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16 **IN THE UNITED STATES DISTRICT COURT**  
17 **FOR THE DISTRICT OF ARIZONA**

19 United States of America,  
20  
21 Plaintiff,

22 v.

23 Michael Lacey, et al.,  
24 Defendants.

CR-18-422-PHX-DJH

**UNITED STATES' RESPONSE TO  
DEFENDANTS' ORAL MOTION TO  
DISMISS**

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## SUMMARY OF ARGUMENT

Defendants seek dismissal based on a draft asset tracing document that consists of information the United States disclosed to Defendants *over three years ago*. The United States provided the same statements to Defendants in nearly verbatim form when it produced two civil seizure affidavits in 2018, and when it served a related civil forfeiture complaint in 2020. (*See* Exhibits 1-3, attached.) As shown in a line-by-line comparison prepared by the United States (Exhibit 8, attached), these long-ago produced documents contain every material statement in the draft. Moreover, the draft was written by an agent who didn't testify at the trial, and no witness had adopted or approved of the draft. The draft isn't *Jencks* and doesn't contain any *Brady* or *Giglio* information that had not already been produced. For these and other reasons, the United States complied with its disclosure and discovery obligations—and Defendants' motion should be denied.

## FACTUAL BACKGROUND

### **I. Inspector Versoza Prepared the Draft Asset Tracing Document**

Defendants' motion is premised on an email the United States produced in an abundance of caution in anticipation of former Special Agent Quoc Thai's testimony during the forfeiture phase of the trial. On October 18, 2023, after Thai's trial testimony, he emailed asset forfeiture AUSA Dan Boyle. (Oct. 18, 2023, email attached as Exhibit 4.) The email discussed Thai's availability to meet with AUSA Boyle, "I'm generally free after 1 and could make exceptions most days after 9AM." (Ex. 4.) It also attached "the latest draft of the tracing document that [Postal Inspector Lyndon Versoza] and I put together years ago." (Ex. 4.) The attached document is titled, "Backpage Investigation, Asset Tracing Master Document Draft." ("Draft," attached as Exhibit 5.)

The relevant facts about the Draft include the following, which Inspector Lyndon Versoza and former SA Thai would testify to if so requested by the Court.

The purpose of the Draft was to serve as a repository to support asset forfeiture arising out of the Backpage investigation. Inspector Versoza prepared the Draft. Former SA Thai reviewed the Draft and made some formatting and line edit suggestions, but did

1 not actually draft any part of the document.

2 The Draft formed the basis for Inspector Versoza's affidavits in support of several  
3 seizure warrants issued by the Central District of California in 2018. (*See, e.g.,* Versoza  
4 Affidavit, filed 4/26/2018, Case No. 2:18-MJ-01000, Doc. 3-1, Bates No. DOJ-BP-  
5 0004598397-524 (attached as Exhibit 1); Versoza Affidavit, filed 10/31/2018, Case No.  
6 2:18-MJ-2872, Doc. 3-1, Bates No. DOJ-BP-0004719085-327 (attached as Exhibit 3).)

7 Defendants have long had access to the civil seizure affidavits. The United States  
8 produced the first affidavit to Defendants in discovery on July 2, 2018. (7/2/2018 discovery  
9 letter, attached as Exhibit 6.) The United States produced the second affidavit to  
10 Defendants on November 30, 2018. (11/30/2018 discovery letter, attached as Exhibit 7.)

11 The Draft was also used as a basis for the United States' Consolidated Master  
12 Verified Complaint for Forfeiture ("Civil Forfeiture Complaint") in a civil forfeiture action  
13 in the Central District of California. (*See* First Amended Consolidated Master Verified  
14 Complaint for Forfeiture, filed June 1, 2020, Case No. CV-18-8420-RGK-PJW, Doc. 108,  
15 Central District California (attached as Exhibit 2).) Inspector Versoza verified the  
16 complaint, and the United States filed it on the Central District of California's public docket  
17 on June 1, 2020. (*See* Ex. 2 at 1, 90.) All Defendants have been made aware of that action,  
18 and Lacey, Brunst, and Spear have even filed claims in it—and have routinely received  
19 ECF service of the filings in that case. (*See, e.g.,* Case No. CV-18-8420-RGK-PJW, Doc.  
20 57 (claim filed by Lacey), Doc. 59 (claim filed by Spear), Docs. 73 and 75 (notices of  
21 appearance filed by Gary S Lincenberg and Gopi K Panchapakesan on behalf of Claimant  
22 John Brunst); *see also* Exhibit 9 (attached) (ECF filing notification showing service of Doc.  
23 108 on counsel for Lacey, Brunst, and Spear).)

24 The Draft itself is not a final document. Inspector Versoza used it as the starting  
25 point for his seizure warrant affidavits, but he would then review the underlying  
26 transactions to ensure the information included in the affidavits was correct. (*See, e.g.,* Ex.  
27 5 at 70 ("Tracing to be completed on Monday.")) The information included in the Draft  
28 still needed to be completed and finalized, which Inspector Versoza did before certifying

1 the seizure warrant affidavits and the Civil Forfeiture Complaint.

2 In addition to the fact that former SA Thai did not prepare the Draft, he also did not  
3 rely on it in preparing for his trial testimony in this case. Instead, Thai drafted his own  
4 document titled “Master Table,” which the United States produced to Defendants on  
5 February 11, 2020. (Feb. 11, 2020, email from A. Stone to defense counsel, attached as  
6 Exhibit 10.) That spreadsheet contained all the notes and citations to bank records that Thai  
7 used in both (a) preparing the summary exhibits, and (b) preparing for his trial testimony  
8 regarding the money laundering counts.

9 After Thai’s trial testimony, he began to prepare for his potential testimony related  
10 to asset forfeiture. Thai referenced the Draft in the email to AUSA Boyle because the  
11 information relates to asset forfeiture. Accordingly, and in an abundance of caution, the  
12 United States produced the email.

13 **II. The Civil Seizure Affidavits and the Civil Forfeiture Complaint Disclose**  
14 **Nearly Verbatim the Contents of the Draft**

15 The language in the Draft was incorporated nearly verbatim into the civil seizure  
16 affidavits and the Civil Forfeiture Complaint discussed above. To show this, the United  
17 States has prepared Exhibit 8. Exhibit 8 reproduces each paragraph of the Draft and  
18 corresponding language found in the affidavits, the complaint, and other bank records—all  
19 of which were either produced to Defendants in this case in discovery, or publicly filed and  
20 served on Defendants in the Central District of California. Simply put, Exhibit 8 shows that  
21 all the information contained in the Draft was previously disclosed and known to  
22 Defendants.

23 The following excerpt of Exhibit 8 is illustrative—it shows, on a line-by-line basis,  
24 how paragraphs 32-36 of the Draft were reproduced in nearly identical form in Exhibit 1—  
25 Inspector Versoza’s 4/26/2018 civil seizure affidavit, produced to Defendants in July 2018  
26 (*see* Ex. 6):

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<p>32. Fio Bank accounts ‘2226, ‘2231, ‘2230 are located in the Czech Republic, and held in the name of Gold Leaf SRO. All funds and securities in these accounts are held for Backpage.com by a third party, Gold Leaf SRO. According to FERRER and the Service Level Agreement ("SLA") between Ad Tech BV, a Backpage owned company and Gold Leaf SRO, the funds and/or securities in these accounts are the criminally derived proceeds of Backpage ads, including ads promoting prostitution.</p>	<p>10(n). SUBJECT ACCOUNT 18D: Fio Bank, in the Czech Republic, account number CZ702010000002001002226, is an account held in the name of Gold Leaf SRO. All funds and securities in this account are held for Backpage.com by a third party, Gold Leaf SRO.</p> <p>10(o). SUBJECT ACCOUNT 18E: Fio Bank, in the Czech Republic, account number CZ762010000002101002231, is an account held in the name of Gold Leaf SRO. All funds and securities in this account are held for Backpage.com by a third party, Gold Leaf SRO.</p> <p>10(p). SUBJECT ACCOUNT 18F: Fio Bank, in the Czech Republic, account number CZ852010000002501002230, is an account held in the name of Gold Leaf SRO. All funds and securities in this account are held for Backpage.com by a third party, Gold Leaf SRO.</p> <p>(Ex. 1 at ¶ 10.)</p> <p>66(b). SUBJECT ACCOUNTS 18D, 18E, and 18F are accounts held by a third party, Gold Leaf SRO. According to Ferrer and Service Level Agreements ("SLA") between Ad Tech BV, a Backpage owned company and Gold Leaf SRO, which I have reviewed, the funds and/or securities in these accounts are the criminally derived proceeds of Backpage ads, including ads promoting prostitution.</p> <p>(Ex. 1 at ¶ 66.)</p>
<p>33. The SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage. According to FERRER, the arrangement between Gold Leaf,</p>	<p>66(b). The SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage. According to Ferrer, the arrangement between Gold Leaf, SRO, and Backpage</p>

<p>1 SRO, and Backpage was put into                  2 place to evade what he called a                  3 "blockade by credit card companies."                  4 FERRER explained that beginning                  5 around 2015, U.S. credit card                  6 companies such as MasterCard and                  7 Visa refused to process credit card                  8 payments for Backpage due to the                  9 negative press surrounding sex                  10 trafficking and prostitution content on                  11 Backpage.</p>	<p>was put into place to evade what he called                  a "blockade by credit card companies."                  Ferrer explained that beginning around                  2015, U.S. credit card companies such as                  MasterCard and Visa refused to process                  credit card payments for Backpage due to                  the negative press surrounding sex                  trafficking and prostitution content on                  Backpage.                  (Ex 1 at ¶ 66.)</p>
<p>34. As one of the ways around this                  "blockade," Backpage Operators set                  up agreements with foreign persons                  and partners to "franchise" websites                  for the sole purpose of accepting                  credit card payments.</p>	<p>66(b). As one of the ways around this                  "blockade," Backpage Operators set up                  agreements with foreign persons and                  partners to "franchise" websites for the                  sole purpose of accepting credit card                  payments.                  (Ex 1 at ¶ 66.)</p>
<p>35. According to FERRER, this use of                  foreign third-parties and foreign                  accounts allowed Backpage to                  continue to accept credit card                  payments for prostitution ads while                  concealing from the credit card                  companies that the payments were for                  Backpage ads.</p>	<p>66(b). According to Ferrer, this use of                  foreign third parties and foreign accounts                  allowed Backpage to continue to accept                  credit card payments for prostitution ads                  while concealing from the credit card                  companies that the payments were for                  Backpage ads.                  (Ex 1 at ¶ 66.)</p>
<p>36. FERRER said that Gold Leaf SRO                  existed for the sole purpose of                  funneling to Backpage accounts                  otherwise prohibited credit card                  payments for Backpage ads.                  FERRER explained that these                  accounts are owned by Backpage and                  are not co-mingled with other funds,                  and are therefore subject to seizure                  and forfeiture to the United States.</p>	<p>66(b). Ferrer said that Gold Leaf SRO                  existed for the sole purpose of funneling                  to Backpage accounts otherwise                  prohibited credit card payments for                  Backpage ads. Ferrer explained that these                  accounts are owned by Backpage and are                  not co-mingled with other funds, and are                  therefore subject to seizure and forfeiture                  to the United States.                  (Ex 1 at ¶ 66.)</p>

(Ex. 8 at 19-21.)

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## ARGUMENT

14 The United States has complied with its discovery obligations. The Draft wasn't  
15 *Jencks* and didn't contain any *Brady* or *Giglio* information that hadn't already been  
16 produced. (See Exs. 1-3.) The Draft also wasn't subject to Rule 16. The Draft only arguably  
17 became discoverable when former SA Thai attached it to an email discussing his potential  
18 testimony related to the forfeiture phase. But the Draft itself provided Defendants with no  
19 new material information—Defendants were aware of everything in the document because  
20 it either had been produced by the United States in discovery over five years ago, or was  
21 included in the First Amended Consolidated Master Verified Complaint for Forfeiture filed  
22 by the United States in June 2020, of which all Defendants are fully aware. Defendants  
23 Lacey, Brunst, and Spear, through attorneys who represent them in this criminal trial, then  
24 filed two motions to dismiss the civil forfeiture action. (CV-18-8420-RGK-PJW, Central  
25 District of California, Docs. 111 and 112; see Exhibit 11, attached.)

26 Accordingly, even if the Court found that the Draft should have been disclosed  
27 sooner, Defendants suffered zero prejudice, because all of the information contained in the  
28 Draft had been disclosed years ago.

### I. The Draft Isn't *Jencks*

Defendants argued in their oral motion to dismiss that the Draft may be *Jencks* of  
former SA Thai and Carl Ferrer. Those arguments do not square with the evidence.

The *Jencks* Act requires the United States “to produce any statement (as hereinafter  
defined) of the witness in the possession of the United States which relates to the subject  
matter as to which the witness has testified.” 18 U.S.C. § 3500(b). “The term ‘statement’  
. . . means—a written statement made by said witness and signed or otherwise adopted or  
approved by him.” 18 U.S.C. § 3500(e)(1).<sup>1</sup>

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<sup>1</sup> Rule 26.2 also discusses the obligation to disclose a witness's statement, but expands the obligation to the defense. “After a witness other than the defendant has testified on direct examination, the court, on motion of a party who did not call the witness, must order an attorney for the government or the defendant and the defendant's attorney to produce, for the examination and use of the moving party, any statement of the witness that is in their possession and that relates to the subject matter of the witness's testimony.” Fed.

1           The Draft isn't a "written statement made by" Carl Ferrer. The Draft was not "signed  
2 or otherwise adopted or approved" by him. 18 U.S.C. § 3500. Further, all statements  
3 attributed to Ferrer in the Draft were produced to Defendants in the Versoza affidavits.  
4 (Exs. 1 & 3.)

5           The Draft also isn't *Jencks* for Quoc Thai. As an initial matter, former SA Thai was  
6 not the author of the Draft, nor did he contribute substantively to the document, so the  
7 document isn't a "written statement made by" him. Defendants may argue that because  
8 Thai reviewed the Draft and offered some line edits and formatting suggestions he "adopted  
9 or approved" it, but that point is dubious. *United States v. Begaye*, 236 F.R.D. 448, 451-  
10 454 (D. Ariz. 2006) (testifying agent who read and relied on another agent's written report  
11 was not *Jencks* for the testifying witness). Assuming *arguendo* that Thai did "adopt or  
12 approve" the document, the Draft still isn't *Jencks*—for two reasons.

13           First, the document is a draft and wasn't intended as a final "statement." In *United*  
14 *States v. Kaiser*, 660 F.2d 724, 731-32 (9th Cir. 1981), the Ninth Circuit held that when a  
15 draft was "neither intended as a final statement nor [] a contemporaneously written factual  
16 account of what a witness said" then it wasn't "adopted or approved" by the agent and isn't  
17 producible. The court found no violation of *Jencks* where an agent discarded his  
18 handwritten rough draft of an investigative report, explaining:

19           The *Jencks* Act requires, in part, that the Government produce written  
20 statements made by a witness and "signed or otherwise adopted or approved  
21 by him." 18 U.S.C. s 3500(e)(1). The draft of the report here was not intended  
as a final report. Nor was the draft similar to witness interview notes which  
are intended only to be factual accounts of what a witness said.

22 *Id.* at 731-32 (citing *United States v. Harris*, 543 F.2d 1247, 1252 (9th Cir. 1976).

23           In *United States v. Steele*, 2020 WL 4726704, at \*5 (W.D. Wash. Aug. 13, 2020),  
24 the district court similarly held that the United States need not produce drafts of a special  
25 agent's affidavit in support of a criminal complaint. The United States, relying on *Kaiser*,  
26 argued that the agent's "drafts are not producible because 'under a plain reading of the

27 \_\_\_\_\_  
28 R. Crim. P. 26.2(a). A "witness's 'statement' means: a written statement that the witness  
makes and signs, otherwise adopts or approves." Fed. R. Crim. P. 26.2(f)(1).



1 statute (or Rule 26.2), a draft statement that is not signed or otherwise adopted or approved  
2 is not a written statement for purposes of Jencks.” *Id.* The court agreed, finding that  
3 because the draft affidavit wasn’t “substantially different from the final version” and the  
4 special agent never “intended to approve or adopt earlier drafts,” the draft affidavit wasn’t  
5 “producible Jencks material.” *Id.* So too, here: the statements in the Draft aren’t  
6 substantially different from the finalized civil seizure affidavits and Civil Forfeiture  
7 Complaint discussed above (Exs. 1-3), and no agent or witness ever intended to approve  
8 or adopt the Draft.

9         Second, the Draft didn’t relate to Thai’s trial testimony. The document, as evidenced  
10 by its use exclusively in supporting the seizure warrants and civil forfeiture complaint, did  
11 not relate to the money laundering counts that Thai testified about at trial. Indeed, Thai did  
12 not rely on the Draft to prep for trial, but instead drafted his own document titled “Master  
13 Table,” which the United States produced to Defendants on February 11, 2020. (Ex. 10.)

14         Finally, even if the Court finds that the Draft should have been produced earlier,  
15 Defendants have suffered no prejudice, because they have received all this information—  
16 nearly verbatim—from other sources, including the seizure warrant affidavits and Civil  
17 Forfeiture Complaint. (Exs. 1-3, 8.) *See, e.g., Rosenberg v. United States*, 360 U.S. 367,  
18 371 (1959) (“[Where] the same information that would have been afforded had the  
19 document been given to defendant was already in the possession of the defense by way of  
20 the witness’ admissions while testifying, it would deny reason to entertain the belief that  
21 defendant could have been prejudiced by not having had opportunity to inspect the letter.”);  
22 *United States v. Terragna*, 390 F. App’x 631, 639 (9th Cir. 2010) (“Because the interview  
23 notes that defendants received included [the witness’s] substantially verbatim statements,  
24 defendants were not prejudiced by the Government’s failure to produce formal summaries  
25 of those statements.”).

26         In sum, there was no *Jencks* violation, let alone any conduct sufficient to warrant  
27 the extreme sanctions of dismissal or stricken testimony that Defendants seek here.  
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## 1     **II.     Brady and Giglio Do Not Apply**

2             In making their oral motion to dismiss, Defendants attempted to couch the Draft's  
3 recent disclosure as a *Brady* or *Giglio* violation. (*See generally* Transcript of the November  
4 8, 2023 status conference.) Defendant Brunst's counsel argued that Carl Ferrer's cross  
5 examination would have been materially different if the Draft had been disclosed  
6 previously. This argument strains credulity.

7             An allegation that the prosecution failed to disclose material evidence is governed  
8 by *Brady v. Maryland*, 373 U.S. 83, 87, (1963). Under *Brady*, "[t]he government violates  
9 its constitutional duty to disclose material exculpatory evidence where (1) the evidence in  
10 question is favorable to the accused in that it is exculpatory or impeachment evidence, (2)  
11 the government willfully or inadvertently suppresses this evidence, and (3) prejudice  
12 ensues from the suppression (i.e., the evidence is 'material')." *Jones v. Ryan*, 691 F.3d  
13 1093, 1102 (9th Cir. 2012) (citation and quotations omitted). When evidence isn't  
14 suppressed, *Brady* and *Giglio* aren't implicated. *Id.*

15             Here, no evidence was actually suppressed, so neither *Brady* nor *Giglio* applies. In  
16 the draft document, there are 23 paragraphs that attribute statements to Carl Ferrer. (Ex. 5  
17 at ¶¶ 30, 32, 33, 35-38, 40-43, 45-47, 50, 51, 53-56, 59, 60, 65.) Each of these paragraphs  
18 is included nearly verbatim in Inspector Versoza's two seizure warrant affidavits. (Exs. 1  
19 & 3.) Every single statement attributed to Ferrer was part of these affidavits. (*See* Ex. 8 at  
20 18-34.) These Ferrer statements have been in Defendants' possession since November  
21 2018. (Exs. 6 & 7.) If anything, the two affidavits provide more detailed information about  
22 Ferrer's statements than the draft document. (*See* Ex. 8 at ¶¶ 30, 32, 37, 42, 50, 53-54, 59.)  
23 Because no statements by Ferrer were suppressed—and the contents of the Draft were  
24 previously disclosed to Defendants years ago—neither *Brady* nor *Giglio* applies. *United*  
25 *States v. Marashi*, 913 F.2d 724, 734 (9th Cir. 1990) (when the substance of the information  
26 has already been disclosed, then the non-disclosed information is "merely cumulative  
27 impeachment evidence and thus [] not *Brady* material"); *United States v. Kennedy*, 890  
28 F.2d 1056, 1061 (9th Cir. 1989) ("no *Brady* violation when the undisclosed evidence was

1 cumulative to evidence presented at trial”); *see also United States v. Van Brandy*, 726 F.2d  
2 548, 551 (9th Cir. 1984) (defendant must not only make a showing that the non-disclosed  
3 evidence is material and favorable to defendant, but also that it has not been included in  
4 any report provided to defendant).

5 **III. Rule 16 Does Not Apply, and Defendants Suffered Zero Prejudice**

6 Defendant’s oral motion to dismiss did not invoke Rule 16. Nevertheless, the United  
7 States preemptively notes that there has been no Rule 16 violation. As an initial matter, this  
8 Draft falls under the protection of Rule 16(a)(2). That rule “does not authorize the  
9 discovery or inspection of reports, memoranda, or other internal government documents  
10 made by an attorney for the government or other government agent in connection with  
11 investigating or prosecuting the case.” Fed. R. Crim. P. 16(a)(2). *See also United States v.*  
12 *Amlani*, 111 F.3d 705, 713 (9th Cir. 1997) (“We agree with the district court that the  
13 government is not obligated under Rule 16(a)(2) to turn over internal government  
14 documents . . . . Rule 16(a)(2) clarifies that a defendant has an interest in the actual evidence  
15 in the government’s control, not the government’s records of that evidence.”).

16 Even if the protection of Rule 16(a)(2) didn’t apply, the Draft was not discoverable  
17 under Rule 16. In accordance with the rule, the United States must disclose certain  
18 categories of information if the defendant makes a request for such information. The only  
19 category the Draft could possibly implicate is “documents and objects.” Fed. R. Crim. P.  
20 16(a)(1)(e). That section reads in pertinent part, “Upon a defendant’s request, the  
21 government must permit the defendant to inspect and to copy or photograph books, papers,  
22 documents, data . . . if the item is within the government’s possession, custody, or control  
23 and: (i) the item is material to preparing the defense.” But the Draft wasn’t material to trial  
24 preparation regarding the money laundering counts, and former SA Thai did not rely on it  
25 in creating the summary exhibits or preparing for his testimony.

26 Finally, even if the Draft could be deemed material, all the information contained in  
27 the Draft was previously produced and known to Defendants. (*See Exs. 1-3, 8.*)  
28 Accordingly, Defendants suffered no prejudice. *See, e.g., United States v. Christensen*, 624

1 F. App'x 466, 481-82 (9th Cir. 2015) (“any Rule 16 violation was harmless because the  
2 [fact] was common knowledge”); *United States v. Gee*, 695 F.2d 1165, 1168 (9th Cir. 1983)  
3 (finding that failure to provide transcript of a tape-recorded conversation pre-trial did not  
4 prejudice defendant’s rights at trial, when defendant had the tape recording).

5 Simply put, the United States complied with its disclosure and discovery  
6 obligations, and Defendants face no prejudice. For these same reasons, Defendants’  
7 alternative requests for relief should be denied. In addition to seeking dismissal of the entire  
8 case, Defendants seek partial dismissal, striking Thai’s testimony, and/or an evidentiary  
9 hearing. None of these requests are warranted or needed, given the clear fact that  
10 Defendants already had the Draft’s information in their possession—as Exhibit 8  
11 demonstrates. Production of the Draft before trial would have failed to change the evidence  
12 presented at trial in any meaningful way, since Defendants were already armed with all the  
13 facts identified in the Draft.

14 In these circumstances, Defendants’ motion should be denied.

15 **CONCLUSION**

16 For the foregoing reasons, Defendants’ oral motion to dismiss or for other relief  
17 should be denied.

18 Respectfully submitted this 13<sup>th</sup> day of November, 2023.

19 GARY M. RESTAINO  
20 United States Attorney  
District of Arizona

21 NICOLE M. ARGENTIERI  
22 Acting Assistant Attorney General  
Criminal Division, U.S. Department of Justice

23 *s/Andrew C. Stone* \_\_\_\_\_  
24 KEVIN M. RAPP  
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ANDREW STONE  
DANIEL BOYLE  
Assistant U.S. Attorneys

27 AUSTIN M. BERRY  
28 Trial Attorney

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**CERTIFICATE OF SERVICE**

I hereby certify that on November 13, 2023, I electronically transmitted the attached document to the Clerk’s Office using the CM/ECF System for filing and transmittal of a Notice of Electronic Filing to the CM/ECF registrants who have entered their appearance as counsel of record.

s/ Daniel Parke

# Exhibit 1

# United States District Court

CENTRAL DISTRICT OF CALIFORNIA

In the Matter of the Seizure of  
(Address or Brief description of property or premises to be seized)

Any and all funds held in Knab Bank Account  
# NL15KNAB0255357664

## APPLICATION AND AFFIDAVIT FOR SEIZURE WARRANT

FILED  
CLERK, U.S. DISTRICT COURT  
APR 26 2018  
CENTRAL DISTRICT OF CALIFORNIA  
BY: \_\_\_\_\_ DEPUTY

CASE NUMBER: 2:18-MJ-01000

I, LYNDON A. VERSOZA, being duly sworn, depose and say: \_\_\_\_\_ DEPUTY

I am a United States Postal Inspector with the United States Postal Inspection Service, and I have reason to believe that in the KINGDOM OF THE NETHERLANDS and elsewhere there is now concealed a certain person or property, namely (describe the person or property to be seized)

Any and all funds held in Knab Bank Account # NL15KNAB0255357664

which is (state one or more bases for seizure under United States Code)

subject to seizure and forfeiture under 18 U.S.C. § 981(a)(1)(A) and (C)

concerning a violations of Title 18 United States Code, Sections 1952, 1956 and 1957.

The facts to support a finding of Probable Cause for issuance of a Seizure Warrant are as follows:

Continued on the attached sheet and made a part hereof.  Yes  No

/s/

Signature of Affiant

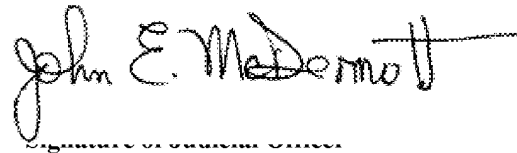
Sworn to before me, and subscribed in my presence

April 26 2018

Date

Los Angeles, CA

Hon. JOHN E. MCDERMOTT, U.S. Magistrate Judge  
Name and Title of Judicial Officer



John Kucera:drb

**AFFIDAVIT IN SUPPORT OF SEIZURE WARRANT**

I, Lyndon A. Versoza, being duly sworn, hereby depose and state as follows:

**I. TRAINING AND EXPERIENCE**

1. I am a United States Postal Inspector employed by the United States Postal Inspection Service ("USPIS"), Los Angeles Division, in Los Angeles, California, where I have served since June 2005. Currently, I am responsible for investigating criminal violations of money laundering and structuring laws, such as when United States Postal Service ("USPS") Money Orders or the United States Mail are used as a means to launder or structure funds. During my career as a Postal Inspector, I have participated in or investigated financial violations including money laundering, darknet investigations, digital currency investigations, structuring, bank, wire and mail fraud, and identity theft. In addition, I have received both formal and informal training from USPIS and other agencies regarding money laundering and financial crimes. For approximately five years prior to investigating money laundering, I was assigned to investigate child exploitation and sex trafficking. In that assignment, I worked both independently and in a task force where I led and participated in investigations related to crimes involving the exploitation of children and sex trafficking.



2. Prior to my service as a U.S. Postal Inspector, I attended the University of Southern California in Los Angeles, where, in 2001, I received a bachelor's degree. While in college, I was the website administrator for a non-profit media company in Los Angeles where, among other things, I learned about domain names, domain name servers, and remote hosting. Following college, from 2002 to 2005, I served as a law enforcement officer with the U.S. Immigration and Naturalization Service, which later became U.S. Customs and Border Protection. There, among other things, I worked on cases involving human smuggling and international sex trafficking.

3. I am familiar with the facts and circumstances described herein. This affidavit is based upon my personal involvement in this investigation, my training and experience, and information obtained from various law enforcement personnel and witnesses, including information that has been reported to me either directly or indirectly. This affidavit does not purport to set forth my complete knowledge or understanding of the facts related to this investigation. Unless specifically indicated otherwise, all conversations and statements described in this affidavit are related in substance and part only. All figures, times, and calculations set forth herein are approximate.

II. SUMMARY AND PURPOSE OF AFFIDAVIT

4. This affidavit is made in support of applications for warrants to seize all funds held in certain SUBJECT ACCOUNTS, all owned or controlled by "Backpage.com" (referred to herein as "Backpage"), associated entities, and their owners and operators.

A. Background

5. This case is being investigated by the USPIS, the Federal Bureau of Investigation ("FBI") and the Internal Revenue Service-Criminal Investigation ("IRS-CI"), with assistance from the Los Angeles Joint Regional Intelligence Center.

6. The focus of the investigation has been on violations by Backpage, its associated entities, and their owners and operators, of Title 18, United States Code, Sections 1952(a)(3)(A) and (b)(i)(1) (Interstate and Foreign Travel in Aid of Racketeering Enterprise); and Title 18 U.S.C. §§ 1956 and 1957, (Money Laundering).

7. From speaking with other agents in this investigation, and reviewing emails, internal documents, and other records related to this investigation, I know the following:

a. Backpage.com, LLC, incorporated in Delaware in 2004, is an internet-based company that allows customers to post on-line classified advertisements. These advertisements include sections dedicated to a variety of matters, including adult,

automotive, community, dating, jobs, local places, musicians, rentals and services. Backpage receives between 75 million to 100 million unique internet visitors per month.

b. Backpage realizes profits in the tens of millions of dollars per year from adult advertisement. Historically, adult ads, where Backpage advertisers post sex trafficking ads, constitute less than ten percent of all advertisements posted on the website. However, the adult ads generate over 90 percent of Backpage's revenue. In short, Backpage derives almost all its revenue and profits from adult service ads, including advertising for sex trafficking.<sup>1</sup>

c. In or about 2004, operators Michael Lacey ("Lacey"), James Larkin ("Larkin"), and Carl Ferrer ("Ferrer") created Backpage. There were also two minority owners; John Brunst ("Brunst"), who owned 5.67 percent; and Scott Spear

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<sup>1</sup> According to Backpage accounting records, for the period May 1 to May 31, 2014, over 90% of Backpage's revenues derived from what they characterized as "adult entertainment." Backpage's internal documents suggest that this 90% figure has been consistent since its 2004 inception.

For example, between October 6, 2014, and May 31, 2015, Backpage grossed almost \$105 million from advertising "adult entertainment." During this same period, Backpage grossed only \$1.6 million from all other advertisements combined. Assuming that Backpage has accurately estimated that 90% of its revenues are generated from "adult" and "escort" ads, Backpage has generated as much as \$500 million in prostitution-related revenue since 2004.

("Spear"), who owned 4.09 percent. From 2004 until 2015, Lacey and Larkin oversaw the website's policies and strategic direction. In 2015, Lacy and Larkin purportedly sold all or substantially all of their interests in Backpage to Ferrer.<sup>2</sup> However Lacey and Larkin retained significant control over the website, and both Lacey and Larkin continue to receive tens of millions of dollars of annual distributions of Backpage revenue.

d. While not an original owner, Ferrer was one of the original officers of Backpage, having initially served as Backpage's vice-president, and later as CEO. Ferrer is also the CEO of several Backpage related entities in the Netherlands, including "Website Technologies," "Amstel River Holdings," and "Ad Tech BV."

e. Michael Thomas Gage ("Gage") has no formal position at Backpage, but is the President, Chief Executive Officer, Treasurer, and Secretary of another Backpage controlled entity, "Posting Solutions," a wholly owned subsidiary of Backpage that receives payments from Backpage advertisers. According to his social media profile, Gage is also the Chief

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<sup>2</sup> From my review of financial records related to Ferrer's 2015 agreement to purchase Backpage, it appears that, through a series of loans from other Backpage Operators to be repaid by Ferrer, Ferrer agreed to purchase Backpage for approximately \$400 million.

Financial Officer of Website Technologies. Based on emails he has sent and wire transfer information, Gage appears to control much of the international and domestic financial transactions of Backpage and its related entities.

f. Daniel Hyer ("Hyer") at one time was the Sales and Marketing Director of Backpage. He remains an account signatory for Backpage controlled entities, including Website Technologies.

8. Throughout this affidavit, the individuals identified in paragraphs 7(c) through (f), along with others not named in this affidavit, are collectively referred to as the "Backpage Operators."

9. Based on a review of publicly available materials obtained in the course of the investigation, and my review of the Backpage website, I have learned the following:

a. The majority of the paid advertisements on the Backpage website relate to prostitution activities in violation of 18 U.S.C. §§ 1591 and 1252.

b. As further described below, Backpage itself, as well as its operators, who are in control of the SUBJECT ACCOUNTS (as defined below), is in the business of promoting the trafficking of children and adults for sex. Sex trafficking of adults is a violation of 18 U.S.C. § 1952, and sex trafficking of children is a violation of 18 U.S.C. 1591, each of which

statutes is a Specified Unlawful activity ("SUA") within the meaning of federal law. (see 18 U.S.C. § 1956(c)(7)(vii)).

c. The SUBJECT ACCOUNTS are located both inside and outside the United States. The domestic accounts have received wire transfers from places outside of the United States or have received funds traceable to wire transfers from places outside of the United States, which funds Backpage has used to promote sex trafficking, in violation of 18 U.S.C. § 1956(a)(2)(A) (International Money Laundering). Some of the SUBJECT ACCOUNTS have received transfers or deposits in excess of \$10,000 traceable to the SUA, in violation of 18 U.S.C. § 1957 (Money Laundering Spending Statute).

d. Backpage, until recently, controlled numerous domain names that have since been seized by the government pursuant to a seizure warrant issued in this district in case no. CR. Misc. 2:18-MJ-00711.<sup>3</sup> The Seized Domains are registered by "ASCIO TECHNOLOGIES INC" DBA "NETNAMES," a domain registrar that manages the reservation of internet domain names. A domain registrar serves to ensure that a registered domain name, like each of the Seized Domains, is not double sold. Additionally, a domain registration will allow the owner of the domain to direct

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<sup>3</sup> The domain names seized pursuant to that warrant are referred to herein as the "seized domains."

internet traffic to a company's webserver. The Seized Domains were found to have been acquired and maintained with funds traceable to the money laundering scheme described herein, specifically with funds from an account seized pursuant to a separate seizure warrant in case no. CR. Misc. 2:18-MJ-00721, and the Seized Domains were the mechanism Backpage used to promote the prostitution and sex trafficking activity described below.

B. SUBJECT ACCOUNTS

10. This affidavit is offered in support of applications for warrants to seize all funds and securities held in the following U.S. and foreign bank accounts <sup>4</sup> (hereinafter referred to collectively as the "SUBJECT ACCOUNTS"):

- a. SUBJECT ACCOUNT 16A:<sup>5</sup> Republic Bank of Arizona

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<sup>4</sup> Pursuant to 18 U.S.C. § 981(b)(3), this Court has authority to issue a seizure order for foreign accounts ("Notwithstanding the provisions of Rule 41(a) of the Federal Rules of Criminal Procedure, a seizure warrant may be issued . . . in any district in which a forfeiture action may be filed . . . and may be transmitted to the central authority of any foreign state for service with any treaty or other international agreement").

<sup>5</sup> The numbering of the subject accounts picks up from prior warrant applications for different accounts, the contents of which have already been seized. See 18-MJ-711; 18-MJ-712; 18-MJ-713; 18-MJ-715; 18-MJ-716; 18-MJ-178; 18-MJ-720; 18-MJ-721; 18-MJ-722; 18-MJ-723; 18-MJ-724; 18-MJ-751; 18-MJ-752; 18-MJ-797; and 18-MJ-798.

account number 11402485 is a money market account held in the name of Lacey.

b. SUBJECT ACCOUNT 16B: Republic Bank of Arizona account number 11101897 is a checking account held in the name of Lacey.

c. SUBJECT ACCOUNT 16C: Republic Bank of Arizona account number 11003126 is an account held in the name of Lacey.

d. SUBJECT ACCOUNT 16D: Republic Bank of Arizona account number 1021078316 is a Certificate of Deposit Account Registry Service ("CDARS") account held in the name of Lacey.

e. SUBJECT ACCOUNT 16E: Republic Bank of Arizona account number 1021078324 is a CDARS account held in the name of Lacey.

f. SUBJECT ACCOUNT 16F: Republic Bank of Arizona account number 1021078332 is a CDARS account held in the name of Lacey.

g. SUBJECT ACCOUNT 16G: Republic Bank of Arizona account number 1021078103 is a CDARS account held in the name of Larkin.

h. SUBJECT ACCOUNT 16H: Republic Bank of Arizona account number 1021078162 is a CDARS account held in the name of Larkin.

i. SUBJECT ACCOUNT 16I: Republic Bank of Arizona account number 1021078189 is a CDARS account held in the name of



Larkin.

j. SUBJECT ACCOUNT 17: K&H Bank, located in Hungary, account number HU63104010935052676785761210, is an account held in the name of Primus Trust Company (Binghampton Trust) for the benefit of Lacey.

k. SUBJECT ACCOUNT 18A: Fio Bank, located in the Czech Republic, account number CZ9020100000002300995803, is an account held in the name of Ad Tech BV, with Ferrer as the ultimate beneficial owner.

l. SUBJECT ACCOUNT 18B: Fio Bank, in the Czech Republic, account number CZ1220100000002000995801, is an account held in the name of Ad Tech BV, with Ferrer as the ultimate beneficial owner.

m. SUBJECT ACCOUNT 18C: Fio Bank, in the Czech Republic, account number CZ7120100000002600995805, is an account held in the name of Ad Tech BV, with Ferrer as the ultimate beneficial owner.

n. SUBJECT ACCOUNT 18D: Fio Bank, in the Czech Republic, account number CZ7020100000002001002226, is an account held in the name of Gold Leaf SRO. All funds and securities in this account are held for Backpage.com by a third party, Gold Leaf SRO.

o. SUBJECT ACCOUNT 18E: Fio Bank, in the Czech Republic, account number CZ7620100000002101002231, is an account

held in the name of Gold Leaf SRO. All funds and securities in this account are held for Backpage.com by a third party, Gold Leaf SRO.

p. SUBJECT ACCOUNT 18F: Fio Bank, in the Czech Republic, account number CZ8520100000002501002230, is an account held in the name of Gold Leaf SRO. All funds and securities in this account are held for Backpage.com by a third party, Gold Leaf SRO.

q. SUBJECT ACCOUNT 18G: Fio Bank, in the Czech Republic, account number CZ4620100000002000914194, is an account held in the name of Protecctio SRO. All funds and securities in this account are held for Backpage.com by a third party, Protecctio SRO.

r. SUBJECT ACCOUNT 18H: Fio Bank, in the Czech Republic, account number CZ2720100000002300914196, is an account held in the name of Protecctio SRO. All funds and securities in this account are held for Backpage.com by a third party, Protecctio SRO.

s. SUBJECT ACCOUNT 18I: Fio Bank, in the Czech Republic, account number CZ0820100000002600914198, is an account held in the name of Protecctio SRO. All funds and securities in this account are held for Backpage.com by a third party, Protecctio SRO.

t. SUBJECT ACCOUNT 18J: Fio Bank, in the Czech

Republic, account number CZ4820100000002801118083, is an account held in the name of Varicok Company SRO. All funds and securities in this account are held for Backpage.com by a third party, Varicok Company SRO.

u. SUBJECT ACCOUNT 18K: Fio Bank, in the Czech Republic, account number CZ2020100000002701118086, is an account held in the name of Varicok Company SRO. All funds and securities in this account are held for Backpage.com by a third party, Varicok Company SRO.

v. SUBJECT ACCOUNT 18L: Fio Bank, in the Czech Republic, account number CZ7620100000002901118080, is an account held in the name of Varicok Company SRO. All funds and securities in this account are held for Backpage.com by a third party, Varicok Company SRO.

w. SUBJECT ACCOUNT 19A: Bank Frick, located in Liechtenstein, account number LI09 0881 1060 7717 K000 K, is an account held in the name of Ad Tech BV, and Ferrer is the ultimate beneficial owner.

x. SUBJECT ACCOUNT 19B: Bank Frick, in Liechtenstein, account number LI30 0881 1060 7717 K000 U, is an account held in the name of Ad Tech BV, and Ferrer is the ultimate beneficial owner.

y. SUBJECT ACCOUNT 19C: Bank Frick, in Liechtenstein, account number LI74 0881 1060 7717 K000 E, is an

account held in the name of Ad Tech BV, and Ferrer is the ultimate beneficial owner.

z. SUBJECT ACCOUNT 19D: Bank Frick, in Liechtenstein, account number LI90 0881 1060 7717 K001 E, is an account held in the name of Ad Tech BV, and Ferrer is the ultimate beneficial owner.

aa. SUBJECT ACCOUNT 20: Knab Bank, located in the Netherlands, account number NL15KNAB0255357664, is an account held in the name of Procop Services BV. All funds and securities in this account are held for Backpage.com by Procop Services BV.

bb. SUBJECT ACCOUNT 21A: Rabo Bank, in the Netherlands, account number NL44RAB00307182452, is an account held in the name of Gulietta Group BV. All funds and securities in this account are held for Backpage.com by Guilietta Group BV.

cc. SUBJECT ACCOUNT 21B: Rabo Bank, in the Netherlands, account number NL64RAB00307604721, is an account held in the name of UniversAds BV. All funds and securities in this account are held for Backpage.com by UniversAds BV.

### **III. APPLICABLE LAW**

11. There is probable cause to believe that funds and/or securities on deposit in the SUBJECT ACCOUNTS are subject to seizure and forfeiture by the United States under the following provisions:

a. 18 U.S.C. § 981(a)(1)(A), because the funds and/or securities are involved in, and traceable to, one or more transactions or attempted transactions in violation of 18 U.S.C. § 1956(h) (Conspiracy to Launder Money), 18 U.S.C. § 1956(a)(2) (International Money Laundering for Promotion), and 18 U.S.C. § 1957 (Financial Transactions Involving Illicit Proceeds). Pursuant to 18 U.S.C. § 981(a)(1)(A), any property involved in a transaction, or attempted transaction, in violation of 18 U.S.C. §§ 1956 or 1957, or any property traceable to such property, is subject to forfeiture to the United States; and

b. 18 U.S.C. § 981(a)(1)(C), because the funds and/or securities constitute and are derived from proceeds traceable to one or more violations of 18 U.S.C. § 1956(h), 18 U.S.C. § 1956(a)(2), and 18 U.S.C. § 1957.

12. Title 18 U.S.C. § 1956 prohibits, among other things, financial transactions involving the proceeds of SUAs -- committed or attempted (1) with the intent to promote further predicate offenses; (2) with the intent to evade taxation; (3) knowing the transaction is designed to conceal the source, location, ownership or control of the proceeds; or (4) knowing the transaction is designed to avoid anti-laundering financial reporting requirements. 18 U.S.C. § 1956(h) prohibits two or more parties agreeing to accomplish the unlawful purpose of money laundering.

13. Title 18 U.S.C. § 1957 prohibits a party from knowingly engaging in a monetary transaction in excess of \$10,000 with property that is criminally derived from some SUA.

14. Title 18 U.S.C. § 1956(a)(2) (International Money Laundering for Promotion) makes it a crime to transport, transmit, or transfer, or attempt to transport, transmit, or transfer, monetary instruments or funds (including funds that are not criminal proceeds) from the United States to or through a place outside the United States, or to the United States from or through a place outside the United States, with the intent to promote some SUA, as that term is defined in 18 U.S.C. § 1956(c)(7).

15. The "Travel Act," 18 U.S.C. § 1952(a), an SUA, prohibits, in part, the use of the mail or any facility in interstate or foreign commerce with the intent to otherwise promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on of any unlawful activity, by any person who thereafter performs or attempts to perform an act to promote, manage, establish, carry on, or facilitate the promotion, management, establishment and carrying on of such unlawful activity. "Unlawful Activity," as defined in 18 U.S.C. § 1952(b), includes prostitution offenses in violation of the laws of the state in which such acts are committed or in violation of the laws of the United States.

Prostitution is illegal in the State of California. (See, e.g., Cal. Penal Code § 647(b).)

16. Sex trafficking of juveniles or any person by means of force, fraud or coercion, is a violation of 18 U.S.C. § 1591, an SUA.

#### IV. DIGITAL CURRENCY/BITCOIN

17. Digital currency (also known as crypto-currency) is generally defined as an electronic-sourced unit of value that can be used as a substitute for fiat currency (*i.e.*, currency created and regulated by a sovereign government). It exists entirely on the Internet and is not stored in any physical form. It is not issued by any government, bank, or company, but is instead generated and controlled through computer software operating on a decentralized peer-to-peer network. Digital currency is not illegal in the United States and may be used for legitimate financial transactions. However, it is often used to conduct illegal transactions, such as the sale of controlled substance, or as in this investigation, to purchase ads to promote prostitution.

18. Bitcoin is a type of digital currency accepted by Backpage. Bitcoin payments are recorded on a public ledger that is maintained by peer-to-peer verification, and is thus not maintained by a single administrator or entity. Individuals can acquire Bitcoins either by "mining" them or purchasing Bitcoins

from other individuals. An individual can "mine" Bitcoins by allowing his/her computing power to verify and record the Bitcoin payments into a public ledger. Individuals are rewarded for this by being given newly created Bitcoins. Bitcoins can be bought and sold in fractions.

19. Backpage also accepts other digital currencies, including Litecoin, Bitcoin Cash, and Ether. Sometimes called "alt-coins," because they are alternatives to Bitcoins, these digital currencies were created after Bitcoin to address perceived weaknesses or problems with Bitcoin technology. Based on my review of Backpage transactions, the majority of Backpage's digital currency transactions are in Bitcoin.

20. An individual can send and receive Bitcoins through peer-to-peer digital transactions or by using a third-party broker. Such transactions can be done on any type of computer, including laptop computers and smart phones.

21. Digital currency is generally stored in digital "wallets," which essentially store the access codes that allows individuals to conduct digital currency transactions on the public ledger. To access digital currency on the public ledger, an individual must use a public address (or "public key") and a private address (or "private key"). The public address can be analogized to a bank account number, while the private key is like a password used to access an online account.



22. Even though the public addresses of those engaging in Bitcoin transactions are recorded on the public ledger, the true identities of the individuals or entities behind the public addresses are not. If, however, an individual or entity is linked to a public address, it would be possible to determine what transactions were conducted by that individual or entity. For these reasons, digital currency transactions are described as "pseudonymous," meaning they are partially anonymous.

**V. STATEMENT OF PROBABLE CAUSE**

**A. Buying a Backpage Ad**

23. In February 2018, I visited Backpage.com and, posing as an advertising purchaser, engaged in the regular process of posting an ad in the Backpage "Dating" section, which is one of the places on Backpage.com where prostitution ads are commonly found. Through this process, I learned the following:

a. A person looking to post an advertisement on Backpage (an "advertiser") must first create an account. Once an account is created, the advertiser clicks on a link called "Post an ad," which will then toggle certain categories regarding where the ad should be posted (e.g., "Los Angeles," "Riverside," etc.) and under what category the ad should appear (e.g., "Dating," "Adult," etc.). The advertiser also has the option to post pictures and videos. In the adult sections, opting to post in more than one geographical area, or opting to

post more frequently occurring ads will increase the advertisement price. Currently, Backpage.com charges \$5 per ad posted in the adult sections. In some of the non-adult and non-dating sections I checked, there was no charge at all to post an ad.

b. Once an advertiser selects the desired options, he or she is required to enter a phone number, a link to a social media page (such as Facebook), and an email address. The Backpage website claims to verify the advertiser's phone number before he or she can continue on to actually purchasing an ad.

c. In order to pay for Backpage ads, an advertiser must first buy "credits." Backpage offers several ways for an advertiser to acquire credits:

i. A Backpage advertiser may mail gift cards, checks, and money orders to "Posting Solutions" at a P.O. Box in Dallas, Texas (as further described below, this P.O. Box is associated with Posting Solutions and SUBJECT ACCOUNT 1).<sup>6</sup>

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<sup>6</sup> I have reviewed the cash purchase of USPS money orders subsequently directed to this P.O. Box. Between September 2014 and June 2016, several millions of dollars in money orders were purchased in what appears to have been structured transactions (*i.e.*, transactions carried out in a manner intended to avoid certain reporting requirements that USPS maintains for money order purchases greater than \$3000). Based on my review, hundreds of these money orders include email addresses with words consistent with prostitution, such as "sex" or "sexy."

ii. Backpage directly accepts credit card payment through a third-party credit card payment processor.

iii. Backpage also accepts several types of digital currency (specifically, Backpage accepts Bitcoin, Bitcoin Cash, Litecoin, and Ethereum). If the advertiser selects this option, Backpage provides a digital currency wallet address where the advertiser can send the electronic transfer of the digital currency.

iv. Backpage also accepts cash, but only through third party payment processors. Based on information gathered during this investigation, I believe that once the third-party payment processor receives cash, it converts the cash into digital currency and then electronically transfers that digital currency to a Backpage digital currency wallet.

24. Digital Currency is processed through the subject accounts in the following way:

a. When Backpage receives digital currency, it will aggregate the digital currency and then transfer it to a third-party exchanger like GoCoin.<sup>7</sup>

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<sup>7</sup> GoCoin is a digital currency exchanger that converts Bitcoin, Litecoin and another digital currency into fiat currency, like the U.S. Dollar or the Euro. GoCoin is owned by Manx Broadcasting Corporation, based in the Isle of Man. GoCoin has offices in Singapore and Santa Monica, California and appears to hold bank accounts in several countries outside the United States.

b. In exchange for the digital currency, the exchanger transfers U.S. dollars from its foreign bank accounts into Backpage operating accounts, such as SUBJECT ACCOUNT 1. The exchanger, if it so elects, may then sell its Bitcoin on various Bitcoin markets.

25. I reviewed records obtained from GoCoin. From this review, I estimate that between 5 to 10 percent of the ads posted on Backpage.com are ads within the Central District of California (including Los Angeles and Orange Counties). For example, between January 10 and February 3, 2016, approximately 500,000 ads were posted on Backpage.com and paid for with Bitcoin, for which Backpage received over \$3,840,000 in revenue. Of these approximately 500,000 ads, approximately 28,400 were posted only in LosAngeles.Backpage.com, Ventura.Backpage.com, SanLuisObispo.Backpage.com, OrangeCounty.Backpage.com, and SanGabrielValley.Backpage.com. These specific ads generated approximately \$184,479 in revenue.

B. Backpage Promotion of Prostitution and Sex Trafficking

26. I have reviewed several Backpage ads that were used to sell minors for sex and forcibly traffic adult women for sex. I have also reviewed the criminal records of certain of the pimps and sex traffickers, most of whom were convicted after having used Backpage to advertise their victims. From this review, I learned the following:

a. Between 2014 and 2015, a pimp sold S.F., a minor girl, for sex. The pimp advertised S.F. on Backpage's "Escort" section in the Los Angeles area of California and in Arizona. The ad contained phrases such as "New In Town" and "Sexy Dark Asain Bombshell with a Nice & Tight {Booty}." The ad selling S.F. on Backpage included multiple pictures showing her legs, stomach, shoulders and buttocks. Later, the pimp was arrested and convicted on state sex trafficking charges, and sentenced to 196 years imprisonment.

b. Between 2014 and 2015, the same pimp sold A.C., a minor girl, for sex. In November 2014, at the age of 17, A.C. was first sold for sex through a Backpage ad using phrases such as "NEW IN TOWN," "sexy sweet," and "sweet like honey but super hot like fire." The Backpage ad selling A.C. included pictures of her showing her legs, stomach, shoulder, and buttocks, and posed her in sexually provocative positions.

c. Between November 2015 and December 2015, in a different incident, a pimp drove two women and four minor girls (T.S., S.L., K.O., and R.W.) from Columbus, Ohio to a hotel in St. Charles, Missouri. The next day, the pimp told the girls to post ads on Backpage.com. Some of the girls took calls and engaged in paid sex acts with Backpage customers who responded to the ads. The ads the girls posted included pictures of them sitting on the bed showing their buttocks. Another image I saw was of a naked

girl's body pressed against a mirror. Other pictures appeared more mundane, such as images of girls posing clothed in front of a mirror. However, these ads used phrases like "I'm sweet as a treat maybe even sweeter" and "not a lot need to be said. my pic are 100% real." In 2017, this pimp was convicted on sex trafficking charges and a federal court sentenced him to 300 months in prison.

d. In or around 2010, in Washington, J.S., a minor girl, was sold for sex through the use of Backpage ads. J.S.'s pimp drafted the ads that were placed a Backpage that contained words and phrases such as, "W'E'L'L\_W'O'R'T'H\_I'T\*\*\*^\*\*\*150HR" and "IT WONT TAKE LONG AT ALL." The ads also included pictures of J.S. in provocative positions showing her breasts and buttocks. On March 29, 2011, the pimp who sold J.S. for sex was sentenced to over 26 years imprisonment on charges related to sex trafficking.

e. Between in or around 2011 and 2016, a female victim, D.O., who was between the ages of 14 and 19 during those years, was sold for sex through Backpage ads. D.O.'s female pimp instructed D.O. that Backpage was the safest place to advertise because Backpage did not require age verification. D.O.'s Backpage ads included words and phrases that were indicative of prostitution, such as "roses" (money) and "back door" (anal sex). Some of the customers who responded to D.O.'s Backpage ads forced D.O. to perform sexual acts at gunpoint, choked her to the point

of having seizures, and gang-raped her.<sup>8</sup>

27. I have reviewed documents and reports from multiple state and government agencies and authorities regarding Backpage's promotion of sex trafficking and prostitution. From these reports, and from my review of internal Backpage correspondence following Backpage management receiving these reports, I am aware that all levels of Backpage management are aware of Backpage's role in promoting criminal activity. For example:

a. On September 21, 2010, a group of state attorneys general wrote a letter to Backpage observing that "ads for prostitution—including ads trafficking children—are rampant on the site," and arguing that "[b]ecause Backpage cannot, or will not, adequately screen these ads, it should stop accepting them

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<sup>8</sup> Using these examples, I also reviewed financial transactions for some of these ads. Using email addresses and other identifiers associated with the Backpage ads, I reviewed GoCoin records for some of these transactions. From these records, I found bitcoin payments associated with the email addresses used to post the ads, which transactions were processed by GoCoin. For example, in the case involving victims S.F. and A.C. (described in paragraphs 28(a) and (b)) prosecuted in Arizona, the bitcoin payments for these ads were made in November and October 2015. In the case involving T.S., S.L., K.O., and R.W. (described in paragraph 28(c)) prosecuted in Missouri, the bitcoin payments were made in October and November 2015. As described in paragraph 48 of this affidavit, between December 2015 and June 2016, over 130 wires from Slovakia from GoCoin, totaling over \$16.8 million was sent to a Website Technologies account at Branch Bank & Trust Company account number 1440001712008. Between December 2015 and October 2016, 32 wires totaling \$48 million were sent from the BBT Account to a Cereus Properties Account 9361116211 at Arizona Bank and Trust, which made its way into 11 accounts named in prior seizure warrants.

altogether.” The state AGs acknowledged that this step would cause Backpage to, “lose the considerable revenue generated by the adult services ads,” but stated that “no amount of money can justify the scourge of illegal prostitution, and the misery of the women and children who will continue to be victimized in the marketplace provided by backpage.”

b. Following this letter, on September 25, 2010, Ferrer wrote an email explaining that Backpage was unwilling to delete ads that included terms indicative of prostitution because doing so would “piss[] off a lot of users who will migrate elsewhere” and force Backpage to refund those customers’ fees.

c. In January 2017, the U.S. Senate Subcommittee on Permanent Investigations (“Subcommittee”) conducted a lengthy investigation into sex trafficking and Backpage. I have reviewed the Subcommittee’s 50-page report entitled “Backpage.com’s Knowing Facilitation of Online Sex Trafficking.” This report concluded, among other things, that virtually all of Backpage’s “adult” ads are actually solicitations for illegal prostitution services and that “Backpage has maintained a practice of altering ads before publication by deleting words, phrases, and images indicative of criminality, including child sex trafficking . . . . Those practices served to sanitize the content of innumerable advertisements for illegal transactions—even as Backpage represented to the public and the courts that it merely hosted



content others had created." In response to the Subcommittee's report, Backpage purported to shut down the "adult" section of its website. However, based on my review of several thousands of Backpage ads, I believe that the prostitution ads simply migrated to other sections of the website, where they remain to this day.

d. On August 5, 2011, Backpage received a letter from the mayor of Seattle. This letter warned, "Seattle Police have identified an alarming number of juvenile prostitutes advertised on Backpage.com since January 2010," and explained that Backpage was dissimilar from other companies whose products and services are "occasionally or incidentally" utilized by criminals because "[y]our company is in the business of selling sex ads" and "your services are a direct vehicle for prostitution." The letter also recommended that Backpage require in-person age verification for all of the "escorts" depicted in its ads. Based on knowledge gained through this investigation, I do not believe that Backpage has ever instituted an in-person age verification.

28. I have reviewed internal documents, emails, and correspondence among Backpage employees and management. From those emails I have learned that Backpage has instituted policies and procedures designed to maintain its promotion of sex trafficking and prostitution, but which "sanitize" some of the language Backpage customers use to advertise in order to make the advertising of sex trafficking less overt. From my review of

Backpage documents, I know that Backpage refers to this practice as "moderation." For example:

a. In April 2008, Ferrer wrote an email explaining that, although he was "under pressure to clean up phoenix's adult content," he was unwilling to delete prostitution ads because doing so "would put us in a very uncompetitive position with craig[slist]"<sup>9</sup> and result in "lost pageviews and revenue." Thus, Ferrer instructed Backpage's technical staff to edit the wording of such ads by removing particular terms that were indicative of prostitution, and then allow the remainder of the ad to be featured on Backpage's website.

b. On October 8, 2010, a Backpage manager sent an email threatening to fire any Backpage employee who acknowledged, in writing, that a customer was advertising prostitution: "Leaving notes on our site that imply that we're aware of prostitution, or in any position to define it, is enough to lose your job over. . . . This isn't open for discussion. If you don't agree with what I'm saying completely, you need to find another job."

c. On October 16, 2010, the same Backpage manager again sent an email to a large group of Backpage employees that

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<sup>9</sup> Craigslist is a competing internet based advertising company that features classified ads.

contained two attachments providing guidance on how to "moderate" ads. The first was a PowerPoint presentation that displayed a series of 38 nude and partially-nude photographs, some of which depicted graphic sex acts. Next to each picture was an instruction as to whether it should be approved or disapproved by a Backpage moderator. These instructions included "Approve. Nude rear shots are okay as long the model is not exposing her anus or genitalia." and "Approve. Rear shot okay. Transparent wet panties okay." The second was an Excel spreadsheet identifying 50 terms (all of which were indicative of prostitution) that should be "stripped" from ads before publication. The Backpage manager concluded the email by stating, "[I]t's the language in ads that's really killing us with the Attorneys General. Images are almost an afterthought to them."

d. On October 16, 2010, the same Backpage manager sent a separate internal email explaining, "I'd like to still avoid Deleting ads when possible," that "we're still allowing phrases with nuance," and that "[i]n the case of lesser violations, editing should be sufficient."

e. On October 25, 2010, Ferrer sent an email acknowledging that the "[i]llegal content removed" through Backpage's moderation processes was "usually money for sex act." This email also explained that, after the "sex act pics are removed," the "ad text may stay."

f. On October 27, 2010, a different Backpage manager sent an internal email stating that Backpage was "editing 70 to 80%" of the ads it received from customers.

g. On June 7, 2011, Ferrer received an inquiry from a law enforcement official about a particular ad that included the term "amber alert." In response, Ferrer acknowledged this might be "some kind of bizarre new code word for an under aged person." Ferrer then forwarded this exchange to a Backpage manager and instructed that the term "amber alert" be added to Backpage's "strip out" list. I believe that this email indicates that Backpage did not require all future ads involving this particular coded term for the prostitution of a child to be blocked from Backpage, but merely required that such ads be edited before publication.

h. On August 31, 2011, Backpage managers exchanged emails in which they discussed a list of 100 "solid sex for money terms." Later emails indicate that this list of terms would change but, in general, the list prohibited use of certain terms that Backpage management and employees too closely identified with the obvious promotion of sex trafficking and prostitution.

i. Based on knowledge gained during this investigation and my training and experience, I believe that this manager acknowledged that a large proportion of the ads originally submitted by Backpage's customers contained text and pictures that

were indicative of sex trafficking. Nevertheless, Backpage would still publish those ads after editing them to appear less obvious in promoting illegal activity. Using the words the Backpage manager used in the email described in paragraph 28(d) above, I believe that Backpage sex trafficking ads have adapted to Backpage's moderation policy by using "phrases with nuance" when promoting sex trafficking. Also, based on knowledge gained during this investigation, and my training and experience, I believe that, following the implementation of "moderation," Backpage's list of prohibited terms needed to change and evolve to adjust to the reality of Backpage advertisers' use of new code words to promote prostitution. That is, once a coded word or phrase not previously associated with sex-for-money would become too familiar and associated with certain sex trafficking activities in the Backpage community of advertisers, Backpage's "moderation" policy would need to adapt by adding such words or phrases to the "blocked" list or risk being too obvious in its promotion.

29. Based on my review of several thousand Backpage ads and internal Backpage documents and correspondence, I believe that Backpage's policy of "moderation" only caused ads explicitly promoting sex trafficking to become more coded and implicit in the ads' purpose. I have reviewed several thousand Backpage ads posted in the various "adult" categories of Backpage (including "massage," "dating," "escort" and others). From this review, I

learned the following:

a. Well over half of the Backpage classified ads in these categories use terms and phrases that, in my training and experience, I believe to be consistent with sex trafficking and prostitution. These terms and phrases include, "roses" (money, e.g., "150 roses/half hour"), "in-call" (where the customer goes to the prostitute's location), "outcall" (where the prostitute goes to the customer's location), "GFE" (girlfriend experience), and "PSE" (porn star experience).

b. Other Backpage ads use language that can be mostly free of coded language, but that include sexually provocative pictures. In my training and experience, the sexually suggestive images included in these ads are typical of ads for prostitution. For example, one such ad posted in Backpage's Los Angeles dating section depicted images of a woman on a bed with her buttocks presented in a sexual manner; another included a picture of a woman's cleavage; others included pictures of women posing in sexual positions wearing lingerie and pictures of a woman bending over revealing her naked buttocks.

c. Based on knowledge gained through this investigation, and my training and experience, I believe that Backpage's policy of moderation has had its intended effect. Moderation has caused and allowed otherwise neutral or innocuous terms to be understood within the Backpage community as coded

language for sex trafficking and prostitution. Because of this evolving use of coded terms, a reader of such ads who is familiar with the particular vocabulary used in Backpage "adult" ads may readily identify coded terms and images indicating an ad for prostitution, while an uninitiated reader may not understand these terms at all, or at least not as being associated with sex-for-money.

30. Notwithstanding many Backpage advertisements' use of seemingly innocuous language in promoting prostitution, based on my conversations with law enforcement officers around the country and from my review of law enforcement officers' statements and reports regarding Backpage, I believe that the majority of Backpage ads that appear in the traditionally "adult" categories (such as "escort," "massage," or "body rubs") are actually advertisements promoting sex trafficking or prostitution. For example, in August 2015, the Detective-Sergeant in charge of the Seattle Police Department's Vice/High Risk Victims Unit and Human Trafficking Task Force made a sworn statement that provided, in pertinent part,

Since 2014, the Seattle Police Department has made arrests that include hundreds of related charges, such as charges for patronizing a prostitute/sexual exploitation, hundreds of charges for prostitution, dozens of charges [of] Promoting Prostitution, up to 100 charges for Commercial Sexual Abuse against a Minor and have investigated dozens of rape reports involving victims who are prostitutes and one murder of a prostitute. As a result of hundreds of investigations, the Seattle Police Department Vice/High

Risk Victims Unit has found that Backpage.com has become the primary web site in Seattle/Washington State for those looking to solicit a prostitute, post prostitution ads or traffic prostitutes and minors.

Vice/High Risk Victims Unit Detectives also make use of this site to respond to ads posted under the 'escorts' and 'body rubs' categories posing as male customers and successfully arrest females and males who charge undercover operatives money in exchange for sex. To date, no Detective within the Seattle Police Department's Vice/High Risk Victims Unit has ever found a legitimate 'escort', (person who charges simply for companionship with no offer of sex) or 'masseur', (person offering legitimate and licensed massage therapy rather than sex) while responding to ads placed in these categories on Backpage.com.

As stated previously, every time the Seattle Police Department Vice/High Risk Victims Unit has responded to an ad in the adult section of Backpage.com, we have found that the ad was a posting for illegal activity. The Seattle Police Department Vice/High Risk Victims Unit has not once found that the individual posting or responding to one of our decoy ads in the adult section of Backpage.com was in fact seeking any type of innocent, legal activity. In my professional experience, the adult section of Backpage.com not only contains ads for illegal activity, including prostitution, solicitation and trafficking, but it is a primary source for such ads and is well known for that purpose in the sex trafficking industry in the city of Seattle and State of Washington.

Additionally, in August 2015, the Sergeant Detective who is Commander of the Human Trafficking Unit ("HTU") for the Boston, Massachusetts Police Department made a sworn statement that provided, in pertinent part,

Since 2009, the [HTU] has made numerous arrests that include enticement of a minor into prostitution, sex trafficking of a minor, sex trafficking of an adult, forcible rape . . . and sex for a fee for soliciting a prostitute.



As a result of investigations, the HTU has found that Backpage.com is the go-to Web site in Boston for those looking to solicit a prostitute, post prostitution ads, and recruit and traffic young women and minors. The detectives have been able to identify numerous would-be exploiters by setting up decoy ads and responding to ads on the site. They have arrested pimps, traffickers and buyers who facilitate prostitution and fuel the harmful and violent sex trade. Backpage.com is the number one site that detectives go to in order to look for underage girls who are on the run and are being commercially sexually exploited by pimps.

Since 2010, the HTU has arrested over 100 buyers of sex of both adults and minors through Backpage.com ads exclusively in hotel stings.

Since 2013, 12 individuals have been charged in federal court for sex trafficking of both minors and adults. In all these aforementioned cases, Backpage.com played a pivotal role in facilitating these crimes.

Detectives of the HTU often get tips about illegal activity concerning ads posted on the escort, adult and massage sections of Backpage.com. In almost every case detectives have found that in fact there was illegal activity which resulted in fines, arrests, or further investigations of sex trafficking.

Therefore, in my professional experience as a law enforcement officer for over thirty years, the adult section of Backpage.com not only contains ads for illegal activity, including prostitution, solicitation and trafficking, but it is also the primary source for such ads and well known for that purpose in the sex trafficking industry in Boston, Massachusetts. Backpage.com's adult section provides a vehicle and anonymity for its users who exploit and traffic young women and girls. . . . It is my humble opinion that the adult section of Backpage.com serves no legitimate service and nearly all the cases we find associated with it involve pimp controlled prostitution.

31. Almost all "adult"-type Backpage ads list phone numbers or emails for a potential customer to use to make contact with the

advertiser. I have compared a sample of phone numbers and emails found within Backpage ads with phone numbers and emails that frequently are included in the memo section of some of the checks that Backpage advertisers use to pay Backpage for those ads. From my review, I have found that very often the same number and/or email appears in multiple Backpage ads as the contact information to make an appointment. For example:

a. A \$25 USPS Money Order purchased on June 15, 2017, in Duarte, California, made payable to "Posting Solutions PO BOX 802426, Dallas, TX," and thereafter deposited into a Seized Account, included writing on the money order listing a phone number and the words "Dulce Latina." From a search of Backpage ads, I found almost 800 advertisements listing the same phone number found on the \$25 USPS Money Order.

b. A \$20 USPS Money Order purchased in Sacramento, California, and later deposited into a Seized Account, included writing listing a phone number and the words "love my lips." From a search of Backpage ads, I found almost 1300 advertisements listing the same phone number found on the \$20 USPS Money Order.

c. A \$150 Wells Fargo Bank Money Order, purchased in Arizona, and made payable to "Posting Solutions," included an email and the words, "red hot stuff". From an internet search of the email address listed on this \$150 money order, I found advertisements on several female escort websites that directed

customers to contact an Arizona phone number ending in 2397. I then searched Backpage.com records for this phone number and found approximately 760 ads that included this same phone number. My review of these Backpage ads revealed images indicative of prostitution. For example, one such ad posted on Backpage's "massage" section included sexual images such as a woman lying on a bed wearing lingerie and a woman laying naked on her stomach. One of the ads describes, "Pampering provider | Body Rub Massage | Body Shampoo | Body Scrub | 4 hands | Walk ins or appointment." From my training and experience, I know that legal massage advertisements do not typically depict sexual images. This advertisement depicted sexual images and included terms like "4 hands," which I know to be coded language describing a massage given to a customer by two women. Such advertisements are often indicative of prostitution.

32. Despite the fact that several thousand Backpage ads shared the exact same phone number or email address to contact the advertiser, these same ads included sexually suggestive images of hundreds of *different* women. Based on my training and experience, multiple different women do not share the same email address or phone number when posting ads for dating. Rather, in my training and experience, such ads are consistent with ads posted by pimps or prostitution agencies that are using the same phone number or email to advertise several different women (or girls) to

prospective prostitution clients.

33. On March 28, 2018, a grand jury returned a 93 count indictment charging certain Backpage Operators with criminal violations of 18 U.S.C. § 371 (Conspiracy), § 1952 (Travel Act—Facilitation of Prostitution), § 1956 (Money Laundering), § 1957 (Financial Transactions Involving Illicit Proceeds), and including Forfeiture Allegations pursuant to 18 U.S.C. §§ 981 and 982 (seeking criminal forfeiture of, among other assets, the Seized Accounts and the Seized Domains). A copy of that indictment is attached hereto (as Exhibit A) and incorporated herein as though fully set forth.

C. THE SEIZED ACCOUNTS AND SUBJECT ACCOUNTS<sup>10</sup>

1. Seized Account 1

i. Foreign Transfers Into SEIZED ACCOUNT 1

34. While Backpage accepts payments for ads from third-parties, for the purpose of this affidavit, I will focus on advertising payments made via the Posting Solutions' P.O. BOX using cash, money orders, or digital currency.

35. From my review of Posting Solutions' application for the USPS Dallas, Texas P.O. BOX, I learned that it was registered to

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<sup>10</sup> Because of the extensive movement of money by the Backpage operators, it is necessary to include here a discussion of both the accounts targeted in the prior warrant applications (referred to herein as Seized Accounts 1 through 15G, and the SUBJECT ACCOUNTS.

"Website Technologies, LLC/Backpage.com." Also listed on the P.O. BOX Application were the names of several Backpage Operators, including Ferrer.

36. I have reviewed bank records for Seized Account 1. Based on my review, I know the following:

a. On February 15, 2017, Posting Solutions LLC, located at 13601 Preston Rd., Ste. 801E, Dallas, Texas 75240, opened Prosperity Bank account number 216887188 (Seized Account 1, which lists Gage as the sole signatory on the account).

b. Gage is the President, Chief Executive Officer, Treasurer and Secretary of Posting Solutions LLC.

37. Based on my knowledge of this investigation, having spoken to law enforcement personnel, and my review of the financial records, when an advertiser purchases an ad for prostitution using digital currency, the payments to Backpage (and certain subsequent expenditures) then proceed in the following manner:

a. A "poster" of a prostitution ad on backpage.com would pick a payment method, for example, through Bitcoin payments as previously described above.

b. The poster would already have Bitcoin or Backpage would direct the poster to a third-party exchanger in order to buy Bitcoin.

c. Backpage would then provide the poster with a

wallet address to send the specific amount of Bitcoin.

d. The poster would receive credit to then post ads on Backpage.

e. In batches, generally valued in hundreds of thousands of dollars, Backpage would sell the Bitcoin to a third party exchanger, frequently "GoCoin," in order to convert the Bitcoin into U.S. or foreign currency, which GoCoin generally holds in foreign bank accounts.

f. GoCoin would wire funds from these foreign accounts to either 1) Backpage controlled foreign accounts, or 2) Backpage controlled domestic operating accounts.

g. Backpage operators would hold these receiving accounts in the names of entities controlled by Backpage, such as Ad Tech BV, Posting Solutions (Seized Account 1 is held in the name of Posting Solutions), Website Technologies, or Cereus Properties (Seized Account 2A is held in the name of Cereus Properties).

h. These funds that originated from foreign transactions would be used to pay for services, like Verizon in Los Angeles, or would be transferred to Backpage Operators' accounts and accounts held in their family members' names.

38. I have reviewed records of wire transfers from countries outside the United States deposited into the Seized Account 1. Just for the period of August 1 through September 1, 2017, Seized

Account 1 received over \$2.7 million in wire transfers from outside the United States. For example:

a. On or about August 16, 2017, a company called "Binary Trading SG PTE LTD" ("Binary Trading") wired \$535,500 from an account in Singapore into Seized Account 1. Based on my review of records related to this transaction, Binary Trading is a name used by GoCoin.<sup>11</sup>

b. On or about August 17, 2017, Binary Trading wired another \$528,500 from a Singapore account into Seized Account 1.

c. On or about August 30, 2017, a company named "TRILIX PTE LTD," listing the same Singapore address as Binary Trading and GoCoin, in four wires ranging from \$385,450 to \$492,250, sent approximately \$1,717,750 from a Singapore account into Seized Account 1. Memo lines from these wires list "GC" or "GC FOR INTERNET SERVICES." I understand "GC" to mean GoCoin.

ii. Seized Account 1 Payments for Backpage Operations

39. I have reviewed outgoing payments from Seized Account 1 and found that substantial percentages of these payments are for the operation of Backpage.com. For example, between July and October, 2017, Seized Account 1 wired over \$1.1 million to pay for the following:

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<sup>11</sup> Further, according to GoCoin's website, GoCoin maintains offices at the Singapore address listed on the \$535,500 wire from "Binary Trading."

a. Between July and October 2017, Seized Account 1 wired \$570,530 to Verizon Digital Media Services in Los Angeles.

b. On August 4, 2017, Seized Account 1 wired \$4,137 to "Netnames," also known as ASCIO, to pay for the registration renewal of all the Seized Domains, including Backpage.com.

c. In August 2017, Seized Account 1 sent numerous automated clearinghouse payments to "Netchex Tax Prep Clients" totaling over \$437,000. From a review of their website, I learned Netchex is a human resources company that provides payroll and other such services to Backpage.

d. Within a one-week period beginning on August 2, 2017, Seized Account 1 wired approximately \$77,800 to S&W Payroll Services. An online search of S&W Payroll indicated that S&W Payroll is owned by Netchex. As stated above, Netchex is a human resource service, and S&W Payroll appears to be Netchex's payroll division.

e. On August 11, 2017, Seized Account 1 wired \$5,319.79 to the Telesign Corporation, located in Marina del Ray, California. According to their website, Telesign is a communications platform that delivers security for websites.

f. On August 18, 2017, Seized Account 1 wired \$1,497 and \$6,984, respectively, to two separate data backup companies for Backpage's on-line data backup.

40. Based on my review of bank records for Seized Account 1



throughout the existence of the account, these types of transactions and expenditures were typical.

2. Seized Account 2A

i. Transfers From Seized Account 1

41. From my review of bank documents, I have learned that Seized Account 2A is a Compass Bank business bank account owned by "Cereus Properties LLC," identifying Spear as the sole signatory. My review revealed that this account was funded with transfers from Seized Account 1. On average, during each month of 2017, Seized Account 1 transferred several hundred thousand dollars into Seized Account 2A. For example:

a. On July 25, 2017, Seized Account 1 sent two wire transfers totaling about \$566,562.47 to Seized Account 2A.

b. On August 8, 2017, Seized Account 1 sent a wire totaling \$62,198.51 to Seized Account 2A.

c. On August 31, 2017, Seized Account 1 sent a wire transfer totaling \$487,491.45 to SU Seized Account 2A.

d. On September 15, 2017, Seized Account 1 sent a wire transfer totaling \$91,672.67 to Seized Account 2A.

e. On October 2, 2017, Seized Account 1 sent a wire transfer totaling \$471,766 to Seized Account 2A.

ii. Foreign Transfers into Seized Account 2A

42. I have reviewed financial records from a foreign bank in the Netherlands (the "Foreign Account"). I have also

reviewed emails related to this account. From my review of these records, I learned the following:

a. The Foreign Account was opened in March 2015 and is held in the name of Ad Tech BV, a Netherlands based company, and identifies Ferrer as the CEO and Gage as the CFO.

b. From March 2015 through November 2017, the Foreign Account received millions of dollars from Binary Trading SG PTE, Limited, the same company GoCoin used to wire funds into Seized Account 1. In an April 4, 2017, email to employees of the bank that maintains the Foreign Account, Gage explained,

Binary Capital is our trading partner, they hold money in trust for Go Coin [sic]. Rather than incurring 3 sets of wire fees which make our transactions unprofitable, they act as our agent and disburse payments directly from our trust account to our merchant.

c. During this same period, the Foreign Account wire transferred several million dollars into Seized Account 2A. For example, on April 25, 2017, an email from Gage to individuals at the bank holding the Foreign Account directed the bank to wire "USD \$2,337,048" to Seized Account 2A. Thereafter, I reviewed a wire record and confirmed that on April 25, 2017, the Foreign Account wired \$2,337,048 into Seized Account 2A, as Gage directed in his email. In reviewing the records, I found the following additional wires sent to Seized Account 2A:

i. In December 2016, the Foreign Account wired approximately \$1 million dollars to Seized Account 2A.

ii. On February 28, 2017, the Foreign Account wired \$2,324,390 into Seized Account 2A.

iii. On March 30, 2017, the Foreign Account wired \$2,247,858 into Seized Account 2A.

iv. On May 31, 2017, the Foreign Account wired \$2,335,076 to SUBJECT ACCOUNT 2A.

v. On June 28, 2017, the Foreign Account wired \$2,324,390 to Seized Account 2A.

vi. July 27, 2017, the Foreign Account wired \$10,928 to Seized Account 2A.

iii. Seized Account 2A Payments for Backpage Operations

43. I then reviewed Seized Account 2A records for payments to promote Backpage operations. From March through December 2017, Seized Account 2A paid over \$9,000 to "Cox Communications," an internet services company that provides voice-over-internet phone and cable services. I believe that Backpage uses Cox Communications to facilitate its internet presence and promote its sale of prostitution advertising.

3. Seized Account 2B

44. I reviewed records Seized Account 2A and Seized Account 2B. On February 2, 2018, Seized Account 2A wired transferred \$135,956.59 into Seized Account 2B. I am aware of no other funding sources for Seized Account 2B.

4. Seized Account 3A, 3B, 3C

45. I have reviewed records for Seized Account 3A as well as the following accounts: Branch Banking & Trust account number 1440001712008, belonging to Website Technologies (as detailed above, a Backpage controlled entity), held in Arizona ("BBT Account"); Arizona Bank & Trust account number 9361116211 belonging to Cereus Properties, held in Arizona ("AZBT Account"). From this review, I learned the following:

a. Between December 14, 2015, and January 15, 2016, in approximately 26 wires, a GoCoin account in Slovakia transferred over \$2.5 million to the BBT Account in the United States.

b. On January 15, 2016, the BBT account wired \$189,571 to Verizon in Los Angeles, California, in payment for Backpage internet services.

c. Between January 21, 2016, and August 31, 2016, in approximately 27 wires, the BBT Account transferred approximately \$48 million to the AZBT Account.

d. Between March 1, 2016, and July 1, 2016, the AZBT Account wired \$892,426 into Seized Account 3A.

46. According to records for Seized Account 3A, 3B, and 3C:

a. On September 14, 2017, Seized Account 2A wired \$50,162.05 into Seized Account 3A.

b. On October 12, 2017, Seized Account 3A wired approximately \$21,500 into SUBJ Seized Account 3B.

c. On January 5, 2018, Seized Account 3A wired approximately \$600,000 into Seized Account 3C.

5. Seized Account 4

47. From my review of the records for Seized Account 4 (belonging to Spear), I learned that on or about March 16, 2016, Seized Account 3A transferred \$250,000 into Seized Account 4 as an opening deposit. On March 20, 2018, Live Oak Bank confirmed that these funds have remained in Seized Account 4 since the account was opened.

6. Seized Account 5A and 5B

48. I have reviewed financial records related to Seized Accounts 5A and 5B, held in the name of Natasha Spear, Scott Spear's adult daughter. From this review, I learned the following:

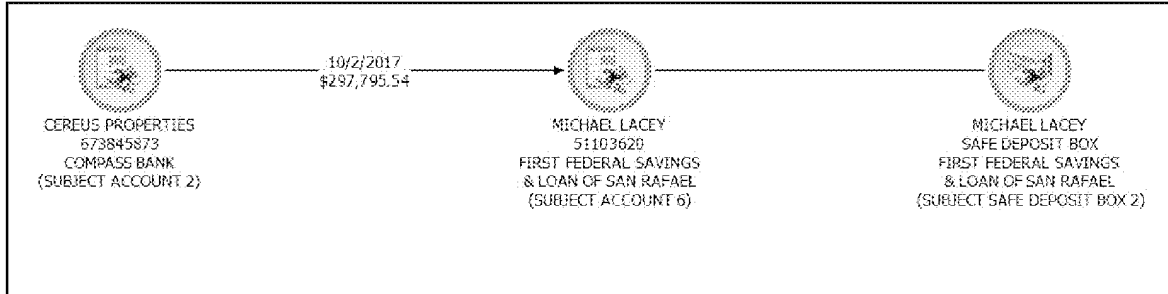
a. On February 23, 2017, Seized Account 3A wired approximately \$50,000 into Seized Account 5A.

b. On the February 23, 2017, Seized Account 3A wired \$50,000 into Seized Account 5B.

7. Seized Account 6

49. From my review of financial records related to Seized Account 2A, 2B and 6, I learned the following:

a. On October 2, 2017, Seized Account 2A wired approximately \$297,795 into Seized Account 6.



8. Seized Accounts 7A through 7E

50. From my review of financial records of Seized Accounts 2A and 2B, 7A through 7D, and 12A, I learned the following:

a. On July 6, 2017, Seized Account 2A wired \$971,651.51 into Seized Account 7A.

b. On July 28, 2017, Seized Account 7A wired \$400,000 into Seized Account 7B.

