

[The Joy Luck Club](#)

I took the liberty upon myself to try and make sense of *ANSWER TO COMPLAINT FOR FORFEITURE IN REM* ANSWER in the Docket today on Dec 15th, 2008. I combined 2 of the documents for an easier read
The Paragraphs in bold are from today's docket. The text NOT in **Bold** is from the first file on the Docket, August 5th.

1. Claimants assert that the allegation in paragraph 1 of the Complaint is a legal conclusion to which no response is required. To the extent the Court requires a response, Claimants assert that the statutes referenced in paragraph 1 of Plaintiff's Complaint speak for themselves and therefore Plaintiff's allegations are denied.

1a. This is a civil forfeiture action, in rem , brought to enforce 18 U.S.C. § 981(a)(1)(C), which authorizes the forfeiture of any property that constitutes or is derived from proceeds traceable to, among other offenses, any offense, or conspiracy to commit such offense, that is a “specified unlawful activity” of the federal anti-money laundering statutes, including a wire fraud (18 U.S.C. § 1343). This action also is brought to enforce 18 U.S.C. § 981(a)(1)(A), which authorizes the forfeiture of any real or personal property that is involved in a money laundering offense (18 U.S.C. §§ 1956 or 1957).

2. Claimants assert that the allegation in paragraph 2 of the Complaint is a legal conclusion to which no response is required. To the extent the Court requires a response, Claimants deny that this Court has jurisdiction over this action in order to preserve all appropriate defenses.

2a This Court has jurisdiction over an action commenced by the United States under 28 U.S.C. § 1345 and over an action for forfeiture under § 1355(a). This Court has in rem jurisdiction over the defendant property under 28 U.S.C. § 1355(b).

3. Claimants assert that the allegation in paragraph 3 of the Complaint is a legal conclusion to which no response is required. To the extent the Court requires a response, Claimants deny that acts or omissions giving rise to

forfeiture occurred in this district and, therefore, deny that venue is proper in this district.

3a Venue is proper in this district by virtue of 28 U.S.C. § 1355(b)(1), because acts or omissions giving rise to the forfeiture occurred in this district, and pursuant to 28 U.S.C. § 1395, because the defendant personal property will be located here while the action remains pending.

4. Claimants admit that defendant real properties, with all appurtenances and improvements thereon, are located at: (a) 8 Gilcrease Lane, Quincy, Florida 94590 ("Gilcrease Lane") and (b) One condominium owned by Thomas A. Bowdoin, Jr. in Myrtle Beach, South Carolina ("Myrtle Beach Condo"). Claimants admit that the legal description of Gilcrease Lane is accurately described in Paragraph 4. Claimants deny that the legal description of the Myrtle Beach Condo has been provided by Plaintiff in an Amended Complaint. Accordingly, the Claimants deny that such defendant real property has been properly incorporated into the Complaint and, therefore, should be excluded from this Complaint.

4a. The defendant real properties, with all appurtenances and improvements thereon, are: (a) 8 Gilcrease Lane, Quincy, Florida 94590 ("Gilcrease Lane"); and (b) One condominium owned by Thomas A. Bowdoin, Jr. in Myrtle Beach, South Carolina ("Myrtle Beach Condo"), and are more fully described as: 8 Gilcrease Lane A TRACT OF LAND LYING IN LOT 76 OF THE LITTLE RIVER SURVEY IN THE FORBLS PURCHASE IN GADSDEN COUNTY, FLORIDA

5. Claimants are without sufficient knowledge of the approximate total amount of funds seized and/or frozen from Bank of America ("BOA") accounts (hereafter collectively "the BOA Accounts"), which are referred to as "[t]he defendant personal properties" in paragraph 5 of the Complaint. Claimants are aware and admit that all BOA Accounts, identified and listed in Subparagraphs 5(a) through 5(j) have been frozen and/or seized by Plaintiff. Claimants are without knowledge regarding the status of accounts identified and listed in Subparagraphs 5(k) through 5(o).

5a The defendant personal properties consist of approximately \$53 million in funds (U.S. Dollars) from Bank of America ("BOA") accounts, (hereafter collectively "the BOA Accounts"). The funds in the BOA Accounts are or will be seized/frozen pursuant to warrants issued by the United States District Court for the District of Columbia and are more fully described as:

- (a) All funds held in account #005483933650 at Bank of America, in the name of Thomas A. Bowdoin, Jr., Sole Proprietor, DBA ADSURFDAILY;
- (b) All funds held in account #005483933016 at Bank of America, in the name of Thomas A. Bowdoin, Jr., Sole Proprietor, DBA ADSURFDAILY;
- (c) All funds held in account #005483933553 at Bank of America, in the name of Thomas A. Bowdoin, Jr., Sole Proprietor, DBA ADSURFDAILY;
- (d) All funds held in account #005483933605 at Bank of America, in the name of Thomas A. Bowdoin, Jr., Sole Proprietor, DBA ADSURFDAILY;
- (e) All funds held in account #005483933634 at Bank of America, in the name of Thomas A. Bowdoin, Jr., Sole Proprietor, DBA ADSURFDAILY;
- (f) All funds held in account #005562565949 at Bank of America, in the name of Thomas A. Bowdoin, Jr., Sole Proprietor, DBA ADSURFDAILY;
- (g) All funds held in account #005562566896 at Bank of America, in the name of Thomas A. Bowdoin, Jr., Sole Proprietor, DBA ADSURFDAILY;
- (h) All funds held in account #91000116796961 at Bank of America, in the name of Thomas A. Bowdoin, Jr., Sole Proprietor, DBA ADSURFDAILY;
- (i) All funds held in account #91000116797038 at Bank of America, in the name of Thomas A. Bowdoin, Jr., Sole Proprietor, DBA ADSURFDAILY;
- (j) All funds held in account #91000116797070 at Bank of America, in the name of Thomas A. Bowdoin, Jr., Sole Proprietor, DBA ADSURFDAILY;
- (k) All funds held in account #334011130192 at Bank of America, in the name of Clarence Busby Jr. and Dawn Stowers, DBA Golden Panda Ad Builder Deposit Account;
- (l) All funds held in account #334011130200 at Bank of America, in the name of Clarence Busby Jr. and Dawn Stowers, DBA Golden Panda Ad Builder Operating Account;
- (m) All funds held in account #334015765704 at Bank of America, in the name of Clarence Busby Jr. and Dawn Stowers, DBA Golden Panda Ad Builder Cashout Account;
- (n) All funds held in account #91000113401039 at Bank of America, in the name of Golden Panda Ad Builder; and
- (o) All funds held in account #91000113404188 at Bank of America, in the name of Golden Panda Ad Builder.

6. Claimants deny that Thomas A. Bowdoin, Jr. ("Bowdoin"), is the owner of the defendant real properties. Claimants admit that Bowdoin controlled

the AdSurfDaily BOA Accounts from which those funds were seized. Claimants are without knowledge regarding the operation or control of any Bank of America Accounts in the name of Clarence Busby, Jr. and/or Dawn Stowers.

6a

Thomas A. Bowdoin, Jr. is an owner of the defendant real properties and controlled the Ad Surf Daily BOA Accounts from which those funds were seized. Clarence Busby Jr. and/or Dawn Stowers appear to have controlled the Golden Panda Ad Builder BOA Accounts from which those funds were seized.

7. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations contained in Paragraph 7 of the Complaint and therefore deny all allegations contained therein.

RESPONSE TO ALLEGED BASES FOR FORFEITURE

7a

After filing this Complaint, the government will serve notice on the defendant real

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properties and warrants of arrest in rem on the personal properties, and will notify putative claimants, pursuant to Rule G of the Supplemental Rules and 18 U.S.C. § 985(c)(1). In accordance with 18 U.S.C. § 985(b)(1)(A), the defendant real properties will not be seized until the entry of orders of forfeiture. The funds seized from the BOA Accounts will be held in a U.S.

Treasury account pending their forfeiture.

BASES FOR FORFEITURE

8. Claimants deny that the allegations contained in Paragraph 8 of the Complaint are true and correct. RESPONSE TO ALLEGED FACTS

8a

The defendant properties (the above-identified real and personal properties) are subject to forfeiture because, as further set forth herein, they: (1) constitute proceeds or are derived from proceeds traceable to violations of 18 U.S.C. § 1343 (Wire Fraud), a "specified unlawful activity" (as referenced in 18 U.S.C. § 981(c) and defined in 18 U.S.C. § 1956(c)(7)(A) (incorporating § 1961(1)); and/or (2) constitute property involved in money laundering, in violation of 18 U.S.C. § 1956; and/or (3) constitute proceeds or property involved in conspiracies to commit these offenses, in violation of 18 U.S.C. §§ 371 and 1956(h). As set forth herein, there is reasonable cause to believe that the funds that were contained in the above-identified BOA Accounts and the funds that were used to

acquire or maintain the real properties at issue here constitute proceeds of a wide-spread Internet-based Ponzi scheme that operated in violation of Title 18, United States Code, Section 1343 (wire fraud). All such property is therefore subject to forfeiture pursuant to 18 U.S.C. § 981(a).
FACTS

9. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations contained in Paragraph 9 of the Complaint and therefore deny all allegations contained therein. Computers are frequently used to perpetrate fraud schemes and several fraud schemes have successfully been implemented over the Internet, including (1) advance fee schemes, (2) chain letters schemes, and (3) Ponzi schemes. Advance fee schemes occur when an offender advertises the availability of goods or services and requires payment in advance. Only after paying do victims discover that the goods and services are defective, inferior, or nonexistent. With chain letters, victims may receive, either via postal mail or now by email, a letter containing a list of names and addresses to whom the recipients are urged for various reasons to send money. Recipients may add their names to the list (sometimes removing the topmost name to keep the number of participants constant) before redistributing the updated letter. Ponzi schemes promote allegedly lucrative business opportunities, often involving foreign currency exchange, precious metals trading, or other high-return investments. But, in a Ponzi scheme, there is in fact no underlying profitable business to support the payments promoters say they will make to the investors/participants. Instead, unbeknownst to many of the participants, the promoters use the money obtained from a growing base of later investors/participants to pay so-called "profits" to earlier investors. Schemes that depend on growing the base of new participants to support payments to prior participants are also commonly referred to as pyramids. The Internet is increasingly used as a vehicle to promote each of these types of frauds.

