of the Central Bank of the Netherlands Antilles.

23. The National Bank of Anguilla Ltd. (hereafter, "National Bank of Anguilla") was a financial services organization headquartered in The Valley, Anguilla.

D. Publicly-Traded Companies

24. BodyScan Corp. (hereafter, "BodyScan") was a publicly-traded Nevada company quoted on the Over-the-Counter Pink Sheets (hereafter, "Pink Sheets") under the stock symbol "BDYS."

25. Ornate Holdings, Inc. (hereafter, "Ornate Holdings") was a publicly-traded Nevada shell company quoted on the Pink Sheets. On or about May 14, 2004, the name of Ornate Holdings was changed to Absolute Health and Fitness, Inc. (hereafter, "Absolute Health"), and its stock symbol was thereafter changed to "AHFI."

26. MBC Food Corporation (hereafter, "MBC Food") was a publicly-traded Nevada shell company quoted on the Pink Sheets. On or about June 10, 2004, the name of MBC Food was changed to Concorde America, Inc. (hereafter, "Concorde-Nevada"), and its stock symbol was thereafter changed to "CNCD."

27. Nexar Technologies, Inc. (hereafter, "Nexar") was a publicly-traded Nevada shell company quoted on the Pink Sheets. On or about January 31, 2005, the name of Nexar was changed to Bio-Heal Laboratories, Inc. (hereafter, "Bio-Heal"), and its stock symbol was thereafter changed to "BHLL."

E. Off-Shore Entities

28. Bovee Enterprises LLC (hereafter, "Bovee") was a company incorporated in or about August 2002 under the laws of Anguilla by Sterling ACS and controlled by Mr. J.

29. Pacific Trust was a Bahamian trust formed by Sterling ACS in or about August 2002, at the request of Mr. J and Currin, and controlled by Mr. J. Pacific Trust held all of the shares of stock in Bovee. Pacific Testamentary Trust was also a Bahamian trust formed by Sterling ACS, at the request of Mr. J and Currin, and controlled by Mr. J. Pacific Testamentary Trust was the beneficiary of Pacific Trust. Mr. J was a beneficiary of Pacific Testamentary Trust. Currin was the "trust protector" for this trust arrangement.

30. Jasmine Takamine Sdn Bhd (hereafter, "Jasmine") was a company incorporated in or about November 2003 under the laws of Anguilla by Sterling ACS and controlled by Mr. K.

31. St. Lawrence Trust was a Bahamian trust formed by Sterling ACS in or about November 2003. St. Lawrence Testamentary Trust was also a Bahamian trust formed by Sterling ACS and was the beneficiary of St. Lawrence Trust. St. Lawrence Trust owned the shares of Jasmine. Mr. K was a beneficiary of St. Lawrence Testamentary Trust. Mr. K controlled this trust arrangement and was the "trust protector."

32. Barranquilla Holdings, SA (hereafter, "Barranquilla") was a company incorporated in or about November 2003 under the laws of Anguilla by Sterling ACS and controlled by Mr. J and Mr. K. The shares of Barranquilla were to be owned by Amazon Trust, a Bahamian trust formed by Sterling ACS and the beneficiaries of which were Bovee and Jasmine. Barranquilla maintained an account at First Curacao.

33. Chiang Ze Capital, AVV (hereafter, "Chiang Ze") was a company incorporated in or about November 2003 under the laws of Anguilla by Sterling ACS and controlled by Mr. J and Mr. K. The shares of Chiang Ze were to be owned by Yellow River Trust, a Bahamian trust formed by Sterling ACS and the beneficiaries of which were Bovee and Jasmine. Chiang Ze maintained an account at First Curacao.

34. Ryzcek Investments, Gmbh (hereafter, "Ryzcek") was a company incorporated in or about November 2003 under the laws of Anguilla by Sterling ACS and controlled by Mr. J and Mr. K. The shares of Ryzcek were to be owned by Danube Trust, a Bahamian trust formed by Sterling ACS and the beneficiaries of which were Bovee and Jasmine. Ryzcek maintained an account at First Curacao.

35. Keel Enterprises, LLC (hereafter, "Keel") was a company incorporated in or about November 2003 under the laws of Anguilla by Sterling ACS and controlled by Mr. J and Mr. K. The shares of Keel were to be owned by Cape Fear Trust, a Bahamian trust formed by Sterling ACS and the beneficiaries of which were Bovee and Jasmine. Keel maintained an account at First Curacao.

36. DaSilva, SA (hereafter, "DaSilva") was a company incorporated in or about June 2004 under the laws of Anguilla by Sterling ACS and controlled by Mr. J and Mr. K. DaSilva maintained an account at First Curacao.