51. From my review of financial records of Seized Account 1 and 7C, and those concerning the Veritex Bank account ending in -1462, held in the name of Posting Solutions ("Account - 1462"),<sup>12</sup> I learned the following:

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<sup>12</sup> Veritex Bank is a U.S. bank located in Dallas, Texas. Posting Solutions opened Veritex Bank account -1462 on or about January 5, 2017.

a. On January 13, 2017 and January 20, 2017, a GoCoin account in Singapore wired a total of approximately \$1,318,800 into Account -1462.

b. In February 2017, Account -1462 wired a total of \$5,395 to Verizon, in Los Angeles.

c. On August 8, 2017, Seized Account 1 wired \$62,000 into Seized Account 12A.

d. On November 3, 2017, Seized Account 12A wired \$100,000 to SUBJE Seized Account 7D.

9. Seized Account 8A, 8B, 8C, and 8D

52. From my review of the records for Seized Accounts 2A and 2B, 8A, and 8B, I learned the following:

a. On February 2, 2018, Seized Account 2A wired \$28,337 into Seized Account 8A.

b. Also on February 2, 2018, Seized Account 2A wired \$28,337 into Seized Account 8B.

53. From my review of Seized Account 1, 8C, and 8D, I learned the following:

a. On August 2 and August 8, 2017, Seized Account 1 wired \$33,700 and \$44,000, respectively, to S&W Payroll, a company Backpage uses to pay its employees.

b. Between August 11, 2017, and December 1, 2017, S&W Payroll wired a total of \$207,125.81 into Seized Account 8C.

c. Between November 3, 2017, and December 8, 2017, Seized Account 8C wired \$57,500 into Seized Account 8D.

10. Seized Account 9

54. From my review of the records for Seized Account 2A 2B, and 9, I learned that on February 2, 2018, Seized Account 2A wired \$734,603.70 into Seized Account 9.

11. Seized Account 10

55. From my review of records for Seized Accounts 2A and 10, I learned that on February 2, 2018, Seized Account 2A wired \$94,154.89 into Seized Account 10.

12. Seized Account 11

56. From my review of Seized Accounts 1, 8C, 8D, and 11, as well as Account -1462 (as described above, a Posting Solutions' Veritex Bank account), I learned the following:

a. On January 4, 2017, GoCoin's Singapore account wired \$489,500 into Account -1462, and on January 20, 2017, GoCoin's Singapore account directed two additional wires, for \$358,150 and \$470,150, respectively, into Account -1462 (for a total of \$1,317,800 wired from GoCoin's Singapore account into Account -1462).

b. On January 24, 2017, Account -1462 wired approximately \$1.3 million into S&W Payroll.

57. On January 27, 2017, an S&W Payroll account wired a total of \$9,913.53 into Seized Account 11.



13. Seized Accounts 12A and 12B

58. From my review of financial records for Seized Account 1, 12A, and 12B, I learned the following:

a. On August 8, 2017, Seized Account 1 wired \$62,000 into Seized Account 12A.

59. On December 8, 2017, Seized Account 12A wired \$20,000 into Seized Account 12B.

14. Seized Account 13

60. From my review of financial records for Seized Accounts 1, 12A, and 13, I learned the following:

a. In January 2017, Seized Account 1 wired \$62,000 into Seized Account 12A.

b. On August 16, 2017, Seized Account 12A wired \$20,000 into Seized Account 13.

15. Seized Account 14

61. I have reviewed records for Seized Account 14 as well as the following accounts: the BBT Account; the AZBT Account; Charles Schwab account number 49074693 in the name of Larkin ("Schwab Account"); Northern Trust Company account number 2389562 under the name "Ocotillo Family Trust," belonging to James Larkin ("Northern Trust Account"); and Morgan Stanley account number 237-061673 belonging to James Larkin and his wife, Margaret Larkin (the "Morgan Stanley Account"). Additionally, I have reviewed GoCoin transactions related to

certain ads posted on Backpage, specifically including ads that related to child victims A.C., S.F., T.S., S.L., K.O., and R.W. (previously described in paragraph 26, above).<sup>13</sup> Finally, I reviewed emails associated with the email addresses used to post some of the ads promoting the trafficking of A.C., S.F., T.S., S.L., K.O., and R.W. From this review I observed the following:

a. On September 6, 2015, a bitcoin account associated with the owner of the email address who trafficked A.C. and S.F. paid Backpage about \$4 worth of bitcoin in order to post an ad promoting the trafficking of those victims in Palm Springs, California.

b. On September 15, 2015, an email from the same email address owner indicated a payment to Backpage of about \$8 worth of bitcoin in order to "Fund Account" for palmsprings.backpage.com. Based on information I have learned through this investigation, I believe that to "Fund Account" means that the email address owner provided bitcoin to Backpage as payment for credit to be used at a later time to pay for Backpage ads.

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<sup>13</sup> As previously described, the pimp who trafficked A.C. and S.F. was convicted and sentenced to 196 years imprisonment, and the pimp who trafficked T.S., S.L., K.O., and R.W. was convicted and sentenced to 300 months imprisonment.

c. On October 6, 2015, the same email address owner paid Backpage about \$1 worth of bitcoin to "Fund Account" on palmsprings.backpage.com.

d. On October 30, 2015, a bitcoin account associated with the owner of the email address who trafficked T.S., S.L., K.O., and R.W. paid Backpage about \$1 worth of bitcoin in order to post an ad promoting the trafficking of those victims in Columbus, Ohio.

e. On November 2, 2015, this same email address owner paid Backpage about \$1 worth of bitcoin to "Move Ad to Top of Listings" in the Columbus, Ohio Backpage ads.

f. On November 21, 2015, this same email address owner paid Backpage about \$1 worth of bitcoin to Backpage for credit for that email owner's Backpage ad account.

g. During the period of September 4, 2015, and November 23, 2015, Backpage advertisers used bitcoin to purchase about 1,000,000 "adult" ads from Backpage. Backpage then sold that bitcoin to GoCoin for approximately \$8.6 million. Included among the bitcoin sold to GoCoin during this period were the six payments the pimps made to Backpage to purchase ads to promote child prostitution.

h. During the period of December 14, 2015, through December 29, 2015, a GoCoin account held in Slovakia wired over \$1.25 million to the BBT Account in the United States. Based on

my review of GoCoin's financial records and GoCoin's pattern of payments to Backpage for bitcoin sales, I believe that this \$1.25 million represented GoCoin's partial payment to Backpage for the bitcoin Backpage sold to GoCoin during the period of September 4, 2015, through November 23, 2015.

i. On December 31, 2015, the BBT Account wired \$811,424 to the AZBT Account.

j. On January 11, 2016 the AZBT Account wired approximately \$1.3 million to the Schwab Account.

k. On January 14, 2016, the Schwab Account wired approximately \$13.5 million to the Northern Trust Account.

l. In July 21, 2017, the Northern Trust Account wired \$6.014 million to the Morgan Stanley Account.

m. In or about November 2017, Morgan Stanley elected to terminate its business relationship with Larkin.

n. Following this, on November 30, 2017, Larkin wired all the funds then held the Morgan Stanley Account, about \$10 million dollars, to Seized Account 14.

o. Some of the funds in Seized Account 14 were used, among other things, to purchase bonds and/or securities, which assets remain held in Seized Account 14.

16. Seized Accounts 15A through 15G

62. I have reviewed records for Seized Account 15 as well as the following accounts: the BBT; the AZBT Account; Wells

Fargo Bank Account number 6324184891, belonging to John Brunst ("WFB Account -891"); and Wells Fargo Bank Account number 00007910147474, belonging to the Brunst Family Trust ("WFB Account -474"). Additionally, I have reviewed GoCoin transactions related to certain ads posted on Backpage, specifically including ads that related to child victims A.C., S.F., T.S., S.L., K.O., and R.W. (previously described in paragraph 26, above.) Finally, I reviewed emails associated with the email addresses used to post some of the ads promoting the trafficking of A.C., S.F., T.S., S.L., K.O., and R.W. From this review I observed the following:

a. On September 6, 2015, a bitcoin account associated with the owner of the email address who trafficked A.C. and S.F. paid Backpage about \$4 worth of bitcoin in order to post an ad promoting the trafficking of those victims in Palm Springs, California.

b. On September 15, 2015, an email from the same email address owner indicated a payment to Backpage of about \$8 worth of bitcoin in order to "Fund Account" for palmsprings.backpage.com. Based on information I have learned through this investigation, I believe that to "Fund Account" means that the email address owner provided bitcoin to Backpage as payment for credit to be used at a later time to pay for Backpage ads.

c. On October 6, 2015, the same email address owner paid Backpage about \$1 worth of bitcoin to "Fund Account" on palmsprings.backpage.com.

d. On October 30, 2015, a bitcoin account associated with the owner of the email address who trafficked T.S., S.L., K.O., and R.W. paid Backpage about \$1 worth of bitcoin in order to post an ad promoting the trafficking of those victims in Columbus, Ohio.

e. On November 2, 2015, this same email address owner paid Backpage about \$1 worth of bitcoin to "Move Ad to Top of Listings" in the Columbus, Ohio Backpage ads.

f. On November 21, 2015, this same email address owner paid Backpage about \$1 worth of bitcoin to Backpage for credit for that email owner's Backpage ad account.

g. During the period of September 4, 2015, and November 23, 2015, Backpage advertisers used bitcoin to purchase about 1,000,000 "adult" ads from Backpage. Backpage then sold that bitcoin to GoCoin for approximately \$8.6 million. Included among the bitcoin sold to GoCoin during this period were the six payments the pimps made to Backpage to purchase ads to promote child prostitution.

h. During the period of December 14, 2015, through December 29, 2015, a GoCoin account held in Slovakia wired over \$1.25 million to the BBT Account in the United States. Based on

my review of GoCoin's financial records and GoCoin's pattern of payments to Backpage for bitcoin sales, I believe that this \$1.25 million represented GoCoin's partial payment to Backpage for the bitcoin Backpage sold to GoCoin during the period of September 4, 2015, through November 23, 2015.

i. On December 31, 2015, the BBT Account wired \$811,424 to the AZBT Account.

j. On December 6, 2016 the AZBT Account wired \$161,459 to the WFB Account -891.

k. On January 4, 2017, the AZBT Account wired another \$258,841 to the WFB Account -891.

l. On January 5, 2017, the WFB Account transferred \$300,000 to WFB Account -474.

m. On May 19, 2017 the WFB Account -474 wired about \$1.5 million into Seized Account 15A.

n. On May 23, 2017 Seized Account 15A transferred about \$350,000 to Seized Account 15B.

o. On June 7, 2017, Seized Account 15A transferred about \$1.34 million to Seized Account 15C.

p. On September 13, 2017, Seized Account 15C transferred about \$581,000 to Seized Account 15D.

q. On September 13, 2017, Seized Account 15C transferred about \$250,000 to Seized Account 15E.

r. On September 13, 2017, Seized Account 15C transferred about \$250,000 to Seized Account 15F.

s. On September 15, 2017, Seized Account 15C transferred about \$500,000 to Seized Account 15G.

17. SUBJECT ACCOUNTS 16A, 16B, 16C, 16D, 16E, 16F, 16G, 16H, and 16I

63. From my review of financial records related to Seized Accounts 2A, 6, 7B, and 9, and Subject Accounts 16A, 16B, 16C, 16D, 16E, 16F, 16G, 16H, and 16I, I learned the following:

a. On June 8, 2017, Seized Account 2A wired approximately \$297,795 into SUBJECT ACCOUNT 16A.

b. On June 30, 2017 SUBJECT ACCOUNT 16A transferred \$600,000 to SUBJECT ACCOUNT 16B.

c. On April 16, 2018, Lacey personally went into the Republic Bank of Arizona, withdrew \$500,000 from SUBJECT ACCOUNT 16A and opened SUBJECT ACCOUNT 16C with an initial deposit of the \$500,000 he had just withdrawn from SUBJECT ACCOUNT 16A.

d. On or about February 15, 2018, Lacey drafted two checks totaling \$1.2 million, which he used to fund his "CDARS" accounts at Republic Bank of Arizona. The first check was drawn from Seized Account 6 in the amount of \$600,000 and deposited into SUBJECT ACCOUNT 16D. The second check also was drawn from Seized Account 9, also in the amount of \$600,000, but was split



evenly into SUBJECT ACCOUNTS 16E (which received \$300,000) and 16F (which received \$300,000).

e. On or about February 8, 2018, Larkin drafted a \$1 million check drawn from Seized Account 7B and made payable to Republic Bank of Arizona in order to fund his "CDARS" accounts at that bank. SUBJECT ACCOUNT 16G received \$500,000, SUBJECT ACCOUNT 16H received \$250,000, and SUBJECT ACCOUNT 16I received \$250,000.

18. SUBJECT ACCOUNT 17

64. I have reviewed records for SUBJECT ACCOUNT 17 as well as the following accounts: the BBT Account; the AZBT Account; Arizona Bank & Trust annuity trust account numbers 9361121967, 9361121972, 9361121986, 9361121991, and 9361122014, all held in Lacey's name ("AZBT Annuity Accounts"); and Johnson Financial account number 1000879992 held in an IOLTA with Lacey as the sole beneficiary. From this review, I learned the following:

a. Between December 14, 2015, and January 15, 2016, in approximately 26 wires, a GoCoin account in Slovakia transferred over \$2.5 million to the BBT Account in the United States.

b. On January 15, 2016, the BBT account wired \$189,571 to Verizon in Los Angeles, California, in payment for Backpage internet services.

c. Between January 21, 2016, and August 31, 2016, in approximately 27 wires, the BBT Account transferred approximately \$48 million to the AZBT Account.

d. Between April 1, 2016, through October 6, 2016, in approximately 12 transactions, the AZBT Account transferred over \$18 million to the AZBT Annuity Trust Accounts.

e. On December 29, 2016, Lacey's AZBT Annuity Trusts Accounts sent five wires totaling \$16.5 million to the Johnson Financial Bank Account.

f. On January 3, 2017, the Johnson Financial Account wired the \$16.5 million to the SUBJECT ACCOUNT 17 in Hungary.

19. SUBJECT ACCOUNTS 18A, 18B, 18C, 18D, 18E, 18F, 18G, 18H, 18J, 18K, and 18L

65. On April 5, 2018, pursuant to a plea agreement in the District of Arizona, Ferrer plead guilty to a single-count information charging him with a violation of 18 U.S.C. § 371, conspiracy to violate 18 U.S.C. §§ 1952 (the Travel Act) and 1956 (money laundering). As part of his plea agreement, Ferrer agreed to "take all steps within his power to forfeit to the United States all corporate assets and other property owned or controlled by Website Technologies, LLC, which own and operates the Backpage website, as well as corporate assets and other property owned or controlled by Backpage.com, LLC, Posting Solutions LLC, Amstel River Holdings, LLC, Ad Tech BV, and UGC

Tech Group CV.” That same day, also in the District of Arizona, Backpage.com, LLC and related entities plead guilty to 18 U.S.C. § 1956(h) (money laundering conspiracy).

66. On April 17 and April 18, 2018, along with other law enforcement agents and prosecutors, I spoke with Ferrer and his attorneys in Phoenix, Arizona. Following this in-person interview, I also have spoken with Ferrer on the phone and communicated via email. From my review of Service Level Agreements, financial records related to SUBJECT ACCOUNTS 18, and records and statements provided by Ferrer, I know the following:

a. SUBJECT ACCOUNTS 18A, 18B, 18C are accounts owned by Ad Tech BV and controlled by Backpage. According to Ferrer, all funds in this account are the criminally derived proceeds of ads promoting prostitution. According to Ferrer, SUBJECT ACCOUNTS 18A, 18B, and 18C are accounts receivable bank accounts. Payment processors and merchant processors would take credit card payments, and payments such as bitcoin payments from Backpage customers for prostitution and other ads, and would transfer these funds to accounts such as SUBJECT ACCOUNTS 18A, 18B and 18C. Per his plea agreement and his cooperation, Ferrer has agreed to surrender these funds and/or securities to the United States.

b. SUBJECT ACCOUNTS 18D, 18E, and 18F are accounts

held by a third party, Gold Leaf SRO. According to Ferrer and Service Level Agreements ("SLA") between Ad Tech BV, a Backpage owned company and Gold Leaf SRO, which I have reviewed, the funds and/or securities in these accounts are the criminally derived proceeds of Backpage ads, including ads promoting prostitution. The SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage. According to Ferrer, the arrangement between Gold Leaf, SRO, and Backpage was put into place to evade what he called a "blockade by credit card companies." Ferrer explained that beginning around 2015, U.S. credit card companies such as MasterCard and Visa refused to process credit card payments for Backpage due to the negative press surrounding sex trafficking and prostitution content on Backpage. As one of the ways around this "blockade," Backpage Operators set up agreements with foreign persons and partners to "franchise" websites for the sole purpose of accepting credit card payments. According to Ferrer, this use of foreign third-parties and foreign accounts allowed Backpage to continue to accept credit card payments for prostitution ads while concealing from the credit card companies that the payments were for Backpage ads. Ferrer said that Gold Leaf SRO existed for the sole purpose of funneling to Backpage accounts otherwise prohibited credit card payments for Backpage ads. Ferrer explained that these accounts are owned by Backpage and are not

co-mingled with other funds, and are therefore subject to seizure and forfeiture to the United States.

c. SUBJECT ACCOUNTS 18G, 18H, and 18I are accounts held by a third party, Protecttio SRO. According to Ferrer and an agreement between Protecttio SRO and Ad Tech BV, which I have reviewed, the arrangements between these entities are essentially the same as the Gold Leaf SRO arrangement. This business arrangement existed for the sole purpose of allowing purchasers of prostitution ads to purchase ads on Backpage websites while evading the credit card company blockade. Ferrer explained that these accounts are owned by Backpage and are not co-mingled with other funds and/or securities, and are therefore subject to seizure and forfeiture to the United States.

d. SUBJECT ACCOUNTS 18J, 18K, 18L are accounts held by a third party, Varicok SRO. According to Ferrer and an agreement between Varicok SRO and Ad Tech BV, which I have reviewed, the arrangement is essentially the same as the Gold Leaf SRO, and Protecttio SRO. This business arrangement existed for the sole purpose of allowing purchasers of prostitution ads to purchase ads on Backpage websites while evading the credit card company blockade. Ferrer explained that these accounts are owned by Backpage and are not co-mingled with other funds and/or securities, and are therefore subject to seizure and forfeiture to the United States.

20. SUBJECT ACCOUNTS 19A, 19B, 19C, and 19D

67. From speaking with Ferrer and reviewing financial records, I learned the following:

a. SUBJECT ACCOUNTS 19A, 19B, 19C, and 19D, are owned by Ad Tech BV, with Ferrer as the ultimate beneficial owner. According to Ferrer, SUBJECT ACCOUNTS 19A, 19B, 19C and 19D are accounts receivable banking accounts. Payment processors and merchant processors would take credit card payments, and payments such as bitcoin payments from Backpage customers for prostitution and other ads, and would transfer these funds to accounts such as SUBJECT ACCOUNTS 19A, 19B, 19C, and 19D. These accounts contain funds and/or securities that are criminally derived and are subject to forfeiture. Ferrer and Backpage has agreed to surrender these funds and/or securities as they are criminally derived.

21. SUBJECT ACCOUNT 20

68. From speaking with Ferrer and reviewing financial records, I learned the following:

a. SUBJECT ACCOUNT 20 at Knab Bank in the Netherlands is an account held by a third party, Procop Services BV. According to Ferrer the arrangement is essentially the same as the Gold Leaf SRO and Protecttio SRO, as described with respect to SUBJECT ACCOUNTS 19. This business arrangement existed for the sole purpose of allowing purchasers of

prostitution ads to purchase ads on Backpage websites while evading the credit card company blockade. Ferrer explained that these accounts are owned by Backpage and are not co-mingled with other funds and/or securities, and are therefore subject to seizure and forfeiture to the United States.

22. SUBJECT ACCOUNT 21A and 22B

69. From speaking with Ferrer and reviewing financial records and business agreements, I learned the following:

a. SUBJECT ACCOUNT 21A is an account in the Netherlands held in the name of Gulietta Group BV. According to Ferrer and the SLA, the funds and/or securities in this account are derived from selling advertisements online, most of which are for prostitution advertisements. The SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV which is owned by Backpage. According to Ferrer, the arrangement between Guilietta Group BV and Ad Tech BV (Backpage) was put into place to evade the same credit card "blockade" described in with regard to SUBJECT ACCOUNTS 18D, 18E, and 18F. Ferrer explained that these accounts are owned by Backpage and are not co-mingled with other funds and/or securities, and are therefore subject to seizure and forfeiture to the United States.

b. SUBJECT ACCOUNT 21B is an account in the Netherlands held in the name of UnivsersAds BV. According to Ferrer and the SLA between the companies, the funds and/or

securities in this account are derived from selling advertisements online, most of which are for prostitution advertisements. The Service Level Agreements state that 99.5% of the net proceeds are to be paid to Ad Tech BV which is owned by Backpage. According to Ferrer, the arrangement between UniversAds BV and Ad Tech BV or Backpage was put into place to evade the same credit card blockade described above. Ferrer explained that these accounts are owned by Backpage and are not co-mingled with other funds and/or securities, and are therefore subject to seizure and forfeiture to the United States.

**VI. CONCLUSION**

70. For the reasons stated above, there is probable cause to believe that the funds and/or securities on deposit in the SUBJECT ACCOUNTS are subject to seizure and forfeiture by the United States under the following provisions:

a. 18 U.S.C. § 981(a)(1)(A), because the funds and/or securities in each of the SUBJECT ACCOUNTS are involved in, and traceable to, one or more transactions or attempted transactions in violation of 18 U.S.C. § 1956(h) (Conspiracy to Launder Money), 18 U.S.C. § 1956(a)(2) (International Money Laundering for Promotion), and 18 U.S.C. § 1957 (Financial Transactions Involving Illicit Proceeds); and

b. 18 U.S.C. § 981(a)(1)(C), because the funds and/or securities in the SUBJECT ACCOUNTS constitute and are



derived from proceeds traceable to one or more violations of 18 U.S.C. § 1952, and 18 U.S.C. § 1591).

*/s/*

Lyndon Versoza  
U.S. Postal Inspector

Subscribed to and sworn to me  
this 26th day of April, 2018

*John E. McDermott*

*e*

RECEIVED COPY  
MAR 28 2018  
CLERK U S DISTRICT COURT  
DISTRICT OF ARIZONA  
BY *[Signature]* M DEPUTY

**SEALED**

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ARIZONA

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United States of America,  
Plaintiff,

v.

- 1. Michael Lacey  
Counts 1-70, 81, 83-84, 86, 88-92
  - 2. James Larkin  
Counts 1-68, 80, 87
  - 3. Scott Spear  
Counts 1-68, 71-78, 85, 93
  - 4. John "Jed" Brunst  
Counts 52-70, 78-84, 86-93
  - 5. Dan Hyer  
Counts 1-68
  - 6. Andrew Padilla  
Counts 1-51
  - 7. Joye Vaught  
Counts 1-51
- Defendants.

CR-18-00422-PHX-SPL (BSB)

**INDICTMENT**

- VIO: 18 U.S.C. § 371  
(Conspiracy)  
Count 1
- 18 U.S.C. § 1952(a)(3)(A)  
(Travel Act—Facilitate Prostitution)  
Counts 2-51
- 18 U.S.C. § 1956(h)  
(Conspiracy to Commit Money  
Laundering)  
Count 52
- 18 U.S.C. § 1956(a)(1)(B)(i)  
(Concealment Money Laundering)  
Counts 53-62
- 18 U.S.C. § 1956(a)(2)(A)  
(International Promotional Money  
Laundering)  
Counts 63-68
- 18 U.S.C. § 1957(a)  
(Transactional Money Laundering)  
Counts 69-93
- 18 U.S.C. §§ 981, 982  
21 U.S.C. § 853, 28 U.S.C. § 2461  
(Forfeiture Allegations)

THE GRAND JURY CHARGES:

A. Introduction

1. The website www.backpage.com ("Backpage") is notorious for being the

1 internet's leading source of prostitution advertisements. Backpage derives the  
2 overwhelming majority of its revenue from such ads. These practices have enabled  
3 Backpage to earn over \$500 million in prostitution-related revenue since its inception.

4 2. Backpage was created in 2004 by defendant MICHAEL LACEY  
5 ("LACEY"), defendant JAMES LARKIN ("LARKIN"), and a third individual, C.F. From  
6 2004-15, LACEY and LARKIN oversaw the website's policies and strategic direction.  
7 Additionally, LACEY and LARKIN have retained significant control over the website (and  
8 have continued receiving tens of millions of dollars of Backpage-related distributions)  
9 since purportedly selling their interests in Backpage in 2015.

10 3. Defendant SCOTT SPEAR served as the Executive Vice President of one of  
11 Backpage's parent companies and held, at times, an ownership interest in Backpage of  
12 approximately 4%.

13 4. Defendant JOHN "JED" BRUNST ("BRUNST") served as the Chief  
14 Financial Officer of Backpage and several of Backpage's parent companies and held, at  
15 times, an ownership interest in Backpage of approximately 6%.

16 5. Defendant DAN HYER ("HYER") joined Backpage's marketing department  
17 in or around 2006 and served as Backpage's Sales and Marketing Director.

18 6. Defendant ANDREW PADILLA ("PADILLA") served as Backpage's  
19 Operations Manager.

20 7. Defendant JOYE VAUGHT ("VAUGHT") served as Backpage's assistant  
21 Operations Manager.

22 8. The defendants identified above are referred to at times in this indictment as  
23 the "BACKPAGE DEFENDANTS."

24 9. As explained in detail below, the BACKPAGE DEFENDANTS have utilized  
25 a variety of strategies to make it appear that the prostitution ads appearing on Backpage  
26 are actually ads for "escort" services, "adult" companionship, dating, or other lawful  
27 activities. For example, Backpage purports to bar customers from offering illegal services  
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1 and has periodically used computerized filters and human “moderators” to edit the wording  
2 of (or block) ads that explicitly offer sexual services in return for money.

3 10. These strategies are a fiction designed to conceal the true nature of  
4 Backpage’s ads and customers. Indeed, the BACKPAGE DEFENDANTS have  
5 admitted—in internal company documents and during private meetings—that they know  
6 the overwhelming majority of the website’s ads involve prostitution. In one internal  
7 document, LACEY actually bragged about the company’s contributions to the prostitution  
8 industry: “Backpage is part of the solution. Eliminating adult advertising will in no way  
9 eliminate or even reduce the incidence of prostitution in this country. . . . For the very first  
10 time, the oldest profession in the world has transparency, record keeping and safeguards.”

11 11. Notwithstanding these private admissions, the BACKPAGE  
12 DEFENDANTS have taken pains to mislead the public, regulators, and law enforcement  
13 officials concerning the supposed sincerity of Backpage’s efforts to prevent the publication  
14 of prostitution-related ads. For example, after reviewing LACEY’s written description of  
15 Backpage’s contributions to the prostitution industry and editing practices, LARKIN  
16 instructed C.F. to prevent “any of the information in this being made public.” PADILLA,  
17 who helped supervise Backpage’s moderators, threatened to fire any employee who  
18 acknowledged in writing that the “escorts” depicted in the website’s ads were actually  
19 prostitutes: “Leaving notes . . . implying that we’re aware of prostitution . . . is enough to  
20 lose your job over.” And in one internal document, Backpage’s media strategy was  
21 described simply as “Do not acknowledge the prostitution.”

22 12. Many of the ads published on Backpage depicted children who were victims  
23 of sex trafficking. Once again, although Backpage has sought to create the perception that  
24 it diligently attempts to prevent the publication of such ads, the reality is that Backpage has  
25 allowed such ads to be published while declining—for financial reasons—to take necessary  
26 steps to address the problem. For example, for several years, Backpage’s official policy,  
27 when presented with an ad featuring the prostitution of a child, was to delete the particular  
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1 words in the ad denoting the child's age and then publish a revised version of the ad. Such  
2 editing, of course, did nothing to change the fact the ad featured the prostitution of a child-----  
3 it only created a veneer of deniability and helped Backpage's customers (*i.e.*, pimps  
4 trafficking children) evade detection.

5 13. Backpage has also contributed to the proliferation of ads featuring the  
6 prostitution of children in other ways. For example, an anti-sex trafficking organization  
7 once suggested that Backpage provide an automatic warning message whenever a customer  
8 searched for particular terms indicative of the prostitution of a child. In response, C.F.  
9 acknowledged the proposal was a good one but declined to adopt it because Backpage  
10 would not derive any public-relations benefit from doing so: "This is a good idea but it is  
11 not visible to AGs [state attorneys general] so it has little PR value. It is a low priority."  
12 Backpage has also claimed it does everything in its power to alert the National Center for  
13 Missing and Exploited Children ("NCMEC") whenever it becomes aware that a child is  
14 being advertised on its website. However, the BACKPAGE DEFENDANTS implemented  
15 policies to artificially limit such referrals. In one email, PADILLA instructed VAUGHT  
16 that "if we don't want to blow past 500 [referrals to NMCEC] this month, we shouldn't be  
17 doing more than 16 per day." In another training document, moderators were instructed  
18 not to send emergency alerts to NCMEC in response to complaints filed by the  
19 grandparents and other extended family members of children being advertised on the  
20 website: "Neice [sic], nephew, grandchild, cousin, etc. doesn't count."

21 14. Virtually every dollar flowing into Backpage's coffers represents the  
22 proceeds of illegal activity. In fact, by 2015, the major credit card companies stopped  
23 processing payments for Backpage and some banks closed Backpage's accounts out of  
24 concern they were being used for illegal purposes. In response, the BACKPAGE  
25 DEFENDANTS have pursued an array of money laundering strategies. These strategies  
26 have included (a) instructing customers to send checks and money orders to particular Post  
27 Office box, depositing those payments in bank accounts held in the name of entities with  
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1 no apparent connection to Backpage, and then giving customers a corresponding “credit”  
2 on Backpage to purchase new ads, (b) wiring the proceeds of Backpage’s business to bank  
3 accounts held in foreign countries and then redistributing the funds to certain BACKPAGE  
4 DEFENDANTS (as compensation) or redepositing the funds in bank accounts held in the  
5 United States (to conceal the nature of those funds and promote Backpage’s ongoing  
6 operations), and (c) converting customer payments, and the proceeds of Backpage’s  
7 business, into and out of cryptocurrency.

8 15. The BACKPAGE DEFENDANTS have also engaged in other financial  
9 transactions designed to conceal their misconduct and evade seizure by law enforcement.  
10 For example, in November 2016, LACEY asked employees of an Arizona-based bank for  
11 advice on how to move his assets “offshore” to protect them from seizure by the  
12 government. Soon afterward, \$16.5 million in Backpage-derived cash was wired from  
13 LACEY’s bank accounts in the United States to an overseas bank account in Hungary.

14 16. For all of these reasons, the BACKPAGE DEFENDANTS are charged in this  
15 indictment with the crimes of facilitating prostitution (18 U.S.C. § 1952), concealment,  
16 transactional, and international promotional money laundering (18 U.S.C. §§ 1956 and  
17 1957), and/or conspiracy to commit these offenses (18 U.S.C § 371 and 1956).

18 B. Backpage’s Origins, Ownership, and Control

19 17. LACEY and LARKIN are the founders of the *Phoenix New Times*, an  
20 alternative newspaper based in Arizona. Over time, LACEY and LARKIN acquired  
21 several other alternative newspapers, which they came to operate through an entity called  
22 Village Voice Media Holdings (“VVMH”). Additionally, SPEAR served as VVMH’s  
23 Executive Vice President and BRUNST served as VVMH’s Chief Financial Officer.

24 18. The publications within the VVMH newspaper chain routinely featured  
25 illegal prostitution ads. In fact, more than 30 years ago, a federal court affirmed the  
26 conviction of the operator of a prostitution business (which masqueraded as a massage  
27 parlor) for publishing ads in the classified section of the *Village Voice*. See *United States*  
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1 *v. Sigalow*, 812 F.2d 783 (2d Cir. 1987). The conviction was for violating 18 U.S.C.  
2 § 1952, one of the same crimes charged in this indictment.

3 19. By 2000, the rise of the internet—and, in particular, the website  
4 [www.craigslist.com](http://www.craigslist.com) (“Craigslist”), which offered free classified ads—began to  
5 significantly disrupt VVMH’s business model, which depended on classified advertising  
6 revenue for survival.

7 20. LACEY and LARKIN, with assistance from C.F., sought to address this  
8 threat by creating Backpage. Their decision to create Backpage was later described in an  
9 internal company document as follows: “In 2004, in response to the Craigslist threat that  
10 was decimating daily newspapers, VVM launched its own online classified site,  
11 Backpage.com, named after the back page of VVM’s print publication.”

12 21. During its first few years of operation, Backpage accounted for only a  
13 fraction of VVMH’s overall revenue. In January 2006, for example, VVMH estimated that  
14 Backpage supplied only 1% of its overall advertising revenue but also noted that Backpage  
15 had “tremendous upside potential.”

16 22. This prediction proved prophetic. By 2008, Backpage was generating over  
17 \$5 million in annual profit. This annual profit figure increased to over \$10 million in 2009.

18 23. In 2010, Craigslist chose to shut down its “adult” section due to the prevalence  
19 of ads for prostitution and other illegal services. The BACKPAGE DEFENDANTS,  
20 sensing an opportunity, made an aggressive push for Backpage to capture Craigslist’s share  
21 of this market. In one internal document, LARKIN commented: “Craigslist has folded . .  
22 . . It is possible that this will mean a deluge of adult content ads for backpage.com . . . .  
23 We have with the Village Voice probably the longest run of adult content advertising in  
24 the US and it is, like it or not, in our DNA.”

25 24. This push was successful. In internal documents, Backpage stated that it  
26 experienced “explosive growth” by “capitalizing on displaced Craigslist ad volume.”  
27 Backpage’s annual profits grew to over \$26 million in 2010, over \$52 million in 2011, and  
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1 over \$78 million in 2012.

2 25. These figures dwarfed the profits that VVMH's print publications were  
3 generating. In fact, Backpage became so profitable that the BACKPAGE DEFENDANTS  
4 decided to get rid of VVMH's publishing business so they could focus on Backpage's  
5 further development and expansion. Accordingly, in or around November 2012, the  
6 BACKPAGE DEFENDANTS spun off VVMH's print publications and began utilizing  
7 several new corporate entities, including Medalist Holdings, Inc. ("Medalist"), Dartmoor  
8 Holdings LLC ("Dartmoor"), and Camarillo Holdings, LLC ("Camarillo"), to serve as  
9 Backpage's parent companies.

10 26. Following these transactions, LACEY held an ownership interest in Medalist  
11 (and, therefore, in Backpage) of approximately 45%, LARKIN held an ownership interest  
12 of approximately 43%, BRUNST held an ownership interest of approximately 6%, and  
13 SPEAR held an ownership interest of approximately 4%.

14 27. Backpage's annual profits continued to skyrocket during and after these  
15 changes. They grew to over \$112 million in 2013 and over \$134 million in 2014.

16 28. In or around April 2015, LACEY, LARKIN, SPEAR, and BRUNST  
17 purported to sell their ownership interests in Backpage and several related entities for  
18 around \$600 million to various Dutch entities. These Dutch entities included Atlantische  
19 Bedrijven, C.V., which agreed to purchase Backpage's U.S. operations for around \$526  
20 million, and UGC Tech Group C.V., which agreed to purchase Backpage's overseas  
21 operations for around \$77 million.

22 29. In fact, these Dutch entities were controlled by C.F., who borrowed most of  
23 the \$600 million from entities controlled by the sellers to finance the purchase. Due to this  
24 financial arrangement, LACEY, LARKIN, SPEAR, and BRUNST retained a significant  
25 financial interest in Backpage after the transactions were completed.

26 30. Additionally, LACEY, LARKIN, SPEAR, and BRUNST retained significant  
27 operational control over Backpage following these transactions. For example, the April  
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1 2015 loan agreement required C.F. to sign a six-year employment agreement, required C.F.  
2 to provide the lenders with full access to Backpage's books and records, required C.F. to  
3 provide the lenders with an annual listing of all of C.F.'s personal assets, and prohibited  
4 C.F. from opening any new bank accounts on Backpage's behalf without the lenders'  
5 consent.

6 C. Backpage's Knowledge And Facilitation Of Prostitution Ads

7 31. By 2008, if not earlier, the BACKPAGE DEFENDANTS were aware that  
8 the overwhelming majority of the website's "adult" ads involved prostitution.  
9 Nevertheless, the BACKPAGE DEFENDANTS made a financial decision to continue  
10 displaying those ads.

11 32. The BACKPAGE DEFENDANTS also sought to sanitize the ads by editing  
12 them—that is, by removing terms and pictures that were particularly indicative of  
13 prostitution and then publishing a revised version of the ad. This process was sometimes  
14 referred to as "moderation."

15 33. For example, in April 2008, C.F. wrote an email explaining that, although he  
16 was "under pressure to clean up phoenix's adult content," he was unwilling to delete  
17 prostitution ads because doing so "would put us in a very uncompetitive position with  
18 craig[slist]" and result in "lost pageviews and revenue." Thus, he instructed Backpage's  
19 technical staff to edit the wording of such ads, by removing particular terms that were  
20 indicative of prostitution, and then allow the remainder of the ad to be featured on  
21 Backpage's website.

22 34. On February 26, 2009, C.F. received an email from the classified-ads  
23 manager of a newspaper within the VVMH chain asking why Backpage's terms of service  
24 purported to prevent customers from "suggest[ing] an exchange of sexual favors for  
25 money" in light of the fact that "[c]learly everyone on the entire backpage network breaks  
26 the rules." In response, C.F. didn't dispute the author's characterization and explained that  
27 Backpage had simply added the terms of service at the behest of "our attorney in SF" in an  
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1 attempt to avoid liability in civil lawsuits.

2 35. On May 25, 2009, SPEAR received an email summarizing a plan to begin  
3 “remov[ing] sex act pics and coded terms” from Backpage ads. Later that day, C.F.  
4 forwarded this email to HYER with the explanatory note that “We do not intend to be a  
5 craig[slist] here, just get out the most egregious stuff.”

6 36. On March 8, 2010, C.F. testified in federal court (the United States District  
7 Court for the Southern District of Florida) in the criminal trial of a pimp who had used  
8 Backpage to post prostitution ads. During his testimony, C.F. acknowledged the defendant  
9 had used the email address “Youngpimpin86” when posting the ads. C.F. also  
10 acknowledged that the ads described one so-called escort as “five-foot-three, with a small  
11 waist and amazing ass you’ll have to see to believe. XL, XL, XL, Lollipop” and described  
12 a different so-called escort as “discrete, sincere and extremely naughty. I am the type of  
13 girl who absolutely adores a man who understands the many desires of a young beautiful  
14 woman and how to accommodate a variety of fantasies.” This episode provided notice to  
15 Backpage that it was implausible to pretend such ads were merely offering lawful escort  
16 services.

17 37. On September 1, 2010, PADILLA sent an email to HYER and C.F. stating  
18 that customers who engaged in “extreme and repeat” violations of Backpage’s posting rules  
19 would have their ads deleted and be banned from the website. However, PADILLA also  
20 stated the bans would only be temporary and that “we’ll do everything we can to affect  
21 only the worst apples.”

22 38. On September 1, 2010, SPEAR received an email acknowledging that  
23 Backpage’s moderators were being instructed to “Remove any sex act pics in escorts [ads]”  
24 and “Remove any illegal text in escorts [ads] to include any code words for sex act for  
25 money.”

26 39. On September 21, 2010, a group of state attorneys general wrote a letter to  
27 Backpage. This letter observed that “ads for prostitution—including ads trafficking  
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1 children—are rampant on the site” and argued that “[b]ecause Backpage cannot, or will  
2 not, adequately screen these ads, it should stop accepting them altogether.” The letter  
3 acknowledged that this step would cause Backpage to “lose the considerable revenue  
4 generated by the adult services ads” but stated that “no amount of money can justify the  
5 scourge of illegal prostitution, and the misery of the women and children who will continue  
6 to be victimized, in the marketplace provided by backpage.”

7 40. On September 25, 2010, C.F. wrote an email explaining that Backpage was  
8 unwilling to delete ads that included terms indicative of prostitution because doing so  
9 would “piss[] off a lot of users who will migrate elsewhere” and force Backpage to refund  
10 those customers’ fees. Thus, C.F. announced that Backpage would “go back to having our  
11 moderators remove bad content in a post . . . .”

12 41. On September 30, 2010, C.F. testified in federal court (the United States  
13 District Court for the District of Minnesota) in the criminal trial of a pimp who had used  
14 Backpage to post prostitution ads. During his testimony, C.F. acknowledged that  
15 Backpage’s servers are located in Arizona and that the ads posted by the Minnesota-based  
16 defendant had therefore “traveled across state lines.”

17 42. On October 8, 2010, PADILLA sent an email (on which VAUGHT was cc’d)  
18 threatening to fire any Backpage employee who acknowledged, in writing, that a customer  
19 was a prostitute: “Leaving notes on our site that imply that we’re aware of prostitution, or  
20 in any position to define it, is enough to lose your job over. . . . This isn’t open for  
21 discussion. If you don’t agree with what I’m saying completely, you need to find another  
22 job.”

23 43. On October 16, 2010, PADILLA sent an email to a large group of Backpage  
24 employees (including HYER and VAUGHT). The email had two attachments that  
25 provided guidance on how to “moderate” ads. The first was a Powerpoint presentation that  
26 displayed a series of 38 nude and partially-nude photographs, some of which depicted  
27 graphic sex acts. Next to each picture was an instruction as to whether it should be  
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1 approved or disapproved by a Backpage moderator. These instructions included “Approve.  
2 Nude rear shots are okay as long the model is not exposing her anus or genitalia.” and  
3 “Approve. Rear shot okay. Transparent wet panties okay.” The second was an Excel  
4 spreadsheet identifying 50 terms (all of which were indicative of prostitution) that should  
5 be “stripped” from ads before publication. PADILLA concluded the email by stating:  
6 “[I]t’s the language in ads that’s really killing us with the Attorneys General. Images are  
7 almost an afterthought to them.”

8 44. On October 16, 2010, PADILLA sent a separate internal email (which also  
9 included HYER and VAUGHT as recipients). In this email, PADILLA explained that “I’d  
10 like to still avoid Deleting ads when possible,” that “we’re still allowing phrases with  
11 nuance,” and that “[i]n the case of lesser violations, editing should be sufficient.”

12 45. On October 25, 2010, C.F. sent an email to SPEAR, HYER, and PADILLA  
13 acknowledging that the “[i]llegal content removed” through Backpage’s moderation  
14 processes was “usually money for sex act.” This email also explained that, after the “sex  
15 act pics are removed,” the “ad text may stay.”

16 46. On October 26, 2010, HYER and PADILLA received an email explaining:  
17 “We will not remove ads with vaginas or penis showing, just the images unless they are a  
18 frequent offender. We will not remove ads with rates under an hour, just the text with the  
19 minimum rates. Users need time to react to this change.”

20 47. On October 27, 2010, PADILLA sent an email to the head of a group of  
21 contractors from India who had been hired to moderate Backpage’s adult ads. In this email,  
22 PADILLA criticized the contractors for deleting too many ads, stated that this approach  
23 was bad for business, and instructed the contractors to simply edit the ads to remove the  
24 more-obvious language: “As long as your crew is editing and not removing the ad entirely,  
25 we shouldn’t upset too many users. Your crew has permission to edit out text violations  
26 and images and then approve the ad.”

27 48. On October 27, 2010, HYER sent an internal email stating that Backpage  
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1 was "editing 70 to 80%" of the ads it received from customers. In other words, HYER  
2 acknowledged that a large proportion of the ads originally submitted by Backpage's  
3 customers contained text and pictures that were indicative of prostitution and that  
4 Backpage was still choosing to publish those ads after editing them.

5 49. On November 4, 2010, C.F. sent an email to Backpage's India-based  
6 moderators (on which PADILLA was cc'd) explaining that "[m]any of the ads need to have  
7 15 minute and 30 minute pricing removed" and that "I'm being evaluated by lawyers [*i.e.*,  
8 state attorneys general] later this week so cleaning up old stuff is important."

9 50. On November 17, 2010, HYER and PADILLA received an email  
10 acknowledging that the term Lolita is "code for under aged girl" but explaining that this  
11 term could simply be stripped out from ads (as opposed to refusing to publish the ad). The  
12 email also explained that customers should be allowed to include their identification  
13 numbers from a notorious prostitution website, The Erotic Review: "[A]llow users to put  
14 in TER IDs (just no live links)."

15 51. On November 30, 2010, LARKIN, SPEAR, and other Backpage  
16 representatives participated in a conference call with representatives from NCMEC.  
17 During this call, the Backpage representatives were advised that a large portion of the ads  
18 on Backpage were blatant prostitution ads, that many of those ads featured children, and  
19 that the posting of such ads was illegal in every state.

20 52. In December 2010, HYER, PADILLA, and others exchanged a series of  
21 emails entitled "Deep cleaning strip out." These emails identified a lengthy list of terms  
22 that were indicative of prostitution and discussed plans for removing the terms from the  
23 old ads in Backpage's archives. During this exchange, C.F. stated that Backpage wasn't  
24 willing to delete the old prostitution ads because "our users love" having access them,  
25 "[s]o, best to do deep cleaning and not kill a valuable feature." C.F. later encouraged  
26 Backpage's staff to complete the project quickly to avoid scrutiny: "This task is urgent  
27 since CNN is runing [*sic*] a report soon."  
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1           53. On January 13, 2011, HYER and PADILLA received an email summarizing  
2 instructions that had been provided to members of Backpage's technical staff. It explained  
3 that the technical staff had been instructed "not to display the moderation log" in a  
4 particular section of Backpage's database "since we pdf this page for subpoenas. I would  
5 rather not testify in court as to why my staff 'approved' . . . postings."

6           54. In January 2011, LARKIN and LACEY met with a representative from  
7 NCMEC. During this meeting, LACEY asked which types of sex ads would be acceptable  
8 from NCMEC's perspective. When the NCMEC representative declined to say that any  
9 such ads would be acceptable, LACEY made a statement to the effect of "adult prostitution  
10 is none of your business."

11           55. On January 31, 2011, and February 1, 2011, C.F. engaged in an email  
12 exchange concerning whether to remove links to other prostitution websites (such as The  
13 Erotic Review) from expired Backpage ads. C.F. stated that, although SPEAR and his  
14 "internet safety guy" were recommending that such ads be removed, he thought this would  
15 "be a stupid move" because it would hurt Backpage financially (by reducing the number  
16 of referrals from other sites). C.F. added that "this overly zealous focus on moderation at  
17 the expense of other development is a lot of bullshit . . ."

18           56. On February 2, 2011, C.F. sent an email acknowledging that "[t]he strip out  
19 affects almost every adult ad." In other words, C.F. acknowledged that "almost every adult  
20 ad" on Backpage was a prostitution ad that had been edited to remove the most damning  
21 text and pictures.

22           57. On February 3, 2011, a Backpage customer who went by the name "Licks  
23 Alot" wrote an email to Backpage complaining that all of the pictures in one of her ads  
24 (entitled "Athletic SWF Guaranteed Low Mileage Boys!!!") had been deleted. C.F.  
25 responded to "Licks Alot" by explaining that one of her photos had been removed because  
26 "[o]ur crazy internet safety experts do not want any genitalia showing up around the  
27 thong." However, C.F. proceeded to apologize to "Licks Alot" over the removal of her  
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1 remaining photos, allowed her ad (which was obviously for prostitution) to remain on the  
2 website, and offered her a free upgrade.

3 58. On February 8, 2011, C.F. testified in federal court (the United States District  
4 Court for the Middle District of Florida) in the criminal trial of a pimp who had used  
5 Backpage to post prostitution ads. During his testimony, C.F. authenticated one of the ads  
6 the defendant had placed on Backpage, whose title was "Extra horny sexy newbie,"  
7 confirmed that Backpage had allowed this ad to be posted multiple times in various East  
8 Coast cities, and acknowledged that Backpage published "a lot" of similar ads. This  
9 episode provided further notice to Backpage that it was implausible to pretend such ads  
10 were merely offering lawful escort services.

11 59. On February 16, 2011, PADILLA sent an email to Backpage's India-based  
12 moderators (on which VAUGHT was cc'd) explaining that Backpage was adopting a  
13 "more lenient policy" and that he was instructing his Phoenix-based employees to "go easy  
14 on some types of violations." PADILLA acknowledged this approach would "likely" result  
15 in more "violations" but emphasized that "moderators should err on the side of the user."

16 60. On February 16, 2011, PADILLA sent a separate email discussing whether  
17 several terms should remain on Backpage's "filtered terms" list. During this discussion,  
18 PADILLA acknowledged—by placing quote marks around the term "companionship"—  
19 that he didn't actually believe the women being advertised on Backpage were providing  
20 lawful escort services: "[The term] implies some exchange of bodily fluids which kills our  
21 'companionship' argument, but i don't think we've ever really gotten in trouble for it."

22 61. On February 22, 2011, PADILLA received an email requesting Backpage's  
23 "list of banned, stripped out adult terms." In response, PADILLA sent an Excel  
24 spreadsheet entitled "Phrase List 02211," which PADILLA described as "the latest greatest  
25 version of the list." The enclosed spreadsheet identified over 660 words or phrases that are  
26 indicative of prostitution, including an array of terms that are suggestive of child  
27 prostitution (e.g., "lolita," "fresh," "high school," "tight," "young"). The spreadsheet  
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1 explained that most such terms were simply to be “filtered” from the ads in which they  
2 appeared.

3 62. On February 23, 2011, PADILLA received an email concerning a particular  
4 ad that had recently been edited by Backpage’s India-based moderators. The ad was  
5 obviously for prostitution—its title was “new-new-new-put me in your favorite position”  
6 and the poster had attempted to include two photographs that violated Backpage’s posting  
7 rules. In response, the India-based moderators had deleted both of those photos, as well as  
8 a third photo that depicted the prostitute’s face, and then allowed the ad to be published.  
9 The email received by PADILLA did not criticize the moderators for allowing an obvious  
10 prostitution ad to be published after editing. To the contrary, it emphasized that the ad  
11 should remain on Backpage and criticized the moderators for removing the third photo,  
12 threatening to fire them if they did it again: “2 out of 3 pics should have been removed.  
13 But [the] moderator deleted all three pics. This is plain wrong . . . . I would fire a moderator  
14 in Phoenix if they did this.”

15 63. In March 2011, LARKIN, LACEY, SPEAR, and other Backpage  
16 representatives met with representatives from NCMEC. During this meeting, the Backpage  
17 representatives were again advised that a large portion of the ads on Backpage were blatant  
18 prostitution ads. The Backpage representatives also were advised they could be criminally  
19 prosecuted under federal law for their conduct.

20 64. On April 5, 2011, PADILLA sent an email whose recipients included  
21 VAUGHT and the supervisor of Backpage’s Indian moderation team. The email was  
22 entitled “relaxed image standards” and included, as an attachment, a document that  
23 displayed a series of 30 nude and partially-nude photographs. Next to each picture was an  
24 instruction as to whether it should be approved or disapproved by a moderator. One picture  
25 showed a woman sitting on a bed, wearing only a bra and panties, with her legs spread  
26 open and her hand partially covering her crotch. The caption provided in part: “okay –  
27 but barely.”

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1           65. Between April 2011 and March 2012, PADILLA, C.F., and others  
2 participated in an email exchange acknowledging that Backpage was deleting thousands of  
3 pictures from customer ads each week and seeking assistance in collecting all of the deleted  
4 pictures so they could be used for “entertainment” or to generate user “traffic for other  
5 projects.” The email explained that the deleted pictures could be made available to the  
6 public on a new website called “nakedpics.backpage.com” or “badpics.backpage.com.”

7           66. On April 19, 2011, LARKIN and SPEAR received an email seeking  
8 permission to terminate the contract of a third-party vendor that had been receiving \$17,000  
9 per month to “remov[e] any nude pics” from the expired ads in Backpage’s database.  
10 LARKIN responded: “do it!”

11           67. On June 7, 2011, C.F. received an inquiry from a law enforcement official  
12 about a particular ad that included the term “amber alert.” In response, C.F. acknowledged  
13 this might be “some kind of bizarre new code word for an under aged person.” C.F. then  
14 forwarded this exchange to PADILLA and stated that he had instructed HYER to add  
15 “amber alert” to Backpage’s “strip out” list. In other words, HYER, PADILLA, and C.F.  
16 did not require all future ads involving this particular coded term for the prostitution of a  
17 child to be blocked from Backpage—they merely required such ads to be edited before  
18 publication.

19           68. On June 30, 2011, several Backpage representatives met with representatives  
20 from the office of the Washington State Attorney General. During this meeting, the  
21 Backpage representatives initially attempted to claim that no prostitution ads appeared on  
22 their website. In response, a representative from the Attorney General’s office stated:  
23 “You mean to tell me that if someone responded to an advertisement, the woman they  
24 called for services would be offering to go out for coffee?” A Backpage representative  
25 responded to this question by looking at C.F., laughing, and acknowledging that Backpage  
26 couldn’t “deny the undeniable.”

27           69. On July 27, 2011, C.F. sent an email to HYER and PADILLA, and a nearly-  
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1 identical email to LARKIN and LACEY, concerning the possibility of using age-  
2 verification software. In this email, C.F. acknowledged the software might be beneficial  
3 (“This might be our solution”) but recommended against its wholesale adoption because it  
4 would cost “79 to 99 cents per query” and would thus cut into Backpage’s profits.

5 70. On July 28, 2011, LACEY sent LARKIN a draft editorial entitled “BackPage  
6 understood.” In this document, LACEY bragged about Backpage’s contributions to the  
7 prostitution industry: “Backpage is part of the solution. Eliminating our adult advertising  
8 will in no way eliminate or even reduce the incidence of prostitution in this country. . . .  
9 For the very first time, the oldest profession in the world has transparency, record keeping  
10 and safeguards.” LACEY also acknowledged that Backpage used an automatic filter to  
11 remove particular phrases from ads that were indicative of prostitution but still published  
12 the ads after editing them.

13 71. Soon afterward, LARKIN forwarded the editorial to C.F., with a cover note  
14 cautioning against some of LACEY’s statements “being made public” because “we need  
15 to stay away from the very idea of ‘editing’ the posts, as you know.” C.F., in turn, revised  
16 the editorial to take out the paragraph lauding Backpage’s contributions to the prostitution  
17 industry.

18 72. On August 5, 2011, Backpage received a letter from the mayor of Seattle.  
19 This letter warned that “Seattle Police have identified an alarming number of juvenile  
20 prostitutes advertised on Backpage.com since January 2010” and explained that Backpage  
21 was dissimilar from other companies whose products and services are “occasionally or  
22 incidentally” utilized by criminals because “[y]our company is in the business of selling  
23 sex ads” and “your services are a direct vehicle for prostitution.” The letter also  
24 recommended that Backpage require in-person age verification for all of the “escorts”  
25 depicted in its ads. Afterward, Backpage declined to adopt these recommendations.

26 73. On August 15, 2011, PADILLA received an email containing an updated  
27 version of Backpage’s moderation guidelines. This six-page document provided the  
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1 following instructions concerning photographs: “Nude rear shots are okay as long the  
2 model is not exposing her anus or genitalia,” “Transparent wet panties okay should not be  
3 able to see personal private part,” and “cherry, Ice-cream keeping in mouth [is okay].” The  
4 document also explained that “Bikini, lingerie, g-string, thong, and hands covering nipples  
5 are all allowed,” “Hourly rates are OK,” and “Sessions are okay. E.g \$50 session.”

6 74. On August 31, 2011, Backpage received a letter from the National  
7 Association of Attorneys General. This letter characterized Backpage as “a hub” for  
8 human trafficking, identified “more than 50 instances, in 22 states over three years, of  
9 charges filed against those trafficking or attempting to traffic minors on Backpage.com,”  
10 and noted that “[n]early naked persons in provocative positions are pictured in nearly every  
11 adult services advertisement on Backpage.com and the site requires advertisements for  
12 escorts, and other similar ‘services,’ to include hourly rates. It does not require forensic  
13 training to understand that these advertisements are for prostitution.”

14 75. On October 6, 2011, C.F. sent an email discussing various proposals for  
15 addressing “the under aged issue.” With respect to one particular proposal, C.F.  
16 acknowledged it was a good one but recommended against adopting it because Backpage  
17 would not derive any public-relations benefit from doing so: “This is a good idea but it is  
18 not visible to AG’s [state attorneys general] so it has little PR value. It is a low priority.”

19 76. In the fall of 2011, Backpage sought the assistance of a public relations firm  
20 based in Washington, D.C. On October 12, 2011, C.F. received a written copy of the firm’s  
21 presentation. Later, some of the BACKPAGE DEFENDANTS attended a meeting at  
22 which the presentation was discussed in more detail. The presentation warned that  
23 Backpage’s business practices would inevitably result in legal trouble (“One day the  
24 proverbial is going to hit the fan”) and characterized Backpage’s “media strategy” as “Do  
25 not acknowledge the prostitution.” The presentation also noted that the “ads on the  
26 backpage.com site” generally fall into three categories, one of which is “Pimps and Men  
27 Looking for Kids.”

1           77. On October 21, 2011, LARKIN received an email discussing whether the  
2 Backpage website should include a warning message concerning the prostitution of  
3 children. This email contained the following joke: “Andrew [PADILLA] thinks it to[o]  
4 heavy handed and thinks our web site name will be entrapment.com (Hilarious).”

5           78. On November 16, 2011, HYER and PADILLA received an email asking for  
6 “urgent” assistance in eliminating the word “teen” from the ads appearing on Backpage’s  
7 website: “Remove ads with teens or remove the text teen from . . . ads.” The following  
8 day, PADILLA wrote back with an update that he had found “76 pages of results” and that  
9 he had simply “edited” all of the ads posted within the last two months (*i.e.*, allowed those  
10 ads to remain on the website after sanitizing them).

11           79. Between around January and March 2012, many of Backpage’s moderators  
12 (who were supervised in part by PADILLA and VAUGHT) underwent performance  
13 appraisals. These appraisals revealed that many of the moderators did “not report young  
14 looking escorts.” Nevertheless, these moderators were allowed to keep their jobs, and  
15 sometimes were given strong overall performance ratings.

16           80. On February 16, 2012, PADILLA sent an email to VAUGHT stating that  
17 Backpage should limit the number of child-exploitation referrals it was making to  
18 NCMEC: “If we don’t want to blow past 500 this month, we shouldn’t be doing more than  
19 16 a day.”

20           81. On February 23, 2012, C.F. was forwarded a legal notice claiming that  
21 several of Backpage’s ads included copyrighted content from two competing websites  
22 called RubMaps.com and EroticMP.com. C.F. also received copies of the underlying ads  
23 from the competing websites, which clearly involved prostitution. In one of the ads, a  
24 customer stated that, in return for \$45 and a \$5 tip, he had received a “Blow Job . . . w/  
25 condom” from a woman who “had nice breasts.” In a different ad, a customer stated that,  
26 in return for \$60, he had oral and vaginal sex with a prostitute. And in a different ad, a  
27 customer stated: “Her bj was slow and erotic, and she was happy to go with whatever  
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1 position I wanted.” When C.F. forwarded these materials to Backpage’s staff, he was asked  
2 whether the corresponding ads appearing on Backpage’s website should be removed  
3 immediately. C.F. replied that they should be allowed to remain on Backpage for another  
4 few weeks without any modification.

5 82. On March 15, 2012, HYER received an email concerning the ads with the  
6 copyrighted material. This email stated that the ads shouldn’t be deleted and that  
7 Backpage’s technical staff should merely “strip out” the names of the competing  
8 prostitution websites: “Copyright infringement issue. We need to strip out every  
9 appearance of rubmaps.com and eroticmp.com.” When a staff member sought more  
10 guidance, HYER interjected: “We don’t need to delete ads or users.”

11 83. On April 7, 2012, PADILLA was informed that a woman had contacted  
12 Backpage to report that one of the “escorts” depicted on the site was only 17 years old.  
13 The woman provided the juvenile’s full name and birth year and further stated that the  
14 juvenile had been attempting to recruit the complaining party’s daughter (who was 15). In  
15 response, PADILLA instructed his staff to refuse to remove the ad because “she’s isn’t  
16 claiming her own daughter is in the ad.”

17 84. On April 8, 2012, LACEY sent an email emphasizing that “jim [LARKIN]  
18 and I believe in legalized prostitution” and stating that Backpage’s efforts to prevent the  
19 prostitution of children on the site were “not perfect, by any means.”

20 85. On April 25, 2012, a Backpage representative spoke at a meeting of the New  
21 York City Council’s Women’s Issues Committee. During this meeting, the representative  
22 stated it was better to have ads for sex work appear on Backpage than have them move to  
23 other places on the internet. The representative further stated: “I don’t deny that Backpage  
24 is part of the problem, but the problem is the internet.”

25 86. On April 27, 2012, a woman wrote an email to Backpage’s support  
26 department stating that her underage daughter had been kidnapped, drugged, and was being  
27 advertised as a prostitute against her will. The email identified the specific phone number  
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1 associated with the ads (754-229-xxxx), stated that the ads appeared on a website called  
2 BackpagePics.com, and asked that the ads be removed immediately: "This is a drugged  
3 and held against her will child who had photos taken under threat and duress . . . . Please  
4 remove." This email was forwarded to PADILLA by a subordinate, who asked "should  
5 we respond?" PADILLA replied by explaining that, because the website  
6 BackpagePics.com wasn't owned by Backpage, there was no need to respond to the  
7 mother.

8 87. On April 30, 2012 (three days later), the same woman wrote another email  
9 to Backpage's support department. In this email, the woman stated that "I have contacted  
10 backpage on several occasions [sic] to remove these pictures which were posted against  
11 her will and while she was drugged and held captive. I have yet to receive a reply." This  
12 time, the woman provided a link to her daughter's ad on Backpage (not  
13 BackpagePics.com), which included the same phone number (754-229-xxxx) that had been  
14 included in the other ad.

15 88. On May 1, 2012 (the next day), the same woman wrote a third email to  
16 Backpage's support department. In this email, the woman included a link to another ad on  
17 Backpage depicting her underage daughter and stated: "I also found a pix of my daughter  
18 within this url both girls are in protective custody." Later that day, the woman received an  
19 email from Backpage's support department stating: "The post is confirmed removed."

20 89. Some of these emails were forwarded to LACEY and LARKIN. In response,  
21 LARKIN applauded Backpage's "good solid response" to the woman and remarked: "this  
22 whole rigamarole seems a little odd to me."

23 90. On May 10, 2012, the television news station CNN ran an expose on  
24 Backpage that emphasized "how young some of these girls look" and deemed the website  
25 "a hub for the sex trade."

26 91. On May 11, 2012, PADILLA sent an email to VAUGHT and other Backpage  
27 employees entitled "forbidden planet." Enclosed with the email was an Excel spreadsheet  
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1 that identified over 600 words and phrases that are indicative of prostitution. The  
2 spreadsheet also specified, for each word and phrase, whether an ad containing the  
3 offending language should be banned or whether Backpage should simply “strip term from  
4 ad” and then publish it after the revision.

5 92. On July 12, 2012, PADILLA sent an email (which was also shared with  
6 VAUGHT) to the head of Backpage’s Indian moderation team. In this email, PADILLA  
7 criticized the moderators for deleting too many ads and provided the following instruction:  
8 “I agree that ‘over cautiousness’ is as big of a problem as moderators that miss a lot of  
9 violations.”

10 93. In or around November 2012, a researcher at Arizona State University  
11 published a study concluding that most of the ads on Backpage’s Phoenix page involved  
12 prostitution and that many of the ads depicted juvenile trafficking victims. On December  
13 19, 2012, LACEY was forwarded a copy of the study’s results. The researcher responsible  
14 for the study also met with a Backpage representative to propose various mechanisms for  
15 reducing or eliminating the prostitution of children on the website. Backpage declined to  
16 adopt these proposals.

17 94. Between around September 2010 and October 2012, C.F. became aware that  
18 a particular Backpage customer, P.R., was posting prostitution ads. Rather than bar this  
19 customer from posting future ads, C.F. repeatedly restored her posting privileges and gave  
20 her advice on how to conform to Backpage’s publication standards. The communications  
21 involving this woman’s ads included the following:

22 • On September 26, 2010, C.F. received an email from a woman who was  
23 obviously posting prostitution ads on Backpage. The woman, whose email address  
24 included the phrase “provider4u,” wrote to complain that her escort ad (“50 Red Roses  
25 special -- Dont Miss out !!!”) had been removed even though “[o]ther women have more  
26 explicit ads than me and they are up!” The woman continued: “I can not afford to have  
27 this ad removed. This is the only way I can get by and if its not on all the time I will not  
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1 be able to pay my bills . . . . My fiancé is in jail and he is not able to help me at this  
2 point.” In response, C.F. arranged for the woman to be allowed to continue posting ads.

3 • On October 6, 2010, C.F. received another email from the same woman. In  
4 this email, she complained that her most recent ad had been removed because it included  
5 an explicit picture of her body. She provided a copy of the picture to C.F. and stated: “If  
6 the person [who removed the ad] is such a prude well maybe they should check out the  
7 other women’s ads in that [escorts] section.” On November 15, 2010, C.F. wrote back to  
8 the woman to encourage her to edit the ad so it could be re-posted: “Ok, please try editing  
9 the ad now.” After this exchange, the woman was permitted to resume posting ads on  
10 Backpage.

11 • On June 6, 2011, C.F. received another email from the same woman. It  
12 stated: “I would really appreciate it if you would please take the block off my ad for editing  
13 . . . . I wont post any more objectionable pics, ok?” In response, C.F. arranged for the  
14 woman’s editing and posting privileged to be restored: “You should be able to edit  
15 now. Please let us know if you are still having any trouble.” After this exchange, the  
16 woman resumed posting ads on Backpage.

17 • On July 14, 2012, C.F. received another email from the same woman. It  
18 stated: “would you please take the edit block off my ad. I need to change some info on it  
19 and update it. I promise i wont put no more nude pics in it, you have my word. . . . [M]y  
20 ad says: 50 red roses special --- dont miss out.” After this exchange, the woman was allowed  
21 to continue posting ads on Backpage.

22 • On September 17, 2012, C.F. received another email from the same  
23 woman. This time, she complained that Backpage was editing her ads (whose title  
24 continued to feature the obvious prostitution term “50 Red roses special”) to remove the  
25 most explicit pictures. She stated: “I would like to know why my ad in the escort section  
26 of backpage keeps getting messed with. . . . [S]omeone keeps erasing the link to my pics  
27 on the ad. that is so wrong. I am being deprived of income that I sorely need . . . . There  
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1 are other woman posting pics on their ads that show more nudity . . . .” After this exchange,  
2 the woman was permitted to continue posting ads on Backpage.

3 • On October 16, 2012, the woman wrote another email to Backpage. In this  
4 email, she again complained about how Backpage was editing her ads to remove the most  
5 explicit pictures. She stated: “It is very hard for me to make any income from this ad as  
6 they continually go into my ad and remove the link from the ad that goes to my  
7 pictures. They wont allow me to post my pics on the ad yet other women with other ads  
8 show more nudity than my pictures ever did.”

9 • This email was forwarded to VAUGHT and to PADILLA, who asked  
10 another Backpage employee to “dig into this one a little.” On October 17, 2012, PADILLA  
11 received a follow-up email from his co-worker stating that the woman’s ad had been posted  
12 on September 27, was still on the Backpage website, and that the pictures the woman had  
13 originally attempted to include in the ad (which had been stripped by Backpage) were  
14 “topless shots.”

15 • Following these exchanges, between October 2012 and November 2015, the  
16 same customer was allowed to post over a dozen new ads on Backpage, many of which  
17 utilized the same identifying information, coded prostitution terms, and contact phone  
18 number as before.

19 95. On January 7, 2013, VAUGHT was informed by a moderator that Backpage  
20 wasn’t diligently pursuing reports of child exploitation: “We’ve supposedly been checking  
21 them, but some seem to be ignored. They get ‘marked as read’, but nothing gets done with  
22 them. It’s aggravating and irresponsible.”

23 96. On June 6, 2013, Backpage received a letter from NCMEC recommending  
24 the adoption of several specific security measures to prevent the trafficking of children.  
25 The recommended security measures included (a) verifying the age and identity of users  
26 who submitted adult ads, (b) verifying the age and identity of individuals depicted in  
27 photographs within adult ads, (c) prohibiting the use of anonymous payment sources such  
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1 as prepaid credit cards, and (d) requiring users to utilize verified email addresses and  
2 telephone numbers. Afterward, Backpage declined to follow any of these  
3 recommendations.

4 97. On August 30, 2013, LARKIN, SPEAR, BRUNST, HYER, and C.F.  
5 received an email notifying them that “Chase [Bank] was no longer accepting transactions  
6 from Backpage.com, due to their involvement in human trafficking.” In response, C.F.  
7 informed the group that he intended to begin “giv[ing] users free ads if they complain while  
8 we wait on directly transactions to another processor.”

9 98. On September 11, 2013, a Backpage representative made a presentation to  
10 the Arizona Governor’s Task Force on Human Trafficking. Following this presentation  
11 (which took place in Phoenix), the representative was asked whether there would be any  
12 “cons” to requiring verifiable identification of all escorts being advertised on Backpage’s  
13 website. In response, the representative did not identify any financial or logistical hurdles  
14 to the adoption of such a requirement. Instead, the representative stated that such a  
15 requirement would simply cause Backpage to lose business to other prostitution websites  
16 like myRedBook.com or to overseas prostitution websites. During this meeting, members  
17 of the task force also provided the representative with evidence showing that Backpage’s  
18 moderation efforts were ineffective at preventing the publication of prostitution ads.

19 99. On April 3, 2014, PADILLA and VAUGHT were forwarded an email that  
20 had been sent to Backpage by a credit card processing company in Canada. The email  
21 stated that “[w]e have multiple user accounts that are paying for your services for what I  
22 understand to be prostitution advertisements” and sought information about “how you are  
23 processing these transactions.”

24 100. On April 14, 2014, LARKIN and BRUNST received an email from C.F.  
25 discussing why Backpage had experienced “past high growth” and identifying various  
26 ideas for achieving “future growth.” This email stated that Backpage had been the  
27 beneficiary of “[m]igration of content from other . . . marketplaces to the internet” and  
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1 identified one particular marketplace as a key source of Backpage’s customers: “[N]et loss  
2 for brick and mortar marketplaces: Strip clubs, hotels, and gathering spots displaced by the  
3 internet.” In other words, the email acknowledged that the supposed “escorts” advertising  
4 on Backpage were actually prostitutes (lawful escorts did not congregate at strip clubs,  
5 hotels, and other brick-and-mortar “gathering spots” during the pre-internet age). This  
6 email also attributed Backpage’s success in part to its adoption of policies that allowed  
7 customers to post ads without leaving any meaningful identifying information-----in a list of  
8 Backpage’s advantageous policies, it identified “Anonymous,” “Prepaid card friendly,”  
9 “User can post paid ads without a valid email address,” and “bitcoin.”

10 101. On April 24, 2014, VAUGHT sent an email to Backpage’s moderators (while  
11 cc’ing PADILLA). In this email, VAUGHT explained that if a moderator came across an  
12 ad containing a link to a “sex for money” website, the moderator should add the link to a  
13 list of banned terms but “don’t bother removing it from the current ad.”

14 102. On September 4, 2014, Backpage was served with a brief that had been filed  
15 by NCMEC in a lawsuit in Washington state court. In this brief, NCMEC criticized the  
16 sincerity of Backpage’s efforts to prevent child sex trafficking: “Backpage has repeatedly  
17 claimed in public statements and court filings that it is working to reduce child sex  
18 trafficking on its website. The unpleasant reality is that Backpage publicizes carefully  
19 selected operational processes as a subterfuge to avoid increased scrutiny, while providing  
20 traffickers with easy access to an online venue to sell children for sex. In practice,  
21 Backpage’s stated interest in doing something meaningful to stop child sex trafficking ads  
22 on its site is apparently overridden by the enormous revenue it generates from its escort  
23 ads, including ads selling children for sex.”

24 103. On March 17, 2015, a law enforcement officer with the California  
25 Department of Justice spoke with a Backpage representative concerning the prevalence of  
26 blatant prostitution ads on Backpage. In response, the representative did not dispute the  
27 officer’s characterization and said the internet and prostitution were not going away.  
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1           104. On July 30, 2015, a document entitled “trainingJuly2015” was distributed to  
2 Backpage’s moderators. This training manual specifically told moderators that, if they saw  
3 a photograph depicting “a person [who] looks young/minor,” they should “approve dont  
4 delete the ad unless it has a banned term.” The training manual also identified, under the  
5 heading “THESE ARE ALL OKAY,” a long list of terms that are indicative of prostitution,  
6 such as “99% CUM BACK FOR MORE,” “car service,” and “lollipop special.”

7           105. In or around August 2015, as part of a lawsuit in Illinois, Backpage was  
8 served with an affidavit from a detective employed by the Seattle Police Department. In  
9 this affidavit, the detective avowed that “[t]o date, no Detective within the Seattle Police  
10 Department’s Vice/High Risk Victims Unit has ever found a legitimate ‘escort’ (person  
11 who charges simply for companionship with no offer of sex) or ‘masseuse’ (person offering  
12 legitimate and licensed massage therapy rather than sex) while responding to ads placed in  
13 these categories on Backpage.com” and that “every time the Seattle Police Department’s  
14 Vice/High Risk Victims Unit has responded to an ad in the adult section of Backpage.com,  
15 we have found that the ad was a posting for illegal activity.”

16           106. In or around August 2015, during the same lawsuit in Illinois, Backpage was  
17 served with a different affidavit from a detective employed by the Boston Police  
18 Department. In this affidavit, the detective avowed that “Backpage.com is the number one  
19 site in Boston for prostitution and sex trafficking,” that his unit had “[s]ince 2010 . . .  
20 arrested over 100 buyers of sex of both adults and minors through Backpage.com ads,” and  
21 that “nearly all the cases we find associated with it [Backpage] involve pimp controlled  
22 prostitution.”

23           107. On October 7, 2015, PADILLA received an email from another Backpage  
24 employee (which was later forwarded to VAUGHT) disclosing that there were “massive  
25 numbers of live ads with banned terms and pictures out on the site.”

26           108. On December 9, 2015, Backpage received an email from a reporter stating  
27 that “[o]f the 359 sex trafficking incidents Toronto Police have been involved in since  
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1 2013, every single girl that was rescued was advertised on Backpage.” The email also  
2 asked: “Why hasn’t Backpage closed down the adult escort ads portion of its site like  
3 Craigslist when it’s known that underage girls are being exploited via Backpage?”

4 109. In or around January 2016, Company A was retained to serve as a payment  
5 processor for some of Backpage’s websites. On April 29, 2016, Company A informed C.F.  
6 that it had conducted “a review of your website, and unfortunately we had to suspend your  
7 account . . . [because] advertising of illegal activities is strictly forbidden.”

8 110. Beginning in or around January 2016, Backpage’s moderators were  
9 instructed to stop removing ads that contained the phrase “GFE.” For example, on January  
10 28, 2016, VAUGHT was sent an email from a Backpage moderator explaining that “As far  
11 as I am aware we are no longer removing ads for GFE.” Similarly, on March 9, 2016, a  
12 Backpage moderator sent an email to his coworkers explaining that “Andrew [PADILLA]  
13 and I talked about the GFE thing, going forward we will not be removing ads for GFE”  
14 and clarifying “this includes even gfe with price.” And again, on March 25, 2016, an email  
15 was sent to Backpage’s moderation staff stating that “We are no longer removing ads for  
16 ‘GFE’ or ‘PSE.’”

17 111. In fact, the BACKPAGE DEFENDANTS repeatedly acknowledged that the  
18 term “GFE” (girlfriend experience) is a coded term for prostitution. For example:

19 • On October 26, 2010, SPEAR, HYER, and PADILLA received an email  
20 from C.F. that explained: “No coded sex act for money: GFE, PSE, BBBJ, DATY, etc.”

21 • On May 4, 2011, HYER sent an email to PADILLA and others identifying  
22 GFE as a “code word” that should be forbidden.

23 • On August 31, 2011, PADILLA and C.F. exchanged emails in which they  
24 discussed a list of 100 “solid sex for money terms.” The list included “GFE = girlfriend  
25 experience.”

26 • On November 2, 2011, PADILLA and VAUGHT received an email from a  
27 co-worker identifying GFE in a list of “sex phrases and coded terms” that are “not  
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1 allowed.”

2 112. HYER, PADILLA, and other BACKPAGE DEFENDANTS periodically  
3 received a “Google alert” when articles discussing Backpage appeared in the news. Many  
4 of the news articles identified in these alerts discuss instances in which prostitutes who had  
5 been advertised on Backpage were kidnapped, raped, or murdered.

6 113. In January 2017, after conducting a lengthy investigation, the Senate  
7 Subcommittee on Permanent Investigations (“Subcommittee”) issued a 50-page report  
8 entitled “Backpage.com’s Knowing Facilitation of Online Sex Trafficking.” This report  
9 concluded, among other things, that virtually all of Backpage’s “adult” ads are actually  
10 solicitations for illegal prostitution services and that “Backpage has maintained a practice  
11 of altering ads before publication by deleting words, phrases, and images indicative of  
12 criminality, including child sex trafficking . . . . Those practices served to sanitize the  
13 content of innumerable advertisements for illegal transactions—even as Backpage  
14 represented to the public and the courts that it merely hosted content others had created.”

15 114. In response to the Subcommittee’s report, Backpage purported to shut down  
16 the “adult” section of its website. However, the prostitution ads simply migrated to other  
17 sections of the website, where they remain to this day.

18 D. International Operations

19 115. In addition to facilitating prostitution through its U.S. website, Backpage has  
20 also facilitated prostitution through its websites in foreign countries. In this context,  
21 Backpage often affirmatively creates the content of the illegal prostitution ads being  
22 published.

23 116. Around 2013 or 2014, Backpage hired a Philippines-based company  
24 (Company B) in an attempt to increase the profitability of Backpage’s international  
25 operations. Company B’s employees were instructed to (1) visit rival prostitution websites  
26 in other countries, (2) obtain the email addresses of prostitutes who were posting ads on  
27 those websites (often by falsely posing as prospective customers), (3) use the information  
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1 from the other website to create a competing prostitution ad on Backpage (a process  
2 referred to internally as “preboarding”), and then (4) transmit the new ad to the prostitute,  
3 often using the previously-harvested email account information, in an attempt to persuade  
4 the prostitute to become a Backpage customer. Company B’s employees were paid  
5 bonuses based on the amount of ad revenue they generated for Backpage using these  
6 techniques.

7 117. Backpage’s executives were fully aware of the plan to use Company B to  
8 create prostitution ads outside the United States. For example, on or around November 6,  
9 2013, C.F. made a presentation to LARKIN, SPEAR, and BRUNST. Among other things,  
10 this presentation summarized Backpage’s plans for “International Planning and  
11 Expansion.” One of the plans was to use the Philippines as a “test” market and hire Filipino  
12 contractors to “contact by email leads, secure email address, add ad and email address in  
13 [computer system] and assign to American staff. American staff makes contact.”

14 118. On August 7, 2014, HYER sent an email stating that Company B was “an  
15 efficient and cost effective way for us to bring new users to backpage.” This email also  
16 contained the following summary of how Company B would operate: “Process after hiring  
17 company offering BPO services: 1. Backpage provides BPO with sites, categories &  
18 countries to target. Backpage also provides sample ‘scripts’ and examples of phone  
19 calls. 2. BPO contacts users via phone from sites backpage provided, obtains user email  
20 address & permission to preboard ad. 3. BPO preboards ad as public user. 4. After ad is  
21 preboarded, users receive verification link to verify the ad.” This email also stated that  
22 Backpage would offer a “bonus per verified authenticated ad.”

23 119. On April 10, 2015, a “five-year business plan” was emailed to LARKIN,  
24 BRUNST, SPEAR, and C.F. One of the goals for 2015 was “Off shore marketing staff in  
25 the Philippines to grow to 166 and main task is international market content acquisition.”  
26 This email also included a separate attachment stating that HYER should be considered for  
27 promotion because “his strengths are strong marketing and revenue growth skills” and he  
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1 had been “heavily involved in the user experience development” and that VAUGHT should  
2 be considered for a promotion because “[h]er strengths include six years of experience  
3 managing moderators.”

4 120. On May 15, 2015, a Company B employee posing as a Backpage employee  
5 sent an email to an apparent prostitute. The subject line was “Offering Free Advertisement  
6 from Backpage.com” and the text of the email sought to persuade the prostitute to “upgrade  
7 your ad with sponsor placement or automatic repost.” In response, the prostitute wrote  
8 back that she had “managed to activate my ad and could buy credits as well. thanks for  
9 your help. I’m traveling today to [London] how can I change my location.” This email  
10 exchange was later forwarded by HYER to C.F. with a cover note stating: “[I]deal scenario  
11 for [Company B] agent – user activates ad, user purchases credit.”

12 121. On December 14, 2015, C.F. was part of an email exchange concerning an  
13 ad that had an IP address associated with Company B. This email contained the following  
14 description of Company B’s process for creating and selling prostitution ads on Backpage:  
15 (1) “Staff found lead in assigned area.” (2) “Staff entered all relevant into [database]  
16 (phone/email/etc.)” (3) “Staff called lead to discuss creation of free ad” (4) Staff created  
17 free ad for lead (verification email sent). (5) Staff followed under with an email reminding  
18 lead of phone conversation and detailing verification of ad.”

19 E. Select Victim Summaries

20 122. Between in or around 2009 and 2013, Victim 1 was sold for sex, through the  
21 use of Backpage ads, in Ohio, Indiana, and Georgia. Victim 1’s Backpage ads often  
22 included words and phrases that were indicative of prostitution, such as “roses” (money).  
23 On at least one occasion, Victim 1 contacted Backpage after a proposed ad had been  
24 rejected because it contained banned words and phrases. In response, a Backpage  
25 representative coached Victim 1 on how to re-write the ad using different words. Victim  
26 1’s trafficker took all of the money that was earned through her acts of prostitution.

27 123. Between in or around 2009 and 2011, Victim 2 was sold for sex, through the  
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1 use of Backpage ads, in Arizona, Georgia, North Carolina, Texas, New York, New Jersey,  
2 and Louisiana. Victim 2's trafficker drafted her Backpage ads and Victim 2 initially did  
3 not know she was being offered on Backpage. The ads contained words and phrases to  
4 make customers believe Victim 2 was "barely legal" and also contained words and phrases  
5 indicative of prostitution, such as "roses" (money).

6 124. Between in or around 2009 and 2012, Victim 3 was sold for sex, through the  
7 use of Backpage ads, in Colorado and North Dakota. Victim 3's pimp instructed her to  
8 review existing prostitution ads on Backpage to learn how to draft her own ads. During  
9 a portion of this period, Victim 3 was required by her pimp to make week-long trips to North  
10 Dakota to work as a prostitute. During these trips, which would generate as much as \$2,000  
11 in prostitution-derived revenue each day, Victim 3 was forced to leave her children at home  
12 in the care of her pimp.

