BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of CHRISTIAN L. ALLMENDINGER,	ORDER OF PROHIBITION AND REVOCATION (SUMMARY)
Respondent.	File No. S-209619(EX)

Based upon the attached Petition for Order, I have reason to believe that any further offer or sale of unregistered securities by or on behalf of the Respondent would be fraudulent to purchasers, and I find that this action is necessary and appropriate in the public interest and for the protection of investors;

Therefore, pursuant to § 551.61(2), Wis. Stats.,[1]

IT IS ORDERED THAT:

a. Christian L. Allmendinger, his agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on his behalf, are prohibited from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities qualify as covered securities or are registered under Ch. 551, Wis. Stats., or successor statute.

b. All exemptions from registration set forth at Ch. 551, Wis. Stats., or successor statute, that might otherwise apply to any offer or sale of any security of or by Christian L. Allmendinger, his agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on his behalf, are hereby revoked.

c. Christian L. Allmendinger, his agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on his behalf, are prohibited from violating § 551.501, Wis. Stats. (2007-08), or successor statute.

EXECUTED at Madison, Wisconsin, this 7th day of July, 2011.

(SEAL)

Patricia D. Struck
Administrator
Division of Securities

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[1] Unless otherwise noted, all statutory references are to the Wisconsin Statutes (2005-06), which were in effect at the time of the violations alleged and apply pursuant to § 551.703, Wis. Stats. (2007-08).

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of

CHRISTIAN L. ALLMENDINGER,

Respondent.

PETITION FOR ORDER
(Summary)

File S-209619 (EX)

The staff of the State of Wisconsin, Department of Financial Institutions, Division of Securities (hereinafter "the Division"), has conducted an investigation in this matter pursuant to § 551.56, Wis. Stats.[1], and as a result thereof alleges as follows:

1. Christian M. Allmendinger ("Allmendinger") is an individual who at all relevant times until August 31, 2007 was an owner, officer and/or controlling person of the A&O companies, with a business address at the A&O companies and a home address of 209 Glenwood Drive, Houston, Texas 77007.

2. The "A&O companies" are collectively the following foreign business entities, founded by Allmendinger and Oncale in 2004, and of which Wahab acquired an ownership interest in approximately November, 2006 and White in 2007: A&O Life Fund, LP; A&O Bonded Life Assets, LLC; A&O Bonded Life Assets Management, LLC; A&O Bonded Life Settlements, LLC; A&O Bonded Life Settlements Management, LLC; A&O Life Fund, LLC; A&O Life Fund Management, LLC; Life Fund 5.1, LLC; Life Fund 5.1 Management, LLC; Life Fund 5.2, LLC; and Life Fund 5.2 Management, LLC. A&O Life Fund, LP is a foreign business entity with a last known business address of 2 Riverway, Houston, Texas 77056, and the parent company and sole shareholder of the other A&O companies.

3. Brent P. Oncale ("Oncale") is an individual who at all relevant times was an owner, officer and/or controlling person of the A&O companies, with a business address at the A&O companies and a home address of 9125 Chatsworth Drive, Houston, Texas 77024.

4. Adley Husni Abdulwahab, also known as Adley Wahab ("Wahab"), is an individual born in July, 1975, who was at all relevant times an agent of and at most relevant times was an owner, officer and/or controlling person of the A&O companies, with a business address at the A&O companies, and a home address of 3007 E. Lake Falls Circle, Spring, Texas 77386.

5. David C. White ("White") is an individual who at all relevant times after August 31, 2007 was an owner, officer and/or controlling person of the A&O companies, with a business address at the A&O companies and a home address of 3907 Chestnut Bend, Missouri City, Texas 77549.

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[1] Unless otherwise noted, the statutory references are to the Wisconsin Statutes (2005-06), which were in effect at the time of the violations alleged herein and apply pursuant to § 551.703, Wis. Stats. (2007-08).

6. During 2007, agents of Allmendinger, Oncale, Wahab, and White offered and sold investment contract securities of the A&O companies to at least eight persons in Wisconsin.

7. Pursuant to the offering materials the investors in Wisconsin received, "... The principal objective of the Company is to use the Company's assets to acquire a portfolio of life insurance policies in the life settlement after-market. In general, the Company will purchase life insurance policies in the life settlement after-market on numerous insured individuals of sixty-five (65) years of age or older ("Seniors") who have a life expectancy between two (2) to ten (10) years. The Manager will also attempt to control risk through the diversification of investments. ... The Company was formed to invest in and manage a diversified portfolio of life settlement policies in order to combine in a single investment vehicle the returns potentially offered by life settlement investment with the statistical mitigation of maturity risk that a managed pool of multiple and diversified life settlement policies can offer...."

8. The A&O companies' securities have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.

9. On September 7, 2010, a federal grand jury in the United States District Court for the Eastern District of Virginia, Richmond Division, indicted Allmendinger and Wahab on charges of mail fraud (and conspiracy to commit mail fraud), money laundering (and conspiracy to commit mail fraud), and securities fraud in stealing $103 million from at least 800 investors of the A&O companies. A superseding indictment was filed against Allmendinger on February 1, 2011, alleging four counts each of mail fraud/conspiracy and money laundering/conspiracy, and two counts of securities fraud. A copy of the superseding indictment is attached hereto as Exhibit 1.

10. On March 23, 2011, a jury found Allmendinger guilty of three counts of mail fraud/conspiracy, three counts of money laundering/conspiracy, and one count of securities fraud. A copy of the verdict form is attached hereto as Exhibit 2.

11. Allmendinger's actions as set forth in Exhibit 1 and for which he was convicted in Exhibit 2 violated § 551.41(1), Wis. Stats., by employing a device, scheme or artifice to defraud in connection with the offer and sale of securities to persons in Wisconsin.

12. Allmendinger's actions as set forth in Exhibit 1 and for which he was convicted in Exhibit 2 violated § 551.41(2), Wis. Stats., by omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in connection with the offer and sale of securities to persons in Wisconsin.