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foreign currency exchange, precious metals trading, or other high-return investments. But, in a Ponzi scheme, there is in fact no underlying profitable business to support the payments promoters say they will make to the investors/participants. Instead, unbeknownst to many of the participants, the promoters use the money obtained from a growing base of later investors/participants to pay so-called "profits" to earlier investors. Schemes that depend on growing the base of new participants to support payments to prior participants are also commonly referred to as pyramids. The Internet is increasingly used as a vehicle to promote each of these types of frauds.

10. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations contained in Paragraph 10 of the Complaint and therefore deny all allegations contained therein.

10a

Ponzi schemes have evolved with the development of the Internet, but their basic premise remains the same: later investors' funds are used to pay the earlier investors. A version of the Ponzi scheme that law enforcement officials have encountered in recent years and that has been replicated in the instant case is referred to as an "auto-surf program." "Auto-surf" claims to be a form of an online advertising program that generates revenue from so called "advertisers" who pay fees to have their websites displayed, or channeled to other viewers, through the "host's" web-based operation. As part of the program and to encourage more "advertisers" to pay the membership fee, the "host" pays the "advertisers" a so-called "rebate" for viewing fellow "advertisers'" webpages. Moreover, the "host" encourages "advertisers" to recruit new "advertisers" by paying existing "advertisers" a referral fee. In this Ponzi model, the "host" generates most, if not all, of its funding from membership fees, and therefore must use money received from later "advertisers" to pay "rebates" and referral fees to earlier "advertisers." These programs collapse when new "advertisers" membership fees fail to cover the payouts promised to existing "advertisers."

11. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations contained in Paragraph 11 of the Complaint and therefore deny all allegations contained therein.

11a

In early 2006, for example, the United States Securities and Exchange Commission ("SEC") successfully prosecuted a lawsuit against an Internet-based auto-surf Ponzi operation identified as "12daily Pro." According to the SEC's

Complaint, 12daily Pro purported to be a "paid Autosurf program" whereby members would earn money for "viewing the websites owned or promoted by other online professionals." As described by the SEC in its Complaint, members purportedly paid money (membership fees) to 12daily Pro as the host, in return for which 12daily Pro promised to pay its members to view advertisers' rotating websites. Although the operators of 12daily Pro purported to be paying members from earnings that were "financed by multiple income streams, including advertising and off-site investments," the SEC's investigation determined that almost all of the funds that the operators paid to members came from new investments (in the form of additional fees paid by upgraded memberships and newly-referred members). The operators of 12daily Pro did not generate any significant independent revenue to support the payouts it promised to its membership. Instead, it operated as a pure Ponzi scheme that could not sustain its promised payments absent an ever-increasing number of upgraded members, or investors. The SEC estimated that before it successfully intervened the operators of the 12daily Pro website took in over \$50 million from approximately 300,000 "investors" nationwide and overseas. The SEC's Complaint against 12daily Pro and its operators was widely publicized, yet Internet-based auto-surf Ponzi programs have continued to proliferate. A copy of the SEC's Complaint is attached. See Exhibit 1

12. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations contained in Paragraph 12 of the Complaint and therefore deny all allegations contained therein.

12a

In July 2007, the SEC successfully prosecuted another securities fraud lawsuit against the operators of a similar Internet-based auto-surf Ponzi scheme, known as "Phoenixsurf," that offered "investors" a 120% return in just eight days on investments ranging from \$8 to \$6,000. To receive the promised returns, the investors had to purchase advertising and view at least 15 webpages of advertising per day during the eight-day period. Although the website operators represented that they would pay the promised returns with funds received from other businesses and programs within its network, the SEC charged the operators with operating Phoenixsurf.com "primarily as a pure Ponzi scheme – using for the most part only new investor funds to pay the promised returns to existing investors." In its Complaint, the SEC alleged that, during its operation, this Ponzi scheme paid to the earlier investors \$36.7 million of the \$41.9 million it raised. A copy of the SEC's Complaint against Phoenixsurf.com and its operators is attached. See Exhibit 2

13. Claimants deny that the allegations contained in Paragraph 13 of the Complaint are true and correct.

13a. In July 2008, a United States Secret Service task force became aware of another entity operating an auto-surf Ponzi scheme that is, in all material aspects, no different from the 12daily Pro and Phoenixsurf Ponzi schemes. That entity has been known as "Ad Surf Daily" and at the time of the filing of this Complaint is known as "Ad Surf Daily Cash Generator" (hereinafter, "ASD").Introduction

14. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations received from an unidentified source of information contained in Paragraph 14 of the Complaint and therefore deny all allegations contained therein.

14. On or about July 3, 2008, agents working as part of a Secret Service task force received information from a reliable source regarding ASD. The source believed that ASD was a pyramid or Ponzi scheme operating via the Internet. The source indicated that ASD also operates a Spanish version of its "paid autosurfing" program at a website called "La Fuente Dinero" (The Fountain of Money).

15. Claimants admit that ASD operated over the internet at www.asdcashgenerator.com and at www.lafuentedinero.com. Claimants admit that these two sites offered members the opportunity to earn profits by paying fees to advertise webpages; by surfing other members' webpages; and by recruiting more members to do the same. All other allegations contained in Paragraph 15 of the Complaint are denied.

15a. The Secret Service task force confirmed that ASD operates over the Internet (thereby engaging in transmissions by wire) at www.asdcashgenerator.com, that related persons operate La Fuente Dinero over the Internet at www.lafuentedinero.com and that related persons operate at least one more auto-surf Internet site, Golden Panda Ad Builder, at www.goldenpandaadbuilder.com. All three sites claim that members can earn

large profits simply (1) by paying fees to advertise webpages, (2) by surfing other members' webpages, and (3) by recruiting more members to do the same.

16. Claimants deny that the allegations contained in Paragraph 16 of the Complaint are true and correct.

16a. ASD is in fact operating a paid auto-surfing program and that program is, in reality, merely a Ponzi scheme. Although ASD appears to be careful to avoid calling its members "investors," in an apparent effort to avoid regulatory scrutiny, ASD promotes paid membership by offering its members a 125% return on their membership fees. In addition, ASD encourages members to recruit new members by paying commissions for referrals. ASD pays the source of a referral a percentage of each newly referred member's fees. ASD's webpage proclaims that each weekday in May and June it "rebated" to its members at least 1% of the money they had paid to ASD, and each weekend day it "rebated" at least .50%.

17. Claimants deny that the allegations contained in Paragraph 17 of the Complaint are true and correct.

17a. ASD does not appear to sell any independent products or services sufficient to generate an income stream needed to support the rebates and commissions that it promises its members. Further, most of the so-called advertisers are not paying ASD for advertising services at all; instead, they are paying ASD with the expectation that ASD will provide a full rebate and additional revenue. Thus, absent continuous membership growth (an impossibility) ASD has no means to generate the returns it represents. For example, for the month of June 2008, ASD claims to have taken in (through new money and member "upgrades") over \$90 million. See <http://www.adsurfdailybreakingnews.com/rebateforasd.htm>. To fulfill its promise to rebate 125% of that revenue, ASD must now generate a total of \$112.5 (\$90 million plus \$22.5 million to cover the 25% return). Assuming ASD continues to pay on average 1% daily, ASD should have rebated the full amount to members in about four months (125 days at 1% per day). In other words, ASD must spend approximately \$28 million per month for the four months after June to cover the rebates owed from June's receipts. But, ASD states that it allocates only 50% of its revenue to cover its rebate program. Accordingly, for the quarter (four months) that it takes ASD to cover the \$112.5 million outlay it must take in, each month, not just \$28 million, but \$56 million. ASD must generate new revenues of a quarter of a billion dollars in the four months after June 2008 to keep its promises to its membership even though it has no apparent significant revenue source except from its membership. There is

reasonable cause to believe that ASD is a sophisticated Ponzi scheme that will, by its very nature, result in the loss of millions of dollars from its participants. ASD boasts that its Internet operation provides income to individuals across the United States. According to its promoters, ASD is in several other countries and is continuing to grow worldwide.

18. Claimants admit that Bowdoin controlled and operated ASD, and that Bowdoin filed or caused to be filed papers to incorporate AdSurfDaily in Nevada, as alleged. Claimants admit that Bowdoin served as CEO and President of the respective corporations as alleged in Paragraph 18. Claimants deny that the remaining allegations contained in Paragraph 18 of the Complaint are true and correct.