13 125. In or around 2010, Victim 4 was sold for sex, through the use of Backpage  
14 ads, in Washington. During this period, Victim 4 was a juvenile (15 years old). Victim  
15 4's pimp drafted the ads that were placed on Backpage. The wording of these ads was  
16 edited by Backpage before publication. The ads contained words and phrases such as  
17 "W'E'L'L\_W'O'R'T'H\_I'T\*\*\*^\*\*\*150HR" and "IT WONT TAKE LONG AT ALL"  
18 and included pictures of Victim 4 in provocative positions showing her breasts and  
19 buttocks.

20 126. Between in or around 2011 and 2016, Victim 5 was sold for sex, through the  
21 use of Backpage ads, in Massachusetts and Rhode Island. During much of this period,  
22 Victim 5 was a juvenile (14-19 years old). Victim 5's female pimp instructed Victim 5  
23 that Backpage was the safest place to advertise because it did not require age verification.  
24 On one occasion, Backpage declined to accept a proposed ad that indicated Victim 5 was  
25 only 17 years old. In response, the ad was simply resubmitted with a new (false) age of  
26 19. On other occasions, Backpage removed provocative pictures of Victim 5 from ads and  
27 then allowed edited versions of the ads to be published. Victim 5's Backpage ads included  
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1 words and phrases that were indicative of prostitution, such as “roses” (money) and “back  
2 door” (anal sex). Some of the customers who responded Victim 5’s Backpage ads forced  
3 Victim 5 to perform sexual acts at gun point, choked her to the point of having seizures,  
4 and gang-raped her.

5 127. In or around June 2012, Victim 6 was sold for sex, through the use of  
6 Backpage ads, in Arizona. Her traffickers utilized Backpage ads that did not offer a  
7 specific person but instead generally offered a woman with a particular type of hair color  
8 and build. On June 22, 2012, Victim 6 was dispatched to a customer who had responded  
9 to a Backpage ad featuring “Nadia,” who was described as a slender brunette woman.  
10 Upon her arrival at the location, Victim 6 was stabbed to death.

11 128. Between in or around 2012 and 2015, Victim 7 was sold for sex, through the  
12 use of Backpage ads, in Washington and Oregon. Victim 7’s pimp drafted the ads that  
13 were placed on Backpage. The wording of these ads was edited by Backpage before  
14 publication. The ads contained provocative nude pictures of Victim 7.

15 129. Between in or around 2013 and 2014, Victim 8 was sold for sex, through the  
16 use of Backpage ads, in Maine, Connecticut, and Massachusetts. During this period,  
17 Victim 8 was a juvenile (15 years old). Victim 8’s uncle, as well as his friends, placed the  
18 ads on Backpage, which included words and phrases that were indicative of prostitution,  
19 such as “roses” (money), “fetish friendly,” and 150 for 1/2 hour, 200 for full hour.  
20 Through these ads, Victim 8 was forced to do “in-calls” (where she was raped in hotels) as  
21 well as “out-calls” (where she was raped at other locations chosen by the men paying for  
22 her).

23 130. In or around 2013, Victim 9 was sold for sex, through the use of Backpage  
24 ads, in Florida. Victim 9’s pimp taught her how to use code words in her Backpage ads to  
25 indicate how much she was charging for certain sex acts. Victim 9 was brutally attacked  
26 by her trafficker, causing bruises and a fractured cheek bone.

27 131. Between in or around 2014 and 2015, Victim 10 was sold for sex, through  
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1 the use of Backpage ads, in California and Arizona. During some of this period, Victim  
2 10 was a juvenile (17 years old). An associate of Victim 10's pimp took pictures of her  
3 and drafted the ads that were placed on Backpage. The Backpage ads contained words and  
4 phrases such as "NEW IN TOWN," "sexy sweet," and "sweet like honey but super hot like  
5 fire" and included pictures of Victim 10 in provocative positions showing her legs,  
6 stomach, shoulder, and buttocks.

7 132. Between in or around 2014 and 2015, Victim 11 was sold for sex, through  
8 the use of Backpage ads, in Arizona, Colorado, Minnesota, Oregon, California, Montana,  
9 Nevada, New Mexico, and Utah. The Backpage ads contained words and phrases  
10 indicative of prostitution and included pictures of Victim 11 in provocative positions. On  
11 some occasions, Backpage would remove certain explicit photos from the ads but publish  
12 the remaining text and other photos. Victim 11's trafficker gave her drugs, took her  
13 identification documents, sexually assaulted her with a firearm, and forced her to work full-  
14 time as a prostitute.

15 133. In or around 2015, Victim 12 was sold for sex, through the use of Backpage  
16 ads, in California and Arizona. Victim 12 was first advertised on Backpage in San  
17 Bernardino, California, but moved to the Phoenix metro area because the Super Bowl was  
18 being held there. Victim 12's advertisements on Backpage contained words and phrases  
19 such as "New In Town" and "Sexy Dark Asian Bombshell with a Nice & Tight {Booty}"  
20 and included pictures showing Victim 12's legs, stomach, shoulders and buttocks.

21 134. In or around 2015, Victim 13 was sold for sex, through the use of Backpage  
22 ads, in California. During this period, Victim 13 was a juvenile (15 years old). Victim 13  
23 and her trafficker both posted the Backpage ads, which falsely represented that Victim 13  
24 was 19 years old and showed pictures of her face and body. On at least one occasion, a  
25 Backpage representative contacted Victim 13 with instructions on how to fix an ad so it  
26 could be published.

27 135. In or around June 2015, Victim 14 was sold for sex, through the use of a  
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1 Backpage ad, in Texas. This ad contained words and phrases such as “fun, young, exotic,”  
2 “Ready to be your fantasy girl,” “OUT CALLS ONLY,” and “NO BLACK MEN” and  
3 included pictures of Victim 14’s stomach, breasts, shoulders, and buttocks. On or around  
4 June 20, 2015, Victim 14 was murdered by a customer. Afterward, the customer attempted  
5 to destroy Victim 14’s corpse by lighting it on fire. Victim 14’s father later contacted  
6 Backpage to request that the ads showing his deceased daughter be removed. Backpage  
7 did not immediately comply with this request.

8 136. In or around June 2015, Victim 15 was sold for sex, through the use of  
9 Backpage ads, in Texas and Louisiana. These ads contained words and phrases such as  
10 “Thick Glass of Chocolate Milk Looking for a GoodTime!!!” and “sexy certified freak”  
11 and contained pictures showing Victim 15’s legs, shoulders and buttocks. On June 10,  
12 2015, Victim 15 was forced into a vehicle with her trafficker, who was attempting to take  
13 her to Texas against her will. In an attempt to escape, Victim 15 jumped out of the vehicle  
14 onto Interstate 10 and was killed after being hit by several vehicles at high speeds.

15 137. In or around July and August 2015, Victim 16 was sold for sex, through the  
16 use of Backpage ads, in Michigan. These ads contained words and phrases such as  
17 “OUTCALLS ONLY,” “Juicy Caramel Lady On Duty,” “Sexy, Erotic Caramel Dream,”  
18 and “No Thugs, Pimps Or Weirdos” and contained pictures showing Victim 16’s breasts,  
19 legs, lips, buttocks, and face. On August 15, 2015, Victim 16 was murdered by a customer.  
20 Afterward, the customer dumped her corpse in a park.

21 138. Between in or around 2015 and 2016, Victim 17 was sold for sex, through  
22 the use of Backpage ads, in Arizona and California. Victim 17 averaged ten customers a  
23 day during this time and turned over all of her prostitution earnings (approximately \$1,500  
24 per day) to her pimp. An associate of Victim 17’s pimp took pictures of her and drafted  
25 the ads that were placed on Backpage. The Backpage ads contained words and phrases  
26 such as “IN/CALLS ONLY,” “I’m here to make your wildest fantasies come true!” and  
27 “Sorry, but NO BLACK MEN” and included pictures of Victim 17’s buttocks and face.

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1 F. Money Laundering Activities

2 139. Backpage's customers have overwhelmingly used the proceeds of criminal  
3 activity (*i.e.*, money earned from pimping and prostitution) when purchasing ads on  
4 Backpage. In addition, because Backpage's publication of such ads is an independent  
5 crime (*e.g.*, violation of 18 U.S.C. § 1952), the fees it collects from customers posting  
6 prostitution ads—estimated at more than \$500 million since 2004—constitute the proceeds  
7 of unlawful activity.

8 140. For these and other reasons, banks and financial institutions have repeatedly  
9 refused to do business with Backpage. In response, the BACKPAGE DEFENDANTS have  
10 pursued a variety of money laundering strategies. For example, on August 27, 2013, C.F.  
11 was forwarded an array of emails from Backpage customers who were complaining that  
12 their credit card companies had refused to process Backpage-related transactions. One  
13 customer wrote: "Have you resolved the issue of Chase Bank not honoring payment for  
14 you for ethical reasons?" C.F. forwarded these complaint emails to LARKIN, SPEAR, and  
15 BRUNST and proposed, as a "solution" to the problem, that Backpage reconfigure its  
16 website to fool credit card companies into believing the charges were being incurred on a  
17 different website.

18 141. During a November 2013 presentation by C.F. to LARKIN, SPEAR, and  
19 BRUNST, C.F. again discussed strategies for fooling credit card companies into believing  
20 that Backpage-associated charges were being incurred on different websites, including a  
21 proposal to set up shell companies without any apparent connection to Backpage ("create  
22 new companies with new principals") and use their bank accounts to accept payment.  
23 Another "solution" was to "allow users to fund an account thru several other sites" that  
24 "have no adult or images."

25 142. On November 6, 2013, LARKIN, SPEAR, and BRUNST received an email  
26 entitled "Options for the future of Backpage." This email discussed various strategies for  
27 creating new entities to process Backpage-related payments "without ever disclosing ties  
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1 to Backpage.”

2 143. On April 1, 2015, BRUNST and C.F. were informed that Mastercard was  
3 “snooping around” Backpage and might stop processing payments for Backpage. In  
4 response, C.F. offered several suggestions for setting up new payment channels that would  
5 conceal Backpage’s involvement. One such proposal was to begin routing Backpage-  
6 related transactions through banks located in the country of Mauritius. In response,  
7 BRUNST stated: “Didn’t we go down the Mauritius path once and the banks had the same  
8 issue with our content?”

9 144. Notwithstanding these strategies, the three major credit card companies  
10 stopped doing business with Backpage. On or about April 30, 2015, Backpage learned that  
11 American Express would no longer allow its cards to be used for any purchases in  
12 Backpage’s adult section. In or around July 2015, Backpage learned that Mastercard would  
13 no longer allow its cards to be used for Backpage-related transactions. When discussing  
14 this decision, MasterCard stated that it “has rules that prohibit our cards from being used  
15 for illegal activities.” Around the same time, Backpage learned that Visa would no longer  
16 allow its cards to be used for Backpage-related transactions. When discussing this  
17 decision, Visa stated that its “rules prohibit our network from being used for illegal  
18 activity.”

19 145. Similarly, some banks closed accounts that were held by Backpage (or  
20 Backpage-related entities) out of concern the accounts were being used for illegal purposes.  
21 For example, on April 2, 2014, BRUNST received a letter from U.S. Bank that was  
22 addressed to “Backpage.com.” The letter explained: “Dear Jed . . . please be advised that  
23 we have elected to close your Account with us.”

24 146. Backpage responded to these developments in several ways. One was to  
25 encourage customers to send checks and money orders to a Post Office box held in the  
26 name of a seemingly-unrelated entity called Posting Solutions LLC (“Posting Solutions”)  
27 and give such customers a corresponding credit on Backpage. For example, on July 31,  
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1 2015, C.F. exchanged email correspondence with a representative from a payment  
2 processing company. In this email, C.F. identified himself as the CEO of Posting  
3 Solutions, described Backpage as a “brand” operated by Posting Solutions, and explained  
4 he was seeking to “find a way to position payments under another company.”

5 147. The following episode provides an example of how the Posting Solutions  
6 payment process worked. On October 16, 2015, Backpage received an email from a  
7 customer complaining about her inability to pay for ads using a credit card. In response, a  
8 Backpage representative explained—in an email exchange later forwarded to VAUGHT—  
9 that “[i]f you would like to pay for upgrades or buy credits, we suggest posting with  
10 alternative payment methods such as Bitcoin. If you are in the United States, you can also  
11 pay by check or money order. Please make payable to ‘Posting Solutions.’ WE CAN  
12 ONLY ACCEPT CHECKS OR MONEY ORDERS MADE OUT TO ‘POSTING  
13 SOLUTIONS.’ Posting Solutions. Attn: Accounts. P.O. Box 192307. Dallas, TX 75219.  
14 Please send through the United States Postal Service. FedEx, UPS, or other mail delivery  
15 alternatives cannot deliver to a P.O. Box. When sending your payment please be sure to  
16 include your email address. Please do not make your payments out to backpage.com as we  
17 will no longer be able to accept them.”

18 148. Between around September 2015 and June 2016, over \$7.1 million of checks  
19 and money orders sent by Backpage customers were deposited in bank accounts held by  
20 Posting Solutions.

21 149. Backpage also utilized a different entity, called Website Technologies, LLC  
22 (“Website Technologies”), to process Backpage-related funds and took steps to make it  
23 appear that Backpage and Website Technologies were independent entities. For example,  
24 on March 10, 2014, BRUNST, SPEAR, and others participated in an email exchange with  
25 the subject line “Website Technologies vs Backpage (Vendors, audits, risk assessments,  
26 email).” During this exchange, one person stated “[C.F.] and I were just discussing  
27 company names and the possibility of updating our email addresses to  
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1 websitetechnologies.com.” In response, BRUNST cautioned: “We need to think this thru  
2 or all the work to separate it from BP will be lost.” Similarly, on April 3, 2014, BRUNST  
3 sent an email to SPEAR and others explaining that “[b]y May 1 we will have to be out of  
4 US Bank. We will move all banking under Website Technologies at [a different bank,  
5 BMO Harris].”

6 150. In many instances, Backpage-related money that was initially deposited into  
7 accounts held by Posting Solutions was later transmitted to accounts held by Website  
8 Technologies. For example:

9 • On October 27, 2015, C.F. received an email entitled “Two packages coming  
10 your way! (Money Orders).” The email stated that two UPS packages filled with money  
11 orders were being sent—one containing \$47,647.25 of money orders made out to Backpage  
12 and the other containing \$52,251.48 of money orders made out to Posting Solutions.

13 • Similarly, on November 16, 2015, C.F. received an email entitled “Three  
14 packages sent today \$441,408.69.” The email stated that three packages filled with money  
15 orders were being sent—one containing \$129,193.61 of money orders made out to  
16 Backpage, another containing \$244,353.63 of money orders made out to Posting Solutions,  
17 and the last containing an additional \$67,861.75 of money orders made out to Posting  
18 Solutions.

19 • And again, on January 29, 2016, a Posting Solutions account wired \$2.4  
20 million to a Website Technologies account. PADILLA and C.F. were both authorized  
21 signers on the recipient account.

22 151. In addition to receiving millions of dollars from Posting Solutions, the  
23 Website Technologies accounts also served as the repository for millions of dollars of wires  
24 from international bank accounts controlled by Backpage-associated entities. For example,  
25 between January 2015 and December 2016, Website Technologies accounts received over  
26 \$45.4 million in wire transfers from Backpage-associated bank accounts in Liechtenstein,  
27 over \$30.1 million in wire transfers from Backpage-associated bank accounts in Iceland,  
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1 and over \$3.9 million in wire transfers from Backpage-associated bank accounts in the  
2 Netherlands.

3 152. In many instances, the next stage of the money-laundering process was for  
4 money to be wired from Website Technologies accounts to bank accounts held by a  
5 different entity called Cereus Properties LLC (“Cereus Properties”). The authorized  
6 signers on the Cereus Properties accounts included SPEAR and BRUNST. Between  
7 around December 2015 and October 2016, Website Technologies accounts sent wire  
8 transfers totaling over \$47 million to accounts held by Cereus Properties.

9 153. Accounts held by Cereus Properties also received money directly from  
10 international bank accounts controlled by Backpage-associated entities. For example,  
11 between around August 2016 and November 2016, Cereus Properties accounts received  
12 over \$11.3 million in deposits and wire transfers from Backpage-associated accounts in the  
13 Netherlands.

14 154. After money reached Cereus Properties, large portions of it were funneled  
15 back to Backpage or to certain BACKPAGE DEFENDANTS. For example, between  
16 January 2016 and January 2017, LACEY (and LACEY’s family members) received  
17 distributions totaling over \$30.3 million and LARKIN separately received distributions  
18 totaling over \$21 million.

19 155. Backpage also furthered its money laundering efforts through the use of  
20 bitcoin processing companies. Over time, Backpage utilized companies such as Coinbase,  
21 GoCoin, Paxful, Kraken, and Crypto Capital to receive payments from customers and/or  
22 route money through the accounts of related companies.

23 156. Backpage also furthered its money laundering efforts by developing ways for  
24 customers to purchase ads using gift cards issued by third-party vendors. This process was  
25 described in a July 23, 2015, email exchange between various Backpage employees on  
26 which HYER and others were copied. This exchange included the following: “[W]hat if  
27 we used a customers [sic] payment method, say visa prepaid card, to buy [bitcoin] from  
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1 our seller account . . . giving said bitcoin to our catch-all wallet elsewhere (instead of to  
2 user), simultaneously adding credits/purchasing paid ad or upsells? From the user's  
3 perspective they just input their prepaid card and get their credits or purchase."

4 **COUNT I**

5 **(Conspiracy)**

6 157. The factual allegations in Paragraphs 1-156 are incorporated by reference  
7 and re-alleged as though fully set forth herein.

8 158. Beginning in or around 2004, and continuing through the present, in the  
9 District of Arizona and elsewhere, defendants LACEY, LARKIN, SPEAR, HYER,  
10 PADILLA, and VAUGHT, and others known and unknown to the grand jury, knowingly  
11 and intentionally agreed, confederated, and conspired with each other, and with others  
12 known and unknown to the grand jury, to commit the following offenses against the United  
13 States:

- 14 a. 18 U.S.C. § 1952(a)(3)(A) (Travel Act—Facilitate Prostitution).

15 **OBJECT OF THE CONSPIRACY**

16 159. The object of the conspiracy was to obtain money.

17 **MANNER AND MEANS OF THE CONSPIRACY**

18 160. The manner and means of the conspiracy are described in paragraphs 1-156  
19 above, incorporated by reference and re-alleged as though fully set forth herein.

20 **OVERT ACTS**

21 161. Overt acts were committed in furtherance of the conspiracy, including but  
22 not limited to those described in paragraphs 1-156 above, incorporated by reference and  
23 re-alleged as though fully set forth herein.

24 In violation of 18 U.S.C. § 371.

**COUNTS 2-51**

**(Travel Act—Facilitate Prostitution)**

162. The factual allegations in Paragraphs 1-161 are incorporated by reference and re-alleged as though fully set forth herein.

163. On or about the dates set forth below, each instance constituting a separate count of this Indictment, in the District of Arizona and elsewhere, defendants LACEY, LARKIN, SPEAR, HYER, PADILLA, and VAUGHT, and others known and unknown to the grand jury, used the mail and any facility in interstate and foreign commerce with intent to otherwise promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of an unlawful activity, to wit: prostitution offenses in violation of the laws of the State in which they are committed and of the United States, including but not limited to Title 13, Arizona Revised Statutes, Section 13-3214, and thereafter performed and attempted to perform an act that did promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of the unlawful activity, as follows:

<u>Count</u>	<u>Date</u>	<u>Description</u>
2.	Sept. 10, 2013	Publish ad depicting Victim 5 entitled "Get freaky Tuesday . . . Come spend ur day with us – 19," with accompanying text "Doin incalls and outcalls"
3.	Jan. 27, 2014	Publish ad involving P.R. entitled "50 Red R*O*S*E*S S*P*E*C*I*A*L - DONT MISS OUT!!!!"
4.	Jan. 29, 2014	Publish ad depicting Victim 8 entitled "Puerto Rican mami in walpole area INCALLS –19" after deleting one picture from the originally-submitted ad
5.	Jan. 31, 2014	Publish ad depicting Victim 8 entitled "Exotic latina, south portland area, ready to play, INCALLS, 30 min specials!!! –

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		19” after deleting one picture from the originally-submitted ad
6.	Feb. 6, 2014	Publish ad involving P.R. entitled “75 Red R*O*S*E*S S*P*E*C*I*A*L - DONT MISS OUT!!!!”
7.	Apr. 20, 2014	Publish ad involving P.R. entitled “50 Red R*O*S*E*S S*P*E*C*I*A*L - DONT MISS OUT!!!!”
8.	May 7, 2014	Publish ad involving P.R. entitled “50 Red R*O*S*E*S S*P*E*C*I*A*L - DONT MISS OUT!!!!”
9.	May 31, 2014	Publish ad involving P.R. entitled “50 Red R*O*S*E*S S*P*E*C*I*A*L - DONT MISS OUT!!!!”
10.	July 1, 2014	Publish ad involving P.R. entitled “50 Red R*O*S*E*S S*P*E*C*I*A*L - DONT MISS OUT!!!!”
11.	Aug. 19, 2014	Publish ad involving P.R. entitled “50 Red R*O*S*E*S S*P*E*C*I*A*L - DONT MISS OUT!!!!”
12.	Nov. 23, 2014	Publish ad depicting Victim 10 entitled “New in Town Super Hot Skinny Mixed Cuban Girl With Long Black Hair – 18” after deleting picture from originally-submitted ad
13.	Jan. 29, 2015	Publish ad depicting Victim 12 entitled “New in Town Sexy Dark Asian Bombshell with a Nice & Tight {Booty} – 23” after deleting one picture from the originally-submitted ad
14.	Jan. 31, 2015	Publish ad depicting Victim 10 entitled “NEW IN TOWN sexy sweet European mixed Cuban California girl – 21”
15.	Jan. 31, 2015	Publish ad depicting Victim 12 entitled “New in Town Sexy Dark Asian mixed Bombshell – 23” after deleting one picture from the originally-submitted ad
16.	Feb. 4, 2015	Publish ad depicting Victim 11 entitled “Upscale Independent BRUNETTE BOMBSHELL 5-Star Fantasy – 26,” after

1		deleting pictures from originally-submitted ad
2	17.	Feb. 18, 2015
3		Publish ad depicting Victim 11 entitled "Alexis Foxx the HOTTEST in town!!!! - 26," after deleting six pictures from
4		the originally-submitted ad
5	18.	Feb. 26, 2015
6		Publish ad involving P.R. entitled "50 Red R*O*S*E*S S*P*E*C*I*A*L - DONT MISS OUT!!!!"
7	19.	May 18, 2015
8		Publish ad depicting Victim 15 entitled "GORGEOUS ebony PLAYMATE Perfect Curves...Skills to make ur TOES CURL - 19," after removing one picture of originally-
9		submitted ad, with accompanying text "you agree . . . you are not affiliated with any law enforcement agency" and "Incalls & Outcall!!!"
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13	20.	May 19, 2015
14		Publish ad depicting Victim 15 entitled "Hot & Dripping Submissive Ebony Playmates - 20," after removing one
15		picture of originally-submitted ad, with accompanying text "you agree . . . you are not affiliated with any law enforcement
16		agency" and "We're ready to please and accommodate all of your needs and wants!! With a mouth that'll ROCK your []
17		and a [picture of cat] that'll leave you purring for more"
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20	21.	July 1, 2015
21		Publish ad depicting Victim 17 entitled "AbSoLuTeLy AmAziNg CoMe PLAY WiTh Me #1 MoST WaNtEd SwEeT SEXii PLAYmate - 20," with accompanying text "By
22		contacting me you agree that you are not affiliated with any form of law enforcement," PERFECT & Will satisfy your
23		every need," and "IN/CALLS - ONLY"
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26	22.	July 2, 2015
27		Publish ad depicting Victim 17 entitled "SeXy!! Exotic playmate Call me! the girl you NEED to See! - 20," with
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1		accompanying text "I DO NOT OFFER 40\$, 50\$, 60\$
2		SPECIALS" and "IN/CALLS -- ONLY"
3	23.	Aug. 13, 2015
4		Publish ad depicting Victim 13 entitled "Young SEXY
5		PUERTO RICAN -- 19," which accompanying text "I do half
6		hour sessions that vary in donation prices, 80 for head, 120
7		for hooking up without head and 150 for hooking up with
8		head"
9	24.	Aug. 15, 2015
10		Publish ad depicting Victim 16 entitled "Outcalls Now
11		Freaky Curvy Caramel Lady OUTCALLS NOW -- 23"
12	25.	Sept. 13, 2015
13		Publish ad involving P.R. entitled "50 Red R*O*S*E*S
14		S*P*E*C*I*A*L - DONT MISS OUT!!!!!"
15	26.	Nov. 28, 2015
16		Publish ad involving P.R. entitled "50 Red R*O*S*E*S
17		S*P*E*C*I*A*L - DONT MISS OUT!!!!!"
18	27.	Apr. 21, 2016
19		Publish ad entitled "Finally!! PSE & GFE -- Kimber Rae and
20		MIA Marie Together BOOK NOW"
21	28.	Nov. 3, 2016
22		Publish ad entitled "GFEE New -- 18"
23	29.	Nov. 11, 2016
24		Publish ad entitled "Mind blowing Tiffany. Incall in Taunton
25		-- 37," with accompanying text "Soft GFE . . . Im real and
26		reviewed"
27	30.	Nov. 14, 2016
28		Publish ad entitled "Top Model 2016 Special 'Best Looking
		Young Asian' . . . -- 22," with accompanying text "Sexy Asian
		Girl Incall Service" and "GFE"
	31.	Nov. 14, 2016
		Publish ad entitled "Sometimes It's All About The Journey,
		And The Destination....Erectile Dysfunctional G F E
		Provider -- 44," with accompanying test "You can find a few
		current reviews at T3R xxxxxx#" and "I have been EROS
		authenticated"

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32.	Nov. 19, 2016	Publish ad entitled "The True (G)irl (F)riend (E)xperience... Visiting November 27th Sunday ~ PRE-BOOKING SPECIAL ~ - 100," with accompanying text "Let's blur restrictions between financial transaction & Romantic Connection"
33.	Nov. 24, 2016	Publish ad entitled "Top Asian Grand Opening 100% Young 100% Sexy . . . - 23," with accompanying text "BEST INCALL IN TOWN!" and "GFE"
34.	Nov. 26, 2016	Publish ad entitled "ILOVE MEN!! I'm a GFE. OutCall and Incall with exception on the Incall!! - 42"
35.	Dec. 20, 2016	Publish ad entitled "OMG Sexy Sensual 36DD-24-36 Stacked College Coed With The Best Mouth Ever! BOOK NOW! -24," with accompanying text "I do ALL the things YOU Wish Your Wife Did!!" and "(G).(F).(E) 30 min/\$180"
36.	Jan. 15, 2017	Publish ad entitled "Real & Reviewed Girlfriend Theonesweet.weebly.com - 30," with accompanying text "250 G F E"
37.	Apr. 4, 2017	Publish ad entitled "KISSING & GFE KOREAN GIRLS - 20"
38.	Apr. 11, 2017	Publish ad entitled "Pettit Sexy #Corey# 4407239339 - 39," with accompanying text "complete GFE experience"
39.	July 3, 2017	Publish ad entitled "WANNA HANG OUT NOW UpScale New In Town! Call ME now for an unforgettable visit - 20," with accompanying text "100% GFE with 100% no Pimps"
40.	July 15, 2017	Publish ad entitled "Ready for some fun daddy? This is your chance too have a amazing time - 21," with accompanying text "Slim body, nice tits, freaky, GFE"

1	41.	July 15, 2017	Publish ad entitled "New in town BiGBubble Booty SWEETLIPS HOT BODY - 24," with "GFE" in accompanying text
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4	42.	July 21, 2017	Publish ad entitled "Pettit Sexy #Corey# 4407239339 - 30," with accompanying text "complete GFE experience"
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6	43.	July 23, 2017	Publish ad entitled "ASIAN GODDESS young - 20," with accompanying text "100% Discreet service" and "#GFE"
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8	44.	Jan. 26, 2018	Publish ad entitled "GFE Service Available! Private Encounters w/ Pampering Beauty"
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10	45.	Jan. 30, 2018	Publish ad entitled "241 & white plans area Carfun Perfect Treat Available No Rush," with "Sweet Sexy GFE" in accompanying text
11			
12			
13	46.	Jan. 30, 2018	Publish ad entitled "GFE REAL HOT Sweet DREAM AMAZING BEST RELAX"
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15	47.	Jan. 30, 2018	Publish ad entitled "Tall, Slim & Sexy Luxe Goddess * NARCISA * Sensual Body Rub + Fetish Sessions," with accompanying text "gfe Hh: \$160 H: \$220"
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18	48.	Jan. 31, 2018	Publish ad entitled "Exotic Asian Beauty," with accompanying text "I am an independent GFE with excellent massage skills"
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21	49.	Feb. 1, 2018	Publish ad entitled "Nuru (Best GFE ever) incall only"
22	50.	Feb. 6, 2018	Publish ad entitled "Tuesday with Ashleigh. Available now," with "GFE" in accompanying text
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24	51.	Feb. 6, 2018	Publish ad entitled "GFE Kisskisspop 100% Real Photo Choice 9Asian girl Nurunude"
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In violation of 18 U.S.C. § 1952(a)(3)(A) and (b)(1)(i).



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**COUNT 52**

**(Conspiracy To Commit Money Laundering)**

164. The factual allegations in Paragraphs 1-163 are incorporated by reference and re-alleged as though fully set forth herein.

165. Beginning in or around 2004, and continuing through the present, in the District of Arizona and elsewhere, defendants LACEY, LARKIN, SPEAR, BRUNST, and HYER, and others known and unknown to the grand jury, knowingly and intentionally agreed, confederated, and conspired with each other, and with others known and unknown to the grand jury, to commit the following offenses against the United States:

- a. 18 U.S.C. § 1956(a)(1)(A)(i) (Promotional Money Laundering)
- b. 18 U.S.C. § 1956(a)(1)(B)(i) (Concealment Money Laundering)
- c. 18 U.S.C. § 1956(a)(2)(A) (Int'l Promotional Money Laundering)
- d. 18 U.S.C. § 1956(a)(2)(B)(i) (Int'l Concealment Money Laundering)
- e. 18 U.S.C. § 1597 (Transactional Money Laundering)

In violation of 18 U.S.C. § 1956(h).

**COUNTS 53-62**

**(Concealment Money Laundering)**

166. The factual allegations in Paragraphs 1-165 are incorporated by reference and re-alleged as though fully set forth herein.

167. On or about the dates set forth below, each instance constituting a separate count of this Indictment, in the District of Arizona and elsewhere, defendants LACEY, LARKIN, SPEAR, BRUNST, and HYER, and others known and unknown to the grand jury, knowing that the property involved in a financial transaction represented the proceeds of some form of unlawful activity, conducted and attempted to conduct such a financial transaction which in fact involved the proceeds of specified unlawful activity knowing that the transaction was designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of the specified

unlawful activity, as follows:

<u>Count</u>	<u>Date</u>	<u>Amount</u>	<u>Description</u>
53.	May 18, 2016	\$1,476,505.00	Website Technologies (x2008) to Cereus Properties (x6211)
54.	May 18, 2016	\$264,438.00	Website Technologies (x2008) to Cereus Properties (x6211)
55.	May 31, 2016	\$3,171,675.80	Website Technologies (x2008) to Cereus Properties (x6211)
56.	May 31, 2016	\$432,961.87	Website Technologies (x2008) to Cereus Properties (x6211)
57.	June 20, 2016	\$842,878.00	Website Technologies (x2008) to Cereus Properties (x6211)
58.	June 30, 2016	\$3,076,147.75	Website Technologies (x2008) to Cereus Properties (x6211)
59.	July 27, 2016	\$3,252,681.62	Website Technologies (x2008) to Cereus Properties (x6211)
60.	July 27, 2016	\$438,818.86	Website Technologies (x2008) to Cereus Properties (x6211)
61.	Aug. 16, 2016	\$804,250.00	Website Technologies (x2008) to Cereus Properties (x6211)
62.	Aug. 31, 2016	\$3,171,264.42	Website Technologies (x2008) to Cereus Properties (x6211)

In violation of 18 U.S.C. § 1956(a)(1)(B)(i).

**COUNTS 63-68**

**(International Promotional Money Laundering)**

168. The factual allegations in Paragraphs 1-167 are incorporated by reference and re-alleged as though fully set forth herein.

169. On or about the dates set forth below, each instance constituting a separate count of this Indictment, in the District of Arizona and elsewhere, defendants LACEY, LARKIN, SPEAR, BRUNST, and HYER, and others known and unknown to the grand jury, transported, transmitted, and transferred, and attempted to transport, transmit, and transfer, a monetary instrument and 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, as follows:

<u>Count</u>	<u>Date</u>	<u>Amount</u>	<u>Description</u>
63.	Mar. 4, 2014	\$6,450.00	U.S. Bank (x1165) to S.B. (web developer in India)
64.	Aug. 5, 2016	\$5,005,732.86	Ad Tech B.V. (Netherlands) to Cereus Properties (x6211)
65.	Sept, 22, 2016	\$2,916,955.00	Ad Tech B.V. (Netherlands) to Cereus Properties (x6211)
66.	Oct. 3, 2016	\$354,050.84	Ad Tech B.V. (Netherlands) to Cereus Properties (x6211)
67.	Nov. 2, 2016	\$2,726,170.00	Ad Tech B.V. (Netherlands) to Cereus Properties (x6211)
68.	Nov. 15, 2016	\$351,403.54	Ad Tech B.V. (Netherlands) to Cereus Properties (x6211)

In violation of 18 U.S.C. § 1956(a)(2)(A).

**COUNTS 69-93**

**(Transactional Money Laundering)**

170. The factual allegations in Paragraphs 1-169 are incorporated by reference and re-alleged as though fully set forth herein.

171. On or about the dates set forth below, each instance constituting a separate count of this Indictment, in the United States and in the District of Arizona and elsewhere, the specified defendant, and others known and unknown to the grand jury, knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from specified unlawful activity, as follows:

<u>Count</u>	<u>Defendant</u>	<u>Date</u>	<u>Amount</u>	<u>Description</u>
69.	LACEY, BRUNST	Aug. 21, 2013	\$30,000.00	Bank of America (x1793) to Stewart Title (partial payment for Sedona property)
70.	LACEY, BRUNST	Sept. 13, 2013	\$62,491.47	BMO Harris to Stewart Title (partial payment for Sedona property)
71.	SPEAR	June 11, 2014	\$300,000.00	National Bank of Arizona (x0178) to Spear Family Trust
72.	SPEAR	June 20, 2014	\$200,000.00	National Bank of Arizona (x0178) to TD Ameritrade
73.	SPEAR	Nov. 4, 2014	\$1,000,000.00	National Bank of Arizona (x0178) to UBS Financial
74.	SPEAR	May 14, 2015	\$250,000.00	National Bank of Arizona (x0178) to Lincoln National Life
75.	SPEAR	May 26, 2015	\$50,000.00	National Bank of Arizona (x0178) to Industrial Property

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				Trust
76.	SPEAR	Nov. 3, 2015	\$300,000.00	National Bank of Arizona (x0178) to Ally Bank
77.	SPEAR	Dec. 1, 2015	\$200,000.00	National Bank of Arizona (x0178) to Wells Fargo
78.	SPEAR, BRUNST	Jan. 11, 2016	\$133,045.00	Cereus Properties (x6211) to National Bank of Arizona (x0178)
79.	BRUNST	Jan. 26, 2016	\$101,974.00	Cereus Properties (x6211) to Wells Fargo (x4891)
80.	LARKIN, BRUNST	Feb. 3, 2016	\$1,507,944.00	Cereus Properties (x6211) to Charles Schwab
81.	LACEY, BRUNST	Mar. 1, 2016	\$1,692,020.00	Cereus Properties (x6211) to Bank of America (x5554)
82.	BRUNST	Apr. 1, 2016	\$220,944.00	Cereus Properties (x6211) to Wells Fargo (x4891)
83.	LACEY, BRUNST	June 27, 2016	\$397,9500.00	Arizona Bank & Trust (x1793) to Fidelity Title (partial payment for San Francisco property)
84.	LACEY, BRUNST	July 20, 2016	\$12,859,152.57	Arizona Bank & Trust (x1793) to Fidelity Title (partial payment for San Francisco property)
85.	SPEAR	July 22, 2016	\$50,000.00	National Bank of Arizona (x0178) to Strategic Storage Trust II
86.	LACEY, BRUNST	Aug. 2, 2016	\$16,243.00	Cereus Properties (x6211) to Wells Fargo (x0495)

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87.	LARKIN, BRUNST	Oct. 6, 2016	\$1,206,356.00	Cereus Properties (x6211) to Charles Schwab (x4693)
88.	LACEY, BRUNST	Oct. 6, 2016	\$268,016.00	Cereus Properties (x6211) to Arizona Bank & Trust (x1967)
89.	LACEY, BRUNST	Oct. 6, 2016	\$268,016.00	Cereus Properties (x6211) to Arizona Bank & Trust (x1972)
90.	LACEY, BRUNST	Oct. 6, 2016	\$268,016.00	Cereus Properties (x6211) to Arizona Bank & Trust (x1986)
91.	LACEY, BRUNST	Oct. 6, 2016	\$268,016.00	Cereus Properties (x6211) to Arizona Bank & Trust (x1991)
92.	LACEY, BRUNST	Oct. 6, 2016	\$268,016.00	Cereus Properties (x6211) to Arizona Bank & Trust (x2014)
93.	SPEAR, BRUNST	Oct. 6, 2016	\$141,444.00	Cereus Properties (x6211) to National Bank of Arizona (x0178)

In violation of 18 U.S.C. § 1957.

**FORFEITURE ALLEGATION ONE**

[18 U.S.C. 981(a)(1)(C) and 28 U.S.C. § 2461(e)]

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3 I. Pursuant to Rule 32.2 of the Federal Rules of Criminal Procedure, notice is  
4 hereby given that the United States will seek forfeiture as part of any sentence, pursuant to  
5 Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code,  
6 Section 2461(c), in the event of any defendant's conviction under Counts 1 through 51 of  
7 this Indictment. Each defendant so convicted shall forfeit to the United States the  
8 following:

9 a. All right, title, and interest in any and all property, real or personal,  
10 constituting, or derived from, any proceeds obtained, directly or indirectly, as a result of  
11 the offense. Such property includes, but is not limited to, the real property located at the  
12 following addresses:

- 13 i. 1100 UNION ST #0700 SAN FRANCISCO CA 94109-2019
- 14 ii. 2043 PLEASANT HILL RD SEBASTOPOL CA 95472-4947
- 15 iii. 343 PRESIDIO AVE, SAN FRANCISCO, CA 94115
- 16 iv. 2755 FILLMORE ST, SAN FRANCISCO, CA 94123
- 17 v. 5300 STELLA LANE, PARADISE VALLEY, AZ 85253
- 18 vi. 16901 COLEGROVE DR., DALLAS, TX 75248
- 19 vii. 10647 NORTH STATE ROUTE 89A, SEDONA, AZ
- 20 viii. 493 ZINFANDEL LN, ST HELENA, CA 94574
- 21 ix. 5555 N. CASA BLANCA DR, PARADISE VALLEY, AZ 85253
- 22 x. 1308 E. 56TH ST UNIT 2, CHICAGO, IL 60637

23 Such property also includes, but is not limited to, funds held in the following bank  
24 accounts:

- 25 i. Prosperity Bank account number XXXXX7188
- 26 ii. Compass Bank Account number XXXXXX3873
- 27 iii. Compass Bank Account number XXXXXX3825

- 1 iv. National Bank of Arizona Account number XXXX0178
- 2 v. National Bank of Arizona Account number XXXX0151
- 3 vi. National Bank of Arizona Account number XXXX3645
- 4 vii. Live Oak Bank Account Number XXXXXXXXXXXX2523
- 5 viii. Ascensus Broker Dealer Services Account Number XXXXX6943-01
- 6 ix. Ascensus Broker Dealer Services account Number XXXXX5280-01
- 7 x. First Federal Savings & Loan of San Rafael account number XXXX3620
- 8 xi. Republic Bank of Arizona account number XXXX1889
- 9 xii. Republic Bank of Arizona account number XXXX2592
- 10 xiii. Republic Bank of Arizona account number XXXX2912
- 11 xiv. Republic Bank of Arizona account number XXXX2500
- 12 xv. Republic Bank of Arizona account number XXXX1938
- 13 xvi. Bank of America Account number XXXXXXXXXXXXXXX8225
- 14 xvii. Bank of America Account number XXXXXXXXXXXXXXX7054
- 15 xviii. Bank of America Account number XXXXXXXXXXXXXXX9342
- 16 xix. Bank of America Account number XXXXXXXXXXXXXXX0071
- 17 xx. San Francisco Fire Credit Union Account Number XXXXXXXXXXXX2523
- 18 xxi. Ally Bank Account Number XXXXXX6292
- 19 xxii. Branch Banking and Trust Bank account number XXXXXXXXXXXX0218
- 20 xxiii. Green Bank Account number XXX4832
- 21 xxiv. Green Bank Account number XXXXXX4293
- 22 xxv. Plains Capital Bank account number XXXXXX1098

23 Such property further includes, but is not limited to, the following domain names:

- 24 i. atlantabackpage.com
- 25 ii. backpage.be
- 26 iii. backpage.com
- 27 iv. backpage.com.br

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- 1 v. backpage.cz
- 2 vi. backpage.dk
- 3 vii. backpage.ee
- 4 viii. backpage.es
- 5 ix. backpage.fi
- 6 x. backpage.fr
- 7 xi. backpage.gr
- 8 xii. backpage.hu
- 9 xiii. backpage.ie
- 10 xiv. backpage.it
- 11 xv. backpage.lt
- 12 xvi. backpage.mx
- 13 xvii. backpage.net
- 14 xviii. backpage.no
- 15 xix. backpage.pl
- 16 xx. backpage.pt
- 17 xxi. backpage.ro
- 18 xxii. backpage.si
- 19 xxiii. backpage.sk
- 20 xxiv. backpage.us
- 21 xxv. backpage-insider.com
- 22 xxvi. bestofbackpage.com
- 23 xxvii. bestofbigcity.com
- 24 xxviii. bigcity.com
- 25 xxix. chicagobackpage.com
- 26 xxx. denverbackpage.com
- 27 xxxi. newyorkbackpage.com
- 28

- 1 xxxii. phoenixbackpage.com
- 2 xxxiii. sandiegobackpage.com
- 3 xxxiv. seattlebackpage.com
- 4 xxxv. tampabackpage.com

5 b. To the extent such property is not available for forfeiture, a sum of  
 6 money equal to the total value of the property described in subparagraph (a).

7 2. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by  
 8 Title 28, United States Code, Section 2461(e), the defendant shall forfeit substitute  
 9 property, up to the total value of the property described in the preceding paragraph if, as  
 10 the result of any act or omission of the defendant, the property described in the preceding  
 11 paragraph, or any portion thereof: (a) cannot be located upon the exercise of due diligence;  
 12 (b) has been transferred, sold to or deposited with a third party; (c) has been placed beyond  
 13 the jurisdiction of the court; (d) has been substantially diminished in value; or (e) has been  
 14 commingled with other property that cannot be divided without difficulty.

15 **FORFEITURE ALLEGATION TWO**

16 [18 U.S.C. § 982(a)(1)]

17 1. Pursuant to Rule 32.2 of the Federal Rules of Criminal Procedure, notice is  
 18 hereby given that the United States will seek forfeiture as part of any sentence, pursuant  
 19 Title 18, United States Code, Section 982(a)(1), in the event of any defendant's conviction  
 20 under Counts 52 through 93 of this Indictment. Each defendant so convicted shall forfeit  
 21 to the United States the following:

22 a. All right, title, and interest in any and all property, real or personal,  
 23 involved in or traceable to any transaction set forth in Counts 52 through 93 of this  
 24 Indictment. Such property includes, but is not limited to, the real property located at the  
 25 following addresses:

- 26 i. 1100 UNION ST #0700 SAN FRANCISCO CA 94109-2019
- 27 ii. 2043 PLEASANT HILL RD SEBASTOPOL CA 95472-4947
- 28

- 1      iii. 343 PRESIDIO AVE, SAN FRANCISCO, CA 94115
- 2      iv. 2755 FILLMORE ST, SAN FRANCISCO, CA 94123
- 3      v. 5300 STELLA LANE, PARADISE VALLEY, AZ 85253
- 4      vi. 16901 COLEGROVE DR., DALLAS, TX 75248
- 5      vii. 10647 NORTH STATE ROUTE 89A, SEDONA, AZ
- 6      viii. 493 ZINFANDEL LN, ST HELENA, CA 94574
- 7      ix. 5555 N. CASA BLANCA DR, PARADISE VALLEY, AZ 85253
- 8      x. 1308 E. 56TH ST UNIT 2, CHICAGO, IL 60637

9 Such property also includes, but is not limited to, funds held in the following bank  
10 accounts:

- 11      i. Prosperity Bank account number XXXXX7188
- 12      ii. Compass Bank Account number XXXXXX3873
- 13      iii. Compass Bank Account number XXXXXX3825
- 14      iv. National Bank of Arizona Account number XXXX0178
- 15      v. National Bank of Arizona Account number XXXX0151
- 16      vi. National Bank of Arizona Account number XXXX3645
- 17      vii. Live Oak Bank Account Number XXXXXXXXXXXX2523
- 18      viii. Ascensus Broker Dealer Services Account Number XXXXX6943-01
- 19      ix. Ascensus Broker Dealer Services account Number XXXXX5280-01
- 20      x. First Federal Savings & Loan of San Rafael account number XXXX3620
- 21      xi. Republic Bank of Arizona account number XXXX1889
- 22      xii. Republic Bank of Arizona account number XXXX2592
- 23      xiii. Republic Bank of Arizona account number XXXX2912
- 24      xiv. Republic Bank of Arizona account number XXXX2500
- 25      xv. Republic Bank of Arizona account number XXXX1938
- 26      xvi. Bank of America Account number XXXXXXXXXXXXXX8225
- 27
- 28

- 1 xvii. Bank of America Account number XXXXXXXXXXXXX7054
- 2 xviii. Bank of America Account number XXXXXXXXXXXXX9342
- 3 xix. Bank of America Account number XXXXXXXXXXXXX0071
- 4 xx. San Francisco Fire Credit Union Account Number XXXXXXXXXXXX2523
- 5 xxi. Ally Bank Account Number XXXXXX6292
- 6 xxii. Branch Banking and Trust Bank account number XXXXXXXXXXX0218
- 7 xxiii. Green Bank Account number XXX4832
- 8 xxiv. Green Bank Account number XXXXXX4293
- 9 xxv. Plains Capital Bank account number XXXXXX1098

10 Such property further includes, but is not limited to, the following domain names:

- 11 i. atlantabackpage.com
- 12 ii. backpage.be
- 13 iii. backpage.com
- 14 iv. backpage.com.br
- 15 v. backpage.cz
- 16 vi. backpage.dk
- 17 vii. backpage.ee
- 18 viii. backpage.es
- 19 ix. backpage.fi
- 20 x. backpage.fr
- 21 xi. backpage.gr
- 22 xii. backpage.hu
- 23 xiii. backpage.ie
- 24 xiv. backpage.it
- 25 xv. backpage.lt
- 26 xvi. backpage.mx
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- 1 xvii. backpage.net
- 2 xviii. backpage.no
- 3 xix. backpage.pl
- 4 xx. backpage.pt
- 5 xxi. backpage.ro
- 6 xxii. backpage.si
- 7 xxiii. backpage.sk
- 8 xxiv. backpage.us
- 9 xxv. backpage-insider.com
- 10 xxvi. bestofbackpage.com
- 11 xxvii. bestofbigcity.com
- 12 xxviii. bigcity.com
- 13 xxix. chicagobackpage.com
- 14 xxx. denverbackpage.com
- 15 xxxi. newyorkbackpage.com
- 16 xxxii. phoenixbackpage.com
- 17 xxxiii. sandiegobackpage.com
- 18 xxxiv. seattlebackpage.com
- 19 xxxv. tampabackpage.com

21 b. To the extent such property is not available for forfeiture, a sum of  
22 money equal to the total value of such property.

23 2. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by  
24 Title 18, United States Code, Section 982(b), each defendant convicted under Counts 52  
25 through 93 of this Indictment shall forfeit substitute property, if, by any act or omission of  
26 that defendant, the property described in the preceding paragraph, or any portion thereof,  
27 cannot be located upon the exercise of due diligence; has been transferred, sold to, or  
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1 deposited with a third party; has been placed beyond the jurisdiction of the court; has been  
2 substantially diminished in value; or has been commingled with other property that cannot  
3 be divided without difficulty.

4 A TRUE BILL

5  
6 S/  
FOREPERSON OF THE GRAND JURY  
7 Date: March 28, 2018

8 ELIZABETH A. STRANGE  
9 First Assistant United States Attorney  
District of Arizona

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11 Acting Assistant Attorney General  
Criminal Division, U.S. Department of Justice

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15 MARGARET PERLMETER  
JOHN J. KUCERA  
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18 Child Exploitation and Obscenity Section

# Exhibit 2

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11 Attorneys for Plaintiff  
 12 UNITED STATES OF AMERICA

13 UNITED STATES DISTRICT COURT  
 14 FOR THE CENTRAL DISTRICT OF CALIFORNIA  
 15 WESTERN DIVISION

16 UNITED STATES OF AMERICA,  
 17 Plaintiff,  
 18 v.  
 19 \$1,546,076.35 IN BANK FUNDS SEIZED  
 20 FROM REPUBLIC BANK OF ARIZONA  
 21 ACCOUNT '1889, ET AL.,  
 22 Defendants.

Lead Case No. CV 18-8420 RGK  
 (PjWx)

**FIRST AMENDED CONSOLIDATED MASTER  
 VERIFIED COMPLAINT FOR FORFEITURE**

18 U.S.C. §§ 981(a)(1)(A) & (C)  
 [U.S.P.I.S.]

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1 The United States of America brings this first amended  
2 consolidated master complaint against the above-captioned asset(s)  
3 and alleges as follows:

4 **PERSONS AND ENTITIES**

5 1. The plaintiff is the United States of America ("plaintiff"  
6 or the "government").

7 2. Plaintiff previously filed verified complaints seeking the  
8 civil forfeiture of the following assets (collectively, the  
9 "Defendant Assets").

10 **A. Defendants<sup>1</sup>**

11 3. \$689,884.48 in bank funds seized from First Federal Savings  
12 & Loan of San Rafael Account No. '3620 ("FFS&L of SR '3620 Funds" or  
13 "Account 4"), held in the name of Michael Lacey ("Lacey"). Lacey and  
14 Jill Anderson ("Anderson") have filed claims in member case number CV  
15 18-8579 RGK (PJWx).

16 4. \$515,899.85 in bank funds seized from Republic Bank of  
17 Arizona Account No. '2485 ("RBA '2485 Funds" or "Account 5"), held in  
18 the name of Michael Lacey. Lacey and Anderson have filed claims in  
19 member case number CV 18-8579 RGK (PJWx).

20 5. \$500,000.00 in bank funds seized from Republic Bank of  
21 Arizona Account No. '3126 ("RBA '3126 Funds" or "Account 7") held in  
22 the name of Michael Lacey. Lacey and Anderson have filed claims in  
23 member case number CV 18-8579 RGK (PJWx).

24 6. \$601,827.10 in bank funds seized from Republic Bank of  
25

26  
27 <sup>1</sup> Pursuant to the Court's Order dated December 18, 2019, the  
28 defendant assets from the member cases are described in this  
consolidated complaint. The original case number and claimant or  
claimants are identified in the description of each defendant in the  
instant consolidated complaint.

1 Arizona CDARS<sup>2</sup> Account No. '8316 held in the name of Michael Lacey  
2 ("RBA '8316 Funds" or "Account 8"). Lacey and Anderson have filed  
3 claims in member case number CV 18-8579 RGK (PJWx).

4 7. \$302,177.57 in bank funds seized from Republic of Bank of  
5 Arizona CDARS Account No. '8324 held in the name of Michael Lacey  
6 ("RBA '8324 Funds" or "Account 9"). Lacey and Anderson have filed  
7 claims in member case number CV 18-8579 RGK (PJWx).

8 8. \$305,127.89 in bank funds seized from Republic Bank of  
9 Arizona CDARS Account No. '8332 ("RBA '8332 Funds" or "Account 10")  
10 held in the name of Michael Lacey. Lacey and Anderson have filed  
11 claims in member case number CV 18-8579 RGK (PJWx).

12 9. \$484,745.72 in bank funds seized from SF Fire Credit Union  
13 Account No. '4S10 ("SFFCU '4S10 Funds" or "Account 11"), held in the  
14 name of Michael G. Lacey and Jean K. Warren. Lacey and Anderson have  
15 filed claims in member case number CV 18-8579 RGK (PJWx).

16 10. \$2,412,785.47 in bank funds seized from Money Gram having  
17 originated from Midfirst Bank Account No. '4139 ("IOLTA<sup>3</sup> '4139" or  
18 Account 12) held in the name of attorney, ""J.B."" for the benefit of  
19 Michael Lacey. Lacey, Anderson, and John R. Becker have filed claims  
20 in member case number CV 18-8579 RGK (PJWx).

21 11. All right and title to the real property located in  
22 Sebastopol, California titled in the name of Finca Manzana for  
23 Sebastopol, LLC ("Sebastopol Property"), APN 076-100-0008-000,  
24 including all appurtenances, improvements, and attachments thereon,  
25

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26 <sup>2</sup> CDARS is a program that allows a depositor to spread funds  
27 across several banks in order to maintain account balances below the  
28 Federal Deposit Insurance Corporation's insurance limits at any  
particular bank.

<sup>3</sup> An "IOLTA" is an acronym for Interest on Lawyer Trust Account.

1 as well as all leases, rents, and profits derived therefrom.<sup>4</sup> Lacey,  
2 Anderson, and Finca Manzana for Sebastopol, LLC. have filed claims in  
3 member case number CV 18-8730 RGK (PJWx).

4 12. All right and title to the real property located in San  
5 Francisco, California titled in the name of Lacey and Alyson Talley  
6 ("San Francisco Property 1"), APN Lot 057, Block 008, including all  
7 appurtenances, improvements, and attachments thereon, as well as all  
8 leases, rents, and profits derived therefrom. Lacey, Anderson, and  
9 Alyson Talley have filed claims in member case number CV 18-8723 RGK  
10 (PJWx).

11 13. All right and title to the real property located in San  
12 Francisco, California titled in the name of Casa Bahia for San  
13 Francisco, LLC. ("San Francisco Property 2"), APN Lot 029, Block  
14 0563, including all appurtenances, improvements, and attachments  
15 thereon, as well as all leases, rents, and profits derived therefrom.  
16 Casa Bahia, LLC., Lacey, and Anderson have filed claims in member  
17 case number CV 18-8551 RGK (PJWx).

18 14. All right and title to the real property located in San  
19 Francisco, California titled in the name of Michael Lacey ("San  
20 Francisco Property 3"), APN Lot 008, Block 0097, including all  
21 appurtenances, improvements, and attachments thereon, as well as all  
22 leases, rents, and profits derived therefrom. Lacey and Anderson  
23 have filed claims in member case number CV 18-8763 RGK (PJWx).

24 15. All right and title to the real property located in Sedona,  
25 Arizona titled in the name of Creek Hideaway, LLC ("Sedona  
26 Property"), APN 405-06-001B, including all appurtenances,  
27

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28 <sup>4</sup> Pursuant to Local Rule 5.2-1, only the city and state of  
residence addresses are set forth in this Complaint

1 improvements, and attachments thereon, as well as all leases, rents,  
2 and profits derived therefrom. Lacey, Creek Hideaway, LLC., and  
3 Anderson have filed claims in member case number CV 18-8556 RGK  
4 (PJWx).

5 16. All right and title to the real property located in  
6 Paradise Valley, Arizona titled in the name of Lacey ("Paradise  
7 Valley Property 2"), APN 164-05-122, including all appurtenances,  
8 improvements, and attachments thereon, as well as all leases, rents,  
9 and profits derived therefrom. Lacey and Anderson have filed claims  
10 in member case number CV 18-8555 RGK (PJWx).

11 17. \$1,546,076.35 in bank funds seized from Republic Bank of  
12 Arizona Account No. '1889 ("RBA '1889 Funds" or "Account 13") held in  
13 the name of James Larkin ("Larkin"). Larkin and Margaret Larkin ("M.  
14 Larkin") have filed claims in member case number CV 18-8420 RGK  
15 (PJWx).

16 18. \$1,001,731.18 in bank funds seized from Republic Bank of  
17 Arizona Account No. '2592 ("RBA '2592 Funds" or "Account 14") held in  
18 the name of James "Jed" Larkin. Larkin and M. Larkin have filed  
19 claims in member case number CV 18-8420.

20 19. \$501,248.14 in bank funds seized from Republic Bank of  
21 Arizona Account No. '8103 ("RBA '8103 Funds" or "Account 16") held in  
22 the name of John Larkin ("J. Larkin"). Larkin and M. Larkin have  
23 filed claims in member case number CV 18-8420 RGK (PJWx).

24 20. \$251,436.93 in bank funds seized from Republic Bank of  
25 Arizona Account No. '8162 ("RBA '8162 Funds" or "Account 17") held in  
26 the name of James Larkin. Larkin and M. Larkin have filed claims in  
27 member case number CV 18-8420 RGK (PJWx).

28 21. \$253,639.96 in bank funds seized from Republic Bank of



1 Arizona Account '8189 ("RBA '8189 Funds" or "Account 18") held in the  
2 name of James A. Larkin. Larkin and M. Larkin have filed a claim in  
3 member case number CV 18-8420 RGK (PJWx).

4 22. \$621,832.06 in bank funds seized from Perkins Coie Trust  
5 Company Account No. '0012 ("PCTC '0012 Funds" or "Account 19") held  
6 in the name of Margaret G. Larkin. Larkin, M. Larkin, Coyoacan  
7 Family Trust ("CFT") and Ocotillo Family Trust ("OFT") have filed  
8 claims in member case number CV 18-8420 RGK (PJWx).

9 23. Approximately \$9,882,828.72 in securities and/or investment  
10 funds seized from Perkins Coie Trust Company Account No. '0012 ("PCTC  
11 Investment Funds" or "Account 20") held in the name of Margaret G.  
12 Larkin. Larkin, M. Larkin, CFT and OFT have filed claims in member  
13 case number CV 18-8420 RGK (PJWx).

14 24. Approximately \$34,149,280.00 in securities and/or  
15 investment funds seized from Acacia Conservation Fund LP Account No.  
16 '2020 ("ACF Funds" or "Account 21"), held in the name of the Ocotillo  
17 Family Trust. Larkin, M. Larkin, CFT and OFT have filed claims in  
18 member case number CV 18-8420 RGK (PJWx).

19 25. \$278.73 in bank funds seized from Bank of America Account  
20 No. '8225 ("BA '8225 Funds" or "Account 22") held in the name of Troy  
21 C. Larkin ("T. Larkin"). Larkin filed a claim in member case number  
22 CV 18-8420 RGK (PJWx).

23 26. \$1,038.42 in bank funds seized from Bank of America Account  
24 No. '7054 ("BA '7054 Funds" or "Account 23") held in the name of  
25 Ramon Larkin ("R. Larkin"). Larkin filed a claim in member case  
26 number CV 18-8420 RGK (PJWx).

27 27. All right and title to the real property located in  
28 Paradise Valley, Arizona titled in the name of James Larkin

1 ("Paradise Valley Property 1"), APN 173-11-006C, including all  
2 appurtenances, improvements, and attachments thereon, as well as all  
3 leases, rents, and profits derived therefrom. Larkin, M. Larkin, and  
4 OFT have filed claims in member case number CV 18-8764 RGK (PJWx).

5 28. All right and title to the real property located in Saint  
6 Helena, California ("Saint Helena Property") titled in the name of  
7 James Larkin and Margaret Larkin, Trustees for Ocotillo Family Trust,  
8 APN 030-050-028-000, including all appurtenances, improvements, and  
9 attachments thereon, as well as all leases, rents, and profits  
10 derived therefrom. Larkin, M. Larkin, and OFT have filed claims in  
11 member case number CV 18-8760 RGK (PJWx).

12 29. All right and title to the real property located in  
13 Chicago, Illinois titled in the name of John C. Larkin ("J.C.  
14 Larkin"), Margaret Larkin and James Larkin ("Chicago Property"), APN  
15 20-14-201-079-1054, including all appurtenances, improvements, and  
16 attachments thereon, as well as all leases, rents, and profits  
17 derived therefrom. Larkin and M. Larkin have filed claims in member  
18 case number CV 18-8759 RGK (PJWx).

19 30. \$359,527.06 in bank funds seized from BBVA Compass Bank  
20 Account No. '3825 ("Compass '3825 Funds" or "Account 24") held in the  
21 name of the John Brunst Family Trust ("BFT"). The BFT, John Brunst  
22 ("Brunst") and Mary Ann Brunst ("M.A. Brunst") have filed claims in  
23 member case number CV 18-8568 RGK (PJWx).

24 31. Approximately \$5,848,729.00 in securities and/or investment  
25 funds seized from Alliance Bernstein L.P. Account No. '6878 ("AB  
26 '6878 Funds" or "Account 25") held in the name of the John Brunst  
27 Family Trust. The BFT, Brunst and M.A. Brunst have filed claims in  
28 member case number CV 18-8568 RGK (PJWx).

1           32. Approximately \$372,878.00 in securities and/or investment  
2 funds seized from Alliance Bernstein L.P. Account No. '4954 ("AB  
3 '4954 Funds" or "Account 26") held in the name of the Brunst Family  
4 Trust. The BFT, Brunst and M.A. Brunst have filed claims in member  
5 case number CV 18-8568 RGK (PJWx).

6           33. Approximately \$342,596.00 in securities and/or investment  
7 funds seized from Alliance Bernstein Account L.P. Account No. '7982  
8 ("AB '7982 Funds" or "Account 27") held in the name of the Brunst  
9 Family Trust. The BFT, Brunst and M.A. Brunst have filed claims in  
10 member case number CV 18-8568 RGK (PJWx).

11           34. Approximately \$306,277.00 in securities and/or investment  
12 funds Seized from Alliance Bernstein L.P. Account No. '7889 ("AB  
13 '7889 Funds" or "Account 28") held in the name of the Brunst Family  
14 Trust. The BFT, Brunst and M.A. Brunst have filed claims in member  
15 case number CV 18-8568 RGK (PJWx).

16           35. Approximately \$275,328.00 in securities and/or investment  
17 funds seized from Alliance Bernstein L.P. Account No. '7888 ("AB  
18 '7888 Funds" or "Account 29") held in the name of the Brunst Family  
19 Trust. The BFT, Brunst and M.A. Brunst have filed claims in member  
20 case number CV 18-8568 RGK (PJWx).

21           36. Approximately \$527,624.00 in securities and/or investment  
22 funds seized from Alliance Bernstein L.P. Account No. '6485 ("AB  
23 '6485 Funds" or "Account 30") held in the name of the Brunst Family  
24 Trust. The BFT, Brunst and M.A. Brunst have filed claims in member  
25 case number CV 18-8568 RGK (PJWx).

26           37. \$404,374.12 in bank funds seized From National Bank of  
27 Arizona Account No. '0178 ("NBA '0178 Funds" or "Account 31") held in  
28 the name of Scott Spear ("Spear"). Spear and Natasha Spear ("N.

1 Spear") filed a claim in member case number CV 18-8423 RGK (PJWx).

2 38. \$1,925.80 in bank funds seized from National Bank of  
3 Arizona Account No. '0151 ("NBA '0151 Funds" or "Account 32"), held  
4 in the name of Scott and Ellona Spear ("E. Spear"). Spear and N.  
5 Spear filed a claim in member case number CV 18-8423 RGK (PJWx).

6 39. \$613,573.28 in bank funds seized from National Bank of  
7 Arizona Account No. '3645 ("NBA '3645 Funds" or "Account 33"), held  
8 in the name of Scott G. Spear and Ellona Spear Family Trust. Spear  
9 and N. Spear filed a claim in member case number CV 18-8423 RGK  
10 (PJWx).

11 40. \$260,283.40 in bank funds seized from Live Oak Bank Account  
12 No. '6910 ("LOB '6910 Funds" or "Account 34"), held in the name of  
13 Scott Gary Spear and Ellona Spear Family Trust. Spear and N. Spear  
14 filed a claim in member case number CV 18-8423 RGK (PJWx).

15 41. \$64,552.82 in bank funds seized from Ascensus Broker Dealer  
16 Services Account No. '4301 ("ABS '4301 Funds" or "Account 35"), held  
17 in the name of Natasha Spear. Spear and N. Spear have filed claims  
18 in member case number CV 18-8423 RGK (PJWx).

19 42. \$56,902.99 in bank funds seized from or frozen in Ascensus  
20 Broker Services Account No. '8001 ("ABS '8001 Funds" or "Account  
21 36"), held in the name of Natasha Spear. Spear and N. Spear have  
22 filed claims in member case number CV 18-8423 RGK (PJWx).

23 43. Approximately \$16,500,000.00 in bank funds seized from K&H  
24 Account No. '1210 ("K&H '1210 Funds" or "Account 37"), held in the  
25 name of Primus Trust. Lacey and Anderson have filed claims in member  
26 case number CV 18-8565 RGK (PJWx).

27 44. Approximately 1,680,028.85 EUR in bank funds seized from  
28 FIO Banka (Czech Republic) Account No. '2226 ("FIO '2226 Funds" or

1 "Account 38"), held in the name of Gold Leaf SRO. Medalist Holding,  
2 Inc. ("Medalist"); Leeward Holdings, LLC ("Leeward"); Camarillo  
3 Holdings, LLC ("Camarillo"); Vermillion Holdings, LLC ("Vermillion");  
4 Cereus Properties, LLC ("Cereus"); Shearwater Investments, LLC  
5 ("Shearwater"); Broadway Capital Corp., LLC ("Broadway"); Larkin,  
6 Troy Larkin ("T. Larkin"); Ramon Larkin ("R. Larkin"); Spear, Lacey,  
7 and Brunst have filed claims in member case number CV 18-8569 RGK  
8 (PJWx).

9 45. Approximately 60.98 GDP in bank funds seized from FIO Banka  
10 (Czech Republic) Account No. '2231 ("FIO '2231 Funds" or "Account  
11 39"), held in the name of Gold Leaf SRO. Medalist, Leeward,  
12 Camarillo, Vermillion, Cereus, Shearwater, Broadway, Larkin, T.  
13 Larkin, R. Larkin, Spear, Lacey, and Brunst have filed claims in  
14 member case number CV 18-8569 RGK (PJWx).

15 46. Approximately \$72.87 in bank funds seized from FIO Banka  
16 (Czech Republic) Account No. '2230 ("FIO '2230 Funds" or "Account  
17 40"), held in the name of Gold Leaf SRO. Medalist, Leeward,  
18 Camarillo, Vermillion, Cereus, Shearwater, Broadway, Larkin, T.  
19 Larkin, R. Larkin, Spear, Lacey, and Brunst have filed claims in  
20 member case number CV 18-8569 RGK (PJWx).

21 47. Approximately 3,213,937.82 EUR in bank funds seized from  
22 FIO Banka (Czech Republic) Account No. '4194 ("FIO '4194 Funds" or  
23 "Account 41"), held in the name of Protecctio SRO. Medalist, Leeward,  
24 Camarillo, Vermillion, Cereus, Shearwater, Broadway, Larkin, T.  
25 Larkin, R. Larkin, Spear, Lacey, and Brunst have filed claims in  
26 member case number CV 18-8577 RGK (PJWx).

27 48. Approximately \$52.90 in bank funds seized from FIO Banka  
28 (Czech Republic) Account No. '4196 ("FIO '4196 Funds" or "Account

1 42"), held in the name of Protecctio SRO. Medalist, Leeward,  
2 Camarillo, Vermillion, Cereus, Shearwater, Broadway, Larkin, T.  
3 Larkin, R. Larkin, Spear, Lacey, and Brunst have filed claims in  
4 member case number CV 18-8577 RGK (PJWx).

5 49. Approximately 52.65 GDP in bank funds seized from FIO Banka  
6 Account No. '4198 ("FIO '4198 Funds" or "Account 43") held in the  
7 name of Protecctio SRO. Medalist, Leeward, Camarillo, Vermillion,  
8 Cereus, Shearwater, Broadway, Larkin, T. Larkin, R. Larkin, Spear,  
9 Lacey, and Brunst have filed claims in member case number CV 18-8577  
10 RGK (PJWx).

11 50. Approximately 605,976.95 EUR in bank funds seized from FIO  
12 Banka (Czech Republic) Account No. '8083 ("FIO '8083 Funds" or  
13 "Account 44") held in the name of Varicok Company SRO. Medalist,  
14 Leeward, Camarillo, Vermillion, Cereus, Shearwater, Broadway, Larkin,  
15 T. Larkin, R. Larkin, Spear, Lacey, and Brunst have filed claims in  
16 member case number CV 18-8747 RGK (PJWx).

17 51. Approximately 458.99 GDP in bank funds seized from FIO  
18 Banka (Czech Republic) Account No. '8086 ("Fio '8086 Funds" or  
19 "Account 45"), held in the name of the Varicok Company SRO.  
20 Medalist, Leeward, Camarillo, Vermillion, Cereus, Shearwater,  
21 Broadway, Larkin, T. Larkin, R. Larkin, Spear, Lacey, and Brunst have  
22 filed claims in member case number CV 18-8747 RGK (PJWx).

23 52. Approximately \$48.10 in bank funds seized from FIO Banka  
24 (Czech Republic) Account No. '8080 ("Fio '8080 Funds" or "Account  
25 46"), held in the name of the Varicok Company SRO. Medalist,  
26 Leeward, Camarillo, Vermillion, Cereus, Shearwater, Broadway, Larkin,  
27 T. Larkin, R. Larkin, Spear, Lacey, and Brunst have filed claims in  
28 member case number CV 18-8747 RGK (PJWx).

1           53. An unknown amount of bank funds on deposit in Bank Frick  
2 (Liechtenstein) Account No. '000K ("BF '000K Funds" or "Account 47"),  
3 held in the name of Ad Tech BV. Medalist, Leeward, Camarillo,  
4 Vermillion, Cereus, Shearwater, Broadway, Larkin, T. Larkin, R.  
5 Larkin, Spear, Lacey, and Brunst have filed claims in member case  
6 number CV 18-8570 RGK (PJWx).

7           54. An unknown amount of bank funds on deposit in Bank Frick  
8 (Liechtenstein) Account No. '000U ("BF '000U Funds" or "Account 48"),  
9 held in the name of Ad Tech BV. Medalist, Leeward, Camarillo,  
10 Vermillion, Cereus, Shearwater, Broadway, Larkin, T. Larkin, R.  
11 Larkin, Spear, Lacey, and Brunst have filed claims in member case  
12 number CV 18-8570 RGK (PJWx).

13           55. An unknown amount of bank funds on deposit in Bank Frick  
14 (Liechtenstein) Account No. '000E ("BF '000E Funds" or "Account 49"),  
15 held in the name of Ad Tech BV. Medalist, Leeward, Camarillo,  
16 Vermillion, Cereus, Shearwater, Broadway, Larkin, T. Larkin, R.  
17 Larkin, Spear, Lacey, and Brunst have filed claims in member case  
18 number CV 18-8570 RGK (PJWx).

19           56. An unknown amount of bank funds on deposit in Bank Frick  
20 (Liechtenstein) Account No. '001K ("BF '001K Funds" or "Account 50"),  
21 held in the name of Ad Tech BV. Medalist, Leeward, Camarillo,  
22 Vermillion, Cereus, Shearwater, Broadway, Larkin, T. Larkin, R.  
23 Larkin, Spear, Lacey, and Brunst have filed claims in member case  
24 number CV 18-8570 RGK (PJWx).

25           57. An unknown amount of bank funds on deposit in Knab Bank  
26 (Netherlands) Account No. '7664 ("KB '7664 Funds" or "Account 51"),  
27 held in the name of Procop Services BV. Medalist, Leeward,  
28 Camarillo, Vermillion, Cereus, Shearwater, Broadway, Larkin, T.

1 Larkin, R. Larkin, Spear, Lacey, and Brunst have filed claims in  
2 member case number CV 18-8748 RGK (PJWx).

3 58. An unknown amount of bank funds on deposit in Rabo Bank  
4 (Netherlands) Account No. '2452 ("RB '2452 Funds" or "Account 52"),  
5 held in the name of the Gulietta Group BV. Medalist, Leeward,  
6 Camarillo, Vermillion, Cereus, Shearwater, Broadway, Larkin, T.  
7 Larkin, R. Larkin, Spear, Lacey, and Brunst have filed claims in  
8 member case number CV 18-8749 RGK (PJWx).

9 59. An unknown amount of bank funds on deposit in Rabo Bank  
10 (Netherlands) Account No. '4721 ("RB '4721 Funds" or "Account 53"),  
11 held in the name of the UniversAds BV. Medalist, Leeward, Camarillo,  
12 Vermillion, Cereus, Shearwater, Broadway, Larkin, T. Larkin, R.  
13 Larkin, Spear, Lacey, and Brunst have filed claims in member case  
14 number CV 18-8750 RGK (PJWx).

15 60. An unknown amount of bank funds on deposit in LHV Pank  
16 (Estonia) Account No. '4431 ("LHVP '4431 Funds" or "Account 54"),  
17 held in the name of Olist OU ("OU"). Medalist, Leeward, Camarillo,  
18 Vermillion, Cereus, Shearwater, Broadway, Larkin, T. Larkin, R.  
19 Larkin, Spear, Lacey, and Brunst have filed claims in member case  
20 number CV 18-8754 RGK (PJWx).

21 61. Approximately 747,664.15 GBP seized from SAXO Payments  
22 (United Kingdom) Account No. '1262 ("SP '1262 Funds" or "Account  
23 55"), held in the name of the Cashflows Europe Limited ("Cashflows").  
24 Medalist, Leeward, Camarillo, Vermillion, Cereus, Shearwater,  
25 Broadway, Larkin, T. Larkin, R. Larkin, Spear, Lacey, and Brunst have  
26 filed claims in member case number CV 18-8753 RGK (PJWx).

27 62. Domain names associated with Backpage.com, and all rights  
28 and privileges associated therewith. Medalist, Leeward, Camarillo,



1 Vermillion, Cereus, Shearwater, Broadway, Larkin, T. Larkin, R.  
2 Larkin, Spear, Lacey, and Brunst have filed claims in member case  
3 number CV 18-8592 RGK (PJWx).

4 63. \$699,940.00 in bank funds seized from ING Bank  
5 (Netherlands) Account No. '7684 ("ING '7684 Funds") held in the name  
6 of Payment Solutions BV. Medalist, Leeward, Camarillo, Vermillion,  
7 Cereus, Shearwater, Broadway, Larkin, T. Larkin, R. Larkin, Spear,  
8 Lacey, and Brunst have filed claims in member case number CV 18-8588  
9 RGK (PJWx).

10 64. \$106,988.41 in bank funds seized from ING Bank  
11 (Netherlands) Account No. '2071 ("ING '2071 Funds") held in the name  
12 of Payment Solutions BV. Medalist, Leeward, Camarillo, Vermillion,  
13 Cereus, Shearwater, Broadway, Larkin, T. Larkin, R. Larkin, Spear,  
14 Lacey, and Brunst have filed claims in member case number CV 18-8588  
15 RGK (PJWx).

16 65. \$499,910.01 in bank funds seized from US Bank Account No.  
17 '0239 ("US Bank '0239 Funds") held in the name of Affordable Bail  
18 Bonds, LLC. Medalist, Leeward, Camarillo, Vermillion, Cereus,  
19 Shearwater, Broadway, Larkin, T. Larkin, R. Larkin, Spear, Lacey, and  
20 Brunst have filed claims in member case number CV 18-8588 RGK (PJWx).

21 66. \$50,000.00 in bank funds seized from Enterprise Bank and  
22 Trust Account No. '7177 ("EBT '7177 Funds") held in the name of  
23 Global Trading Solutions, LLC. Medalist, Leeward, Camarillo,  
24 Vermillion, Cereus, Shearwater, Broadway, Larkin, T. Larkin, R.  
25 Larkin, Spear, Lacey, and Brunst have filed claims in member case  
26 number CV 18-8588 RGK (PJWx).

27 67. \$1,876.36 in bank funds seized from ING Bank (Netherlands)  
28 Account No. '2071 ("ING '2071 Funds") held in the name of Payment

1 Solutions BV. Medalist, Leeward, Camarillo, Vermillion, Cereus,  
2 Shearwater, Broadway, Larkin, T. Larkin, R. Larkin, Spear, Lacey, and  
3 Brunst have filed claims in member case number CV 18-8588 RGK (PJWx).

4 68. \$50,357.35 in bank funds seized from ING Bank (Netherlands)  
5 Account No. '7684 ("ING '7684 Funds") held in the name of Payment  
6 Solutions BV. Medalist, Leeward, Camarillo, Vermillion, Cereus,  
7 Shearwater, Broadway, Larkin, T. Larkin, R. Larkin, Spear, Lacey, and  
8 Brunst have filed claims in member case number CV 18-8588 RGK (PJWx).

9 69. \$248,970.00 in bank funds seized from Citibank NA Account  
10 No. '0457 ("Citibank NA '0457 Funds") held in the name of Paul  
11 Hastings, LLP. Medalist, Leeward, Camarillo, Vermillion, Cereus,  
12 Shearwater, Broadway, Larkin, T. Larkin, R. Larkin, Spear, Lacey, and  
13 Brunst have filed claims in member case number CV 18-8588 RGK (PJWx).

14 70. \$52,500.00 in bank funds seized from Enterprise Bank and  
15 Trust Account No. '7177 ("EBT '7177 Funds") held in the name of  
16 Global Trading Solutions, LLC. Medalist, Leeward, Camarillo,  
17 Vermillion, Cereus, Shearwater, Broadway, Larkin, T. Larkin, R.  
18 Larkin, Spear, Lacey, and Brunst have filed claims in member case  
19 number CV 18-8588 RGK (PJWx).

20 71. \$65,000.00 in bank funds seized from Enterprise Bank and  
21 Trust Account No. '7177 ("EBT '7177 Funds") held in the name of  
22 Global Trading Solutions, LLC. Medalist, Leeward, Camarillo,  
23 Vermillion, Cereus, Shearwater, Broadway, Larkin, T. Larkin, R.  
24 Larkin, Spear, Lacey, and Brunst have filed claims in member case  
25 number CV 18-8588 RGK (PJWx).

26 72. \$5,534.54 in bank funds seized from Enterprise Bank and  
27 Trust Account '7177 ("EBT '7177 Funds") held in the name of Global  
28 Trading Solutions, LLC. Medalist, Leeward, Camarillo, Vermillion,

1 Cereus, Shearwater, Broadway, Larkin, T. Larkin, R. Larkin, Spear,  
2 Lacey, and Brunst have filed claims in member case number CV 18-8588  
3 RGK (PJWx).

4 73. \$40,000.00 in bank funds seized from Enterprise Bank and  
5 Trust Account No. '7177 held in the name of Global Trading Solutions,  
6 LLC. Medalist, Leeward, Camarillo, Vermillion, Cereus, Shearwater,  
7 Broadway, Larkin, T. Larkin, R. Larkin, Spear, Lacey, and Brunst have  
8 filed claims in member case number CV 18-8588 RGK (PJWx).

9 74. Approximately 6 Bitcoins surrendered on or about April 6,  
10 2018, from a Backpage controlled wallet.

11 75. Approximately 404.99984122 Bitcoins surrendered on or about  
12 April 6, 2018, from a Backpage controlled wallet.

13 76. Approximately 199.99995716 Bitcoins surrendered on or about  
14 April 6, 2018, from a Backpage controlled wallet.

15 77. Approximately 173.97319 Bitcoins surrendered on or about  
16 April 26, 2018, from a Backpage controlled wallet.

17 78. Approximately 411.00019 Bitcoins seized on or about April  
18 13, 2018, from a Backpage controlled wallet.

19 79. Approximately 2.00069333 Bitcoins surrendered on or about  
20 May 7, 2018, from a Backpage controlled wallet.

21 80. Approximately 136.6544695 Bitcoins surrendered on or about  
22 June 15, 2018, from a Backpage controlled wallet.

23 81. Approximately 2,673.59306905 Bitcoin Cash surrendered on or  
24 about April 26, 2018, from a Backpage controlled wallet.

25 82. Approximately 55.50826185 Bitcoin Cash surrendered on or  
26 about May 3, 2018, from a Backpage controlled wallet.

27 83. Approximately 73.62522241 Bitcoin Cash surrendered on or  
28 about June 15, 2018, from a Backpage controlled wallet.

1           84. Approximately 16,310.79413202 Litecoins surrendered on or  
2 about April 26, 2018, from a Backpage controlled wallet.

3           85. Approximately 783.9735116 Litecoins surrendered on or about  
4 June 15, 2018, from a Backpage controlled wallet.

5           86. Approximately 509.81904619 Bitcoin Gold surrendered on or  
6 about June 21, 2018, from a Backpage controlled wallet.

7           87. Approximately 2.70447488 Bitcoins seized from Bitstamp  
8 Account No. '0831. Medalist, Leeward, Camarillo, Vermillion, Cereus,  
9 Shearwater, Lacey, Larkin, T. Larkin, R. Larkin, and Spear have filed  
10 a claim in member case number CV 19-9949 RGK (PJWx).

11           88. Approximately 3.54986077 Bitcoin Cash seized from Bitstamp  
12 Account No. '0831. Medalist, Leeward, Camarillo, Vermillion, Cereus,  
13 Shearwater, Lacey, Larkin, T. Larkin, R. Larkin, and Spear have filed  
14 a claim in member case number CV 19-9949 RGK (PJWx).

15           89. \$518,172.92 in bank funds seized from Wells Fargo Bank  
16 Account No. '4455 ("BoFA '4455 Funds" or "Account 66") held in the  
17 name of Cardquiry, Inc. Medalist, Leeward, Camarillo, Vermillion,  
18 Cereus, Shearwater, and Broadway, Larkin, T. Larkin, R. Larkin,  
19 Spear, Lacey, and Brunst filed a claim in member case number CV 19-  
20 7048 RGK (PJWx).

21           90. \$1,412,085.94 in bank funds seized from USAA Savings  
22 Account No. '2155 ("USAA '2155 Funds" or "Account 59") held in the  
23 name of Anne Hawkins ("Hawkins"). Kathleen D. Larkin ("K. Larkin"),  
24 John C. Larkin ("J.C. Larkin"), Quinn M. Larkin ("Q. Larkin"), and  
25 Hawkins have filed claims in member case number CV 19-7032 RGK  
26 (PJWx).