13. Allmendinger's actions as set forth in Exhibit 1 and for which he was convicted in Exhibit 2 violated § 551.41(3), Wis. Stats., by engaging in an act, practice or course of business that operates or would operate as a fraud upon another person in connection with the offer and sale of securities to persons in Wisconsin.

Therefore, the staff of the Bureau of Enforcement petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.

Dated this 7th day of July, 2011.

Mark E. Dorman
Examiner

Leslie Van Buskirk
Attorney Supervisor

FILED
FEB - 1 2011
CLERK, U.S. DISTRICT COURT
RICHMOND, VA

IN THE UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF VIRGINIA

Richmond Division

	CRIMINAL NO. 3:10CR248
	Count 1 Mail Fraud Conspiracy (18 U.S.C. § 1349)
UNITED STATES OF AMERICA v. CHRISTIAN M. ALLMENDINGER, ADLEY H. ABDULWAHAB, and DAVID C. WHITE, Defendants.	Counts 2 – 7 Mail Fraud (18 U.S.C. § 1341)
	Count 8 Money Laundering Conspiracy (18 U.S.C. § 1956(h))
	Counts 9 – 14 Money Laundering (18 U.S.C. § 1956(a)(1)(A)(i))
	Counts 15 – 18 Securities Fraud (15 U.S.C. §§ 77q(a) and 77x)
	Forfeiture Notice (18 U.S.C. §§ 981, 982)

February 2011 Term – At Richmond

SUPERSEDING INDICTMENT

THE GRAND JURY CHARGES THAT:

At all times relevant to this Indictment, unless otherwise stated:

Exhibit 1

GENERAL ALLEGATIONS

The Conspirators

1. Defendant CHRISTIAN M. ALLMENDINGER was an individual residing in Houston, Texas who was a part owner of a number of businesses that acquired and marketed life settlements to investors. These businesses included, but were not limited to: A&O Resource Management, Ltd.; A&O Capital Management, LLC; Houston Tanglewood Partners, LLC; A&O Bonded Life Assets, LLC; A&O Bonded Life Assets Management, LLC; A&O Life Fund, LLC; A&O Life Fund Management, LLC; A&O Life Funds, LP; Life Fund 5.1, LLC; Life Fund 5.1 Management, LLC; Life Fund 5.2, LLC; Life Fund 5.2 Management, LLC; AB Revocable Living Fund, LLC; and AB Revocable Living Fund Management, LLC (collectively referred herein as "A&O"). ALLMENDINGER held the title of Vice-President of A&O and was active in the day-to-day management of the companies, as well as in the marketing of A&O life settlement investment products to investors.

2. Defendant ADLEY H. ABDULWAHAB was an individual residing in Spring, Texas, who owned and operated a company named CA Houston Investment Center ("HIC") that marketed A&O's life settlement investment products to investors. In addition, ABDULWAHAB eventually became a part owner of A&O and was active in the day-to-day management of the companies.

3. Defendant DAVID C. WHITE was an individual residing in Missouri City, Texas, who eventually became the President of A&O.

4. Brent P. Oncale was an individual residing in Houston, Texas, who was a part owner of A&O. Oncale held the title of Vice-President of A&O and was active in the day-to-day

management of the companies, as well as in the marketing of A&O life settlement investment products to investors.

5. Russell E. Mackert was an attorney residing in Spring, Texas, who performed legal services for A&O.

Background of Life Settlements

6. A life settlement is an investment in which a person, who is typically elderly or terminally ill, sells his life insurance policy for a cash payment, which is a percentage of the life insurance policy's face value or death benefit. The "face value" or "death benefit" is the amount of money paid by the insurance company when the insured dies. Life settlement companies typically purchase life insurance policies from insured individuals.

7. Once the insured sells an insurance policy, the insured is no longer responsible for paying the policy's premiums. To keep the policy in force, the life settlement company must ensure any premiums are paid. All premiums due prior to the death of the insured must be paid, in full and on a timely basis, to prevent additional cost or lapse.

8. A policy is said to have "matured" when the insured individual dies and the insurance company is required to pay the death benefit to the designated parties, that is, the "beneficiaries." But if an insurance policy lapses for any reason, such as failure to pay premiums, the policy's death benefit and any investment dependent on that benefit may be lost.

9. Life settlement companies often sell fractionalized interests in life insurance policies as investments to individual investors. In such sales, investors are buying the right to receive a portion of the death benefit when the insured dies. The sale of fractional interests

allows investors to invest smaller amounts of money, because each investor does not have to pay for the whole policy.

10. Investors who purchase life settlements only realize a profit if the total amount invested in the policy, including the purchase price and any additional premium costs, is less than the amount of the death benefit. A life settlement is not profitable if the expenses of acquiring and maintaining the policy (including the amount of premiums that are paid) are more than the amount of the death benefit paid when the insured dies. Typically, the longer an insured lives, the more expensive it is to maintain a life settlement.

11. The period of time that the insured is predicted to live is called the "life expectancy." In the purchase and sale of life settlements, the assessment of an insured's life expectancy is used to determine, among other things: (a) how much money needs to be set aside to pay future premiums; (b) when the investor can expect to receive a payout on his or her investment; and, (c) the amount of profit the investor can expect to receive.

12. The risk to the life settlement investor of the insured living past the calculated life expectancy – and thereby reducing the expected return on the investment – is often referred to in the industry as "maturity risk" or "longevity risk."

A&O's Bonded Life Settlements

13. Beginning in or about November of 2004, defendant ALLMENDINGER and Brent Oncale founded A&O as equal partners. A&O obtained life settlements from a wholesale life settlement company, and began marketing and selling whole and fractionalized interests in those life settlements to investors. The A&O investments were referred to as Bonded Life Settlements.

14. A&O initially marketed Bonded Life Settlements directly to investors, but also soon began using defendant ABDULWAHAB's marketing company, HIC, and independent sales agents to market the investments. Many of A&O's sales agents were insurance salesmen and not licensed to sell securities. A&O paid substantial commissions to HIC and to independent sales agents, usually 10% of every Bonded Life Settlement investment, to incentivize HIC and the sales agents to make sales.

