

1 Sacramento County in the State and Eastern District of California.
2 Defendant BOLDEN controlled Diversified Management Consultants, Inc.
3 ("DMC"). DMC functioned as an umbrella organization for various
4 "Investment Clubs," including Stargate Management, Inc.
5 ("Stargate"), KOA Weaver Estates, LP ("KOA Weaver"), Genesis
6 Innovations, Inc. ("Genesis Innovations"), Equishare Capital Group,
7 Inc. ("Equishare"), Envision Capital Group, Inc. ("Envision"), and
8 Vantage Point Administrative Services, Inc. ("Vantage Point").
9 Stargate and KOA Weaver were Defendant BOLDEN's Investment Clubs.
10 Defendant BOLDEN was the signor on separate DMC, Stargate, and KOA
11 Weaver accounts at Bank of America.

12 b. Defendant CHRISTOPHER JACKSON was an individual living in
13 the City of Elk Grove in Sacramento County in the State and Eastern
14 District of California. Defendant JACKSON controlled Genesis
15 Innovations, a California Corporation registered in the name of
16 another person. Genesis Innovations had a bank account at Bank of
17 America ("The Genesis Innovations Account"). Defendant CHRISTOPHER
18 JACKSON and another person had signature authority over this
19 account.

20 c. Defendant VICTOR ALVARADO was an individual living in
21 Sacramento County in the State and Eastern District of California.
22 Defendant ALVARADO controlled Equishare, a California corporation.
23 Defendant ALVARADO was the signor on Equishare's accounts at the
24 Bank of America.

25 d. Defendant NICHOLO ARCEO was an individual living in
26 Sacramento County in the State and Eastern District of California.
27 Defendant NICHOLO ARCEO controlled Envision and Vantage Point.
28 Envision and Vantage Point were both California corporations.

1 Defendant ARCEO maintained a bank account for Vantage Point at Bank
2 of America.

3 e. Defendant ERICA ARCEO was an individual residing in
4 Sacramento County in the State and Eastern District of California
5 and the wife of defendant NICHOLO ARCEO. Defendant ERICA ARCEO was
6 a member of the California Bar and represented herself as the lawyer
7 for Envision. Defendant ERICA ARCEO, defendant NICHOLO ARCEO, and
8 another person known to the Grand Jury were all signatories on the
9 Envision bank account at Wells Fargo Bank.

10 f. Company E was an administrator of self-directed individual
11 retirement accounts ("IRAs") not alleged to be a schemer in this
12 case. A self-directed IRA is one that allows its owner to choose
13 his or her own investments. A person who wanted to move his or her
14 tax-deferred retirement account money from one investment to another
15 could do so through Company E without paying taxes or penalties for
16 a withdrawal of such funds.

17 g. "Victims" were people induced to give their money to DMC
18 Investment Clubs on the false premise that it would be invested in
19 real estate.

20 SCHEME TO DEFRAUD

21 2. Beginning no later than on or about April 1, 2003, and
22 continuing through on or about June 1, 2009, in the Eastern District
23 of California and elsewhere, defendants MICHAEL BOLDEN, CHRISTOPHER
24 JACKSON, VICTOR ALVARADO, ERICA ARCEO, and NICHOLO ARCEO, and others
25 known and unknown to the Grand Jury, devised and intended to devise
26 a material scheme and artifice to defraud Victims and for obtaining
27 money and property by means of materially false and fraudulent
28 pretenses, representations and promises, in that they falsely

1 represented to Victims that DMC and its various associated
2 Investment Clubs would invest Victims' money for the purpose of
3 investing it in real estate for a substantial rate of return, when,
4 actually, the defendants used Victims' money to pay purported
5 returns to earlier investors and for the defendants' own personal
6 benefit. As a result of the scheme, at least one hundred and eighty
7 Victims were defrauded out of at least twenty-six million dollars.