18a. Thomas Anderson Bowdoin, Jr., also known as "Andy" (hereinafter "Bowdoin"), controls and, with others, operates ASD. Bowdoin filed or caused to be filed papers to incorporate AdSurf Daily, in Nevada, on December 14, 2006. From October 2006 through March 2007, Bowdoin was the CEO and President of AdSurf Daily, and from March 2007 until the filing of this Complaint, he was the CEO and President of AdSurf Daily Cash Generator. Bowdoin has operated ASD under these two names from a former flower shop in Quincy, Florida, and he has continued to use the same BOA Accounts to support the ASD operation.

19. Claimants admit that at the time the Complaint was filed, Claimant Bowdoin was 74 years old. Claimants admit that Bowdoin was arrested in Alabama on criminal charges, which were resolved in 1997 and dismissed after Bowdoin completed all requirements of Pre- Trial Diversion. Claimants admit that Bowdoin plead guilty to charges in Wilcox County, as described in the last sentence of paragraph 19. Claimants deny that the remaining allegations contained in Paragraph 19 of the Complaint are true and correct.

19a. Bowdoin is 74 years old. On the Internet, ASD promotes him as an astute businessman with a long and remarkable record of successes in numerous business ventures, but such successes are remarkably absent from his true work history. Just prior to concocting ASD, Bowdoin was arrested in Alabama for one or more felony violations related to Fraud in Connection with the Offer and Sale of Securities by an Unregistered Agent. Bowdoin and several co-defendants were accused of having been promoters of a company called "Mobile

International, Inc." The Alabama defendants said they had developed a mobile telephone system that was a cheaper alternative to the then-current cellular systems. That venture collapsed and Bowdoin and his co-defendants were charged with having sold unregistered securities to investors and with failing to state material facts to the investors that would have impacted the victims' decisions to invest. In particular, Alabama officials asserted that Bowdoin instigated a scheme by which he took money from some victims to pay off prior investors. On October 6, 1997, in Montgomery County, Bowdoin resolved this criminal matter by agreeing to enter Pre-Trial Diversion with three years of supervised probation and pay restitution of \$15,000. Bowdoin completed his Pre-Trial requirements and the charges were dismissed. Furthermore, on January 11, 1999, in Wilcox County, Bowdoin plead guilty to one count of sale of unregistered securities and was sentenced to 1 year in prison, however the sentence was suspended and he was placed on 3 years supervised probation and ordered to pay restitution of \$75,000.

20. Claimants assert that the public records referenced in paragraph 20 of Plaintiff's Complaint speak for themselves and therefore Plaintiff's allegations are denied. Claimants deny that Bowdoin was a Registered Agent of Re-Tube Lite International, Inc. Claimants deny that the remaining allegations contained in Paragraph 20 of the Complaint are true and correct.

20a. A public search on the Florida Department of State, Division of Corporations' website of registered corporations revealed that from November 14, 1983, to September 14, 2007, Bowdoin was a Registered Agent ("RA"), President, Chief Executive Officer ("CEO") or Director of the following defunct corporations: (1) RA for ReTube-Lite International, Inc., incorporated from 9/14/83 to 11/21/84 (involuntary dissolved); (2) RA for Crosby Enterprises of Lakeland, incorporated from 2/23/84 to 11/1/85 (involuntary dissolved); (3) RA for KDJ Enterprises, Inc., incorporated from 2/23/84 to 11/1/85 (involuntary dissolved); (4) RA for South Polk Investors, Inc., incorporated from 4/2/84 to 11/1/85 (involuntary dissolved); (5) RA for Ridge-Tec, Inc., incorporated from 4/2/84 to 11/1/85 (involuntary dissolved); (6) RA for MI-Com, Inc., incorporated from 4/2/84 to 11/1/85 (admin. dissolved); (7) President of Creative Retailing Services, Inc., incorporated from 3/5/98 to 9/19/03 (admin. dissolved); (8) CEO of Global Tech Marketing, Inc., incorporated from 6/26/00 to 9/13/0 (admin. dissolved); (9) Director of GPS Tech, Inc., incorporated from 3/26/04 to 9/15/06 (admin. dissolved); (10) RA for GPS Development & Manufact., incorporated from 11/12/04 to 9/16/05 (admin. dissolved); (11) Director of EADNetwork, Inc., incorporated from 12/1/06 to 9/14/07 (admin. dissolved);

and (12) Director of World Payment Systems, Inc., incorporated from 12/1/06 to 9/14/07 (admin. dissolved). It does not appear that any of these corporations operates, today. It also appears that Bowdoin earned no significant income from legal employment in the twenty years prior to his commencement of ASD's operation. But, no information about Bowdoin's record of business failures and fraud accusations is contained on ASD's website. Nor was Bowdoin's true past mentioned to prospective members during the ASD rally at which he spoke (further discussed below) or during the conference calls that he, or others promoting ASD on his behalf, participated in during ASD's operations (further discussed below). Instead, ASD's promoters tell prospective recruits that Bowdoin's business genius distinguishes ASD from other Internet- based Ponzi operations. Indeed, ASD's operators and promoters assert that the President of the United States recently awarded Bowdoin a medal of distinction for Bowdoin's lifetime of success as a businessman. In reality, in June 2008, the National Republican Congressional Committee awarded Bowdoin the "Medal of Distinction" as a "marketing tool" after Bowdoin made a substantial monetary contribution to the party. Despite representations by ASD and/or its employees to the contrary, Bowdoin has never received an award from the President of the United States based on his business acumen.
ASD's Original Website

21. Claimants admit that ASD launched its original website in the Fall of 2006 at <http://www.adsurfdaily.com> and that this website operated until approximately March 2007. Claimants deny that the remaining allegations contained in Paragraph 21 of the Complaint are true and correct.

21a. On or about October 2006, shortly after 12daily Pro collapsed, Bowdoin and co- conspirators launched the original ASD website. It became operational on the Internet at <http://www.adsurfdaily.com>. This original ASD website operated until March 2007. In its initial form, ASD offered to repay 150% of the membership fee a member paid to purchase an "ad package." ASD referred to the repayment to "members" as "rebates." ASD agreed to reserve 60% of the gross revenue it received from each day's advertisement sales (additional member money and new member money) to pay member rebates. Additionally ASD claimed that it would pay 10% for each "1st level" referral (whereby members would receive a 10% commission on the funds paid to ASD by any new member they had sponsored) and an additional 5% for each "2nd level" referral (whereby members would receive a smaller commission for members brought in by those for whom they had been the initial sponsor). In short, for each \$1.00 that a person paid to ASD, it agreed to pay back \$1.50, provided the person agreed to view several websites that ASD rotated through that person's browser, and to pay even more if the person referred others who paid their dollars to ASD.

22. Claimants deny that the allegations contained in Paragraph 22 of the Complaint are true and correct.

22a. The original website accepted e-Gold and Virtual Money as payment. e-Gold and Virtual Money are online digital currency payment systems. e-Gold was once a highly-favored method of payment by operators of investment scams, including pyramids, Ponzis, high yield investment programs, and other "get rich quick" schemes because of its relative anonymity and refusal to engage in chargebacks (where payment to a vendor is disallowed or reversed). Indeed, 12daily Pro and Phoenixsurf utilized e-Gold as their primary payment method before those Ponzi schemes collapsed. The operators of the e-Gold system were indicted in April 2007, by a Grand Jury sitting in the United States District Court for the District of Columbia, for money- laundering and for operating an unlicensed money transmitting business. Publicity about the government's scrutiny of the e-Gold system's operation began in December 2005, after federal agents participated in the execution of warrants to search e-Gold's offices and seize (for forfeiture) funds from its bank accounts. Shortly after publicity surrounding the government's investigation into e-Gold appeared, ASD discontinued using the e-Gold system as a means for receiving member funds. In July 2008, e-Gold operators pled guilty to various criminal charges (for some, including money laundering) in the District of Columbia. ASD's Current Website

23. Claimants deny all conspiracy allegations contained in Paragraph 23 of the Complaint. Claimants deny that any payouts were promised to members. Claimants admit that ASD members could earn up to 125% of the ad packages purchased. Claimants deny that the remaining allegations contained in Paragraph 23 of the Complaint are true and correct.

23a. On or about March 2007, after 12daily Pro was sued and just prior to e-Gold's indictment, Bowdoin and co-conspirators moved ASD's operations to a new website, <http://www.asdcashgenerator.com>. Although the website was new, the auto-surf operation that had been deployed as Ad Surf Daily continued to be conducted by Bowdoin from the former flower shop in Quincy, Florida, using the same BOA Accounts that Bowdoin opened when he began his business as Ad Surf Daily. The only significant change to this second version of ASD

was to the payouts that members were promised. Now, ASD offered to repay 125%, not 150%, of the membership fee. Further, ASD agreed to reserve only 50% of the gross revenue it receives from each day's advertisement sales to pay member rebates. ASD was agreeing to pay less and to keep more. ASD retained its referral fee structure. It continued to claim that it would pay up to 10% for each level one referral and an additional 5% for each level two referral, with some modification, as discussed below.

24. Claimants admit the allegations contained in Paragraph 24 of the Complaint.

24a. In July 2008, on its website, ASD said its operations enabled its members to "sell more products and recruit more Distributors" because the operation: is a generator of internet traffic to web site owners. Web site owners purchase ad packages and place their web site in rotation for consumers and business owners to view. ASD pays its advertisers a rebate to view a minimum number of sites each day, therefore, insuring that prospects will be viewing each site. A printout of the ASD webpage containing these representations is attached. See Exhibit 3

25. Claimants deny that memberships were referred to as "participantships". Claimants admit the remaining allegations contained in Paragraph 25 of the Complaint.