15. A&O's Bonded Life Settlements were fixed maturity investments with a term of four to seven years, depending on the length of investment chosen by the individual investors.

16. A&O marketed the Bonded Life Settlements as providing a "guaranteed" minimum compounded annual rate of return, typically 10% or 12% depending on the amount of the initial investment, with the possibility of greater returns.

17. The primary distinction between A&O's Bonded Life Settlement investment and typical life settlements was A&O's claim that it could guarantee the investment against longevity risk by obtaining a reinsurance bond from a third-party reinsurer. A&O promised that if the insured lived beyond the investment term, then the reinsurance company would pay the agreed-to minimum rate of return and assume ownership of the underlying insurance policy (as well as assume the obligation to pay future premiums).

18. One of the primary risks of life settlement investments is the possibility that the underlying insurance policies will lapse due to failure to pay premiums. In that situation, the insurance company has no obligation to pay the death benefit when the insured dies. Because the reinsurance bonds obtained by A&O required that the underlying insurance policies be in full force and effect at the time of any claim on the bonds, the reinsurance company also would have

no obligation to pay if the policies lapsed due to non-payment of premiums. Consequently, A&O investors risked losing their entire investments if the underlying insurance policies lapsed for non-payment of premiums.

19. To assuage investors' potential concerns regarding the risk of the underlying insurance policies lapsing, A&O and its sales agents informed investors that A&O would use a portion of investor funds to pay all future premiums due on the underlying insurance policies for the entire length of the investment period. Specific representations to investors regarding how the future premiums would be paid varied over time, but included: (a) that the premiums would be paid "up front," *i.e.*, at the time of investors' initial investments; (b) that sufficient investor funds to cover future premiums would be maintained in an escrow account and paid over time; and, (c) that sufficient investor funds to cover future premiums would be maintained by A&O in a "premium reserve" bank account and paid over time. These representations were designed to lead investors to believe that A&O set aside sufficient investor funds to pay premiums to ensure that the underlying policies did not lapse, and that these funds were not commingled with A&O's general operating funds.

20. A&O provided sales agents with instruction on the Bonded Life Settlements and tips on how to market it to investors. In addition, A&O created a website and marketing materials for its sales agents to distribute to potential investors in an effort to generate sales. A&O's website and marketing materials not only explained A&O's Bonded Life Settlements, but also included specific representations regarding A&O's management and past success.

21. Examples of A&O's representations to investors in its website and marketing material included:

a. A&O's website in or about July of 2005 stated that A&O was a privately held corporation headquartered in Houston with offices in San Antonio, San Francisco, and Los Angeles.

b. A&O's website in or about July of 2005 stated that A&O had over 150 employees nationwide that included Certified Public Accountants, insurance and securities attorneys, financial advisors, investment bankers, and economists.

c. A&O's website in or about April of 2006 stated that A&O had a national staff of over 250 people that included Certified Public Accountants, insurance and securities attorneys, financial advisors, investment bankers, and economists.

d. A&O's website in or about April of 2006 stated that A&O's past efforts had enabled its clients to leverage $375 million into $800 million in less than five years with a compounded annual rate of return of 16.58%.

e. A&O's website and marketing literature in or about 2005 through 2007 contained a graphical flowchart of A&O's use of investor funds that depicted investor funds being deposited into an escrow account and then premium payments being made from the escrow account.

A&O's Capital Appreciation Bonds

22. In or about November of 2006, because ABDULWAHAB was responsible for a substantial portion of A&O's sales to investors, ALLMENDINGER and Oncale invited ABDULWAHAB to become an equal owner in A&O. ABDULWAHAB accepted the offer and ALLMENDINGER, ABDULWAHAB, and Oncale agreed that they would each share equally in the management and profits of A&O.

23. By the late fall of 2006, various state securities and insurance regulators began scrutinizing A&O's investment offerings and making enquiries to A&O's management regarding those offerings. Among other things, these regulators were concerned that A&O's offerings were unregistered securities.

24. In response, in part, to increasing regulatory scrutiny from state securities and insurance regulators, ALLMENDINGER, ABDULWAHAB, and Oncale agreed that A&O would establish hedge funds that would sell securities backed by life settlements to individual investors.

25. To assist it in establishing the hedge funds, A&O consulted with legal counsel – herein referred to as "Law Firm A" – to advise it regarding the sale of securities. At a meeting attended by ALLMENDINGER, ABDULWAHAB, and Oncale in or about November of 2006, Law Firm A informed A&O that due to the legal restrictions on the sale of these unregistered securities: (a) ABDULWAHAB, as a fund manager, could sell the securities to his pre-existing clients, but could not sell the securities to new clients; (b) ALLMENDINGER and Oncale could not sell the securities because they were not fund managers; and, (c) other than fund managers, the only other individuals authorized to sell A&O's securities would be registered representatives of broker-dealers with appropriate securities licenses.

26. Starting in or about January of 2007, A&O no longer offered the Bonded Life Settlements in which investors were assigned a fractionalized or whole ownership interest in a specific life insurance policy. Instead, A&O began offering investments referred to as Capital Appreciation Bonds.

27. A&O's Capital Appreciation Bonds were securities that were general obligations of the company and were securitized by a portfolio of life settlements. That is, unlike investors

in A&O's Bonded Life Settlements, investors in A&O's Capital Appreciation Bonds did not invest in one specific underlying life insurance policy but, instead, were promised a minimum rate of return backed by a pool of underlying life insurance policies.

28. A&O informed its independent sales agents, most of whom were not licensed to sell securities, that the agents were really selling the same investment because the Capital Appreciation Bonds had a fixed investment term with a guaranteed minimum rate of return, and the underlying pool of life insurance policies continued to have the additional security of reinsurance bonds from the third-party reinsurer.

29. A&O continued to pay its independent sales agents substantial commissions, usually 10% of every Capital Appreciation Bond investment, to incentivize the agents to sell its new investment product.