8 WAYS AND MEANS

9 3. In furtherance of the aforesaid scheme and artifice to defraud,
10 defendants MICHAEL BOLDEN, CHRISTOPHER JACKSON, VICTOR ALVARADO,
11 ERICA ARCEO, and NICHOLO ARCEO employed, among others, the following
12 ways and means, which they orchestrated in Sacramento, California:

13 a. Defendants MICHAEL BOLDEN, CHRISTOPHER JACKSON, VICTOR
14 ALVARADO, ERICA ARCEO and NICHOLO C. ARCEO induced Victims to
15 provide money to defendants and represented that the Victims' money
16 would be used to buy land or to build structures for a residential
17 real estate enterprise that would then return investment profits to
18 the Victims.

19 b. Defendant MICHAEL BOLDEN and DMC were at the center of all
20 of the efforts of the Investment Clubs. DMC held meetings at which
21 defendant BOLDEN and others known and unknown to the Grand Jury,
22 including other defendants charged herein, told groups of potential
23 Victims how, through DMC Investment Clubs, they could safely and
24 very profitably invest their home equity and retirement savings.
25 The DMC Investment Clubs made the same essential solicitation to
26 Victims. At times, Victims would give money to more than one DMC
27 Investment Club.

28 c. Defendant BOLDEN held routine meetings among all of the

1 Investment Club managers at which they discussed strategy.

2 Defendant BOLDEN instructed the managers, among other things, that
3 they needed to recruit more Victims "to keep the lights on."

4 d. Defendants MICHAEL BOLDEN, CHRISTOPHER JACKSON, VICTOR
5 ALVARADO, ERICA ARCEO, and NICHOLO ARCEO induced Victims to give
6 them money from the Victims':

7 i. ordinary taxable asset accounts, such as bank savings
8 accounts;

9 ii. tax-deferred retirement accounts, that is, IRA and
10 401(k) accounts; and

11 iii. proceeds of "cash out" residential mortgage
12 refinancings.

13 e. When Defendants MICHAEL BOLDEN, CHRISTOPHER JACKSON,
14 VICTOR ALVARADO, ERICA ARCEO, and NICHOLO ARCEO induced a Victim to
15 give them money from a tax-deferred retirement account, they also
16 recommended that the Victim use Company E so that they would not
17 incur penalties or tax liability for withdrawal of tax-deferred
18 investment funds.

19 f. Each time that a Victim, acting on recommendation from
20 defendants MICHAEL BOLDEN, CHRISTOPHER JACKSON, VICTOR ALVARADO,
21 ERICA ARCEO, and NICHOLO ARCEO, used Company E to send the Victim's
22 own tax-deferred retirement savings to one of the defendants,
23 Company E caused its bank to wire money to one of the Investment
24 Clubs' accounts through the FedWire Funds Transfer System of the
25 Federal Reserve Bank of New York ("FedWire"). Each wiring through
26 FedWire to an account at Bank of America or Wells Fargo passed from
27 FedWire's data center in East Rutherford, New Jersey to California
28 to either bank, which each received FedWire wirings in San

1 Francisco, California.

2 g. When a victim used a title company to wire proceeds from a
3 "cash out" home refinancing to any of the investment clubs, the
4 title company caused its bank to wire money to the investment club
5 account through FedWire. Each wiring through FedWire to an
6 investment club's account passed from FedWire's data center in East
7 Rutherford, New Jersey to California.

8 h. The vast majority of the "cash out" home financings done
9 to invest money with DMC Investment Clubs were done through two
10 different mortgage brokerages. In many of these financings,
11 borrower equity was disbursed to at least one DMC Investment Club
12 and characterized as fees for commissions and referrals. Also, each
13 brokerage paid DMC a fee from escrow for each refinancing and a
14 payment outside of escrow for each refinancing.