25a. ASD – Bowdoin and his associates – offered two different types of memberships that are also referred to as "participantships": (1) a free membership (during which the member's account is referred to as a "training" account); and (2) an "upgraded" membership, which requires the purchase of "ad packages." "Ad packages" consist of credits and each credit is worth \$1. ASD imposed a minimum "ad purchase" of \$10 and a maximum "ad purchase" of \$12,000, but on its website ASD has indicated that by contacting Bowdoin larger purchases were possible. ASD claimed that an upgraded member receives one showing of their advertisement (the website the member chooses to link) per "credit." ASD explained that if an upgraded member used an ad package to advertise a website, for each \$1 ad package purchased, ASD directs one member to visit that purchaser's website by inserting the website into ASD's rotator

program.

26. Claimants deny that memberships were referred to as "participantships". Claimants admit the remaining allegations contained in Paragraph 26 of the Complaint.

26a. ASD's upgraded (ad purchasing) members were provided with more opportunities to send ASD their money and get money back. ASD divided its paying "advertisers" into four additional categories as a means for collecting additional funds from participants - not as additional "advertising" charges - but as membership fees. ASD's membership fees allowed its so-called advertisers to (1) increase their referral commissions, (2) increase the frequency of their pay-out opportunities, and (3) decrease their "cashout" costs. For the first category, a "Trainee," a member was not required to pay monthly dues. A "trainee" would receive a 5% commission for "1 level" referrals (a new member the trainee sponsored) and 0% commission for "2 level" referrals (new members sponsored by a trainee's 1 level sponsor). A "trainee" must pay a 2% withdrawal fee on "rebate" earnings and withdrawals from the system can only occur on Mondays. ASD termed its second membership category an "Executive participantship." This member paid a \$10 monthly fee. In return, the "executive" member was promised a 5% commission on his or her 1 level referrals and 3% commissions on 2 level referrals. ASD imposed no withdrawal processing fees, but withdrawals could only be made on Mondays. ASD's third category for upgraded memberships was termed a "VIP participantship."

To qualify for this membership a member paid ASD a \$25 monthly fee, in return for which the "VIP" member receives a 7% commission on 1 level referrals and a 4% commission on 2 level referrals. There were, again, no withdrawal processing fees imposed, and now withdrawals could occur on Mondays, Wednesdays and Fridays. The fourth category of upgraded membership was "Executive VIP participantship." By paying a \$100 monthly fee, the Executive VIP members were entitled to a 10% commission on 1 level referrals and a 5% commission on 2 level referrals. The Executive VIP was not charged any withdrawal processing fee and could withdraw funds on any weekday.

27. Claimants admit that the message quoted did appear on ASD's website in approximately July 2008. Claimants admit that ASD divided 50% of its daily profit among members who had active "ad packages" and that the gross profits from the day are totaled and paid out to members based upon their current active "ad packages." Claimants admit that to receive a portion of the profit as a "rebate", an upgraded member was required to

view at least 24 webpages per day, and each webpage must be viewed for 15 seconds. Claimants deny that the remaining allegations contained in Paragraph 27 of the Complaint are true and correct.

27a. Over the Internet, ASD claims to have a business model with an "innovative rebate structure that will enable [it] to continue indefinitely." During July 2008, ASD stated that: rebates are paid from ad purchase sales of the Cash Generator, the sale of banner ads on the Cash Generator, commissions from the sale of the Ad Placement Service at our sister site "Attract Marketing System" by Cash Generator members, sale of ebooks and any other products that ASD decides to market.

But, in July 2008, no independent banner ads appeared on the Cash Generator website, the sister site did not appear to be operational, and no other products appeared. Instead, rebates appeared to derive exclusively from fees paid by rebate participants. Indeed, members' fees appear to be the pot from which ASD agrees to pay its rebates. ASD explains that it will divide 50% of the daily profit amongst members who have active "ad packages." The gross profits from the day will be totaled and active member will receive a percentage based on their current active "ad packages." To receive a portion of the profit as a "rebate", an upgraded member must view at least 24 webpages per day, and each webpage must be viewed for 15 seconds. ASD estimates that viewing the webpages should take about 6 minutes per day. Upgraded participants are encouraged to use their daily rebates to purchase more "ad packages" so their rebates are compounded. ASD states that the daily rebate will be capped at 8% and although the rebates are not guaranteed ASD will also put 5% of the profits in a reserve account to be used to pay the rebate when new "ad package" sales are extremely low. ASD's News webpage lists daily rebates to investors for the time period for March 2008 to June 2008 as averaging roughly 1% each weekday, and at least .5% for each weekend day. Under that rebate scenario, it would take a participant who paid \$100 to purchase "ads" at least 125 days to get his or her \$125.00 (125%) ad-surf payout. Of course, the slow payout schedule allows ASD time to expand its base of paying members and perpetrate this scheme for a longer period of time.

28. Claimants admit that the message quoted did appear on ASD's website in approximately July 2008, and assert that the message speaks for itself. Claimants deny that the remaining allegations contained in Paragraph 28 of the Complaint are true and correct.

28a. In July 2008, ASD's webpage also stated that:
All payments made to ASD are considered advertising purchases, not investments or deposits of any kind. All sales are final. ASD does not guarantee any earnings or profits. Any commissions paid to Members are for the service of viewing other Member web sites and for referring Members to AdSurfDaily. All advertising purchases are non-refundable. This disclaimer language is ASD's effort to avoid being recognized as an unregistered issuer of securities and to avoid liability to participants, for breaking promises it makes elsewhere, when the Ponzi is revealed.

29. Claimants admit that ASD held rallies in Las Vegas, Nevada, Tampa and Miami, Florida, and in Chicago, Illinois, and that another rally was planned to take place in Tulsa, Oklahoma. Claimants admit that the rallies did cause the business to grow rapidly. Claimants deny any remaining allegations contained in Paragraph 29 of the Complaint.

29a. In addition to recruiting new members from its webpage, during the six months prior to the filing of this Complaint, ASD has hosted live membership drives in Las Vegas, Nevada, Tampa and Miami, Florida, and in Chicago, Illinois. Another drive was promised for Tulsa, Oklahoma. According to ASD, these rallies fueled its recent rapid expansion. Federal Agents Join ASD

30. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations contained in Paragraph 30 of the Complaint and therefore deny all allegations contained therein.

30a. On or about July 7, 2008, a Task Force Agent ("TFA") with the St. Cloud, Florida IRS-Secret Service Task Force visited ASD's website, created a free "training" account with ASD, and began to visit its paid advertisements. The TFA was directed to ASD's own website's "News" section, to other sites promoting ASD, to sites promoting multi-level marketing programs generally, and to sites of individuals purportedly selling services, such as phone meditation.

31. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations contained in Paragraph 31 of the Complaint and therefore deny all allegations contained therein.

31a. On or about July 14, 2008, a TFA opened an "upgraded member" account with ASD. ASD directs new members either to mail a money order or cashier's check to its Florida office, or to deposit a certified check, money order or cash at "your nearest branch of Bank of America," directly into ASD's BOA account and, thereafter, to fax a copy of the deposit receipt along with their membership number to ASD. On its website, ASD provides its BOA account number as 0000005483933016. Another TFA made a direct deposit to ASD'S BOA account by delivering a check to a BOA branch in downtown Orlando, Florida. Thereafter, a TFA faxed a copy of the deposit receipt via facsimile to ASD's headquarters in Quincy, Florida.

32. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations contained in Paragraph 32 of the Complaint and therefore deny all allegations contained therein.

32a. When one of the TFA's signed up for the upgraded ASD account, he was required to list a website to advertise. But ASD did not require, or even verify, that the TFA had any product or service to sell. The TFA was able to link his undercover "My Space" page as his business webpage he wanted advertised. Despite professing a business model that involves the provision of Internet advertising to businesses, ASD did nothing to ensure that real businesses were joining its program as advertisers. The TFA determined that between July 7, 2008, and July 11, 2008, he had approximately 12 visits to his "MySpace" page, but the TFA was unable to determine who had visited his "My Space" or how they were directed to his page.

33. Claimants admit that ASD members could access ASD's website over the internet from different states and that ASD members could open accounts from multiple locations. Claimants are without sufficient knowledge to form a belief as to the truth of the remaining allegations contained in Paragraph 33 of the Complaint and, therefore, deny all remaining allegations contained therein.

33a. On or about July 20, 2008, a TFA opened another “upgraded member” account with ASD from a location in the District of Columbia, also via the Internet. The next day, a TFA made a direct deposit into ASD's BOA account, this time by delivering a check to the BOA branch at 700 13th Street, NW, Washington, DC. Thereafter, a TFA faxed a copy of the deposit receipt from the District of Columbia to ASD's office in Florida. The ability to access ASD over the Internet from different states, and to open accounts from multiple locations by delivering payment to “your nearest Branch of Bank of America” as directed by ASD confirms that ASD knows it operates in multiple states, and so intends. Few Legitimate Advertisers

34. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations contained in Paragraph 34 of the Complaint and, therefore, deny all allegations contained therein.