27           91. \$1,502,927.74 in bank funds seized from USAA Savings  
28 Account No. '2058 ("USAA '2058 Funds" or "Account 60") held in the

1 name of Anne Hawkins. K. Larkin, J.C. Larkin, Q. Larkin, and Hawkins  
2 have filed claims in member case number CV 19-7032 RGK (PJWx).

3 92. \$1,453,008.51 in bank funds seized from USAA Savings  
4 Account No. `2171 ("USAA `2171 Funds" or "Account 61") held in the  
5 name of Anne Hawkins. K. Larkin, J.C. Larkin, Q. Larkin, and Hawkins  
6 have filed claims in member case number CV 19-7032 RGK (PJWx).

7 93. \$1,422,147.37 in bank funds seized from USAA Savings  
8 Account No. `1507 ("USAA `1507 Funds" or "Account 62") held in the  
9 name of Anne Hawkins. K. Larkin, J.C. Larkin, Q. Larkin, and Hawkins  
10 have filed claims in member case number CV 19-7032 RGK (PJWx).

11 94. \$182,182.50 in bank funds seized from Amro Bank N.V.  
12 (Netherlands) Account No. `6352 ("Amro `6352 Funds" or "Account 63")  
13 held in the name of Ad Tech BV with Stichting Zencotrust. Medalist,  
14 Leeward, Camarillo, Vermillion, Cereus, Shearwater, Larkin, T.  
15 Larkin, R. Larkin, Spear, Lacey, and Brunst have filed claims in  
16 member case number CV 19-7039 RGK (PJWx).

17 95. \$23,175.00 in bank funds seized from Plains Capital Bank  
18 Account No. `3939 ("Plains Capital `3939 Funds" or "Account 64") held  
19 in the name of Scheef & Stone, LLP. Medalist, Leeward, Camarillo,  
20 Vermillion, Cereus, Shearwater, Larkin, T. Larkin, R. Larkin, Spear,  
21 Lacey, and Brunst have filed claims in member case number CV 19-7039  
22 RGK (PJWx).

23 96. \$11,802.76 in bank funds seized from Citibank Account No.  
24 `6973 ("Citibank `6973 Funds" or "Account 65") held in the name of  
25 Schiff Hardin LLP. Medalist, Leeward, Camarillo, Vermillion, Cereus,  
26 Shearwater, Larkin, T. Larkin, R. Larkin, Spear, and Lacey have filed  
27 claims in member case number CV 19-7044 RGK (PJWx).

28 97. \$3,374,918.61 in bank funds seized from Prosperity Bank

1 Account No. `7188 ("Prosperity `7188 Funds" or "Account 1") held in  
2 the name of Posting Solutions, LLC. Medalist, Leeward, Camarillo,  
3 Vermillion, Cereus, Shearwater, Broadway, Larkin, T. Larkin, R.  
4 Larkin, Lacey, and Brunst have filed claims in member case number CV  
5 18-8578 RGK (PJWx).

6 98. \$5,462,027.17 in bank funds seized from BBVA Compass Bank  
7 Account No. `3873 ("Compass `3873 Funds" or "Account 2"), held in the  
8 name of Cereus Properties, LLC., an entity owned or controlled by  
9 Scott Spear. Medalist, Leeward, Camarillo, Vermillion, Cereus,  
10 Shearwater, Broadway, Larkin, T. Larkin, R. Larkin, Spear, Lacey, and  
11 Brunst have filed claims in member case number CV 18-8566 RGK (PJWx).

12 99. \$407,686.14 in bank funds seized from BBVA Compass Bank  
13 Account No. `4862 ("Compass `4862 Funds" or "Account 3") held in the  
14 name of Cereus Properties, LLC. Medalist, Leeward, Camarillo,  
15 Vermillion, Cereus, Shearwater, Broadway, Larkin, T. Larkin, R.  
16 Larkin, Spear, Lacey, and Brunst have filed a claim in member case  
17 number CV 18-8566 RGK (PJWx).

18 **NATURE OF THE ACTION AND CLAIMS FOR RELIEF**

19 100. This is a civil action *in rem* to forfeit assets derived  
20 from or traceable to proceeds of one or more crimes defined as  
21 "specified unlawful activity," or "SUA"; and/or involved in one or  
22 more conspiracies to launder money, internationally launder money for  
23 promotion of one or more SUA, and/or financial transactions involving  
24 illicit proceeds. The property sought for forfeiture is located in  
25 the United States and abroad, including the Country of Hungary, the  
26 Czech Republic, the Principality of Liechtenstein, and the Kingdom of  
27 the Netherlands.

28 101. The Defendant Assets represent property derived from or

1 traceable to proceeds of multiple knowing violations of federal laws  
2 constituting SUA (18 U.S.C. § 1956(c)(7)(A)), including 18 U.S.C.  
3 §§ 1591 (Sex Trafficking of Children) and 1952 (Interstate and  
4 Foreign Travel in Aid of Racketeering Enterprise). The Defendant  
5 Assets are therefore subject to forfeiture pursuant to 18 U.S.C.  
6 § 981(a)(1)(C).

7 102. Further, the Defendant Assets represent property involved  
8 in or traceable to one or more transactions or attempted transactions  
9 in violation of:

10 a. 18 U.S.C. § 1956(a)(1)(B)(i) (Money Laundering for  
11 Concealment) and a conspiracy to commit such offenses, in violation  
12 of 18 U.S.C. § 1956(h);

13 b. 18 U.S.C. § 1956(a)(2) (International Money Laundering for  
14 Promotion) and a conspiracy to commit such offenses, in violation of  
15 18 U.S.C. § 1956(h); and

16 c. 18 U.S.C. § 1957 (Monetary Transactions with Proceeds of  
17 SUA) and a conspiracy to commit such offenses, in violation of 18  
18 U.S.C. § 1956(h).

19 The Defendant Assets are therefore subject to forfeiture pursuant to  
20 18 U.S.C. § 981(a)(1)(A).

21 **JURISDICTION AND VENUE**

22 103. This civil forfeiture action is brought pursuant to 18  
23 U.S.C. § 981(a)(1).

24 104. This Court has jurisdiction over this matter pursuant to 28  
25 U.S.C. §§ 1345 and 1355.

26 105. Venue lies in this district pursuant to 28 U.S.C. §§  
27 1355(b)(1)(A) or 1355(b)(2) because acts and omissions giving rise to  
28 the forfeiture took place in the Central District of California

1 and/or 28 U.S.C. § 1395(b), because certain of the Defendant Assets  
2 are located in the Central District of California.

3 **INDIVIDUALS AND ENTITIES**

4 106. Backpage.com, LLC, ("Backpage") incorporated in Delaware in  
5 2004, was an internet-based company that allowed customers to post  
6 on-line classified advertisements. These advertisements were posted  
7 in a variety of categories, including adult, automotive, community,  
8 dating, jobs, local places, musicians, rentals and services. Prior  
9 to its closure by federal law enforcement authorities in April 2018,  
10 Backpage was visited by 75 to 100 million unique internet visitors  
11 per month.

12 107. Between 2004 and April 2018, Backpage realized annual  
13 profits of tens of millions of dollars from adult advertisements.  
14 Historically, the adult category, where Backpage advertisers posted  
15 sex trafficking ads, made up less than ten percent of all the  
16 website's advertisements. However, those ads generated more than 90  
17 percent of Backpage's revenue.

18 108. Lacey was a co-creator of Backpage.com. Lacey was  
19 responsible for the website's policies and strategic direction, and  
20 he maintained significant control over the website during the  
21 relevant period described in this complaint. Even after purportedly  
22 selling his interest in Backpage in 2015, Lacey continued to receive  
23 tens of millions of dollars in Backpage-related distributions.

24 109. Larkin was a co-creator of Backpage.com. Larkin was  
25 responsible for the website's policies and strategic direction, and  
26 he maintained significant control over the website during the  
27 relevant period described in this complaint. Even after purportedly  
28 selling his interest in Backpage in 2015, Larkin continued to receive



1 tens of millions of dollars in Backpage-related distributions.

2 110. Carl Ferrer ("Ferrer"), though not an original owner, was a  
3 co-creator and one of the original officers of Backpage, having  
4 initially served as Backpage's vice-president, and later as CEO.  
5 Ferrer is also the CEO of several Backpage-related entities in the  
6 Netherlands, including "Website Technologies," "Amstel River  
7 Holdings," and "Ad Tech BV."

8 111. Brunst was a minority owner of Backpage who owned 5.67  
9 percent of the company at the time of its inception. Brunst served  
10 as the Chief Financial Officer of Backpage and several of Backpage's  
11 parent companies.

12 112. Spear was a minority owner of Backpage who owned 4.09  
13 percent of the company at the time of its inception. Spear served as  
14 Executive Vice President of one of Backpage's parent companies.

15 113. "M.G." had no formal position at Backpage, but was the  
16 President, Chief Executive Officer, Treasurer, and Secretary of  
17 Posting Solutions LLC, a wholly owned Backpage subsidiary with a  
18 principal place of business in Dallas, Texas ("Posting Solutions"),  
19 which accepted payments from Backpage advertisers. M.G. was also the  
20 Chief Financial Officer of Website Technologies, and directed and  
21 controlled many of the international and domestic financial  
22 transactions of Backpage and its related entities.

23 114. Daniel Hyer ("Hyer") served as Backpage's Sales and  
24 Marketing Director. He remained an account signatory for numerous  
25 Backpage-controlled entities, including Website Technologies, until  
26 Backpage's closure.

27 115. Andrew Padilla ("Padilla") served as Backpage's Operations  
28 Manager.

1 116. Joye Vaught ("Vaught") served as Backpage's assistant  
2 Operations Manager.

3 117. Lacey, Larkin, Ferrer, Brunst, Spear, M.G., Hyer, Padilla,  
4 and Vaught are referred to collectively herein as "Backpage  
5 Operators."

6 **EVIDENCE SUPPORTING FORFEITURE**

7 **II. The Formation and Evolution of Backpage**

8 118. Lacey and Larkin were the founders of the *Phoenix New*  
9 *Times*, an alternative newspaper based in Arizona. Lacey and Larkin  
10 subsequently acquired several other alternative newspapers that they  
11 operated through an entity called Village Voice Media Holdings  
12 ("VVMH"). Spear served as VVMH's Executive Vice President and Brunst  
13 served as VVMH's Chief Financial Officer.

14 119. As far back as the 1980's, VVMH publications routinely  
15 included ads for prostitution.

16 120. By 2000, the popularity of the website [www.craigslist.com](http://www.craigslist.com)  
17 ("Craigslist"), which offered free classified ads that included  
18 prostitution ads, began to disrupt VVMH's business, which depended on  
19 classified advertising revenue.

20 121. Lacey and Larkin, assisted by Ferrer, sought to address  
21 this disruption by creating Backpage, which would compete directly  
22 with Craigslist. As stated in an internal Backpage document, "[I]n  
23 2004, in response to the Craigslist threat that was decimating daily  
24 newspapers, VVMH launched its own online classified site,  
25 Backpage.com, named after the back page of VVMH's print publication."

26 122. From 2004 until 2015, Lacey and Larkin bore primary  
27 responsibility for Backpage's policies and strategic direction. In  
28 2015, Lacey and Larkin purported to sell to Ferrer all or

1 substantially all of their respective interests in Backpage. In  
2 fact, Lacey and Larkin retained significant control over Backpage,  
3 and both continued to receive millions of dollars of annual  
4 distributions of Backpage revenue after the purported sale.

5 123. From its inception, most of Backpage's earnings represented  
6 the proceeds of illegal activity, specifically prostitution and sex  
7 trafficking, including child sex trafficking. By 2015, the major  
8 credit card companies were refusing to process payments to or for  
9 Backpage, and banks were closing Backpage's accounts out of concern  
10 the accounts were being used for illegal purposes.

11 124. In response to these measures, the Backpage Operators  
12 initiated and pursued a wide variety of money laundering strategies  
13 and techniques designed, in part, to conceal the source and location  
14 of the revenues generated by Backpage ads, including ads for human  
15 trafficking and illegal prostitution. These strategies included: (a)  
16 instructing customers to send checks and money orders to a Post  
17 Office box, funneling those funds into bank accounts held in the  
18 names of entities with no apparent connection to Backpage, and then  
19 giving customers a corresponding "credit" to purchase Backpage ads;  
20 (b) accepting Backpage proceeds through foreign bank accounts and  
21 thereafter redirecting the funds to Backpage Operators in the U.S.  
22 and abroad, or transferring the funds back to domestic bank accounts  
23 (to conceal the nature, source, location, ownership and control of  
24 those funds and promote Backpage's ongoing illegal operations); and  
25 (c) converting customers payments and the proceeds of Backpage's  
26 illegal business into and out of digital currency.<sup>5</sup>

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27  
28 <sup>5</sup> Digital currency (also known as crypto-currency) is generally  
defined as an electronic-sourced unit of value that can be used as a  
(footnote cont'd on next page)

1 **III. The Sources and Manipulation of Backpage Criminal Proceeds**

2 **A. Backpage Promotion of Prostitution and Sex Trafficking**

3 125. Numerous Backpage ads were used to sell minors for sex and  
4 forcibly traffic adult women for sex. Among the pimps and sex  
5 traffickers who used Backpage to advertise their victims were many  
6 who were later convicted of sex trafficking offenses. For example,

7 a. During 2014 and 2015, a pimp sold S.F., a minor girl, for  
8 sex. The pimp advertised S.F. on Backpage's "Escort" section in the  
9 Los Angeles area of California and in Arizona. The ad contained  
10 phrases such as "New In Town" and "Sexy Dark Asian Bombshell with a  
11 Nice & Tight {Booty}." The ad selling S.F. on Backpage included  
12 multiple pictures showing her legs, stomach, shoulders and buttocks.  
13 The pimp who placed the ad was ultimately arrested, convicted on  
14 state sex trafficking charges, and sentenced to 196 years  
15 imprisonment.

16 b. During 2014 and 2015, the same pimp sold A.C., a minor  
17 girl, for sex. In November 2014, at the age of 17, A.C. was first  
18 sold for sex through a Backpage ad using phrases such as "NEW IN  
19 TOWN," "sexy sweet," and "sweet like honey but super hot like fire."  
20 The Backpage ad selling A.C. included pictures of her showing her  
21 legs, stomach, shoulder, and buttocks, and posed in sexually  
22 provocative positions.

23 c. Between November and December 2015, a pimp drove two women  
24 and four minor girls (T.S., S.L., K.O., and R.W.) from Columbus, Ohio  
25

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26 substitute for fiat currency (*i.e.*, currency created and regulated by  
27 a sovereign government). It exists entirely on the Internet and is  
28 not stored in any physical form. It is not issued by any government,  
bank, or company, but is instead generated and controlled through  
computer software operating on a decentralized peer-to-peer network.  
Bitcoin, Bitcoin Cash and Litecoin are types of crypto-currency.

1 to a hotel in St. Charles, Missouri. The next day, the pimp told the  
2 girls to post ads on Backpage.com. Some of the girls took calls and  
3 engaged in paid sex acts with Backpage customers who responded to the  
4 ads. The ads the girls posted included pictures of them on a bed  
5 showing their buttocks. Another image featured a naked girl's body  
6 pressed against a mirror. Other pictures appeared more mundane, such  
7 as images of girls posing clothed in front of a mirror. However,  
8 these ads used phrases like "I'm sweet as a treat maybe even sweeter"  
9 and "not a lot need to be said. my pic are 100% real." In 2017, this  
10 pimp was convicted of Federal sex trafficking charges and sentenced  
11 to 300 months in prison.

12 d. In or around 2010, in Washington, J.S., a minor girl, was  
13 sold for sex through the use of Backpage ads. J.S.'s pimp drafted  
14 the ads, which contained words and phrases such as,  
15 "W'E'L'L\_W'O'R'T'H\_I'T\*\*\*^\*\*\*150HR" and "IT WONT TAKE LONG AT ALL."  
16 The ads included pictures of J.S. in provocative positions showing  
17 her breasts and buttocks. On March 29, 2011, the pimp who sold J.S.  
18 for sex was sentenced to over 26 years' imprisonment on Federal  
19 charges related to sex trafficking.

20 e. Between 2011 and 2016, a female victim, D.O., who was  
21 between the ages of 14 and 19 during those years, was sold for sex  
22 through Backpage ads. D.O.'s female pimp instructed D.O. that  
23 Backpage was the safest place to advertise because Backpage did not  
24 require age verification. D.O.'s Backpage ads included words and  
25 phrases that were indicative of prostitution, such as "roses" (money)  
26 and "back door" (anal sex). Some of the customers who responded to  
27 D.O.'s Backpage ads forced D.O. to perform sexual acts at gunpoint,  
28 choked her to the point of having seizures, and gang-raped her.

1           126. Plaintiff alleges that all levels of Backpage management,  
2 including the Backpage Operators, were aware of Backpage's role in  
3 promoting criminal activity. For example:

4           a. On September 21, 2010, a group of state attorneys general  
5 ("AG") wrote a letter to Backpage observing that "ads for  
6 prostitution-including ads trafficking children-are rampant on the  
7 site," and arguing that "[b]ecause Backpage cannot, or will not,  
8 adequately screen these ads, it should stop accepting them  
9 altogether." The state AGs acknowledged that this step would cause  
10 Backpage to, "lose the considerable revenue generated by the adult  
11 services ads," but stated that "no amount of money can justify the  
12 scourge of illegal prostitution, and the misery of the women and  
13 children who will continue to be victimized in the marketplace  
14 provided by Backpage."

15           b. Also in mid-September 2010, Ferrer wrote an email  
16 explaining that Backpage was unwilling to delete ads that included  
17 terms indicative of prostitution because doing so would "piss[] off a  
18 lot of users who will migrate elsewhere," and force Backpage to  
19 refund those customers' fees.

20           c. In January 2017, the U.S. Senate Subcommittee on Permanent  
21 Investigations ("Subcommittee") conducted a lengthy investigation  
22 into sex trafficking and Backpage, resulting in a 50-page report  
23 entitled "Backpage.com's Knowing Facilitation of Online Sex  
24 Trafficking." The report concluded, among other things, that  
25 virtually all of Backpage's "adult" ads were actually solicitations  
26 for illegal prostitution services and that "Backpage [] maintained a  
27 practice of altering ads before publication by deleting words,  
28 phrases, and images indicative of criminality, including child sex

1 trafficking . . . . Those practices served to sanitize the content  
2 of innumerable advertisements for illegal transactions—even as  
3 Backpage represented to the public and the courts that it merely  
4 hosted content others had created.” In response to the  
5 Subcommittee’s report, Backpage purported to shut down the “adult”  
6 section of its website. However, a review of several thousand  
7 Backpage ads demonstrated that the prostitution ads simply migrated  
8 to other sections of the website, where they remained accessible  
9 until the site was forced to shut down.

10 d. On August 5, 2011, Backpage received a letter from the  
11 mayor of Seattle. This letter warned, “Seattle Police have  
12 identified an alarming number of juvenile prostitutes advertised on  
13 Backpage.com since January 2010,” and explained that Backpage was  
14 dissimilar from other companies whose products and services are  
15 “occasionally or incidentally” utilized by criminals because “[y]our  
16 company is in the business of selling sex ads” and “your services are  
17 a direct vehicle for prostitution.” The letter recommended that  
18 Backpage require in-person age verification for all of the “escorts”  
19 depicted in its ads. Backpage never instituted an in-person age  
20 verification requirement.

21 127. Backpage instituted and maintained policies and procedures  
22 designed to cultivate and sustain its promotion of sex trafficking  
23 and prostitution, but which “sanitized” some of the language Backpage  
24 customers used to advertise in order to make the advertising of sex  
25 trafficking less overt. Backpage referred to this practice as  
26 “moderation.” For example:

27 a. In April 2008, Ferrer wrote an email explaining that,  
28 although he (Ferrer) was “under pressure to clean up Phoenix’s adult

1 content," he was unwilling to delete prostitution ads because doing  
2 so "would put us in a very uncompetitive position with craig[slist]"  
3 and result in "lost pageviews and revenue." Ferrer instructed  
4 Backpage's technical staff to edit the wording of such ads by  
5 removing particular terms that were indicative of prostitution, but  
6 allow the remainder of the ad to be featured on Backpage's website.

7 b. On October 8, 2010, a Backpage manager sent an email to  
8 certain Backpage employees and managers threatening to fire any  
9 Backpage employee who acknowledged, in writing, that a customer was  
10 advertising prostitution: "Leaving notes on our site that imply that  
11 we're aware of prostitution, or in any position to define it, is  
12 enough to lose your job over. . . . This isn't open for discussion.  
13 If you don't agree with what I'm saying completely, you need to find  
14 another job."

15 c. On October 16, 2010, the same Backpage manager sent an  
16 email to a large group of Backpage employees that contained two  
17 attachments providing guidance on how to "moderate" ads. The first  
18 was a PowerPoint presentation that displayed a series of 38 nude and  
19 partially-nude photographs, some of which depicted graphic sex acts.  
20 Next to each picture was an instruction as to whether it should be  
21 approved or disapproved by a Backpage moderator. These instructions  
22 included "Approve. Nude rear shots are okay as long the model is not  
23 exposing her anus or genitalia." and "Approve. Rear shot okay.  
24 Transparent wet panties okay." The second attachment was an Excel  
25 spreadsheet identifying 50 terms (all of which were indicative of  
26 prostitution) that should be "stripped" from ads before publication.  
27 The Backpage manager concluded the email by stating, "[I]t's the  
28 language in ads that's really killing us with the Attorneys General.



1 Images are almost an afterthought to them.”

2 d. On October 16, 2010, the same Backpage manager sent an  
3 internal email explaining, “I’d like to still avoid Deleting ads when  
4 possible;” “we’re still allowing phrases with nuance;” and “[i]n the  
5 case of lesser violations, editing should be sufficient.”

6 e. On October 25, 2010, Ferrer sent an email to Padilla  
7 acknowledging that the “[i]llegal content removed” through Backpage’s  
8 moderation processes was “usually money for sex act.” This email  
9 also explained that, after the “sex act pics are removed,” the “ad  
10 text may stay.”

11 f. On October 27, 2010, a different Backpage manager sent an  
12 internal email stating that Backpage was “editing 70 to 80%” of the  
13 ads it received from customers.

14 g. On June 7, 2011, Ferrer received an inquiry from a law  
15 enforcement official about a particular ad that included the term  
16 “amber alert.” In response, Ferrer acknowledged this might be “some  
17 kind of bizarre new code word for an under aged person.” Ferrer then  
18 forwarded this exchange to a Backpage manager and instructed that the  
19 term “amber alert” be added to Backpage’s “strip out” list.

20 h. On August 31, 2011, Backpage managers exchanged emails in  
21 which they discussed a list of 100 “solid sex for money terms.”  
22 Later emails indicate that this list of terms changed but, in  
23 general, the list prohibited use of certain terms that Backpage  
24 management and employees closely identified with the obvious  
25 promotion of sex trafficking and prostitution.

26 i. One Backpage manager acknowledged in the August 31, 2011  
27 email exchange that a large proportion of the ads originally  
28 submitted by Backpage’s customers contained text and pictures that

1 were indicative of sex trafficking. Nevertheless, Backpage published  
2 those ads after editing them to appear less obvious in promoting  
3 illegal activity. Backpage sex trafficking ads adapted to Backpage's  
4 moderation policy by using "phrases with nuance" when promoting sex  
5 trafficking. Following the implementation of "moderation,"  
6 Backpage's list of prohibited terms changed and evolved over time to  
7 adjust to Backpage advertisers' use of new code words to promote  
8 prostitution. In other words, once a code word or phrase not  
9 previously associated with sex-for-money became too familiar, or was  
10 deemed too closely associated with certain sex trafficking activities  
11 in the Backpage community of advertisers, Backpage's "moderation"  
12 policy would be adapted by adding such words or phrases to the  
13 "blocked" list or risk being too obvious in its promotion.

14 128. Plaintiff alleges that Backpage's policy of "moderation"  
15 only caused ads explicitly promoting sex trafficking to become more  
16 coded and implicit in the ads' purpose.

17 a. Well over half of the Backpage classified ads in various  
18 Backpage categories used terms and phrases (including "massage,"  
19 "dating," "escort" and others) that are consistent with sex  
20 trafficking and prostitution. These terms and phrases included,  
21 "roses" (money, e.g., "150 roses/half hour"), "in-call" (where the  
22 customer goes to the prostitute's location), "outcall" (where the  
23 prostitute goes to the customer's location), "GFE" (girlfriend  
24 experience), and "PSE" (porn star experience).

25 b. Other Backpage ads used language that was mostly free of  
26 coded language, but included sexually provocative images. The  
27 sexually suggestive images included in these ads were typical of ads  
28 for prostitution. For example, one such ad posted in Backpage's Los

1 Angeles dating section depicted images of a woman on a bed with her  
2 buttocks presented in a sexual manner; another included a picture of  
3 a woman's cleavage; others included pictures of women posing in  
4 sexual positions wearing lingerie and pictures of a woman bending  
5 over, revealing her naked buttocks.

6 c. Backpage's policy of moderation had the effect of causing  
7 and allowing otherwise neutral or innocuous terms to be understood  
8 within the Backpage community as coded language for sex trafficking  
9 and prostitution. Because of the evolving use of coded terms, a  
10 reader of such ads who was familiar with the particular vocabulary  
11 used in Backpage "adult" ads could readily identify coded terms and  
12 images indicating an ad for prostitution, while an uninitiated reader  
13 may not understand these terms at all, or at least not as being  
14 associated with sex-for-money.

15 129. Almost all "adult"-type Backpage ads listed phone numbers  
16 or emails that a potential customer could use to make contact with  
17 the advertiser. Comparing a sample of phone numbers and emails found  
18 within Backpage ads with phone numbers and emails that were  
19 frequently included in the memo sections of checks that Backpage  
20 advertisers use to pay Backpage for ads, revealed that the same  
21 numbers and/or email addresses appeared in multiple Backpage ads as  
22 contact information. For example:

23 a. A \$25 USPS Money Order purchased on June 15, 2017, in  
24 Duarte, California, made payable to "Posting Solutions PO BOX 802426,  
25 Dallas, TX," and thereafter deposited into Account 1, bore a notation  
26 listing a phone number and the words "Dulce Latina." A search of  
27 Backpage ads showed almost 800 advertisements listing the same phone  
28 number.

1           b.    A \$20 USPS Money Order purchased in Sacramento, California,  
2 and later deposited into Account 1, bore a notation listing a phone  
3 number and the words "love my lips." A search of Backpage ads  
4 revealed almost 1300 advertisements listing the same phone number.

5           c.    A \$150 Wells Fargo Bank Money Order, purchased in Arizona,  
6 and made payable to "Posting Solutions," bore an email address and  
7 the words, "red hot stuff." The same email address was found to be  
8 associated with advertisements on several female escort websites that  
9 directed customers to contact an Arizona phone number ending in 2397.  
10 A search of Backpage.com for this phone number revealed approximately  
11 760 ads that included this phone number. These Backpage ads included  
12 images indicative of prostitution. For example, one such ad posted  
13 on Backpage's "massage" section included sexual images such as a  
14 woman lying on a bed wearing lingerie and a woman laying naked on her  
15 stomach. One of the ads described, "Pampering provider | Body Rub  
16 Massage | Body Shampoo | Body Scrub | 4 hands | Walk ins or  
17 appointment." Legal massage advertisements do not typically depict  
18 sexual images. This advertisement depicted sexual images and  
19 included terms like "4 hands," which is coded language describing a  
20 massage given to a customer by two women. Such advertisements are  
21 indicative of prostitution.

22           130. The Backpage ads that shared the same phone number or email  
23 address typically also included sexually suggestive images of  
24 different women. Such ads are consistent with ads posted by pimps or  
25 prostitution agencies that are using the same phone number or email  
26 to advertise different women (or girls) to prospective prostitution  
27 clients.

28

1           **B.     Payments for Advertising on Backpage**

2           131. In order to post an ad on Backpage, an advertiser had to  
3 pay Backpage by one of several methods, including check, cash, and,  
4 until about 2015, credit card payments processed through U.S. credit  
5 card payment processors. The proceeds from these ads, the vast  
6 majority of which were sexually explicit in nature, would then be  
7 deposited into various Backpage owned or controlled bank accounts.  
8 For example, Backpage's U.S. Bank account `1165, originated in or  
9 about April 2010, received several million dollars from the revenue  
10 generated from the sale of ads, including ads promoting the  
11 trafficking of minors and illegal prostitution.

12           132. However, in or around 2015, following negative publicity  
13 associated with Backpage, some of the major credit card companies  
14 enacted what Backpage Operators termed a "blockade." Essentially,  
15 these companies refused to process credit card payments directed to  
16 Backpage. In order to circumvent the blockade, Ferrer and other  
17 Backpage Operators set up agreements with foreign persons and  
18 partners to "franchise" websites for the sole purpose of accepting  
19 credit card payments outside of the United States, with the funds  
20 being funneled to Backpage.

21           133. Also in or around 2015, in response to the blockade,  
22 Backpage designed a mechanism to allow advertisers to buy Backpage  
23 "credits," which could be accomplished in several ways, including:

- 24           a. Mailing gift cards, checks, or money orders to "Posting  
25 Solutions" at a P.O. Box in Dallas, Texas;
- 26           b. Using a credit card to buy credits through a third-party  
27 credit card payment processor;
- 28           c. Paying with digital currency (specifically, Backpage

1 accepted Bitcoin, Bitcoin Cash, Litecoin, and Ethereum). If the  
2 advertiser selected this option, Backpage provided a digital currency  
3 wallet address where the advertiser could send the electronic  
4 transfer of the digital currency; and

5 d. Paying with currency through a third party payment  
6 processor. Once the third-party payment processor received the  
7 currency, it would convert it to digital currency and then  
8 electronically transfer that digital currency to a Backpage digital  
9 currency wallet.

10 134. Digital Currency was processed through the defendant  
11 accounts in the following way:

12 a. When Backpage received digital currency, it would aggregate  
13 the digital currency and transfer it to a third-party exchanger like  
14 GoCoin;<sup>6</sup>

15 b. In exchange for the digital currency, the exchanger would  
16 transfer U.S. dollars from its foreign bank account(s) into Backpage  
17 operating accounts in the United States or elsewhere. The exchanger  
18 could then sell its Bitcoin on various Bitcoin markets.

19 135. Bitcoin payments for ads have resulted in the trafficking  
20 of minors for sex. For example:

21 a. On September 6, 2015, a Bitcoin account associated with the  
22 owner of the email address later convicted of having trafficked  
23 minors for sex paid Backpage about \$4 worth of Bitcoin in order to  
24 post an ad promoting the trafficking of certain victims in Palm  
25

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26 <sup>6</sup> GoCoin is a digital currency exchanger that converts Bitcoin  
27 and another digital currency into fiat currency, like the U.S. Dollar  
28 or the Euro. GoCoin is owned by Manx Broadcasting Corporation, based  
in the Isle of Man. GoCoin has offices in Singapore and Santa  
Monica, California, and GoCoin holds bank accounts in several  
countries, most or all of which are outside the United States.

1 Springs, California.

2 b. On September 15, 2015, an email from the same email address  
3 owner indicated a payment to Backpage of about \$8 worth of Bitcoin in  
4 order to "Fund Account"<sup>7</sup> for palmsprings.backpage.com.

5 c. On October 6, 2015, the same email address owner paid  
6 Backpage about \$1 worth of Bitcoin to "Fund Account" on  
7 palmsprings.backpage.com.

8 d. On October 30, 2015, a Bitcoin account associated with the  
9 owner of the email address who trafficked minors for sex paid  
10 Backpage about \$1 worth of Bitcoin in order to post an ad promoting  
11 the trafficking of certain victims in Columbus, Ohio.

12 e. On November 2, 2015, this same email address owner paid  
13 Backpage about \$1 worth of Bitcoin to "Move Ad to Top of Listings" in  
14 the Columbus, Ohio Backpage ads; and

15 f. On November 21, 2015, this same email address owner paid  
16 Backpage about \$1 worth of Bitcoin to Backpage for credit for that  
17 email owner's Backpage ad account.

18 136. Plaintiff contends that five to ten percent of the ads  
19 posted on Backpage.com were placed within the Central District of  
20 California (including Los Angeles and Orange Counties). Between  
21 January 10 and February 3, 2016, approximately 500,000 ads were  
22 posted on Backpage.com and paid for with Bitcoin, for which Backpage  
23 received over \$3,840,000 in revenue. Of these approximately 500,000  
24 ads, approximately 28,400 were posted only in  
25 LosAngeles.Backpage.com, Ventura.Backpage.com,  
26 SanLuisObispo.Backpage.com, OrangeCounty.Backpage.com, and

27 \_\_\_\_\_  
28 <sup>7</sup> The email address owner provided Bitcoin to Backpage as a  
"Fund Account" payment, that is, payment to Backpage as credit to be  
used later to pay for Backpage ads.

1 SanGabrielValley.Backpage.com. These specific ads generated  
2 approximately \$184,479 in revenue.

3 137. When an advertiser (or "poster") purchased an ad for  
4 prostitution using digital currency, the payment to Backpage (and  
5 certain subsequent expenditures) proceeded in the following manner:

6 a. A poster would choose a payment method online (e.g.,  
7 through Bitcoin payments);

8 b. If the poster did not already have Bitcoin, the Backpage  
9 website would direct the poster to a third-party exchanger to buy  
10 Bitcoin;

11 c. Backpage would then provide the poster with a wallet  
12 address to send a specific amount of Bitcoin;

13 d. In return for sending the required payment, the poster  
14 would receive credit that could be used to post ads on Backpage.

15 e. Backpage would sell the Bitcoin to a third party exchanger,  
16 frequently GoCoin, in batches generally valued in hundreds of  
17 thousands of dollars, in order to convert the Bitcoin into U.S. or  
18 foreign fiat currency, which GoCoin generally, if not always, would  
19 hold in foreign bank accounts;

20 f. GoCoin would then wire funds from foreign accounts to  
21 either (1) Backpage controlled foreign accounts; or (2) Backpage  
22 controlled operating accounts in the United States;

23 g. These accounts were held and controlled by Backpage  
24 Operators in the names of entities controlled by Backpage, including  
25 Ad Tech BV, Posting Solutions, Website Technologies, and Cereus  
26 Properties;

27 h. The funds derived from these foreign transactions would be  
28 used by Backpage to pay service providers, like Verizon in Los



1 Angeles, or transferred to Backpage Operators' accounts and accounts  
2 held in their family members' names; and

3 i. For example:

4 a. In March 2015, Ad Tech BV, a Netherlands based  
5 company, listing Ferrer as CEO and M.G. as CFO, opened a bank account  
6 in the Netherlands (the "Netherlands Account"). M.G. is the  
7 President, CEO, Treasurer and Secretary of Posting Solutions. From  
8 March 2015 through November 2017, the Netherlands Account received  
9 millions of dollars from Binary Trading SG PTE, Limited ("Binary  
10 Trading"). On April 4, 2017, M.G. sent an email to employees of the  
11 bank that maintained the Netherlands Account. The email explained:

12 Binary Capital is our trading partner, they hold money in  
13 trust for Go Coin [sic]. Rather than incurring 3 sets of  
14 wire fees which make our transactions unprofitable, they  
15 act as our agent and disburse payments directly from our  
16 trust account to our merchant.

17 b. For the period of September 4 through November 23,  
18 2015, Backpage advertisers used Bitcoin to purchase about 1,000,000  
19 "adult" ads from Backpage. Backpage then sold those Bitcoin to  
20 GoCoin for approximately \$8.6 million. Included among the Bitcoin  
21 sold to GoCoin during this period were payments that pimps made to  
22 Backpage in order to purchase ads to promote child prostitution.

23 c. For the period of December 14, 2015, through August  
24 30, 2016, in approximately 154 wires, GoCoin accounts held in  
25 Slovakia (the "Slovakia Account") and Singapore (the "Singapore  
26 Account") transferred a total of approximately \$26,100,235.83 to  
27 Branch Banking & Trust account '2008, in Plano, Texas, owned by  
28 Website Technology ("Website Tech Account '2008"). On January 15,  
2016, the Website Tech Account '2008 transferred \$189,571 to Verizon

1 in Los Angeles, California, in payment for Backpage internet  
2 services.

3 d. Between January 21 and August 31, 2016, Website Tech  
4 Account '2008 sent approximately 27 wire transfers totaling  
5 approximately \$48,000,000 to Arizona Bank & Trust account number  
6 '6211, belonging to Cereus Properties LLC, which is owned or  
7 controlled by Spear, Backpage, and/or other Backpage Operators.

8 **C. Bank Accounts Funded with Proceeds Traceable to SUA,  
9 Involved in Money Laundering, or Both**

10 138. Between December 14, 2015, and February 9, 2017, a  
11 coordinated series of wire transfers were completed transferring  
12 criminal proceeds from Backpage-controlled bank accounts to four  
13 separate bank accounts at the USAA Savings Bank. All the USAA  
14 Savings Bank accounts were held in the name of different living  
15 trusts with the common factor of Hawkins being one of the Trustees on  
16 all four accounts. Hawkins is the sister-in-law of Larkin.

17 139. Criminal proceeds deposited with a company doing business  
18 for GoCoin initiated wire transfers of the criminal proceeds from the  
19 Slovakia account to Website Tech Account '2008 in the United States.

20 140. Website Tech Account '2008 then initiated wire transfer of  
21 the criminal proceeds to Arizona Bank & Trust Account number '6211  
22 ("AZBT '6211"), belonging to Cereus Properties LLC.

23 141. On January 4, 2017, AZBT '6211 initiated four wires:

24 a. \$33,591.34 to Charles Schwab account '6039 held in the name  
25 of Oaxaca Living Trust with Kathleen D. Larkin as the sole  
26 beneficiary ("Schwab '6039");

27 b. \$33,591.34 to Charles Schwab account '9083, held in the  
28 name of Puebla Living trust with Rose L. Larkin as the sole

1 beneficiary (Schwab `9083");

2 c. \$33,591.34 to Charles Schwab account `7249, held in the  
3 name of Cuernavaca Living Trust with Quinn M. Larkin as the sole  
4 beneficiary ("Schwab `8628"); and

5 d. \$33,591.34 to Charles Schwab account `8628, held in the  
6 name of Chiapas Living trust with John C. Larkin as the sole  
7 beneficiary ("Schwab `8628").

8 142. Several days after the criminal proceeds were deposited  
9 into the four Charles Schwab accounts, they were then transferred to  
10 four AZBT accounts.

11 a. On January 10, 2017 Schwab `6039 wired \$840,692.69 to  
12 Arizona Bank & Trust account `3835, held in the name of Oaxaca Living  
13 Trust UTA with Lacey and Hawkins as the Trustees and Kathleen  
14 Dewhurst Larkin as the beneficiary ("AZBT `3835");

15 b. On January 11, 2017 Schwab `9083 wired \$840,672.72 to  
16 Arizona Bank & Trust account `3864 held in the name of Puebla Living  
17 Trust UTA with Lacey and Hawkins as the Trustees and Rose Lyons  
18 Larkin as the beneficiary ("AZBT `3864");

19 c. On January 12, 2017 Schwab `7249 wired \$840,672.70 to  
20 Arizona Bank & Trust account `3859 held in the name of Cuernavaca  
21 Living Trust UTA with Lacey and Hawkins as the Trustees and Quinn  
22 McCarthy Larkin as the beneficiary ("AZBT `3859"); and

23 d. And on January 10, 2017 Schwab `8628 wired \$840,672.70 to  
24 Arizona Bank & Trust account `3840 held in the name of Chiapas Living  
25 Trust UTA with Lacey and Hawkins as the Trustees and John Carey  
26 Larkin as the beneficiary ("AZBT `3840").

27 143. On January 11, 2018, and in addition to the previous wire  
28 transfers, AZBT `6211 transferred \$33,591.34 to each of the Living

1 Trust accounts, AZBT '3835, AZBT '3864, AZBT '3859, and AZBT '3840.

2 144. On February 9, 2017, the four Oaxaca Living Trust account,  
3 AZBT '3835, AZBT '3864, AZBT '3859, and AZBT '3840, wire transferred  
4 approximately \$874,330 to:

5 a. USAA Savings Account '2155 ("USAA '2155" or "Account 59");

6 b. USAA Savings Account '2058 ("USAA '2058" OR "Account 60");

7 c. USAA Savings Account '2171 ("USAA '2171" or Account 61");

8 and

9 d. USAA Savings Account '1507 ("USAA '1507" or Account 62").<sup>8</sup>

10 **D. Bases for Forfeiture**

11 145. The Defendant Assets constitute, and are derived from,  
12 proceeds traceable to one or more violations of 18 U.S.C. §§ 1591  
13 (Sex Trafficking of Children), and/or 1952 (Interstate and Foreign  
14 Travel in Aid of Racketeering Enterprise), each of which is SUA under  
15 18 U.S.C. § 1956(c)(7)(A), and a conspiracy to commit such offenses.

16 146. The Defendant Assets were involved in, and are traceable to  
17 property involved in, one or more transactions or attempted  
18 transactions in violation of 18 U.S.C. § 1956(a)(1)(B)(i) and a  
19 conspiracy to commit such offenses, in violation of 18 U.S.C.  
20 § 1956(h). Specifically, the Defendant Assets were involved in and  
21 are traceable to property involved in one or more financial  
22 transactions, attempted transactions, or a conspiracy to conduct or  
23 attempt to conduct such transactions involving the proceeds of  
24 specified unlawful activity, that is, 18 U.S.C. §§ 1591 and 1952, and  
25 were designed in whole or in part to conceal or disguise the nature,  
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27 <sup>8</sup> Accounts 59, 60, 60, and 62, are all held in the name of Anne  
28 Hawkins, a sister-in-law to Larkin, and were funded with proceeds  
alleged to have been traceable to SUA, involved in money laundering,  
or both.

1 location, source, ownership or control of the proceeds of the SUA in  
2 violation of 18 U.S.C. § 1956(a)(1)(B)(i).

3 147. The Defendant Assets were involved in, and are traceable to  
4 property involved in, one or more transactions or attempted  
5 transactions in violation of 18 U.S.C. § 1957, or a conspiracy to  
6 commit such offenses, in violation of 18 U.S.C. § 1956(h).

7 Specifically, the Defendant Assets were involved in and are traceable  
8 to property involved in one or more financial transactions, attempted  
9 transactions, or a conspiracy to conduct or attempt to conduct such  
10 transactions in criminally derived property of a value greater than  
11 \$10,000 that was derived from SUA, that is, 18 U.S.C. §§ 1591 and  
12 1952.

13 **IV. Assets Representing, Traceable To, and Involved In**  
14 **Specified Unlawful Activity**

15 **A. Account 1 (Prosperity '7188 Funds)**

16 148. On February 15, 2017, Posting Solutions opened Account 1.  
17 M.G. is the sole signatory on the account (as described above,  
18 Posting Solutions is wholly owned by and controlled by Backpage).

19 149. The application for the P.O. Box identifies the renter of  
20 the box as "Website Technologies, LLC/Backpage.com." Listed on the  
21 Application were the names of several Backpage Operators, including  
22 Ferrer.

23 150. Between August 1 and September 1, 2017, Account 1 received  
24 more than \$2,781,750 in wire transfers from foreign banks. For  
25 example:

26 a. On or about August 16, 2017, Binary Trading wired \$535,500  
27 from an account in Singapore into Account 1;

28 b. On or about August 17, 2017, Binary Trading wired \$528,500

1 from a Singapore account into Account 1; and

2 c. On or about August 30, 2017, a company named Trilix PTE LTD  
3 ("Trilex"), listing the same Singapore address as Binary Trading and  
4 GoCoin, sent four wire transfers from the Singapore account into  
5 Account 1, ranging from \$385,450 to \$492,250, totaling approximately  
6 \$1,717,750.

7 151. Plaintiff alleges that a substantial percentage of outgoing  
8 payments from Account 1 have been payments for the operation of  
9 Backpage.com. For example, between July and October 2017, funds were  
10 wired from Account 1, as following:

11 a. \$570,530 to Verizon Digital Media Services in Los Angeles  
12 for services related to the Backpage.com website; and

13 b. \$1,497 to "Backupify," a company that provided data backup  
14 services for Backpage.

15 **CEREUS PROPERTIES ASSETS**

16 **B. Account 2 (Compass `3873 Funds)**

17 152. Account 2 was held in the name of Cereus Properties LLC.,  
18 and Spear was the sole signatory. This account was funded in part  
19 with transfers from Account 1, which funds are alleged to have been  
20 traceable to SUA, involved in money laundering, or both, and was used  
21 as a funnel account to pay Backpage Operators. On average, during  
22 each month of 2017, several hundred thousand dollars were transferred  
23 from Account 1 to Account 2. For example:

24 a. On August 31, 2017, Account 1 sent a wire transfer totaling  
25 \$487,491.45 to Account 2;

26 b. On September 15, 2017, Account 1 sent a wire transfer  
27 totaling \$91,672.67 to Account 2; and

28 c. On October 2, 2017, Account 1 sent a wire transfer totaling

1 \$471,766 to Account 2.

2 153. Funds from Account 2 were also used to promote and  
3 facilitate prostitution. For example:

4 a. On December 2, 2016, the Netherlands Account transferred  
5 \$324,055.85 to Account 2;

6 b. On December 8, 2016, the Netherlands Account transferred  
7 \$499,970.00 to Account 2;

8 c. On December 27, 2016, the Netherlands Account transferred  
9 \$199,970.00 to Account 2; and

10 d. From March to December 2017, Account 2 paid over \$9,000 to  
11 "Cox Communications," an internet services company that Backpage used  
12 to facilitate its internet presence and promote its sale of  
13 prostitution advertising.

14 **C. Account 3 (Compass '4862 Funds)**

15 154. Account 3, held in the name of Cereus Properties, was  
16 funded with transfers from foreign and domestic banks, which funds  
17 were traceable to SUA, involved in money laundering, or both,  
18 including funds transferred from the Netherlands Account through one  
19 of the Backpage Operators' go-between accounts<sup>9</sup> (Wells Fargo Bank  
20 account '9863 ("Account '9863")), and eventually funneled into  
21 Account 3.

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<sup>9</sup> A "go-between" (a.k.a., a "pass-through") is an account set up for the main purpose of transferring funds from one or more bank accounts to various other bank accounts, frequently as an attempt to further conceal the true source and nature of the funds.

**MICHAEL LACEY ASSETS**<sup>10</sup>

**D. Account 4 (FFS&L of SR '3620 Funds)**

155. Account 4, held in the name of Lacey, was funded with transfers from foreign and domestic banks, which funds were traceable to SUA, involved in money laundering, or both. On October 2, 2017, Account 24 (which was itself funded with transfers from foreign and domestic banks with proceeds traceable to SUA, involved in money laundering, or both), transferred \$297,795 into Account 4, as further described below.

**E. Accounts 5, 7-10 (RBA '2485, '3126, '8316, '8324, and '8332)**

156. Accounts 5 and 7, each held in the name of Lacey, were funded with transfers from foreign and domestic banks, which funds were traceable to SUA, involved in money laundering, or both. Backpage Operators used Accounts 5 and 7 as pass-through accounts.

a. On May 31, 2017, Account 2 transferred approximately \$676,808.04 into Account 5;

b. Between September 20, 2017 and December 8, 2017, Account '9863 transferred approximately \$944,729.25 among seven transaction into Account 3.

c. On December 13, 2017, Account 3 transferred approximately \$428,645.09 into Account 5.

d. On March 16, 2018, Account 3 transferred approximately \$212,066.52 into Account 5.

e. On April 6, 2018, Lacey personally went into the Republic

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<sup>10</sup> On March 20, 2020, pursuant to a stipulation, this Court entered a consent judgment returning approximately \$450,376.48 to Michael Lacey and Jill Anderson (see ECF No. 99, 2:18-cv-06742-RGK-PJW). As a result, those funds are not included in this Amended Consolidated Complaint.



1 Bank of Arizona, withdrew \$500,000 from Account 5, and then used that  
2 \$500,000 as the initial deposit to open Account 7; and

3 f. On October 2, 2017, Account 2 made two transfers:

4 i. \$297,795.54 transferred to Account 4; and

5 ii. \$694,856.25 wired to Account 11.

6 g. On or about February 15, 2018, Lacey drafted two \$600,000  
7 checks (totaling \$1.2 million). One check was drawn from Account 11,  
8 and the second was drawn from Account 4. These two checks were used  
9 to fund Accounts 8, 9, and 10, respectively, with \$600,000.00,  
10 \$300,000.00, and \$300,000.00.

11 **F. Account 11 (SFFCU '4S10 Funds)**

12 157. Account 11 is held in the name of Lacey and an individual  
13 listed in the Credit Union's records as Lacey's employee and  
14 bookkeeper. Account 11 was funded with proceeds alleged to have been  
15 traceable to SUA, involved in money laundering, or both.

16 a. On February 2, 2018, Account 2 (which then contained funds  
17 traceable to SUA, involved in money laundering, or both) transferred  
18 \$734,602.70 into Account 11.

19 **G. Account 12 (IOLTA '4139)**

20 158. Account 12 was an IOLTA held for the benefit of Lacey, and  
21 was funded with proceeds traceable to SUA, involved in money  
22 laundering, or both.

23 159. On January 4, 2017, the Singapore Account wired \$489,500  
24 into a Posting Solutions controlled account held at Veritex Bank (the  
25 "Veritex Account"). On January 20, 2017, the Singapore Account  
26 directed two additional wires, for \$358,150 and \$470,150  
27 respectively, into the Veritex Account. In total, the Singapore  
28 Account transferred \$1,317,800 into the Veritex Account.

1 a. On or about February 23, 2017, the Veritex Account directed  
2 two payments to Account 2, a wire of \$443,014, and a check for  
3 \$27,887.41;

4 b. Between March 30 and September 14, 2017, Account 2 sent  
5 five wires totaling \$4,058,063.65 to Account 12; and

6 c. In July 2018, Account 12 was closed and a cashier's check  
7 totaling \$2,412,785.47 was issued to Lacey's Annuity Fund, held at  
8 Account 12.

9 **H. The Sebastopol Property**

10 160. The Sebastopol Property was purchased and maintained, in  
11 whole or in part, using funds traceable to SUA, involved in money  
12 laundering, or both.

13 161. In a series of transactions in December 2016, illicit  
14 proceeds from the Netherlands Account would pass-through Account 2,  
15 eventually ending up in Account 11. Additionally, between July and  
16 October 2017, additional illicit proceeds from the Singapore Account  
17 were passed-through Account 1 to Account 2, and eventually  
18 transferred to Account 11. On or about October 10, 2017, over  
19 \$10,000 of funds from Account 11 were used to support and maintain  
20 the Sebastopol Property.

21 162. On February 11, 2016, a grant deed, instrument number  
22 2016010019 of the Sonoma County official records, transferred the  
23 Sebastopol Property to Lacey. Thereafter, on April 24, 2017, for no  
24 consideration, Lacey transferred title of the Sebastopol Property to  
25 his Delaware limited liability company, Sebastopol, LLC. As noted in  
26 the grant deed:

27 "There was no consideration for this transfer. This is a  
28 transfer between an individual or individuals and a legal  
entity or between legal entities that results solely in a

1 change in the method of holding title and in which  
2 proportional ownership interests in the realty remain the  
3 same. . ."

4 163. On October 10, 2017, Lacey issued a \$12,956.25 check from  
5 Account 11 to Sonoma County Tax Collector. The notation on this wire  
6 was "2043 Pleasant Hill Dr Sebastopol."

7 **I. San Francisco, California Property 1**

8 164. San Francisco Property 1 was purchased and maintained, in  
9 whole or in part, using funds traceable to SUA, involved in money  
10 laundering, or both.

11 165. In order to acquire San Francisco Property 1, Lacey used  
12 funds transferred through the Singapore Account, the Website Tech  
13 Account '2008, and Cereus Properties accounts, as well as annuity  
14 accounts that Lacey controlled, as follows:

15 a. Illicit proceeds were deposited into the Singapore Account,  
16 passed-through Account 1, then passed-through Account 2 and  
17 transferred to Account 11. Thereafter, funds from Account 11 were  
18 used to support and maintain San Francisco Property 1;

19 b. On May 18, 2016, a grant deed recorded as instrument number  
20 2016-K245482-00 in the San Francisco County official records,  
21 transferred San Francisco Property 1 to Lacey and his female partner;  
22 and

23 c. Thereafter, on October 10, 2017, over \$10,000 in funds from  
24 Account 11 were used to purchase or maintain San Francisco Property 1.

25 **J. San Francisco Property 2**

26 166. San Francisco Property 2 was purchased and maintained, in  
27 whole or in part, using funds traceable to SUA, involved in money  
28 laundering, or both.

167. During the period of December 14 through December 29, 2015,

1 as GoCoin's partial payment for the Bitcoin Backpage sold it during  
2 the period of September 4 through November 23, 2015, the Slovakia  
3 Account wired over \$1,250,000 to Website Tech Account `2008.

4 168. After December 14, 2015, Website Tech Account `2008 then  
5 transferred funds via multiple pass-through accounts controlled by  
6 Lacey and other Backpage Operators, which, as of June 21, 2016,  
7 resulted in approximately \$5,400,000 ending up in Arizona Bank &  
8 Trust account `1793, controlled by Lacey ("AB&T Account `1793").

9 169. On June 27, 2016, AB&T Account `1793 wired \$397,500.00 to  
10 Fidelity National Title Company. The notation on this wire was  
11 "XXX(Earnest Money)XXXXXX." On July 20, 2016, AB&T Account `1793  
12 wired \$12,859,152.57 to Fidelity National Title Company. The  
13 notation on this wire was "XX(Balance of Property)XXXXX."

14 170. Casa Bahia for San Francisco, LLC, a Delaware limited  
15 liability company, was the entity used to take title to the San  
16 Francisco Property 2, and is owned by Lacey. On July 21, 2016, by  
17 grant deed, San Francisco Property 2 was transferred to Lacey. On  
18 June 21, 2017, by grant deed and for no consideration, Lacey  
19 transferred San Francisco Property 2 to Casa Bahia for San Francisco,  
20 LLC, a Delaware limited liability company, as evidenced by instrument  
21 number 2017-K466276099 recorded in the San Francisco County official  
22 records. As noted in the grant deed:

23 There was no consideration for this transfer. This is a  
24 transfer between an individual or individuals and a legal  
25 entity or between legal entities that results solely in a  
26 change in the method of holding title and in which  
27 proportional ownership inters in the realty remain the  
28 same. . .

27 **K. San Francisco Property 3**

28 171. San Francisco Property 3 was purchased and maintained, in

1 whole or in part, using funds traceable to SUA, involved in money  
2 laundering, or both.

3 172. Beginning in February 2013, illicit funds from Backpage's  
4 U.S. Bank account '1165 passed-through various Backpage or Backpage  
5 Operators accounts, eventually ending up in BMO Harris account '5263,  
6 owned or controlled by Lacey. In May 2015, over \$10,000 of funds  
7 from BMO Harris account '5263 was used to purchase or maintain San  
8 Francisco Property 3.

9 **L. Sedona Property**

10 173. The Sedona Property was purchased and maintained, in whole  
11 or in part, using funds traceable to SUA, involved in money  
12 laundering, or both.

13 174. In October 2017, Account 2 wired approximately \$297,795 to  
14 Account 4. On November 13, 2018, \$6,725.54 from Account 4 was used  
15 to support or maintain the Sedona Property.

16 **M. Paradise Valley Property 2**

17 175. Paradise Valley Property 2 was purchased and maintained, in  
18 whole or in part, using funds traceable to SUA, involved in money  
19 laundering, or both.

20 176. In 2005, for approximately \$1,500,000, Lacey purchased the  
21 Paradise Valley Property 2. In 2010, the Paradise Valley Property  
22 was used as collateral for a \$1 million loan (the "2010 Loan").  
23 Beginning no later than January 2012, illicit proceeds were used to  
24 service the debt on the 2010 Loan. Specifically:

25 a. Between February 4 and June 6, 2013, through a series of  
26 wire transfers, Backpage's U.S. Bank account '1165 transferred  
27 approximately \$41,500,000 to BMO Harris Bank account '5263; and

28 b. Between March 2013, and January 2016, through a series of

1 periodic transactions, approximately \$174,749.39 from BMO Harris Bank  
2 account `5263 was used to service the debt on the 2010 Loan.

3 **JAMES LARKIN ASSETS**<sup>11</sup>

4 **N. Accounts 13, 15, 16, 17, AND 18 (RBA `1889, `2592, `8103,  
5 `8162, AND `8189)**

6 177. Account 13, held in the name of Larkin, was funded with  
7 proceeds alleged to have been traceable to SUA, involved in money  
8 laundering, or both.

9 a. On July 6, 2017, Account 2 transferred \$971,651.51 into  
10 Account 13; and

11 b. On July 28, 2017, Account 13 transferred \$400,000 into  
12 Account 14.

13 178. Account 15 is held in the name of Larkin.

14 a. From March 2015 through November 2017, the Netherlands  
15 Account received several millions of dollars in criminal proceeds  
16 from Binary Trading;

17 b. On December 2, 2016, the Netherlands Account transferred  
18 \$324,055.85 to Account 2;

19 c. On December 8, 2016, the Netherlands Account transferred  
20 \$499,970.00 to Account 2;

21 d. On December 27, 2016, the Netherlands Account transferred  
22 \$199,970.00 to Account 2, which account then transferred funds  
23 through Account `9863 and into Account 3; and

24 e. On December 13, 2017, Account 3 transferred \$406,211.10 to  
25 Account 15.

26 179. Account 16, 17, and 18 are CDARS Accounts held in the name

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27 <sup>11</sup> On January 13, 2020, pursuant to a stipulation, this Court  
28 entered a consent judgment returning approximately \$206,163.88 to  
James Larkin (see ECF No. 65, 2:18-cv-8420-RGK-PJW). As a result,  
those funds are not included in this Amended Consolidated Complaint.

1 of Larkin.

2 a. On July 28, 2017, Account 13 transferred \$400,000 into  
3 Account 14; and

4 b. On or about February 8, 2018, \$1 million in funds from  
5 Account 14 was used to fund Account 16 (which received \$500,000),  
6 Account 17 (which received \$250,000), and Account 18 (which received  
7 \$250,000).

8 **O. Accounts 19 AND 20 (PCTC ACCOUNT '0012 FUNDS, PERKINS COIE**  
9 **'0012)**

10 180. Account 19 is held in the name of Larkin's spouse, M.  
11 Larkin, and was funded with proceeds traceable to SUA, involved in  
12 money laundering, or both.

13 a. On December 31, 2015, Website Tech Account '2008  
14 transferred \$811,424 to the Slovakia Account;

15 b. On January 11, 2016, the Slovakia Account transferred  
16 approximately \$1,300,000 to Charles Schwab account '4693, held in the  
17 name of Larkin ("Charles Schwab Account '4693");

18 c. On January 14, 2016, Charles Schwab Account '4693  
19 transferred approximately \$13,500,000 to Northern Trust Company  
20 account '9562 (under the name "Ocotillo Family Trust," owned and  
21 controlled by Larkin and Margaret Larkin);

22 d. In July 21, 2017, Account '9562 transferred \$6,014,000 to  
23 Morgan Stanley account '1673 (held in the name of Larkin and Margaret  
24 Larkin);

25 e. In or about November 2017, Morgan Stanley elected to  
26 terminate its business relationship with Larkin;

27 f. On November 30, 2017, all the funds then held in Morgan  
28 Stanley account '1673 (about \$10,000,000) were transferred to Account

1 19; and

2 g. Some of the funds in Account 19 were used to purchase bonds  
3 and/or securities, which were held in Account 20.

4 **P. Account 21 (ACF '2020)**

5 181. Account 21 contains securities and investment vehicles held  
6 in the name of Ocotillo Family Trust, which is owned and controlled  
7 by Larkin and his spouse, and was funded with proceeds traceable to  
8 SUA, involved in money laundering, or both.

9 a. During the period of March 23 through March 31, 2016,  
10 Website Tech Account '2008 sent three wire transfers totaling  
11 \$3,694,813.60 to Arizona Bank & Trust account number '6211, belonging  
12 to Cereus Properties ("Account '6211");

13 b. During the period of April 1, 2016, through July 1, 2016,  
14 Account '6211 sent five wire transfers totaling \$5,750,294 to Charles  
15 Schwab Account '4693;

16 c. On July 1, 2016, Charles Schwab Account '4693 transferred  
17 \$15,000,000 to Account 21;

18 d. During the period of August 2, 2016, through October 6,  
19 2016, Account '6211 sent six wire transfers totaling \$9,550,315 to  
20 Charles Schwab Account '4693;

21 e. On January 3, 2017, Charles Schwab Account '4693  
22 transferred \$2,500,000 to Account 21; and

23 f. On January 4, 2017, Charles Schwab Account '4693  
24 transferred \$2,500,000 Account 21.

25 **Q. Accounts 22 And 23 (BA '8225 and '7054)**

26 182. Account 22 is held in the name of one of Larkin's children,  
27 T. Larkin, and was used in furtherance of the money laundering scheme  
28 described herein, and in an attempt to further conceal or disguise



1 the nature, location, source, ownership or control of the criminal  
2 proceeds.

3 183. On February 2, 2018, Account 2 wire transferred \$28,337  
4 into Account 22.

5 184. Account 23 is held in the name of R. Larkin. On February  
6 2, 2018, Account 2 wire transferred \$28,337 into Account 23.

7 **R. Saint Helena Property**

8 185. The Saint Helena Property was purchased and maintained, in  
9 whole or in part, using funds traceable to SUA, involved in money  
10 laundering, or both.

11 186. Between February 4 and June 6, 2013, approximately  
12 \$41,500,000 in illicit funds were transferred to Camarillo Holdings  
13 LLC, BMO Harris Bank account '7172. On October 2, 2013, BMO Harris  
14 Bank account '7172 wired \$26,130.64 to Larkin's BMO Harris Bank  
15 account '3110. Thereafter, on November 3, 2016, over \$10,000 of  
16 funds from BMO Harris Bank account '7172 were used to purchase or  
17 maintain the Saint Helena Property.

18 **S. Chicago Property**

19 187. The Chicago Property was purchased and maintained, in whole  
20 or in part, using funds traceable to SUA, involved in money  
21 laundering, or both.

22 188. Illicit funds originating from Backpage's U.S. Bank account  
23 '1165 were passed-through accounts owned or controlled by Backpage or  
24 Backpage Operators, and ended up in BMO Harris Bank account '3110.  
25 Thereafter, on October 2, 2015, BMO Harris Bank account '3110  
26 transferred \$138,000 to Chicago Title and Trust Company as payment  
27 towards the purchase of the Chicago Property.  
28

1           **T.     Paradise Valley Property 1**

2           189. Paradise Valley Property 1 was purchased and maintained, in  
3 whole or in part, using funds traceable to SUA, involved in money  
4 laundering, or both.

5           190. Approximately \$41.5 million in illicit funds from  
6 Backpage's U.S. Bank account '1165 passed through various Backpage or  
7 Backpage Operators' accounts. Following these various transfers,  
8 eventually, on October 2, 2013, a total of approximately \$26,130.64  
9 was transferred into BMO Harris account '3110, owned or controlled by  
10 Larkin. Thereafter, on December 11, 2014, BMO Harris Bank account  
11 '3110 paid \$46,957.28 to maintain the Paradise Valley property 1.

12           **U.     Paradise Valley Property 2**

13           191. Paradise Valley Property 2 was purchased and maintained, in  
14 whole or in part, using funds traceable to SUA, involved in money  
15 laundering, or both.

16           192. Illicit funds originating from Backpage's U.S. Bank account  
17 '1165 were passed-through accounts owned or controlled by Backpage or  
18 Backpage Operators, and ended up in BMO Harris Bank account '3110,  
19 from which account over \$10,000 was paid to maintain Paradise Valley  
20 Property 2.

21                                           **JOHN BRUNST ASSETS**

22           **V.     Account 24 (COMPASS BANK '3825)**

23           193. Account 24 is held in the name of Brunst, and was used in  
24 furtherance of the money laundering scheme described herein, and in  
25 an attempt to further conceal or disguise the nature, location,  
26 source, ownership or control of the proceeds of SUA.

27           194. On February 2, 2018, Account 2 wire transferred \$135,956.59  
28 into Account 24.

1           **W.    Account 25, 26, 27, 28, 29, 30 (AB `6878, `4954, `7892,**  
2           **`7889, `7888 AND `6485)**

3           195. Accounts 25, 26, 27, 28, 29, and 30 are held in the name of  
4 the "Brunst Family Trust." Brunst and his wife are the sole trustees  
5 for these accounts, which were funded with proceeds traceable to SUA,  
6 involved in money laundering, or both.

7           a.    On December 31, 2015, Website Tech Account `2008  
8 transferred \$811,424 to Account `6211;

9           b.    On December 6, 2016, Account `6211 transferred \$161,459 to  
10 Wells Fargo Bank account `4891, belonging to Brunst ("Account  
11 `4891");

12           c.    On January 4, 2017, Account `6211 transferred another  
13 \$298,841 to Account `4891;

14           d.    On January 5, 2017, Account `4891 transferred \$300,000 to  
15 Wells Fargo Bank account `7474, belonging to the Brunst Family Trust  
16 ("Account `7474").

17           e.    On May 19, 2017, Account `7474 transferred approximately  
18 \$1,500,000 into Account 25;

19           f.    On May 23, 2017, Account 25 transferred approximately  
20 \$350,000 to Account 26;

21           g.    On June 7, 2017, Account 25 transferred approximately  
22 \$1,340,000 to Account `0582;

23           h.    On September 13, 2017, Account `0582 transferred  
24 approximately \$581,000 to Account 27;

25           i.    On September 13, 2017, Account `0582 transferred  
26 approximately \$250,000 to Account 28;

27           j.    On September 13, 2017, Account `0582 transferred  
28 approximately \$250,000 to Account 29; and

1 k. On September 15, 2017, Account '0582 transferred  
2 approximately \$500,000 to Account 30.

3 **SCOTT SPEAR ASSETS**

4 **X. Accounts 31, 32, AND 33 (NBA '0178, '0151, and'3645)**

5 196. Accounts 31 and 32 are held in the name of Spear, which  
6 accounts were funded with proceeds traceable to SUA, involved in  
7 money laundering, or both. Account 33 is held in trust for the  
8 benefit of Spear and certain of his family members, which account was  
9 funded with proceeds traceable to SUA, involved in money laundering,  
10 or both. In furtherance of the money laundering scheme, and in an  
11 attempt to further conceal the true nature of the criminal proceeds,  
12 go-between accounts served to funnel money from one account to  
13 another.

14 a. Between January 21 and August 31, 2016, Website Tech  
15 Account '2008 sent approximately 27 wire transfers totaling  
16 approximately \$48,000,000 to Account '6211;

17 b. Between March 1, 2016, and July 1, 2016, Account '6211  
18 transferred \$892,426 into Account 31;

19 c. On September 14, 2017, Account 2 wire transferred  
20 \$50,162.05 into Account 31;

21 d. On October 12, 2017, Account 31 transferred approximately  
22 \$21,500 into Account 32; and

23 e. On January 5, 2018, Account 31 transferred approximately  
24 \$600,000 into Account 33.

25 **Y. Account 34 (Live Oak Bank Account '6910)**

26 197. Account 34 is held in the name of Spear, and was funded  
27 with proceeds traceable to SUA, involved in money laundering, or  
28 both.

1 198. On or about March 16, 2016, as an opening deposit, Account  
2 31 transferred \$250,000 into Account 34.

3 **Z. Account 35 and 36 (Ascensus Broker Services '4301 and' 8001)**

4 199. Accounts 35 and 36 are held in the name of N. Spear,  
5 Spear's adult daughter, and were funded with proceeds traceable to  
6 SUA, involved in money laundering, or both.

7 a. On February 23, 2017, Account 31 transferred approximately  
8 \$50,000 into Account 35; and

9 b. On the February 23, 2017, Account 31 transferred \$50,000  
10 into Account 36.

11 **PRIMUS TRUST ASSETS**

12 **AA. Account 37 (K&H Bank Account '1210)**

13 200. Account 37 is located in Hungary, and held in the name of  
14 Primus Trust Company for the benefit of Lacey. In furtherance of the  
15 money laundering scheme, Account 37 was funded with proceeds  
16 traceable to SUA, involved in money laundering, or both.

17 201. The tracing of this account involves numerous banks and  
18 bank accounts, both foreign and domestic. The accounts include:  
19 Website Tech Account '2008; Account '6211; Arizona Bank & Trust  
20 annuity trust account numbers '1967, '1972, '1986, '1991, and '2014,  
21 all held in Lacey's name ("AZBT Annuity Accounts"); and Johnson  
22 Financial account '9992, held in an IOLTA, with Lacey as the sole  
23 beneficiary.

24 a. Between December 14, 2015, and January 15, 2016, the  
25 Slovakia Account sent approximately 26 wire transfers totaling over  
26 \$2,500,000 to Website Tech Account '2008 in the United States;

27 b. On January 15, 2016, Website Tech Account '2008 transferred  
28 \$189,571 to Verizon in Los Angeles, California, in payment for

1 Backpage internet services, which served, in whole or in part, to  
2 promote sex trafficking and illegal prostitution;

3 c. Between January 21 and August 31, 2016, Website Tech  
4 Account `2008 sent approximately 27 wire transfers totaling  
5 approximately \$48,000,000 to Account `6211;

6 d. Between April 1 and October 6, 2016, in approximately 12  
7 wires, Account `6211 sent over \$18,000,000 to the AZBT Annuity Trust  
8 Accounts;

9 e. On December 29, 2016, in five wires, the AZBT Annuity  
10 Trusts Accounts sent approximately \$16,500,000 to Johnson Financial  
11 account `9992; and

12 f. On January 3, 2017, Johnson Financial account `9992  
13 transferred \$16,500,000 to Account 37.

14 **AD TECH BV ASSETS**

15 **BB. Accounts 56, 57, and 58 (Fio Bank `5803, `5801, and `5805)**

16 202. Accounts 56, 57, and 58 are located in the Czech Republic  
17 and held in the name of Ad Tech BV, identifying Ferrer as the  
18 ultimate beneficial owner, which accounts were funded with proceeds  
19 traceable to SUA, involved in money laundering, or both.

20 203. Account 56, 57, and 58 were set up and maintained to  
21 receive payments for Backpage ads, that is, for "accounts  
22 receivable." Merchant processors would accept credit card payments  
23 and Bitcoin from Backpage advertisers as credit to place ads for  
24 prostitution and other services. The merchant processors would then  
25 transfer these funds to accounts set up to receive such payments,  
26 specifically including Accounts 56, 57, and 58. All funds contained  
27 within Accounts 56, 57, and 58 are traceable to SUA and involved in  
28 money laundering.

1           **CC. Accounts 47, 48, 49 and 50 (BF Accounts '000K, '000U, '000**  
2           **, and '001K)**

3           204. Accounts 47, 48, 49, and 50 are located in Principality of  
4 Liechtenstein, and held for the benefit of Ferrer, which accounts  
5 were funded with proceeds traceable to SUA, involved in money  
6 laundering, or both.

7           205. Accounts 47, 48, 49, and 50 were set up and maintained to  
8 receive payments for Backpage ads, that is, for "accounts  
9 receivable." Merchant processors would accept credit card payments  
10 and Bitcoin from Backpage advertisers as credit to place ads for  
11 prostitution and other services. The merchant processors would then  
12 transfer these funds to accounts set up to receive such payments,  
13 specifically including Accounts 47, 48, 49, and 50. All funds  
14 contained within Accounts 47, 48, 49, and 50 are traceable to SUA and  
15 involved in money laundering.

16                           **GOLD LEAF SRO FUNDS HELD AT FIO BANK**

17           **DD. Account 38, 39, and 40 (Fio Bank '2226, '2231, and '2230)**

18           206. Accounts 38, 39, and 40 are located in the Czech Republic,  
19 and held for the benefit of Backpage by a third party entity named,  
20 "Gold Leaf SRO." Accounts 38, 39, and 40 were funded with proceeds  
21 traceable to SUA, involved in money laundering, or both.

22           207. Accounts 38, 39, and 40 were created outside the United  
23 States with the intention of avoiding the "blockade" of Backpage set  
24 up by U.S. credit card companies that refused to process Backpage  
25 receipts following negative press associated with Backpage.  
26 Approximately 99.5% of the payments into these accounts were to be  
27 transferred to accounts held by Ad Tech BV, a Backpage controlled  
28 company located in the Netherlands, after which transfer, the funds

1 could be directed for the benefit of Backpage or Backpage Operators  
2 in the U.S. or abroad. All funds contained within Accounts 38, 39,  
3 and 40 are traceable to SUA and involved in money laundering.

4 **PROTECCTIO SRO FUNDS HELD AT FIO BANK**

5 **EE. Accounts 41, 42, and 43 (Fio Bank '4194, '4196, and '4198)**

6 208. Accounts 41, 42, and 43 are located in the Czech Republic,  
7 and held for the benefit of Backpage by a third party entity named,  
8 "Protecctio SRO." Accounts 41, 42, and 43 were funded with proceeds  
9 traceable to SUA, involved in money laundering, or both.

10 209. Accounts 41, 42, and 43 were created outside the United  
11 States with the intention of avoiding the "blockade" of Backpage set  
12 up by U.S. credit card companies that refused to process Backpage  
13 receipts following negative press associated with Backpage.

14 Approximately 99.5% of the payments into these accounts were to be  
15 transferred to accounts held by Ad Tech BV, a Backpage controlled  
16 company located in the Netherlands, after which transfer the funds  
17 could be directed for the benefit of Backpage or Backpage Operators  
18 in the U.S. or abroad. All funds contained within Accounts 41, 42,  
19 and 43 are traceable to SUA and involved in money laundering.

20 **VARICOK SRO FUNDS HELD AT FIO BANK**

21 **FF. Accounts 44, 45, and 46 (Fio Bank '8083, '8086, and '8080)**

22 210. Accounts 44, 45, and 46 are located in the Czech Republic,  
23 and held in the name of Varicok Company SRO. Accounts 44, 45, and 46  
24 were funded with proceeds traceable to SUA, involved in money  
25 laundering, or both.

26 211. Accounts 44, 45, and 46 were created outside the United  
27 States with the intention of avoiding the "blockade" of Backpage set  
28 up by U.S. credit card companies that refused to process Backpage



1 receipts following negative press associated with Backpage.  
2 Approximately 99.5% of the payments into these accounts were to be  
3 transferred to accounts held by Ad Tech BV, a Backpage controlled  
4 company located in the Netherlands, after which transfer, the funds  
5 could be directed for the benefit of Backpage or Backpage Operators  
6 in the U.S. or abroad. All funds contained within Accounts 44, 45,  
7 and 46 are traceable to SUA and involved in money laundering.

8 **PROCOP SERVICES BV FUNDS HELD AT KNAB BANK**

9 **GG. Account 51 (KB '7664)**

10 212. Account 51 is located in the Kingdom of the Netherlands,  
11 and held for the benefit of Backpage by a third party entity named,  
12 "Procop Services BV." Account 51 was funded with proceeds traceable  
13 to SUA, involved in money laundering, or both.

14 213. Account 51 was created outside the United States with the  
15 intention of avoiding the "blockade" of Backpage set up by U.S.  
16 credit card companies that refused to process Backpage receipts  
17 following negative press associated with Backpage. Approximately  
18 99.5% of the payments into Accounts 51 was to be transferred to  
19 accounts held by Ad Tech BV, a Backpage controlled company located in  
20 the Netherlands, after which transfer, the funds could be directed  
21 for the benefit of Backpage or Backpage Operators in the U.S. or  
22 abroad. All funds contained within Account 51 are traceable to SUA  
23 and involved in money laundering.

24 **GULIETTA GROUP BV FUNDS HELD AT RABO BANK**

25 **HH. Accounts 52 and 53 (RB '2452 and '4721)**

26 214. Accounts 52 and 53 are located in the Kingdom of the  
27 Netherlands and held for the benefit of Backpage by a third party  
28 entity named, "Gulietta Group BV." Accounts 52 and 53 were funded

1 with proceeds traceable to SUA, involved in money laundering, or  
2 both.

3 215. Accounts 52 and 53 were created outside the United States  
4 with the intention of avoiding the "blockade" of Backpage set up by  
5 U.S. credit card companies that refused to process Backpage receipts  
6 following negative press associated with Backpage. Approximately  
7 99.5% of the payments into these accounts were to be transferred to  
8 accounts held by Ad Tech BV, a Backpage controlled company located in  
9 the Netherlands, after which transfer, the funds could be directed  
10 for the benefit of Backpage or Backpage Operators in the U.S. or  
11 abroad. All funds contained within Accounts 52 and 53 are traceable  
12 to SUA and involved in money laundering.

13 **CASHFLOWS EUROPE LTD FUNDS HELD FOR GULIETTA GROUP B.V., UNIVERSADS**  
14 **B.V., PROCOPSERVICES B.V. and PROTECCIO SRO**

15 **II. Account 55 (SP '1262)**

16 216. Account 55 is located in the United Kingdom and held by a  
17 third party entity, "Cashflows Europe Limited" ("Cashflows").  
18 Although Backpage is the ultimate beneficiary of Account 55,  
19 Cashflows acts first as an entity holding this account for the  
20 benefit of Gulietta Group B.V., Universads B.V., Procop Services  
21 B.V., and Proteccio SRO, each of which company is owned or controlled  
22 by Backpage. Account 55 was funded with proceeds traceable to SUA,  
23 involved in money laundering, or both.

24 217. Account 55 was created outside the United States with the  
25 intention of avoiding the "blockade" of Backpage set up by U.S.  
26 credit card companies that refused to process Backpage receipts  
27 following negative press associated with Backpage. Approximately  
28 99.5% of the payments into Accounts 55 was to be transferred to

1 accounts held by Ad Tech BV, a Backpage controlled company located in  
2 the Netherlands, after which transfer, the funds could be directed  
3 for the benefit of Backpage or Backpage Operators in the U.S. or  
4 abroad. All funds contained within Account 55 are traceable to SUA  
5 and involved in money laundering.

6 **JJ. Account 54 (LHVP '4431)**

7 218. Account 54 is an account maintained in the Republic of  
8 Estonia, held in the name of Olist OU for the benefit of Backpage.  
9 Account 54 was funded with proceeds traceable to SUA, involved in  
10 money laundering, or both.

11 219. Account 54 was created outside the United States with the  
12 intention of avoiding the "blockade" of Backpage set up by U.S.  
13 credit card companies that refused to process Backpage receipts  
14 following negative press associated with Backpage. Approximately  
15 99.5% of the payments into Accounts 54 was to be transferred to  
16 accounts held by Ad Tech BV, a Backpage controlled company located in  
17 the Netherlands, after which transfer, the funds could be directed  
18 for the benefit of Backpage or Backpage Operators in the U.S. or  
19 abroad. All funds contained within Account 54 are traceable to SUA  
20 and involved in money laundering.

21 **BACKPAGE-CONTROLLED DOMAIN NAMES**

22 **KK. ASCIO/WMB Inc Domain Names**

23 220. Until recently, Backpage controlled numerous domain names,  
24 which have since been seized by the government pursuant to a seizure  
25 warrant issued in this district (the "Seized Domains").<sup>12</sup>

26 221. The Seized Domains are registered by "ASCIO TECHNOLOGIES  
27 INC" DBA "NETNAMES," a domain registrar that manages the reservation

28  

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<sup>12</sup> 18-MJ-00711

1 of internet domain names. A domain registrar serves to ensure that a  
2 registered domain name, like each of the Seized Domains, is not  
3 double sold.

4 222. Additionally, a domain registration will allow the owner of  
5 the domain to direct internet traffic to a company's webserver. The  
6 Seized Domains were found to have been acquired and maintained with  
7 funds traceable to the money laundering scheme described herein,  
8 specifically with funds from Account 1, and the Seized Domains were  
9 the mechanism Backpage used to promote the prostitution and sex  
10 trafficking activity.

11 223. The following domains constitute and are derived from  
12 proceeds traceable to SUA, involved in money laundering, or both:

- 13 a. atlantabackpage.com
- 14 b. backpage.be
- 15 c. backpage.com
- 16 d. backpage.com.br
- 17 e. backpage.cz
- 18 f. backpage.dk
- 19 g. backpage.ee
- 20 h. backpage.es
- 21 i. backpage.fi
- 22 j. backpage.fr
- 23 k. backpage.gr
- 24 l. backpage.hu
- 25 m. backpage.ie
- 26 n. backpage.it
- 27 o. backpage.lt
- 28 p. backpage.mx

- 1 q. backpage.net
- 2 r. backpage.no
- 3 s. backpage.pl
- 4 t. backpage.pt
- 5 u. backpage.ro
- 6 v. backpage.si
- 7 w. backpage.sk
- 8 x. backpage.us
- 9 y. backpage-insider.com
- 10 z. bestofbackpage.com
- 11 aa. bestofbigcity.com
- 12 bb. bigcity.com
- 13 cc. chicagobackpage.com
- 14 dd. denverbackpage.com
- 15 ee. newyorkbackpage.com
- 16 ff. phoenixbackpage.com
- 17 gg. sandiegobackpage.com
- 18 hh. seattlebackpage.com
- 19 ii. tampabackpage.com

20 **LL. SURRENDERED DOMAIN NAMES**

21 224. Until recently, Backpage also controlled numerous domain  
22 names that Backpage has since surrendered (pursuant to its guilty  
23 plea on April 5, 2018, in the District of Arizona).