37. Vanderlip Holdings, NV (hereafter, "Vanderlip") was a company incorporated in or

about June 2004 under the laws of Anguilla by Sterling ACS and controlled by Mr. J and Mr. K. Vanderlip maintained an account at First Curacao.

38. Jonti Warburg Ltd. (hereafter, "Jonti") was a company incorporated in or about June 2004 under the laws of Anguilla by Sterling ACS and controlled by Mr. J and Mr. K. Jonti maintained an account at First Curacao.

39. Stromberti Esse, Gmbh (hereafter, "Stromberti") was a company incorporated in or about June 2004 under the laws of Anguilla by Sterling ACS and controlled by Mr. J and Mr. K. Stromberti maintained an account at First Curacao.

40. Gibson Island Enterprises, LLC (hereafter, "Gibson") was a company incorporated under the laws of Anguilla and controlled by Mr. J and Mr. K.

41. Bela Enterprises, LLC (hereafter, "Bela") was a company incorporated under the laws of Anguilla and controlled by Mr. J and Mr. K. Sterling ACS served as the resident agent and trustee of Bela.

II. The Securities Fraud and Money Laundering Scheme

42. Beginning in or about April 2003 and continuing through in or about April 2005, Mr. J, Mr. K, Mr. O, and others known and unknown to the Government conspired to fraudulently manipulate the stock prices of various publicly-traded companies, including but not limited to BodyScan, Absolute Health, Concorde, and Bio-Heal.

43. Mr. J, Mr. K, Mr. O, and others known and unknown to the Government gained control of large blocks of shares in various publicly-traded companies through fraudulent means and otherwise, including but not limited to the use of forged corporate documents, fake attorney opinion letters, and attorney opinion letters premised on false information. In order to conceal their ownership of these shares, Mr. J, Mr. K, and Mr. O caused the shares to be issued in the names of the off-shore entities they had formed and deposited the shares in domestic and foreign brokerage accounts in the names of those entities.

44. Mr. J, Mr. K, Mr. O, and others known and unknown to the Government then orchestrated fraudulent campaigns to promote the publicly-traded companies through various means, including but not limited to Internet search engine advertising, spam e-mail, Internet websites, unsolicited mass faxes, and voice mail broadcasting. The promotional materials contained material factual misrepresentations and omissions, including but not limited to the following:

A. The promotional materials omitted the fact that the co-conspirators had obtained control of large quantities of the securities being promoted in anticipation of their intended plan to conduct a promotional campaign regarding those securities and profit on the sale of those securities once the promotional campaign caused the prices of the securities to rise;

B. The promotional materials contained earnings projections known to the co-conspirators to be unrealistic and unjustifiable; and

C. The promotional materials contained materially false factual statements regarding the operations of the companies being promoted.

45. In addition, Mr. J, Mr. K, Mr. O, and others known and unknown to the Government conspired to defraud investors by using corrupt brokers and market-makers to fraudulently manipulate the quoted prices of the stocks.

46. When the stock prices of the publicly-traded companies being promoted rose as a result of this fraudulent activity, Mr. J, Mr. K, Mr. O, and others caused the shares of stock held in the names of the off-shore entities to be sold for tens of millions of dollars in profits.

47. Thereafter, Mr. J, Mr. K, Mr. O, Mr. R, Mr. H, Currin, H. WOLTZ, V. Woltz, and others known and unknown to the Government further conspired to launder the proceeds of the securities fraud scheme described above. The proceeds of this fraudulent scheme were wired and otherwise transferred from the brokerage accounts to:

A. Off-shore bank accounts at First Curacao in the names of off-shore entities; and

B. Mr. R's law firm's client trust account at SunTrust.

Proceeds of the fraudulent scheme were then further wired to and laundered through various foreign and domestic financial institutions, including accounts at First Curacao, BoA, BB&T, First Citizens, Coastal Bank, and National Bank of Anguilla.

A. BodyScan Corp.

48. In or about November 2003, Mr. K and others known and unknown to the Government caused a brokerage account to be opened at World Trade Financial in the name of Barranquilla. On or about January 15, 2004, Mr. K caused approximately 1.5 million unrestricted shares of BodyScan stock to be deposited into a brokerage account at World Trade Financial in the name of Barranquilla.

49. On or about January 23, 2004, H. WOLTZ, Currin, and Mr. H opened an account at BoA in Denver, NC in the name of Sterling Bank.

50. In or about February 2004, Mr. J and others caused fraudulent promotional materials regarding BodyScan to be distributed by means of mass unsolicited facsimiles.

51. In or about February 2004, when BodyScan's stock price and trading volume rose in response to the co-conspirators' fraudulent promotional campaign, Mr. K caused approximately 1.5

million shares of BodyScan stock held in the names of Barranquilla for a total of approximately \$2.6 million.