34a. On July 11, 2008, a TFA logged into his ASD account. On this first visit, it became apparent that most of the advertisements that ASD displayed to its members did not come from legitimate advertisers. The first advertisement ASD displayed was a webpage from another ASD member promoting ASD. Above the advertisement was an ASD toolbar displaying a counter showing how many webpages the TFA had viewed, a statement indicating whether the TFA had viewed his quota of websites for the day to earn his credit, and a timer counting down 15 seconds. The next two “advertisements” that ASD displayed for this TFA also promoted ASD and were apparently, again, from other ASD members. These alleged “advertisers” had no independent product or service to sell, no web-based business, and thus no legitimate reason to have paid ASD to advertise for them except to secure ASD's “rebates.” Instead of touting products or services for sale, these webpages contained videos, graphs and text that explained the benefits of buying “ad packages” from ASD. A link on each page redirected the viewer to the ASD website in order to join ASD under that members referral number. By advertising a webpage that seeks to secure an ASD referral, a member might hope to increase his or her chance of securing 1 level and 2 level referral fees, thereby increasing their returns from ASD.

35. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations contained in Paragraph 35 of the Complaint and, therefore, deny all allegations contained therein.

35a. The fourth and fifth webpages that were rotated into the TFA browser involved websites that promoted the sale of other multi-level marketing products, such as the sale of Acai Berry Juice and "Bio Petro Improver." The sixth page that he viewed brought up a website that was no longer in operation. For this "advertiser," the browser instead stated "site 404 error", which means that the server no longer exists.

36. Claimants admit that the language quoted in Paragraph 36 appeared on ASD's webpage, and assert that the language speaks for itself. Claimants deny that the remaining allegations contained in Paragraph 36 of the Complaint are true and correct.

36a. Moreover, ASD does not require members to purchase legitimate advertising in order to participate in its "rebate" program – it only requires members to pay ASD, and refer others, to profit. On ASD's "Getting started" webpage it provides potential "ad package" the following option "[f]or those joining ASD who do not have a personal business to advertise, you may advertise either www.pay.com or www.mobillecash.com . These are only suggestions, as there may be other companies/products that you find to advertise." This option to select a webpage provided by ASD completely undermines ASD's claim that it is providing its members a portal to advertise their webpages. Clearly, members would not agree to pay ASD to advertise others' webpages and ASD would not suggest it, unless (1) ASD was attracting members that were more interested in qualifying for the rebates and referral payments than in securing advertising for their independent businesses, and (2) ASD was more concerned with collecting money from an expanding base than with providing a sustainable advertising solution to customers. Indeed, despite operating for over a year, ASD has acknowledged that it is only well-positioned now to secure advertising business from so-called "national" advertisers.

37. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations contained in Paragraph 37 of the Complaint and, therefore, deny all allegations contained therein.

37a. On each day since TFAs opened ASD accounts, they have sought to access the ASD website. On those occasions when ASD's website was

operational, TFAs viewed several members' websites that were displayed to them by ASD. The TFAs found a consistent pattern. On each occasion, several of the websites were pages from ASD's website or websites that promoted ASD (thus selling nothing but the scheme), and several websites promoted other high- yield investment programs ("HYIPs") or were auto-surf monitoring newsletters. The TFAs saw few websites of individual participants selling proposed services or products. Most of these websites operated as referral sources – they contained a link to sign up with ASD in order to be deemed to have been sponsored by that website's owner or operator.

Members Upgrade for Returns

38. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations contained in Paragraph 38 of the Complaint and, therefore, deny all allegations contained therein.

38a. On or about July 22, 2008, from the District of Columbia, a TFA logged onto one of the ASD accounts law enforcement officers created and visited several websites to which ASD's rotator program directed him. As was the case when other TFAs surfed ASD, several of the websites either promoted ASD or sold no service or product. One site that did appear to offer products for sale was a gardening equipment webpage. A TFA called the telephone number listed on the webpage and spoke to a male. According to this person, his mother is an ASD member and she posted his gardening shop webpage on ASD. He stated that his mother has been an ASD member for the last four months and she earns around \$130 per day. He explained that he believes ASD is a pyramid or Ponzi scheme that it is purporting to sell advertising. He understood that like any Ponzi scheme, sooner or later ASD will crash. He said he told his mother to pull her money out before that happens. He stated that the whole idea around surfing sites is ridiculous and that a "monkey could do it." He said he has a business, that he knows advertisement, and that he does not see any real value in having someone visit your website for 15 seconds.

39. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations contained in Paragraph 39 of the Complaint and, therefore, deny all allegations contained therein.

39a. He continued to explain that since his webpage was posted on ASD he has seen a small spike in traffic to his website but cannot determine if that is a result of ASD. He also did not know whether his sales had increased as a result of his affiliation with ASD. He ended the call by asking the TFA if he needed a sponsor

and offered his own ASD member number. This person invited the TFA to join ASD's Ponzi scheme as his referral even though he knew it was a Ponzi.

40. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations contained in Paragraph 40 of the Complaint and, therefore, deny all allegations contained therein.

40a. On or about July 16, 2008, a TFA interviewed an ASD participant at his residence in Orlando, Florida. The participant stated that in June 2008 he joined ASD by making a direct deposit into ASD's BOA account and linking his website, a newsletter promoting different HYIP's or auto-surf programs, to his ASD account. The participant acknowledged that he joined ASD for its returns – not to advertise his webpage. The participant explained that he logged onto his ASD account and looked at advertisement as part of ASD's requirements, but said that the advertisement side of ASD was a "joke" and that he just clicked a button and stayed on a site for a few seconds and moved on to another site. The participant said there is no requirement to actually view the websites or purchase products promoted by the websites. He explained that ASD was an "auto-surf" program that he learned about from the Internet and other individuals. According to the participant, he was familiar with online investing and in the past he had participated in other scams that were HYIPs and "auto-surfs." Specifically, he mentioned 12daily Pro, and claimed to have lost \$9,000 in that Ponzi scheme. Although the participant understood that ASD was not enabling its members to sell more products and recruit more distributors as was claimed, he explained that he believed that ASD was not a Ponzi scheme like 12daily Pro. He differentiated 12daily Pro from ASD because of Bowdoin's acumen. He stated that Bowdoin recently received an award from the President of the United States, he had made millions of dollars on previous businesses he created, and he was planning on investing in real estate.

41. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations contained in Paragraph 41 of the Complaint and, therefore, deny all allegations contained therein.

41a. On or about July 18, 2008, a TFA interviewed another ASD participant by phone. The TFA identified this participant from the ASD website where she had posted a testimonial regarding the large amount of profit she had made within the program. The participant stated that she had recouped all of her initial

investment. The participant stated that this was the easiest program she had ever been involved with and that it only took a few minutes a day on the Internet. The participant said she would sponsor the TFA and provide a website if he needed one. The participant explained that a member is not required to sell anything and that she does not sell items from the website she uses to participate in ASD. The participant stated that Bowdoin was a very wealthy man and had been a successful business man for over 30 years and had recently received an award from the President of the United States. The participant said she was familiar with online scams but this was different because the company was planning on investing in real estate and other business ventures.

42. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations contained in Paragraph 42 of the Complaint and, therefore, deny all allegations contained therein.

42a. On July 22, 2008, while using a member number to participate with ASD's auto-surf program from the District of Columbia, a TFA came across what appeared to be a consulting company advertisement. This webpage simply linked visitors to other websites and offered nothing for sale. The TFA called and spoke to a male who identified himself as the webpage's creator. He said he had just joined ASD at the end of July and had only invested \$50. He said he was receiving his 1% a day for surfing 14-24 websites a day. He said that anyone could set up a free website at www.freeservice.com with little to no information and just have the website link to another website. He explained that just as he had done, there was no need to have a business to advertise and no need to purchase any items from the websites one visited through ASD. He said the best way to make money in the system is to keep putting your money back into the system as it accumulates. He asked the TFA if he needed a sponsor and he offered the TFA his ASD member number for that purpose.

43. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations contained in Paragraph 43 of the Complaint and, therefore, deny all allegations contained therein.

43a. On or about July 22, 2008, also while surfing websites via the ASD website from the District of Columbia, a TFA came across a site that appeared to sell weight loss products. A TFA called and spoke to its creator. She told the TFA that she started with ASD on May 30, 2008, that she was up to 12,000 "ad packages", and that she was making \$150 a day with ASD.

She explained that she has seen an increase in the traffic on her website but did not know if it was a result of ASD. She explained that she normally "upgrades" (reinvests) 75% and cashes out 25%. This allows her to make more money because she can purchase more "ad packages." The TFA asked her about investing with ASD. She immediately said, "Don't call it investing, you know what I mean, we can get in trouble if we say that, we have to be careful." She explained that ASD is doing very well and that it recently took in \$40 million at a rally in Miami and even more at a Chicago rally. Rebates Paid Even When No Ads Viewed

44. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations contained in Paragraph 44 of the Complaint regarding actions taken by unidentified 8 Task Force Agents and, therefore, deny those allegations. Claimants admit that the banner message referred to Paragraph 44 appeared on the ASD website, and assert that the language speaks for itself. Claimants deny that the remaining allegations contained in Paragraph 44 of the Complaint are true and correct.

44a. Another indicia that ASD is not designed to promote legitimate business customers' webpages comes from the fact that ASD promises to pay daily rebates even on dates when ASD's webpage is inaccessible. Frequently during the month of July 2008, TFAs attempted to access their accounts in order to surf websites through ASD, but the ASD website was not operating. Yet, routinely, ASD placed a banner titled, "ASD WORLD WIDE WEALTH BUILDER." The following statement was posted, "We are currently working on the ASD website. During the time the site is down you will earn global credits for surfing. There is no need to submit a ticket or call the office. We apologize for the inconvenience." There was no mention of compensation that might be due back to advertisers who suffered a loss of advertising exposure during periods when the ASD website was down. But, there was reassurance that, despite an inability to visit members' advertisements, members would continue to earn the credits they would have earned had the ASD site been functioning. Illusory Customer Service and Invalid Street Address

45. Claimants deny that the allegations contained in Paragraph 45 of the Complaint are true and correct. Claimants acknowledge that Exhibit 4 to the Complaint is a photograph of its headquarters building in Quincy, Florida.