30. To facilitate the sales of its Capital Appreciation Bonds, A&O also continued creating marketing materials and providing them to its sales agents for distribution to potential investors. For example, in a sales insert entitled "A&O History," A&O claimed that it had offices in Houston, Chicago, Wilmington, Glendale, and Ft. Lauderdale, as well as an internal staff of 27 people. In that same insert, A&O claimed that its efforts had enabled its clients to leverage $579 million into $1.2 billion in less than five years.

31. In addition to the marketing material, A&O also gave its sales agents Private Offering Memoranda ("POM") to provide to investors that wanted to invest in A&O's Capital Appreciation Bonds. A&O's POM informed investors that 95% of investor funds received by A&O would be invested by A&O in purchasing and maintaining a portfolio of life settlements.

The "Sale" of A&O

32. By the summer of 2007, various state securities and insurance regulators increasingly scrutinized A&O investment offerings. A&O retained outside legal counsel – herein referred to as "Law Firm B" – to advise it regarding these state regulatory enquiries and to help A&O respond to them. As part of its legal representation of A&O, Law Firm B informed ALLMENDINGER, ABDULWAHAB, and Oncale that A&O could not continue to sell its securities through its independent sales agents who were not licensed to sell securities.

33. In or about August of 2007, motivated, in part, by their desire to avoid the increasing regulatory scrutiny of their individual involvement in the A&O investment offerings, ALLMENDINGINGER, ABDULWAHAB, and Oncale decided to sell A&O.

34. Unbeknownst to ALLMENDINGER, ABDULWAHAB and Oncale enlisted the assistance of attorney Russell E. Mackert, who had previously performed legal services for A&O, to create a sham sales transaction whereby A&O would be "sold" to an offshore entity named Blue Dymond Capital Group, LLC, ("Blue Dymond") located in Nevis.

35. Blue Dymond was secretly owned and controlled by ABDULWAHAB and Oncale. The effect of the sham sales transaction was twofold. First, it allowed ABDULWAHAB and Oncale to eliminate ALLMENDINGER as their partner in A&O. Second, it allowed ABDULWAHAB and Oncale to limit their individual exposure to the ongoing regulatory scrutiny as they could claim that they no longer owned A&O.

36. On or about August 31, 2007, ALLMENDINGER, ABDULWAHAB, and Oncale signed the sale agreement in which they agreed to sell A&O to Blue Dymond.

37. In consultation with ABDULWAHAB and Oncale, Mackert actively facilitated the sham sales transaction to Blue Dymond by: (a) finding and secretly purchasing the Nevis-based Blue Dymond, which was merely a shell corporate entity; (b) creating a fictional person named "RJ Stephenson" to serve as Blue Dymond's purported representative; (c) having someone sign "RJ Stephenson's" signature on behalf of Blue Dymond on the sales contract; (d) allowing ABDULWAHAB and Oncale to secretly deposit funds into Mackert's trust account; (e) using those funds to pay ALLMENDINGER his portion of the sales price; and, (f) hiring an acquaintance to pretend to perform due diligence on behalf of Blue Dymond for the sham sale transaction.

38. Soon after the sham sales transaction to Blue Dymond, ABDULWAHAB, Oncale and Mackert created another shell company to "purchase" Blue Dymond. Mackert set up a second Nevis-based shell corporate entity named Physician's Trust, LLC ("Physician's Trust"), which purportedly acquired A&O.

39. Like Blue Dymond, Physician's Trust also was secretly owned and controlled by ABDULWAHAB and Oncale. The effect of this second sham transaction – for which no sale contract was actually executed – was that ABDULWAHAB and Oncale were further hidden from regulatory scrutiny.

40. In or about September of 2007, ABDULWAHAB and Oncale, on behalf of Physician's Trust, hired yet another law firm – herein referred to as "Law Firm C" – to provide legal advice regarding the enquiries A&O had received from various state regulators.

41. In or about September of 2007, ABDULWAHAB and Oncale, despite purporting to have no ownership role in A&O, arranged for defendant WHITE to become the "figurehead"

President of A&O. WHITE was portrayed to regulators, Law Firm C, and others as having responsibility for the management of A&O. In actuality, ABDULWAHAB and Oncale continued to manage and control A&O with Mackert's guidance and advice.

42. In or about September of 2007, ABDULWAHAB, Oncale, and WHITE met with attorneys from Law Firm C to discuss state regulatory enquiries of A&O's investment offerings. At the meeting, the attorneys informed ABDULWAHAB, Oncale, and WHITE that A&O was legally prohibited from continuing to sell unregistered securities. In addition, the attorneys told ABDULWAHAB, Oncale, and WHITE that there was the potential for individual civil and criminal liability if A&O ignored Law Firm C's legal advice. WHITE subsequently led Law Firm C to believe that A&O had heeded the legal advice and had ceased its investment sales.

43. In the fall of 2007, Law Firm C responded to various state regulatory enquiries into A&O's investment offerings. Among the regulators' concerns were: (a) the fact that ABDULWAHAB had pleaded guilty to felony forgery in 2004, which had not been disclosed to A&O's investors; (b) the regulators' inability to determine who currently owned and operated A&O; and, (c) questions regarding A&O's ability to continue to make premium payments on the underlying insurance policies so that the policies did not lapse.

44. In response to the regulators' concerns and based on information provided by ABDULWAHAB, Oncale, and WHITE, Law Firm C told regulators that: (a) ABDULWAHAB was no longer an owner or manager of A&O; (b) ABDULWAHAB, ALLMENDINGER, and Oncale ceased having ownership and control of A&O at the time of the sale of A&O to Physician's Trust; (c) A&O had sufficient funds in premium reserve bank accounts to pay the

premium payments on the underlying insurance policies for the term of the investments; and, (d) A&O had ceased its sales of investment products.

45. A&O stopped accepting investor funds in or about January of 2008.

46. Despite Law Firm C's assurances, state regulators continued to investigate A&O's investment offerings. In or about February of 2008, WHITE was interviewed by state securities regulators regarding A&O. In response to questions regarding the adequacy of A&O's funds to pay premiums and the current ownership of A&O, WHITE stated that: (a) A&O had more than sufficient funds to pay premiums in its premium reserve accounts; (b) RJ Stephenson was the principal of Physician's Trust, which owned A&O; and, (c) WHITE had personally spoken with RJ Stephenson on the phone.