15 i. Defendants MICHAEL BOLDEN, CHRISTOPHER JACKSON, VICTOR
16 ALVARADO, ERICA ARCEO, and NICHOLO ARCEO also solicited home owners
17 to sell their residences to straw buyers referred to as "Credit Use
18 Buyers." These were referred to as "Wrap-Around" or "lease option
19 to purchase" transactions. The defendants told sellers that they
20 could remain in their homes while the Credit Use Buyer and
21 Investment Clubs paid the monthly mortgage payments. In fact, each
22 Investment Club took large amounts of equity from each "sale" to a
23 Credit Use Buyer and not all of the mortgage payments were made.

24 j. Defendants MICHAEL BOLDEN, CHRISTOPHER JACKSON, VICTOR
25 ALVARADO, ERICA ARCEO, and NICHOLO ARCEO did not use Victims' money
26 to buy land and build structures for a residential real estate
27 enterprise as promised.

28 k. Defendants MICHAEL BOLDEN, CHRISTOPHER JACKSON, VICTOR

1 ALVARADO, ERICA ARCEO, and NICHOLO ARCEO paid themselves from money
2 that they had received from Victims on the false pretense that it
3 would be invested.

4 l. Defendants MICHAEL BOLDEN, CHRISTOPHER JACKSON, VICTOR
5 ALVARADO, ERICA ARCEO, and NICHOLO ARCEO used later-investing
6 Victims' money to pay earlier Victims and falsely represented those
7 payments as returns on the earlier Victims' investments.

8 m. Defendants MICHAEL BOLDEN, CHRISTOPHER JACKSON, VICTOR
9 ALVARADO, ERICA ARCEO, and NICHOLO ARCEO used Victims' money for
10 other expenses such as paying mortgage payments on loans held in the
11 names of others.

12 BOLDEN AND ARCEO WIRINGS

13 4. Between in or about April 2003 and in or about October 2009,
14 the Stargate and KOA Weaver accounts received approximately
15 \$9,190,462 in deposits. The money came from approximately 80
16 individuals. The vast majority of the money was not invested in
17 real estate as promised. Rather, it was used to pay purported
18 returns to other investors, defendant MICHAEL BOLDEN's personal
19 expenses including car payments, mortgage payments on homes that had
20 been financed in "Wrap Around" transactions, payments to other DMC
21 Investment Clubs, and approximately \$190,597 in payments to
22 defendant ERICA ARCEO.

23 5. On or about the dates set forth below, in the State and Eastern
24 District of California, defendants MICHAEL BOLDEN, ERICA ARCEO, and
25 NICHOLO ARCEO, as specified below, for the purpose of executing and
26 attempting to execute the aforementioned scheme, did knowingly
27 transmit and cause to be transmitted by means of wire communication
28 in interstate commerce certain writings, signs, and signals, to wit,

1 wire transfers from the Victims identified in the chart below in the
2 amounts indicated below, each wire transmission passing from East
3 Rutherford, New Jersey, to San Francisco, California:

| COUNT | DEFENDANT | VICTIM | DATE | AMOUNT |
|-------|--|-------------|-----------------|-------------|
| 1 | BOLDEN | Shirley B. | October 6, 2006 | \$34,926.58 |
| 2 | BOLDEN | Vicki H. | April 1, 2008 | \$69,281.57 |
| 3 | BOLDEN | Lloyd M. | May 13, 2008 | \$156,000 |
| 4 | BOLDEN, NICHOLARCEO, & ERICA ARCEO | Benjamin M. | May 6, 2008 | \$90,739.22 |
| 5 | BOLDEN | Caroline G. | July 2, 2008 | \$100,000 |

11 All in violation of Title 18, United States Code, Section 1343.

12 BOLDEN AND JACKSON WIRINGS

13 6. Between on or about June 2, 2005 and on or about January 12,
14 2009, the Genesis Innovations Account received approximately \$11
15 million in deposits. The money came from approximately 77
16 individuals and at least two title companies. At least \$8.5 million
17 was not invested in real estate as promised. Rather, it was used to
18 pay purported returns to other investors and was used to pay for
19 defendant CHRISTOPHER JACKSON's personal expenses, including his
20 lease of Lamborghini and Land Rover automobiles, frequent dining at
21 high-end restaurants, lodging at luxury hotels, purchase of
22 expensive diamond jewelry, and substantial home improvements.