45a. Further indicia that ASD is not a valid advertising business can be deduced from the numerous occasions when TFAs have attempted, unsuccessfully, to contact ASD's customer service. Each time, a call to the telephone number posted on ASD's website goes unanswered, just continuing to ring and eventually cutting off with no option to leave a voice mail. In addition, the address listed on ASD's webpage is not a valid mailing address. The address 13 S. Calhoun Street, Quincy, Florida does not exist. A building located at 11 S. Calhoun Street is a now defunct flower shop that used to be run by Bowdoin's wife. It appears that Bowdoin or one of his associates merely posted the number 13 on another door attached to the same building. ASD has been receiving mail there. A picture of ASD's Quincy, Florida headquarters building, from which ASD says, over the internet, that it operates one of the Internet's most successful advertising businesses, is attached. See Exhibit 4
Additional Misrepresentations to Promote Expansion

46. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations contained in Paragraph 46 of the Complaint and, therefore, deny all allegations contained therein.

46a. On or about July 22, 2008, a TFA contacted another ASD member. The participant invited the TFA to participate in a conference call, offered to any willing participant, related to "Golden Panda," (said to be an Asian version of ASD). The participant said that "Golden Panda" was coming online in the next couple of days and it was going to be big. The participant further stated that Bowdoin is the creator of this new venture, along with a man by the name of Clarence Busby.

47. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations contained in Paragraph 47 of the Complaint and, therefore, deny all allegations contained therein.

47a. Later that day, from the District of Columbia, a TFA participated in the "Golden Panda" conference call. During the call, a person who identified himself as Busby said that Bowdoin approached him about running "Golden Panda." Busby stated that he and Bowdoin were 50% partners but that Busby would be in charge of the daily operations of Golden Panda. Busby explained that Golden Panda was going to be the Chinese version of ASD, operated over the Internet from Acworth, Georgia. Busby claimed to have been a minister for 30 years and

to have started six successful businesses. Busby said that he has been a participant in the ASD program for nine months and reaped great benefits. Busby said Bowdoin promoted Golden Panda at the ASD's Chicago rally which took place on July 18, 2008. Busby said that Golden Panda already has 11,000 participants and that they have 50-100 individuals coming into their Acworth office each day to deposit funds with the new operation. He said the website, www.goldenpandaadbuilder.com, will be operational on July 23, 2008. Busby said, "For those people overseas, we are setting up Solid Trust Pay (Alert Pay)," who will wire any monies, in excess of \$500. Busby addressed the issue of current and future income for ASD and the new Asian version by explaining: First of all Andy has run his company pretty much for two years without a lot of income streams, he's had some money here and there. The building of [Bowdoin's] company is based on a great business model, the business model says if you'll do your work and buy 'ad packages' we'll be successful. It's not different than any other company, every company out there has to have some kind of sale, it doesn't matter if it's a mom and pop grocery store, or a Walmart, or a Bell South, or your local church, you got to have some money coming in a consistent manner. The way this money comes into Golden Panda is we sell 'ad packages' and those 'ad packages' create an opportunity for you to surf and look at other people's ads and also you get rebates from that. With that, if this company doesn't have sales, it's not a viable company. Every company has to have sales that's what makes this company work because the great business model, not because it has a lot of outside resources, but with that said we have a lot of things planned in the next weeks and months ahead. This will create lots more wealth for you. (Emphasis added.)

Busby claimed that the new operation was processing 300-400 checks a day and depositing those regularly. Busby said, "We want to put a good site that you will be proud of and that will allow you to make good returns on your rebates and the activities that you're a part of and if we do that well, you won't really care who runs this program."

48. Claimants admit that Bowdoin wrote a letter relinquishing his role as President and his ownership rights in Golden Panda. Claimants are without sufficient knowledge to form a belief as to the truth of allegations regarding what an unidentified Task Force Agent reviewed as set forth in Paragraph 48 of the Complaint and, therefore, deny all allegations contained therein.

48a. A TFA reviewed the Golden Panda's website, goldenpandaadbuilder.com, and identified a BOA account that the company listed as their depository account. The BOA account, 334011130192, is in the name of Golden Panda Ad Builder, in Acworth, Georgia. Per the website, participants can wire funds to this BOA account in order to purchase "ad packages."

On the same website was a letter purportedly written by Bowdoin advising that he was relinquishing his role as President, as well as his ownership rights in, Golden Panda.

49. Claimants are without sufficient knowledge to form a belief as to the truth of allegations based on the purported "public Internet search" described in Paragraph 49 of the Complaint and, therefore, deny all allegations contained therein.

49a. A public Internet search of Busby revealed a 1997 SEC case (SEC v. Walter Clarence Busby, Jr. Civil Action No. 1:97-CV-2653, Northern District of Georgia). The SEC successfully charged that Busby had violated anti-fraud provisions of the Securities laws by offering and selling investment contracts in connection with three different "prime bank" schemes. Busby was accused of raising money for purported trading programs in "prime bank" notes by fraudulently representing that investments were risk-free and the ventures would result in returns ranging from 750% to 10,000%. In total, Busby raised nearly \$1 million from more than 70 investors. None of the investors earned the exorbitant returns promised by Busby. Busby was ordered to pay \$15,000 in disgorgement to victims; however, after Busby filed a financial statement to support a professed inability to pay, the court dismissed the order of payment. Busby filed for bankruptcy in 1997. This information was not disclosed on Golden Panda's webpage or mentioned by Busby during his recent conference call. Live Rallies and Further Misrepresentations to Expand the Base

50. Claimants deny that the allegations contained in Paragraph 50 of the Complaint are true and correct.

50a. As previously discussed, a Ponzi scheme needs new investors to succeed. To attract new members the fraudsters must promote the scheme's wealth building opportunity while at the same time hiding from new members the fact that the program's survival depends on the new member's money. In the instant case, at rallies and on ASD's website numerous misrepresentations are made in order to promote the operators alleged business acumen and to disguise the source of the purported profits.

51. Claimants admit that ASD held a rally in Miami, Florida, on July 12, 2008, and that a rally-only promotion was offered. Claimants are without sufficient knowledge to form a belief as to the truth of allegations regarding the attendance at the rally by an unidentified Task Force Agent and, therefore, deny all remaining allegations contained in Paragraph 51.

51a. For example, on or about July 12, 2008, TFAs attended an ASD rally in Miami, Florida. At the rally, ASD representatives were running a rally-only promotion. New members were told they would receive a 50% credit bonus for joining at the rally. If a new member purchased \$500 in "ad packages" as a bonus she would be credited \$750 to her account. Representatives of ASD stated this was a "World Wide Wealth" program that was available to anyone with Internet access.

52. Claimants deny that the allegations contained in Paragraph 52 of the Complaint are true and correct.

52a. During the rally, a representative of ASD took the stage to address concerns that ASD might not be a legitimate business, the representative stated that Bowdoin had received the Medal of Distinction from the President of the United States for his contribution to business and that the only blemish in Bowdoin's past was a speeding ticket. These representations were not true.

53. Claimants admit that Thomas A. Bowdoin, Jr., spoke at the rally in Miami. Claimants deny that the remaining allegations contained in Paragraph 53 of the Complaint are true and correct.

53a. Bowdoin also spoke at the rally. He explained to the crowd that he and his ASD team were looking at various ways to help increase rebates, including purchasing distressed properties and purchasing call centers. Bowdoin also told his audience that participants would receive 50% of the profit ASD made from these future ventures (despite contradictory disclaimers on ASD's website). Bowdoin reported that the company was looking to purchase a South American call center, to purchase a credit card processing center, to purchase an interest in an international bank, and to profit from future investments in real estate. Of course, none of these ventures involve selling advertising to legitimate, or as

Bowdoin termed them, “national,” advertisers to support rebates. Neither on ASD’s website, nor during its rallies, does ASD or its operators explain that the revenues it commits itself to paying out slowly derive almost exclusively from the same people to whom it says it will continue to pay rebates. Indeed, while explaining that rebates built his company, and that rebates were “what creates the members that creates the interest for the national advertisers[,]” Bowdoin all but acknowledged that his so- called advertising business was a farce. He said: “now were at the point where national advertisers are looking.” Bowdoin then changed course, telling his audience that ASD is about “helping people build wealth.” He explained that the negative news ASD was receiving “means that we’re making waves in the marketplace because we’re one of the fastest growing companies on the Internet today.” Bowdoin claimed his lawyers would file a defamation suit against people who called ASD “the biggest scam on the internet.” According to Bowdoin, “we don’t have to be a network marketing company with seven levels or ten levels. Our people are making tremendous profits with two levels – which takes us out of being a network marketing company.” Bowdoin essentially confirmed that contrary to what is stated on his website, advertising business websites had nothing to do with ASD’s success; instead, ASD was dependant on 1 and 2 level member referrals to survive and grow. A transcript of Bowdoin’s speech was subsequently posted on the Internet – as another promotion piece – and it is attached, here. See Exhibit 5

54. Claimants deny that the allegations contained in Paragraph 54 of the Complaint are true and correct.

54a. The one thing that was notably absent from the rally was any mention of how ASD succeeded by providing advertising. No speaker that took the stage discussed or even mentioned in passing how ASD was enabling its members to sell more products or recruit more business to their websites. Although there were lines of “ASD Volunteers” handing out new member forms to rally attendees and accepting money orders and cashier’s checks, there was no form to fill out about the business a member was promoting. Rather, a TFA was provided with a new member form and a sheet titled: “Getting Started Guide.” See Exhibits 6 and 7 . The sheet directed the TFA to a number of places, on-line, where ASD conducted training and marketing, including a place where a prospective member could “[w]atch the video of ASD Founder & CEO, Andy Bowdoin, along with ASD Attorney Robert Garner, as they speak to you from Andy’s office at the company headquarters.”