24 225. The following websites were purchased and/or maintained, in  
25 whole or in part, with proceeds traceable to SUA, involved in money  
26 laundering, or both:

- 27 a. admoderation.com (Versio)
- 28 b. admoderators.com (Versio)

- 1 c. adnet.ws (NetNames)
- 2 d. adplace24.com (Versio)
- 3 e. adplaces24.com (Versio)
- 4 f. adpost24.com (Versio)
- 5 g. adpost24.cz (GoDaddy)
- 6 h. adquick365.com (Versio)
- 7 i. adreputation.com (NetNames)
- 8 j. ads-posted-mp.com (Versio)
- 9 k. adsplace24.com (Versio)
- 10 l. adspot24.com (Versio)
- 11 m. adspots24.com (Versio)
- 12 n. adsspot24.com (Versio)
- 13 o. adtechbv.co.nl (NetNames)
- 14 p. adtechbv.com (NetNames)
- 15 q. adtechbv.nl (NetNames)
- 16 r. advert-ep.com (Versio)
- 17 s. adverts-mp.com (Versio)
- 18 t. axme.com (GoDaddy)
- 19 u. back0age.com (NetNames)
- 20 v. backpa.ge (NetNames)
- 21 w. backpae.com (NetNames)
- 22 x. backpage-insider.com (NetNames)
- 23 y. backpage.adult (NetNames)
- 24 z. backpage.ae (NetNames)
- 25 aa. backpage.at (NetNames)
- 26 bb. backpage.ax (NetNames)
- 27 cc. backpage.be (NetNames)
- 28 dd. backpage.bg (European domains)

- 1 ee. backpage.bg (NetNames)
- 2 ff. backpage.ca (NetNames)
- 3 gg. backpage.cl (NetNames)
- 4 hh. backpage.cn (European domains)
- 5 ii. backpage.cn (NetNames)
- 6 jj. backpage.co.id (NetNames)
- 7 kk. backpage.co.nl (European domains)
- 8 ll. backpage.co.nl (NetNames)
- 9 mm. backpage.co.nz (NetNames)
- 10 nn. backpage.co.uk (NetNames)
- 11 oo. backpage.co.ve (NetNames)
- 12 pp. backpage.co.za (NetNames)
- 13 qq. backpage.com (NetNames)
- 14 rr. backpage.com.ar (NetNames)
- 15 ss. backpage.com.au (NetNames)
- 16 tt. backpage.com.ph (NetNames)
- 17 uu. backpage.cz (NetNames)
- 18 vv. backpage.dk (NetNames)
- 19 ww. backpage.ec (NetNames)
- 20 xx. backpage.ee (European domains)
- 21 yy. backpage.ee (NetNames)
- 22 zz. backpage.es (NetNames)
- 23 aaa. backpage.fi (European domains)
- 24 bbb. backpage.fi (NetNames)
- 25 ccc. backpage.fr (European domains)
- 26 ddd. backpage.fr (NetNames)
- 27 eee. backpage.gr (European domains)
- 28 fff. backpage.gr (NetNames)

1 ggg. backpage.hk (European domains)  
2 hhh. backpage.hk (NetNames)  
3 iii. backpage.hu (European domains)  
4 jjj. backpage.hu (NetNames)  
5 kkk. backpage.ie (NetNames)  
6 lll. backpage.in (NetNames)  
7 mmm. backpage.it (NetNames)  
8 nnn. backpage.jp (NetNames)  
9 ooo. backpage.kr (NetNames)  
10 ppp. backpage.lt (NetNames)  
11 qqq. backpage.lv (European domains)  
12 rrr. backpage.lv (NetNames)  
13 sss. backpage.me (NetNames)  
14 ttt. backpage.mx (NetNames)  
15 uuu. backpage.my (NetNames)  
16 vvv. backpage.net (NetNames)  
17 www. backpage.nl (NetNames)  
18 xxx. backpage.no (European domains)  
19 yyy. backpage.no (NetNames)  
20 zzz. backpage.nz (NetNames)  
21 aaaa. backpage.pe (NetNames)  
22 bbbb. backpage.ph (NetNames)  
23 cccc. backpage.pk (NetNames)  
24 dddd. backpage.pl (NetNames)  
25 eeee. backpage.porn (NetNames)  
26 ffff. backpage.pt (NetNames)  
27 gggg. backpage.ro (European domains)  
28 hhhh. backpage.ro (NetNames)



1       iiii.       backpage.se (NetNames)  
2       jjjj.       backpage.sex (NetNames)  
3       kkkk.       backpage.sg (NetNames)  
4       llll.       backpage.si (European domains)  
5       mmmm.       backpage.si (NetNames)  
6       nnnn.       backpage.sk (European domains)  
7       oooo.       backpage.sk (NetNames)  
8       pppp.       backpage.sucks (NetNames)  
9       qqqq.       backpage.tw (NetNames)  
10      rrrr.       backpage.uk (NetNames)  
11      ssss.       backpage.uk.com (NetNames)  
12      tttt.       backpage.us (NetNames)  
13      uuuu.       backpage.vn (NetNames)  
14      vvvv.       backpage.xxx (NetNames)  
15      www.       backpage.xyz (NetNames)  
16      xxxx.       backpagecompimp.com (NetNames)  
17      yyyy.       backpagecompimps.com (NetNames)  
18      zzzz.       backpagepimp.com (NetNames)  
19      aaaa.       backpagepimps.com (NetNames)  
20      bbbb.       backpagg.com (NetNames)  
21      cccc.       backpagm.com (NetNames)  
22      dddd.       backpagu.com (NetNames)  
23      eeee.       backpaoe.com (NetNames)  
24      ffff.       backpawe.com (NetNames)  
25      ggggg.      backqage.com (NetNames)  
26      hhhhh.      backrage.com (NetNames)  
27      iiii.       backxage.com (NetNames)  
28      jjjjj.      bakkpage.com (NetNames)

1 kkkkk. bcklistings.com (NetNames)  
2 llllll. bestofbackpage.com (NetNames)  
3 mmmmm. bestofbigcity.com (NetNames)  
4 nnnnn. bickpage.com (NetNames)  
5 ooooo. bigcity.com (NetNames)  
6 ppppp. bpclassified.com (NetNames)  
7 qqqqq. bpclassifieds.com (NetNames)  
8 rrrrr. carlferrer.com (NetNames)  
9 sssss. clasificadosymas.com (NetNames)  
10 ttttt. clasificadosymas.net (NetNames)  
11 uuuuu. clasificadosymas.org (NetNames)  
12 vvvvv. classifiedsolutions.co.uk (NetNames)  
13 wwwww. classifiedsolutions.net (NetNames)  
14 xxxxx. classyadultads.com (Versio)  
15 yyyyy. columbusbackpage.com (NetNames)  
16 zzzzz. connecticutbackpage.com (NetNames)  
17 aaaaaa. cracker.co.id (NetNames)  
18 bbbbbb. cracker.com (NetNames)  
19 cccccc. cracker.com.au (NetNames)  
20 ddddd. cracker.id (NetNames)  
21 eeeee. cracker.net.au (NetNames)  
22 fffff. crackers.com.au (NetNames)  
23 gggggg. crackers.net.au (NetNames)  
24 hhhhhh. ctbackpage.com (NetNames)  
25 iiiiii. dallasbackpage.com (NetNames)  
26 jjjjjj. denverbackpage.com (NetNames)  
27 kkkkkk. easypost123.com (Versio)  
28 llllll. easyposts123.com (Versio)

1 mmmmmm. emais.com.pt (NetNames)  
2 nnnnnn. evilempire.com (NetNames)  
3 oooooo. ezpost123.com (Versio)  
4 pppppp. fackpage.com (NetNames)  
5 qqqqqq. fastadboard.com (Versio)  
6 rrrrrr. guliettagroup.nl (Versio)  
7 ssssss. http.org (NetNames)  
8 tttttt. ichold.com (NetNames)  
9 uuuuuu. internetspeechfoundation.com (nameisp)  
10 vvvvvv. internetspeechfoundation.org (nameisp)  
11 wwwwww. loads2drive.com (NetNames)  
12 xxxxxx. loadstodrive.com (NetNames)  
13 yyyyyy. loadtodrive.com (NetNames)  
14 zzzzzz. losangelesbackpage.com (NetNames)  
15 aaaaaa. mediafilecloud.com (NetNames)  
16 bbbbbb. miamibackpage.com (NetNames)  
17 cccccc. minneapolisbackpage.com (NetNames)  
18 ddddddd. mobileposting.com (Versio)  
19 eeeeeee. mobilepostings.com (Versio)  
20 ffffffff. mobilepostlist.com (Versio)  
21 ggggggg. mobilposting.com (Versio)  
22 hhhhhh. naked.city (NetNames)  
23 iiiiiii. nakedcity.com (NetNames)  
24 jjjjjjj. newyorkbackpage.com (NetNames)  
25 kkkkkkk. paidbyhour.com (NetNames)  
26 lllllll. petseekr.com (NetNames)  
27 mmmmmm. petsfindr.com (NetNames)  
28 nnnnnnn. phoenixbackpage.com (NetNames)

1           ooooooo.   posteasy123.com (Versio)  
2           pppppppp.   postfaster.com (NetNames)  
3           qqqqqqqq.   postfastly.com (NetNames)  
4           rrrrrrrr.   postfastr.com (NetNames)  
5           ssssssss.   postonlinewith.com (Versio)  
6           tttttttt.   postonlinewith.me (Versio)  
7           uuuuuuuu.   postseasy123.com (Versio)  
8           vvvvvvvv.   postsol.com (GoDaddy)  
9           wwwwwww.   postszone24.com (Versio)  
10          xxxxxxxx.   postzone24.com (Versio)  
11          yyyyyyyy.   postzones24.com (Versio)  
12          zzzzzzzz.   rentseekr.com (NetNames)  
13          aaaaaaaa.   results911.com (NetNames)  
14          bbbbbbbbb.   sandiegobackpage.com (NetNames)  
15          cccccccc.   sanfranciscobackpage.com (NetNames)  
16          dddddddd.   seattlebackpage.com (NetNames)  
17          eeeeeeee.   sellyostuffonline.com (Versio)  
18          ffffffff.   sfbackpage.com (NetNames)  
19          gggggggg.   simplepost24.com (Versio)  
20          hhhhhhhh.   simpleposts24.com (Versio)  
21          iiiiiiii.   svc.ws (NetNames)  
22          jjjjjjjj.   truckrjobs.com (NetNames)  
23          kkkkkkkk.   ugctechgroup.com (NetNames)  
24          llllllll.   universads.nl (Versio)  
25          mmmmmmmm.   villagevoicepimps.com (GoDaddy)  
26          nnnnnnnn.   websitetechnologies.co.uk (NetNames)  
27          oooooooo.   websitetechnologies.com (NetNames)  
28          pppppppp.   websitetechnologies.net (NetNames)

1           qqqqqqqq. websitetechologies.nl (NetNames)  
2           rrrrrrrrr. websitetechologies.org (NetNames)  
3           sssssssss. weprocessmoney.com (GoDaddy)  
4           ttttttttt. wst.ws (NetNames)  
5           uuuuuuuuu. xn--yms-fla.com (NetNames)  
6           vvvvvvvvv. ymas.ar.com (European domains)  
7           wwwwwww. ymas.br.com (European domains)  
8           xxxxxxxxx. ymas.br.com (NetNames)  
9           yyyyyyyyy. ymas.bz (European domains)  
10          zzzzzzzzz. ymas.bz (NetNames)  
11          aaaaaaaaa.       ymas.cl (European domains)  
12          bbbbbbbbb.       ymas.cl (NetNames)  
13          ccccccccc.       ymas.co.bz (European domains)  
14          dddddddddd.      ymas.co.bz (NetNames)  
15          eeeeeeeeeee.     ymas.co.cr (European domains)  
16          fffffffffff.     ymas.co.cr (NetNames)  
17          gggggggggg.     ymas.co.ni (European domains)  
18          hhhhhhhhh.       ymas.co.ni (NetNames)  
19          iiiiiiiiiii.     ymas.co.ve (European domains)  
20          jjjjjjjjjj.     ymas.co.ve (NetNames)  
21          kkkkkkkkkk.     ymas.com (NetNames)  
22          lllllllllll.     ymas.com.br (European domains)  
23          mmmmmmmmm.     ymas.com.br (NetNames)  
24          nnnnnnnnn.     ymas.com.bz (European domains)  
25          ooooooooo.     ymas.com.bz (NetNames)  
26          pppppppppp.     ymas.com.co (European domains)  
27          qqqqqqqqqq.     ymas.com.co (NetNames)  
28          rrrrrrrrrr.     ymas.com.do (European domains)

1 ssssssssss. ymas.com.do (NetNames)  
2 tttttttttt. ymas.com.ec (European domains)  
3 uuuuuuuuuu. ymas.com.ec (NetNames)  
4 vvvvvvvvvv. ymas.com.es (European domains)  
5 wwwwwwww. ymas.com.es (NetNames)  
6 xxxxxxxxxx. ymas.com.gt (European domains)  
7 yyyyyyyyyy. ymas.com.gt (NetNames)  
8 zzzzzzzzzz. ymas.com.hn (European domains)  
9 aaaaaaaaaa. ymas.com.hn (NetNames)  
10 bbbbbbbbbb. ymas.com.mx (NetNames)  
11 cccccccccc. ymas.com.ni (European domains)  
12 dddddddddd. ymas.com.ni (NetNames)  
13 eeeeeeeeeee. ymas.com.pe (European domains)  
14 ffffffffffff. ymas.com.pe (NetNames)  
15 ggggggggggg. ymas.com.pr (European domains)  
16 hhhhhhhhhh. ymas.com.pr (NetNames)  
17 iiiiiiiiii. ymas.com.pt (NetNames)  
18 jjjjjjjjjj. ymas.com.uy (European domains)  
19 kkkkkkkkkk. ymas.com.uy (NetNames)  
20 lllllllllll. ymas.com.ve (European domains)  
21 mmmmmmmmmm. ymas.com.ve (NetNames)  
22 nnnnnnnnnn. ymas.cr (European domains)  
23 oooooooooo. ymas.cr (NetNames)  
24 pppppppppp. ymas.do (European domains)  
25 qqqqqqqqqq. ymas.do (NetNames)  
26 rrrrrrrrrr. ymas.ec (European domains)  
27 ssssssssss. ymas.ec (NetNames)  
28 tttttttttt. ymas.es (European domains)

1           uuuuuuuuuu.       ymas.es (NetNames)  
2           vvvvvvvvvv.       ymas.org (NetNames)  
3           wwwwwwwww.       ymas.pe (European domains)  
4           xxxxxxxxxx.       ymas.pe (NetNames)  
5           yyyyyyyyyy.       ymas.pt (NetNames)  
6           zzzzzzzzzz.       ymas.us (European domains)  
7           aaaaaaaaaa.       ymas.us (NetNames)  
8           bbbbbbbbbbb.       ymas.uy (European domains)  
9           ccccccccccc.       ymas.uy (NetNames)  
10          ddddddddddd.       ymas.uy.com (European domains)

11                               **BACKPAGE SURRENDERED ASSETS**

12           **MM. ASSETS BACKPAGE SURRENDERED TO THE GOVERNMENT**

13           226. On or about May 8, 2018, all of the funds, digital  
14 currencies, and other property listed in this subsection were  
15 transferred into the United States Postal Inspection Service  
16 ("USPIS") holding bank account, Bitcoin wallet, Bitcoin Cash wallet,  
17 Litecoin wallet, and Bitcoin Gold wallet. These Surrendered Assets  
18 constitute and are derived from proceeds traceable to SUA, involved  
19 in money laundering, or both.

20           227. On May 8, 2018, within the Stipulation for Preliminary  
21 Order of Forfeiture, CR18-465-PHX-SPL, Ferrer, in his capacity as CEO  
22 of Backpage, stipulated that the following bank funds, securities, or  
23 other assets were criminally derived proceeds of Backpage's illegal  
24 activity, involved in money laundering transactions, or both, and as  
25 such, were forfeitable property:

- 26           a.     \$699,940.00 wire transferred from ING Bank account '7684,  
27 held in the name of Payment Solutions BV;
- 28           b.     \$106,988.41 wire transferred from ING Bank account '2071,

- 1 held in the name of Payment Solutions BV;
- 2 c. \$499,910.01 wire transferred from US Bank account `0239,
- 3 held in the name of Affordable Bail Bonds LLC;
- 4 d. \$50,000.00 wire transferred from Enterprise Bank and Trust
- 5 account `7177, held in the name of Global Trading Solutions LLC;
- 6 e. \$1,876.36 wire transferred from ING Bank account `2071,
- 7 held in the name of Payment Solutions BV;
- 8 f. \$699,940.00 wire transferred from ING Bank account `7684,
- 9 held in the name of Payment Solutions BV;
- 10 g. \$248,970.00 wire transferred from Citibank NA, account
- 11 `0457, held in the name of Paul Hastings LLP;
- 12 h. \$52,500.00 wire transferred from Enterprise Bank and Trust
- 13 account `7177, held in the name of Global Trading Solutions LLC;
- 14 i. \$65,000.00 wire transferred from Enterprise Bank and Trust
- 15 account `7177, held in the name of Global Trading Solutions LLC;
- 16 j. \$5,534.54 wire transferred from Enterprise Bank and Trust
- 17 account `7177, held in the name of Global Trading Solutions LLC; and
- 18 k. \$40,000.00 wire transferred from Crypto Capital;
- 19 l. 6 Bitcoin transferred from a Backpage controlled wallet;
- 20 m. 199.99995716 Bitcoin transferred from a Backpage controlled
- 21 wallet;
- 22 n. 404.99984122 Bitcoin transferred from a Backpage controlled
- 23 wallet;
- 24 o. 173.97319 Bitcoin transferred from a Backpage controlled
- 25 wallet;
- 26 p. 411.00019 Bitcoin transferred from a Backpage controlled
- 27 wallet;
- 28 q. 2.00069333 Bitcoin transferred from a Backpage controlled



1 wallet;

2 r. 136.6544695 Bitcoin transferred from a Backpage controlled  
3 wallet;

4 s. 2,673.59306905 Bitcoin Cash transferred from a Backpage  
5 controlled wallet;

6 t. 55.5 Bitcoin Cash transferred from a Backpage controlled  
7 wallet;

8 u. 73.62522241 Bitcoin Cash transferred from a Backpage  
9 controlled wallet;

10 v. 16,310.79413202 Litecoin transferred from a Backpage  
11 controlled wallet;

12 w. 783.9735116 Litecoin transferred from a Backpage controlled  
13 wallet; and

14 x. 509.81904619 Bitcoin Gold transferred from a Backpage  
15 controlled wallet.

16 228. Backpage surrendered to a USPIS holding bank account the  
17 following assets that constitute and are derived from proceeds  
18 traceable to SUA, involved in money laundering, or both:

19 a. On or about October 30, 2018, approximately \$182,182.50  
20 previously held in the name of 'Ad Tech BV' at Amro Bank N.V. Account  
21 '6352 ("Amro '6352 Funds" or "Account 63");

22 b. On or about December 11, 2018, approximately \$518,172.92  
23 previously held in the name of 'Cardquiry' at Wells Fargo Bank  
24 Account '4455 ("WF '4455 Funds" or "Account 66"); and

25 c. On or about January 8, 2019, approximately \$11,802.76  
26 previously held for the benefit of Backpage and related entities by  
27 the law firm 'Schiff Hardin LLP' at Citibank Account '6937 ("Citibank  
28 '6973 Funds" or "Account 65").

1           **NN.   BACKPAGE ASSETS SURRENDERED TO THE GOVERNMENT BY OTHERS**

2           229. On or about November 13, 2018, the holder of Plains Capital  
3 Account `3921 agreed to and did wire \$23,175 to the USPIS holding  
4 account. The holder of Plains Capital Account `3921 agreed to wire,  
5 and did wire, these funds to the government in lieu of the government  
6 executing a seizure warrant on these funds, which funds constitute  
7 and are derived from proceeds traceable to SUA, involved in money  
8 laundering, or both.

9           230. On or about June 11, 2019, Ferrer agreed to and did  
10 transfer to USPIS cryptocurrency holding wallets the following  
11 cryptocurrency, previously held in Bitstamp Account Number `0831,  
12 which cryptocurrency Ferrer stipulated was the criminally derived  
13 proceeds of Backpage's illegal activity, involved in money laundering  
14 transactions, or both, and as such, are forfeitable property:

15           a. Approximately 2.70447488 Bitcoin, previously held in the  
16 name of Carl Ferrer and Postfastr, LLC; and

17           b. Approximately 3.54986007 Bitcoin Cash, previously held in  
18 the name of Carl Ferrer and Postfastr, LLC.

19           **OO.   BACKPAGE FUNDS PREVIOUSLY HELD AT DAVIS WRIGHT TREMAINE**

20           231. On August 13, 2018, Davis Wright Tremaine initiated a wire  
21 transfer of \$3,713,121.03 from Bank of America account `3414, held in  
22 the name of Davis Wright Tremaine, LLP into the government holding  
23 account.

24           a. Between January 13 and January 20, 2017, a GoCoin account  
25 wire transferred \$1,318,800 to the Veritex Account;

26           b. On June 22, 2017, the Veritex Account wire transferred  
27 \$1,000,000 into Account 27;

28           c. On April 27, 2017, the Netherlands Account wire transferred

1 \$2,500,000 to Account 27;

2 d. On April 28, 2017, the Netherlands Account wire transferred  
3 \$2,500,000 to Account 27;

4 e. On May 24, 2017, Account 1 wire transferred \$500,000 into  
5 Account 27;

6 f. On September 13, 2017, Account 1 wire transferred  
7 \$1,000,000 into Account 27;

8 g. On September 27, 2017, the Netherlands Account wire  
9 transferred about \$778,802.96 into Account 27; and

10 h. On October 20, 2017, Account 1 wire transferred \$500,000  
11 into Account 27.

12 **FUNDS HELD AT USAA SAVINGS BANK FOR THE BENEFIT OF MICHAEL LACEY**

13 **PP. Accounts 59, 60, 61, and 62 (USAA '2155, '2058, '2171, and,**  
14 **1507)**

15 232. Accounts 59, 60, 60, and 62, are all held in the name of  
16 Anne Hawkins, a sister-in-law to Larkin, and were funded with  
17 proceeds alleged to have been traceable to SUA, involved in money  
18 laundering, or both.

19 233. Between December 14, 2015, and February 9, 2017, a company  
20 doing business for GoCoin initiated approximately 39 wire transfers  
21 totaling approximately \$3,959,557.78 in criminal proceeds from the  
22 Slovakia Account to Website Tech Account '2008, in the United States.

23 234. Between January 21, 2016, and August 31, 2016, Website Tech  
24 Account '2008 initiated approximately 27 wire transfers totaling  
25 approximately \$48 million to Arizona Bank & Trust account number  
26 '6211 ("AZBT '6211"), belonging to Cereus Properties LLC, which is  
27 owned or controlled by Spear, Backpage, and or other Backpage  
28 Operators.

235. On January 4, 2017, AZBT '6211 initiated four wires:

1 a. \$33,591.34 to Charles Schwab account `6039, held in the  
2 name of Oaxaca Living Trust with Kathleen D. Larkin as the sole  
3 beneficiary ("Schwab `6039");

4 b. \$33,591.34 to Charles Schwab account `9083, held in the  
5 name of Puebla Living trust with Rose L. Larkin as the sole  
6 beneficiary (Schwab `9083");

7 c. \$33,591.34 to Charles Schwab account `7249, held in the  
8 name of Cuernavaca Living Trust with Quinn M. Larkin as the sole  
9 beneficiary ("Schwab `8628"); and

10 d. \$33,591.34 to Charles Schwab account `8628, held in the  
11 name of Chiapas Living trust with John C. Larkin as the sole  
12 beneficiary ("Schwab `8628").

13 236. Several days after the wire transfers from AZBT `6211 to  
14 the four Charles Schwab accounts, funds were wire transferred to four  
15 AZBT accounts.

16 a. On January 10, 2017, Schwab `6039 wired \$840,692.69 to  
17 Arizona Bank & Trust account `3835, held in the name of Oaxaca Living  
18 Trust UTA with Lacey and Hawkins as the Trustees and Kathleen  
19 Dewhurst Larkin as the beneficiary ("AZBT `3835");

20 b. On January 11, 2017, Schwab `9083 wired \$840,672.72 to  
21 Arizona Bank & Trust account `3864 held in the name of Puebla Living  
22 Trust UTA with Lacey and Hawkins as the Trustees and Rose Lyons  
23 Larkin as the beneficiary ("AZBT `3864");

24 c. On January 12, 2017, Schwab `7249 wired \$840,672.70 to  
25 Arizona Bank & Trust account `3859 held in the name of Cuernavaca  
26 Living Trust UTA with Lacey and Hawkins as the Trustees and Quinn  
27 McCarthy Larkin as the beneficiary ("AZBT `3859"); and

28 d. On January 10, 2017, Schwab `8628 wired \$840,672.70 to

1 Arizona Bank & Trust account `3840 held in the name of Chiapas Living  
2 Trust UTA with Lacey and Hawkins as the Trustees and John Carey  
3 Larkin as the beneficiary ("AZBT `3840").

4 237. On January 11, 2018, and in addition to the previous wire  
5 transfers, AZBT `6211 transferred \$33,591.34 to each of the Living  
6 Trust accounts, AZBT `3835, AZBT `3864, AZBT `3859, and AZBT `3840.

7 238. On February 9, 2017, the four Oaxaca Living Trust accounts,  
8 AZBT `3835, AZBT `3864, AZBT `3859, and AZBT `3840, wire transferred  
9 approximately \$874,330 to Accounts 59, 60, 61, and 62. More  
10 specifically:

11 a. On February 9, 2017, AZBT `3835 wired \$874,334.26 to  
12 Account 59;

13 b. On February 9, 2017, AZBT `3864 wired \$874,332.68 to  
14 Account 60;

15 c. On February 9, 2017, AZBT `3835 wired \$874,331.01 to  
16 Account 61; and

17 d. On February 9, 2017, AZBT `3835 wired \$874,334.27 to  
18 Account 62.

19 **FIRST CLAIM FOR RELIEF**

20 (18 U.S.C. § 981(a)(1)(C))

21 239. Based on the facts set out above, Plaintiff alleges that  
22 the Defendant Assets constitute, and are derived from, proceeds  
23 traceable to one or more violations of Title 18, United States Code,  
24 Sections 1591 (Sex Trafficking of Children) and 1952 (Interstate and  
25 Foreign Travel in Aid of Racketeering Enterprise), each of which is a  
26 specified unlawful activity under 18 U.S.C. §§ 1956(c)(7)(A),  
27 1956(c)(7)(B)(iv) and 1956(c)(7)(D), and a conspiracy to commit such  
28 offenses. The Defendant Assets are therefore subject to forfeiture

1 to the United States pursuant to 18 U.S.C. § 981(a)(1)(C).

2 **SECOND CLAIM FOR RELIEF**

3 (18 U.S.C. § 981(a)(1)(A))

4 240. Based on the facts set out above, Plaintiff alleges that  
5 the Defendant Assets were involved in, and are traceable to, property  
6 involved in one or more transactions or attempted transactions in  
7 violation of section 18 U.S.C. § 1957, and a conspiracy to commit  
8 such offenses, in violation of section 18 U.S.C. § 1956(h).

9 Specifically, the Defendant Assets were involved in and are traceable  
10 to property involved in one or more financial transactions, attempted  
11 transactions, and a conspiracy to conduct or attempt to conduct such  
12 transactions in criminally derived property of a value greater than  
13 \$10,000 that was derived from specified unlawful activities, to wit,  
14 violations of Title 18, United States Code, Sections 1591 (Sex  
15 Trafficking of Children) and 1952 (Interstate and Foreign Travel in  
16 Aid of Racketeering Enterprise), each of which is a specified  
17 unlawful activity under 18 U.S.C. §§ 1956(c)(7)(A), 1956(c)(7)(B)(iv)  
18 and 1956(c)(7)(D), and a conspiracy to commit such offenses. The  
19 Defendant Assets are therefore subject to forfeiture to the United  
20 States pursuant to 18 U.S.C. § 981(a)(1)(A).

21 **THIRD CLAIM FOR RELIEF**

22 (18 U.S.C. § 981(a)(1)(A))

23 241. Based on the facts set out above, Plaintiff alleges that  
24 the Defendant Assets were involved in, and are traceable to property  
25 involved in, one or more transactions or attempted transactions in  
26 violation of section 18 U.S.C. § 1956(a)(1)(B)(i) (Concealment Money  
27 Laundering), (a)(2) (International Money Laundering), and a  
28 conspiracy to commit such offenses, in violation of section 18 U.S.C.

1 § 1956(h). Specifically, the Defendant Assets were involved in and  
2 are traceable to property involved in one or more financial  
3 transactions, attempted transactions, and a conspiracy to conduct or  
4 attempt to conduct such transactions involving the proceeds of  
5 specified unlawful activity, to wit, violations of Title 18, United  
6 States Code, Sections 1591 (Sex Trafficking of Children) and 1952  
7 (Interstate and Foreign Travel in Aid of Racketeering Enterprise),  
8 each of which is a specified unlawful activity under 18 U.S.C.  
9 §§ 1956(c) (7) (A), 1956(c) (7) (B) (iv) and 1956(c) (7) (D), and a  
10 conspiracy to commit such offenses. The Defendant Assets are  
11 therefore subject to forfeiture to the United States pursuant to 18  
12 U.S.C. § 981(a) (1) (A).

13 ///

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**VERIFICATION**

I, Lyndon A Versoza, hereby declare that:

1. I am a United States Postal Inspector with the United States Postal Inspection Service. I am the case agent for the civil forfeiture action entitled *United States of America v. \$1,546,076.35 in Bank Funds Seized From Republic Bank of Arizona Account '1889, et al.*

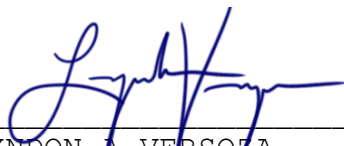
2. The Consolidated Master Verified Complaint encompasses all of the previously filed member complaints and assets into the lead complaint.

3. I have read the above Consolidated Master Verified Complaint for Forfeiture and know its contents, which is based upon my own personal knowledge and reports provided to me by other agents.

4. Everything contained in the Complaint is true and correct, to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 1, 2020, in Los Angeles, California.

  
\_\_\_\_\_  
LYNDON A VERSOZA  
U.S. Postal Inspector  
United States Postal Inspection  
Service

# Exhibit 4

**From:** [qthai1019@gmail.com](mailto:qthai1019@gmail.com)  
**To:** [Boyle, Daniel \(USACAC\)](#)  
**Cc:** [Stone, Andrew \(USAAZ\)](#); "[Versoza, Lyndon A](#)"  
**Subject:** [EXTERNAL] 2018-07-20 TRACING FOR ALL ASSETS QT\_\_LV Edits 5  
**Date:** Wednesday, October 18, 2023 1:45:20 PM  
**Attachments:** [2018-07-20 TRACING FOR ALL ASSETS QT\\_\\_LV Edits 5.docx](#)

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Hello Dan,

I finished my testimony yesterday and I'm trying to get back into the swing of things. But I wanted to share with you the latest draft of the tracing document that Lyndon and I put together years ago. You might already have a copy of a prior draft. Here is the latest copy for your review.

I don't know what to expect or what the timetable will be going forward but I'm generally free after 1 and could make exceptions most days after 9AM. Call me anytime though if it's for a quick chat, even at 6AM. (My trading isn't as engaging as it was even 6 months ago. I just move around covered calls and put credit spreads.) Just let me know.

Q  
602-625-3381

# Exhibit 5

LAW ENFORCEMENT SENSITIVE

# BACKPAGE INVESTIGATION

**ASSET TRACING MASTER DOCUMENT DRAFT**

DRAFT

Updated  
11/4/2021

## FINANCIAL ACCOUNT TRACING

### **A. TRACING FOR PROSPERITY BANK ACCOUNT `7188 (1)**

1. On February 15, 2017, Posting Solutions LLC, located at 13601 Preston Rd., Ste. 801E, Dallas, Texas 75240, opened Prosperity Bank account number `7188. "M.G.", the President, Chief Executive Officer, Treasurer and Secretary of Posting Solutions LLC is the sole signatory on the account. Posting Solutions LLC is a company owned by and controlled by Backpage.

2. Posting Solutions' application for the USPS Dallas, Texas P.O. BOX, lists the box being registered to "Website Technologies, LLC/Backpage.com." Also listed on the P.O. BOX Application were the names of several Backpage Operators, including FERRER.

3. Records of wire transfers from countries outside the United States deposited into the Prosperity Account `7188 for the period of August 1 through September 1, 2017, shows this account received over \$2,781,750 in wire transfers from outside the United States. For example:

a. On or about August 16, 2017, a company called "Binary Trading SG PTE LTD" ("Binary Trading") wired \$535,500 from an account in Singapore into Prosperity Account `7188. Binary Trading is a company used by GoCoin.

b. On or about August 17, 2017, Binary Trading wired another \$528,500 from a Singapore account into Prosperity Account `7188.

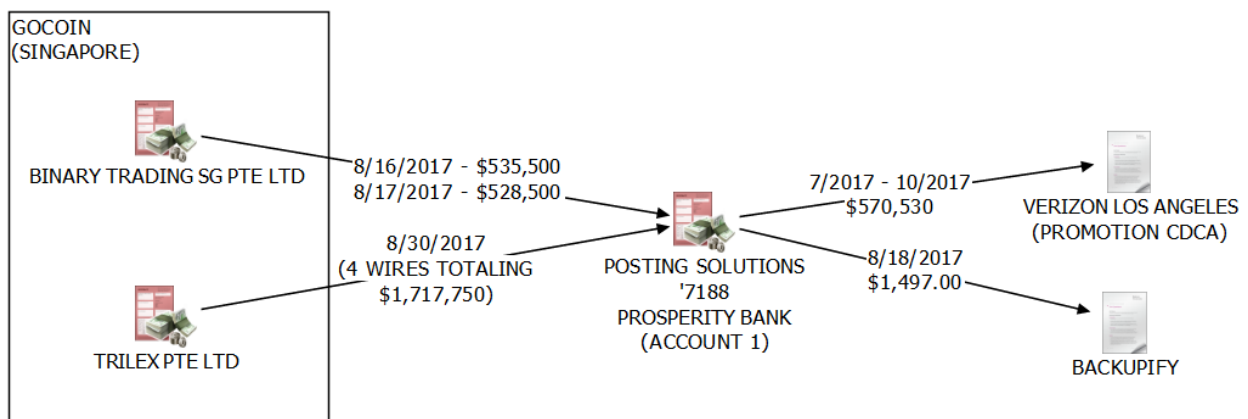
c. On or about August 30, 2017, a company named Trilix PTE LTD ("Trilex"), listing the same Singapore address as

Binary Trading and GoCoin, in four wires ranging from \$385,450 to \$492,250, sent approximately \$1,717,750 from a Singapore account into Prosperity Account `7188. Memo lines from these wires list "GC" or "GC FOR INTERNET SERVICES." The government understands "GC" to mean GoCoin.

4. A substantial percentage of outgoing payments from Prosperity Account `7188 are payments for the operation of Backpage.com. For example, between July and October, 2017, Prosperity Account `7188 wired \$572,027 to pay for the following:

a. Between July and October 2017, Prosperity Account `7188 wired \$570,530 to Verizon Digital Media Services in Los Angeles for a service for the Backpage.com website.

b. On August 18, 2017, Prosperity Account `7188 wired \$1,497 to "Backupify," a company that provided data backup for Backpage.



**B. TRACING FOR COMPASS BANK ACCOUNT '3873 (2A)**

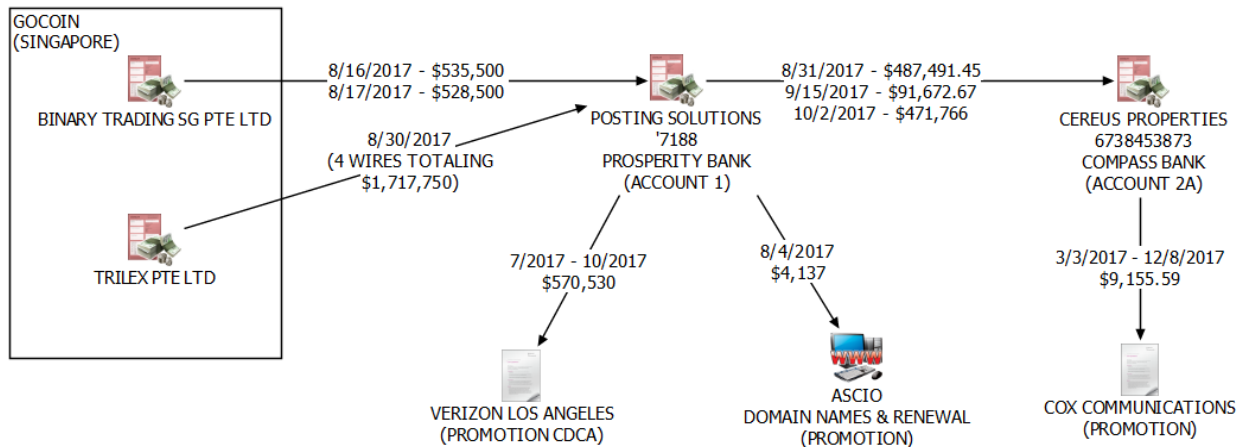
5. Compass Bank account '3873 is owned by Cereus Properties LLC, identifying SPEAR as the sole signatory. This account was funded with transfers from Prosperity Account '7188. It is used as a funnel account to pay Backpage Operators with funds from the SUA. On average, during each month of 2017, Prosperity Account '7188 transferred several hundred thousand dollars into Compass Bank account '3873. For example:

a. On August 31, 2017, Prosperity Account '7188 sent a wire transfer totaling \$487,491.45 to Compass Bank account '3873.

b. On September 15, 2017, Prosperity Account '7188 sent a wire transfer totaling \$91,672.67 to Compass Bank account '3873.

c. On October 2, 2017, Prosperity Account '7188 sent a wire transfer totaling \$471,766 to Compass Bank account '3873.

1. Diagram Compass Bank '3873 (account 2A)

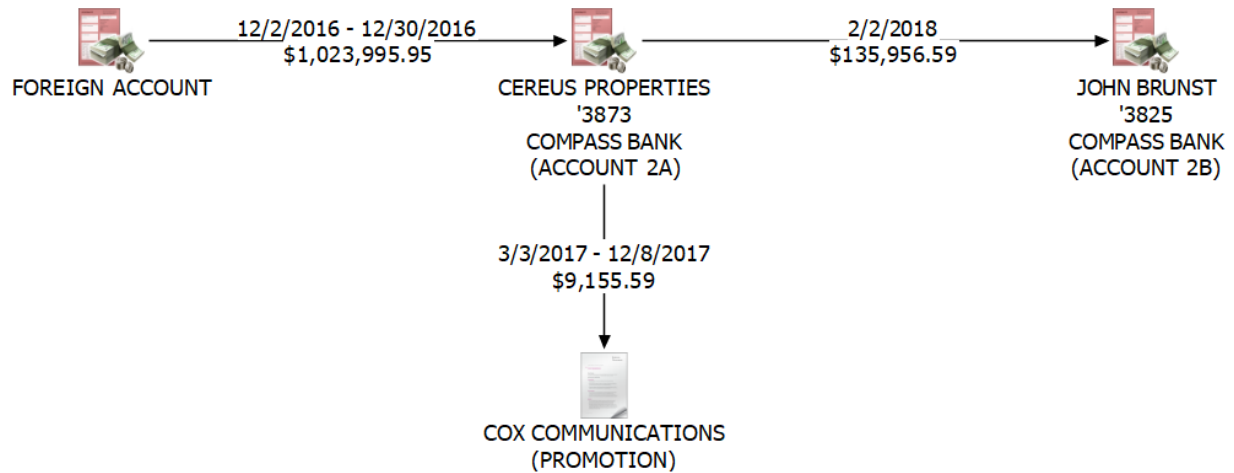




**C. TRACING FOR COMPASS BANK ACCOUNT '3825 (2B)**

6. Compass Bank Account number '3825 is held in the name of Brunst. This account was funded with transfers from Compass Bank Account '3873.

7. On February 2, 2018, Cereus Properties Compass Bank account '3873 wired transferred \$135,956.59 into Seized Account 2B.



**D. TRACING FOR NATIONAL BANK OF ARIZONA ACCOUNTS '0178 (3A), '0151 (3B), and '3645 (3C)**

8. National Bank of Arizona accounts '0178, '0151, and '3645 are held in the name of SPEAR. In furtherance of their money laundering scheme, and in an attempt to further conceal the true nature of the money, Backpage Operators used these accounts as go-betweens to funnel money from one account to another.

9. The tracing involved numerous accounts including: Branch Banking & Trust account number '2008, belonging to Website Technologies; Arizona Bank & Trust account number '6211 belonging to Cereus Properties, and a GoCoin account in Slovakia.

a. Between December 14, 2015, and January 15, 2016, in approximately 26 wires, a GoCoin account in Slovakia transferred over \$2.5 million to Branch Banking & Trust account number '2008 in the United States.

b. On January 15, 2016, Branch Banking & Trust account number '2008 wired \$189,571 to Verizon in Los Angeles, California, in payment for Backpage internet services.

c. Between January 21, 2016, and August 31, 2016, in approximately 27 wires, Branch Banking & Trust account number '2008 transferred approximately \$48 million to Arizona Bank & Trust account number '6211.

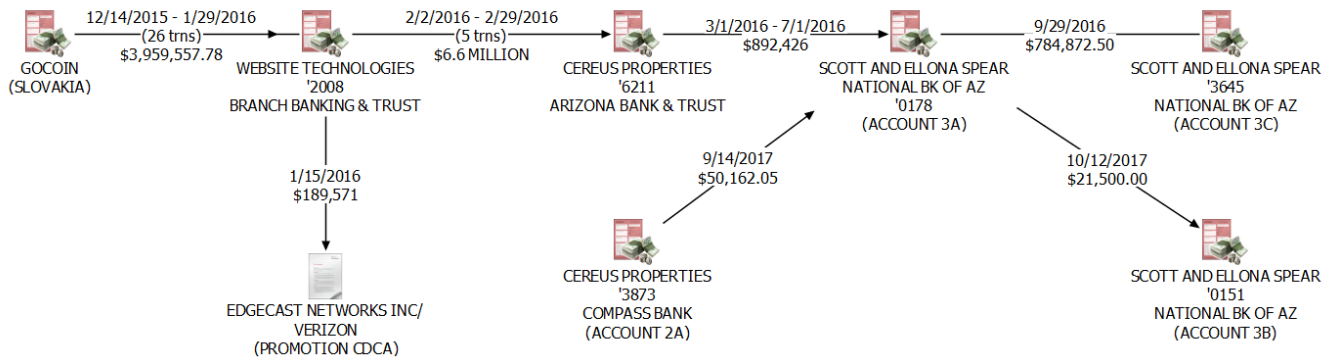
d. Between March 1, 2016, and July 1, 2016, Arizona Bank & Trust account number '6211 wired \$892,426 into National

Bank of Arizona account '0178.

e. On September 14, 2017, Compass Bank account '3873 wired \$50,162.05 into National Bank of Arizona account '0178.

f. On October 12, 2017, National Bank of Arizona account '0178 wired approximately \$21,500 into National Bank of Arizona account '0151.

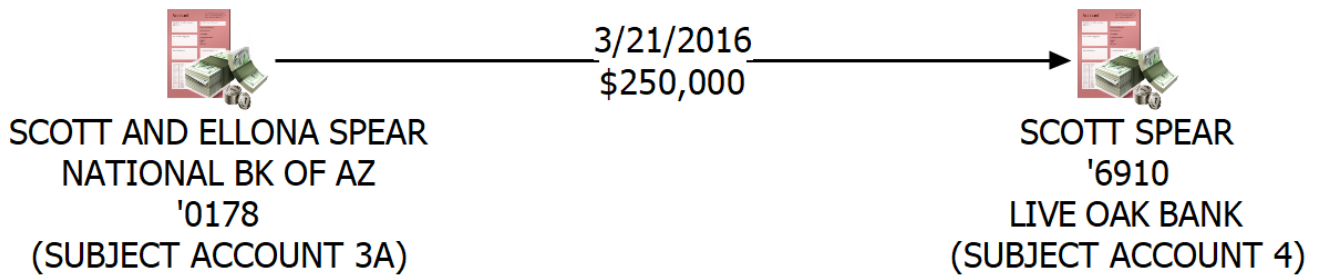
g. On January 5, 2018, National Bank of Arizona account '0178 wired approximately \$600,000 into National Bank of Arizona account '3645.



**E. \*TRACING FOR LIVE OAK BANK ACCOUNT '6910 (4)**

10. The Live Oak Bank account '6910 is held in the name of SPEAR.

11. On or about March 16, 2016, National Bank of Arizona account '0178 transferred \$250,000 into Live Oak Bank '6910 in the name of Scott Spear as an opening deposit. On March 20, 2018, Live Oak Bank confirmed that these funds have remained in Live Oak Bank account '6910 since the account was opened.

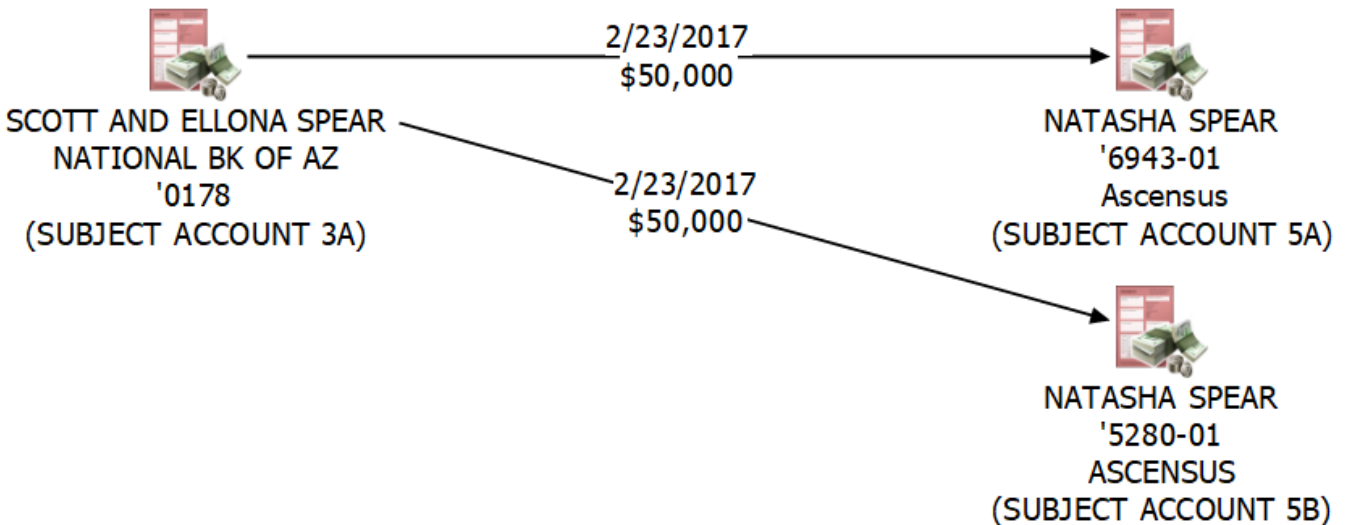


**F. \*TRACING FOR ASCENSUS BROKER SERVICES '4301 (5A) and '8001 (5B)**

12. Ascensus Broker Services '4301 (5A) and '8001 (5B) are held in the name of Natasha Spear, Scott Spear's adult daughter.

a. On February 23, 2017, National Bank of Arizona account '0178 wired approximately \$50,000 into Ascensus Broker Services account '4301.

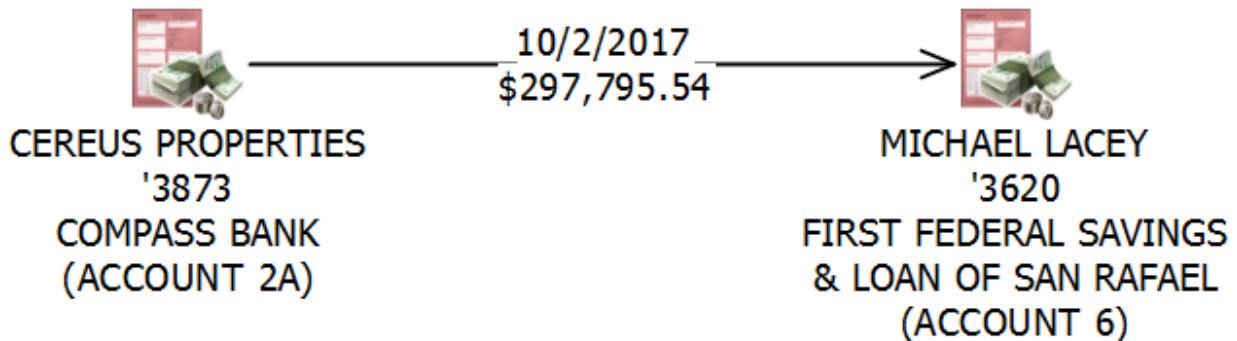
b. On the February 23, 2017, National Bank of Arizona account '0178 wired \$50,000 into Ascensus Broker Services account '8001.



**G. TRACING FOR FIRST FEDERAL SAVINGS & LOAN OF SAN RAFAEL ACCOUNT '3620 (6)**

13. First Federal Savings & Loan of San Rafael account '3620 is held in the name of Michael LACEY. In furtherance of their money laundering scheme, and in an attempt to further conceal the true nature of the money, Backpage Operators used this account as a go-between<sup>1</sup> funneling money from one account to another.

a. On October 2, 2017, Compass Bank account '3825 owned by Cereus Properties, wired approximately \$297,795 into First Federal Savings & Loan of San Rafael account '3620.



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<sup>1</sup> A go-between is an account set up for the main purpose of transferring funds from one or more bank accounts to one or more other bank accounts. Commonly used as a means of concealing the original source of the funds.

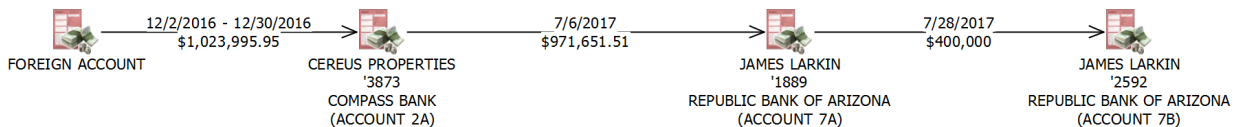
**H. TRACING FOR REPUBLIC BANK OF ARIZONA ACCOUNTS `1889 (7A), `2592 (7B), `1938 (7E), `2485 (16A), `1897 (16B), `3126 (16C), `8103 (16G), `8162 (16H), `8189 (16I), `8316 (16D), `8324 (16E), AND `8332 (16F),**

**1. Republic Bank of Arizona `1889 AND `2592**

14. Republic Bank of Arizona account `1889 is held in the name of LARKIN. In furtherance of their money laundering scheme, and in an attempt to further conceal the true nature of the money, Backpage Operators used this account as a go-between funneling money from one account to another. Republic Bank of Arizona account `2592 is held in the name of James LARKIN

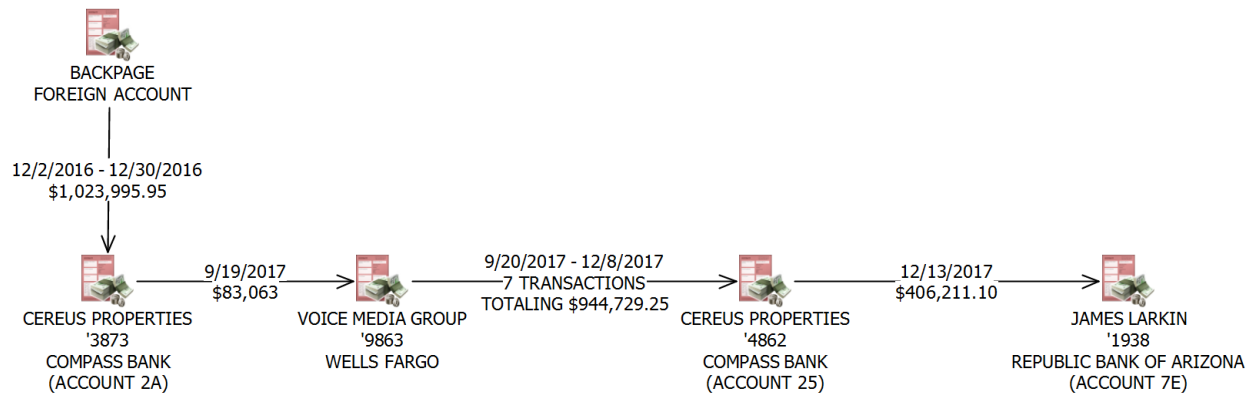
a. On July 6, 2017, Compass Bank account `3873 wired \$971,651.51 into Republic Bank of Arizona account `1889.

b. On July 28, 2017, Republic Bank of Arizona account `1889 wired \$400,000 into Republic Bank of Arizona account `2592.



## 2. Republic Bank of Arizona '1938

15. Republic Bank of Arizona account '8103 is a CDARS held in the name of James LARKIN, Value: \$500,000.00. Republic Bank of Arizona account '8162 is a CDARS held in the name of James LARKIN, Value: \$250,000.00. Republic Bank of Arizona account '8189 is a CDARS held in the name of James LARKIN, Value: \$250,000.00.





3. Republic Bank of Arizona '2485, '1897, and '3126

16. Republic Bank of Arizona account '2485 is held in the name of LACEY. In furtherance of their money laundering scheme, and in an attempt to further conceal the true nature of the money, Backpage Operators used this account as a go-between funneling money from one account to another. Republic Bank of Arizona account '3126 is held in the name of LACEY. Republic Bank of Arizona account '1897 is held in the name of LACEY. In furtherance of their money laundering scheme, and in an attempt to further conceal the true nature of the money, Backpage Operators used these account as a go-between funneling money from one account to another.

a. On December 2, 2016, the Foreign Account in the Netherlands wired \$324,055.85 to Compass Bank account '3873.

b. On December 8, 2016, the Netherland Account wired \$499,970.00 to Compass Bank account '3873.

c. On December 27, 2016, the Foreign Account wired \$199,970.00 to Compass Bank account '3873.

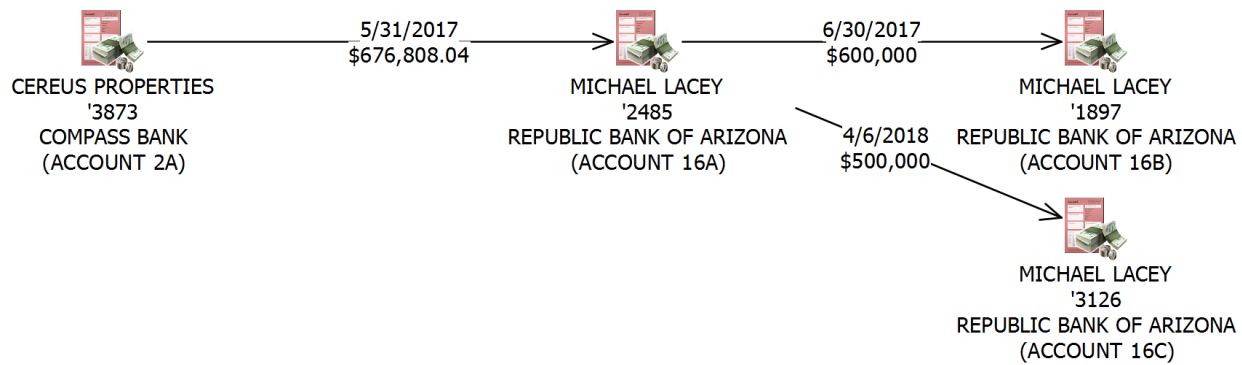
d. From March through December 2017, Compass Bank account '3873 paid over \$9,000 to "Cox Communications," an internet services company that Backpage uses to facilitate its internet presence and promote its sale of prostitution advertising.

e. On May 31, 2017, Compass Bank account '3873 wired approximately \$676,808.04 into Republic Bank of Arizona account '2485.

f. On June 30, 2017 Republic Bank of Arizona account '2485 transferred \$600,000 to Republic Bank of Arizona account

'1897.

g. On April 16, 2018, LACEY personally went into the Republic Bank of Arizona, withdrew \$500,000 from Republic Bank of Arizona account '2485 and opened Republic Bank of Arizona account '3126 with an initial deposit of the \$500,000 he had just withdrawn from Republic Bank of Arizona account '2485.

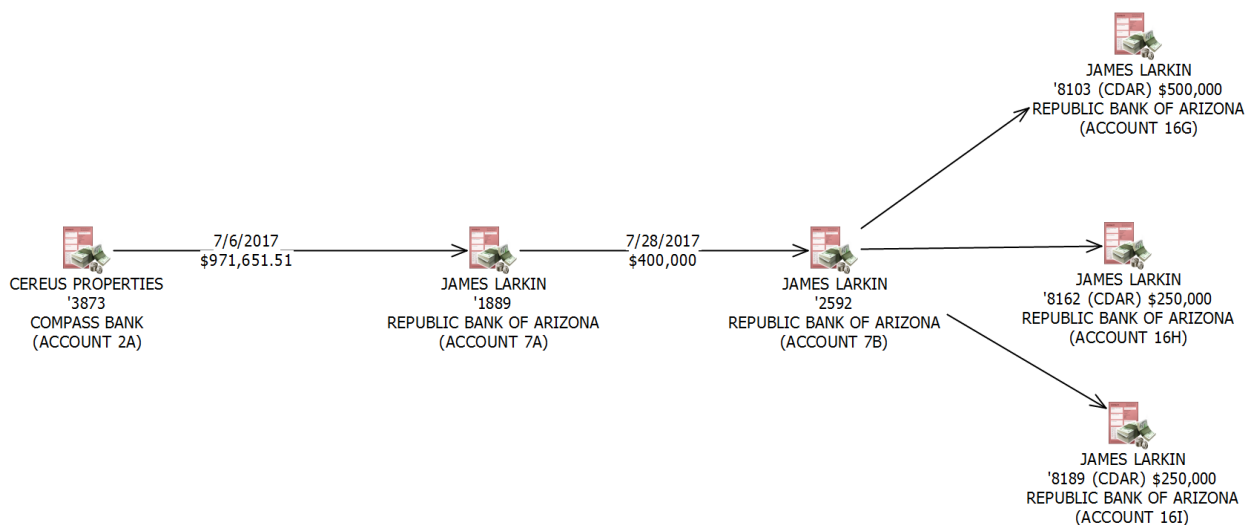


4. Republic Bank of Arizona '8103, '8162, '8189

17. Republic Bank of Arizona account '8103 is a CDARS held in the name of James LARKIN, Value: \$500,000.00. Republic Bank of Arizona account '8162 is a CDARS held in the name of James LARKIN, Value: \$250,000.00. Republic Bank of Arizona account '8189 is a CDARS held in the name of James LARKIN, Value: \$250,000.00.

a. On July 28, 2017, Republic Bank of Arizona account '1889 wired \$400,000 into Republic Bank of Arizona account '2592.

b. On or about February 8, 2018, LARKIN wrote a check from \$1 million drawn from Republic Bank of Arizona account '2592. This check was paid to Republic Bank of Arizona and was used to fund LARKIN's CDARS accounts; Republic Bank of Arizona account '8103 (which received \$500,000), Republic Bank of Arizona account '8162 (which received \$250,000), and Republic Bank of Arizona account '8189 (which received \$250,000).



5. Republic Bank of Arizona '8316, '8324, '8332

18. Republic Bank of Arizona account '8316 is a Certificate of Deposit Account Registry Service ("CDARS") and is held in the name of LACEY. Republic Bank of Arizona account '8324 is a Certificate of Deposit Account Registry Service ("CDARS") and is held in the name of LACEY. Republic Bank of Arizona account '8332 is a Certificate of Deposit Account Registry Service ("CDARS") and is held in the name of LACEY. In furtherance of their money laundering scheme, and in an attempt to further conceal the true nature of the money, Backpage Operators used this account as a go-between funneling money from one account to another.

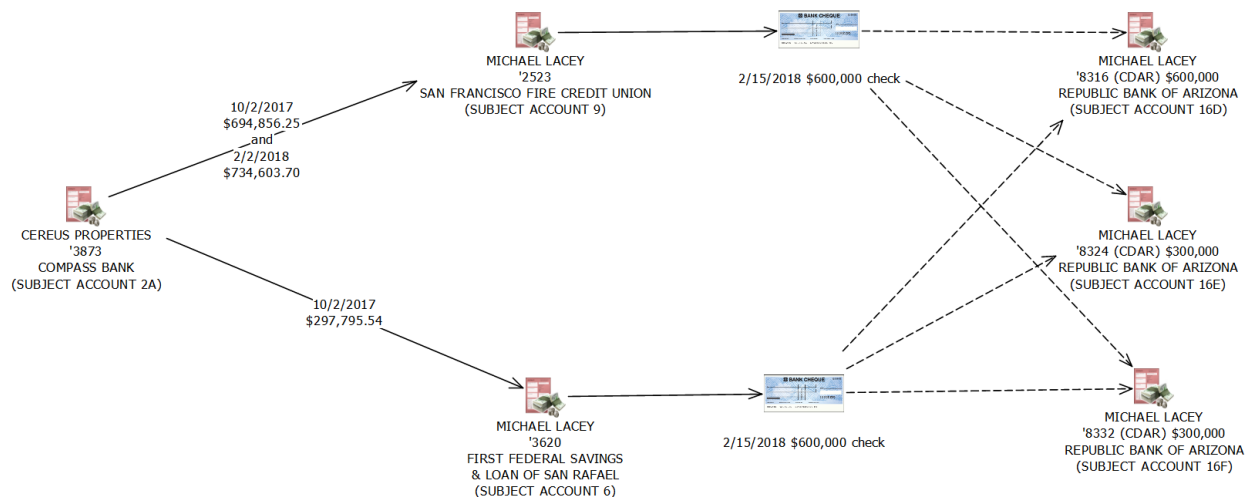
a. On October 2, 2017 Cereus Properties at Compass Bank account '3873 wired two wires to LACEY controlled accounts:

i. \$694,856.25 was wired to LACEY's San Francisco Fire Credit Union account '2523

ii. 297,795.54 was wired to LACEY's First Federal Savings & Loan of San Rafael account '3620.

b. On or about February 15, 2018, LACEY drafted two checks totaling \$1.2 million, which he split between three of his "CDARS" accounts at Republic Bank of Arizona: '8316, '8324 and '8332. The first check was drawn from First Federal Savings & Loan of San Rafael account '3620 in the amount of \$600,000. The second check was drawn from San Francisco Fire Credit Union account '2523, also in the amount of \$600,000. The combination

of these two checks totaling \$1.2 million. Republic Bank of Arizona account '8316 received \$600,000.



**I. \*TRACING FOR BANK OF AMERICA ACCOUNT `8225  
(8A), `7054 (8B), `9342 (8C), `0071 (8D)**

19. The Bank of America account `8225 is held in the name of Troy Larkin.

a. On February 2, 2018, Compass Bank account `3873 wired \$28,337 into Bank of America account `8225.

20. The Bank of America account `7054 is held in the name of Ramon Larkin.

a. On February 2, 2018, Compass Bank account `3873 wired \$28,337 into Bank of America account `7054.

21. The Bank of America account `9342 is held in the name of Daniel Hyer and Melissa Deeann Row-Hyer.

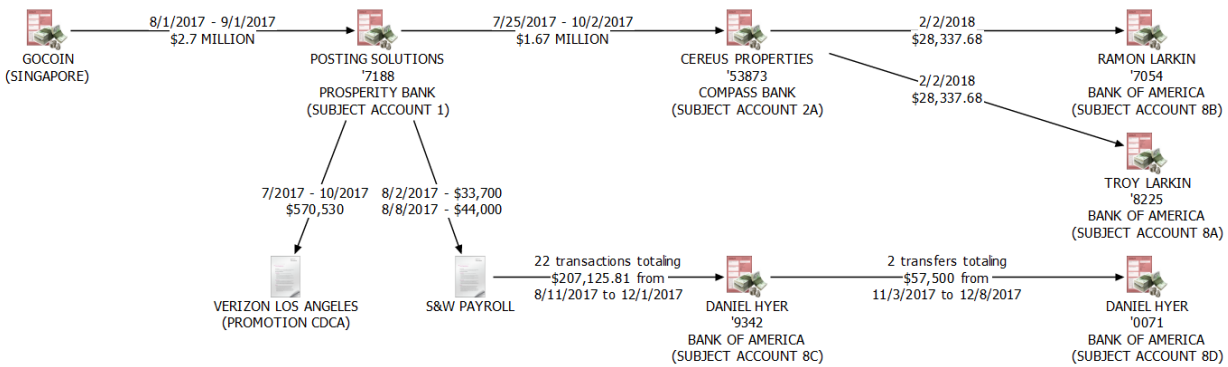
a. On August 2 and August 8, 2017, Prosperity Account bank `7188 wired \$33,700 and \$44,000, respectively, to S&W Payroll, a company Backpage uses to pay its employees.

b. Between August 11, 2017, and December 1, 2017, S&W Payroll wired a total of \$207,125.81 into Bank of America account `9342.

22. The Bank of America account `9342 is held in the name of Daniel Hyer.

a. Between November 3, 2017, and December 8, 2017, Bank of America account `9342 wired \$57,500 into Bank of America account `0071.

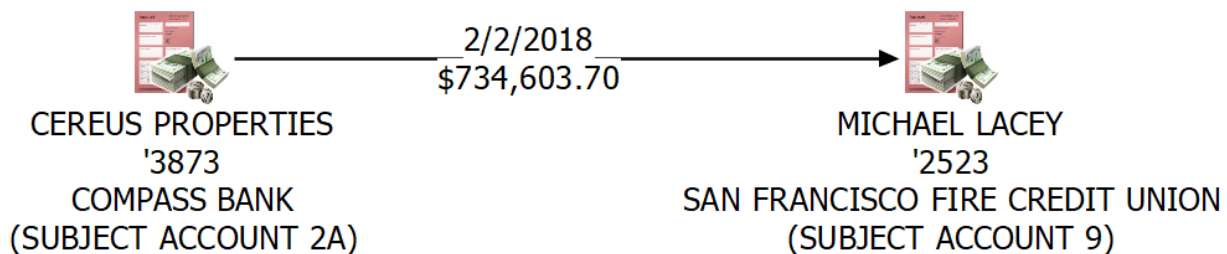
Account 8A, 8B, 8C, and 8D



**J. \*TRACING OF SAN FRANCISCO FIRE CREDIT UNION  
'2523 (9)**

23. The San Francisco Fire Credit Union account '2523 was held in the name of Michael LACEY and Jean K. Warren.

a. On February 2, 2018, Compass Bank account '3873 wired \$734,603.70 into San Francisco Fire Credit Union account '2523.



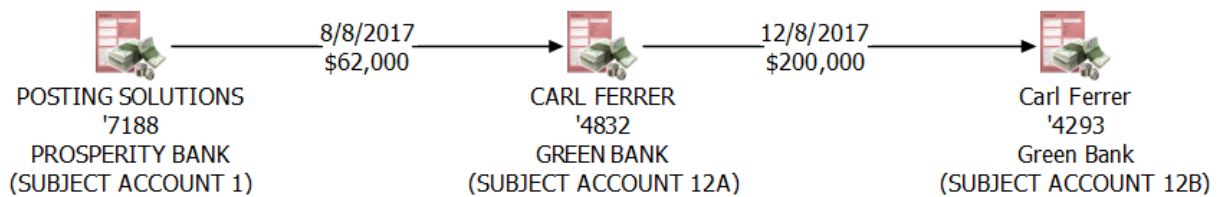


**K. \*TRACING FOR GREEN BANK ACCOUNT `4832 (12A) and `4293 (12B)**

24. The Green Bank accounts `4831 and `4293 were held in the name of FERRER.

a. On August 8, 2017, Prosperity Account bank `7188 wired \$62,000 into Green Bank account `4832.

b. On December 8, 2017, Seized Account 12A wired \$20,000 into Green Bank account `4293.



**L. TRACING FOR PERKINS COIE TRUST COMPANY ACCOUNT `0012  
(14)**

25. Perkins Coie Trust Company account number `0012 held in the name of Margaret LARKIN, LARKIN'S spouse. In furtherance of their money laundering scheme, and in an attempt to further conceal the true nature of the money, Backpage Operators used this account in a series of transfer between payments made for the SUA and other accounts.

26. The different accounts involved in this tracing include: Branch Banking & Trust account number `2008, belonging to Website Technologies; Arizona Bank & Trust account number `6211 belonging to Cereus Properties, Charles Schwab account number `4693 in the name of LARKIN; Northern Trust Company account number `9562 under the name "Ocotillo Family Trust," belonging to James LARKIN"; and Morgan Stanley account number `1673 belonging to James LARKIN and his wife, Margaret LARKIN; and GoCoin transactions related to certain ads posted on Backpage, specifically including ads that related to child victims A.C., S.F., T.S., S.L., K.O., and R.W.

a. On September 6, 2015, a bitcoin account associated with the owner of the email address who trafficked A.C. and S.F. paid Backpage about \$4 worth of bitcoin in order to post an ad promoting the trafficking of those victims in Palm Springs, California.

b. On September 15, 2015, an email from the same email address owner indicated a payment to Backpage of about \$8

worth of bitcoin in order to "Fund Account"<sup>2</sup> for palmsprings.backpage.com.

c. On October 6, 2015, the same email address owner paid Backpage about \$1 worth of bitcoin to "Fund Account" on palmsprings.backpage.com.

d. On October 30, 2015, a bitcoin account associated with the owner of the email address who trafficked T.S., S.L., K.O., and R.W. paid Backpage about \$1 worth of bitcoin in order to post an ad promoting the trafficking of those victims in Columbus, Ohio.

e. On November 2, 2015, this same email address owner paid Backpage about \$1 worth of bitcoin to "Move Ad to Top of Listings" in the Columbus, Ohio Backpage ads.

f. On November 21, 2015, this same email address owner paid Backpage about \$1 worth of bitcoin to Backpage for credit for that email owner's Backpage ad account.

g. During the period of September 4, 2015, and November 23, 2015, Backpage advertisers used bitcoin to purchase about 1,000,000 "adult" ads from Backpage. Backpage then sold that bitcoin to GoCoin for approximately \$8.6 million. Included among the bitcoin sold to GoCoin during this period were the six payments the pimps made to Backpage to purchase ads to promote child prostitution.

h. During the period of December 14, 2015, through December 29, 2015, a GoCoin account held in Slovakia wired over

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<sup>2</sup> The email address owner provided bitcoin to Backpage as payment for credit to be used at a later time to pay for Backpage ads.

\$1.25 million to Branch Banking & Trust account `2008 in the United States. The \$1.25 million represented GoCoin's partial payment to Backpage for the bitcoin Backpage sold to GoCoin during the period of September 4, 2015, through November 23, 2015.

i. On December 31, 2015, Branch Banking & Trust account `2008 wired \$811,424 to Arizona Bank & Trust account `6211.

j. On January 11, 2016, Arizona Bank & Trust account `6211 wired approximately \$1.3 million to Charles Schwab account `4693.

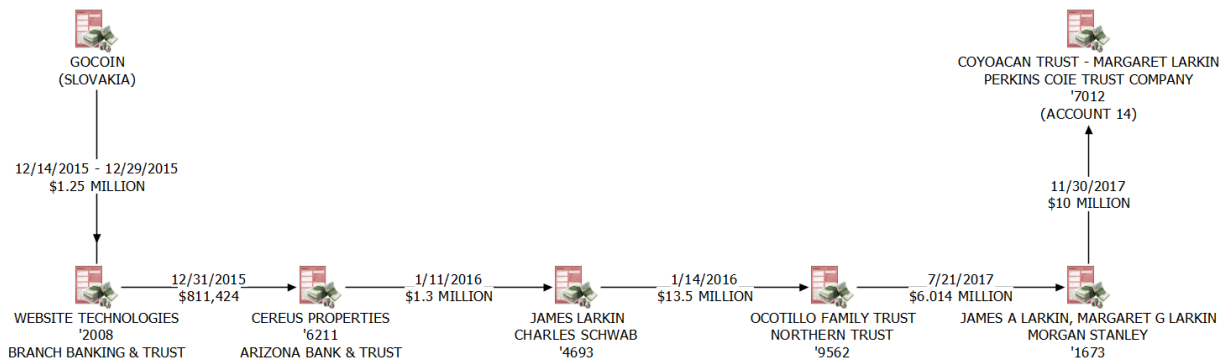
k. On January 14, 2016, Charles Schwab account `4693 wired approximately \$13.5 million to the Northern Trust Account.

l. In July 21, 2017, Northern Trust Company account `9562 wired \$6.014 million to Morgan Stanley account `1673.

m. In or about November 2017, Morgan Stanley elected to terminate its business relationship with LARKIN.

n. Following this, on November 30, 2017, LARKIN wired all the funds then held Morgan Stanley account `1673, about \$10 million dollars, to Perkins Coie Trust Company account number `0012.

o. Some of the funds in Perkins Coie Trust Company account number `0012 were used, among other things, to purchase bonds and/or securities, which assets remain held in Perkins Coie Trust Company account number `0012.



**M. TRACING FOR ALLIANCE BERNSTEIN ACCOUNTS `6878 (15A),  
`4954 (15B), `7892 (15D), `7889 (15E), `7888 (15F)  
`0582, AND `6485 (15G)**

27. Alliance Bernstein accounts `6878, `4954, `7892, `7889, `7888 `0582, and `6485 are held in the name of the "BRUNST Family Trust." BRUNST and his wife, Mary BRUNST, are the sole trustees for these accounts. In furtherance of their money laundering scheme, and in an attempt to further conceal the true nature of the money, Backpage Operators used this account as a go-between funneling money from one account to another.

a. During the period between September 4, 2015, and November 23, 2015, Backpage advertisers used bitcoin to purchase about 1,000,000 "adult" ads from Backpage. Backpage then sold that bitcoin to GoCoin for approximately \$8.6 million. Included among the bitcoin sold to GoCoin during this period were the six payments the pimps made to Backpage to purchase ads to promote child prostitution.

b. During the period of December 14, 2015, through December 29, 2015, a GoCoin account held in Slovakia wired over \$1.25 million to Branch Banking & Trust account `2008 Account belonging to Website Technologies in the United States which represented GoCoin's partial payment to Backpage for the bitcoin Backpage sold to GoCoin during the period of September 4, 2015, through November 23, 2015.

c. On December 31, 2015, the Branch Banking & Trust account `2008 wired \$811,424 to Arizona Bank & Trust account `6211 belonging to Cereus Properties.

d. On December 6, 2016, Arizona Bank & Trust account `6211 wired \$161,459 to Wells Fargo Bank account `4891, belonging to BRUNST.

e. On January 4, 2017, Arizona Bank & Trust account `6211 wired another \$258,841 to Wells Fargo Bank account `4891.

f. On January 5, 2017, Wells Fargo Bank account `4891 transferred \$300,000 to Wells Fargo Bank account `7474 belonging to the BRUNST Family Trust.

g. On May 19, 2017, Wells Fargo Bank account `7474 wired about \$1.5 million into Alliance Bernstein account `6878.

h. On May 23, 2017, Alliance Bernstein account `6878 transferred about \$350,000 to Alliance Bernstein account `6878.

i. On June 7, 2017, Alliance Bernstein account `6878 transferred about \$1.34 million to Alliance Bernstein account `6878.

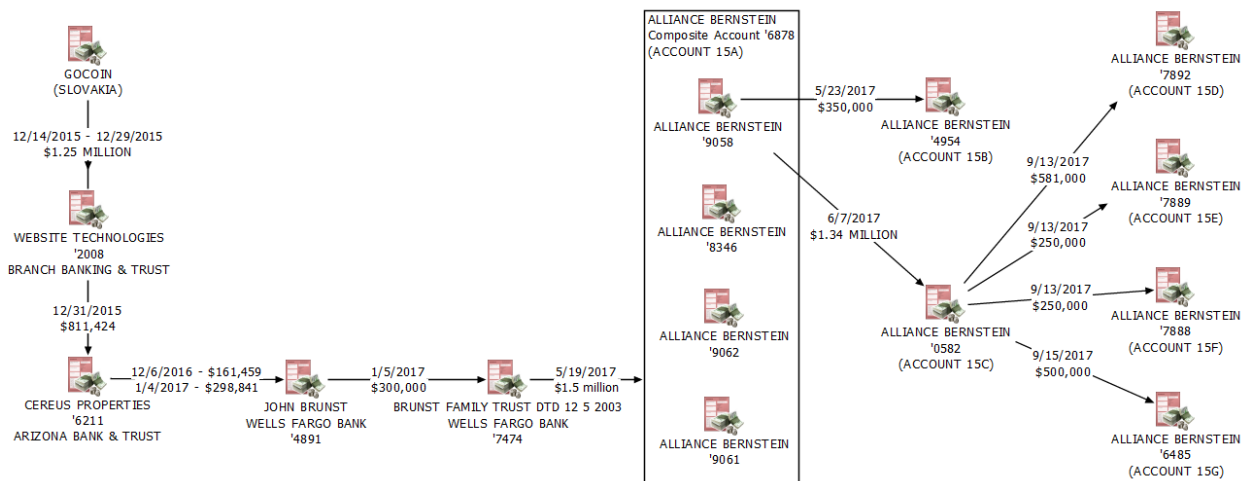
j. On September 13, 2017, Alliance Bernstein account `6878 transferred about \$581,000 to Alliance Bernstein account `7892.

k. On September 13, 2017, Alliance Bernstein account `6878 transferred about \$250,000 to Alliance Bernstein account `7889.

l. On September 13, 2017, Alliance Bernstein account `6878 transferred about \$250,000 to Alliance Bernstein account `7888.

m. On September 15, 2017, Alliance Bernstein account `6878 transferred about \$500,000 to Alliance Bernstein account `6485.

Seized Accounts 15A through 15G





**N. TRACING FOR K&H BANK ACCOUNT `1210 (17)**

28. K&H Bank account `1210 is located in Hungary, and held in the name of Primus Trust Company ("Binghampton Trust") for the benefit of LACEY. In furtherance of their money laundering scheme, and in an attempt to further conceal the true nature of the money, Backpage Operators used this account as a go-between funneling money from one account to another.

29. The tracing of this account involves numerous banks and bank accounts both foreign and domestic. The accounts include: Branch Banking & Trust account `2008, belonging to Website Technologies; Arizona Bank & Trust account `6211 belonging to Cereus Properties; Arizona Bank & Trust annuity trust account numbers `1967, `1972, `1986, `1991, and `2014, all held in LACEY's name ("AZBT Annuity Accounts"); and Johnson Financial account `9992 held in an IOLTA with LACEY as the sole beneficiary.

a. Between December 14, 2015, and January 15, 2016, in approximately 26 wires, a GoCoin account in Slovakia transferred over \$2.5 million to Branch Banking & Trust account `2008 in the United States.

b. On January 15, 2016, Branch Banking & Trust account `2008 wired \$189,571 to Verizon in Los Angeles, California, in payment for Backpage internet services.

c. Between January 21, 2016, and August 31, 2016, in approximately 27 wires, Branch Banking & Trust account `2008 transferred approximately \$48 million to Arizona Bank & Trust account `6211.

d. Between April 1, through October 6, 2016, in

approximately 12 transactions, Arizona Bank & Trust account `6211 transferred over \$18 million to the AZBT Annuity Trust Accounts.

e. On December 29, 2016, LACEY's AZBT Annuity Trusts Accounts sent five wires totaling \$16.5 million to Johnson Financial account `9992.

f. On January 3, 2017, Johnson Financial account `9992 wired the \$16.5 million to K&H Bank account `1210 in Hungary.

**O. TRACING FOR FIO BANK ACCOUNTS `5803 (18A), `5801 (18B), AND `5805 (18C)**

30. Fio Bank accounts `5803, `5801, and `5805 are located in the Czech Republic, and held in the name of Ad Tech BV, with FERRER as the ultimate beneficial owner. According to FERRER, all funds in these accounts are the criminally derived proceeds of ads promoting prostitution.

31. Fio Bank accounts `5803, `5801, and `5805 are accounts receivable accounts. As such, Payment processors and merchant processors would take credit card payments, and payments such as bitcoin payments from Backpage customers for prostitution and other ads, and would transfer these funds to accounts such as Fio Bank accounts `5803, `5801, and `5805.

i. On May 8, 2018, within the Stipulation for Preliminary Order of Forfeiture, CR18-465-PHX-SPL, FERRER as CEO of Backpage.com, stipulated that any and all bank funds, securities, or other assets on deposit or seized from these accounts are forfeitable property.

**P. TRACING FOR FIO BANK ACCOUNTS '2226 (18D), '2231 (18E), and '2230 (18F)**

32. Fio Bank accounts '2226, '2231, '2230 are located in the Czech Republic, and held in the name of Gold Leaf SRO. All funds and securities in these accounts are held for Backpage.com by a third party, Gold Leaf SRO. According to FERRER and the Service Level Agreement ("SLA") between Ad Tech BV, a Backpage owned company and Gold Leaf SRO, the funds and/or securities in these accounts are the criminally derived proceeds of Backpage ads, including ads promoting prostitution.

33. The SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage. According to FERRER, the arrangement between Gold Leaf, SRO, and Backpage was put into place to evade what he called a "blockade by credit card companies." FERRER explained that beginning around 2015, U.S. credit card companies such as MasterCard and Visa refused to process credit card payments for Backpage due to the negative press surrounding sex trafficking and prostitution content on Backpage.

34. As one of the ways around this "blockade," Backpage Operators set up agreements with foreign persons and partners to "franchise" websites for the sole purpose of accepting credit card payments.

35. According to FERRER, this use of foreign third-parties and foreign accounts allowed Backpage to continue to accept credit card payments for prostitution ads while concealing from the credit card companies that the payments were for Backpage ads.

36. FERRER said that Gold Leaf SRO existed for the sole purpose of funneling to Backpage accounts otherwise prohibited credit card payments for Backpage ads. FERRER explained that these accounts are owned by Backpage and are not co-mingled with other funds, and are therefore subject to seizure and forfeiture to the United States.

i. On May 8, 2018, within the Stipulation for Preliminary Order of Forfeiture, CR18-465-PHX-SPL, FERRER as CEO of Backpage.com, stipulated that any and all bank funds, securities, or other assets on deposit or seized from these accounts are forfeitable property.

**Q. TRACING FOR FIO BANK ACCOUNTS '4194 (18G), '4196 (18H), AND '4198 (18I)**

37. Fio Bank accounts '4194, '4196 and '4198 are located in the Czech Republic, and held in the name of Protecctio SRO. All funds and securities in these accounts are held for Backpage.com by a third party, Protecctio SRO. According to FERRER and the Service Level Agreement ("SLA") between Protecctio, a Backpage owned company and Protecctio SRO, the funds and/or securities in these accounts are the criminally derived proceeds of Backpage ads, including ads promoting prostitution.

38. The SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage. According to FERRER, the arrangement between Protecctio SRO, and Backpage was put into place to evade what he called a "blockade by credit card companies." FERRER explained that beginning around 2015, U.S. credit card companies such as MasterCard and Visa refused to process credit card payments for Backpage due to the negative press surrounding sex trafficking and prostitution content on Backpage.

39. As one of the ways around this "blockade," Backpage Operators set up agreements with foreign persons and partners to "franchise" websites for the sole purpose of accepting credit card payments.

40. According to FERRER, this use of foreign third-parties and foreign accounts allowed Backpage to continue to accept credit card payments for prostitution ads while concealing from the credit card companies that the payments were for Backpage

ads.

41. FERRER said that Protecctio SRO existed for the sole purpose of allowing purchasers of prostitution ads to purchase ads on Backpage websites while evading the credit card company blockade. FERRER explained that these accounts are owned by Backpage and are not co-mingled with other funds, and are therefore subject to seizure and forfeiture to the United States.

i. On May 8, 2018, within the Stipulation for Preliminary Order of Forfeiture, CR18-465-PHX-SPL, FERRER as CEO of Backpage.com, stipulated that any and all bank funds, securities, or other assets on deposit or seized from these accounts is forfeitable property.