52. On or about February 26, 2004, Mr. K caused Advantage Trading to issue a check to Mr. R's law firm(f/b/o Barranquilla) in the amount of approximately \$2.6 million. That check was deposited into Mr. R's law firm's client trust account at SunTrust. Thereafter, Mr. R caused an approximately \$2.6 million wire transfer from his law firm's client trust account at SunTrust to Sterling Bank's account at BoA in Denver, NC.

B. Absolute Health and Fitness, Inc.

53. In or about April 2004, documents were created purporting to "reverse merge" a North Carolina health club company into a publicly-traded shell company provided by Mr. O. The resulting entity was ultimately known as Absolute Health.

54. In or about April 2004, approximately 23.5 million unrestricted shares of Absolute Health stock were issued to various individuals and entities based on forged corporate resolutions purporting to authorize the issuance of those shares. Thereafter, approximately 14.5 million of these shares were subsequently transferred to brokerage accounts at Sunstate, Newbridge, and Electronic Access in the names of Barranquilla, Chiang Ze, and Ryzcek.

55. In or about June 2004 and again in or about November 2004, websites known as www.winningstockpicks.net, www.hotstockfinder.com, www.pennystockpro.com, and www.uspennystocks.com, which were controlled by Mr. J, Mr. K, and others known and unknown to the Government posted false and fraudulent promotional materials regarding the Absolute Health stock. Potential investors were directed to these websites though, among other means, Internet search engine advertising.

56. In or about June 2004, Mr. J and others known and unknown to the Government caused fraudulent promotional materials regarding Absolute Health to be distributed by means of mass unsolicited facsimiles and voice mail broadcasting.

57. When Absolute Health's stock price and trading volume rose in response to the fraudulent promotional campaign, OEHMKE and others known and unknown to the Government caused the shares of Absolute Health stock held in brokerage accounts in the names of Barranquilla, Chiang Ze, and Ryzcek to be sold and the proceeds wired to Mr. R's law firm's client trust account and to First Curacao accounts in the names of Barranquilla, Chiang Ze, and Ryzcek.

C. Concorde America, Inc.

58. In or about June 2004, Mr. J, Mr. K, Mr. O, and others known and unknown to the Government caused a Florida company to engage in a "reverse merger" with a publicly-traded shell company provided by Mr. O. The resulting entity was known as Concorde.

59. In or about June 2004, Mr. O and others caused approximately 10 million unrestricted shares of Concorde stock to be issued to Ventana Consultants of Pennsylvania, LLC. These shares were subsequently transferred to brokerage accounts at Sunstate and Newbridge in the names of Barranquilla, Chiang Ze, DaSilva, and Vanderlip.

60. In or about July 2004, websites known as www.winningstockpicks.net and www.uspennystocks.com, which were controlled by Mr. J, Mr. K, and others known and unknown to the Government, posted false and fraudulent promotional materials regarding the Concorde stock.

61. In or about July 2004, Mr. J and others known and unknown to the Government caused fraudulent promotional materials regarding Concorde to be distributed by means of mass unsolicited facsimiles, spam e-mails, and voice mail broadcasting.

62. When Concorde's stock price and trading volume rose in response to the co-conspirators' fraudulent promotional campaign, Mr. O and others known and unknown to the Government caused the shares of Concorde stock held in brokerage accounts in the names of Barranquilla, Chiang Ze, DaSilva, and Vanderlip to be sold and the proceeds wired to Mr. R's law firm's client trust account and to First Curacao accounts in the names of Barranquilla, Chiang Ze, and Vanderlip.

D. Bio-Heal Laboratories, Inc.

63. In or about January 2005, Mr. J, Mr. K, Mr. O, and others known and unknown to the Government caused a Nevada company to engage in a "reverse merger" with a publicly-traded shell company provided by OEHMKE. The resulting entity was known as Bio-Heal.

64. In or about February 2005, Mr. O introduced Mr. J and Mr. K to another individual, who caused approximately 12 million unrestricted shares of Bio-Heal stock to be issued to defunct, non-existent, and recently incorporated companies based on a fake attorney opinion letter. At least 8 million of these shares were subsequently transferred to brokerage accounts at Newbridge and SIPC in the names of Gibson and Bela.

65. In or about March 2005, a website known as www.primepennystock.com, which was controlled by Mr. J, Mr. K, and others known and unknown to the Government, posted false and fraudulent promotional materials regarding the Bio-Heal stock. Potential investors were directed to this website though, among other means, Internet search engine advertising.

66. In or about March 2005, when Bio-Heal's stock price and trading volume rose in response to the co-conspirators' fraudulent promotional campaign, Mr. J and others known and unknown to the Government caused approximately 2.3 million shares of Bio-Heal stock held in brokerage accounts in the names of Gibson and Bela to be sold and proceeds wired to a First Curacao account in the name of Gibson.