55. Claimants are without sufficient knowledge to form a belief as to the truth of allegations asserted in Paragraph 55 of the Complaint and, therefore, deny all allegations contained therein.

55a. TFAs watched Bowdoin's video where Bowdoin introduces Garner as the company's outside legal counsel. In the video, which ASD streams over the Internet, Bowdoin explains that he has asked the attorney to confirm that ASD is not a Ponzi scheme. Thereafter, Mr. Garner proceeds to explain that Bowdoin hired Garner to insure that ASD's operations are legal in all aspects. Garner assures the viewer that he and "other attorneys in our offices . . . are dedicated to this work with Andy and his company." He continued by saying his attorneys "are available at any time to deal with the issues as they arise." Garner "address[ed] the concerns that new ASD members sometimes have in the area of the legality of the Ad Cash Generator opportunity," by saying: Andy has directed us to ensure that his company is structurally sound today and tomorrow and far into the future. My staff and I are dedicated to Andy's vision that his company will continue to rapidly grow bigger and stronger, and will continue to be an industry leader in Internet advertising in the years to come. According to Garner, "ASD . . . complies with all laws and regulations that apply to it." In explaining that ASD is not a Ponzi scheme, Garner notes that a Ponzi scheme is "illegal, because [it] use[s] money from new investors to pay the first investors in the scheme their promised returns." (Emphasis added.) On behalf of ASD, on its website, Garner advises prospective members that ASD is not a Ponzi scheme because, among other things, ASD is developing other revenue sources and "[t]here is no continuing obligation to pay returns to infinity." Contrary to Garner's claim that this is not a Ponzi scheme, however, an infinite payment obligation is irrelevant and the lack of a non-member revenue source is a tell-tale sign of a Ponzi. Garner's so-called "Legality Statement" appears on ASD's website and it is attached as a printout, here. See Exhibit 8 . In a further attempt to make Bowdoin's business model sound legitimate, Garner describes ASD rebates as "function[ing] something like 'loss leaders' in that advertisers are presented [with] a way[] to earn their money back, plus a little more, in addition to having their ads viewed on the internet." TFAs have not found any other product or service that ASD sells, aside from new memberships, to cover the "losses" it incurs by allowing its so-called "advertisers" to "earn their money back, plus a little more." TFAs discovered that ASD's Nevada incorporation documents list Garner as a director. Garner, however, does not disclose the fact that he is an insider of ASD in his interview, in his typewritten opinion letter that appears on ASD's webpage, or anywhere else on ASD's webpage. Furthermore, although Garner is admitted to the North Carolina Bar, it appears that Garner works out of his home and that he does not employ the team of lawyers that, he claims, have worked diligently to confirm ASD's legality.

56. Claimants are without sufficient knowledge to form a belief as to the truth of allegations asserted in Paragraph 56 of the Complaint and, therefore, deny all allegations contained therein.

56a. At the Miami rally that TFAs attended, several participants stated that they were not investing with ASD for its advertising services; rather, they told a TFA that they were looking to make a lot of money off of the new participants they sponsored into ASD. Economist Opinion

57. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations asserted in Paragraph 57 of the Complaint and, therefore, deny all allegations contained therein.

57a. In addition to reviewing materials available from the SEC, during the course of this investigation a TFA consulted with an Economist at the Federal Trade Commission (FTC) who explained that pyramid, Ponzi, auto-surf, and HYIP schemes are all schemes where the participants obtain their monetary benefits primarily from the recruitment of newer participants, rather than from the sale of goods or services. Because of this, the overwhelming majority of the participants cannot expect to make any money from their participation. A small minority of participants, namely those who participate at the very beginning, might make money. However, because of the nature of the pyramid scheme, those who make any money must of necessity be only a small minority of all participants.

58. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations asserted in Paragraph 58 of the Complaint and, therefore, deny all allegations contained therein.

58a. The FTC Economist further explained that growth of a Ponzi system does not change the fact that the large majority of participants at any point in time will have lost money. The system cannot grow indefinitely, if for no other reason than the fact that growth is limited by the finite human population of the earth. But long before this point is reached, the number of people willing to pay to sign on

as new participants will become fewer and fewer. At this point, no further growth is possible, and the scheme will collapse. When that happens, the majority of the participants will have lost money.

59. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations asserted in Paragraph 59 of the Complaint and, therefore, deny all allegations contained therein.

59a. The FTC Economist further explained that these scams typically have one of several indicators or "markings," including (1) the promise of abnormally high short term returns on investments; (2) all income is derived from within the investment scheme; (3) the absence of any legitimate or reasonable business investment; and (4), as described above, only a small minority of individuals can profit from the operation of the business. When I described the details of ASD to the economist, he indicated that ASD bore all of the characteristics of a Ponzi operation. Civilian Complaints

60. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations asserted in Paragraph 60 of the Complaint and, therefore, deny all allegations contained therein.

60a. On or about July 24, 2008, a TFA received information from the Tallahassee Field Office of the Federal Bureau of Investigation ("FBI") regarding complaints related to ASD. According to an FBI representative, the FBI had received three inquiries within the last two weeks in reference to ASD. An anonymous person called to say that he/she had sent money to ASD, but the ASD account was never credited. This person indicated that ASD customer service does not answer the phone. A second individual said that his/her parents had deposited \$4,000 into the ASD program and that he/she was worried because he/she believed it was a Ponzi scheme. A TFA spoke with this individual. He/she told the TFA that he/she even called Robert Garner (a Director and legal counsel for ASD), at his office number, which he/she found on the Internet, at approximately 2 a.m., to leave a message for the attorney to call him/her. He/she said Garner answered the phone, which shocked him/her, due to the hour. He/she asked Garner if he was the attorney for ASD – Garner said yes. When he/she asked if this was his office number, Garner hesitated and then said he forwards the calls from his office. The caller told the TFA that there is no way ASD is legitimate based on the research he/she has done. Finally, the Gadsden County Chamber of Commerce called to ask the FBI whether ASD was legitimate. The FBI referred the Chamber of Commerce to the Better Business Bureau for further information. The Chamber of Commerce call appears to be

inconsistent with statements Bowdoin made at the Miami rally that TFAs attended. At the rally, Bowdoin said the company needed more space due to its tremendous growth, that he thought the operation would have to move to Tallahassee, and that the local Chamber of Commerce had begged the company not to leave and had helped it to secure new facilities. According to the FBI, the local Chamber of Commerce is questioning whether the company is legitimate.

61. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations asserted in Paragraph 61 of the Complaint and, therefore, deny all allegations contained therein.

61a. On July 25, 2008, a TFA received additional information from the FBI Internet Crime Center ("IC3") in reference to several complaints filed against ASD. At that time, IC3 had five (5) complaints on file from victims in Florida, Wisconsin, Pennsylvania and New York. The individual in Florida believed that Ad Surf Daily, Inc., a.k.a. ASDcashgenerator.com, was a Ponzi or pyramid scheme because it met all of the criteria based on the SEC's website. The caller said he/she was aware of the 12dailyPro.com investigation and believed ASD was conducting the same type of business. The individual from Wisconsin advised that he/she had purchased "ad packages" by conducting a transaction through Solid Trust Pay (Alert Pay) and never received full credit. The caller stated that he/she was unable to get adequate help from the company's customer service. The individual from Pennsylvania said he/she had purchased "ad packages" but had never received credit. The caller believed that ASD was a sophisticated Ponzi similar to 12daily Pro. The caller explained that ASD looks like other auto-surf sites such as 12daily Pro, "when the ad packages are not bought and top earners pull their funds eventually this will all collapse leaving the late comers in the program with losses from purchasing ad packages. Personally, I don't think people are viewing sites out of interest but out of the rebate they will earn per day by surfing." The individual from New York wanted to make authorities aware of the ASD. The caller said, "It is a money-making scheme, and I believe that 'buying advertising' is just a smokescreen." The caller further stated that, due to the fact the company had a lack of information in reference to outside funding sources, it seemed that all income derived from new member sales, like a Ponzi. ASD/Bowdoin May Be Planning to Move Proceeds

62. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations asserted in Paragraph 62 of the Complaint regarding what an unidentified Task Force Agent found on the internet and, therefore, deny the allegations.

62a. While reviewing the ASD website in the District of Columbia, a TFA found a posting within ASD's News section, apparently posted by ASD on July 2, 2008. The title of the posting was, "Alert Pay & Direct Deposit are being phased out July 31, 2008." According to ASD's posting, "We have notified BOA not to accept cash or personal checks for deposit account – English or Spanish." ASD further stated, "Please remember that the preferred method of purchasing Ad Packages is by mailing a Check or by Solid Trust Pay."

63. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations asserted in Paragraph 63 of the Complaint regarding the business operated as Solid Trust Pay and, therefore, deny the allegations.

63a. Solid Trust Pay is a Canada based money transmitting and payment company that, like the e-Gold system, operates over the Internet. It appears that beginning August 1, 2008, Solid Trust Pay will be ASD's preferred method for receiving funds from members, and for paying rebates and commissions to members.