**R. TRACING FOR FIO BANK ACCOUNT '8083 (18J), '8086 (18K), AND '8080 (18L)**

42. Fio Bank accounts '8083, '8086, and '8080 are located in the Czech Republic, and held in the name of Varicok Company SRO. All funds and securities in these accounts are held for Backpage.com by a third party, Varicok Company SRO. According to FERRER and the Service Level Agreement ("SLA") between Varicok Company SRO, a Backpage owned company and Varicok Company SRO, the funds and/or securities in these accounts are the criminally derived proceeds of Backpage ads, including ads promoting prostitution.

43. The SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage. According to FERRER, the arrangement between Varicok Company SRO, and Backpage was put into place to evade what he called a "blockade by credit card companies." FERRER explained that beginning around 2015, U.S. credit card companies such as MasterCard and Visa refused to process credit card payments for Backpage due to the negative press surrounding sex trafficking and prostitution content on Backpage.

44. As one of the ways around this "blockade," Backpage Operators set up agreements with foreign persons and partners to "franchise" websites for the sole purpose of accepting credit card payments.

45. According to FERRER, this use of foreign third-parties and foreign accounts allowed Backpage to continue to accept credit card payments for prostitution ads while concealing from the credit card companies that the payments were for Backpage



ads.

46. FERRER said that Varicok Company SRO existed for the sole purpose of allowing purchasers of prostitution ads to purchase ads on Backpage websites while evading the credit card company blockade. FERRER explained that these accounts are owned by Backpage and are not co-mingled with other funds, and are therefore subject to seizure and forfeiture to the United States.

i. On May 8, 2018, within the Stipulation for Preliminary Order of Forfeiture, CR18-465-PHX-SPL, FERRER as CEO of Backpage.com, stipulated that any and all bank funds, securities, or other assets on deposit or seized from these accounts is forfeitable property.

**S. TRACING FOR BANK FRICK ACCOUNTS 'K000 K (19A), 'K000 U (19B), 'K000 E (19C), AND 'K001 E (19D)**

47. Bank Frick accounts 'K000 K, 'K000 U, 'K000 E, and 'K001 E are located in Principality of Liechtenstein, and held in the name of Ad Tech BV, and FERRER is the ultimate beneficial owner. According to FERRER these are accounts receivable banking accounts.

48. Payment processors and merchant processors would take credit card payments, and payments such as bitcoin payments from Backpage customers for prostitution and other ads, and would transfer these funds to Bank Frick accounts 'K000 K, 'K000 U, 'K000 E, and 'K001 E.

49. These accounts contain funds and/or securities that are criminally derived and are subject to forfeiture. FERRER and Backpage has agreed to surrender these funds and/or securities as they are criminally derived.

**T. TRACING FOR KNAB BANK ACCOUNT '7664 (20)**

50. Knab Bank account '2452 is located in Kingdom of the Netherlands, and held in the name of Procop Services BV. All funds and securities in this account are held for Backpage.com by Procop Services BV. According to FERRER and the Service Level Agreement ("SLA") between Procop Services BV, a Backpage owned company and Procop Services BV, the funds and/or securities in these accounts are the criminally derived proceeds of Backpage ads, including ads promoting prostitution.

51. The SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage. According to FERRER, the arrangement between Procop Services BV, and Backpage was put into place to evade what he called a "blockade by credit card companies." FERRER explained that beginning around 2015, U.S. credit card companies such as MasterCard and Visa refused to process credit card payments for Backpage due to the negative press surrounding sex trafficking and prostitution content on Backpage.

52. As one of the ways around this "blockade," Backpage Operators set up agreements with foreign persons and partners to "franchise" websites for the sole purpose of accepting credit card payments.

53. According to FERRER, this use of foreign third-parties and foreign accounts allowed Backpage to continue to accept credit card payments for prostitution ads while concealing from the credit card companies that the payments were for Backpage ads.

54. FERRER said that Procop Services BV existed for the

sole purpose of allowing purchasers of prostitution ads to purchase ads on Backpage websites while evading the credit card company blockade. FERRER explained that these accounts are owned by Backpage and are not co-mingled with other funds, and are therefore subject to seizure and forfeiture to the United States.

**U. TRACING FOR RABO BANK ACCOUNT `2452 (21A) and  
`4721 (21B)**

55. According to FERRER and business agreements, Rabo Bank Account `2452 is an account in the Netherlands held in the name of Gulietta Group BV. The funds and/or securities in this account are derived from selling advertisements online, most of which are for prostitution advertisements. The SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV which is owned by Backpage.

56. According to FERRER, the arrangement between Guilietta Group BV, and Backpage was put into place to evade what he called a "blockade by credit card companies." FERRER explained that beginning around 2015, U.S. credit card companies such as MasterCard and Visa refused to process credit card payments for Backpage due to the negative press surrounding sex trafficking and prostitution content on Backpage.

57. As one of the ways around this "blockade," Backpage Operators set up agreements with foreign persons and partners to "franchise" websites for the sole purpose of accepting credit card payments.

58. This use of foreign third-parties and foreign accounts allowed Backpage to continue to accept credit card payments for prostitution ads while concealing from the credit card companies that the payments were for Backpage ads.

59. Rabo Bank account `4721 is an account in the Netherlands held in the name of UnivsersAds BV. According to Ferrer and the SLA between the companies, the funds and/or securities in this account are derived from selling advertisements online, most of which are for prostitution

advertisements. The Service Level Agreements state that 99.5% of the net proceeds are to be paid to Ad Tech BV which is owned by Backpage.

60. According to Ferrer, the arrangement between UniversAds BV and Ad Tech BV or Backpage was put into place to evade the same credit card blockade described above. Ferrer explained that these accounts are owned by Backpage and are not co-mingled with other funds and/or securities, and are therefore subject to seizure and forfeiture to the United States.

**V. TRACING FOR ACACIA CONSERVATION FUND '0112 (22)**

61. Acacia Conservation Fund LP account '0112 are investment funds held in the name of Ocotillo Family Trust. Ocotillo Family Trust is owned by JAMES and Margaret LARKIN. In furtherance of their money laundering scheme, and in an attempt to further conceal the true nature of the money, Backpage Operators used these accounts as go-betweens to funnel money from one account to another.

a. The tracing involved numerous accounts including: Branch Banking & Trust account number '2008, held in the name of Website Technologies; Arizona Bank & Trust account number '6211 held in the name of Cereus Properties; Charles Schwab account number '4693 held in the name of JAMES LARKIN; and Pershing, LLC Account number '1121 held in the name of Acacia Conservation Fund; and GoCoin transactions related to certain ads posted on Backpage, specifically including ads that related to child victims A.C., S.F., T.S., S.L., K.O., and R.W.

b. On September 6, 2015, a bitcoin account associated with the owner of the email address who trafficked A.C. and S.F. paid Backpage about \$4 worth of bitcoin in order to post an ad promoting the trafficking of those victims in Palm Springs, California.

c. On September 15, 2015, an email from the same email address owner indicated a payment to Backpage of about \$8

worth of bitcoin in order to "Fund Account"<sup>3</sup> for palmsprings.backpage.com.

d. On October 6, 2015, the same email address owner paid Backpage about \$1 worth of bitcoin to "Fund Account" on palmsprings.backpage.com.

e. On October 30, 2015, a bitcoin account associated with the owner of the email address who trafficked T.S., S.L., K.O., and R.W. paid Backpage about \$1 worth of bitcoin in order to post an ad promoting the trafficking of those victims in Columbus, Ohio.

f. On November 2, 2015, this same email address owner paid Backpage about \$1 worth of bitcoin to "Move Ad to Top of Listings" in the Columbus, Ohio Backpage ads.

g. On November 21, 2015, this same email address owner paid Backpage about \$1 worth of bitcoin to Backpage for credit for that email owner's Backpage ad account.

h. During the period of September 4, 2015, and November 23, 2015, Backpage advertisers used bitcoin to purchase about 1,000,000 "adult" ads from Backpage. Backpage then sold that bitcoin to GoCoin for approximately \$8.6 million. Included among the bitcoin sold to GoCoin during this period were the six payments the pimps made to Backpage to purchase ads to promote child prostitution.

i. During the period of March 23, 2016, through March 31, 2016, in three transactions, Branch Banking and Trust

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<sup>3</sup> The email address owner provided bitcoin to Backpage as payment for credit to be used at a later time to pay for Backpage ads.



Bank account `2008 wired \$3,694,813.60 to the Arizona Bank and Trust Account `6211.

j. During the period of April 1, 2016, through July 1, 2016, in five transactions, the Arizona Bank and Trust Account `6211 wired \$5,750,294 to LARKIN's Charles Schwab account `4693.

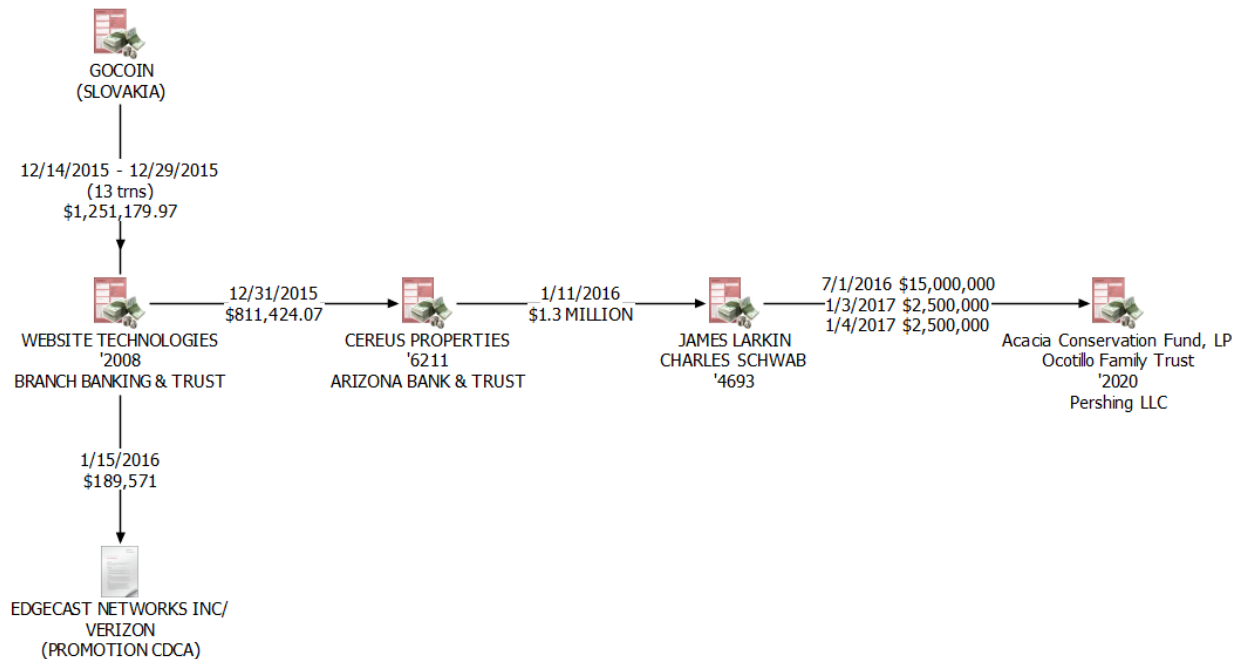
k. On July 1, 2016, the Charles Schwab account `4693 wired \$15 million to the Acacia Conservation Fund, LP account `0112.

l. During the period of August 2, 2016, through October 6, 2016, in six transactions, the Arizona Bank and Trust Account `6211 wired \$9,550,315 to LARKIN's Charles Schwab account `4693.

m. On January 3, 2017, the Charles Schwab account `4693 wired \$2.5 million to the Acacia Conservation Fund, LP account `0112.

n. On January 4, 2017, the Charles Schwab account `4693 wired \$2.5 million to the Acacia Conservation Fund, LP account `0112.

ACCOUNT 22



**W. TRACING FOR SAXO PAYMENTS ACCOUNT `1262 (23)**

62. Saxo Payments account number 00011262 is a United Kingdom-based account held in the name of Cashflows Europe Limited ("Cashflows"). Cashflows is holding these funds for the benefit of Gulietta Group B.V., Universads B.V, Procop Services B.V., and Proteccio SRO, each of which company is a Backpage owned or controlled entity. United Kingdom law enforcement officials have restrained the funds held by these four companies and consolidated them into this Saxo Payments account.

63. On April 5, 2018, pursuant to a plea agreement in the District of Arizona, FERRER plead guilty to a single-count information charging him with a violation of 18 U.S.C. § 371, conspiracy to violate 18 U.S.C. §§ 1952 (the Travel Act) and 1956 (money laundering). As part of his plea agreement, FERRER agreed to "take all steps within his power to forfeit to the United States all corporate assets and other property owned or controlled by Website Technologies, LLC, which own and operates the Backpage website, as well as corporate assets and other property owned or controlled by Backpage.com, LLC, Posting Solutions LLC, Amstel River Holdings, LLC, Ad Tech BV, and UGC Tech Group CV." That same day, also in the District of Arizona, Backpage.com, LLC and related entities plead guilty to 18 U.S.C. § 1956(h) (money laundering conspiracy).

64. Saxo Payments account `1262 contains funds from (1) Gulietta Group B.V.; (2) Procop Services B.V.; (3) Universads

B.V.; and (4) Protecctio SRO, (collectively referred to as, the "Entities"):

65. According to FERRER and the four separate SLAs between (1) Ad Tech BV, a Backpage owned company, and Guilietta Group B.V.; (2) Backpage and Procop Services B.V.; (3) Backpage and Universe Ads B.V.; and (4) Backpage and Protecctio SRO, the funds and/or securities held by these entities are the criminally derived proceeds of Backpage ads, including ads promoting prostitution. All four SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage. According to FERRER, the arrangements between these Entities, and Backpage were put into place to avoid what FERRER described as, "a blockade [of Backpage] by credit card companies." FERRER explained that beginning around 2015, U.S. credit card companies such as MasterCard and Visa refused to process credit card payments for Backpage due to the negative press surrounding sex trafficking and prostitution content on Backpage. As a way around this "blockade," Backpage Operators set up agreements with foreign persons and partners to "franchise" websites for the sole purpose of accepting credit card payments. According to FERRER, this use of foreign third-parties and foreign accounts allowed Backpage to continue to accept credit card payments for prostitution ads while concealing from the credit card companies that the payments were for Backpage ads. FERRER said that the Entities existed for the sole purpose of funneling to Backpage accounts otherwise prohibited credit card payments for Backpage ads. FERRER

explained that these funds are owned by Backpage and are not commingled with other funds, and the funds held in Saxo Payments account `1262 are therefore subject to seizure and forfeiture to the United States.

**X. \*TRACING FOR AS LHV PANK ACCOUNT `4431 (24)**

66. Restrained Account 24 is an account maintained in the Republic of Estonia, held in the name of Olist OU. The funds and/or securities in this account are derived from selling advertisements online, most of which ads are for prostitution advertisements. The SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage. The arrangement between Olist OU and Ad Tech BV (Backpage) was put into place to avoid the same credit card "blockade" described in relation to Saxo Payments account `1262. These accounts are owned by Backpage and are not co-mingled with other funds and/or securities.

**Y. \*TRACING COMPASS BANK ACCOUNT `4862 (25)**

67. The Compass Bank account was opened in the name of Cereus Properties:

a. On December 2, 2016, the Foreign Account in the Liechtenstein wired \$324,055.85 to Compass Bank account `3873.

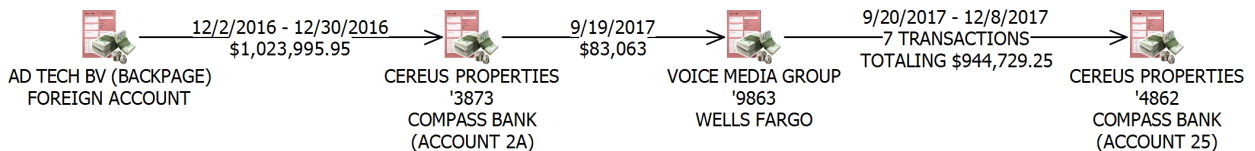
b. On December 8, 2016, the Foreign Account wired \$499,970.00 to Compass Bank account `3873.

c. On December 27, 2016, the Foreign Account wired \$199,970.00 to Compass Bank account `3873.

d. On September 19, 2017, Compass Bank account `3873 wired \$83,063 to Wells Fargo Bank account `9863.

e. Between September 20, 2017, and December 8, 2017, in a total of seven wire transfers, Wells Fargo Bank account - 9863 sent a combined total of \$944,729.25 to Compass Bank account `4862.

f. On December 13, 2017, Compass Bank account `4862 wired \$406,211.10 to Republic Bank of Arizona account 1938.



**Z. \*TRACING OF MIDFIRST BANK ACCOUNT `4139 (26)**

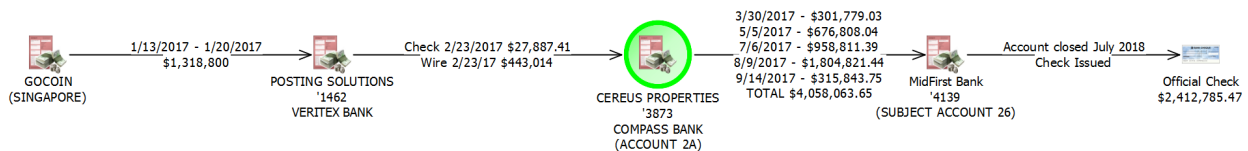
68. The Midfirst Bank account was held in the name of John Becker's IOLTA for MICHAEL LACEY

a. On January 4, 2017, GoCoin's Singapore account wired \$489,500 into Account -1462, and on January 20, 2017, GoCoin's Singapore account directed two additional wires, for \$358,150 and \$470,150, respectively, into Account -1462 (totaling \$1,317,800 wired from GoCoin's Singapore account into Account -1462).

b. On or about February 23, 2017, Account -1462 sent two payments, a wire of \$443,014 and a check for \$27,887.41 to Compass Bank account `3873.

c. Between March 30, 2017, and September 14, 2017, Compass Bank account `3873 sent five wires totaling \$4,058,063.65 to Midfirst Bank account `4139.

d. In July 2018, Midfirst Bank account `4139 was closed and a cashier's check totaling \$2,412,785.47 was issued to Michael Lacey's Annuity Fund held by his attorney. As of the date of this affidavit, this check has not been negotiated.





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**AA. ASCIO/WMB INC WEBSITES**

69. Backpage, until recently, controlled numerous domain names that have since been seized by the government pursuant to a seizure warrant issued in this district.<sup>4</sup>

70. The Seized Domains are registered by "ASCIO TECHNOLOGIES INC" DBA "NETNAMES," a domain registrar that manages the reservation of internet domain names. A domain registrar serves to ensure that a registered domain name, like each of the Seized Domains, is not double sold.

71. Additionally, a domain registration will allow the owner of the domain to direct internet traffic to a company's webserver. The Seized Domains were found to have been acquired and maintained with funds traceable to the money laundering scheme described herein, specifically with funds from Prosperity Bank account '7188, and the Seized Domains were the mechanism Backpage used to promote the prostitution and sex trafficking activity.

72. The following domains constitute and are derived from proceeds traceable to one or more violations of 18 U.S.C. § 156(g), 18 U.S.C. § 156(a)(2), and 18 U.S.C. § 1957:

73. atlantabackpage.com

74. backpage.be

75. backpage.com

76. backpage.com.br

77. backpage.cz

78. backpage.dk

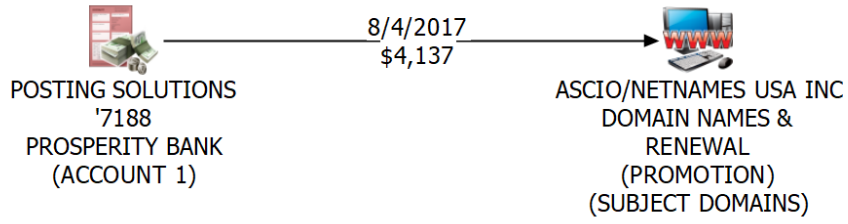
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<sup>4</sup> 18-MJ-00711

79. [backpage.ee](#)
80. [backpage.es](#)
81. [backpage.fi](#)
82. [backpage.fr](#)
83. [backpage.gr](#)
84. [backpage.hu](#)
85. [backpage.ie](#)
86. [backpage.it](#)
87. [backpage.lt](#)
88. [backpage.mx](#)
89. [backpage.net](#)
90. [backpage.no](#)
91. [backpage.pl](#)
92. [backpage.pt](#)
93. [backpage.ro](#)
94. [backpage.si](#)
95. [backpage.sk](#)
96. [backpage.us](#)
97. [backpage-insider.com](#)
98. [bestofbackpage.com](#)
99. [bestofbigcity.com](#)
100. [bigcity.com](#)
101. [chicagobackpage.com](#)
102. [denverbackpage.com](#)
103. [newyorkbackpage.com](#)
104. [phoenixbackpage.com](#)
105. [sandiegobackpage.com](#)
106. [seattlebackpage.com](#)

107. tampabackpage.com

ASCIO/NETNAMES



**REAL PROPERTY TRACING**

**A. 2043 Pleasant Hill Rd, Sebastopol, CA 95472**

108. Michael LACEY knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.

109. As set forth below, financial transactions involving illicit proceeds were deposited in GoCoin (Singapore) which were then moved through the Posting Solutions Prosperity Bank account, then moved through the Cereus Properties Compass Bank account, then moved to the San Francisco Fire Credit Union account '2523 controlled by Michael LACEY.

110. Additional financial transactions involving illicit proceeds were deposited in Ad Tech BV Bank Frick account (XXXX) which were then moved through the Cereus Properties Compass Bank account, then moved to the San Francisco Fire Credit Union account '2523 controlled by Michael LACEY. LACEY issued a check from his San Francisco Fire Credit Union account '2523 to the Sonoma County Tax Collector.

Date(s)	Approximate Amount of Wire Transfers from GoCoin and Ad Tech BV			Debits from San Francisco Fire Credit Union Account '2523	
	From	To	Amount	Amount	To
8/1/2017 - 9/1/2017	GoCoin	Posting Solutions	\$2.7 Million		
7/25/2017 - 10/2/2017	Posting Solutions	Cereus Properties	\$1.67 Million		

12/2/2016 - 12/30/2016	Ad Tech BV	Cereus Properties	\$1,023,995.95		
10/2/2017	Cereus Properties	San Francisco Fire Credit Union '2523	\$694,856.25		
10/10/2017				\$12,956.25	Sonoma County Tax Collector

111. As noted above, on October 10, 2017, LACEY issued a check for \$12,956.25 to Sonoma County Tax Collector. The notation on this wire was "2043 Pleasant Hill Dr Sebastopol".

112. Finca Manzana for Sebastopol, LLC, a Delaware limited liability company, which was the entity used to take title to SEBASTOPOL, CALIFORNIA PROPERTY, is owned by Michael LACEY. On February 11, 2016, Deborah Chalsty transferred by grant deed, as instrument number 2016010019 of the Sonoma County official records, SEBASTOPOL, CALIFORNIA PROPERTY to Michael LACEY, an unmarried man. On April 24, 2017, Michael LACEY, for no consideration, transferred by grant deed, as instrument number 2017031052 of the Sonoma County official records, SEBASTOPOL, CALIFORNIA PROPERTY to Finca Manzana for Sebastopol, LLC. As noted in the grant deed:

"There was no consideration for this transfer. This is a transfer between an individual or individuals and a legal entity or between legal entities that results solely in a change in the method of holding title and in which proportional ownership interests in the realty remain the same. . ."

113. LACEY used funds that had been moved through GoCoin and Ad Tech BV, through Posting Solution and Cereus Properties

accounts, to an account controlled by himself, to acquire or maintain the real property known as 2043 Pleasant Hill Rd.



**B. 343 Presidio Ave, San Francisco, CA 94115**

114. Michael LACEY knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.

115. As set forth below, financial transactions involving illicit proceeds were deposited in GoCoin (Singapore) which were then moved through the Posting Solutions Prosperity Bank account, then moved through the Cereus Properties Compass Bank account, then moved to the San Francisco Fire Credit Union account '2523 controlled by Michael LACEY.

116. Additional financial transactions involving illicit proceeds were deposited in Ad Tech BV Bank Frick account (XXXX) which were then moved through the Cereus Properties Compass Bank account, then moved to the San Francisco Fire Credit Union account '2523 controlled by Michael LACEY. Lacey issued a check from his San Francisco Fire Credit Union account to pay the San Francisco Tax Collector.

Date(s)	Approximate Amount of Wire Transfers from GoCoin and Ad Tech BV			Debits from San Francisco Fire Credit Union Account '2523	
	From	To	Amount	Amount	To
	8/1/2017 - 9/1/2017	GoCoin	Posting Solutions	\$2.7 Million	
7/25/2017 - 10/2/2017	Posting Solutions	Cereus Properties	\$1.67 Million		
12/2/2016 -	Ad Tech BV	Cereus	\$1,023,995.95		

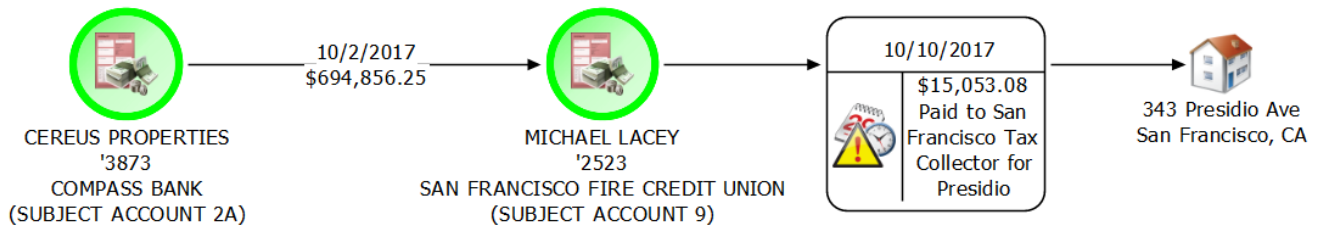
12/30/2016		Properties			
10/2/2017	Cereus Properties	San Francisco Fire Credit Union '2523	\$694,856.25		
10/10/2017				\$15,053.08	San Francisco Tax Collector

117. As noted above, on October 10, 2017, LACEY issued a check for \$15,053.08 to San Francisco Tax Collector. The notation on this wire was "343 Presidio".

118. On May 18, 2016, David H. Berg, Trustee and Geraldine B Berg, Trustee of The Berg Family Trust, dated August 15, 2005 transferred by grant deed, as instrument number 2016-K245482-00 of the San Francisco County official records, 343 Presidio Ave, to Michael G. LACEY, a single man and Alyson Talley, a single woman, as joint tenants with right of survivorship.

119. LACEY used funds that had been moved through GoCoin and Ad Tech BV, through Cereus Properties accounts, to accounts controlled by himself, to acquire or maintain the real property known as SAN

120. FRANCISCO, CALIFORNIA PROPERTY 1.





**C. 2755 Fillmore St, San Francisco, CA 94123**

121. Michael LACEY knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.

122. As set forth below, financial transactions involving illicit proceeds were deposited in GoCoin (Slovakia) which was then moved through the Website Technologies Branch Banking & Trust account, then moved through Cereus Properties Arizona Bank & Trust account, then moved through multiple Annuity trust accounts controlled by LACEY, then moved to Arizona Bank & Trust account '1793 controlled by LACEY. Funds from LACEY's Arizona Bank & Trust account '1793 were then wire transferred to Fidelity National Title Company.

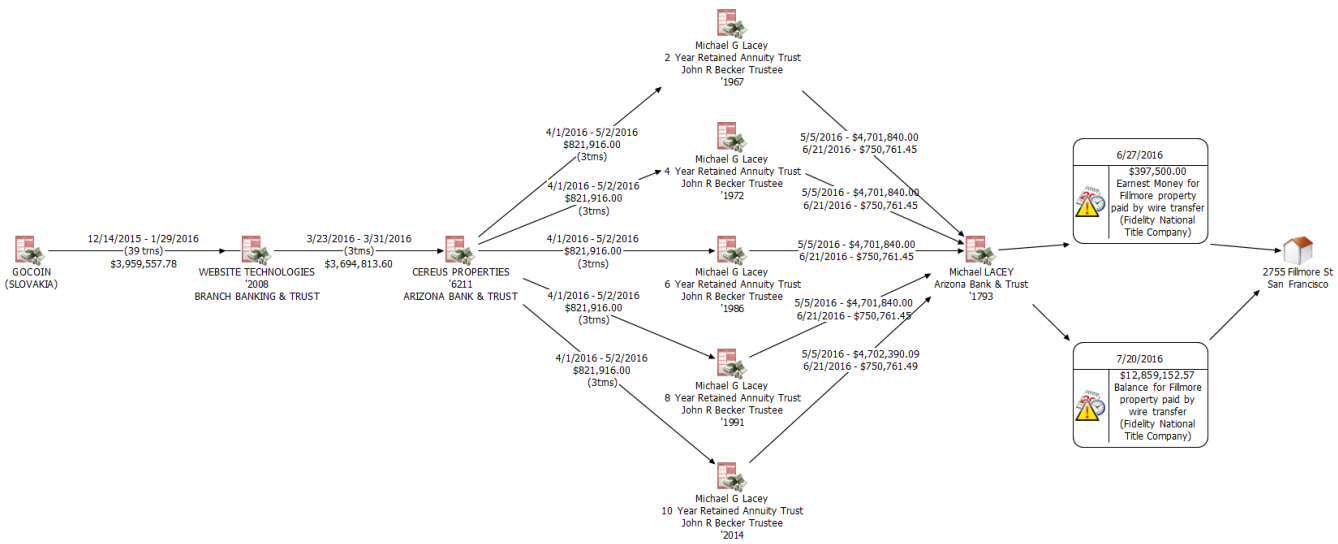
123. As noted above, on June 27, 2016, LACEY wired, or caused to be wired, \$397,500.00 to Fidelity National Title Company. The notation on this wire was "XXX(Earnest Money)XXXXXX". On July 20, 2016, LACEY wired, or caused to be wired, \$12,859,152.57 to Fidelity National Title Company. The notation on this wire was "XX(Balance of Property)XXXXX".

124. Casa Bahia for San Francisco, LLC, a Delaware limited liability company, which was the entity used to take title to SAN FRANCISCO, CALIFORNIA PROPERTY 2, is owned by Michael LACEY ("XXX"). On July 21, 2016, Hui Li and Ying Lan Li transferred by grant deed, as instrument number 2016-K291371-00 of the San Francisco County official records, 2755 Fillmore St to Michael G. LACEY, an unmarried man. On June 21, 2017, Michael G. LACEY, for no consideration, transferred by grant deed, as instrument

number 2017-K466276099 of the San Francisco County official records, SAN FRANCISCO, CALIFORNIA PROPERTY 2 to Casa Bahai for San Francisco, LLC, a Delaware limited liability company. As noted in the grant deed:

“There was no consideration for this transfer. This is a transfer between an individual or individuals and a legal entity or between legal entities that results solely in a change in the method of holding title and in which proportional ownership inters in the realty remain the same. . . .”

125. LACEY used funds that had been moved through GoCoin, Website Technologies and Cereus Properties accounts, as well as annuity accounts controlled by himself, to acquire the real property known as 2755 Fillmore St.



Date(s)	Approximate Amount of Wire Transfers into Arizona			Debits from Arizona Bank & Trust Acct. '1793	
	Bank & Trust				
	From	To	Amount	Amount	To
12/14/2015- 1/29/2016 (39 transfers)	GoCoin	Website Technologies	\$3,959,557.78		
12/14/2015- 9/1/2016	GoCoin	Website Technologies	\$35 million		
12/14/2015- 12/29/2015	GoCoin	Website Technologies	\$1.25 million		
3/23/2016- 3/31/2016 (3 transfers)	Website Technologies	Cereus Properties	\$3,694,813.60		
12/31/2015- 8/31/2016	Website Technologies	Cereus Properties	\$39.2 million		
12/31/2015- 10/28/2016	Website Technologies	Cereus Properties	\$48 million		
4/1/2016- 5/2/2016	Cereus Properties	Annuity Account '1967	\$832,916.00		
4/1/2016- 5/2/2016	Cereus Properties	Annuity Account '1972	\$832,916.00		
4/1/2016- 5/2/2016	Cereus Properties	Annuity Account '1986	\$832,916.00		
4/1/2016- 5/2/2016	Cereus Properties	Annuity Account '1991	\$832,916.00		
4/1/2016- 5/2/2016	Cereus Properties	Annuity Account '2014	\$832,916.00		
5/5/2016	Annuity Account '1967	Arizona Bank & Trust '1793	\$4,701,840.00		

6/21/2016	Annuity Account '1967	Arizona Bank & Trust '1793	\$750,761.45		
5/5/2016	Annuity Account '1972	Arizona Bank & Trust '1793	\$4,701,840.00		
6/21/2016	Annuity Account '1972	Arizona Bank & Trust '1793	\$750,761.45		
5/5/2016	Annuity Account '1986	Arizona Bank & Trust '1793	\$4,701,840.00		
6/21/2016	Annuity Account '1986	Arizona Bank & Trust '1793	\$750,761.45		
5/5/2016	Annuity Account '1991	Arizona Bank & Trust '1793	\$4,701,840.00		
6/21/2016	Annuity Account '1991	Arizona Bank & Trust '1793	\$750,761.45		
5/5/2016	Annuity Account '2014	Arizona Bank & Trust '1793	\$4,701,840.00		
6/21/2016	Annuity Account '2014	Arizona Bank & Trust '1793	\$750,761.45		
6/27/2016				\$397,500.00	Fidelity National Title Company Earnest Money for Fillmore
7/20/2016				\$12,859,152.57	Fidelity National Title Company Balance for Fillmore property

**D. 1100 Union St. #700, San Francisco, CA 94109**

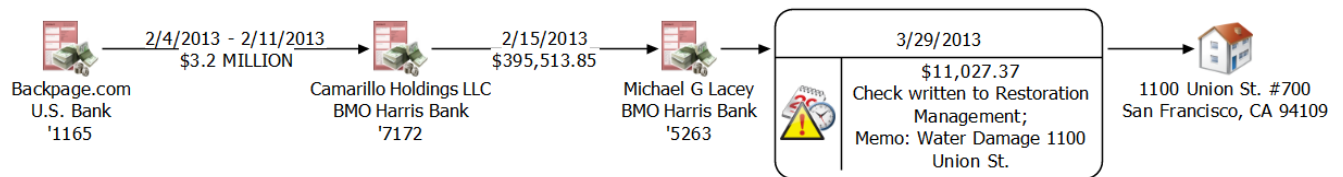
126. Michael LACEY, knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.

127. As set forth below, funds originating from Backpage's U.S. Bank account '1165 was moved through the Camarillo Holdings LLC, BMO Harris Bank account, then moved to LACEY's BMO Harris account '5263. LACEY's BMO Harris account '5263 paid a check to a contractor for repairs to the 1100 Union St. #700. In detail:

a. Between February 4, 2013 and February 11, 2013, over a series of wire transfers, Backpage.com U.S. Bank account wired about \$3.2 million to Camarillo Holdings LLC BMO Harris Bank account '7172.

b. On February 15, 2013, Camarillo Holdings LLC BMO Harris Bank account '7172 wire transferred \$395,513.85 to LACEY's BMO Harris Bank account '5263.

c. On May 12, 2015, LACEY using funds from his BMO Harris Bank account '5263, paid an \$11,027.37 check to a contractor for water damage repair for 1100 Union St. #700.



**E. 493 Zinfandel Lane, Saint Helena, CA 94574**

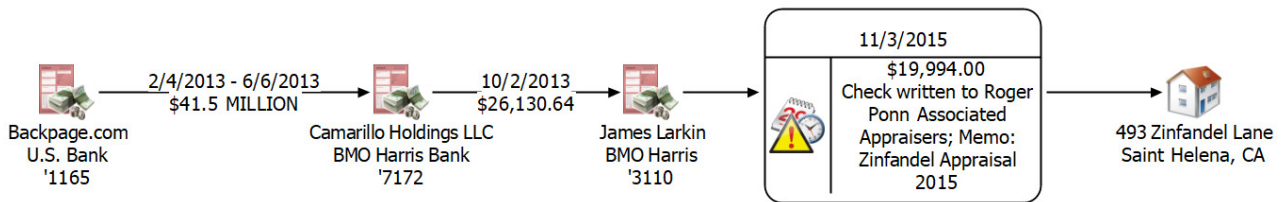
128. James LARKIN, knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.

129. As set forth below, financial transactions involving illicit proceeds were deposited in from Backpage’s U.S. Bank account ‘1165, then moved to the Camarillo Holdings LLC BMO Harris Bank account 7172, then moved to JAMES LARKIN’s BMO Harris Bank account ‘3110. These illicit funds were then used to pay for appraisal for 493 Zinfandel Lane:

a. From February 4, 2013 through June 6, 2013, a foreign account wire transferred \$41.5 million Camarillo Holdings LLC, BMO Harris Bank account ‘7172.

b. On October 2, 2013, BMO Harris Bank account ‘7172 wired \$26,130.64 to JAMES LARKIN’s BMO Harris Bank account ‘3110.

c. On November 3, 2016, LARKIN paid a check to an appraiser company. Annotated on the memo line: “Zinfandel Appraisal 2015”



**F. 1308 E. 56th Street, 2, Chicago, IL 60637**

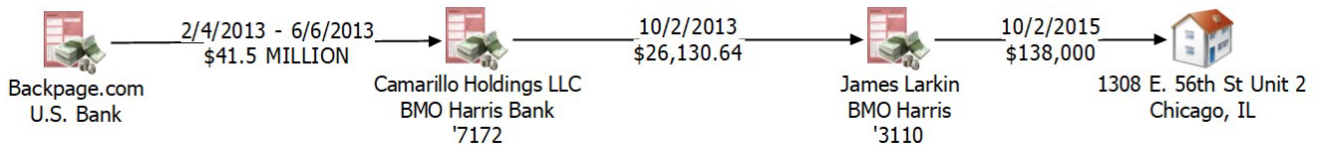
130. James LARKIN, knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.

131. As set forth below, funds originating from Backpage's U.S. Bank account '1165, was moved through the Camarillo Holdings LLC, BMO Harris Bank account, then moved to LARKIN's BMO Harris account '3110. Funds from LARKIN's BMO Harris account '3110 were then wire transferred to Chicago Title for 1308 E. 56th Street, 2. Specifically:

a. Between February 4, 2013 and June 6, 2013, over a series of wire transfers, Backpage.com U.S. Bank account wired about \$41.5 million to Camarillo Holdings LLC BMO Harris Bank account '7172.

b. On October 2, 2013, Camarillo Holdings LLC BMO Harris Bank account '7172 wire transferred \$26,130.64 to LARKIN's BMO Harris Bank account '3110.

c. On October 2, 2015, LARKIN's BMO Harris Bank account '3110 wired \$138,000 to Chicago Title and Trust Company as payment for the purchase of 1308 E. 56th Street, 2.



**G. 10647 N. State Route 89A, Sedona, AZ 86336**

132. Michael LACEY knowingly engaged and attempted to engage in a monetary transaction through a place outside the United States to a place in the United States with the intent to promote the carrying on of a specified unlawful activity in violation of 18 U.S.C. § 1956(a)(2)(A).

133. As set forth below, financial transactions involving illicit proceeds were deposited into Cereus Properties Compass Bank, which was then moved through Michael LACEY's First Federal Savings and Loan of San Rafael account `3620. Funds from LACEY's Arizona Bank & Trust account `1793 were then paid to the Coconino County Treasurer for tax obligations for 10647 N. State Route 89A. In detail:

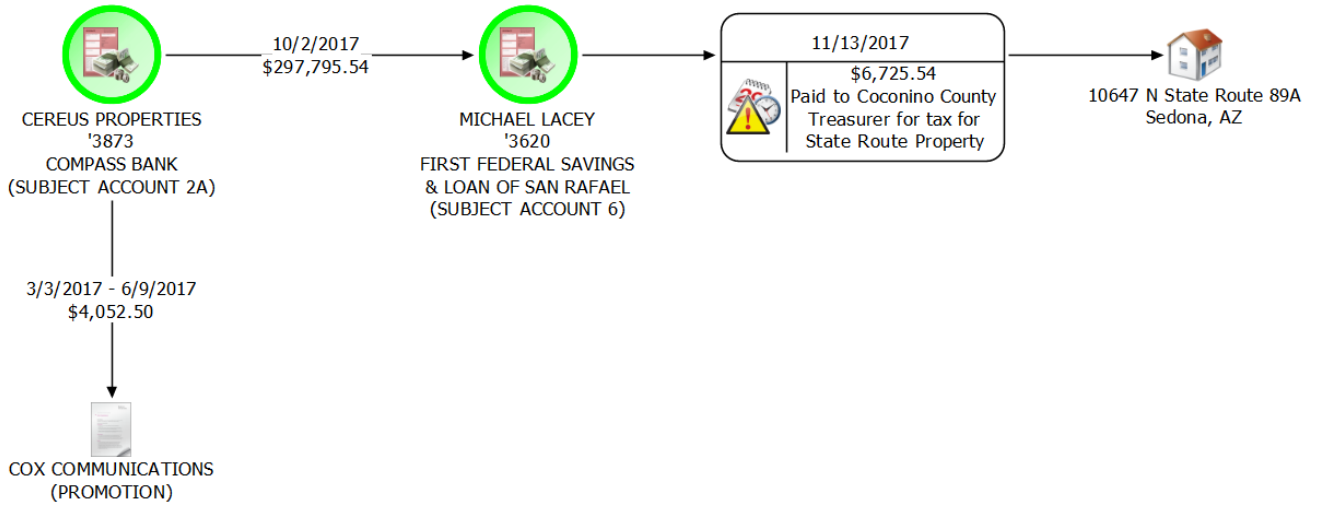
a. Between December 2, 2016 and December 30, 2016, a foreign account wire transferred \$1,023,995.95 into Cereus Properties Compass Bank account `3873.

b. Between March 3, 2017 and June 9, 2017, Cereus Properties Compass Bank account `3873 paid about \$4,000 of these funds to "Cox Communications," an internet services company that provides voice-over-internet phone and cable services.

c. On October 2, 2017, Compass Bank account `3825 owned by Cereus Properties, wired approximately \$297,795 into First Federal Savings & Loan of San Rafael account `3620.

d. On November 13, 2018, LACEY issued a check from First Federal Savings & Loan of San Rafael account `3620 to the Coconino County Treasurer for tax obligations for 10647 N. State Route 89A.





**H. 5555 North Casa Blanca Drive, Paradise Valley, AZ 85253**

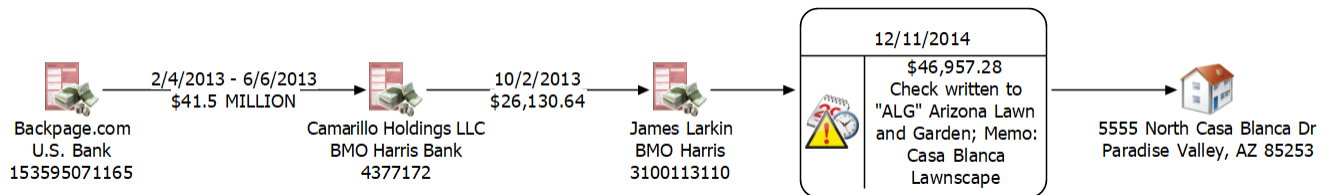
134. James LARKIN, knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.

135. As set forth below, funds originating from Backpage's U.S. Bank account '1165 was moved through the Camarillo Holdings LLC, BMO Harris Bank account, then moved to LARKIN's BMO Harris account '3110. Funds from LARKIN's BMO Harris account '3110 were then paid to a landscape and gardening service. In detail:

a. Between February 4, 2013 and June 6, 2013, over a series of wire transfers, Backpage.com U.S. Bank account wired about \$41.5 million to Camarillo Holdings LLC BMO Harris Bank account '7172.

b. On October 2, 2013, Camarillo Holdings LLC BMO Harris Bank account '7172 wire transferred \$26,130.64 to LARKIN's BMO Harris Bank account '3110.

c. On December 11, 2014, LARKIN issued a \$46,987.28 check from the BMO Harris Bank account '3110 to a lawn and garden service company for landscape service for 5555 North Casa Blanca Drive.



**I. LACEY PURCHASES THE PARADISE VALLEY, ARIZONA PROPERTY  
2 USING PROCEEDS TRANSACTIONAL MONEY LAUNDERING**

136. Michael LACEY knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.

As set forth below, financial transactions involving illicit proceeds were deposited

(TRACING TO BE COMPLETED ON MONDAY)

**J. 3304 E. Stella Lane, Paradise Valley, AZ 85253**

137. Michael LACEY, knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.

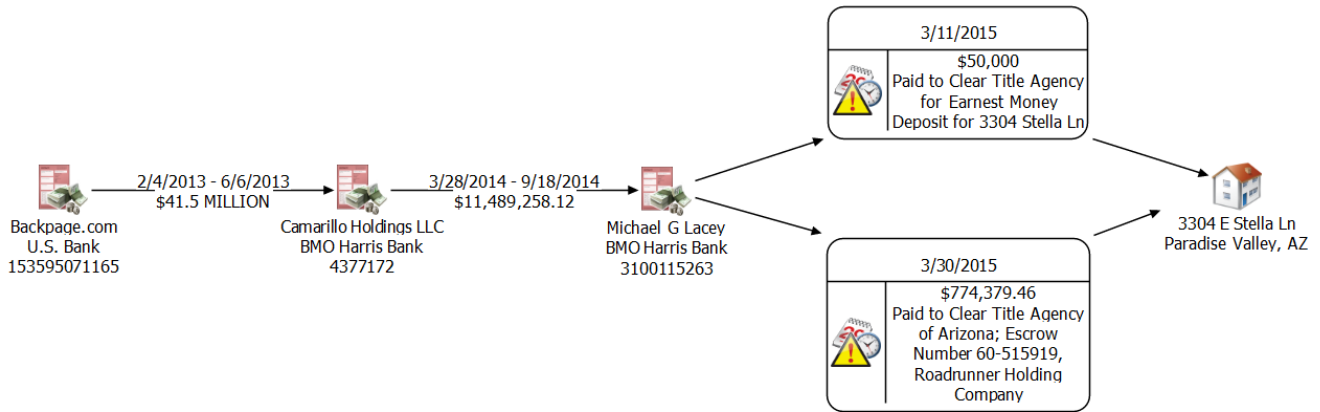
138. As set forth below, funds originating from Backpage's U.S. Bank account '1165 was moved through the Camarillo Holdings LLC, BMO Harris Bank account, then moved to LACEY's BMO Harris account '5263. Funds from LACEY's BMO Harris account '5263 were then used to purchase 3304 E. Stella Lane. In detail:

a. Between February 4, 2013 and June 6, 2013, over a series of wire transfers, Backpage.com U.S. Bank account wired about \$41.5 million to Camarillo Holdings LLC BMO Harris Bank account '7172.

b. Between March 15, 2014 and September 18, 2014, Camarillo Holdings LLC BMO Harris Bank account '7172 wire transferred \$11,489,258.12 to LACEY's BMO Harris Bank account '5263.

c. On March 11, 2015, LACEY wire transferred \$50,000 from his BMO Harris Bank account '5263 to Clear Title Agency as earnest money deposit for the purchase of the 3304 E. Stella Lane.

d. On March 30, 2015, LACEY wire transferred \$774,379.46 from his BMO Harris Bank account '5263 to Clear Title Agency to complete the purchase of 3304 E. Stella Lane.



**K. 6300 N. 33rd Street, Paradise Valley, AZ 85253, 6314 N. 33rd Street, Paradise Valley, AZ 85253, 3308 E. Stella Lane, Paradise Valley, AZ 85253, 3311 E. Stella Lane, Paradise Valley, AZ 85253**

139. Michael LACEY, knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.

140. As set forth below, funds originating from Backpage's U.S. Bank account `1165 was moved through the Camarillo Holdings LLC, BMO Harris Bank account, then moved to LACEY's BMO Harris account `5263. Funds from LACEY's BMO Harris account `5263 were then wire transferred to an Interest on Lawyers Trust Account ("IOLTA") for his attorney who further wired funds to purchase 6300 N. 33rd Street, 6314 N. 33rd Street, 3308 E. Stella Lane, and 3311 E. Stella Lane. In detail:

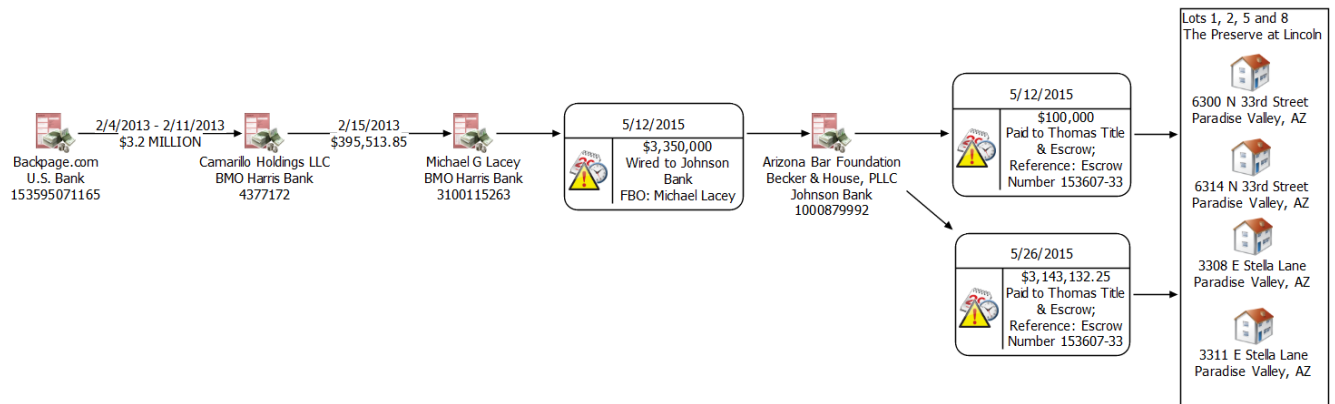
a. Between February 4, 2013 and February 11, 2013, over a series of wire transfers, Backpage.com U.S. Bank account `1165, wired about \$3.2 million to Camarillo Holdings LLC BMO Harris Bank account `7172.

b. On February 15, 2013, Camarillo Holdings LLC BMO Harris Bank account `7172 wire transferred \$395,513.85 to LACEY's BMO Harris Bank account `5263.

c. On May 12, 2015, LACEY wire transferred or caused a wire transfer from his BMO Harris Bank account `5263, \$3,350,000 to a his attorney's IOLTA account.

d. On May 12, 2015, the IOLTA paid \$100,000 to "Thomas Title & Escrow" for the purchase of 6300 N. 33rd Street, 6314 N. 33rd Street, 3308 E. Stella Lane, and 3311 E. Stella Lane.

e. On May 26, 2015, the IOLTA paid \$3,143,132.25 to "Thomas Title & Escrow" for the payoff of the PRADISE VALLEY PROPERTIES 4, 5, 6, and 7.



**L. 7006 San Mateo Blvd Apt 214, Dallas, TX 75223**

141. Daniel HYER knowingly engaged and attempted to engage in a monetary transaction with funds derived from violations of 18 U.S.C. § 1952.

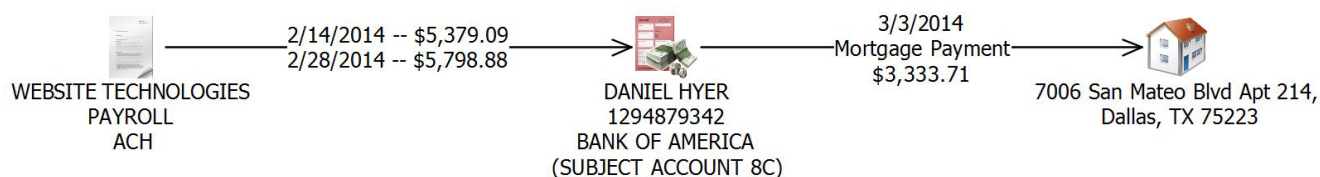
142. As set forth below, funds originating from Backpage controlled Website Technologies payroll account. The payroll service company then deposited the funds into DANIEL HYER's Bank of America account '9342. These funds were then used to pay the mortgage on HYER's property, 7006 San Mateo Blvd Apt 214. For example:

a. On February 14, 2014, Website Technologies, a Backpage controlled entity, through their payroll company deposited \$5,379.09 to DANIEL HYER's Bank of America account '9342.

b. On February 28, 2014, Website Technologies, a Backpage controlled entity, through their payroll company deposited \$5,798.88 to DANIEL HYER's Bank of America account '9342.

c. On March 3, 2014, HYER paid the mortgage for the DALLAS PROPERTY with funds from the Bank of America account '9342.





**M. 14, rue Saint Guillaume, Paris, France 75007**

143. JAMES LARKIN knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.

144. As set forth below, funds originating from Website Technologies (Backpage) Branch Banking and Trust account '2008 was moved through Cereus Properties Arizona Bank & Trust account '6211, which then moved through JAMES LARKIN's Charles Schwab account '4693, then Northern Trust Account '9562, held by the Ocotillo Family Trust which is owned by LARKIN. These funds were then used to purchase and upgrade 14, rue Saint Guillaume.

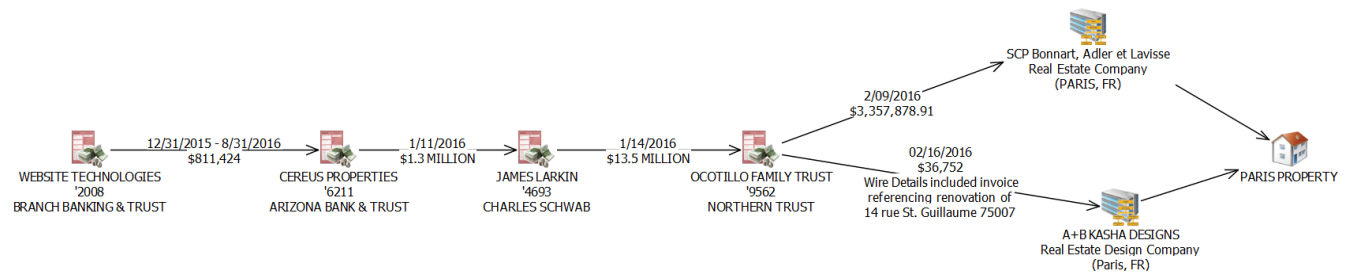
a. On December 31, 2015, Website Technologies' Branch Banking & Trust account '2008 wired \$811,424 to Arizona Bank & Trust account '6211.

b. On January 11, 2016, Arizona Bank & Trust account '6211 wired approximately \$1.3 million to Charles Schwab account '4693.

c. On January 14, 2016, Charles Schwab account '4693 wired approximately \$13.5 million to the Northern Trust account '9562.

d. On February 9 2016, LARKIN wire transferred or caused a wire transfer of \$3,357,878.91 from his Charles Schwab account `4693 to SCP Bonnart a real estate company in Paris, France.

e. On February 16, 2016, LARKIN wire transferred or caused a wire transfer of \$36,752 from his Charles Schwab account `4693 to A+B Kasha Designs, a real estate design company in Paris, France. The wire annotations for this wire referenced an invoice for the renovation of 14, rue Saint Guillaume.



**N. 3353 Red Robin Road, Pinetop, AZ 85935**

145. John BRUNST knowingly engaged and attempted to engage in a monetary transaction through a place outside the United States to a place in the United States with the intent to promote the carrying on of a specified unlawful activity in violation of 18 U.S.C. § 1956(a)(2)(A).

146. As set forth below, financial transactions involving illicit proceeds were deposited in GoCoin (Slovakia) which was then moved through the Website Technologies Branch Banking & Trust account '2008. These international funds were used to promote the SUA, then moved through Cereus Properties Arizona Bank & Trust account '6211, then moved through John BRUNST's Wells Fargo Bank account '4891. Funds from John BRUNST's Wells Fargo Bank account '4891 was used to pay the County Treasurer for tax obligations for 3353 Red Robin Road. In detail:

a. National Bank of Arizona accounts '0178, '0151, and '3645 are held in the name of SPEAR. In furtherance of their money laundering scheme, and in an attempt to further conceal the true nature of the money, Backpage Operators used these accounts as go-betweens to funnel money from one account to another.

147. The tracing involved numerous accounts including: Branch Banking & Trust account number '2008, belonging to Website Technologies; Arizona Bank & Trust account number '6211 belonging to Cereus Properties, and a GoCoin account in Slovakia.

a. Between December 14, 2015, and January 15, 2016, in approximately 26 wires, a GoCoin account in Slovakia

transferred \$2,523,475.60 to Branch Banking & Trust account number `2008 in the United States.

b. On January 15, 2016, Branch Banking & Trust account number `2008 wired \$189,571 to Verizon in Los Angeles, California, in payment for Backpage internet services.

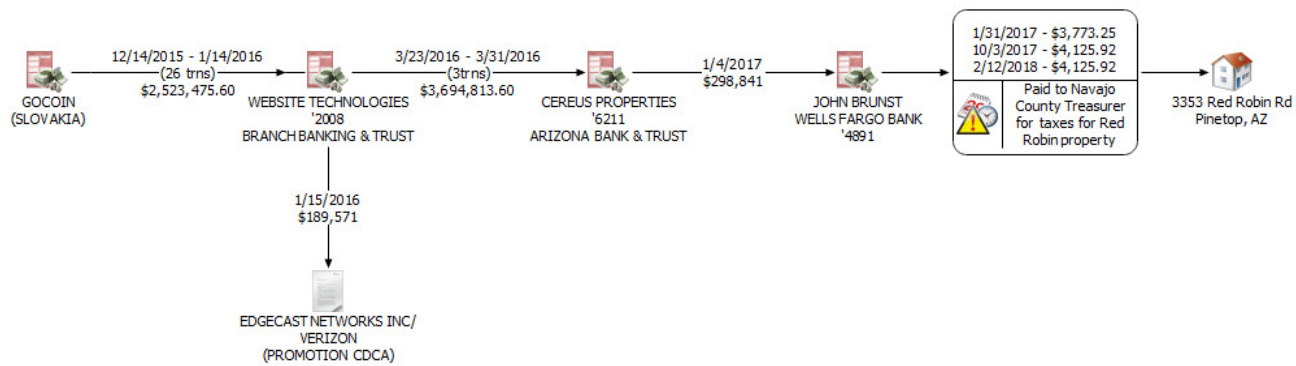
c. Between March 23, 2016 and March 31, 2016, in three wire transfers, Branch Banking & Trust account number `2008 transferred approximately \$3,694,813.60 to Arizona Bank & Trust account number `6211.

d. On January 4, 2017 Arizona Bank & Trust account `6211 wired \$298,941 to JOHN BRUNST's Wells Fargo Bank account `4891.

e. On January 31, 2017, BRUNST, using funds from his Wells Fargo Bank account `4891 paid \$3,773.25 to the Navajo County Treasurer for tax obligations for the PINETOP PROPERTY.

f. On October 3, 2017, BRUNST, using funds from his Wells Fargo Bank account `4891 paid \$4,125.92 to the Navajo County Treasurer for tax obligations for 3353 Red Robin Road.

g. On February 12, 2017, BRUNST, using funds from his Wells Fargo Bank account `4891 paid \$4,125.92 to the Navajo County Treasurer for tax obligations for 3353 Red Robin Road.



**O. 2416 N. Foote Dr., Phoenix, AZ 85008**

148. Michael LACEY, knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.

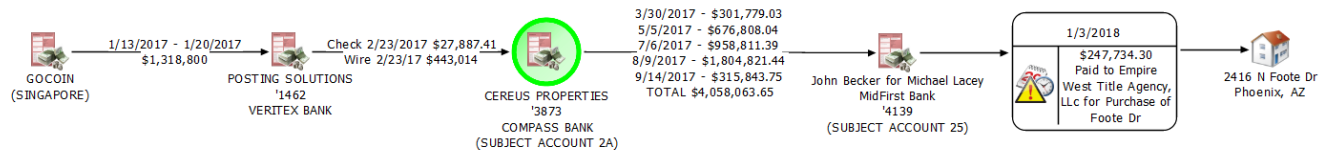
149. As set forth below, financial transactions involving illicit proceeds were deposited in GoCoin (Singapore) which were then moved through the Posting Solutions Veritex Bank account `1462, then moved through the Cereus Properties Compass Bank account `3873, then moved to his attorney's IOLTA account at MidFirst Bank account `4139. Funds from MidFirst Bank account `4139 was used to purchase the PHOENIX PROPERTY 1.

a. Between January 13, 2017 and January 20, 2017, GoCoin (Singapore) wired \$1,318,800 to Posting Solutions Veritex Bank account `1462,

b. On or about February 23, 2017, Veritex Bank account `1462 sent two payments, a wire of \$443,014 and a check for \$27,887.41 to Cereus Properties Compass Bank account `3873.

c. Between March 30, 2017, and September 14, 2017, Cereus Properties Compass Bank account `3873 sent five wires totaling \$4,058,063.65 to the attorney's IOLTA for MICHAEL LACEY at MidFirst Bank account `4139.

d. On January 3, 2018, LACEY, through his attorney, used funds from the MidFirst Bank IOLTA account `4139 to purchase 2416 N. Foote Dr.



**P. 4931 E. White Gates Drive, Phoenix, AZ 85018**

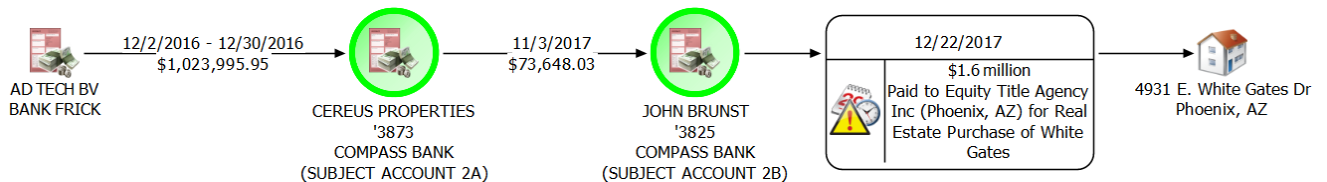
150. John BRUNST knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.

151. As set forth below, financial transactions involving illicit proceeds from a Backpage controlled Ad Tech BV foreign account, were deposited into Cereus Properties Compass Bank '3873, which was then moved through BRUNST's Compass Bank Account '3825. Funds from BRUNST's Compass Bank Account '3825 were then paid to Equity Title Agency Inc. for the purchase of 4931 E. White Gates Drive.

a. Between December 2, 2016 and December 30, 2016, a foreign account wire transferred \$1,023,995.95 into Cereus Properties Compass Bank account '3873.

b. On November 3, 2017, Cereus Properties Compass Bank account '3873 transferred \$73,648.03 to BRUNST's Compass Bank Account '3825.

c. On December 22, 2017, BRUNST wire transferred or caused a wire transfer of \$1.6 million from his Compass Bank account '3825 to Equity Title Agency Inc. for the purchase of 4931 E. White Gates Drive.







**Q. 5830 E. Calle Del Medio, Phoenix, AZ 85018**

152. JOHN BRUNST knowingly engaged and attempted to engage in a monetary transaction through a place outside the United States to a place in the United States with the intent to promote the carrying on of a specified unlawful activity in violation of 18 U.S.C. § 1956(a)(2)(A).

153. As set forth below, financial transactions involving illicit proceeds were deposited in GoCoin (Slovakia) which was then moved through the Website Technologies Branch Banking & Trust account `2008, then moved through Cereus Properties Arizona Bank & Trust account `6211, which is a funnel account. These funds were then then used to promote pay tax obligations, then moved through John BRUNST's Wells Fargo Bank account `4891. Funds from John BRUNST's Wells Fargo Bank account `4891 was used to pay the Maricopa County Treasurer for tax obligations for 5830 E. Calle Del Media (Medio):

a. The tracing involved numerous accounts including: Branch Banking & Trust account number `2008, belonging to Website Technologies; Arizona Bank & Trust account number `6211 belonging to Cereus Properties, and a GoCoin account in Slovakia.

b. Between December 14, 2015, and December 29, 2015, in approximately 13 wire transfers, a GoCoin account in Slovakia transferred \$1,251,179.97 to Branch Banking & Trust account number `2008 in the United States.

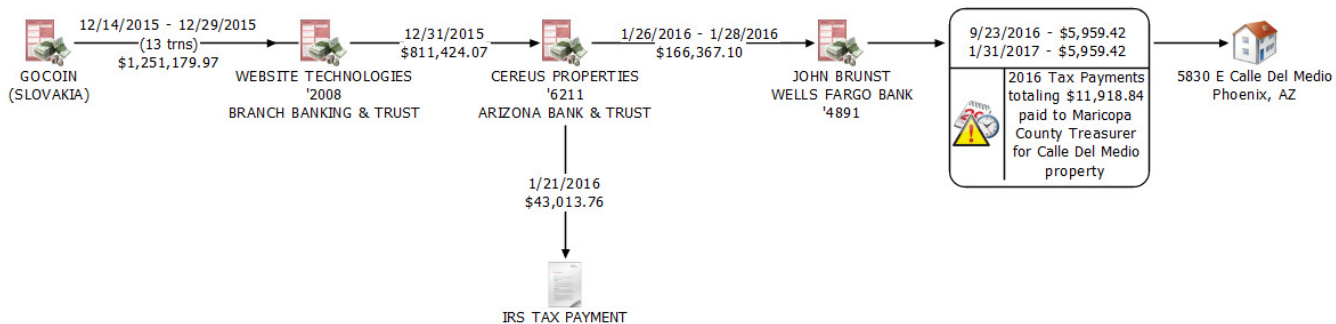
c. On December 31, 2015, Branch Banking & Trust account number `2008 transferred approximately \$811,424.07 to Arizona Bank & Trust account number `6211.

d. On January 21, 2016, LACEY promoted his business by paying \$43,013.76 to the Internal Revenue Service for business tax obligations.

e. Between January 26, 2016 and January 28, 2016, Arizona Bank & Trust account `6211 wired \$166,367.10 to JOHN BRUNST's Wells Fargo Bank account `4891.

f. On September 23, 2016, BRUNST, using funds from his Wells Fargo Bank account `4891 paid \$5,959.42 to the Maricopa County Treasurer for tax obligations for 5830 E. Calle Del Media (Medio).

g. On January 31, 2017, BRUNST, using funds from his Wells Fargo Bank account `4891 paid \$5,959.42 to the Maricopa County Treasurer for tax obligations for 5830 E. Calle Del Media (Medio).



**R. 5751 N. 77th Place, Scottsdale, AZ 85250**

154. SCOTT SPEAR knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.

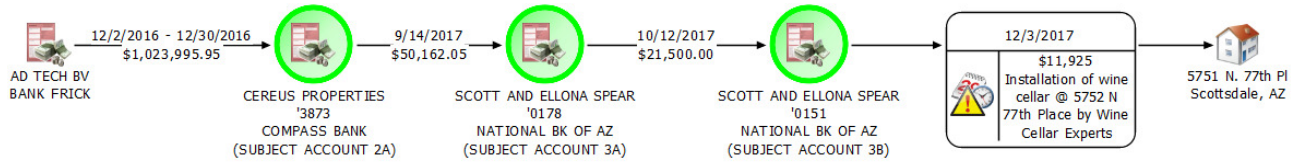
155. As set forth below, financial transactions involving illicit proceeds from a Backpage controlled Ad Tech BV foreign account, were deposited into Cereus Properties Compass Bank `3873, which was then moved through SPEAR's National Bank of Arizona account `0178, then to SPEAR's National Bank of Arizona account `0151. Funds from SPEAR's National Bank of Arizona account were used to pay for upgrades to 5751 N. 77th Place, Scottsdale, AZ 85250.

a. Between December 2, 2016 and December 30, 2016, a foreign account wire transferred \$1,023,995.95 into Cereus Properties Compass Bank account `3873.

b. On September 14, 2017, Cereus Properties Compass Bank account `3873 transferred \$50,162.05 to SPEAR's National Bank of Arizona account `0178.

c. On October 12, 2017, Cereus Properties Compass Bank account `3873 transferred \$50,162.05 to SPEAR's National Bank of Arizona account `0178.

d. On December 3, 2017 SPEAR paid \$11,925 to a wine cellar installation company for the installation of a wine cellar into 5751 N. 77th Place.



**S. 8604 E. San Ardo Dr., Scottsdale, AZ 85258**

156. SCOTT SPEAR knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.

157. As set forth below, financial transactions involving illicit proceeds were deposited in GoCoin (Slovakia) which was then moved through the Website Technologies Branch Banking & Trust account `2008, then moved through Cereus Properties Arizona Bank & Trust account `6211, which then moved through SPEAR's National Bank of Arizona account `0178, and `8441. Funds from SPEAR's National Bank of Arizona account `8441 was used to purchase 8604 E. San Ardo Dr:

a. Between December 14, 2015, and January 29, 2016, in approximately 39 wire transfers, a GoCoin account in Slovakia transferred \$3,959,557.78 to a Backpage controlled Branch Banking & Trust account number `2008 in the United States.

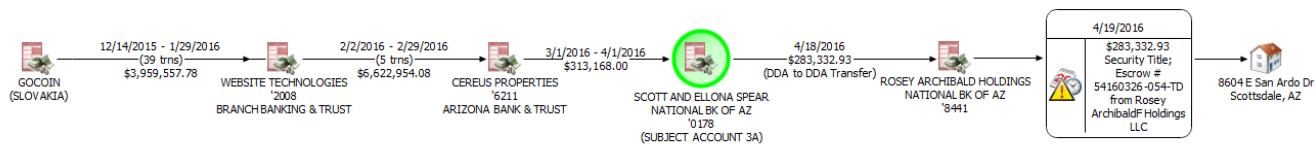
b. Between February 2, 2016 and February 29, 2016, in five wire transfers, Branch Banking & Trust account number `2008 transferred approximately \$6,622,954.08 to Arizona Bank & Trust account number `6211.

c. On January 4, 2017 Arizona Bank & Trust account `6211 wired \$313,168.00 to SPEAR's National Bank of Arizona account `0178.

d. On April 18, 2016 SPEAR, transferred 283,332.93 from his National Bank of Arizona account `0178 to his National Bank of Arizona account `8441.

e. On April 19, 2016, SPEAR wire transferred or

caused a wire transfer of \$283,332.93 from his National Bank of Arizona account '8441 to Security Title Escrow to purchase 8604 E. San Ardo Dr.



# Exhibit 6





U.S. Department of Justice

United States Attorney  
District of Arizona

Two Renaissance Square  
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July 2, 2018

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Re: U.S. v. Michael Lacey, et.al.  
CR-18-00422-PHX-SPL (BSB)

Dear Counsel:

Pursuant to your request for discovery and the government's obligations under Fed. R. Crim. P. 16 and the stipulated scheduling order in this case, please find enclosed a thumb drive containing the government's second disclosure.<sup>1</sup> The thumb drive contains the following Bates Stamped records:

<sup>1</sup> A thumb drive containing disclosure for defendants Michael Lacey and James Larkin are being provided to Paul J. Cambria Jr. and Thomas H. Bienart Jr., respectively.

Lacey, et. al. Discovery Letter 1  
July 2, 2018  
Page 2

- Released Records – DOJ-BP-0004426712-DOJ-BP-0004598396<sup>2</sup>
- Civil Seizure Warrants – DOJ-BP-0004598397-DOJ-BP-0004601038

Please call with any questions or concerns.

Sincerely,

ELIZABETH A. STRANGE  
First Assistant United States  
Attorney  
*s/Reginald E. Jones*  
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Senior Trial Attorney, USDOJ

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MARGARET PERLMETER  
PETER S. KOZINETS  
ANDREW STONE  
Assistant U.S. Attorneys

JOHN J. KUCERA  
Special Assistant U.S. Attorney

Enclosures

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<sup>2</sup> USAO 108 subpoena, PSI, and USAO 359 subpoena records mistakenly withheld from the government's May 25, 2018, original disclosure.

# Exhibit 7



U.S. Department of Justice

United States Attorney  
District of Arizona

Two Renaissance Square  
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November 30, 2018

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(attorney for Jed Brunst)

Re: U.S. v. Michael Lacey, et.al.  
CR-18-00422-PHX-SPL (BSB)

Dear Counsel:

Pursuant to your request for discovery and the government's obligations under Fed. R. Crim. P. 16 and the stipulated scheduling order in this case, please find enclosed a DVD and Thumb Drive containing the government's sixth disclosure.<sup>1</sup> The DVD contains the following Bates Stamped records:

<sup>1</sup> A thumb drive containing disclosure for defendants Michael Lacey, James Larkin, and Jed Brunst are being provided to Paul J. Cambria Jr., Thomas H. Bienart Jr., and Gary Lincenberg respectively.

Lacey, et. al. Discovery Letter 6

November 30, 2018

Page 2

- Additional Superseding “Hot Docs” – DOJ-BP-0004685806 to DOJ-BP-0004685877
- Backpage Historical Ads – DOJ-BP-0004685878 to DOJ-BP-0004688678
- Erick Bauer Civil Case – DOJ-BP-0004688679 to DOJ-BP-0004688928
- John Becker Documents – DOJ-BP-0004688929 to DOJ-BP-0004691714

The Thumb Drive contains the following Bates Stamped records:

- Additional California Department of Justice – DOJ-BP-0004691715 to DOJ-BP-0004700499<sup>2</sup>
- Additional Financial Records – DOJ-BP-0004700500 to DOJ-BP-0004716582
- Additional Search Warrants and Affidavits – DOJ-BP-0004716583 to DOJ-BP-0004719327
- Additional Victim Records – DOJ-BP-0004719328 to DOJ-BP-0004719709
- WDWA BP GJ Transcripts – DOJ-BP-0004719710 to DOJ-BP-0004720536

Please call with any questions or concerns.

Sincerely,

BRIAN BENCZKOWSKI  
Assistant Attorney General  
Criminal Division  
U.S. Department of Justice

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Assistant United States Attorneys

Enclosures

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<sup>2</sup> Amazon Web Service data and Virtual Machine data obtained from California DOJ were not loaded in Relativity. This data will be produced upon request.