47. Following WHITE's meeting with regulators, A&O transferred approximately $4.6 million into third-party escrow accounts. This money was purportedly for the payment of premiums on the underlying insurance policies to ensure that the policies did not lapse. Soon thereafter, WHITE's role as the "figurehead" President of A&O ended.

48. In or about March of 2008, a company owned and controlled by Russell Mackert entered into a management agreement with Physician's Trust. In that agreement, Mackert agreed to monitor the premium payments on the underlying insurance agreements for A&O and to work with an auditing firm to deliver an audit letter to investors each year. The management agreement was purportedly signed by RJ Stephenson on behalf of Physician's Trust.

49. Mackert subsequently hired an accounting firm to prepare audit letters that were sent to investors. Mackert informed the accounting firm that: (a) there were sufficient funds in the escrow accounts to pay all future premium payments for the duration of the investments; (b)

the escrow funds were deposited with the escrow agent as part of the sale of A&O; (c) the current owners asked the prior owners to determine the necessary amount to pay all of the required premium payments in the future; and, (d) this determination was the basis for the amount of funds deposited into escrow.

50. In or about June of 2008 through in or about December of 2008, pursuant to Mackert's management agreement, the accounting firm prepared letters containing Mackert's representations regarding the sufficiency and genesis of the escrow accounts. The letters subsequently were mailed to investors. The purpose of these letters was to reassure investors about the safety and security of their investments in A&O's products.

51. Despite A&O's representations to investors regarding the safety of its investment offerings, on or about September 2, 2009, due to A&O's inability to pay premiums on the underlying life insurance products, Mackert placed the majority of A&O into Chapter 11 bankruptcy.

52. Due to A&O's marketing efforts, and the representations contained in its marketing materials and made by its independent sales agents, A&O obtained approximately $100 million in investor funds from more than 800 investors, many of whom were elderly. These investors were located in approximately 37 different states, including in the Eastern District of Virginia, and in Canada.

COUNT ONE

(Conspiracy to Commit Mail Fraud)

THE CONSPIRACY

53. The allegations set forth in paragraphs 1 through 52 of this Indictment are realleged and incorporated as though set forth in full herein.

54. From in or about November of 2004 through the present, within the Eastern District of Virginia and elsewhere, defendants

CHRISTIAN M. ALLMENDINGER,
ADLEY H. ABDULWAHAB, and
DAVID C. WHITE

did unlawfully and knowingly combine, conspire, confederate, and agree with each other and others, both known and unknown, to commit an offense against the United States, namely having devised and intending to devise a scheme and artifice to defraud and to obtain money and property by means of material false and fraudulent pretenses, representations, and promises, did knowingly: (a) place and cause to be placed in any post office and authorized depository for mail matter, any matter and thing whatever to be sent and delivered by the Postal Service; (b) deposit and cause to be deposited any matter and thing whatever to be sent and delivered by any private and interstate commercial carrier; and, (c) cause to be delivered by mail and private and interstate commercial carrier any matter and thing whatever according to the direction thereon, in violation of Title 18, United States Code, Section 1341.

PURPOSE

55. A purpose of the conspiracy was to mislead investors regarding A&O's safekeeping and use of investor funds and the risks of A&O's investment offerings, in order to obtain investor funds so that the conspirators could personally profit.

MANNER AND MEANS

56. ALLMENDINGER, ABDULWAHAB, WHITE, and their co-conspirators made, and caused to be made, numerous material misrepresentations and omissions designed to mislead investors regarding A&O, the risks of A&O's investment offerings, and A&O's safekeeping and use of investor funds.

57. Based on material misrepresentations and omissions by ALLMENDINGER, ABDULWAHAB, and their co-conspirators, A&O's investors were led to believe that A&O had a proven track record of investment success in life settlements. For example, while A&O was offering Bonded Life Settlements, investors were told that A&O's past efforts had enabled its clients to leverage $375 million into $800 million in less than five years with a compounded annual rate of return of 16.58%. In addition, while A&O was offering Capital Appreciation Bonds, investors were told that A&O's past efforts had enabled its clients to leverage $579 million into $1.2 billion in less than five years. In truth and fact, virtually none of A&O's investors made any money on their A&O life settlement investments because only one relatively small underlying life insurance policy matured during A&O's investment offerings.

58. Based on material misrepresentations and omissions by ALLMENDINGER, ABDULWAHAB, and their co-conspirators, A&O's investors were led to believe that A&O was a large investment company that had office locations in multiple states. For example, in A&O's

sales insert entitled "A&O History," A&O claimed that it had offices in Houston, Chicago, Wilmington, Glendale, and Ft. Lauderdale. In truth and fact, A&O only had one office location, which was in Houston, Texas.

59. Based on material misrepresentations and omissions by ALLMENDINGER, ABDULWAHAB, and their co-conspirators, A&O's investors were led to believe that A&O had a large staff of professionals. For example, A&O claimed on its website at various times that it had over 150 employees nationwide, including certified public accountants, insurance and securities attorneys, financial advisors, investment bankers, and economists. In truth and fact, A&O never had more than four employees, and these employees provided secretarial and administrative support, rather than professional services.

60. Based on material misrepresentations and omissions by ALLMENDINGER, ABDULWAHAB, WHITE, and their co-conspirators, A&O's investors were led to believe that their money would be deposited into escrow accounts that would be utilized for the purchase of life settlements, the purchase of reinsurance bonds, and the payment of future premiums due for the underlying life insurance policies. In truth and fact, the escrow accounts were almost never utilized for any of these purposes and had no practical business purpose other than to reassure A&O's investors about the safety and legitimacy of their investments. The escrow accounts were merely pass-throughs; almost all A&O investor funds ultimately were commingled in A&O's bank accounts, over which ALLMENDINGER, ABDULWAHAB, WHITE, and other co-conspirators had control.