64. Claimants deny that the allegations contained in Paragraph 64 of the Complaint are true and correct.

64a. Within the past two weeks, ASD has wired several million dollars to Solid Trust Pay from its BOA Accounts. A TFA also learned that earlier in July 2008, a bank other than BOA closed the last account that was controlled by Bowdoin or family members after that bank determined, and explained to them, that an investigation by the bank determined that Bowdoin appeared to be operating a Ponzi scheme. Bowdoin indicated that he purchased, or was seeking to purchase, a home in another country.

65. Claimants deny that the allegations contained in Paragraph 65 of the Complaint are true and correct.

65a. As directed on ASD's webpage, when members migrate to Solid Trust Pay, they will also be paid through Solid Trust Pay. Thus, the accounts Bowdoin maintains at BOA will become irrelevant to ASD's operation once its members migrate to off-shore institutions. Moreover, Solid Trust Pay offers a debit card to its account holders, making the transfer and withdrawal of funds more difficult to trace for U.S. law enforcement authorities than would be the case for an entity operating its business using domestic, FDIC insured, financial institutions. Use of the BOA Accounts to Collect and Store Ponzi Proceeds

66. Claimants admit that ASD utilized bank accounts at BOA to conduct its financial transactions, including deposits made by or on behalf of participants for the purpose of purchasing "ad packages" and withdrawals to pay participants their rebates and commissions. Claimants admit that the accounts at BOA were under the control and ownership of Thomas A. Bowdoin, Jr. D/B/A ADSURFDAILY, 13 S. Calhoun Street, Quincy, Florida 32351. Claimants deny that the remaining allegations contained in Paragraph 66 of the Complaint are true and correct.

66a. During the course of the investigation, TFAs identified the above listed ten (10) bank accounts as those being utilized by ASD at BOA to conduct its financial transactions, including deposits made by or on the behalf of participants for the purpose of purchasing "ad packages," and withdrawals to pay participants their rebates and commissions. The accounts are under the control and ownership of the sole proprietor Thomas A. Bowdoin Jr., D/B/A ADSURFDAILY, 13 S. Calhoun Street, Quincy, FL, 32351. Further investigation also shows that funds are regularly transferred back and forth between the ten (10) accounts. Additionally, TFAs identified at least four (4) business check cards in the name of Thomas A. Bowdoin, Jr. linked to these accounts. TFAs are aware that numerous transactions have posted to the BOA Accounts that appear to be purchases of personal items for the benefit of Bowdoin, including a purchase of \$51,000 in jewelry on a single day. These purchases came from ASD's business accounts at BOA. Thus, it appears that Bowdoin is using these accounts not just to run ASD, but also to pay his personal expenses and to launder fraud proceeds.

67. Claimants are without sufficient knowledge to form a belief as to the truth of the allegations regarding the ownership, control, or operation of the BOA Accounts in the name of Golden Panda as asserted in Paragraph 67 of the Complaint and, therefore, deny all allegations relating to such

accounts. Claimants deny that the remaining allegations contained in Paragraph 67 of the Complaint are true and correct.

67a. TFAs also identified five (5) accounts at BOA that are being utilized by Golden Panda Ad Builder operators to conduct its financial transactions, including deposits made by or on the behalf of participants for the purpose of purchasing "ad packages," and withdrawals to pay participants their rebates and commissions. These BOA Accounts are under the control and ownership of Clarence Busby Jr. and/or Dawn Stowers, Acworth, Georgia. The five (5) accounts are a D/B/A Golden Panda Ad Builder Deposit Account, a Golden Panda Ad Builder Operating Account, a Golden Panda Ad Builder Cashout Account, and two CD accounts. As previously indicated, until recently, Golden Panda was under Bowdoin's control. The TFAs' investigation shows the majority of the funds deposited into these Golden Panda accounts originated from ASD's accounts at BOA. Thus, there is reasonable cause to believe that the funds in the BOA Golden Panda accounts constitute proceeds of ASD's operations that Bowdoin moved to the Golden Panda accounts in order to seed Golden Panda's nascent operation. Use Of SUA Proceeds to Purchase Real Properties

68. Claimants deny that the allegations contained in Paragraph 68 of the Complaint are true and correct.

68a. Bowdoin generates no substantial income except that which he pays himself from his operation of ASD. During his operation of ASD, Bowdoin purchased the Florida and South Carolina defendant properties using funds he removed from the same BOA Accounts that he used to collect the proceeds of his Internet-based Ponzi operation.

CONCLUSION

69. Claimants deny that the allegations contained in Paragraph 69 of the Complaint are true and correct. COUNT I

69a. Based on the information provided herein, there is reasonable cause to believe that ASD, Thomas A. Bowdoin, Jr. and others, devised and intended to devise a scheme or artifice to defraud, or a scheme for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, and that he and they transmitted or cause to be transmitted by means of wire,

communications in interstate or foreign commerce (including writings, signs, signals, pictures, or sounds), for the purpose of executing such scheme or artifice, to wit: an Internet-based Ponzi scheme, in violation of Title 18, United States Code, Section 1343 (Wire Fraud); and in violation of Title 18, United States Code, Section 371 (Conspiracy to Commit Wire Fraud). Further, based on the information provided herein, there is reasonable cause to believe that the defendant properties constitute proceeds of the above- specified offenses or property involved in financial transactions, with wire fraud proceeds, that are prohibited by the federal anti-money laundering statutes. COUNT I

70. All responses made to Paragraphs 1 through 69 of the Complaint are re-alleged and incorporated, herein, by reference.

70a. All statements and averments made in paragraphs 1- 69 are re-alleged and incorporated, herein, by reference.

71. Claimants deny the allegations contained in Paragraph 71 of the Complaint.

71a. The defendant properties are subject to forfeiture because they constitutes or are derived from proceeds traceable to a wire fraud scheme, in violation of 18 U.S.C. § 1343, a “specified unlawful activity.”

72. Claimants deny the allegations contained in Paragraph 72 of the Complaint.
COUNT II

72a. As such, the defendant properties are subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C).
COUNT II

73. All responses made to Paragraphs 1 through 69 of the Complaint are re-alleged and incorporated, herein, by reference.

73a. All statements and averments made in paragraphs 1- 69 are re-alleged and incorporated, herein, by reference.

74. Claimants deny the allegations contained in Paragraph 74 of the Complaint.

74a. The defendant properties are subject to forfeiture because they constitutes or are derived from proceeds traceable to a conspiracy to violate 18 U.S.C. § 1343, in violation of 18 U.S.C. § 371.

**75. Claimants deny the allegations contained in Paragraph 75 of the Complaint.
COUNT III**

75a. As such, the defendant properties are subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C).
COUNT III

76. All responses made to Paragraphs 1 through 69 of the Complaint are re-alleged and incorporated, herein, by reference.

76a. All statements and averments made in paragraphs 1- 69 are re-alleged and incorporated, herein, by reference.

77. Claimants deny the allegations contained in Paragraph 77 of the Complaint.

77a. The defendant properties are subject to forfeiture because they were involved or are traceable to property involved in a “financial transaction” as that term is defined by 18 U.S.C. § 1956(c)(4), the purpose of which was: (a) to promote the carrying on of the interstate travel or transportation in aid of racketeering enterprises (18 U.S.C. § 1952), a “specified unlawful activity,” as that term is defined by 18 U.S.C. § 1956(c)(4); and/or (b) to conceal or disguise the nature, location, source, ownership or control of the proceeds of the interstate travel or transportation in aid of racketeering enterprises (18 U.S.C. § 1952), a “specified unlawful activity” as that term is defined by 18 U.S.C. § 1956(c)(7); and/or (c) to engage in a transaction otherwise prohibited by 18 U.S.C. § 1957.

**78. Claimants deny the allegations contained in Paragraph 78 of the Complaint.
COUNT IV**

78a. As such, the defendant properties were involved in or are traceable to property involved in money laundering transactions in violation of 18 U.S.C. §§ 1956(a)(1)(A)(i) and/or 1956(a)(1)(B)(i) and/or 1957 and are, therefore, subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(A).

COUNT IV

79. All responses made to Paragraphs 1 through 69 of the Complaint are re-alleged and incorporated, herein, by reference.

79a. All statements and averments made in paragraphs 1- 69 are re-alleged and incorporated, herein, by reference

80. Claimants deny the allegations contained in Paragraph 80 of the Complaint.

80a. The defendant properties are subject to forfeiture because they were involved in or are traceable to property involved in a conspiracy to violate the anti-money laundering statutes (as more particularly described in Count III), in violation of 18 U.S.C. § 1956(h).

81. Claimants deny the allegations contained in Paragraph 81 of the Complaint. The remainder of Plaintiff's Complaint, beginning with the word "WHEREFORE" constitutes a prayer for specific relief to which no answer is required. To the extent a response is appropriate, Defendants deny that the relief requested is proper or justified by the facts of this case. Claimants deny any and all allegations not specifically admitted above.

81. As such, the defendant properties are, therefore, subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(A). WHEREFORE, the United States of

America prays that process of warrant issue for the arrest of the defendant properties as described above and that due notice be given to all parties to appear and show cause why the forfeitures should not be decreed; that judgments be entered declaring that the defendant properties be forfeited to the United States of America for disposition according to law; and that the United States of America be granted such other relief as this Court may deem just and proper, together with the costs and disbursements of this action. Respectfully submitted,