23 7. On or about the dates set forth below, in the State and Eastern
24 District of California, defendant CHRISTOPHER JACKSON, for the
25 purpose of executing and attempting to execute the aforementioned
26 scheme, did knowingly transmit and cause to be transmitted by means
27 of wire communication in interstate commerce certain writings,
28 signs, and signals, to wit, wire transfers from the Victims

1 identified in the chart below in the amounts indicated below, each
2 wire transmission passing from East Rutherford, New Jersey to San
3 Francisco, California:

| COUNT | DEFENDANT | VICTIM | DATE | AMOUNT |
|-------|------------------|----------|-------------------|--------------|
| 6 | BOLDEN & JACKSON | John A. | August 23, 2006 | \$149,880.00 |
| 7 | BOLDEN & JACKSON | Mae B. | April 30, 2007 | \$21,790.50 |
| 8 | BOLDEN & JACKSON | Lynda W. | June 29, 2007 | \$180,639.30 |
| 9 | BOLDEN & JACKSON | Maria M. | November 30, 2007 | \$240,000.00 |
| 10 | BOLDEN & JACKSON | Wanda S. | July 9, 2008 | \$295,000.00 |
| 11 | BOLDEN & JACKSON | Diana V. | August 8, 2006 | \$200,000.00 |

15 All in violation of Title 18, United States Code, Section 1343.

16 BOLDEN AND ALVARADO WIRINGS

17 8. Between in or about December 2003 and in or about September
18 2008, the Equishare accounts received approximately \$3,400,000.00 in
19 deposits from Victims. The money came from approximately 30
20 individuals. Over \$2 million of this money was not invested in real
21 estate as promised. Rather, it was used to pay purported returns to
22 other investors, defendant VICTOR ALVARADO's personal expenses, and
23 mortgage payments on homes that had been sold to Credit Use Buyers.

24 9. On or about the dates set forth below, in the State and Eastern
25 District of California, defendant VICTOR ALVARADO, for the purpose
26 of executing and attempting to execute the aforementioned scheme,
27 did knowingly transmit and cause to be transmitted by means of wire
28 communication in interstate commerce certain writings, signs, and

1 signals, to wit, wire transfers from the Victims identified in the
2 chart below in the amounts indicated below, each wire transmission
3 passing from East Rutherford, New Jersey to San Francisco,
4 California:

| COUNT | DEFENDANT | VICTIM | DATE | AMOUNT |
|-------|-------------------|-------------|-------------------|--------------|
| 12 | BOLDEN & ALVARADO | Carlos D. | October 26, 2006 | \$217,722.88 |
| 13 | BOLDEN & ALVARADO | Doris D. | December 13, 2006 | \$35,000 |
| 14 | BOLDEN & ALVARADO | Greg B. | January 11, 2007 | \$27,336.39 |
| 15 | BOLDEN & ALVARADO | Laurence C. | February 12, 2007 | \$196,000 |
| 16 | BOLDEN & ALVARADO | Gregory J. | March 2, 2007 | \$295,000 |
| 17 | BOLDEN & ALVARADO | Jeff J. | March 14, 2007 | \$150,000 |
| 18 | BOLDEN & ALVARADO | Nai S. | March 13, 2008 | \$38,408.38 |
| 19 | BOLDEN & ALVARADO | William R. | March 13, 2008 | \$7,001.88 |

19 All in violation of Title 18, United States Code, Section 1343.

20 BOLDEN, ERICA ARCEO, AND NICHOLLO ARCEO WIRINGS

21 10. Between in or about July 2005 and in or about October 2008, the
22 the Envision accounts received approximately \$1,769,494 in deposits
23 from Victims. Vantage Point collected approximately \$300,000 in
24 fees from "Wrap Around" sales and residential refinancings carried
25 out for the purpose of Victims investments with DMC Investment
26 Clubs. The money came from approximately 14 individuals. None of
27 this money was invested in real estate as promised. Rather, it was
28 used to pay purported returns to other investors, defendant ERICA

1 ARCEO and defendant NICHOLO ARCEO's personal expenses, and payment
2 of mortgages for credit use buyers in "Wrap Around" sales.