61. Based on material misrepresentations and omissions by ALLMENDINGER, ABDULWAHAB, WHITE, and their co-conspirators, A&O's investors were led to believe that a

portion of their investment would be set aside and used to pay all future premiums due for the underlying insurance policies for the term of their investments either up-front, from an escrow account, or from a premium reserve account. In truth and fact, A&O did not pay premiums up-front and did not set aside a portion of investor funds to pay the necessary future premiums. Instead, A&O commingled investor monies with its general operating funds, and ALLMENDINGER, ABDULWAHAB, and their co-conspirators routinely used these funds for their personal enrichment. The conspirators' personal use of investor funds resulted in A&O using new A&O investor monies to pay premiums associated with life settlements pledged to earlier A&O investors.

62. Based on material misrepresentations and omissions by ALLMENDINGER, ABDULWAHAB, and their co-conspirators, A&O's investors were led to believe that A&O's investment offerings were guaranteed or had little to no risk. For example, in an A&O recorded sales presentation, when asked whether there was any way that an A&O client could lose money, ALLMENDINGER and another co-conspirator stated that the main risk of the A&O investment was that the A+ rated life insurance company that issued the insurance policy would default. In truth and fact, due to the conspirators' personal use of investor funds, one of the primary risks of the A&O investments was that the underlying life insurance policies would lapse for non-payment of premiums.

63. Based on material misrepresentations and omissions by ALLMENDINGER, ABDULWAHAB, WHITE, and their co-conspirators contained in A&O's POM, investors in A&O's Capital Appreciation Bonds were led to believe that 95% of investor funds received by A&O would be invested by A&O in purchasing and maintaining a portfolio of life settlements.

In truth and fact, it was impossible for A&O to invest 95% of investor funds as described in the POM because ALLMENDINGER, ABDULWAHAB, WHITE, and their co-conspirators were paying sales agents commissions of approximately 10% for every sale. In addition, ALLMENDINGER, ABDULWAHAB, WHITE, and their co-conspirators failed to inform A&O Capital Appreciation Bond investors that the majority of investor money was used by the conspirators for purposes wholly unrelated to purchasing and maintaining portfolios of life settlements.

64. Based on material misrepresentations and omissions by ABDULWAHAB and WHITE, investors in A&O's Capital Appreciation Bonds were never informed that ABDULWAHAB, who was the fund manager for each of the A&O-related hedge funds issuing the Capital Appreciation Bonds, had been charged with and pleaded guilty to forgery of a commercial interest in Texas in 2004.

65. In addition to the above described material misrepresentations and omissions to investors during A&O's investment offerings, part of the manner and means of the conspirators' scheme to defraud consisted of lulling investors after A&O had ceased selling its investment offerings to avoid detection of the scheme.

66. Based on material misrepresentations and omissions by Mackert – with ABDULWAHAB's knowledge and approval – investors were led to believe that funds sufficient to pay all future premiums for the term of their investment had been placed in escrow as part of the sale of A&O. In truth and fact, A&O did not place funds into escrow at the time of the sham sales transaction and only did so six months after the sale in response to pressure from regulators.

67. Based on material misrepresentations and omissions by ABDULWAHAB, WHITE, and other conspirators, investors were led to believe that the sale of A&O had resulted in ABDULWAHAB and Oncale no longer having ownership or control over A&O. In truth and fact, ABDULWAHAB and Oncale continued to own and operate A&O after the sham sales transaction.

68. In addition to the above described material misrepresentations and omissions to investors, part of the manner and means of the conspirators' scheme to defraud consisted of misleading A&O's outside counsel and state regulators regarding A&O's investment offerings in order to continue taking in new investor monies and to avoid detection of the scheme.

69. Based on material misrepresentations and omissions by ABDULWAHAB, Law Firm A was led to believe that ABDULWAHAB had never been charged with a felony or misdemeanor involving fraud, wrongful taking of property, or forgery. In truth and fact, ABDULWAHAB had been charged with and pleaded guilty to forgery of a commercial interest in Texas in 2004.

70. Based on material misrepresentations and omissions by ABDULWAHAB, Law Firm A was led to believe that A&O was not paying commissions for sales of Capital Appreciation Bonds to individuals who lacked the appropriate licenses to sell securities. In truth and fact, A&O routinely paid sales agents, who lacked the appropriate licenses, commissions to sell A&O's Capital Appreciation Bonds. In addition, A&O misled these sales agents by telling them that they did not need licenses to sell Capital Appreciation Bonds.

71. Based on material misrepresentations and omissions by ALLMENDINGER, Law Firm B was led to believe that only individuals with the appropriate licenses to sell securities

were selling A&O's Capital Appreciation Bonds. In truth and fact, A&O routinely used sales agents that lacked the appropriate licenses to sell A&O's Capital Appreciation Bonds.

72. Based on material misrepresentations and omissions by ALLMENDINGER, Law Firm B was led to believe that premiums for the underlying life insurance policies were either paid up-front or were paid from a designated premium reserve account for the term of the investment. In truth and fact, A&O commingled investor monies with its general operating funds, and ALLMENDINGER, ABDULWAHAB, and their co-conspirators routinely utilized these funds for their personal enrichment.

73. Based on material misrepresentations and omissions contained in an affidavit filed by ABDULWAHAB, state securities regulators were led to believe that A&O sold its investments either through ABDULWAHAB's personal contacts or through individuals with the appropriate licenses, and that A&O did not pay commissions to non-licensed sales representatives for the sale of its securities offerings. In truth and fact, A&O routinely paid sales agents, who lacked the appropriate licenses, commissions to sell A&O's Capital Appreciation Bonds.

74. Based on material misrepresentations and omissions by ABDULWAHAB, WHITE, and other conspirators, Law Firm C and state regulators were led to believe that ABDULWAHAB and Oncale had no ownership or management role in A&O after the "sale" of A&O to Blue Dymond and Physician's Trust. In truth and fact, ABDULWAHAB and Oncale continued to own and operate A&O after the sham sales transaction.

75. Based on material misrepresentations and omissions by WHITE and other conspirators, Law Firm C and state regulators were led to believe that A&O had stopped its life

settlement investment offerings in or about October, 2007. In truth and fact, A&O continued taking in millions of dollars of new investor monies until in or about January, 2008.