# Exhibit 8

**“ASSET TRACING MASTER DOCUMENT DRAFT” COMPARED WITH  
PREVIOUSLY DISCLOSED DOCUMENTS**

<b><u>“ASSET TRACING MASTER DOCUMENT DRAFT”</u></b>	<b><u>PREVIOUSLY DISCLOSED DOCUMENTS</u></b>
<p>1. On February 15, 2017, Posting Solutions LLC, located at 13601 Preston Rd., Ste. 801E, Dallas, Texas 75240, opened Prosperity Bank account number ‘7188. “M.G.”, the President, Chief Executive Officer, Treasurer and Secretary of Posting Solutions LLC is the sole signatory on the account. Posting Solutions LLC is a company owned by and controlled by Backpage.</p>	<p>36(a). On February 15, 2017, Posting Solutions LLC, located at 13601 Preston Rd., Ste. 801E, Dallas, Texas 75240, opened Prosperity Bank account number 216887188 (Seized Account 1, which lists Gage as the sole signatory on the account).</p> <p>(Versoza Affidavit, 4/26/2018 Bates No. DOJ-BP-0004598397-DOJ-BP-0004598524, attached as Exhibit 1, at ¶ 36(a).)</p> <p>36(b). Gage is the President, Chief Executive Officer, Treasurer and Secretary of Posting Solutions LLC.</p> <p>(Ex. 1 at ¶ 36(b).)</p> <p>137(g). These accounts were held and controlled by Backpage Operators in the names of entities controlled by Backpage, including Ad Tech BV, Posting Solutions, Website Technologies, and Cereus Properties.</p> <p>(First Amended Consolidated Master Verified Complaint for Forfeiture, filed June 1, 2020, Case No. CV-18-8420-RGK, Central District California, attached as Exhibit 2, at ¶ 137(g).)</p>
<p>2. Posting Solutions’ application for the USPS Dallas, Texas P.O. BOX, lists the box being registered to “Website Technologies, LLC/Backpage.com.” Also listed on the P.O. BOX Application were the names of several Backpage Operators, including FERRER.</p>	<p>35. From my review of Posting Solutions’ application for the USPS Dallas, Texas P.O. BOX, I learned that it was registered to “Website Technologies, LC/Backpage.com.” Also listed on the P.O. BOX Application were the names of several Backpage Operators, including Ferrer.</p> <p>(Ex. 1 at ¶ 35.)</p>
<p>3. Records of wire transfers from countries outside the United States deposited into the Prosperity Account ‘7188 for the period of August 1 through September 1, 2017, shows</p>	<p>38. I have reviewed records of wire transfers from countries outside the United States deposited into the Seized Account 1. Just for the period of August 1 through September 1, 2017, Seized Account 1 received over \$2.7</p>

<p>this account received over \$2,781,750 in wire transfers from outside the United States. For example:</p> <p>A. On or about August 16, 2017, a company called "Binary Trading SG PTE LTD" ("Binary Trading") wired \$535,500 from an account in Singapore into Prosperity Account ‘7188. Binary Trading is a company used by GoCoin.</p> <p>B. On or about August 17, 2017, Binary Trading wired another \$528,500 from a Singapore account into Prosperity Account ‘7188.</p> <p>C. On or about August 30, 2017, a company named Trilix PTE LTD (“Trilix”), listing the same Singapore address as Binary Trading and GoCoin, in four wires ranging from \$385,450 to \$492,250, sent approximately \$1,717,750 from a Singapore account into Prosperity Account ‘7188. Memo lines from these wires list "GC" or "GC FOR INTERNET SERVICES." The government understands "GC" to mean GoCoin.</p>	<p>million in wire transfers from outside the United States. For example:</p> <p>A. On or about August 16, 2017, a company called "Binary Trading SG PTE LTD" ("Binary Trading") wired \$535,500 from an account in Singapore into Seized Account 1. Based on my review of records related to this transaction, Binary Trading is a name used by GoCoin.</p> <p>B. On or about August 17, 2017, Binary Trading wired another \$528,500 from a Singapore account into Seized Account 1.</p> <p>C. On or about August 30, 2017, a company named "TRILIX PTE LTD," listing the same Singapore address as Binary Trading and GoCoin, in four wires ranging from \$385,450 to \$492,250, sent approximately \$1,717,750 from a Singapore account into Seized Account 1. Memo lines from these wires list "GC" or "GC FOR INTERNET SERVICES." I understand "GC" to mean GoCoin.</p> <p>(Ex. 1 at ¶¶ 38(a)-(c).)</p>
<p>4. A substantial percentage of outgoing payments from Prosperity Account ‘7188 are payments for the operation of Backpage.com. For example, between July and October, 2017, Prosperity Account ‘7188 wired \$572,027 to pay for the following:</p> <p>A. Between July and October 2017, Prosperity Account ‘7188 wired \$570,530 to Verizon Digital Media Services in Los Angeles for a service for the Backpage.com website.</p> <p>B. On August 18, 2017, Prosperity Account ‘7188 wired \$1,497 to</p>	<p>39. I have reviewed outgoing payments from Seized Account 1 and found that substantial percentages of these payments are for the operation of Backpage.com. For example, between July and October, 2017, Seized Account 1 wired over \$1.1 million to pay for the following:</p> <p>A. Between July and October 2017, Seized Account 1 wired \$570,530 to Verizon Digital Media Services in Los Angeles.</p> <p>F. On August 18, 2017, Seized Account 1 wired \$1,497 and \$6,984,</p>



<p>“Backupify,” a company that provided data backup for Backpage.</p>	<p>respectively, to two separate data backup companies for Backpage's on-line data backup.</p> <p>(Ex. 1 at ¶ 39(a) &amp; (f).)</p>
<p>5. Compass Bank account ‘3873 is owned by Cereus Properties LLC, identifying SPEAR as the sole signatory. This account was funded with transfers from Prosperity Account ‘7188. It is used as a funnel account to pay Backpage Operators with funds from the SUA. On average, during each month of 2017, Prosperity Account ‘7188 transferred several hundred thousand dollars into Compass Bank account ‘3873. For example:</p> <p>A. On August 31, 2017, Prosperity Account ‘7188 sent a wire transfer totaling \$487,491.45 to Compass Bank account ‘3873.</p> <p>B. On September 15, 2017, Prosperity Account ‘7188 sent a wire transfer totaling \$91,672.67 to Compass Bank account ‘3873.</p> <p>C. On October 2, 2017, Prosperity Account ‘7188 sent a wire transfer totaling \$471,766 to Compass Bank account ‘3873.</p>	<p>40. From my review of bank documents, I have learned that Seized Account 2A is a Compass Bank business bank account owned by "Cereus Properties LLC," identifying Spear as the sole signatory. My review revealed that this account was funded with transfers from Seized Account 1. On average, during each month of 2017, Seized Account 1 transferred several hundred thousand dollars into Seized Account 2A. For example:</p> <p>c. On August 31, 2017, Seized Account 1 sent a wire transfer totaling \$487,491.45 to SU Seized Account 2A.</p> <p>d. On September 15, 2017, Seized Account 1 sent a wire transfer totaling \$91,672.67 to Seized Account 2A.</p> <p>e. On October 2, 2017, Seized Account 1 sent a wire transfer totaling \$471,766 to Seized Account 2A.</p> <p>(Ex. 1 at ¶¶ 40(c)-(e).)</p>
<p>6. Compass Bank Account number ‘3825 is held in the name of Brunst. This account was funded with transfers from Compass Bank Account ‘3873.</p>	<p>193. Account 24 is held in the name of Brunst, and was used in furtherance of the money laundering scheme described herein, and in an attempt to further conceal or disguise the nature, location, source, ownership or control of the proceeds of SUA.</p> <p>(Ex. 2 at ¶ 193.)</p>
<p>7. On February 2, 2018, Cereus Properties Compass Bank account ‘3873 wired transferred \$135,956.59 into Seized Account 2B.</p>	<p>194. On February 2, 2018, Account 2 wire transferred \$135,956.59 into Account 24.</p> <p>(Ex. 2 at ¶ 194.)</p>
<p>8. National Bank of Arizona accounts ‘0178, ‘0151, and ‘3645 are held in the name of SPEAR. In furtherance of their money</p>	<p>37. \$404,374.12 in bank funds seized From National Bank of Arizona Account No. ‘0178 (“NBA ‘0178 Funds” or “Account 31”) held</p>

<p>laundering scheme, and in an attempt to further conceal the true nature of the money, Backpage Operators used these accounts as go-betweens to funnel money from one account to another.</p>	<p>in the name of Scott Spear (“Spear”). Spear and Natasha Spear (“N. Spear”) filed a claim in member case number CV 18-8423 RGK (PJWx).</p> <p>38. \$1,925.80 in bank funds seized from National Bank of Arizona Account No. ‘0151 (“NBA ‘0151 Funds” or “Account 32”), held in the name of Scott and Ellona Spear (“E. Spear”). Spear and N. Spear filed a claim in member case number CV 18-8423 RGK (PJWx).</p> <p>39. \$613,573.28 in bank funds seized from National Bank of Arizona Account No. ‘3645 (“NBA ‘3645 Funds” or “Account 33”), held in the name of Scott G. Spear and Ellona Spear Family Trust. Spear and N. Spear filed a claim in member case number CV 18-8423 RGK (PJWx).</p> <p>(Ex. 2 at ¶¶ 37-39.)</p>
<p>9. The tracing involved numerous accounts including: Branch Banking &amp; Trust account number ‘2008, belonging to Website Technologies; Arizona Bank &amp; Trust account number ‘6211 belonging to Cereus Properties, and a GoCoin account in Slovakia.</p> <p>A. Between December 14, 2015, and January 15, 2016, in approximately 26 wires, a GoCoin account in Slovakia transferred over \$2.5 million to Branch Banking &amp; Trust account number ‘2008 in the United States.</p> <p>B. On January 15, 2016, Branch Banking &amp; Trust account number ‘2008 wired \$189,571 to Verizon in Los Angeles, California, in payment for Backpage internet services.</p> <p>C. Between January 21, 2016, and August 31, 2016, in approximately 27 wires,</p>	<p>45. I have reviewed records for Seized Account 3A as well as the following accounts: Branch Banking &amp; Trust account number 1440001712008, belonging to Website Technologies (as detailed above, a Backpage controlled entity), held in Arizona (“BBT Account”); Arizona Bank &amp; Trust account number 9361116211 belonging to Cereus Properties, held in Arizona (“AZBT Account”) From this review, I learned the following:</p> <p>a. Between December 14, 2015, and January 15, 2016, in approximately 26 wires, a GoCoin account in Slovakia transferred over \$2.5 million to the BBT Account in the United States.</p> <p>b. On January 15, 2016, the BBT account wired \$189,571 to Verizon in Los Angeles, California, in payment for Backpage internet services.</p> <p>c. Between January 21, 2016, and August 31, 2016, in approximately 27</p>

<p>Branch Banking &amp; Trust account number '2008 transferred approximately \$48 million to Arizona Bank &amp; Trust account number '6211.</p> <p>D. Between March 1, 2016, and July 1, 2016, Arizona Bank &amp; Trust account number '6211 wired \$892,426 into National Bank of Arizona account '0178.</p> <p>E. On September 14, 2017, Compass Bank account '3873 wired \$50,162.05 into National Bank of Arizona account '0178.</p> <p>F. On October 12, 2017, National Bank of Arizona account '0178 wired approximately \$21,500 into National Bank of Arizona account '0151.</p> <p>G. On January 5, 2018, National Bank of Arizona account '0178 wired approximately \$600,000 into National Bank of Arizona account '3645.</p>	<p>wires, the BBT Account transferred approximately \$48 million to the AZBT Account.</p> <p>d. Between March 1, 2016, and July 1, 2016, the AZBT Account wired \$892,426 into Seized Account 3A. (Ex. 1 at ¶¶ 45(a)-(d).)</p> <p>46.</p> <p>a. On September 14, 2017, Seized Account 2A wired \$50,162.05 into Seized Account 3A.</p> <p>b. On October 12, 2017, Seized Account 3A wired approximately \$21,500 into SUBJ Seized Account 3B.</p> <p>c. On January 5, 2018, Seized Account 3A wired approximately \$600,000 into Seized Account 3C.</p> <p>(Ex. 1 at ¶¶ 46(a)-(c).)</p>
<p>10. The Live Oak Bank account '6910 is held in the name of SPEAR.</p>	<p>40. \$260,283.40 in bank funds seized from Live Oak Bank Account No. '6910 ("LOB '6910 Funds" or "Account 34"), held in the name of Scott Gary Spear and Ellona Spear Family Trust. Spear and N. Spear filed a claim in member case number CV 18-8423 RGK (PJWx).</p> <p>(Ex. 2 at ¶ 40.)</p>
<p>11. On or about March 16, 2016, National Bank of Arizona account '0178 transferred \$250,000 into Live Oak Bank '6910 in the name of Scott Spear as an opening deposit. On March 20, 2018, Live Oak Bank confirmed that these funds have remained in Live Oak Bank account '6910 since the account was opened.</p>	<p>48. From my review of the records for Seized Account 4 (belonging to Spear), I learned that on or about March 16, 2016, Seized Account 3A transferred \$250,000 into Seized Account 4 as an opening deposit. On March 20, 2018, Live Oak Bank confirmed that these funds have remained in Seized Account 4 since the account was opened.</p> <p>(Versoza Affidavit, 10/31/2018 Bates No. DOJ-BP-0004719085-DOJ-BP-0004719327, attached as Exhibit 3, at ¶ 48.)</p>
<p>12. Ascensus Broker Services '4301 (5A) and '8001 (5B) are held in the name of</p>	<p>199. Accounts 35 and 36 are held in the name of N. Spear, Spear's adult daughter, and were funded with proceeds traceable to</p>

<p>Natasha Spear, Scott Spear's adult daughter.</p> <p>a. On February 23, 2017, National Bank of Arizona account '0178 wired approximately \$50,000 into Ascensus Broker Services account '4301.</p> <p>b. On the February 23, 2017, National Bank of Arizona account '0178 wired \$50,000 into Ascensus Broker Services account '8001.</p>	<p>SUA, involved in money laundering, or both.</p> <p>a. On February 23, 2017, Account 31 transferred approximately \$50,000 into Account 35; and</p> <p>b. On the February 23, 2017, Account 31 transferred \$50,000 into Account 36.</p> <p>(Ex. 2 at ¶ 199(a)-(b).)</p>
<p>13. First Federal Savings &amp; Loan of San Rafael account '3620 is held in the name of Michael LACEY. In furtherance of their money laundering scheme, and in an attempt to further conceal the true nature of the money, Backpage Operators used this account as a go-between funneling money from one account to another.</p> <p>a. On October 2, 2017, Compass Bank account '3825 owned by Cereus Properties, wired approximately \$297,795 into First Federal Savings &amp; Loan of San Rafael account '3620.</p>	<p>155. Account 4, held in the name of Lacey, was funded with transfers from foreign and domestic banks, which funds were traceable to SUA, involved in money laundering, or both. On October 2, 2017, Account 24 (which was itself funded with transfers from foreign and domestic banks with proceeds traceable to SUA, involved in money laundering, or both), transferred \$297,795 into Account 4, as further described below.</p> <p>(Ex. 2 at ¶ 155.)</p>
<p>14. Republic Bank of Arizona account '1889 is held in the name of LARKIN. In furtherance of their money laundering scheme, and in an attempt to further conceal the true nature of the money, Backpage Operators used this account as a go-between funneling money from one account to another. Republic Bank of Arizona account '2592 is held in the name of James LARKIN</p> <p>a. On July 6, 2017, Compass Bank account '3873 wired \$971,651.51 into Republic Bank of Arizona account '1889.</p> <p>b. On July 28, 2017, Republic Bank of Arizona account '1889 wired \$400,000 into Republic Bank of</p>	<p>17. \$1,546,076.35 in bank funds seized from Republic Bank of Arizona Account No. '1889 ("RBA '1889 Funds" or "Account 13") held in the name of James Larkin ("Larkin"). Larkin and Margaret Larkin ("M. Larkin") have filed claims in member case number CV 18-8420 RGK (PJWx).</p> <p>177. Account 13, held in the name of Larkin, was funded with proceeds alleged to have been traceable to SUA, involved in money laundering, or both.</p> <p>a. On July 6, 2017, Account 2 transferred \$971,651.51 into Account 13; and</p> <p>b. On July 28, 2017, Account 13 transferred \$400,000 into Account 14.</p>

Arizona account '2592.	(Ex. 2 at ¶¶ 17, 177.)
<p>15. Republic Bank of Arizona account '8103 is a CDARS held in the name of James LARKIN, Value: \$500,000.00. Republic Bank of Arizona account '8162 is a CDARS held in the name of James LARKIN, Value: \$250,000.00. Republic Bank of Arizona account '8189 is a CDARS held in the name of James LARKIN, Value: \$250,000.00.</p>	<p>10(g). SUBJECT ACCOUNT 16G: Republic Bank of Arizona account number 1021078103 is a CDARS account held in the name of Larkin.</p> <p>10(h). SUBJECT ACCOUNT 16H: Republic Bank of Arizona account number 1021078162 is a CDARS account held in the name of Larkin.</p> <p>10(i). SUBJECT ACCOUNT 16I: Republic Bank of Arizona account number 1021078189 is a CDARS account held in the name of Larkin.</p> <p>(Ex. 1 at ¶¶ 10(g)-(i).)</p> <p>19. \$501,248.14 in bank funds seized from Republic Bank of Arizona Account No. '8103 ("RBA '8103 Funds" or "Account 16") held in the name of John Larkin ("J. Larkin"). Larkin and M. Larkin have filed claims in member case number CV 18-8420 RGK (PJWx).</p> <p>20. \$251,436.93 in bank funds seized from Republic Bank of Arizona Account No. '8162 ("RBA '8162 Funds" or "Account 17") held in the name of James Larkin. Larkin and M. Larkin have filed claims in member case number CV 18-8420 RGK (PJWx).</p> <p>21. \$253,639.96 in bank funds seized from Republic Bank of Arizona Account '8189 ("RBA '8189 Funds" or "Account 18") held in the name of James A. Larkin. Larkin and M. Larkin have filed a claim in member case number CV 18-8420 RGK (PJWx).</p> <p>(Ex. 2 at ¶¶ 19-21.)</p>
16. Republic Bank of Arizona account '2485 is held in the name of LACEY. In furtherance of their money laundering scheme, and in an attempt to further	10(a). SUBJECT ACCOUNT 16A: Republic Bank of Arizona account number 11402485 is a money market account held in the name of Lacey.

<p>conceal the true nature of the money, Backpage Operators used this account as a go-between funneling money from one account to another. Republic Bank of Arizona account ‘3126 is held in the name of LACEY. Republic Bank of Arizona account ‘1897 is held in the name of LACEY. In furtherance of their money laundering scheme, and in an attempt to further conceal the true nature of the money, Backpage Operators used these account as a go-between funneling money from one account to another.</p> <p>a. On December 2, 2016, the Foreign Account in the Netherlands wired \$324,055.85 to Compass Bank account ‘3873.</p> <p>b. On December 8, 2016, the Netherland Account wired \$499,970.00 to Compass Bank account ‘3873.</p> <p>c. On December 27, 2016, the Foreign Account wired \$199,970.00 to Compass Bank account ‘3873.</p> <p>d. From March through December 2017, Compass Bank account ‘3873 paid over \$9,000 to "Cox Communications," an internet services company that Backpage uses to facilitate its internet presence and promote its sale of prostitution advertising.</p> <p>e. On May 31, 2017, Compass Bank account ‘3873 wired approximately \$676,808.04 into Republic Bank of Arizona account ‘2485.</p> <p>f. On June 30, 2017 Republic Bank of Arizona account ‘2485 transferred \$600,000 to Republic Bank of Arizona account ‘1897. On April 16, 2018, LACEY personally went into the Republic Bank of Arizona, withdrew \$500,000 from Republic Bank of Arizona</p>	<p>10(b). SUBJECT ACCOUNT 16B: Republic Bank of Arizona account number 11101897 is a checking account held in the name of Lacey.</p> <p>10(c). SUBJECT ACCOUNT 16C: Republic Bank of Arizona account number 11003126 is an account held in the name of Lacey.</p> <p>(Ex. 1 at ¶¶ 10(a)-(c).)</p> <p>153. Funds from Account 2 were also used to promote and facilitate prostitution. For example:</p> <p>a. On December 2, 2016, the Netherlands Account transferred \$324,055.85 to Account 2;</p> <p>b. On December 8, 2016, the Netherlands Account transferred \$499,970.00 to Account 2;</p> <p>c. On December 27, 2016, the Netherlands Account transferred \$199,970.00 to Account 2;</p> <p>d. From March to December 2017, Account 2 paid over \$9,000 to "Cox Communications," an internet services company that Backpage used to facilitate its internet presence and promote its sale of prostitution advertising.</p> <p>156. Accounts 5 and 7, each held in the name of Lacey, were funded with transfers from foreign and domestic banks, which funds were traceable to SUA, involved in money laundering, or both. Backpage Operators used Accounts 5 and 7 as pass-through accounts.</p> <p>a. On May 31, 2017, Account 2 transferred approximately \$676,808.04 into Account 5; (Ex. 2 at ¶¶ 153, 156.)</p> <p>17(b). On June 30, 2017 SUBJECT ACCOUNT 16A transferred \$600,000 to SUBJECT ACCOUNT 16B.</p> <p>17(c). On April 16, 2018, Lacey personally went into the Republic Bank of Arizona, withdrew \$500,000 from SUBJECT</p>
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<p>account '2485 and opened Republic Bank of Arizona account '3126 with an initial deposit of the \$500,000 he had just withdrawn from Republic Bank of Arizona account '2485.</p>	<p>ACCOUNT 16A and opened SUBJECT ACCOUNT 16C with an initial deposit of the \$500,000 he had just withdrawn from SUBJECT ACCOUNT 16A.</p> <p>(Ex. 1 at ¶¶ 17(b)(c).)</p>
<p>17. Republic Bank of Arizona account '8103 is a CDARS held in the name of James LARKIN, Value: \$500,000.00. Republic Bank of Arizona account '8162 is a CDARS held in the name of James LARKIN, Value: \$250,000.00. Republic Bank of Arizona account '8189 is a CDARS held in the name of James LARKIN, Value: \$250,000.00.</p> <p>a. On July 28, 2017, Republic Bank of Arizona account '1889 wired \$400,000 into Republic Bank of Arizona account '2592.</p> <p>b. On or about February 8, 2018, LARKIN wrote a check from \$1 million drawn from Republic Bank of Arizona account '2592. This check was paid to Republic Bank of Arizona and was used to fund LARKIN's CDARS accounts; Republic Bank of Arizona account '8103 (which received \$500,000), Republic Bank of Arizona account '8162 (which received \$250,000), and Republic Bank of Arizona account '8189 (which received \$250,000).</p>	<p>10(g). SUBJECT ACCOUNT 16G: Republic Bank of Arizona account number 1021078103 is a CDARS account held in the name of Larkin.</p> <p>10(h). SUBJECT ACCOUNT 16H: Republic Bank of Arizona account number 1021078162 is a CDARS account held in the name of Larkin.</p> <p>10(i). SUBJECT ACCOUNT 16I: Republic Bank of Arizona account number 1021078189 is a CDARS account held in the name of Larkin.</p> <p>(Ex. 1 at ¶¶ 10(g)-(i).)</p> <p>177(b). On July 28, 2017, Account 13 transferred \$400,000 into Account 14.</p> <p>179(b). On or about February 8, 2018, \$1 million in funds from Account 14 was used to fund Account 16 (which received \$500,000), Account 17 (which received \$250,000), and Account 18 (which received \$250,000).</p> <p>(Ex. 2 at ¶¶ 177(b), 179(b).)</p>
<p>18. Republic Bank of Arizona account '8316 is a Certificate of Deposit Account Registry Service ("CDARS") and is held in the name of LACEY. Republic Bank of Arizona account '8324 is a Certificate of Deposit Account Registry Service ("CDARS") and is held in the name of</p>	<p>10(d). SUBJECT ACCOUNT 16D: Republic Bank of Arizona account number 1021078316 is a Certificate of Deposit Account Registry Service ("CDARS") account held in the name of Lacey.</p>

<p>LACEY. Republic Bank of Arizona account ‘8332 is a Certificate of Deposit Account Registry Service (“CDARS”) and is held in the name of LACEY. In furtherance of their money laundering scheme, and in an attempt to further conceal the true nature of the money, Backpage Operators used this account as a go-between funneling money from one account to another.</p> <p>a. On October 2, 2017 Cereus Properties at Compass Bank account ‘3873 wired two wires to LACEY controlled accounts:</p> <ul style="list-style-type: none"> <li>i. \$694,856.25 was wired to LACEY’s San Francisco Fire Credit Union account ‘2523</li> <li>ii. 297,795.54 was wired to LACEY’s First Federal Savings &amp; Loan of San Rafael account ‘3620.</li> </ul> <p>b. On or about February 15, 2018, LACEY drafted two checks totaling \$1.2 million, which he split between three of his “CDARS” accounts at Republic Bank of Arizona: ‘8316, ‘8324 and ‘8332. The first check was drawn from First Federal Savings &amp; Loan of San Rafael account ‘3620 in the amount of \$600,000. The second check was drawn from San Francisco Fire Credit Union account ‘2523, also in the amount of \$600,000. The combination of these two checks totaling \$1.2 million. Republic Bank of Arizona account ‘8316 received \$600,000.</p>	<p>e. SUBJECT ACCOUNT 16E: Republic Bank of Arizona account number 1021078324 is a CDARS account held in the name of Lacey.</p> <p>f. SUBJECT ACCOUNT 16F: Republic Bank of Arizona account number 1021078332 is a CDARS account held in the name of Lacey.</p> <p>(Ex. 1 at ¶¶ 10(d)-(f).)</p> <p>Accounts 5, 7-10 (RBA ‘2485, ‘3126, ‘8316, ‘8324, and ‘8332)</p> <p>156. Accounts 5 and 7, each held in the name of Lacey, were funded with transfers from foreign and domestic banks, which funds were traceable to SUA, involved in money laundering, or both. Backpage Operators used Accounts 5 and 7 as pass-through accounts.</p> <p>156(f). On October 2, 2017, Account 2 made two transfers:</p> <ul style="list-style-type: none"> <li>i. \$297,795.54 transferred to Account 4; and</li> <li>ii. \$694,856.25 wired to Account 11.</li> </ul> <p>156(g). On or about February 15, 2018, Lacey drafted two \$600,000 checks (totaling \$1.2 million). One check was drawn from Account 11, and the second was drawn from Account 4. These two checks were used to fund Accounts 8, 9, and 10, respectively, with \$600,000.00, \$300,000.00, and \$300,000.00.</p> <p>(Ex. 2 at ¶¶ 156.)</p>
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<p>19. The Bank of America account ‘8225 is held in the name of Troy Larkin.</p> <p>a. On February 2, 2018, Compass Bank account ‘3873 wired \$28,337 into Bank of America account ‘8225.</p>	<p>182. Account 22 is held in the name of one of Larkin’s children, T. Larkin, and was used in furtherance of the money laundering scheme described herein, and in an attempt to further conceal or disguise the nature, location, source, ownership or control of the criminal proceeds.</p> <p>183. On February 2, 2018, Account 2 wire transferred \$28,337 into Account 22.</p> <p>(Ex. 2 at ¶¶ 182-183.)</p>
<p>20. The Bank of America account ‘7054 is held in the name of Ramon Larkin.</p> <p>a. On February 2, 2018, Compass Bank account ‘3873 wired \$28,337 into Bank of America account ‘7054.</p>	<p>184. Account 23 is held in the name of R. Larkin. On February 2, 2018, Account 2 wire transferred \$28,337 into Account 23.</p> <p>(Ex. 2 at ¶ 184.)</p>
<p>21. The Bank of America account ‘9342 is held in the name of Daniel Hyer and Melissa Deeann Row-Hyer.</p> <p>a. On August 2 and August 8, 2017, Prosperity Account bank ‘7188 wired \$33,700 and \$44,000, respectively, to S&amp;W Payroll, a company Backpage uses to pay its employees.</p> <p>b. Between August 11, 2017, and December 1, 2017, S&amp;W Payroll wired a total of \$207,125.81 into Bank of America account ‘9342.</p>	<p>53. From my review of Seized Account 1, BC, and 8D, I learned the following:</p> <p>a. On August 2 and August 8, 2017, Seized Account 1 wired \$33,700 and \$44,000, respectively, to S&amp;W Payroll, a company Backpage uses to pay its employees.</p> <p>b. Between August 11, 2017, and December 1, 2017, S&amp;W Payroll wired a total of \$207,125.81 into Seized Account BC.</p> <p>(Ex. 1 at ¶ 53.)</p>
<p>22. The Bank of America account ‘9342 is held in the name of Daniel Hyer.</p> <p>a. Between November 3, 2017, and December 8, 2017, Bank of America account ‘9342 wired \$57,500 into Bank of America account ‘0071.</p>	<p>52(c). Between November 3, 2017, and December 8, 2017, Seized Account BC wired \$57,500 into Seized Account 8D.</p> <p>(Ex. 1 at ¶ 52(c).)</p>
<p>23. The San Francisco Fire Credit Union account ‘2523 was held in the name of Michael LACEY and Jean K. Warren.</p> <p>a. On February 2, 2018, Compass Bank account ‘3873 wired \$734,603.70 into San Francisco Fire Credit Union account ‘2523.</p>	<p>54. From my review of the records for Seized Account 2A, 2B, and 9, I learned that on February 2, 2018, Seized Account 2A wired \$734,603.70 into Seized Account 9.</p> <p>(Ex. 1 at ¶ 54.)</p>

<p>24. The Green Bank accounts ‘4831 and ‘4293 were held in the name of FERRER.</p> <p>a. On August 8, 2017, Prosperity Account bank ‘7188 wired \$62,000 into Green Bank account ‘4832.</p> <p>b. On December 8, 2017, Seized Account 12A wired \$20,000 into Green Bank account ‘4293.</p>	<p>58. From my review of financial records for Seized Account 1, 12A, and 12B, I learned the following:</p> <p>a. On August 8, 2017, Seized Account 1 wired \$62,000 into Seized Account 12A.</p> <p>59. On December 8, 2017, Seized Account 12A wired \$20,000 into Seized Account 12B.</p> <p>(Ex. 1 at ¶ 58-59.)</p>
<p>25. Perkins Coie Trust Company account number ‘0012 held in the name of Margaret LARKIN, LARKIN’S spouse. In furtherance of their money laundering scheme, and in an attempt to further conceal the true nature of the money, Backpage Operators used this account in a series of transfer between payments made for the SUA and other accounts.</p>	<p>61. “I have reviewed records for Seized Account 14 as well as the following accounts: the BBT Account; the AZBT Account; Charles Schwab account number 49074693 in the name of Larkin ("Schwab Account"); Northern Trust Company account number 2389562 under the name "Ocotillo Family Trust," belonging to James Larkin" ("Northern Trust Account"); and Morgan Stanley account number 237-061673 belonging to James Larkin and his wife, Margaret Larkin (the "Morgan Stanley Account"). Additionally, I have reviewed GoCoin transactions related to certain ads posted on Backpage, specifically including ads that related to child victims A.C., S.F., T.S., S.L., K.O., and R.W. (previously described in paragraph 26, above). Finally, I reviewed emails associated with the email addresses used to post some of the ads promoting the trafficking of A.C., S.F., T.S., S.L., K.O., and R.W.”</p> <p>(Ex. 1 at ¶ 61.)</p>
<p>26. The different accounts involved in this tracing include: Branch Banking &amp; Trust account number ‘2008, belonging to Website Technologies; Arizona Bank &amp; Trust account number ‘6211 belonging to Cereus Properties, Charles Schwab account number ‘4693 in the name of LARKIN; Northern Trust Company account number ‘9562 under the name “Ocotillo Family Trust,” belonging to James LARKIN”; and Morgan Stanley account number ‘1673 belonging to James LARKIN and his wife, Margaret</p>	<p>61. “I have reviewed records for Seized Account 14 as well as the following accounts: the BBT Account; the AZBT Account; Charles Schwab account number 49074693 in the name of Larkin ("Schwab Account"); Northern Trust Company account number 2389562 under the name "Ocotillo Family Trust," belonging to James Larkin" ("Northern Trust Account"); and Morgan Stanley account number 237-061673 belonging to James Larkin and his wife, Margaret Larkin (the "Morgan Stanley Account"). Additionally, I have reviewed</p>

<p>LARKIN; and GoCoin transactions related to certain ads posted on Backpage, specifically including ads that related to child victims A.C., S.F., T.S., S.L., K.O., and R.W.</p> <p>a. On September 6, 2015, a bitcoin account associated with the owner of the email address who trafficked A.C. and S.F. paid Backpage about \$4 worth of bitcoin in order to post an ad promoting the trafficking of those victims in Palm Springs, California.</p> <p>b. On September 15, 2015, an email from the same email address owner indicated a payment to Backpage of about \$8 worth of bitcoin in order to "Fund Account"<sup>2</sup> for palmsprings.backpage.com.</p> <p>c. On October 6, 2015, the same email address owner paid Backpage about \$1 worth of bitcoin to "Fund Account" on palmsprings.backpage.com.</p> <p>d. On October 30, 2015, a bitcoin account associated with the owner of the email address who trafficked T.S., S.L., K.O., and R.W. paid Backpage about \$1 worth of bitcoin in order to post an ad promoting the trafficking of those victims in Columbus, Ohio.</p> <p>e. On November 2, 2015, this same email address owner paid Backpage about \$1</p>	<p>GoCoin transactions related to certain ads posted on Backpage, specifically including ads that related to child victims A.C., S.F., T.S., S.L., K.O., and R.W. (previously described in paragraph 26, above) . Finally, I reviewed emails associated with the email addresses used to post some of the ads promoting the trafficking of A.C., S.F., T.S., S.L., K.O., and R.W.”</p> <p>a. On September 6, 2015, a bitcoin account associated with the owner of the email address who trafficked A.C. and S.F. paid Backpage about \$4 worth of bitcoin in order to post an ad promoting the trafficking of those victims in Palm Springs, California.</p> <p>b. On September 15, 2015, an email from the same email address owner indicated a payment to Backpage of about \$8 worth of bitcoin in order to "Fund Account" for palmsprings.backpage.com. Based on information I have learned through this investigation, I believe that to "Fund Account" means that the email address owner provided bitcoin to Backpage as payment for credit to be used at a later time to pay for Backpage ads.</p> <p>c. On October 6, 2015, the same email address owner paid Backpage about \$1 worth of bitcoin to "Fund Account" on palmsprings.backpage.com.</p> <p>d. On October 30, 2015, a bitcoin account associated with the owner of the email address who trafficked T.S., S.L., K.O., and R.W. paid Backpage about \$1 worth of bitcoin in order to post an ad promoting the trafficking of those victims in Columbus, Ohio.</p> <p>e. On November 2, 2015, this same email address owner paid Backpage about \$1</p>
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<p>worth of bitcoin to "Move Ad to Top of Listings" in the Columbus, Ohio Backpage ads.</p> <p>f. On November 21, 2015, this same email address owner paid Backpage about \$1 worth of bitcoin to Backpage for credit for that email owner's Backpage ad account.</p> <p>g. During the period of September 4, 2015, and November 23, 2015, Backpage advertisers used bitcoin to purchase about 1,000,000 "adult" ads from Backpage. Backpage then sold that bitcoin to GoCoin for approximately \$8.6 million. Included among the bitcoin sold to GoCoin during this period were the six payments the pimps made to Backpage to purchase ads to promote child prostitution.</p> <p>h. During the period of December 14, 2015, through December 29, 2015, a GoCoin account held in Slovakia wired over \$1.25 million to Branch Banking &amp; Trust account '2008 in the United States. The \$1.25 million represented GoCoin's partial payment to Backpage for the bitcoin Backpage sold to GoCoin during the period of September 4, 2015, through November 23, 2015.</p> <p>i. On December 31, 2015, Branch Banking &amp; Trust account '2008 wired \$811,424 to Arizona Bank &amp; Trust account '6211.</p> <p>j. On January 11, 2016, Arizona Bank &amp; Trust account '6211 wired approximately \$1.3 million to Charles Schwab account '4693.</p> <p>k. On January 14, 2016, Charles Schwab account '4693 wired approximately \$13.5 million to the Northern Trust Account.</p> <p>l. In July 21, 2017, Northern Trust Company account '9562 wired \$6.014 million to Morgan Stanley account '1673.</p>	<p>worth of bitcoin to "Move Ad to Top of Listings" in the Columbus, Ohio Backpage ads.</p> <p>f. On November 21, 2015, this same email address owner paid Backpage about \$1 worth of bitcoin to Backpage for credit for that email owner's Backpage ad account.</p> <p>g. During the period of September 4, 2015, and November 23, 2015, Backpage advertisers used bitcoin to purchase about 1,000,000 "adult" ads from Backpage. Backpage then sold that bitcoin to GoCoin for approximately \$8.6 million. Included among the bitcoin sold to GoCoin during this period were the six payments the pimps made to Backpage to purchase ads to promote child prostitution.</p> <p>h. During the period of December 14, 2015, through December 29, 2015, a GoCoin account held in Slovakia wired over \$1.25 million to the BBT Account in the United States. Based on my review of GoCoin's financial records and GoCoin's pattern of payments to Backpage for bitcoin sales, I believe that this \$1.25 million represented GoCoin's partial payment to Backpage for the bitcoin Backpage sold to GoCoin during the period of September 4, 2015, through November 23, 2015.</p> <p>i. On December 31, 2015, the BBT Account wired \$811,424 to the AZBT Account.</p> <p>j. On January 11, 2016 the AZBT Account wired approximately \$1.3 million to the Schwab Account.</p> <p>k. On January 14, 2016, the Schwab Account wired approximately \$13.5 million to the Northern Trust Account.</p> <p>l. In July 21, 2017, the Northern Trust Account wired \$6.014 million to the Morgan Stanley Account.</p>
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<p>m. In or about November 2017, Morgan Stanley elected to terminate its business relationship with LARKIN.</p> <p>n. Following this, on November 30, 2017, LARKIN wired all the funds then held Morgan Stanley account '1673, about \$10 million dollars, to Perkins Coie Trust Company account number '0012.</p> <p>o. Some of the funds in Perkins Coie Trust Company account number '0012 were used, among other things, to purchase bonds and/or securities, which assets remain held in Perkins Coie Trust Company account number '0012.</p>	<p>m. In or about November 2017, Morgan Stanley elected to terminate its business relationship with Larkin.</p> <p>n. Following this, on November 30, 2017, Larkin wired all the funds then held the Morgan Stanley Account, about \$10 million dollars, to Seized Account 14.</p> <p>o. Some of the funds in Seized Account 14 were used, among other things, to purchase bonds and/or securities, which assets remain held in Seized Account 14.</p> <p>(Ex. 1 at ¶¶ 61.)</p>
<p>27. Alliance Bernstein accounts '6878, '4954, '7892, '7889, '7888 '0582, and '6485 are held in the name of the "BRUNST Family Trust." BRUNST and his wife, Mary BRUNST, are the sole trustees for these accounts. In furtherance of their money laundering scheme, and in an attempt to further conceal the true nature of the money, Backpage Operators used this account as a go-between funneling money from one account to another.</p> <p>a. During the period between September 4, 2015, and November 23, 2015, Backpage advertisers used bitcoin to purchase about 1,000,000 "adult" ads from Backpage. Backpage then sold that bitcoin to GoCoin for approximately \$8.6 million. Included among the bitcoin sold to GoCoin during this period were the six payments the pimps made to Backpage to purchase ads to promote child prostitution.</p> <p>b. During the period of December 14, 2015, through December 29, 2015, a GoCoin account held in Slovakia wired over \$1.25</p>	<p>62. I have reviewed records for Seized Account 15 as well as the following accounts: the BBT; the AZBT Account; Wells Fargo Bank Account number 6324184891, belonging to John Brunst ("WFB Account - 891"); and Wells Fargo Bank Account number 00007910147474, belonging to the Brunst Family Trust ("WFB Account -474"). Additionally, I have reviewed GoCoin transactions related to certain ads posted on Backpage, specifically including ads that related to child victims A.C., S.F., T.S., S.L., K.O., and R.W. (previously described in paragraph 26, above.) Finally, I reviewed emails associated with the email addresses used to post some of the ads promoting the trafficking of A.C., S.F., T.S., S.L., K.O., and R.W. From this review I observed the following:</p> <p>g. During the period of September 4, 2015, and November 23, 2015, Backpage advertisers used bitcoin to purchase about 1,000,000 "adult" ads from Backpage. Backpage then sold that bitcoin to GoCoin for approximately \$8.6 million. Included among the bitcoin sold to GoCoin during this period were the six payments the pimps made to Backpage to purchase ads to promote child prostitution.</p> <p>h. During the period of December 14, 2015, through December 29, 2015, a GoCoin account held in Slovakia wired over \$1.25</p>

<p>million to Branch Banking &amp; Trust account '2008 Account belonging to Website Technologies in the United States which represented GoCoin's partial payment to Backpage for the bitcoin Backpage sold to GoCoin during the period of September 4, 2015, through November 23, 2015.</p>	<p>million to the BBT Account in the United States. Based on my review of GoCoin's financial records and GoCoin's pattern of payments to Backpage for bitcoin sales, I believe that this \$1.25 million represented GoCoin's partial payment to Backpage for the bitcoin Backpage sold to GoCoin during the period of September 4, 2015, through November 23, 2015.</p>
<p>c. On December 31, 2015, the Branch Banking &amp; Trust account '2008 wired \$811,424 to Arizona Bank &amp; Trust account '6211 belonging to Cereus Properties.</p>	<p>i. On December 31, 2015, the BBT Account wired \$811,424 to the AZBT Account.</p>
<p>d. On December 6, 2016, Arizona Bank &amp; Trust account '6211 wired \$161,459 to Wells Fargo Bank account '4891, belonging to BRUNST.</p>	<p>j. On December 6, 2016 the AZBT Account wired \$161,459 to the WFB Account - 891.</p>
<p>e. On January 4, 2017, Arizona Bank &amp; Trust account '6211 wired another \$258,841 to Wells Fargo Bank account '4891.</p>	<p>k. On January 4, 2017, the AZBT Account wired another \$258,841 to the WFB Account -891.</p>
<p>f. On January 5, 2017, Wells Fargo Bank account '4891 transferred \$300,000 to Wells Fargo Bank account '7474 belonging to the BRUNST Family Trust.</p>	<p>l. On January 5, 2017, the WFB Account transferred \$300,000 to WFB Account - 474.</p>
<p>g. On May 19, 2017, Wells Fargo Bank account '7474 wired about \$1.5 million into Alliance Bernstein account '6878.</p>	<p>m. On May 19, 2017 the WFB Account -474 wired about \$1.5 million into Seized Account 15A.</p>
<p>h. On May 23, 2017, Alliance Bernstein account '6878 transferred about \$350,000 to Alliance Bernstein account '6878.</p>	<p>n. On May 23, 2017 Seized Account 15A transferred about \$350,000 to Seized Account 15B.</p>
<p>i. On June 7, 2017, Alliance Bernstein account '6878 transferred about \$1.34 million to Alliance Bernstein account '6878.</p>	<p>o. On June 7, 2017, Seized Account 15A transferred about \$1.34 million to Seized Account 15C.</p>
<p>j. On September 13, 2017, Alliance Bernstein account '6878 transferred about \$581,000 to Alliance Bernstein account '7892.</p>	<p>p. On September 13, 2017, Seized Account 15C transferred about \$581,000 to Seized Account 15D.</p>
<p>k. On September 13, 2017, Alliance Bernstein account '6878 transferred about \$250,000 to Alliance Bernstein account '7889.</p>	<p>q. On September 13, 2017, Seized Account 15C transferred about \$250,000 to Seized Account 15E.</p>
<p>l. On September 13, 2017, Alliance Bernstein account '6878 transferred about</p>	<p>r. On September 13, 2017, Seized Account 15C transferred about \$250,000 to Seized</p>

<p>\$250,000 to Alliance Bernstein account ‘7888.</p> <p>m. On September 15, 2017, Alliance Bernstein account ‘6878 transferred about \$500,000 to Alliance Bernstein account ‘6485.</p>	<p>Account 15F.</p> <p>s. On September 15, 2017, Seized Account 15C transferred about \$500,000 to Seized Account 15G.</p> <p>(Ex. 1 at ¶¶ 62.)</p>
<p>28. K&amp;H Bank account ‘1210 is located in Hungary, and held in the name of Primus Trust Company (“Binghampton Trust”) for the benefit of LACEY. In furtherance of their money laundering scheme, and in an attempt to further conceal the true nature of the money, Backpage Operators used this account as a go-between funneling money from one account to another.</p>	<p>64. I have reviewed records for SUBJECT ACCOUNT 17 as well as the following accounts: the BBT Account; the AZBT Account; Arizona Bank &amp; Trust annuity trust account numbers 9361121967, 9361121972, 9361121986, 9361121991, and 9361122014, all held in Lacey's name ("AZBT Annuity Accounts"); and Johnson Financial account number 1000879992 held in an IOLTA with Lacey as the sole beneficiary. From this review, I learned the following:</p> <p>(Ex. 1 at ¶ 64.)</p>
<p>29. The tracing of this account involves numerous banks and bank accounts both foreign and domestic. The accounts include: Branch Banking &amp; Trust account ‘2008, belonging to Website Technologies; Arizona Bank &amp; Trust account ‘6211 belonging to Cereus Properties; Arizona Bank &amp; Trust annuity trust account numbers ‘1967, ‘1972, ‘1986, ‘1991, and ‘2014, all held in LACEY’s name (“AZBT Annuity Accounts”); and Johnson Financial account ‘9992 held in an IOLTA with LACEY as the sole beneficiary.</p> <p>a. Between December 14, 2015, and January 15, 2016, in approximately 26 wires, a GoCoin account in Slovakia transferred over \$2.5 million to Branch Banking &amp; Trust account ‘2008 in the United States.</p> <p>b. On January 15, 2016, Branch Banking &amp; Trust account ‘2008 wired \$189,571 to Verizon in Los Angeles, California, in payment for Backpage internet services.</p>	<p>64. I have reviewed records for SUBJECT ACCOUNT 17 as well as the following accounts: the BBT Account; the AZBT Account; Arizona Bank &amp; Trust annuity trust account numbers 9361121967, 9361121972, 9361121986, 9361121991, and 9361122014, all held in Lacey's name ("AZBT Annuity Accounts"); and Johnson Financial account number 1000879992 held in an IOLTA with Lacey as the sole beneficiary. From this review, I learned the following:</p> <p>a. Between December 14, 2015, and January 15, 2016, in approximately 26 wires, a GoCoin account in Slovakia transferred over \$2.5 million to the BBT Account in the United States.</p> <p>b. On January 15, 2016, the BBT account wired \$189,571 to Verizon in Los Angeles, California, in payment for Backpage internet services.</p>

<p>c. Between January 21, 2016, and August 31, 2016, in approximately 27 wires, Branch Banking &amp; Trust account '2008 transferred approximately \$48 million to Arizona Bank &amp; Trust account '6211.</p> <p>d. Between April 1, through October 6, 2016, in approximately 12 transactions, Arizona Bank &amp; Trust account '6211 transferred over \$18 million to the AZBT Annuity Trust Accounts.</p> <p>e. On December 29, 2016, LACEY's AZBT Annuity Trusts Accounts sent five wires totaling \$16.5 million to Johnson Financial account '9992.</p> <p>f. On January 3, 2017, Johnson Financial account '9992 wired the \$16.5 million to K&amp;H Bank account '1210 in Hungary.</p>	<p>c. Between January 21, 2016, and August 31, 2016, in approximately 27 wires, the BBT Account transferred approximately \$48 million to the AZBT Account.</p> <p>d. Between April 1, 2016, through October 6, 2016, in approximately 12 transactions, the AZBT Account transferred over \$18 million to the AZBT Annuity Trust Accounts.</p> <p>e. On December 29, 2016, Lacey's AZBT Annuity Trusts Accounts sent five wires totaling \$16.5 million to the Johnson Financial Bank Account.</p> <p>f. On January 3, 2017, the Johnson Financial Account wired the \$16.5 million to the SUBJECT ACCOUNT 17 in Hungary.</p> <p>(Ex. 1 at ¶ 64.)</p>
<p>30. Fio Bank accounts '5803, '5801, and '5805 are located in the Czech Republic, and held in the name of Ad Tech BV, with FERRER as the ultimate beneficial owner. According to FERRER, all funds in these accounts are the criminally derived proceeds of ads promoting prostitution.</p>	<p>66(a). SUBJECT ACCOUNTS 18A, 18B, 18C are accounts owned by Ad Tech BV and controlled by Backpage. According to Ferrer, all funds in this account are the criminally derived proceeds of ads promoting prostitution. According to Ferrer, SUBJECT ACCOUNTS 18A, 18B, and 18C are accounts receivable bank accounts. Payment processors and merchant processors would take credit card payments, and payments such as bitcoin payments from Backpage customers for prostitution and other ads, and would transfer these funds to accounts such as SUBJECT ACCOUNTS 18A, 18B and 18C. Per his plea agreement and his cooperation, Ferrer has agreed to surrender these funds and/or securities to the United States.</p> <p>(Ex. 1 at ¶ 66.)</p>
<p>31. Fio Bank accounts '5803, '5801, and '5805 are accounts receivable accounts. As such, Payment processors and merchant processors would take credit card payments, and payments such as bitcoin payments from Backpage customers for prostitution and other ads, and would transfer these funds to accounts</p>	<p>66(a). SUBJECT ACCOUNTS 18A, 18B, 18C are accounts owned by Ad Tech BV and controlled by Backpage. According to Ferrer, all funds in this account are the criminally derived proceeds of ads promoting prostitution. According to Ferrer, SUBJECT ACCOUNTS 18A, 18B, and 18C are accounts receivable bank accounts. Payment</p>



<p>such as Fio Bank accounts ‘5803, ‘5801, and ‘5805.</p> <p>i. On May 8, 2018, within the Stipulation for Preliminary Order of Forfeiture, CR18-465-PHX-SPL, FERRER as CEO of Backpage.com, stipulated that any and all bank funds, securities, or other assets on deposit or seized from these accounts are forfeitable property.</p>	<p>processors and merchant processors would take credit card payments, and payments such as bitcoin payments from Backpage customers for prostitution and other ads, and would transfer these funds to accounts such as SUBJECT ACCOUNTS 18A, 18B and 18C. Per his plea agreement and his cooperation, Ferrer has agreed to surrender these funds and/or securities to the United States.</p> <p>(Ex. 1 at ¶ 66.)</p> <p>Doc. 21 – CR18-465-PHX; Stipulation for Preliminary Order of Forfeiture</p>
<p>32. Fio Bank accounts ‘2226, ‘2231, ‘2230 are located in the Czech Republic, and held in the name of Gold Leaf SRO. All funds and securities in these accounts are held for Backpage.com by a third party, Gold Leaf SRO. According to FERRER and the Service Level Agreement ("SLA") between Ad Tech BV, a Backpage owned company and Gold Leaf SRO, the funds and/or securities in these accounts are the criminally derived proceeds of Backpage ads, including ads promoting prostitution.</p>	<p>10(n). SUBJECT ACCOUNT 18D: Fio Bank, in the Czech Republic, account number CZ7020100000002001002226, is an account held in the name of Gold Leaf SRO. All funds and securities in this account are held for Backpage.com by a third party, Gold Leaf SRO.</p> <p>10(o). SUBJECT ACCOUNT 18E: Fio Bank, in the Czech Republic, account number CZ7620100000002101002231, is an account held in the name of Gold Leaf SRO. All funds and securities in this account are held for Backpage.com by a third party, Gold Leaf SRO.</p> <p>10(p). SUBJECT ACCOUNT 18F: Fio Bank, in the Czech Republic, account number CZ8520100000002501002230, is an account held in the name of Gold Leaf SRO. All funds and securities in this account are held for Backpage.com by a third party, Gold Leaf SRO.</p> <p>(Ex. 1 at ¶ 10.)</p>

	<p>66(b). SUBJECT ACCOUNTS 18D, 18E, and 18F are accounts held by a third party, Gold Leaf SRO. According to Ferrer and Service Level Agreements ("SLA") between Ad Tech BV, a Backpage owned company and Gold Leaf SRO, which I have reviewed, the funds and/or securities in these accounts are the criminally derived proceeds of Backpage ads, including ads promoting prostitution.</p> <p>(Ex. 1 at ¶ 66.)</p>
<p>33. The SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage. According to FERRER, the arrangement between Gold Leaf, SRO, and Backpage was put into place to evade what he called a "blockade by credit card companies." FERRER explained that beginning around 2015, U.S. credit card companies such as MasterCard and Visa refused to process credit card payments for Backpage due to the negative press surrounding sex trafficking and prostitution content on Backpage.</p>	<p>66(b). The SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage. According to Ferrer, the arrangement between Gold Leaf, SRO, and Backpage was put into place to evade what he called a "blockade by credit card companies." Ferrer explained that beginning around 2015, U.S. credit card companies such as MasterCard and Visa refused to process credit card payments for Backpage due to the negative press surrounding sex trafficking and prostitution content on Backpage.</p> <p>(Ex 1 at ¶ 66.)</p>
<p>34. As one of the ways around this "blockade," Backpage Operators set up agreements with foreign persons and partners to "franchise" websites for the sole purpose of accepting credit card payments.</p>	<p>66(b). As one of the ways around this "blockade," Backpage Operators set up agreements with foreign persons and partners to "franchise" websites for the sole purpose of accepting credit card payments.</p> <p>(Ex 1 at ¶ 66.)</p>
<p>35. According to FERRER, this use of foreign third-parties and foreign accounts allowed Backpage to continue to accept credit card payments for prostitution ads while concealing from the credit card companies that the payments were for Backpage ads.</p>	<p>66(b). According to Ferrer, this use of foreign third parties and foreign accounts allowed Backpage to continue to accept credit card payments for prostitution ads while concealing from the credit card companies that the payments were for Backpage ads.</p> <p>(Ex 1 at ¶ 66.)</p>
<p>36. FERRER said that Gold Leaf SRO existed for the sole purpose of funneling to Backpage accounts otherwise prohibited credit card payments for Backpage ads. FERRER explained that</p>	<p>66(b). Ferrer said that Gold Leaf SRO existed for the sole purpose of funneling to Backpage accounts otherwise prohibited credit card payments for Backpage ads. Ferrer explained that these accounts are owned by Backpage</p>

<p>these accounts are owned by Backpage and are not co-mingled with other funds, and are therefore subject to seizure and forfeiture to the United States.</p> <p>i. On May 8, 2018, within the Stipulation for Preliminary Order of Forfeiture, CR18-465-PHX-SPL, FERRER as CEO of Backpage.com, stipulated that any and all bank funds, securities, or other assets on deposit or seized from these accounts are forfeitable property.</p>	<p>and are not co-mingled with other funds, and are therefore subject to seizure and forfeiture to the United States.</p> <p>(Ex 1 at ¶ 66.)</p> <p>Document 21 CR18-465-PHX-SPL</p>
<p>37. Fio Bank accounts ‘4194, ‘4196 and ‘4198 are located in the Czech Republic, and held in the name of Protecctio SRO. All funds and securities in these accounts are held for Backpage.com by a third party, Protecctio SRO. According to FERRER and the Service Level Agreement ("SLA") between Protecctio, a Backpage owned company and Protecctio SRO, the funds and/or securities in these accounts are the criminally derived proceeds of Backpage ads, including ads promoting prostitution.</p>	<p>66(c). SUBJECT ACCOUNTS 18G, 18H, and 18I are accounts held by a third party, Protecctio SRO. According to Ferrer and an agreement between Protecctio SRO and Ad Tech BV, which I have reviewed, the arrangements between these entities are essentially the same as the Gold Leaf SRO arrangement. This business arrangement existed for the sole purpose of allowing purchasers of prostitution ads to purchase ads on Backpage websites while evading the credit card company blockade. Ferrer explained that these accounts are owned by Backpage and are not co-mingled with other funds and/or securities, and are therefore subject to seizure and forfeiture to the United States.</p> <p>(Ex 1 at ¶ 66.)</p>
<p>38. The SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage. According to FERRER, the arrangement between Protecctio SRO, and Backpage was put into place to evade what he called a "blockade by credit card companies." FERRER explained that beginning around 2015, U.S. credit card companies such as MasterCard and Visa refused to process credit card payments for Backpage due to the negative press surrounding sex trafficking and prostitution content on Backpage.</p>	<p>66(b). The SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage. According to Ferrer, the arrangement between Gold Leaf, SRO, and Backpage was put into place to evade what he called a "blockade by credit card companies." Ferrer explained that beginning around 2015, U.S. credit card companies such as MasterCard and Visa refused to process credit card payments for Backpage due to the negative press surrounding sex trafficking and prostitution content on Backpage.</p>

	(Ex 1 at ¶ 66.)
39. As one of the ways around this "blockade," Backpage Operators set up agreements with foreign persons and partners to "franchise" websites for the sole purpose of accepting credit card payments.	66(b). As one of the ways around this "blockade," Backpage Operators set up agreements with foreign persons and partners to "franchise" websites for the sole purpose of accepting credit card payments.  (Ex 1 at ¶ 66.)
40. According to FERRER, this use of foreign third-parties and foreign accounts allowed Backpage to continue to accept credit card payments for prostitution ads while concealing from the credit card companies that the payments were for Backpage ads.	66(b). According to Ferrer, this use of foreign thirdparties and foreign accounts allowed Backpage to continue to accept credit card payments for prostitution ads while concealing from the credit card companies that the payments were for Backpage ads.  (Ex 1 at ¶ 66.)
41. FERRER said that Protecctio SRO existed for the sole purpose of allowing purchasers of prostitution ads to purchase ads on Backpage websites while evading the credit card company blockade. FERRER explained that these accounts are owned by Backpage and are not co-mingled with other funds, and are therefore subject to seizure and forfeiture to the United States.  i. On May 8, 2018, within the Stipulation for Preliminary Order of Forfeiture, CR18-465-PHX-SPL, FERRER as CEO of Backpage.com, stipulated that any and all bank funds, securities, or other assets on deposit or seized from these accounts is forfeitable property.	66(c). According to Ferrer...Protecttio SRO. This business arrangement existed for the sole purpose of allowing purchasers of prostitution ads to purchase ads on Backpage websites will evading the credit card company blockade. Ferrer explained that these accounts are owned by Backpage and are not co-mingled with other funds, and are therefore subject to seizure and forfeiture to the United States.  (Ex 1 at ¶ 66.)  Doc. 21, Preliminary Order of Forfeiture, CR18-465-PHX-SPL
42. Fio Bank accounts '8083, '8086, and '8080 are located in the Czech Republic, and held in the name of Varicok Company SRO. All funds and securities in these accounts are held for Backpage.com by a third party, Varicok Company SRO.	10(t). SUBJECT ACCOUNT 18J: Fio Bank, in the Czech Republic, account number CZ4820100000002801118083, is an account held in the name of Varicok Company SRO. All funds and securities in this account are held for Backpage.com by a third party, Varicok Company SRO.

<p>According to FERRER and the Service Level Agreement ("SLA") between Varicok Company SRO, a Backpage owned company and Varicok Company SRO, the funds and/or securities in these accounts are the criminally derived proceeds of Backpage ads, including ads promoting prostitution.</p>	<p>u. SUBJECT ACCOUNT 18K: Fio Bank, in the Czech Republic, account number CZ2020100000002701118086, is an account held in the name of Varicok Company SRO. All funds and securities in this account are held for Backpage.com by a third party, Varicok Company SRO.</p> <p>v. SUBJECT ACCOUNT 18L: Fio Bank, in the Czech Republic, account number CZ7620100000002901118080, is an account held in the name of Varicok Company SRO. All funds and securities in this account are held for Backpage.com by a third party, Varicok Company SRO.</p> <p>(Ex. 1 at 10(t)-(v).)</p> <p>66(d). According to Ferrer, and an agreement between Varicok SRO and Ad Tech BV...[t]his business arrangement existed for the sole purpose of allowing purchasers of prostitution ads to purchase ads on Backpage websites while evading the credit card company blockage.</p> <p>(Ex. 1 at ¶ 66.)</p>
<p>43. The SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage.</p> <p>According to FERRER, the arrangement between Varicok Company SRO, and Backpage was put into place to evade what he called a "blockade by credit card companies."</p> <p>FERRER explained that beginning around 2015, U.S. credit card companies such as MasterCard and Visa refused to process credit card payments for Backpage due to the negative press surrounding sex trafficking and prostitution content on Backpage.</p>	<p>66(b). The SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage.</p> <p>66(d). According to Ferrer, and an agreement between Varicok SRO and Ad Tech BV...[t]his business arrangement existed for the sole purpose of allowing purchasers of prostitution ads to purchase ads on Backpage websites while evading the credit card company blockage.</p> <p>66(b). Ferrer explained that beginning around 2015, U.S. credit card companies such as MasterCard and Visa refused to process credit card payments for Backpage due to the negative press surrounding sex trafficking and prostitution content on Backpage.</p> <p>(Ex. 1 at ¶ 66.)</p>

<p>44. As one of the ways around this "blockade," Backpage Operators set up agreements with foreign persons and partners to "franchise" websites for the sole purpose of accepting credit card payments.</p>	<p>66(b). As one of the ways around this "blockade," Backpage Operators set up agreements with foreign persons and partners to "franchise" websites for the sole purpose of accepting credit card payments.</p> <p>(Ex. 1 at ¶ 66.)</p>
<p>45. According to FERRER, this use of foreign third-parties and foreign accounts allowed Backpage to continue to accept credit card payments for prostitution ads while concealing from the credit card companies that the payments were for Backpage ads.</p>	<p>66(b). According to Ferrer, this use of foreign third-parties and foreign accounts allowed Backpage to continue to accept credit card payments for prostitution ads while concealing from the credit card companies that the payments were for Backpage ads.</p> <p>(Ex. 1 at ¶ 66.)</p>
<p>46. FERRER said that Varicok Company SRO existed for the sole purpose of allowing purchasers of prostitution ads to purchase ads on Backpage websites while evading the credit card company blockade.</p> <p>FERRER explained that these accounts are owned by Backpage and are not co-mingled with other funds, and are therefore subject to seizure and forfeiture to the United States.</p> <p>On May 8, 2018, within the Stipulation for Preliminary Order of Forfeiture, CR18-465-PHX-SPL, FERRER as CEO of Backpage.com, stipulated that any and all bank funds, securities, or other assets on deposit or seized from these accounts is forfeitable property.</p>	<p>66(d). According to Ferrer, and an agreement between Varicok SRO and Ad Tech BV...[t]his business arrangement existed for the sole purpose of allowing purchasers of prostitution ads to purchase ads on Backpage websites while evading the credit card company blockage.</p> <p>66(d). Ferrer explained that these accounts are owned by Backpage and are not co-mingled with other funds, and are therefore subject to seizure and forfeiture to the United States.</p> <p>(Ex. 1 at ¶ 66.)</p> <p>Doc. 21, Preliminary Order of Forfeiture, CR18-465-PHX-SPL</p>
<p>47. Bank Frick accounts 'K000 K, 'K000 U, 'K000 E, and 'K001 E are located in Principality of Liechtenstein, and held in the name of Ad Tech BV, and FERRER is the ultimate beneficial owner.</p>	<p>10(w). SUBJECT ACCOUNT 19A: Bank Frick, located in Liechtenstein, account number LI09 0881 1060 7717 K000 K, is an account held in the name of Ad Tech BV, and Ferrer is the ultimate beneficial owner.</p> <p>x. SUBJECT ACCOUNT 19B: Bank Frick, in</p>

<p>According to FERRER these are accounts receivable banking accounts.</p>	<p>Liechtenstein, account number LI30 0881 1060 7717 K000 U, is an account held in the name of Ad Tech BV, and Ferrer is the ultimate beneficial owner.</p> <p>y. SUBJECT ACCOUNT 19C: Bank Frick, in Liechtenstein, account number LI74 0881 1060 7717 K000 E, is an account held in the name of Ad Tech BV, and Ferrer is the ultimate beneficial owner.</p> <p>z. SUBJECT ACCOUNT 19D: Bank Frick, in Liechtenstein, account number LI90 0881 1060 7717 K001 E, is an account held in the name of Ad Tech BV, and Ferrer is the ultimate beneficial owner.</p> <p>(Ex. 1 at ¶ 10(w)-(z).)</p> <p>67(a). According to Ferrer, SUBJECT ACCOUNTS 19A, 19B, 19C and 19D are accounts receivable banking accounts.</p> <p>(Ex. 1 at ¶ 67.)</p>
<p>48. Payment processors and merchant processors would take credit card payments, and payments such as bitcoin payments from Backpage customers for prostitution and other ads, and would transfer these funds to Bank Frick accounts ‘K000 K, ‘K000 U, ‘K000 E, and ‘K001 E.</p>	<p>67(a) Payment processors and merchant processors would take credit card payments, and payments such as bitcoin payments from Backpage customers for prostitution and other ads, and would transfer these funds to accounts such as SUBJECT ACCOUNTS 19A, 19B, 19C and 19D.</p> <p>(Ex. 1 at 67.)</p>
<p>49. These accounts contain funds and/or securities that are criminally derived and are subject to forfeiture. FERRER and Backpage has agreed to surrender these funds and/or securities as they are criminally derived.</p>	<p>67(a). These accounts contain funds and/or securities that are criminally derived and are subject to forfeiture. Ferrer and Backpage has agreed to surrender these funds and/or securities as they are criminally derived.</p> <p>(Ex. 1 at 67.)</p>
<p>50. Knab Bank account ‘2452 is located in Kingdom of the Netherlands, and held in the name of Procop Services BV. All funds and securities in this account are held for Backpage.com by Procop Services BV. According to FERRER and the Service Level</p>	<p>68(b). SUBJECT ACCOUNT 20 at Knab Bank in the Netherlands is an account held by a third party, Procop Services BV. According to Ferrer the arrangement is essentially the same as the Gold Leaf SRO and Protecttio SRO, as described with respect to SUBJECT</p>

<p>Agreement ("SLA") between Procop Services BV, a Backpage owned company and Procop Services BV, the funds and/or securities in these accounts are the criminally derived proceeds of Backpage ads, including ads promoting prostitution.</p>	<p>ACCOUNTS 19. This business arrangement existed for the sole purpose of allowing purchasers of prostitution ads to purchase ads on Backpage websites while evading the credit card company blockade. Ferrer explained that these accounts are owned by Backpage and are not co-mingled with other funds and/or securities, and are therefore subject to seizure and forfeiture to the United States.</p> <p>(Ex. 3 at ¶ 68(b).)</p>
<p>51. The SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage. According to FERRER, the arrangement between Procop Services BV, and Backpage was put into place to evade what he called a "blockade by credit card companies." FERRER explained that beginning around 2015, U.S. credit card companies such as MasterCard and Visa refused to process credit card payments for Backpage due to the negative press surrounding sex trafficking and prostitution content on Backpage.</p>	<p>75. All four SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage . According to Ferrer, the arrangements between these Entities , and Backpage were put into place to avoid what Ferrer described as , "a blockade [of Backpage] by credit card companies ." Ferrer explained that beginning around 2015 , U. S. credit card companies such as MasterCard and Visa refused to process credit card payments for Backpage due to the negative press surrounding sex trafficking and prostitution content on Backpage.</p> <p>(Ex. 3 at ¶ 75.)</p>
<p>52. As one of the ways around this "blockade," Backpage Operators set up agreements with foreign persons and partners to "franchise" websites for the sole purpose of accepting credit card payments.</p>	<p>75. As a way around this "blockade," Backpage Operators set up agreements with foreign persons and partners to "franchise" websites for the sole purpose of accepting credit card payments.</p> <p>(Ex. 3 at ¶ 75.)</p>
<p>53. According to FERRER, this use of foreign third-parties and foreign accounts allowed Backpage to continue to accept credit card payments for prostitution ads while concealing from the credit card companies that the payments were for Backpage ads.</p>	<p>75. According to Ferrer, this use of foreign third-parties and foreign accounts allowed Backpage to continue to accept credit card payments for prostitution ads while concealing from the credit card companies that the payments were for Backpage ads . Ferrer said that the Entities existed for the sole purpose of funneling to Backpage accounts otherwise prohibited credit card payments for Backpage ads. Ferrer</p>



	<p>explained that these funds are owned by Backpage and are not comingled with other funds.</p> <p>(Ex. 3 at ¶ 75.)</p>
<p>54. FERRER said that Procop Services BV existed for the sole purpose of allowing purchasers of prostitution ads to purchase ads on Backpage websites while evading the credit card company blockade. FERRER explained that these accounts are owned by Backpage and are not co-mingled with other funds, and are therefore subject to seizure and forfeiture to the United States.</p>	<p>75. According to Ferrer and the four separate SLAs between (1) Ad Tech BV, a Backpage owned company, and Guilietta Group B. V.; (2) Backpage and Procop Services B. V.; (3) Backpage and Universe Ads B. V.; and (4) Backpage and Proteccio SRO, all of which I have reviewed, the funds and/or securities held by these entities are the criminally derived proceeds of Backpage ads, including ads promoting prostitution. All four SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage. According to Ferrer, the arrangements between these Entities, and Backpage were put into place to avoid what Ferrer described as, "a blockade [of Backpage] by credit card companies ." Ferrer explained that beginning around 2015, U. S. credit card companies such as MasterCard and Visa refused to process credit card payments for Backpage due to the negative press surrounding sex trafficking and prostitution content on Backpage. As a way around this "blockade," Backpage Operators set up agreements with foreign persons and partners to "franchise" websites for the sole purpose of accepting credit card payments. According to Ferrer, this use of foreign third-parties and foreign accounts allowed Backpage to continue to accept credit card payments for prostitution ads while concealing from the credit card companies that the payments were for Backpage ads. Ferrer said that the Entities existed for the sole purpose of funneling to Backpage accounts otherwise prohibited credit card payments for Backpage ads. Ferrer explained that these funds are owned by Backpage and are not comingled with other funds.</p> <p>(Ex. 3 at ¶ 75.)</p>

<p>55. According to FERRER and business agreements, Rabo Bank Account ‘2452 is an account in the Netherlands held in the name of Gulietta Group BV. The funds and/or securities in this account are derived from selling advertisements online, most of which are for prostitution advertisements. The SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV which is owned by Backpage.</p>	<p>69(a). SUBJECT ACCOUNT 21A is an account in the Netherlands held in the name of Gulietta Group BV. According to Ferrer and the SLA, the funds and/or securities in this account are derived from selling advertisements online, most of which are for prostitution advertisements. The SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV which is owned by Backpage.</p> <p>(Ex. 1 at ¶ 69(a).)</p>
<p>56. According to FERRER, the arrangement between Guilietta Group BV, and Backpage was put into place to evade what he called a "blockade by credit card companies." FERRER explained that beginning around 2015, U.S. credit card companies such as MasterCard and Visa refused to process credit card payments for Backpage due to the negative press surrounding sex trafficking and prostitution content on Backpage.</p>	<p>69(a). According to Ferrer, the arrangement between Guilietta Group BV and Ad Tech BV (Backpage) was put into place to evade the same credit card "blockade" described in with regard to SUBJECT ACCOUNTS 18D, 18E, and 18F. Ferrer explained that these accounts are owned by Backpage and are not co-mingled with other funds and/or securities, and are therefore subject to seizure and forfeiture to the United States.</p> <p>(Ex. 1 at ¶ 69(a).)</p>
<p>57. As one of the ways around this "blockade," Backpage Operators set up agreements with foreign persons and partners to "franchise" websites for the sole purpose of accepting credit card payments.</p>	<p>66(b). As one of the ways around this "blockade," Backpage Operators set up agreements with foreign persons and partners to "franchise" websites for the sole purpose of accepting credit card payments.</p> <p>(Ex. 1 at ¶ 66(b).)</p>
<p>58. This use of foreign third-parties and foreign accounts allowed Backpage to continue to accept credit card payments for prostitution ads while concealing from the credit card companies that the payments were for Backpage ads.</p>	<p>66(b). According to Ferrer, this use of foreign third-parties and foreign accounts allowed Backpage to continue to accept credit card payments for prostitution ads while concealing from the credit card companies that the payments were for Backpage ads.</p> <p>(Ex. 1 at ¶ 66(b).)</p>
<p>59. Rabo Bank account ‘4721 is an account in the Netherlands held in the name of UnivsersAds BV. According to Ferrer and the SLA between the companies, the funds and/or securities in this account are derived from selling advertisements online, most of which are for prostitution</p>	<p>10(cc). SUBJECT ACCOUNT 21B: Rabo Bank, in the Netherlands, account number NL64RABO0307604721, is an account held in the name of UnivsersAds BV. All funds and securities in this account are held for Backpage.com by UnivsersAds BV.</p>

<p>advertisements. The Service Level Agreements state that 99.5% of the net proceeds are to be paid to Ad Tech BV which is owned by Backpage.</p>	<p>(Ex. 1 at ¶ 10(cc).)</p> <p>69(b). According to Ferrer, the arrangement between UniversAds BV and Ad Tech BV or Backpage was put into place to evade the same credit card blockade described above. Ferrer explained that these accounts are owned by Backpage and are not co-mingled with other funds and/or securities, and are therefore subject to seizure and forfeiture to the United States.</p> <p>(Ex. 1 at ¶ 69(b).)</p> <p>66(b). The SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage.</p> <p>(Ex. 1 at ¶ 66(b).)</p>
<p>60. According to Ferrer, the arrangement between UniversAds BV and Ad Tech BV or Backpage was put into place to evade the same credit card blockade described above. Ferrer explained that these accounts are owned by Backpage and are not co-mingled with other funds and/or securities, and are therefore subject to seizure and forfeiture to the United States.</p>	<p>69(b). According to Ferrer, the arrangement between UniversAds BV and Ad Tech BV or Backpage was put into place to evade the same credit card blockade described above. Ferrer explained that these accounts are owned by Backpage and are not co-mingled with other funds and/or securities, and are therefore subject to seizure and forfeiture to the United States.</p> <p>(Ex. 1 at ¶ 69(b).)</p>
<p>61. Acacia Conservation Fund LP account ‘0112 are investment funds held in the name of Ocotillo Family Trust. Ocotillo Family Trust is owned by JAMES and Margaret LARKIN. In furtherance of their money laundering scheme, and in an attempt to further conceal the true nature of the money, Backpage Operators used these accounts as go-betweens to funnel money from one account to another.</p> <p>a. The tracing involved numerous accounts including: Branch Banking &amp; Trust account number ‘2008, held in the name of Website Technologies; Arizona Bank &amp; Trust account number ‘6211 held in the name of</p>	<p>23. Approximately \$9,882,828.72 in securities and/or investment funds seized from Perkins Coie Trust Company Account No. ‘0012 (“PCTC Investment Funds” or “Account 20”) held in the name of Margaret G. Larkin. Larkin, M. Larkin, CFT and OFT have filed claims in member case number CV 18-8420 RGK (PJWx).</p> <p>24. Approximately \$34,149,280.00 in securities and/or investment funds seized from Acacia Conservation Fund LP Account No. ‘2020 (“ACF Funds” or “Account 21”), held in the name of the Ocotillo Family Trust. Larkin, M. Larkin, CFT and OFT have filed</p>

<p>Cereus Properties; Charles Schwab account number '4693 held in the name of JAMES LARKIN; and Pershing, LLC Account number '1121 held in the name of Acacia Conservation Fund; and GoCoin transactions related to certain ads posted on Backpage, specifically including ads that related to child victims A.C., S.F., T.S., S.L., K.O., and R.W.</p>	<p>claims in member case number CV 18-8420 RGK (PJWx).</p>
<p>b. On September 6, 2015, a bitcoin account associated with the owner of the email address who trafficked A.C. and S.F. paid Backpage about \$4 worth of bitcoin in order to post an ad promoting the trafficking of those victims in Palm Springs, California.</p>	<p>(Ex. 2 at ¶¶23-24.)</p>
<p>c. On September 15, 2015, an email from the same email address owner indicated a payment to Backpage of about \$8 worth of bitcoin in order to "Fund Account" for palmsprings.backpage.com.</p>	<p>63(a). On September 6, 2015, a Bitcoin account associated with the owner of the email address who trafficked A.C. and S.F. paid Backpage about \$4 worth of bitcoin in order to post an ad promoting the trafficking of those victims in Palm Springs, California.</p>
<p>d. On October 6, 2015, the same email address owner paid Backpage about \$1 worth of bitcoin to "Fund Account" on palmsprings.backpage.com.</p>	<p>63(b). On September 15, 2015, an email from the same email address owner indicated a payment to Backpage of about \$8 worth of Bitcoin in order to "Fund Account" for palmsprings.backpage.com.</p>
<p>e. On October 30, 2015, a bitcoin account associated with the owner of the email address who trafficked T.S., S.L., K.O., and R.W. paid Backpage about \$1 worth of bitcoin in order to post an ad promoting the trafficking of those victims in Columbus, Ohio.</p>	<p>63(c). On October 6, 2015, the same email address owner paid Backpage about \$1 worth of Bitcoin to "Fund Account" on palmsprings.backpage.com.</p>
<p>f. On November 2, 2015, this same email address owner paid Backpage about \$1 worth of bitcoin to "Move Ad to Top of Listings" in the Columbus, Ohio Backpage ads.</p>	<p>63(d). On October 30, 2015, a bitcoin account associated with the owner of the email address who trafficked T.S., S.L., K.O., and R.W. paid Backpage about \$1 worth of Bitcoin in order to post an ad promoting the trafficking of those victims in Columbus, Ohio.</p>
<p>g. On November 21, 2015, this same email address owner paid Backpage about \$1 worth of bitcoin to Backpage for credit for that email owner's Backpage ad account.</p>	<p>63(e). On November 2, 2015, this same email address owner paid Backpage about \$1 worth of bitcoin to "Move Ad to Top of Listings" in the Columbus, Ohio Backpage ads.</p> <p>(Ex 3 at ¶ 63(a)-(g).)</p>
<p>g. On November 21, 2015, this same email address owner paid Backpage about \$1 worth of bitcoin to Backpage for credit for that email owner's Backpage ad account.</p>	<p>63(f). On November 21, 2015, this same email address owner paid Backpage about \$1 worth of bitcoin to Backpage for credit for that email owner's Backpage ad account.</p>

<p>h. During the period of September 4, 2015, and November 23, 2015, Backpage advertisers used bitcoin to purchase about 1,000,000 "adult" ads from Backpage. Backpage then sold that bitcoin to GoCoin for approximately \$8.6 million. Included among the bitcoin sold to GoCoin during this period were the six payments the pimps made to Backpage to purchase ads to promote child prostitution.</p>	<p>63(g). During the period of September 4, 2015, and November 23, 2015, Backpage advertisers used bitcoin to purchase about 1,000,000 "adult" ads from Backpage. Backpage then sold that bitcoin to GoCoin for approximately \$8.6 million. Included among the bitcoin sold to GoCoin during this period were the six payments the pimps made to Backpage to purchase ads to promote child prostitution.</p> <p>(Ex 3 at ¶¶ 63(f)-(g).)</p>
<p>i. During the period of March 23, 2016, through March 31, 2016, in three transactions, Branch Banking and Trust Bank account ‘2008 wired \$3,694,813.60 to the Arizona Bank and Trust Account ‘6211.</p>	<p>181(a). During the period of March 23 through March 31, 2016, Website Tech Account ‘2008 sent three wire transfers totaling \$3,694,813.60 to Arizona Bank and Trust account number ‘6211, belonging to Cereus Properties (“Account ‘6211”).</p>
<p>j. During the period of April 1, 2016, through July 1, 2016, in five transactions, the Arizona Bank and Trust Account ‘6211 wired \$5,750,294 to LARKIN’s Charles Schwab account ‘4693.</p>	<p>181(b). During the period of April 1, 2016, through July 1, 2016, Account ‘6211 sent five wire transfers totaling \$5,750,294 to Charles Schwab account ‘4693.</p>
<p>k. On July 1, 2016, the Charles Schwab account ‘4693 wired \$15 million to the Acacia Conservation Fund, LP account ‘0112.</p>	<p>181(c). On July 1, 2016, Charles Schwab Account ‘4693 transferred \$15,000,000 to Account 21.</p>
<p>l. During the period of August 2, 2016, through October 6, 2016, in six transactions, the Arizona Bank and Trust Account ‘6211 wired \$9,550,315 to LARKIN’s Charles Schwab account ‘4693.</p>	<p>181(d). During the period of August 2, 2016, through October 6, 2016, Account ‘6211 sent six wire transfers totaling \$9,550,315 to Charles Schwab Account ‘4693.</p>
<p>m. On January 3, 2017, the Charles Schwab account ‘4693 wired \$2.5 million to the Acacia Conservation Fund, LP account ‘0112.</p>	<p>181(e). On January 3, 2017, Charles Schwab account ‘4693 transferred \$2,500,000 to Account 21.</p>
<p>n. On January 4, 2017, the Charles Schwab account ‘4693 wired \$2.5 million to the Acacia Conservation Fund, LP account ‘0112.</p>	<p>181(f). On January 4, 2017, Charles Schwab account ‘4693 transferred \$2,500,000 to Account 21.</p> <p>(Ex 2 at ¶¶ 181(a)-(f).)</p>

	<p>72. I have reviewed records for Seized Account 22 as well as the following accounts: Branch Banking &amp; Trust account number [-2008], belonging to Website Technologies; .... Arizona Bank &amp; Trust account number [-6211] belonging to Cereus Properties; ... Charles Schwab account number [-4693] belonging to James Larkin...; and Pershing, LLC Account number [-1121] belonging to Acacia Conservation Fund... Additionally, I have reviewed GoCoin transactions related to certain ads posted on Backpage, specifically including ads that related to child victims A.C., S.F., T.S., S.L., K.O., and R.W.</p> <p>(Ex 3 at ¶ 72.)</p>
<p>62. Saxo Payments account number 00011262 is a United Kingdom-based account held in the name of Cashflows Europe Limited (“Cashflows”). Cashflows is holding these funds for the benefit of Gulieta Group B.V., Universads B.V, Procop Services B.V., and Proteccio SRO, each of which company is a Backpage owned or controlled entity. United Kingdom law enforcement officials have restrained the funds held by these four companies and consolidated them into this Saxo Payments account.</p>	<p>74. From my review of these SLAs , financial records related to Restrained Account 23, and records and statements provided by Ferrer and U. K. Law Enforcement, I understand that Restrained Account 23 contains funds consolidated by U.K. Law Enforcement and a payment processing company called Cashflows Europe Limited. This account contains funds from three separate entities that U.K. Law Enforcement restrained following the indictments and information charging Backpage and its operators .</p> <p>That is, Restrained Account 23 contains funds from (1) Gulieta Group B. V.; (2) Procop Services B. V.; {3) Universads B.V.; and ( 4) Proteccio SRO , (collectively referred to as , the "Entities") .</p> <p>(Ex. 3 at ¶ 74.)</p>
<p>63. On April 5, 2018, pursuant to a plea agreement in the District of Arizona, FERRER plead guilty to a single-count information charging him with a violation of 18 U.S.C. § 371, conspiracy to violate 18 U.S.C. §§ 1952 (the Travel Act) and 1956 (money laundering). As part of his plea agreement, FERRER agreed to "take all steps within his power to forfeit to the United States all corporate assets and other property</p>	<p>Plea agreement in <i>United States v. Ferrer</i>, CR-18-464-PHX-DJH. DOJ-BP-0004899878. Defense Trial Exhibit 5994-2; <i>see also</i>, CR-18-465-PHX-DJH, <i>United States v. Backpage.com, LLC</i>; Website Technologies, LLC; Posting Solutions LLC; AdTech BV; and UCG Tech Group BV (“the Entities”) (Doc. 8-2 through 8-7.)</p>

<p>owned or controlled by Website Technologies, LLC, which own and operates the Backpage website, as well as corporate assets and other property owned or controlled by Backpage.com, LLC, Posting Solutions LLC, Amstel River Holdings, LLC, Ad Tech BV, and UGC Tech Group CV."</p> <p>That same day, also in the District of Arizona, Backpage.com, LLC and related entities plead guilty to 18 U.S.C. § 1956(h) (money laundering conspiracy).</p>	
<p>64. Saxo Payments account ‘1262 contains funds from (1) Gulieta Group B.V.; (2) Procop Services B.V.; (3) Universads B.V.; and (4) Protecctio SRO, (collectively referred to as, the "Entities"):</p>	<p>61. Approximately 747,664.15 GBP seized from SAXO Payments (United Kingdom) Account No. ‘1262 (“SP ‘1262 Funds” or “Account 55”), held in the name of the Cashflows Europe Limited (“Cashflows”). Medalist, Leeward, Camarillo, Vermillion, Cereus, Shearwater, Broadway, Larkin, T. Larkin, R. Larkin, Spear, Lacey, and Brunst have filed claims in member case number CV 18-8753 RGK (PJWx).</p> <p>Account 55 is located in the United Kingdom and held by a third party entity, “Cashflows Europe Limited” (“Cashflows”). Although Backpage is the ultimate beneficiary of Account 55, Cashflows acts first as an entity holding this account for the benefit of Gulietta Group B.V., Universads B.V., Procop Services B.V., and Protecctio SRO, each of which company is owned or controlled by Backpage.</p> <p>(Ex. 2 at ¶¶ 61, 216.)</p>
<p>65. According to FERRER and the four separate SLAs between (1) Ad Tech BV, a Backpage owned company, and Guilietta Group B.V.; (2) Backpage and Procop Services B.V.; (3) Backpage and Universe Ads B.V.; and (4) Backpage and Protecctio SRO, the funds and/or securities held by these entities are the criminally derived proceeds of Backpage ads, including ads promoting prostitution. All four SLAs state that 99.5%</p>	<p>75. According to Ferrer and the four separate SLAs between (1) Ad Tech BV, a Backpage owned company, and Guilietta Group B.V.; (2) Backpage and Procop Services B.V.; (3) Backpage and Universe Ads B.V.; and (4) Backpage and Protecctio SRO, all of which I have reviewed, the funds and/or securities held by these entities are the criminally derived proceeds of Backpage ads, including ads promoting prostitution. All four SLAs</p>

<p>of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage. According to FERRER, the arrangements between these Entities, and Backpage were put into place to avoid what FERRER described as, "a blockade [of Backpage] by credit card companies." FERRER explained that beginning around 2015, U.S. credit card companies such as MasterCard and Visa refused to process credit card payments for Backpage due to the negative press surrounding sex trafficking and prostitution content on Backpage. As a way around this "blockade," Backpage Operators set up agreements with foreign persons and partners to "franchise" websites for the sole purpose of accepting credit card payments. According to FERRER, this use of foreign third-parties and foreign accounts allowed Backpage to continue to accept credit card payments for prostitution ads while concealing from the credit card companies that the payments were for Backpage ads. FERRER said that the Entities existed for the sole purpose of funneling to Backpage accounts otherwise prohibited credit card payments for Backpage ads. FERRER explained that these funds are owned by Backpage and are not co-mingled with other funds, and the funds held in Saxo Payments account '1262 are therefore subject to seizure and forfeiture to the United States.</p>	<p>state that 99.5% of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage. According to Ferrer, the arrangements between these Entities, and Backpage were put into place to avoid what Ferrer described as, "a blockade [of Backpage] by credit card companies." Ferrer explained that beginning around 2015, U.S. credit card companies such as MasterCard and Visa refused to process credit card payments for Backpage due to the negative press surrounding sex trafficking and prostitution content on Backpage. As a way around this "blockade," Backpage Operators set up agreements with foreign persons and partners to "franchise" websites for the sole purpose of accepting credit card payments. According to Ferrer, this use of foreign third-parties and foreign accounts allowed Backpage to continue to accept credit card payments for prostitution ads while concealing from the credit card companies that the payments were for Backpage ads. Ferrer said that the Entities existed for the sole purpose of funneling to Backpage accounts otherwise prohibited credit card payments for Backpage ads. Ferrer explained that these funds are owned by Backpage and are not co-mingled with other funds.</p> <p>(Ex. 3 at ¶ 75.)</p>
<p>66. Restrained Account 24 is an account maintained in the Republic of Estonia, held in the name of Olist OU. The funds and/or securities in this account are derived from selling advertisements online, most of which ads are for prostitution advertisements. The SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage. The arrangement between Olist OU and Ad Tech BV (Backpage) was put into place to avoid the same credit card "blockade" described in relation to Saxo Payments account '1262. These accounts are owned by Backpage and are not co-mingled with other funds and/or securities.</p>	<p>76. I learned that Restrained Account 24 is an account maintained in the Republic of Estonia, held in the name of Olist OU. According to Ferrer and the SLAs, the funds and/or securities in this account are derived from selling advertisements online, most of which ads are for prostitution advertisements. The SLAs state that 99.5% of the net proceeds are to be paid to Ad Tech BV, which is owned by Backpage. According to Ferrer, the arrangement between Olist OU and Ad Tech BV (Backpage) was put into place to avoid the same credit card "blockade" described in relation to Restrained Accounts 23. Ferrer explained that these accounts are owned by</p>



	<p>Backpage and are not co-mingled with other funds and/or securities.</p> <p>(Ex. 3 at ¶ 76.)</p>
<p>67. The Compass Bank account was opened in the name of Cereus Properties:</p> <p>a. On December 2, 2016, the Foreign Account in the Liechtenstein wired \$324,055.85 to Compass Bank account ‘3873.</p> <p>b. On December 8, 2016, the Foreign Account wired \$499,970.00 to Compass Bank account ‘3873.</p> <p>c. On December 27, 2016, the Foreign Account wired \$199,970.00 to Compass Bank account ‘3873.</p> <p>d. On September 19, 2017, Compass Bank account ‘3873 wired \$83,063 to Wells Fargo Bank account ‘9863.</p> <p>e. Between September 20, 2017, and December 8, 2017, in a total of seven wire transfers, Wells Fargo Bank account -9863 sent a combined total of \$944,729.25 to Compass Bank account ‘4862.</p> <p>f. On December 13, 2017, Compass Bank account ‘4862 wired \$406,211.10 to Republic Bank of Arizona account 1938.</p>	<p>152. Account 2 is Compass ‘3873 Funds and is a Cereus Properties Asset.</p> <p>153(a). On December 2, 2016, the Netherlands Account transferred \$324,055.85 to Account 2</p> <p>153(b). On December 8, 2016, the Netherlands Account transferred \$499,970.00 to Account 2.</p> <p>153(c). On December 27, 2016, the Netherlands Account transferred \$199,970.00 to Account 2.</p> <p>(Ex. 2 at ¶¶ 152, 153.)</p> <p>77(d). On September 19, 2017, Seized Account 2A wired \$83,063 to Wells Fargo Bank account -9863.</p> <p>42. Seized Account 2A is a Compass Bank business account owned by “Cereus Properties LLC.”</p> <p>(Ex. 3. at ¶¶ 77, 42.)</p> <p>156(b). Between September 20, 2017 and December 8, 2017, Account ‘9863 transferred approximately \$944,729.25 among seven transactions into Account 3.</p> <p>(Ex. 2 at ¶ 156(b).)</p> <p>178(e). On December 13, 2017, Account 3 transferred \$406, 211.10 to Account 15.</p> <p>(Ex. 2 at ¶ 178(e).)</p>
<p>68. The Midfirst Bank account was held in the name of John Becker’s IOLTA for MICHAEL LACEY.</p>	<p>158. Account 12 was an IOLTA held for the benefit of Lacey, and was funded with proceeds traceable to SUA, involved in money laundering, or both.</p>