3 11. On or about the dates set forth below, in the State and Eastern
4 District of California, defendants ERICA ARCEO and NICHOLO ARCEO, as
5 specified below, for the purpose of executing and attempting to
6 execute the aforementioned scheme, did knowingly transmit and cause
7 to be transmitted by means of wire communication in interstate
8 commerce certain writings, signs, and signals, to wit, wire
9 transfers from the Victims identified in the chart below in the
10 amounts indicated below, each wire transmission passing from East
11 Rutherford, New Jersey to San Francisco, California:

| COUNT | DEFENDANT | VICTIM | DATE | AMOUNT |
|-------|--------------------------------------|------------|--------------------|-----------|
| 20 | BOLDEN & NICHOLO ARCEO | Robert M. | September 11, 2007 | \$138,460 |
| 21 | BOLDEN & NICHOLO ARCEO | Peter L. | May 22, 2008 | \$180,320 |
| 22 | BOLDEN & NICHOLO ARCEO | Carolyn G. | September 19, 2008 | \$83,000 |
| 23 | BOLDEN & NICHOLO ARCEO | Louise H. | May 23, 2008 | \$12,276 |
| 24 | BOLDEN, NICHOLO ARCEO, & ERICA ARCEO | Donald C. | January 2, 2008 | \$94,000 |

21 All in violation of Title 18, United States Code, Section 1343.

22 COUNTS TWENTY-FIVE THROUGH TWENTY-SEVEN: [18 U.S.C. § 1343 - Mail
23 Fraud]

24 The Grand Jury further charges:

25 MICHAEL BOLDEN,

26 defendant herein, as follows:

27 1. The allegations set forth in Paragraphs 1-3 are hereby
28 realleged and incorporated by reference

1 2. On or about the dates set forth below, defendant MICHAEL
2 BOLDEN, in the State and Eastern District of California, for the
3 purpose of executing and attempting to execute the aforementioned
4 scheme, did deposit and cause to be deposited any matter and thing
5 to be delivered by commercial interstate carrier, to wit, checks
6 from the Stargate bank account to Company E, each purporting to
7 represent annuity payments from investment returns for fifteen
8 Victims:

| COUNT | DEFENDANT | CHECK | DATE | AMOUNT |
|-------|-----------|-------|---------------|-------------|
| 25 | BOLDEN | #3103 | Nov. 29, 2007 | \$31,118.64 |
| 26 | BOLDEN | #3123 | Dec. 27, 2007 | \$31,056.98 |
| 27 | BOLDEN | #3150 | Jan. 30, 2008 | \$30,989.90 |

13 All in violation of Title 18, United States Code, Section 1341.

14 FORFEITURE ALLEGATIONS: [18 U.S.C. § 981(a)(1)(C), 28 U.S.C. §
15 2461(c), Fed. R. Crim. P. 32.2(a) -
Criminal Forfeiture]

16 1. Upon conviction of one or more of the offenses charged against
17 him or her in Counts One through Twenty-seven of this Superseding
18 Indictment, each of defendants MICHAEL BOLDEN, CHRISTOPHER JACKSON,
19 VICTOR ALVARADO, ERICA ARCEO, and NICHOLO ARCEO shall forfeit to the
20 United States, pursuant to Title 18, United States Code, Section
21 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any
22 property, real or personal, constituting or derived from proceeds
23 traceable to said violation(s).