76. As part of the scheme to defraud, A&O routinely used United States mail and private mail carriers to send marketing materials, investment documentation, POMs, correspondence with state regulators, and sales commission checks. A&O also routinely caused mailings through United States mail and private mail carriers, including investment policies and investor checks. Many of these mailings came to or from the Eastern District of Virginia.

(All in violation of Title 18, United States Code, Section 1349.)

COUNTS TWO THROUGH SEVEN

(Mail Fraud)

77. The allegations contained in paragraphs 1 through 52, and 55 through 76 of this Indictment are realleged and incorporated as though set forth in full herein.

78. On or about the respective dates shown below, each such date constituting a separate count of this Indictment, within the Eastern District of Virginia and elsewhere, the defendants listed below, and others, for the purposes of executing the scheme and artifice to defraud described above and to obtain money and property by means of material false and fraudulent pretenses, representations, and promises, did knowingly: (a) place and cause to be placed in any post office and authorized depository for mail matter, any matter and thing whatever to be sent and delivered by the Postal Service; (b) deposit and cause to be deposited any matter and thing whatever to be sent and delivered by any private and interstate commercial carrier; and, (c) cause to be delivered by mail and private and interstate commercial carrier any matter and thing whatever according to the direction thereon, the following:

Count	Defendant(s)	Date	Mailing
2	CHRISTIAN M. ALLMENDINGER and ADLEY H. ABDULWAHAB	6/21/06	A package containing the Bonded Life Settlement contract for investor C.C., to be delivered, via Federal Express, from A&O's office in Houston, Texas, to sales agent T.B. in Richmond, Virginia.
3	CHRISTIAN M. ALLMENDINGER and ADLEY H. ABDULWAHAB	6/22/07	A package containing a signed copy of an A&O Capital Appreciation Bond, with a bond maturity amount of $1,057,405, to be delivered, via Federal Express, from A&O's office in Houston, Texas, to sales agent T.B. for investor F.S. in Richmond, Virginia.

4	CHRISTIAN M. ALLMENDINGER and ADLEY H. ABDULWAHAB	7/17/07	A package containing a signed copy of an A&O Capital Appreciation Bond certificate, with a bond maturity amount of $55,878, to be delivered, via Federal Express, from A&O's office in Houston, Texas, to investor R.J. in Richmond, Virginia.
5	ADLEY H. ABDULWAHAB and DAVID C. WHITE	11/23/07	A package containing an investor check – in the amount of $115,000 from investors J.B. and B.B. – to be delivered, via Federal Express, from sales agent T.B. in Richmond, Virginia, to A&O's office in Houston, Texas.
6	ADLEY H. ABDULWAHAB and DAVID C. WHITE	12/07/07	A package containing copies of two checks – in the amounts of $157,104 and $89,314 – for the benefit of investor M.S. to be delivered, via Federal Express, from sales agent T.B. in Richmond, Virginia, to A&O's office in Houston, Texas.
7	ADLEY H. ABDULWAHAB	12/10/08	A package containing a letter from A&O's accounting firm, to be delivered, via United States Postal Service, from Houston, Texas, to investor R.W. in Richmond, Virginia.

(All in violation of Title 18, United States Code, Sections 1341 and 2.)

COUNT EIGHT

(Conspiracy to Commit Money Laundering)

79. The allegations contained in paragraphs 1 through 52, and 55 through 76 of this Indictment are realleged and incorporated as though set forth in full herein.

80. From in or about November of 2004 through the present, within the Eastern District of Virginia and elsewhere, defendants

CHRISTIAN M. ALLMENDINGER,
ADLEY H. ABDULWAHAB, and
DAVID C. WHITE

and others, did unlawfully and knowingly combine, conspire, confederate, and agree with each other and others, both known and unknown, to commit an offense against the United States, namely to knowingly conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, which involved the proceeds of specified unlawful activity, that is mail fraud, in violation of 18 U.S.C. § 1341, with the intent to promote the carrying on of specified unlawful activity, that is mail fraud, in violation of 18 U.S.C. § 1341, and that while conducting and attempting to conduct such financial transactions knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i).

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

COUNTS NINE THROUGH FOURTEEN

(Money Laundering)

81. The allegations contained in paragraphs 1 through 52, and 55 through 76 of this Indictment are realleged and incorporated as though set forth in full herein.

82. On or about the respective dates shown below, each such date constituting a separate count of this Indictment, within the Eastern District of Virginia and elsewhere, the defendants listed below, and others, did knowingly conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, which involved the proceeds of specified unlawful activity, that is mail fraud, in violation of 18 U.S.C. § 1341, with the intent to promote the carrying on of specified unlawful activity, that is, mail fraud, in violation of 18 U.S.C. § 1341, and that while conducting and attempting to conduct such financial transactions knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity.

Count	Defendants	Date	Description
9	CHRISTIAN M. ALLMENDINGER and ADLEY H. ABDULWAHAB	11/28/06	Transfer of approximately $21,331, via check drawn on HIC's Wells Fargo bank account No. ####9506, to sales agent T.B. in Richmond, Virginia, as a commission payment for the sale of an A&O Bonded Life Settlement to an investor.
10	CHRISTIAN M. ALLMENDINGER and ADLEY H. ABDULWAHAB	1/26/07	Transfer of approximately $250, via check drawn on A&O's Wells Fargo bank account No. ####2369, to the Virginia Division of Securities in Richmond, Virginia as a filing fee payment related to the sale of A&O's Capital Appreciation Bonds in Virginia.