<p>a. On January 4, 2017, GoCoin’s Singapore account wired \$489,500 into Account -1462, and on January 20, 2017, GoCoin’s Singapore account directed two additional wires, for \$358,150 and \$470,150, respectively, into Account -1462 (totaling \$1,317,800 wired from GoCoin’s Singapore account into Account -1462).</p> <p>b. On or about February 23, 2017, Account -1462 sent two payments, a wire of \$443,014 and a check for \$27,887.41 to Compass Bank account ‘3873.</p> <p>c. Between March 30, 2017, and September 14, 2017, Compass Bank account ‘3873 sent five wires totaling \$4,058.063.65 to Midfirst Bank account ‘4139.</p> <p>d. In July 2018, Midfirst Bank account ‘4139 was closed and a cashier’s check totaling \$2,412,785.47 was issued to Michael Lacey’s Annuity Fund held by his attorney. As of the date of this affidavit, this check has not been negotiated.</p>	<p>159. On January 4, 2017, the Singapore Account wired \$489,500 into a Posting Solutions controlled account held at Veritex Bank (the “Veritex Account”). On January 20, 2017, the Singapore Account directed two additional wires, for \$358,150 and \$470,150 respectively, into the Veritex Account. In total, the Singapore Account transferred \$1,317,800 into the Veritex Account.</p> <p>a. On or about February 23, 2017, the Veritex Account directed two payments to Account 2, a wire of \$443,014, and a check for \$27,887.41;</p> <p>b. Between March 30 and September 14, 2017, Account 2 sent five wires totaling \$4,058.063.65 to Account 12; and</p> <p>c. In July 2018, Account 12 was closed and a cashier’s check totaling \$2,412,785.47 was issued to Lacey’s Annuity Fund, held at Account 12.</p> <p>(Ex. 2 at ¶¶ 158-159.)</p>
<p>69. Backpage, until recently, controlled numerous domain names that have since been seized by the government pursuant to a seizure warrant issued in this district.</p> <p>70. The Seized Domains are registered by “ASCIO TECHNOLOGIES INC” DBA “NETNAMES,” a domain registrar that manages the reservation of internet domain names. A domain registrar serves to ensure that a registered domain name, like each of the Seized Domains, is not double sold.</p> <p>71. Additionally, a domain registration will allow the owner of the domain to direct internet traffic to a company’s webserver. The Seized Domains were found to have been acquired and maintained with funds traceable</p>	<p>9(d). Backpage, until recently, controlled numerous domain names that have since been seized by the government pursuant to a seizure warrant issued in this district in case no. CR. Misc. 2:18-MJ-00711.</p> <p>The Seized Domains are registered by "ASCIO TECHNOLOGIES INC" DBA "NETNAMES," a domain registrar that manages the reservation of internet domain names. A domain registrar serves to ensure that a registered domain name, like each of the Seized Domains, is not double sold.</p> <p>Additionally, a domain registration will allow the owner of the domain to direct internet traffic to a company's webserver. The Seized Domains were found to have been acquired</p>

<p>to the money laundering scheme described herein, specifically with funds from Prosperity Bank account ‘7188, and the Seized Domains were the mechanism Backpage used to promote the prostitution and sex trafficking activity.</p>	<p>and maintained with funds traceable to the money laundering scheme described herein, specifically with funds from an account seized pursuant to a separate seizure warrant in case no. CR. Misc. 2:18-MJ-00721, and the Seized Domains were the mechanism Backpage used to promote the prostitution and sex trafficking activity described below.</p> <p>(Ex. 3 at ¶9(d).)</p>
<p>72. The following domains constitute and are derived from proceeds traceable to one or more violations of 18 U.S.C. § 156(g), 18 U.S.C. § 156(a)(2), and 18 U.S.C. § 1957:</p> <p>73. atlantabackpage.com  74. backpage.be  75. backpage.com  76. backpage.com.br  77. backpage.cz  78. backpage.dk  79. backpage.ee  80. backpage.es  81. backpage.fi  82. backpage.fr  83. backpage.gr  84. backpage.hu  85. backpage.ie  86. backpage.it  87. backpage.lt  88. backpage.mx</p>	<p>223. The following domains constitute and are derived from proceeds traceable to SUA, involved in money laundering, or both:</p> <p>a. atlantabackpage.com  b. backpage.be  c. backpage.com  d. backpage.com.br  e. backpage.cz  f. backpage.dk  g. backpage.ee  h. backpage.es  i. backpage.fi  j. backpage.fr  k. backpage.gr  l. backpage.hu  m. backpage.ie  n. backpage.it  o. backpage.lt  p. backpage.mx</p> <p>(Ex. 2 at ¶ 223.)</p>
<p>89. backpage.net  90. backpage.no  91. backpage.pl  92. backpage.pt  93. backpage.ro  94. backpage.si  95. backpage.sk  96. backpage.us  97. backpage-insider.com  98. bestofbackpage.com  99. bestofbigcity.com  100. bigcity.com  101. chicagobackpage.com</p>	<p>q. backpage.net  r. backpage.no  s. backpage.pl  t. backpage.pt  u. backpage.ro  v. backpage.si  w. backpage.sk  x. backpage.us  y. backpage-insider.com  z. bestofbackpage.com  aa. bestofbigcity.com  bb. bigcity.com  cc. chicagobackpage.com</p>

<p>102. denverbackpage.com  103. newyorkbackpage.com  104. phoenixbackpage.com  105. sandiegobackpage.com  106. seattlebackpage.com  107. tampabackpage.com</p>	<p>dd. denverbackpage.com  ee. newyorkbackpage.com  ff. phoenixbackpage.com  gg. sandiegobackpage.com  hh. seattlebackpage.com  ii. tampabackpage.com</p> <p>(Ex. 2 at ¶ 223.)</p>
<p>[2043 Pleasant Hill Rd, Sebastopol, CA 95472]</p> <p>108. Michael LACEY knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.</p> <p>109. As set forth below, financial transactions involving illicit proceeds were deposited in GoCoin (Singapore) which were then moved through the Posting Solutions Prosperity Bank account, then moved through the Cereus Properties Compass Bank account, then moved to the San Francisco Fire Credit Union account ‘2523 controlled by Michael LACEY.</p>	<p>[The Sebastopol Property]</p> <p>160. The Sebastopol Property was purchased and maintained, in whole or in part, using funds traceable to SUA, involved in money laundering, or both.</p> <p>161. In a series of transactions in December 2016, illicit proceeds from the Netherlands Account would pass-through Account 2, eventually ending up in Account 11. Additionally, between July and October 2017, additional illicit proceeds from the Singapore Account were passed-through Account 1 to Account 2, and eventually transferred to Account 11. On or about October 10, 2017, over \$10,000 of funds from Account 11 were used to support and maintain the Sebastopol Property.</p> <p>(Ex. 2 at ¶¶ 160-161.)</p>
<p>110. Additional financial transactions involving illicit proceeds were deposited in Ad Tech BV Bank Frick account (XXXX) which were then moved through the Cereus Properties Compass Bank account, then moved to the San Francisco Fire Credit Union account ‘2523 controlled by Michael LACEY. LACEY issued a check from his San Francisco Fire Credit Union account ‘2523 to the Sonoma County Tax Collector.</p>	<p>157. Account 11 is held in the name of Lacey and an individual listed in the Credit Union’s records as Lacey’s employee and bookkeeper. Account 11 was funded with proceeds alleged to have been traceable to SUA, involved in money laundering, or both.</p> <p>a. On February 2, 2018, Account 2 (which then contained funds traceable to SUA, involved in money laundering, or both) transferred \$734,602.70 into Account 11.</p> <p>(Ex. 2 at ¶ 157.)</p>
<p>111. As noted above, on October 10, 2017, LACEY issued a check for \$12,956.25 to</p>	<p>163. On October 10, 2017, Lacey issued a \$12,956.25 check from Account 11 to</p>

<p>Sonoma County Tax Collector. The notation on this wire was “2043 Pleasant Hill Dr Sebastopol”.</p>	<p>Sonoma County Tax Collector. The notation on this wire was “2043 Pleasant Hill Dr Sebastopol.”</p> <p>(Ex. 2 at ¶ 163.)</p>
<p>112. Finca Manzana for Sebastopol, LLC, a Delaware limited liability company, which was the entity used to take title to SEBASTOPOL, CALIFORNIA PROPERTY, is owned by Michael LACEY. On February 11, 2016, Deborah Chalsty transferred by grant deed, as instrument number 2016010019 of the Sonoma County official records, SEBASTOPOL, CALIFORNIA PROPERTY to Michael LACEY, an unmarried man. On April 24, 2017, Michael LACEY, for no consideration, transferred by grant deed, as instrument number 2017031052 of the Sonoma County official records, SEBASTOPOL, CALIFORNIA PROPERTY to Finca Manzana for Sebastopol, LLC. As noted in the grant deed:</p> <p>“There was no consideration for this transfer. This is a transfer between an individual or individuals and a legal entity or between legal entities that results solely in a change in the method of holding title and in which proportional ownership inters in the realty remain the same. . .”</p>	<p>162. On February 11, 2016, a grant deed, instrument number 2016010019 of the Sonoma County official records, transferred the Sebastopol Property to Lacey. Thereafter, on April 24, 2017, for no consideration, Lacey transferred title of the Sebastopol Property to his Delaware limited liability company, Sebastopol, LLC. As noted in the grant deed:</p> <p>“There was no consideration for this transfer. This is a transfer between an individual or individuals and a legal entity or between legal entities that results solely in a change in the method of holding title and in which proportional ownership inters in the realty remain the same. . .”</p> <p>(Ex. 2 at ¶ 162.)</p>
<p>113. LACEY used funds that had been moved through GoCoin and Ad Tech BV, through Posting Solution and Cereus Properties accounts, to an account controlled by himself, to acquire or maintain the real property known as 2043 Pleasant Hill Rd.</p>	<p>157. Account 11 is held in the name of Lacey and an individual listed in the Credit Union’s records as Lacey’s employee and bookkeeper. Account 11 was funded with proceeds alleged to have been traceable to SUA, involved in money laundering, or both.</p> <p>a. On February 2, 2018, Account 2 (which then contained funds traceable to SUA, involved in money laundering, or both) transferred \$734,602.70 into Account 11.</p> <p>163. On October 10, 2017, Lacey issued a \$12,956.25 check from Account 11 to</p>

	<p>Sonoma County Tax Collector. The notation on this wire was “2043 Pleasant Hill Dr Sebastopol.”</p> <p>(Ex. 2, page 52, at ¶¶ 157, 163.)</p>
<p>[343 Presidio Ave, San Francisco, CA 94115]</p> <p>114. Michael LACEY knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.</p>	<p>[San Francisco, California Property 1]</p> <p>164. San Francisco Property 1 was purchased and maintained, in whole or in part, using funds traceable to SUA, involved in money laundering, or both.</p> <p>(Ex. 2 at ¶ 164.)</p>
<p>115. As set forth below, financial transactions involving illicit proceeds were deposited in GoCoin (Singapore) which were then moved through the Posting Solutions Prosperity Bank account, then moved through the Cereus Properties Compass Bank account, then moved to the San Francisco Fire Credit Union account ‘2523 controlled by Michael LACEY.</p>	<p>165. In order to acquire San Francisco Property 1, Lacey used funds transferred through the Singapore Account, the Website Tech Account ‘2008, and Cereus Properties accounts, as well as annuity accounts that Lacey controlled, as follows:</p> <p>a. Illicit proceeds were deposited into the Singapore Account, passed-through Account 1, then passed-through Account 2 and transferred to Account 11. Thereafter, funds from Account 11 were used to support and maintain San Francisco Property 1;</p> <p>(Ex. 2 at ¶ 165.)</p>
<p>116. Additional financial transactions involving illicit proceeds were deposited in Ad Tech BV Bank Frick account (XXXX) which were then moved through the Cereus Properties Compass Bank account, then moved to the San Francisco Fire Credit Union account ‘2523 controlled by Michael LACEY. Lacey issued a check from his San Francisco Fire Credit Union account to pay the San Francisco Tax Collector.</p>	<p>165(a). Illicit proceeds were deposited into the Singapore Account, passed-through Account 1, then passed-through Account 2 and transferred to Account 11. Thereafter, funds from Account 11 were used to support and maintain San Francisco Property 1;</p> <p>(Ex. 2 at ¶ 165(a).)</p>
<p>117. As noted above, on October 10, 2017, LACEY issued a check for \$15,053.08 to San Francisco Tax Collector. The notation on this wire was “343 Presidio”.</p>	<p>165(c). Thereafter, on October 10, 2017, over \$10,000 in funds from Account 11 were used to purchase or maintain San Francisco Property 1.</p> <p>(Ex. 2 at ¶ 165(c).)</p>

<p>118. On May 18, 2016, David H. Berg, Trustee and Geraldine B Berg, Trustee of The Berg Family Trust, dated August 15, 2005 transferred by grant deed, as instrument number 2016-K245482-00 of the San Francisco County official records, 343 Presidio Ave, to Michael G. LACEY, a single man and Alyson Talley, a single woman, as joint tenants with right of survivorship.</p>	<p>165(b). On May 18, 2016, a grant deed recorded as instrument number 2016-K245482-00 in the San Francisco County official records, transferred San Francisco Property 1 to Lacey and his female partner;</p> <p>(Ex. 2 at ¶ 165(b).)</p>
<p>119. LACEY used funds that had been moved through GoCoin and Ad Tech BV, through Cereus Properties accounts, to accounts controlled by himself, to acquire or maintain the real property known as SAN</p> <p>120. FRANCISCO, CALIFORNIA PROPERTY 1.</p>	<p>165(a). Illicit proceeds were deposited into the Singapore Account, passed-through Account 1, then passed-through Account 2 and transferred to Account 11. Thereafter, funds from Account 11 were used to support and maintain San Francisco Property 1;</p> <p>(Ex. 2 at ¶ 165(a).)</p>
<p>[2755 Fillmore St, San Francisco, CA 94123]</p> <p>121. Michael LACEY knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.</p>	<p>[San Francisco Property 2]</p> <p>166. San Francisco Property 2 was purchased and maintained, in whole or in part, using funds traceable to SUA, involved in money laundering, or both.</p> <p>(Ex. 2 at ¶ 166.)</p>
<p>122. As set forth below, financial transactions involving illicit proceeds were deposited in GoCoin (Slovakia) which was then moved through the Website Technologies Branch Banking &amp; Trust account, then moved through Cereus Properties Arizona Bank &amp; Trust account, then moved through multiple Annuity trust accounts controlled by LACEY, then moved to Arizona Bank &amp; Trust account ‘1793 controlled by LACEY. Funds from LACEY’s Arizona Bank &amp; Trust account ‘1793 were then wire transferred to Fidelity National Title Company.</p>	<p>167. During the period of December 14 through December 29, 2015, as GoCoin’s partial payment for the Bitcoin Backpage sold it during the period of September 4 through November 23, 2015, the Slovakia Account wired over \$1,250,000 to Website Tech Account ‘2008.</p> <p>168. After December 14, 2015, Website Tech Account ‘2008 then transferred funds via multiple pass-through accounts controlled by Lacey and other Backpage Operators, which, as of June 21, 2016, resulted in approximately \$5,400,000 ending up in Arizona Bank &amp; Trust account ‘1793, controlled by Lacey (“AB&amp;T Account ‘1793”).</p> <p>(Ex. 2 at ¶ 167-168.)</p>
<p>123. As noted above, on June 27, 2016, LACEY wired, or caused to be wired, \$397,500.00 to Fidelity National Title</p>	<p>169. On June 27, 2016, AB&amp;T Account ‘1793 wired \$397,500.00 to Fidelity National Title Company. The notation on this wire was</p>

<p>Company. The notation on this wire was “XXX(Earnest Money)XXXXXX”. On July 20, 2016, LACEY wired, or caused to be wired, \$12,859,152.57 to Fidelity National Title Company. The notation on this wire was “XX(Balance of Property)XXXXX”.</p>	<p>“XXX(Earnest Money)XXXXXX.” On July 20, 2016, AB&amp;T Account ‘1793 wired \$12,859,152.57 to Fidelity National Title Company. The notation on this wire was “XX(Balance of Property)XXXXX.”</p> <p>(Ex. 2 at ¶ 167-169.)</p>
<p>124. Casa Bahia for San Francisco, LLC, a Delaware limited liability company, which was the entity used to take title to SAN FRANCISCO, CALIFORNIA PROPERTY 2, is owned by Michael LACEY (“XXX”). On July 21, 2016, Hui Li and Ying Lan Li transferred by grant deed, as instrument number 2016-K291371-00 of the San Francisco County official records, 2755 Fillmore St to Michael G. LACEY, an unmarried man. On June 21, 2017, Michael G. LACEY, for no consideration, transferred by grant deed, as instrument number 2017-K466276099 of the San Francisco County official records, SAN FRANCISCO, CALIFORNIA PROPERTY 2 to Casa Bahai for San Francisco, LLC, a Delaware limited liability company. As noted in the grant deed:</p> <p>“There was no consideration for this transfer. This is a transfer between an individual or individuals and a legal entity or between legal entities that results solely in a change in the method of holding title and in which proportional ownership inters in the realty remain the same. . .”</p>	<p>170. Casa Bahia for San Francisco, LLC, a Delaware limited liability company, was the entity used to take title to the San Francisco Property 2, and is owned by Lacey. On July 21, 2016, by grant deed, San Francisco Property 2 was transferred to Lacey. On June 21, 2017, by grant deed and for no consideration, Lacey transferred San Francisco Property 2 to Casa Bahia for San Francisco, LLC, a Delaware limited liability company, as evidenced by instrument number 2017-K466276099 recorded in the San Francisco County official records. As noted in the grant deed:</p> <p>There was no consideration for this transfer. This is a transfer between an individual or individuals and a legal entity or between legal entities that results solely in a change in the method of holding title and in which proportional ownership inters in the realty remain the same. . .</p> <p>(Ex. 2 at ¶ 170.)</p>
<p>125. LACEY used funds that had been moved through GoCoin, Website Technologies and Cereus Properties accounts, as well as annuity accounts controlled by himself, to acquire the real property known as 2755 Fillmore St.</p>	<p>166. San Francisco Property 2 was purchased and maintained, in whole or in part, using funds traceable to SUA, involved in money laundering, or both.</p> <p>167. During the period of December 14 through December 29, 2015, as GoCoin’s partial payment for the Bitcoin Backpage sold it during</p>



	<p>the period of September 4 through November 23, 2015, the Slovakia Account wired over \$1,250,000 to Website Tech Account ‘2008.</p> <p>168. After December 14, 2015, Website Tech Account ‘2008 then transferred funds via multiple pass-through accounts controlled by Lacey and other Backpage Operators, which, as of June 21, 2016, resulted in approximately \$5,400,000 ending up in Arizona Bank &amp; Trust account ‘1793, controlled by Lacey (“AB&amp;T Account ‘1793”).</p> <p>(Ex. 2 at ¶¶ 166-168.)</p>
<p><b>D. 1100 Union St. #700, San Francisco, CA 94109</b></p> <p>126. Michael LACEY, knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.</p>	<p><b>K. San Francisco Property 3</b></p> <p>171. San Francisco Property 3 was purchased and maintained, in whole or in part, using funds traceable to SUA, involved in money laundering, or both.</p> <p>172. Beginning in February 2013, illicit funds from Backpage’s U.S. Bank account ‘1165 passed-through various Backpage or Backpage Operators accounts, eventually ending up in BMO Harris account ‘5263, owned or controlled by Lacey. In May 2015, over \$10,000 of funds from BMO Harris account ‘5263 was used to purchase or maintain San Francisco Property 3.</p> <p>(Ex. 2 at ¶¶ 171-72.)</p>
<p>127. As set forth below, funds originating from Backpage’s U.S. Bank account ‘1165 was moved through the Camarillo Holdings LLC, BMO Harris Bank account, then moved to LACEY’s BMO Harris account ‘5263. LACEY’s BMO Harris account ‘5263 paid a check to a contractor for repairs to the 1100 Union St. #700. In detail:</p>	

<p>a. Between February 4, 2013 and February 11, 2013, over a series of wire transfers, Backpage.com U.S. Bank account wired about \$3.2 million to Camarillo Holdings LLC BMO Harris Bank account ‘7172.</p> <p>b. On February 15, 2013, Camarillo Holdings LLC BMO Harris Bank account ‘7172 wire transferred \$395,513.85 to LACEY’s BMO Harris Bank account ‘5263.</p> <p>c. On May 12, 2015, LACEY using funds from his BMO Harris Bank account ‘5263, paid an \$11,027.37 check to a contractor for water damage repair for 1100 Union St. #700.</p>	<p>186. Between February 4 and June 6, 2013, approximately \$41,500,000 in illicit funds were transferred to Camarillo Holdings LLC, BMO Harris Bank account ‘7172.</p> <p>(Ex. 2 at ¶ 186.)</p> <p>DOJ-BP-0004951056 page 226.</p> <p>DOJ-BP-0004951056 page 197.</p>
<p><b>E. 493 Zinfandel Lane, Saint Helena, CA 94574</b></p> <p>128. James LARKIN, knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.</p> <p>129. As set forth below, financial transactions involving illicit proceeds were deposited in from Backpage’s U.S. Bank account ‘1165, then moved to the Camarillo Holdings LLC BMO Harris Bank account 7172, then moved to JAMES LARKIN’s BMO Harris Bank account ‘3110. These illicit funds were then used to pay for appraisal for 493 Zinfandel Lane:</p> <p>a. From February 4, 2013 through June 6, 2013, a foreign account wire transferred \$41.5 million Camarillo Holdings LLC, BMO Harris Bank account ‘7172.</p>	<p><b>R. Saint Helena Property</b></p> <p>185. The Saint Helena Property was purchased and maintained, in whole or in part, using funds traceable to SUA, involved in money laundering, or both.</p> <p>186. Between February 4 and June 6, 2013, approximately \$41,500,000 in illicit funds were transferred to Camarillo Holdings LLC, BMO Harris Bank account ‘7172.</p>

<p>b. On October 2, 2013, BMO Harris Bank account '7172 wired \$26,130.64 to JAMES LARKIN's BMO Harris Bank account '3110.</p> <p>c. On November 3, 2016, LARKIN paid a check to an appraiser company. Annotated on the memo line: "Zinfandel Appraisal 2015"</p>	<p>On October 2, 2013, BMO Harris Bank account '7172 wired \$26,130.64 to Larkin's BMO Harris Bank account '3110.</p> <p>Thereafter, on November 3, 2016, over \$10,000 of funds from BMO Harris Bank account '7172 were used to purchase or maintain the Saint Helena Property.</p> <p>(Ex. 2 at ¶¶ 185-86.)</p>
<p><b>F. 1308 E. 56th Street, 2, Chicago, IL 60637</b></p> <p>130. James LARKIN, knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.</p> <p>131. As set forth below, funds originating from Backpage's U.S. Bank account '1165, was moved through the Camarillo Holdings LLC, BMO Harris Bank account, then moved to LARKIN's BMO Harris account '3110. Funds from LARKIN's BMO Harris account '3110 were then wire transferred to Chicago Title for 1308 E. 56th Street, 2. Specifically:</p> <p>a. Between February 4, 2013 and June 6, 2013, over a series of wire transfers, Backpage.com U.S. Bank account wired about \$41.5 million to Camarillo Holdings LLC BMO Harris Bank account '7172.</p> <p>b. On October 2, 2013, Camarillo Holdings LLC BMO Harris Bank account '7172 wire transferred \$26,130.64 to LARKIN's BMO Harris Bank account '3110.</p> <p>c. On October 2, 2015, LARKIN's BMO Harris Bank account '3110 wired \$138,000 to Chicago</p>	<p><b>S. Chicago Property</b></p> <p>187. The Chicago Property was purchased and maintained, in whole or in part, using funds traceable to SUA, involved in money laundering, or both.</p> <p>188. Illicit funds originating from Backpage's U.S. Bank account '1165 were passed-through accounts owned or controlled by Backpage or Backpage Operators, and ended up in BMO Harris Bank account '3110.</p> <p>Thereafter, on October 2, 2015, BMO Harris Bank account '3110 transferred \$138,000 to</p>

<p>Title and Trust Company as payment for the purchase of 1308 E. 56th Street, 2.</p>	<p>Chicago Title and Trust Company as payment towards the purchase of the Chicago Property.  (Ex. 2 at ¶¶ 187-88.)</p>
<p><b>G. 10647 N. State Route 89A, Sedona, AZ 86336</b></p> <p>132. Michael LACEY knowingly engaged and attempted to engage in a monetary transaction through a place outside the United States to a place in the United States with the intent to promote the carrying on of a specified unlawful activity in violation of 18 U.S.C. § 1956(a)(2)(A).</p> <p>133. As set forth below, financial transactions involving illicit proceeds were deposited into Cereus Properties Compass Bank, which was then moved through Michael LACEY’s First Federal Savings and Loan of San Rafael account ‘3620. Funds from LACEY’s Arizona Bank &amp; Trust account ‘1793 were then paid to the Coconino County Treasurer for tax obligations for 10647 N. State Route 89A. In detail:</p> <p>a. Between December 2, 2016 and December 30, 2016, a foreign account wire transferred \$1,023,995.95 into Cereus Properties Compass Bank account ‘3873.</p> <p>b. Between March 3, 2017 and June 9, 2017, Cereus Properties Compass Bank account ‘3873 paid about \$4,000 of these funds to “Cox Communications,” an internet services company that provides voice-over-internet phone and cable services.</p> <p>c. On October 2, 2017, Compass Bank account ‘3825 owned by Cereus Properties, wired approximately</p>	<p><b>L. Sedona Property.</b></p> <p>173. The Sedona Property was purchased and maintained, in whole or in part, using funds traceable to SUA, involved in money laundering, or both.</p> <p>65(a). On December 2, 2016, the Foreign Account (first described in paragraph 42, above) wired \$324,055.85 to Seized Account 2A (Compass Bank account - 3873).</p> <p>b. On December 8, 2016, the Foreign Account wired \$499,970.00 to Seized Account 2A.</p> <p>c. On December 27, 2016, the Foreign Account wired \$199,970.00 to Seized Account 2A .</p> <p>d. From March through December 2017 , Seized Account 2A paid over \$9,000 to " Cox Communications," an internet services company that provides voice-over-internet phone and cable services...</p> <p>(Ex. 3 at ¶ 65(a)-(d).)</p> <p>174. In October 2017, Account 2 wired approximately \$297,795 to Account 4.<sup>3</sup></p>

<sup>3</sup> “Account 2 (Compass ‘3873 Funds)” is more fully described in Ex. 2 at ¶¶ 152-53. “Account 4 (FFS&L of SR ‘3620 Funds)” is more fully described in Ex. 2 at ¶ 155.

<p>\$297,795 into First Federal Savings &amp; Loan of San Rafael account ‘3620.</p> <p>d. On November 13, 2018, LACEY issued a check from First Federal Savings &amp; Loan of San Rafael account ‘3620 to the Coconino County Treasurer for tax obligations for 10647 N. State Route 89A.</p>	<p>On November 13, 2018, \$6,725.54 from Account 4 was used to support or maintain the Sedona Property.</p> <p>(Ex. 2 at 54 ¶¶ 173-74.)</p>
<p><b>H. 5555 North Casa Blanca Drive, Paradise Valley, AZ 85253</b></p> <p>134. James LARKIN, knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.</p> <p>135. As set forth below, funds originating from Backpage’s U.S. Bank account ‘1165 was moved through the Camarillo Holdings LLC, BMO Harris Bank account, then moved to LARKIN’s BMO Harris account ‘3110. Funds from LARKIN’s BMO Harris account ‘3110 were then paid to a landscape and gardening service. In detail:</p> <p>a. Between February 4, 2013 and June 6, 2013, over a series of wire transfers, Backpage.com U.S. Bank account wired about \$41.5 million to Camarillo Holdings LLC BMO Harris Bank account ‘7172.</p> <p>b. On October 2, 2013, Camarillo Holdings LLC BMO Harris Bank account ‘7172 wire transferred \$26,130.64 to LARKIN’s BMO Harris Bank account ‘3110.</p> <p>c. On December 11, 2014, LARKIN issued a \$46,987.28 check from the BMO Harris Bank account ‘3110 to a lawn and garden service</p>	<p><b>T. Paradise Valley Property 1</b></p> <p>189. Paradise Valley Property 1 was purchased and maintained, in whole or in part, using funds traceable to SUA, involved in money laundering, or both.</p> <p>190. Approximately \$41.5 million in illicit funds from Backpage’s U.S. Bank account ‘1165 passed through various Backpage or Backpage Operators’ accounts.</p> <p>Following these various transfers, eventually, on October 2, 2013, a total of approximately \$26,130.64 was transferred into BMO Harris account ‘3110, owned or controlled by Larkin.</p> <p>Thereafter, on December 11, 2014, BMO Harris Bank account ‘3110 paid \$46,957.28 to maintain the Paradise Valley property 1.</p> <p>(Ex. 2 at ¶¶ 189-90.)</p>

<p>company for landscape service for 5555 North Casa Blanca Drive.</p>	
<p><b>I. LACEY PURCHASES THE PARADISE VALLEY, ARIZONA PROPERTY 2 USING PROCEEDS TRANSACTIONAL MONEY LAUNDERING</b></p> <p>136. Michael LACEY knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.</p> <p>As set forth below, financial transactions involving illicit proceeds were deposited  <span style="background-color: #00FF00;">(TRACING TO BE COMPLETED ON MONDAY)<sup>4</sup></span></p>	<p><b>U. Paradise Valley Property 2</b></p> <p>191. Paradise Valley Property 2 was purchased and maintained, in whole or in part, using funds traceable to SUA, involved in money laundering, or both.</p> <p>192. Illicit funds originating from Backpage’s U.S. Bank account ‘1165 were passed-through accounts owned or controlled by Backpage or Backpage Operators, and ended up in BMO Harris Bank account ‘3110, from which account over \$10,000 was paid to maintain Paradise Valley Property 2.</p> <p>(Ex. 2 at ¶¶ 191-92.)</p>
<p>137. Michael LACEY, knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.</p>	<p>167. On or about the dates set forth below, each instance constituting a separate count of this Indictment, in the District of Arizona and elsewhere, defendants LACEY, LARKIN, SPEAR, BRUNST, and HYER, and others known and unknown to the grand jury, knowing that the property involved in a financial transaction represented the proceeds of some form of unlawful activity, conducted and attempted to conduct such a financial transaction which in fact involved the proceeds of specified unlawful activity involving that the transaction was designed. in whole and in part to conceal and disguise the nature, the location: the source, the ownership, and the control of the proceeds of the specified unlawful activity.</p> <p>(Ex. 1 at ¶ 167.)</p>
<p>138. As set forth below, funds originating from Backpage’s U.S. Bank account ‘1165 was moved through the Camarillo Holdings</p>	<p>173. Beginning in February 2013, illicit funds from Backpage’s U.S. Bank account ‘1165 passed-through various Backpage or</p>

<sup>4</sup> This parenthetical note in green highlighting was in the tracing document, further evidencing that this document was in draft form.

<p>LLC, BMO Harris Bank account, then moved to LACEY's BMO Harris account '5263. Funds from LACEY's BMO Harris account '5263 were then used to purchase 3304 E. Stella Lane. In detail:</p> <p>138(a): Between February 4, 2013 and June 6, 2013, over a series of wire transfers, Backpage.com U.S. Bank account wired about \$41.5 million to Camarillo Holdings LLC BMO Harris Bank account '7172.</p> <p>138(b): Between March 15, 2014 and September 18, 2014, Camarillo Holdings LLC BMO Harris Bank account '7172 wire transferred \$11,489,258.12 to LACEY's BMO Harris Bank account '5263.</p> <p>138(c): On March 11, 2015, LACEY wire transferred \$50,000 from his BMO Harris Bank account '5263 to Clear Title Agency as earnest money deposit for the purchase of the 3304 E. Stella Lane.</p> <p>138(d): On March 30, 2015, LACEY wire transferred \$774,379.46 from his BMO Harris Bank account '5263 to Clear Title Agency to complete the purchase of 3304 E. Stella Lane.</p>	<p>Backpage Operators accounts, eventually ending up in BMO Harris account '5263, owned or controlled by Lacey.")</p> <p>186. Between February 4 and June 6, 2013, approximately \$41,500,000 in illicit funds were transferred to Camarillo Holdings LLC, BMO Harris Bank account '7172. On October 2, 2013, BMO Harris Bank account '7172 wired \$26,130.64 to Larkin's BMO Harris Bank account '3110.</p> <p>172. Beginning in February 2013, illicit funds from Backpage's U.S. Bank account '1165 passed-through various Backpage or Backpage Operators accounts, eventually ending up in BMO Harris account '5263, owned or controlled by Lacey.</p> <p>(Ex. 2 at ¶¶ 173, 172, 186.)</p>
<p>139. Michael LACEY, knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.</p>	<p>167. On or about the dates set forth below, each instance constituting a separate count of this Indictment, in the District of Arizona and elsewhere, defendants LACEY, LARKIN, SPEAR, BRUNST, and HYER, and others known and unknown to the grand jury, knowing that the property involved in a financial transaction represented the proceeds of some form of unlawful activity, conducted and attempted to conduct such a financial transaction which in fact involved the proceeds of specified unlawful activity involving that the transaction was designed. in whole and in part to conceal and disguise the nature, the location: the source, the ownership, and the control of the proceeds of the specified unlawful activity.</p>

	(Ex. 1 at ¶ 167.)
<p>140. As set forth below, funds originating from Backpage’s U.S. Bank account ‘1165 was moved through the Camarillo Holdings LLC, BMO Harris Bank account, then moved to LACEY’s BMO Harris account ‘5263. Funds from LACEY’s BMO Harris account ‘5263 were then wire transferred to an Interest on Lawyers Trust Account (“IOLTA”) for his attorney who further wired funds to purchase 6300 N. 33rd Street, 6314 N. 33rd Street, 3308 E. Stella Lane, and 3311 E. Stella Lane. In detail:</p> <p>140(a): Between February 4, 2013 and February 11, 2013, over a series of wire transfers, Backpage.com U.S. Bank account ‘1165, wired about \$3.2 million to Camarillo Holdings LLC BMO Harris Bank account ‘7172.</p> <p>140(b): On February 15, 2013, Camarillo Holdings LLC BMO Harris Bank account ‘7172 wire transferred \$395,513.85 to LACEY’s BMO Harris Bank account ‘5263.</p> <p>140(c): On May 12, 2015, LACEY wire transferred or caused a wire transfer from his BMO Harris Bank account ‘5263, \$3,350,000 to a his attorney’s IOLTA account.</p> <p>140(d): On May 12, 2015, the IOLTA paid \$100,000 to “Thomas Title &amp; Escrow” for the purchase of 6300 N. 33rd Street, 6314 N. 33rd Street, 3308 E. Stella Lane, and 3311 E. Stella Lane.</p> <p>140(e): On May 26, 2015, the IOLTA paid \$3,143,132.25 to “Thomas Title &amp; Escrow” for the payoff of the PARADISE VALLEY PROPERTIES 4, 5, 6, and 7</p>	<p>186. Between February 4 and June 6, 2013, approximately \$41,500,000 in illicit funds were transferred to Camarillo Holdings LLC, BMO Harris Bank account ‘7172. On October 2, 2013, BMO Harris Bank account ‘7172 wired \$26,130.64 to Larkin’s BMO Harris Bank account ‘3110.</p> <p>172. Beginning in February 2013, illicit funds from Backpage’s U.S. Bank account ‘1165 passed-through various Backpage or Backpage Operators accounts, eventually ending up in BMO Harris account ‘5263, owned or controlled by Lacey.</p> <p>176(a). Between February 4 and June 6, 2013, through a series of wire transfers, Backpage’s U.S. Bank account ‘1165 transferred approximately \$41,500,000 to BMO Harris Bank account ‘5263.</p> <p>(Ex. 2 at ¶ 186, 172, 176.)</p>
<p>141. Daniel HYER knowingly engaged and attempted to engage in a monetary transaction with funds derived from violations of 18 U.S.C. § 1952.</p>	<p>167. On or about the dates set forth below, each instance constituting a separate count of this Indictment, in the District of Arizona and elsewhere, defendants LACEY, LARKIN, SPEAR, BRUNST, and HYER, and others</p>





	<p>financial transaction represented the proceeds of some form of unlawful activity, conducted and attempted to conduct such a financial transaction which in fact involved the proceeds of specified unlawful activity involving that the transaction was designed. in whole and in part to conceal and disguise the nature, the location: the source, the ownership, and the control of the proceeds of the specified unlawful activity”)</p> <p>(Ex. 1 at ¶ 167.)</p>
<p>144. As set forth below, funds originating from Website Technologies (Backpage) Branch Banking and Trust account ‘2008 was moved through Cereus Properties Arizona Bank &amp; Trust account ‘6211, which they moved through JAMES LARKIN’s Charles Schwab account ‘4693, then Northern Trust Account ‘9562, held by the Ocotillo Family Trust which is owned by LARKIN. These funds were then used to purchase and upgrade 14, rue Saint Guillaume.</p> <p>144(a): On December 31, 2015, Website Technologies’ Branch Banking &amp; Trust account ‘2008 wired \$811,424 to Arizona Bank &amp; Trust account ‘6211.</p> <p>144(b): On January 11, 2016, Arizona Bank &amp; Trust account ‘6211 wired approximately \$1.3 million to Charles Schwab account ‘4693.</p> <p>144(c): On January 14, 2016, Charles Schwab account ‘4693 wired approximately \$13.5 million to the Northern Trust account ‘9562.</p> <p>144(d): On February 9 2016, LARKIN wire transferred or caused a wire transfer of \$3,357,878.91 from his Charles Schwab account ‘4693 to SCP Bonnart a real estate company in Paris, France.</p> <p>144(e): On February 16, 2016, LARKIN wire transferred or caused a wire transfer of</p>	<p>See SI Count 87 (alleging Oct, 6, 2016 transfer of \$1,206,356.00 from Cereus Properties (x6211) to Charles Schwab (x4693)</p> <p>137(d). Between January 21 and August 31, 2016, Website Tech Account ‘2008 sent approximately 27 wire transfers totaling approximately \$48,000,000 to Arizona Bank &amp; Trust account number ‘6211, belonging to Cereus Properties LLC, which is owned or controlled by Spear, Backpage, and/or other Backpage Operators.”)</p> <p>180(c)-(d). On January 14, 2016, Charles Schwab Account ‘4693 transferred approximately \$13,500,000 to Northern Trust Company account ‘9562 (under the name “Ocotillo Family Trust,” owned and controlled by Larkin and Margaret Larkin) ... In July 21, 2017, Account ‘9562 transferred \$6,014,000 to Morgan Stanley account ‘1673 (held in the name of Larkin and Margaret Larkin).</p> <p>(Ex. 2 at ¶ 137, 180.)</p>

<p>\$36,752 from his Charles Schwab account ‘4693 to A+B Kasha Designs, a real estate design company in Paris, France. The wire annotations for this wire referenced an invoice for the renovation of 14, rue Saint Guillaume</p>	
<p>145. John BRUNST knowingly engaged and attempted to engage in a monetary transaction through a place outside the United States to a place in the United States with the intent to promote the carrying on of a specified unlawful activity in violation of 18 U.S.C. § 1956(a)(2)(A).</p>	<p>167. On or about the dates set forth below, each instance constituting a separate count of this Indictment, in the District of Arizona and elsewhere, defendants LACEY, LARKIN, SPEAR, BRUNST, and HYER, and others known and unknown to the grand jury, knowing that the property involved in a financial transaction represented the proceeds of some form of unlawful activity, conducted and attempted to conduct such a financial transaction which in fact involved the proceeds of specified unlawful activity involving that the transaction was designed. in whole and in part to conceal and disguise the nature, the location: the source, the ownership, and the control of the proceeds of the specified unlawful activity.</p> <p>(Ex. 1 at ¶ 167.)</p>
<p>146. As set forth below, financial transactions involving illicit proceeds were deposited in GoCoin (Slovakia) which was then moved through the Website Technologies Branch Banking &amp; Trust account ‘2008. These international funds were used to promote the SUA, then moved through Cereus Properties Arizona Bank &amp; Trust account ‘6211, then moved through John BRUNST’s Wells Fargo Bank account ‘4891. Funds from John BRUNST’s Wells Fargo Bank account ‘4891 was used to pay the County Treasurer for tax obligations for 3353 Red Robin Road. In detail:</p> <p>146(a): National Bank of Arizona accounts ‘0178, ‘0151, and ‘3645 are held in the name of SPEAR. In furtherance of their money laundering scheme, and in an attempt to further conceal the true nature of the money, Backpage Operators used these accounts as</p>	<p>45(a). Between December 14, 2015, and January 15, 2016, in approximately 26 wires, a GoCoin account in Slovakia transferred over \$2.5 million to the BBT Account in the United States.”)</p> <p>234. Between January 21, 2016, and August 31, 2016, Website Tech Account ‘2008 initiated approximately 27 wire transfers totaling approximately \$48 million to Arizona Bank &amp; Trust account number ‘6211 (“AZBT ‘6211”), belonging to Cereus Properties LLC, which is owned or controlled by Spear, Backpage, and or other Backpage Operators.</p> <p>196. Accounts 31, 32, AND 33 (NBA ‘0178, ‘0151, and ‘3645)... Accounts 31 and 32 are held in the name of Spear, which accounts were funded with proceeds traceable to SUA, involved in money laundering, or both. Account 33 is held in trust for the benefit of</p>

<p>go-betweens to funnel money from one account to another.</p>	<p>Spear and certain of his family members, which account was funded with proceeds traceable to SUA, involved in money laundering, or both. In furtherance of the money laundering scheme, and in an attempt to further conceal the true nature of the criminal proceeds, go-between accounts served to funnel money from one account to another.</p> <p>(Ex. 1 at ¶¶ 45, 234, 196.)</p>
<p>147. The tracing involved numerous accounts including: Branch Banking &amp; Trust account number ‘2008, belonging to Website Technologies; Arizona Bank &amp; Trust account number ‘6211 belonging to Cereus Properties, and a GoCoin account in Slovakia.</p> <p>147(a): Between December 14, 2015, and January 15, 2016, in approximately 26 wires, a GoCoin account in Slovakia transferred \$2,523,475.60 to Branch Banking &amp; Trust account number ‘2008 in the United States.</p> <p>147(b): On January 15, 2016, Branch Banking &amp; Trust account number ‘2008 wired \$189,571 to Verizon in Los Angeles, California, in payment for Backpage internet services.</p> <p>147(c): Between March 23, 2016 and March 31, 2016, in three wire transfers, Branch Banking &amp; Trust account number ‘2008 transferred approximately \$3,694,813.60 to Arizona Bank &amp; Trust account number ‘6211.</p> <p>147(d): On January 4, 2017 Arizona Bank &amp; Trust account ‘6211 wired \$298,941 to JOHN BRUNST’s Wells Fargo Bank account ‘4891.</p> <p>147(e): On January 31, 2017, BRUNST, using funds from his Wells Fargo Bank account ‘4891 paid \$3,773.25 to the Navajo County Treasurer for tax obligations for the PINETOP PROPERTY.</p>	<p>45(a). Between December 14, 2015, and January 15, 2016, in approximately 26 wires, a GoCoin account in Slovakia transferred over \$2.5 million to the BBT Account in the United States.”)</p> <p>234. Between January 21, 2016, and August 31, 2016, Website Tech Account ‘2008 initiated approximately 27 wire transfers totaling approximately \$48 million to Arizona Bank &amp; Trust account number ‘6211 (“AZBT ‘6211”), belonging to Cereus Properties LLC, which is owned or controlled by Spear, Backpage, and or other Backpage Operators.”)</p> <p>195(b)-(c). On December 6, 2016, Account ‘6211 transferred \$161,459 to Wells Fargo Bank account ‘4891, belonging to Brunst (“Account ‘4891”)... On January 4, 2017, Account ‘6211 transferred another \$298,841 to Account ‘4891”)</p> <p>(Ex. 1 at ¶¶ 45, 234, 195.)</p>

<p>147(f): On October 3, 2017, BRUNST, using funds from his Wells Fargo Bank account '4891 paid \$4,125.92 to the Navajo County Treasurer for tax obligations for 3353 Red Robin Road.</p> <p>147(g): On February 12, 2017, BRUNST, using funds from his Wells Fargo Bank account '4891 paid \$4,125.92 to the Navajo County Treasurer for tax obligations for 3353 Red Robin Road.</p>	
<p>148. Michael LACEY, knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.</p>	<p>13. Title 18 U.S.C. § 1957 prohibits a party from knowingly engaging in a monetary transaction in excess of \$10,000 with property that is criminally derived from some SUA.</p> <p>(Ex. 3 at ¶ 13.)</p>
<p>149. As set forth below, financial transactions involving illicit proceeds were deposited in GoCoin (Singapore) which were then moved through the Posting Solutions Veritex Bank account '1462, then moved through the Cereus Properties Compass Bank account '3873, then moved to his attorney's IOLTA account at MidFirst Bank account '4139. Funds from MidFirst Bank account '4139 was used to purchase the PHOENIX PROPERTY 1.</p> <p>a. Between January 13, 2017 and January 20, 2017, GoCoin (Singapore) wired \$1,318,800 to Posting Solutions Veritex Bank account '1462</p> <p>b. On or about February 23, 2017, Veritex Bank account '1462 sent two payments, a wire of \$443,014 and a check for \$27,887.41 to Cereus Properties Compass Bank account '3873.</p> <p>c. Between March 30, 2017, and September 14, 2017, Cereus Properties Compass Bank account '3873 sent five wires totaling \$4,058.063.65 to the</p>	<p>78. From my review of financial records for Account – 1462 (as described in Paragraph 51 above, Account - 1462 is the Posting Solutions ' Veritex Bank account} , Seized Account 2A and SUBJECT ACCOUNT 26 , I learned the following:</p> <p>a. On January 4, 2017, GoCoin's Singapore account wired \$489,500 into Account -1462, and on January 20, 2017, GoCoin's Singapore account directed two additional wires, for \$358,150 and \$470,150, respectively, into Account – 1462 (totaling \$1,317,800 wired from GoCoin' s Singapore account into Account - 1462)</p> <p>b. On or about February 23, 2017, Account - 1462 sent two payments, a wire of \$443,014 and a check for \$27,887.41 to Seized Account 2A.</p> <p>c. Between March 30, 2017, and September 14, 2017, Seized Account '2A sent five wires totaling \$4,058,063.65 to SUBJECT ACCOUNT 26.</p>

<p>attorney's IOLTA for MICHAEL LACEY at MidFirst Bank account '4139.</p> <p>d. On January 3, 2018, LACEY, through his attorney, used funds from the MidFirst Bank IOLTA account '4139 to purchase 2416 N. Foote Dr.</p>	<p>(Ex. 3 at ¶ 78(a-c).)</p> <p>Bates No. DOJ-BP-0005062516.</p>
<p>150. John BRUNST knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.</p>	<p>13. Title 18 U.S.C. § 1957 prohibits a party from knowingly engaging in a monetary transaction in excess of \$10,000 with property that is criminally derived from some SUA.</p> <p>(Ex. 3 at ¶ 13.)</p>
<p>151. As set forth below, financial transactions involving illicit proceeds from a Backpage controlled Ad Tech BV foreign account, were deposited into Cereus Properties Compass Bank '3873, which was then moved through BRUNST's Compass Bank Account '3825. Funds from BRUNST's Compass Bank Account '3825 were then paid to Equity Title Agency Inc. for the purchase of 4931 E. White Gates Drive.</p> <p>a. Between December 2, 2016 and December 30, 2016, a foreign account wire transferred \$1,023,995.95 into Cereus Properties Compass Bank account '3873.</p>	<p>65. From my review of financial records related to Seized Accounts 2A, 6, 7B, and 9, and Seized Accounts 16A, 16B, 16C, 16D, 16E, 16F, 16G, 16H, and 16I, I learned the following:</p> <p>a. On December 2, 2016, the Foreign Account (first described in paragraph 42, above) wired \$324,055.85 to Seized Account 2A (Compass Bank account - 3873).</p> <p>b. On December 8, 2016, the Foreign Account wired \$499,970.00 to Seized Account 2A.</p> <p>c. On December 27, 2016, the Foreign Account wired \$199,970.00 to Seized Account 2A.</p> <p>(Ex. 3 at ¶ 65(a-c).)</p> <p><b>Account 24 (COMPASS BANK '3825)</b></p> <p>193. Account 24 is held in the name of Brunst, and was used in furtherance of the money laundering scheme described herein, and in an attempt to further conceal or disguise the nature, location, source, ownership or control of the proceeds of SUA.</p> <p>194. On February 2, 2018, Account 2 wire transferred \$135,956.59 into Account 24.</p>

<p>b. On November 3, 2017, Cereus Properties Compass Bank account ‘3873 transferred \$73,648.03 to BRUNST’s Compass Bank Account ‘3825.</p> <p>c. On December 22, 2017, BRUNST wire transferred or caused a wire transfer of \$1.6 million from his Compass Bank account ‘3825 to Equity Title Agency Inc. for the purchase of 4931 E. White Gates Drive.</p>	<p>(Ex. 2 at ¶¶ 193-194.)</p> <p>Bates No. DOJ-BP-0005044473 at pg. 770.</p> <p>Bates No. DOJ-BP-0005060535.</p>
<p>152. JOHN BRUNST knowingly engaged and attempted to engage in a monetary transaction through a place outside the United States to a place in the United States with the intent to promote the carrying on of a specified unlawful activity in violation of 18 U.S.C. § 1956(a)(2)(A).</p>	<p>195. Accounts 25, 26, 27, 28, 29, and 30 are held in the name of the “Brunst Family Trust.” Brunst and his wife are the sole trustees for these accounts, which were funded with proceeds traceable to SUA, involved in money laundering, or both.</p> <p>(Ex. 2 at ¶ 195.)</p>
<p>153. As set forth below, financial transactions involving illicit proceeds were deposited in GoCoin (Slovakia) which was then moved through the Website Technologies Branch Banking &amp; Trust account ‘2008, then moved through Cereus Properties Arizona Bank &amp; Trust account ‘6211, which is a funnel account. These funds were then used to promote pay tax obligations, then moved through John BRUNST’s Wells Fargo Bank account ‘4891. Funds from John BRUNST’s Wells Fargo Bank account ‘4891 was used to pay the Maricopa County Treasurer for tax obligations for 5830 E. Calle Del Medio (Medio):</p> <p>a. The tracing involved numerous accounts including: Branch Banking &amp; Trust account number ‘2008, belonging to Website Technologies; Arizona Bank &amp; Trust account number ‘6211 belonging to Cereus Properties, and a GoCoin account in Slovakia.</p> <p>b. Between December 14, 2015, and</p>	<p>195(a). On December 31, 2015, Website Tech Account ‘2008 transferred \$811,424 to Account ‘6211;</p> <p>b. On December 6, 2016, Account ‘6211 transferred \$161,459 to Wells Fargo Bank account ‘4891, belonging to Brunst (“Account ‘4891”);</p> <p>c. On January 4, 2017, Account ‘6211 transferred another \$298,841 to Account ‘4891;</p> <p>(Ex. 2 at ¶ 195(a-c).)</p>

<p>December 29, 2015, in approximately 13 wire transfers, a GoCoin account in Slovakia transferred \$1,251,179.97 to Branch Banking &amp; Trust account number '2008 in the United States.</p> <p>c. On December 31, 2015, Branch Banking &amp; Trust account number '2008 transferred approximately \$811,424.07 to Arizona Bank &amp; Trust account number '6211.</p> <p>d. On January 21, 2016, LACEY promoted his business by paying \$43,013.76 to the Internal Revenue Service for business tax obligations.</p> <p>e. Between January 26, 2016 and January 28, 2016, Arizona Bank &amp; Trust account '6211 wired \$166,367.10 to JOHN BRUNST's Wells Fargo Bank account '4891.</p> <p>f. On September 23, 2016, BRUNST, using funds from his Wells Fargo Bank account '4891 paid \$5,959.42 to the Maricopa County Treasurer for tax obligations for 5830 E. Calle Del Media (Medio).</p> <p>g. On January 31, 2017, BRUNST, using funds from his Wells Fargo Bank account '4891 paid \$5,959.42 to the Maricopa County Treasurer for tax obligations for 5830 E. Calle Del Media (Medio).</p>	<p>Bates No. DOJ-BP-0004905513; Bates No. DOJ-BP-0004905522</p> <p>Bates No. DOJ-BP-0005041374.</p>
<p>154. SCOTT SPEAR knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.</p>	<p>240. Based on the facts set out above, Plaintiff alleges that the Defendant Assets were involved in, and are traceable to, property involved in one or more transactions or attempted transactions in violation of section 18 U.S.C. § 1957, and a conspiracy to commit such offenses, in violation of section 18 U.S.C. §1956(h).</p> <p>(Ex. 2 at ¶ 240.)</p> <p>196. Accounts 31 and 32 are held in the name of Spear, which accounts were funded with proceeds traceable to SUA, involved in money laundering, or both. Account 33 is</p>



	<p>held in trust for the benefit of Spear and certain of his family members, which account was funded with proceeds traceable to SUA, involved in money laundering, or both. In furtherance of the money laundering scheme, and in an attempt to further conceal the true nature of the criminal proceeds, go-between accounts served to funnel money from one account to another.</p> <p>(Ex. 2 at ¶ 196.)</p>
<p>155. As set forth below, financial transactions involving illicit proceeds from a Backpage controlled Ad Tech BV foreign account, were deposited into Cereus Properties Compass Bank ‘3873, which was then moved through SPEAR’s National Bank of Arizona account ‘0178, then to SPEAR’s National Bank of Arizona account ‘0151. Funds from SPEAR’s National Bank of Arizona account were used to pay for upgrades to 5751 N. 77th Place, Scottsdale, AZ 85250.</p> <p>a. Between December 2, 2016 and December 30, 2016, a foreign account wire transferred \$1,023,995.95 into Cereus Properties Compass Bank account ‘3873.</p> <p>b. On September 14, 2017, Cereus Properties Compass Bank account ‘3873 transferred \$50,162.05 to SPEAR’s National Bank of Arizona account ‘0178.</p> <p>c. On October 12, 2017, Cereus Properties Compass Bank account ‘3873 transferred \$50,162.05 to SPEAR’s National Bank of Arizona account ‘0178.</p> <p>d. On December 3, 2017 SPEAR paid \$11,925 to a wine cellar installation company for the installation of a wine cellar into 5751 N. 77th Place.</p>	<p>65. From my review of financial records related to Seized Accounts 2A, 6, 7B, and 9, and Seized Accounts 16A, 16B, 16C, 16D, 16E, 16F, 16G, 16H, and 16I, I learned the following:</p> <p>a. On December 2, 2016, the Foreign Account (first described in paragraph 42, above) wired \$324,055.85 to Seized Account 2A (Compass Bank account - 3873).</p> <p>b. On December 8, 2016, the Foreign Account wired \$499,970.00 to Seized Account 2A.</p> <p>c. On December 27, 2016, the Foreign Account wired \$199,970.00 to Seized Account 2A.</p> <p>(Ex. 3 at ¶ 65(a-c).)</p> <p>On September 14, 2017, Account 2 wire transferred \$50,162.05 into Account 31.</p> <p>(Ex. 2 at ¶ 196(c).)</p> <p>DOJ-BP-0005042955; Bates No. DOJ-BP-0005046060)</p>
<p>156. SCOTT SPEAR knowingly engaged and attempted to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from SUA activity in violation of 18 U.S.C. § 1957.</p>	<p>196. Accounts 31 and 32 are held in the name of Spear, which accounts were funded with proceeds traceable to SUA, involved in money laundering, or both. Account 33 is held in trust for the benefit of Spear and certain of his family members, which account</p>

	<p>was funded with proceeds traceable to SUA, involved in money laundering, or both. In furtherance of the money laundering scheme, and in an attempt to further conceal the true nature of the criminal proceeds, go-between accounts served to funnel money from one account to another.</p> <p>(Ex. 2 at ¶ 196.)</p>
<p>157. As set forth below, financial transactions involving illicit proceeds were deposited in GoCoin (Slovakia) which was then moved through the Website Technologies Branch Banking &amp; Trust account '2008, then moved through Cereus Properties Arizona Bank &amp; Trust account '6211, which then moved through SPEAR's National Bank of Arizona account '0178, and '8441. Funds from SPEAR's National Bank of Arizona account '8441 was used to purchase 8604 E. San Ardo Dr:</p> <ol style="list-style-type: none"> <li>a. Between December 14, 2015, and January 29, 2016, in approximately 39 wire transfers, a GoCoin account in Slovakia transferred \$3,959,557.78 to a Backpage controlled Branch Banking &amp; Trust account number '2008 in the United States.</li> <li>b. Between February 2, 2016 and February 29, 2016, in five wire transfers, Branch Banking &amp; Trust account number '2008 transferred approximately \$6,622,954.08 to Arizona Bank &amp; Trust account number '6211.</li> <li>c. On January 4, 2017 Arizona Bank &amp; Trust account '6211 wired \$313,168.00 to SPEAR's National Bank of Arizona account '0178.</li> <li>d. On April 18, 2016 SPEAR, transferred 283,332.93 from his National Bank of Arizona account '0178 to his National Bank of Arizona account '8441.</li> <li>e. On April 19, 2016, SPEAR wire transferred or caused a wire transfer of \$283,332.93 from his National Bank of Arizona account '8441 to Security Title</li> </ol>	<p>45. I have reviewed records for Seized Account 3A as well as the following accounts: Branch Banking &amp; Trust account number 1440001712008, belonging to Website Technologies (as detailed above, a Backpage controlled entity), held in Arizona ("BBT Account"); Arizona Bank &amp; Trust account number 9361116211 belonging to Cereus Properties, held in Arizona ("AZBT Account") From this review, I learned the following:</p> <ol style="list-style-type: none"> <li>a. Between December 14, 2015, and January 15, 2016, in approximately 26 wires, a GoCoin account in Slovakia transferred over \$2.5 million to the BBT Account in the United States.</li> <li>b. On January 15, 2016, the BBT account wired \$189,571 to Verizon in Los Angeles, California, in payment for Backpage internet services.</li> <li>c. Between January 21, 2016, and August 31, 2016, in approximately 27 wires, the BBT Account transferred approximately \$48 million to the AZBT Account.</li> <li>d. Between March 1, 2016, and July 1, 2016, the AZBT Account wired \$892,426 into Seized Account 3A.</li> </ol> <p>46. According to records for Seized Account 3A, 3B, and 3C: On September 14, 2017, Seized Account 2A wired \$50,162.05 into Seized Account 3A.</p> <p>(Ex. 1 at ¶¶ 45-46.)</p>

<p>Escrow to purchase 8604 E. San Ardo Dr.</p>	<p>Paragraph C corresponds to Bates No. DOJ-BP-0005034093 page 439</p> <p>Paragraphs D &amp; E correspond to Bates No. DOJ-BP-0005060537</p>
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# Exhibit 9

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**From:** [cacd\\_ecfmail@cacd.uscourts.gov](mailto:cacd_ecfmail@cacd.uscourts.gov) <[cacd\\_ecfmail@cacd.uscourts.gov](mailto:cacd_ecfmail@cacd.uscourts.gov)>

**Sent:** Monday, June 1, 2020 7:22:57 PM

**To:** [ecfnef@cacd.uscourts.gov](mailto:ecfnef@cacd.uscourts.gov) <[ecfnef@cacd.uscourts.gov](mailto:ecfnef@cacd.uscourts.gov)>

**Subject:** Activity in Case 2:18-cv-08420-RGK-PJW United States of America v. \$1,546,076.35 In Bank Funds Seized from Republic Bank of Arizona Account 1889 et al Amended Complaint/Petition

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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

## Notice of Electronic Filing

The following transaction was entered by Kucera, John on 6/1/2020 at 4:22 PM PDT and filed on 6/1/2020

**Case Name:** United States of America v. \$1,546,076.35 In Bank Funds Seized from Republic Bank of Arizona Account 1889 et al  
**Case Number:** [2:18-cv-08420-RGK-PJW](#)  
**Filer:** United States of America  
**Document Number:** [108](#)

### Docket Text:

**First Consolidated AMENDED COMPLAINT against consolidated defendants \$1,001,731.18 In Bank Funds Seized from Republic Bank of Arizona Account 2592, \$1,038.42 In Bank Funds Seized from Bank of America Account 7054, \$1,546,076.35 In Bank Funds Seized from Republic Bank of Arizona Account 1889, \$1,876.36 in Ban Funds from ING Bank '2071, \$106,988.41 in Bank Funds from ING Bank '2071, \$16,500,000.00 in Bank Funds Seized from K&H Account '1210, \$2,412,785.47 Seized From or Frozen in Place at Money Gram, Having Originated from Midfirst Bank Account 4139, \$248,970.00 in Bank Funds from Citibank NA '0457, \$251,436.93 Seized From Republic Bank of Arizona Account '8162, \$253,639.96 in U.S. Currency Seized from Republic Bank of Arizona Account 8189, \$275,328.00 Seized from Alliance Bernstein Account '7888, \$278.73 In Bank Funds Seized from Bank of America Account 8225, \$3,374,918.61 in Bank Funds Seized from Prosperity Bank Account 7188, \$305,127.89 seized from or frozen in Republic Bank of Arizona CDARS account 8332, \$306,277.00 Seized from Alliance Bernstein Account '7889, \$34,149,280.00 Seized from Acacia**

Conservation Fund LP account 2020, \$342,596.00 Seized from Alliance Bernstein Account '7982, \$359,527.06 Seized from Compass Bank Account '3825, \$372,878.00 Seized from Alliance Bernstein Account '4954, \$40,000.00 in Funds from Crypto Capital, \$404,374.12 Seized From National Bank of Arizona Account 0178, \$407,686.14 in Bank Funds Seized from Compass Bank Account '4862, \$484,745.72 seized from or frozen in Credit Union account 2523, \$499,910.01 in Bank Funds from US Bank '0239, \$5,462,027.17 in Bank Funds Seized from Compass Bank Account '3873, \$5,534.54 in Bank Funds from Enterprise Bank and Trust '7177, \$5,848,729.00 Seized from Alliance Bernstein Account '6878, \$50,000.00 in Bank Funds from Enterprise Bank and Trust '7177, \$50,357.35 in Bank Funds from ING Bank '7684, \$500,000.00 SEIZED FROM REPUBLIC BANK OF ARIZONA ACCOUNT 3126, \$501,248.14 In Bank Funds Seized from Republic Bank of Arizona Account 8103, \$52,500.00 in Bank Funds from Enterprise Bank and Trust '7177, \$527,624.00 Seized from Alliance Bernstein Account '6485, \$56,902.99 Seized From or Frozen in Ascensus Broker Services 8001, \$601,827.10 seized from or frozen in Republic Bank of Arizona Certificate of Deposit '8316, \$621,832.06 In U.S. Currency Seized from Perkins Coie Trust Company Account 0012, \$65,000.00 in Bank Funds from Enterprise Bank and Trust '7177, \$699,940.00 in Bank Funds from ING Bank '7684, \$9,882,828.72 in Securities or Investment Instruments Seized from Perkins Coie Trust Company Account 0012, 1,680,028.85 EUROS In Bank Funds Seized from FIO Account -2226, 1,925.80 in Bank Funds Seized from National Bank of Arizona Account 0151, 136.6544695 Bitcoins, 16,310.79413202 Litecoins, 173.97319 Bitcoins, 2,412,785.47 USD Seized from Money Gram Funds, 2,673.59306905 Bitcoin Cash, 2.00069333 Bitcoins, 260,283.40 in Bank Funds Seized from National Bank of Arizona Account 6910, 3,213,937.82 Euros Seized from Fio account 4194, 300,000.00 USD Seized from or Frozen in Republic Bank of Arizona CDARS Account -8332, 302,177.57 USD Seized from or Frozen in Republic Bank of Arizona CDARS Account -8324, 404.99984122 Bitcoins, 411.00019 Bitcoins, 458.99 POUNDS Seized from FIO Account -8086, 48.10 USD Seized from FIO Account -8080, 500,000.00 USD Seized from Republic Bank of Arizona Account -3126, 509.81904619 Bitcoin Gold, 515,899.85 USD Seized from Republic Bank of Arizona Account -2485, 52.65 POUNDS in Bank Funds seized from FIO Account -4198, 52.90 USD in Bank Funds seized from FIO Account -4196, 55.50826185 Bitcoin Cash, 6 Bitcoins, 60.98 POUNDS in Bank Funds Seized from FIO Account -2231, 600,000.00 USD Seized from or Frozen in Republic Bank of Arizona CDARS Account -8316, 605,976.95 EUROS in Bank Funds Seized from FIO Account -8083, 613,573.28 in Bank Funds Seized from National Bank of Arizona Account 3645, 64,552.82 in Bank Funds Seized from or Frozen in Ascensus Broker Services 4301, 689,884.48 USD Seized from First Federal Savings and Loan of San Rafael Account -3620, 72.87 USD in Bank Funds Seized from FIO Account -2230, 73.62522241 Bitcoin Cash, 734,603.70 USD Seized from or Frozen in San Francisco Fire Credit Union Account -2523, 747,664.15 (POUNDS) Seized from Saxo Payments Account 1262, 75,835.31 USD Seized from Republic Bank of Arizona Account -1897, 783.9735116 Litecoins, Any and All Funds Seized from Bank Frick Account K000 E, Any and All Funds Seized from Bank Frick Account K000 K, Any and All Funds Seized from Bank Frick Account K000 U, Any and All Funds Seized from Bank Frick Account K001 K, Any and All Funds Seized from Knab Bank Account -7664, Any and All Funds Seized from LHV Pank Account 4431, Any and All Funds Seized from Rabo Bank Account 2452, Any and All Funds Seized from Rabo Bank Account 4721, Approximately \$1,412,085.94 in Bank Funds Seized from USAA Savings Account 2155, Approximately \$1,422,147.37 in Bank Funds Seized from USAA Savings Account 1507, Approximately \$1,453,008.51 in Bank Funds Seized from USAA Savings Account 2171, Approximately \$1,502,927.74 in Bank Funds Seized from USAA Savings Account 2058, Approximately \$11,802.76 in Bank Funds Seized from Citibank Account 6973, Approximately \$182,182.50 seized from Amro Bank N.V. Account 6352, Approximately \$23,175.00 seized from Plains Capital Bank Account 3939, Approximately \$518,172.92 seized from Wells Fargo Bank Account 4455, Approximately 2.70447488 Bitcoin and Approximately

**3.54986077 Bitcoin Cash Previously Held in Bitstamp Account '0831, Approximately 518,172.92 USD in Bank Funds Seized from Wells Fargo Bank Account 4485, Real Property Located in Chicago, Illinois, Real Property Located in Coconino, Arizona, Real Property Located in Maricopa County, Arizona, Real Property Located in Paradise Valley, Arizona 1, Real Property Located in Paradise Valley, Arizona 2, Real Property Located in Saint Helena, California, Real Property Located in San Francisco, California, Real Property Located in San Francisco, California 3, Real Property Located in Sebastopol, California, Real Property located in San Francisco, California 2, Various Internet Domain Names amending Consolidated Complaint[66], filed by plaintiff United States of America(Kucera, John)**

**2:18-cv-08420-RGK-PJW Notice has been electronically mailed to:**

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**2:18-cv-08420-RGK-PJW Notice has been delivered by First Class U. S. Mail or by other means BY THE FILER to :**

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Kansas City, MO 64113

Troy Larkin  
122 Kent Street, Apt 2  
Brooklyn, NY 11222

The following document(s) are associated with this transaction:

**Document description:**Main Document

**Original filename:**C:\fakepath\LA18CV8420.RGK.First Amended Consolidated Complaint.pdf

**Electronic document Stamp:**

[STAMP cacdStamp\_ID=1020290914 [Date=6/1/2020] [FileNumber=29908109-0]

[81495226f095de30f3f4ff7b1937bbb82b349c38699aaa7a98bbba3c247de75d21bd

61234948a9fe45a3ae89ac9a8ef8efb364bdc6d433ab16f5c6e3abb88d02]]



# Exhibit 10

**From:** [Stone, Andrew \(USAAZ\)](#)  
**To:** [Ariel A. Neuman](#)  
**Cc:** [Gary S. Lincenberg](#); [Gopi K. Panchapakesan](#); [Thomas H. Bienert](#); [Whitney Bernstein](#); [Paul Cambria](#); [Erin McCampbell Paris](#); [Bruce Feder](#); [Joy Bertrand](#); [David Eisenberg](#); [Rapp, Kevin \(USAAZ\)](#); [Jones, Reginald \(CRM\)](#); [Perlmeter, Margaret \(USAAZ\)](#); [Kozinets, Peter \(USAAZ\)](#); [Kucera, John \(USACAC\)](#)  
**Subject:** RE: Government Expert Disclosure  
**Date:** Tuesday, February 11, 2020 10:04:15 AM  
**Attachments:** [Copy of Master Table - Printable.xlsx](#)

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Ariel,

I've attached a spreadsheet that identifies by Bates number(s) the relevant financial records that relate to Counts 53-100 in the Superseding Indictment. To alleviate any confusion, the category titled "Location on Relativity" lists the applicable BEGDOC to be used in searching Relativity. Once you've located the correct document, you then use the listed page numbers to find the exact record at issue.

Please let me know if you have any questions.

Thanks,  
Andy

Andrew C. Stone  
Assistant U.S. Attorney  
District of Arizona  
(602) 514-7635  
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**From:** Stone, Andrew (USAAZ) <AStone1@usa.doj.gov>  
**Sent:** Friday, January 24, 2020 5:14 PM  
**To:** Ariel A. Neuman <aneuman@birdmarella.com>  
**Cc:** Gary S. Lincenberg <glincenberg@birdmarella.com>; Gopi K. Panchapakesan <gkp@birdmarella.com>; Thomas H. Bienert <tbienert@bienertkatzman.com>; Whitney Bernstein <wbernstein@bienertkatzman.com>; Paul Cambria <pcambria@lglaw.com>; Erin McCampbell Paris <emccampbell@lglaw.com>; Bruce Feder <bf@federlawpa.com>; Joy Bertrand <joy.bertrand@gmail.com>; David Eisenberg <david@deisenbergplc.com>; Rapp, Kevin (USAAZ) <KRapp@usa.doj.gov>; Jones, Reginald (CRM) <Reginald.Jones@CRM.USDOJ.GOV>; Perlmeter, Margaret (USAAZ) <MPerlmeter@usa.doj.gov>; Kozinets, Peter (USAAZ) <PKozinets@usa.doj.gov>; Kucera, John (USACAC) <jkucera@usa.doj.gov>  
**Subject:** RE: Government Expert Disclosure

Ariel,

First, the financial records underlying SA Thai's testimony have been produced. We recently re-

produced all the financial records (see attached letter dated January 13, 2020). These financial records were produced in 2018, but we have reproduced them with the following Bates numbers: DOJ-BP-0004902872-DOJ-BP-0005068773. We did so for organizational purposes. As discussed in the letter, we are finalizing a document that will identify all the relevant financial records (by Bates number) that relate to the money laundering charges in the superseding indictment. We will produce that to you soon.

Second, I've attached 34 draft summary exhibits. The attached exhibits are flowcharts for the financial transactions that are alleged in Counts 53-100 of the superseding indictment. It is expected that as the government continues to prepare for trial, modifications may be made to these exhibits, but if changes are made we will promptly disclose them.

Finally, we will produce additional draft summary exhibits in the near future. We anticipate the following categories of exhibits:

- A flowchart outlining how Backpage proceeds flowed through various entities, e.g., Website Technologies, Camarillo, Cereus Properties, etc.
- Compensation charts that summarize Defendants' Backpage-derived compensation.
- Revenue charts based on Backpage's annual earnings and, specifically, the earnings from "adult" advertisements.

We reserve the right to prepare, disclose, and use other summary exhibits as well.

Thanks,  
Andy

Andrew C. Stone  
Assistant U.S. Attorney  
District of Arizona  
(602) 514-7635  
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**From:** Stone, Andrew (USAAZ) <[AStone1@usa.doj.gov](mailto:AStone1@usa.doj.gov)>

**Sent:** Thursday, January 23, 2020 5:00 PM

**To:** Ariel A. Neuman <[aneuman@birdmarella.com](mailto:aneuman@birdmarella.com)>; Rapp, Kevin (USAAZ) <[KRapp@usa.doj.gov](mailto:KRapp@usa.doj.gov)>; Jones, Reginald (CRM) <[Reginald.Jones@CRM.USDOJ.GOV](mailto:Reginald.Jones@CRM.USDOJ.GOV)>; Perlmeter, Margaret (USAAZ) <[MPerlmeter@usa.doj.gov](mailto:MPerlmeter@usa.doj.gov)>

**Cc:** Gary S. Lincenberg <[glincenberg@birdmarella.com](mailto:glincenberg@birdmarella.com)>; Gopi K. Panchapakesan <[gkp@birdmarella.com](mailto:gkp@birdmarella.com)>; Thomas H. Bienert <[tbienert@bienertkatzman.com](mailto:tbienert@bienertkatzman.com)>; Whitney Bernstein <[wbernstein@bienertkatzman.com](mailto:wbernstein@bienertkatzman.com)>; Paul Cambria <[pcambria@lglaw.com](mailto:pcambria@lglaw.com)>; Erin McCampbell Paris <[emccampbell@lglaw.com](mailto:emccampbell@lglaw.com)>; Bruce Feder <[bf@federlawpa.com](mailto:bf@federlawpa.com)>; Joy Bertrand <[joy.bertrand@gmail.com](mailto:joy.bertrand@gmail.com)>; David Eisenberg <[david@deisenbergplc.com](mailto:david@deisenbergplc.com)>

**Subject:** RE: Government Expert Disclosure

Ariel,

I'll send a substantive email responding to your questions tomorrow.

Thanks,  
Andy

Andrew C. Stone  
Assistant U.S. Attorney  
District of Arizona  
(602) 514-7635  
[andrew.stone@usdoj.gov](mailto:andrew.stone@usdoj.gov)

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**From:** Ariel A. Neuman <[aneuman@birdmarella.com](mailto:aneuman@birdmarella.com)>  
**Sent:** Wednesday, January 22, 2020 10:55 PM  
**To:** Rapp, Kevin (USAAZ) <[KRapp@usa.doj.gov](mailto:KRapp@usa.doj.gov)>; Stone, Andrew (USAAZ) <[AStone1@usa.doj.gov](mailto:AStone1@usa.doj.gov)>; Jones, Reginald (CRM) <[Reginald.Jones@CRM.USDOJ.GOV](mailto:Reginald.Jones@CRM.USDOJ.GOV)>; Perlmeter, Margaret (USAAZ) <[MPerlmeter@usa.doj.gov](mailto:MPerlmeter@usa.doj.gov)>  
**Cc:** Gary S. Lincenberg <[glincenberg@birdmarella.com](mailto:glincenberg@birdmarella.com)>; Gopi K. Panchapakesan <[gkp@birdmarella.com](mailto:gkp@birdmarella.com)>; Thomas H. Bienert <[tbienert@bienertkatzman.com](mailto:tbienert@bienertkatzman.com)>; Whitney Bernstein <[wbernstein@bienertkatzman.com](mailto:wbernstein@bienertkatzman.com)>; Paul Cambria <[pcambria@lglaw.com](mailto:pcambria@lglaw.com)>; Erin McCampbell Paris <[emccampbell@lglaw.com](mailto:emccampbell@lglaw.com)>; Bruce Feder <[bf@federlawpa.com](mailto:bf@federlawpa.com)>; Joy Bertrand <[joy.bertrand@gmail.com](mailto:joy.bertrand@gmail.com)>; David Eisenberg <[david@deisenbergplc.com](mailto:david@deisenbergplc.com)>  
**Subject:** Government Expert Disclosure

Kevin,

In the government's December 14, 2018 initial expert disclosures (attached), with respect to Special Agent Thai, you state that (1) the "financial records and documents underlying" his testimony have been produced in discovery and (2) "the summary analyses will be provided through supplemental disclosures." As to the first category, can you please identify by Bates number the records to which you are referring? As to the second category, can you please point us to the summary analyses Thai intends to present at trial? If those analyses have not been produced, please identify what they will concern and let us know when you intend to produce them. Given the pending motion in limine deadline, immediate identification/production of this material is critical.

Thank you,  
Ariel

**Ariel A. Neuman**

*Principal*

O: 310.201.2100

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E: [aneuman@birdmarella.com](mailto:aneuman@birdmarella.com)

**[vCard](#) | [Bio](#) | [LinkedIn](#)**

**Bird, Marella, Boxer, Wolpert, Nessim,  
Drooks, Lincenberg & Rhow, P.C.**

1875 Century Park East, 23rd Floor

Los Angeles, California 90067-2561

**[www.BirdMarella.com](http://www.BirdMarella.com)**

# Exhibit 11

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 2 Whitney Z. Bernstein, (CA State Bar No. 304917)  
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 6 Email: tbienert@bienertkatzman.com  
 wbernstein@bienertkatzman.com  
 7 *Attorneys for James Larkin*

8 Additional counsel on following page

9  
 10 **UNITED STATES DISTRICT COURT**  
 11 **CENTRAL DISTRICT OF CALIFORNIA**  
 12 **WESTERN DIVISION**

13 UNITED STATES OF AMERICA

14 Plaintiff,

15 v.

16 \$1,546,076.35 IN BANK FUNDS  
 17 SEIZED FROM REPUBLIC BANK  
 18 OF ARIZONA ACCOUNT '1889, et al.,

19 Defendants.

No. 2:18- CV-8420 RGK (PJWx)

**NOTICE OF MOTION AND  
 MOTION TO DISMISS FIRST  
 AMENDED CONSOLIDATED  
 MASTER VERIFIED COMPLAINT  
 FOR FORFEITURE FOR  
 FAILING TO STATE  
 SUFFICIENTLY DETAILED  
 FACTS**

Hearing Information

Date: August 17, 2020

Time: 9:00 a.m.

Place: Courtroom 850  
 255 E. Temple Street, 7th Fl.  
 Los Angeles, CA 90012

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 28 **NOTICE OF MOTION AND MOTION TO DISMISS FIRST AMENDED  
 CONSOLIDATED MASTER VERIFIED COMPLAINT FOR FAILING TO  
 STATE SUFFICIENTLY DETAILED FACTS**

1 Gary S. Lincenberg (CA State Bar No. 123058)  
2 Ariel A. Neuman (CA State Bar. No. 241594)  
3 Gopi K. Panchapakesan (CA State Bar No. 279586)  
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34 Facsimile: (602) 954-8737  
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36 *Attorneys for Scott Spear*



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David W. Wiechert, SBN 94607  
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*Attorneys for Medalist Holdings,  
Inc., Leeward Holdings, LLC,  
Camarillo Holdings, LLC, Vermillion  
Holdings, LLC, Cereus Properties, LLC,  
Shearwater Investments, LLC, and Broadway  
Capital Corp., LLC*

1 **TO THE COURT AND ALL PARTIES ENTITLED TO NOTICE:**

2 **PLEASE TAKE NOTICE** that on August 17, 2020, at 9:00 a.m., or as soon  
3 as counsel may be heard, claimants James Larkin, Michael Lacey, Scott Spear, John  
4 Brunst, Mary Ann Brunst, The Brunst Family Trust, Medalist Holdings, Inc., Leeward  
5 Holdings, LLC, Camarillo Holdings, LLC, Vermillion Holdings, LLC, Cereus  
6 Properties, LLC, Shearwater Investments, LLC, and Broadway Capital Corp., LLC  
7 (collectively, “Claimants”)\* will bring on for hearing the following Motion to Dismiss  
8 First Amended Consolidated Master Verified Complaint for Forfeiture (“Complaint”)  
9 under Rule 12(b)(6) of the Federal Rules of Civil Procedure and Rule G(8)(b)(i) of the  
10 Supplemental Rules for Admiralty or Maritime Claims and Forfeiture Actions, on  
11 grounds that the Complaint fails to state sufficiently detailed facts to support a  
12 reasonable belief the government can meet its burden of proof at trial.

13 This Motion is based upon this Notice, the attached Memorandum of Points  
14 and Authorities, and the Complaint’s allegations.†

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22 \_\_\_\_\_  
23 \* Claimants John Brunst, Mary Ann Brunst, and The Brunst Family Trust will be  
24 referred to collectively as “Brunst.” Medalist Holdings, Inc., Leeward Holdings, LLC,  
25 Camarillo Holdings, LLC, Vermillion Holdings, LLC, Cereus Properties, LLC,  
26 Shearwater Investments, LLC, and Broadway Capital Corp., LLC will be referred to  
27 collectively as the “Claimant Entities.”

28 † Undersigned counsel contacted counsel for the Plaintiff, Assistant United States  
Attorney John Kucera, who indicated that the government opposes this motion.

1 DATED: July 1, 2020

Respectfully submitted,

2  
3 Thomas H. Bienert, Jr.  
Whitney Z. Bernstein  
4 BIENERT | KATZMAN PC

5 By: /s/ Thomas H. Bienert, Jr.  
6 Thomas H. Bienert, Jr.  
7 Attorneys for James Larkin

8 *Local Rule 5-4.3.4(a)(2)(i) Compliance: Filer attests that all other signatories listed concur in the*  
9 *filing's content and have authorized this filing.*

10  
11 DATED: July 1, 2020

Gary S. Lincenberg  
12 Ariel A. Neuman  
13 Gopi K. Panchapakesan  
14 BIRD, MARELLA, BOXER, WOLPERT,  
15 NESSIM, DROOKS, LINCENBERG &  
RHOW, P.C.

16 By: /s/ Gary S. Lincenberg  
17 Gary S. Lincenberg  
18 Attorneys for John Brunst, Mary Ann  
Brunst, and The Brunst Family Trust

19  
20 DATED: July 1, 2020

LIPSITZ GREEN SCIME CAMBRIA LLP

21 By: /s/ Paul J. Cambria, Jr.  
22 Paul J. Cambria, Jr.  
23 Attorneys for Michael Lacey

1 DATED: July 1, 2020

FREEMAN, MATHIS & GARY LLP

2 By:           /s/ John K. Rubiner          

3 John K. Rubiner

4 FEDER LAW OFFICE, PA

5 By:           /s/ Bruce Feder          

6 Bruce Feder

7 Attorneys for Scott Spear

8  
9 DATED: July 1, 2020

DANIEL J. QUIGLEY, PLC

10 By:           /s/ Daniel J. Quigley          

11 Daniel J. Quigley

12 WIECHERT, MUNK & GOLDSTEIN, PC

13 By:           /s/ David W. Wiechert          

14 David W. Wiechert

15 Attorneys for Medalist Holdings, Inc.,  
16 Leeward Holdings, LLC, Camarillo  
17 Holdings, LLC, Vermillion Holdings, LLC,  
18 Cereus Properties, LLC, Shearwater  
19 Investments, LLC, and Broadway Capital  
20 Corp., LLC