24 2. If any property subject to forfeiture, as a result of the
25 offenses alleged in Counts One through Twenty-Seven of this
26 Superseding Indictment:

27 (a) cannot be located upon the exercise of due diligence;

28 (b) has been transferred or sold to, or deposited with, a

1 third party;

2 (c) has been placed beyond the jurisdiction of the Court;

3 (d) has been substantially diminished in value; or

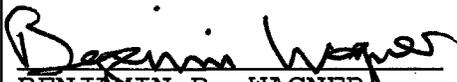
4 (e) has been commingled with other property which cannot be
5 subdivided without difficulty;

6 it is the intent of the United States, pursuant to Title 28, United
7 States Code, Section 2461(c), incorporating Title 21, United
8 States Code, Section 853(p), to seek forfeiture of any other
9 property of the defendant charged in the Count(s) of conviction, up
10 to the value of the property subject to forfeiture.

11
12
13
14 A TRUE BILL.

15
16  Signature on file w/ AUSA

17 FOREPERSON

18 
19 BENJAMIN B. WAGNER
United States Attorney

No. _____

UNITED STATES DISTRICT COURT

Eastern District of California

Criminal Division

THE UNITED STATES OF AMERICA

vs.

**CHRISTOPHER JACKSON
MICHAEL BOLDEN
VICTOR ALVARADO
ERICA ARECEO
NICHOL C. ARCEO**

SUPERSEDING INDICTMENT

**VIOLATION(S): 18 U.S.C. § 1343 - Wire Fraud;
18 U.S.C. § 981 (A)(1)(C), 28 U.S.C. § 2461 (c) - Forfeiture
Allegation**

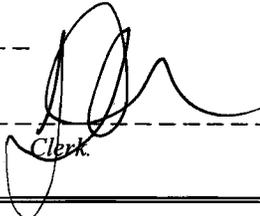
A true bill,

| 5 |

Foreman.

Filed in open court this 14 day

of SEPTEMBER, A.D. 20 11

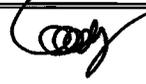


Clerk.

*Bail, \$ Bolden, Alvarado - Warrant
Jackson - No further process
Areco (E), Areco (N) - return*

GREGORY G. FOLLOWS

GPO 863 525



Superseding Indictment
Penalty Slip

MICHAEL BOLDEN

Counts ONE Through TWENTY-FOUR

Violations: 18 U.S.C. § 1343-Wire Fraud

Penalty: Not more than \$250,000 fine, or
Not more than 20 years imprisonment, or both
3 Years TSR

Counts TWENTY-FIVE Through TWENTY-SEVEN

Violation: 18 U.S.C. § 1341-Mail Fraud

Penalty: Not more than \$250,000 fine, or
Not more than 20 years imprisonment, or both
3 Years TSR

CHRISTOPHER JACKSON

Counts SEVEN through ELEVEN

Violation: 18 U.S.C. § 1343-Wire Fraud

Penalty: Not more than \$250,000 fine, or
Not more than 20 years imprisonment, or both
3 Years TSR

VICTOR ALVARADO

Counts TWELVE Through NINETEEN

Violation: 18 U.S.C. § 1343-Wire Fraud

Penalty: Not more than \$250,000 fine, or
Not more than 20 years imprisonment, or both
3 Years TSR

ERICA ARCEO

Counts Four and Twenty-FOUR

Violation: 18 U.S.C. § 1343-Wire Fraud

Penalty: Not more than \$250,000 fine, or
Not more than 20 years imprisonment, or both
3 Years TSR

NICHOLO C. ARCEO

Counts Four and Twenty-TWENTY Through Twenty-FOUR

Violation: 18 U.S.C. § 1343-Wire Fraud

Penalty: Not more than \$250,000 fine, or
Not more than 20 years imprisonment, or both
3 Years TSR

Forfeiture

Allegation:

Violations: 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c)

Penalty: As Indicated on superseding indictment.

Penalty Assessment: \$100.00 Special Assessment