COUNT ONE
18 U.S.C. § 1956(h)
(Money Laundering Conspiracy)

67. The Government realleges and incorporates by reference herein all of the allegations contained in paragraphs 1 through 66 of the Information, and further alleges that:

68. From in or about 2003 through in or about 2005, in Lincoln County, within the Western District of North Carolina, and elsewhere, the defendant,

HOWELL WAY WOLTZ

did knowingly, willfully and unlawfully combine, conspire, and agree with Mr. J, Mr. K, Mr. O, Mr. H, Mr. R, Currin, and other persons known and unknown to the Government, to commit the following offenses against the United States:

- A. Money laundering, in violation of Title 18, United States Code, Section 1956;
and
- B. Money laundering, in violation of Title 18, United States Code, Section 1957.

Objects of the Conspiracy

69. It was a part and an object of the conspiracy that the defendant, and others known and unknown to the Government, knowing that the property involved in financial transactions represented the proceeds of some form of unlawful activity, would and did conduct and attempt to conduct financial transactions involving the proceeds of specified unlawful activity, to wit wire fraud and securities fraud, with the intent to promote the carrying on of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i).

70. It was a part and an object of the conspiracy that the defendant, and others known and unknown to the Government, knowing that the property involved in the financial transactions described below represented the proceeds of unlawful activity, would and did conduct financial transactions involving the proceeds of specified unlawful activity, to wit wire fraud and securities fraud, knowing that the transaction was designed to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i).

71. It was a part and an object of the conspiracy that the defendant, and others known and unknown to the Government, would and did transport, transmit and transfer funds from a place in the United States to and through a place outside the United States and to a place in the United States from and through a place outside the United States with the intent to promote the carrying on of specified unlawful activity, to wit wire fraud and securities fraud, in violation of Title 18, United States Code, Sections 1956(a)(2)(A).

72. It was a part and an object of the conspiracy that the defendant, and others known and unknown to the Government, would and did transport, transmit and transfer funds from a place in the United States to and through a place outside the United States and to a place in the United States from and through a place outside the United States knowing that the funds involved in the transportation, transmission and transfer represented the proceeds of some form of unlawful activity and knowing that such transportation, transmission and transfer was designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, to wit wire fraud and securities fraud, in violation of Title 18, United States Code, Sections 1956(a)(2)(B)(i).

73. It was a part and an object of the conspiracy that the defendant, and others known and unknown to the Government, would and did knowingly engage and attempt to engage in monetary transactions in and affecting interstate and foreign commerce by, through, and to financial institutions, in criminally derived property of a value greater than \$10,000, such property having been derived from specified unlawful activity, to wit wire fraud and securities fraud, in violation of Title 18, United States Code, Section 1957.

All in violation of Title 18, United States Code, Section 1956(h).

NOTICE OF FORFEITURE AND FINDING OF PROBABLE CAUSE

74. The Government realleges and incorporates by reference herein all of the allegations contained in paragraphs 1 through 73 of the Information, and further alleges that:

75. Notice is hereby given, pursuant to Federal Rule of Criminal Procedure 32.2(a), of the provisions of 18 U.S.C. § 982, 21 U.S.C. § 853, and 28 U.S.C. § 2461(c). Under Section 2461(c), criminal forfeiture is applicable to any offenses for which forfeiture is authorized by any other statute, including but not limited to 18 U.S.C. § 981, and all specified unlawful activities listed or referenced in 18 U.S.C. § 1956(c)(7), which are incorporated as to proceeds by 18 U.S.C. § 981(a)(1)(C). The defendants have or had possessory or legal interests in the following property that is subject to forfeiture in accordance with Section 982 and/or Section 2461(c):

- A. \$90,000 held for Sterling ACS at First Caribbean International Bank;
- B. The sum of \$50,000 held for Sterling Trust Ltd. at Merrill Lynch International;
- C. All funds held in a BB&T bank account under the names of Howell & Vernice Woltz;
- D. All funds held in the BB&T bank account under the name of Vernice Woltz;
- E. All funds held in an RBC bank account under the name of Vernice Woltz;
- F. Equity interest in Sterling Trust Ltd.;
- G. Equity interest in Sterling ACS Ltd.;
- H. Equity interest in Sterling Precious Metals Ltd.; and
- I. Any additional property which is traceable, directly or indirectly, to proceeds of specified unlawful activity or otherwise involved in specified unlawful activity.

GRETCHEN C.F. SHAPPERT
UNITED STATES ATTORNEY



MATTHEW T. MARTENS
ASSISTANT UNITED STATES ATTORNEY