11	CHRISTIAN M. ALLMENDINGER and ADLEY H. ABDULWAHAB	7/2/07	Transfer of approximately $48,000, via check drawn on HIC's Wells Fargo bank account No. ####9506, to sales agent T.B. in Richmond, Virginia, as a commission payment for the sale of an A&O Capital Appreciation Bond to an investor.
12	ADLEY H. ABDULWAHAB and DAVID C. WHITE	11/15/07	Transfer of approximately $30,734, via check drawn on A&O's Wells Fargo bank account No. ####2369, to sales agent T.B. in Richmond, Virginia, as a commission payment for the sale of an A&O Capital Appreciation Bond to an investor.
13	ADLEY H. ABDULWAHAB and DAVID C. WHITE	12/17/07	Transfer of approximately $22,469, via check drawn on A&O's Wells Fargo bank account No. ####2369, to sales agent T.B. in Richmond, Virginia, as a commission payment for the sale of an A&O Capital Appreciation Bond to an investor.
14	ADLEY H. ABDULWAHAB and DAVID C. WHITE	12/31/07	Transfer of approximately $43,969, via check drawn on A&O's Wells Fargo bank account No. ####2369, to sales agent T.B. in Richmond, Virginia, as a commission payment for the sale of an A&O Capital Appreciation Bond to an investor.

(All in violation of Title 18, United States Code, Sections 1956(a)(1)(A)(i) and 2.)

COUNTS FIFTEEN THROUGH EIGHTEEN

(Securities Fraud)

83. The allegations contained in paragraphs 1 through 52, and 55 through 76 of this Indictment are realleged and incorporated as though set forth in full herein.

84. On or about the respective dates shown below, each such date constituting a separate count of this Indictment, within the Eastern District of Virginia and elsewhere, the defendants listed below, and others, willfully and knowingly, in the offer and sale of securities, that is investments in A&O's Capital Appreciation Bonds, by the use of the means and instruments of transportation and communication in interstate commerce and by the use of the mails, directly and indirectly: (a) employed a device, scheme, and artifice to defraud; (b) obtained money by means of untrue statements of material fact and omissions to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and, (c) engaged in transactions, practices, and courses of business which operated as a fraud and deceit upon investors.

Count	Defendant(s)	Date	Mailing
15	CHRISTIAN M. ALLMENDINGER and ADLEY H. ABDULWAHAB	6/22/07	A package containing a signed copy of an A&O Capital Appreciation Bond, with a bond maturity amount of $1,057,405, to be delivered, via Federal Express, from A&O's office in Houston, Texas, to sales agent T.B. for investor F.S. in Richmond, Virginia.

16	CHRISTIAN M. ALLMENDINGER and ADLEY H. ABDULWAHAB	7/17/07	A package containing a signed copy of an A&O Capital Appreciation Bond certificate, with a bond maturity amount of $55,878, to be delivered, via Federal Express, from A&O's office in Houston, Texas, to investor R.J. in Richmond, Virginia.
17	ADLEY H. ABDULWAHAB and DAVID C. WHITE	11/23/07	A package containing an investor check – in the amount of $115,000 from investors J.B. and B.B. – to be delivered, via Federal Express, from sales agent T.B. in Richmond, Virginia, to A&O's office in Houston, Texas.
18	ADLEY H. ABDULWAHAB and DAVID C. WHITE	12/07/07	A package containing copies of two checks – in the amounts of $157,104 and $89,314 – for the benefit of investor M.S. to be delivered, via Federal Express, from sales agent T.B. in Richmond, Virginia, to A&O's office in Houston, Texas.

(All in violation of Title 15, United States Code, Sections 77q(a) and 77x and Title 18, United States Code, Section 2.)

FORFEITURE ALLEGATION

85. Pursuant to Federal Rule of Criminal Procedure 32.2, the defendants are advised that upon conviction of any of the offenses charged in Counts One through Seven and Fifteen through Eighteen of this indictment, they shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to the violation charged. Upon conviction of the offenses charged in Counts Eight through Fourteen of this indictment, defendants shall forfeit any property, real or personal, involved in such offenses, or any property traceable to such property. Property subject to forfeiture includes, but it not limited to, the following:

The sum of not less than $103 million which represents the proceeds of investor funds fraudulently obtained by the defendants during their scheme to defraud outlined above.

The following specific assets which constitute proceeds of the offenses charged herein and property traceable thereto as well as property involved in or traceable to the money laundering offenses outline above, including but not limited to:

Real Property

Real Property and Improvements known as 209 Glenwood Drive, Houston, Texas 77007-7012, titled in the name of Christian Allmendinger;

Real Property and Improvements known as 3007 E Lake Falls Circle, Spring, Texas 77386-2905, titled in the name of Adley Abdulwahab;

Vehicles:

2006 Lamborghini Gallardo Spyder, VIN ZHWGU22T26LA03893 (Christian Allmendinger);

2008 Porsche Cayenne SUV, VIN WP1AC29PX8LA83016 (Christian Allmendinger);

2008 Bentley Flying Spur, VIN SCBBR93W98C055840 (Christian Allmendinger);

2006 Ford F150 Crew Pickup, VIN 1FTPW12506FB42088, titled in the name of Diana

Dalberg (Christian Allmendinger);

2003 Lexus SC Convertible, VIN JTHFN48Y130048025 (Christian Allmendinger);

2004 BMW 325i Sedan, VIN WBAEV33424KR31551 (Christian Allmendinger);

2001 Volkswagen Jetta, VIN 3VWTG69M21M218874 (Christian Allmendinger);

2004 Buick Rendezvous, VIN 3G5DA03E24S538257 (Adley Abdulwahab);

2004 Chevrolet Trailblazer, VIN 1GNDS13S642210649 (Adley Abdulwahab);

Jewelry:

Ulysse Nardin Maxi Marine 42 MM diameter men's watch with a rose gold colored body (GTS 18KRG Maxi GMT 42MM) (Christian Allmendinger);

5.16 Carat Round Diamond with Ring (5.16 CT RD 1 SI/LDS Eng Ring) (Christian Allmendinger);

Cartier Pasha white gold watch with diamonds on 42 MM watch face, silver in color (GTS 18KWG Pasha 42 MM, Sil) (Christian Allmendinger);

Platinum Princess Cut Diamond Ear Rings (PLT Pr Ear FVS2 ES12) (Christian Allmendinger);

Chopard men's sports watch with black face and black strap (GTS SS Mille Miglia, Blk) (Christian Allmendinger);

Chopard men's cufflinks (GTS SS Cufflinks Mille) (Christian Allmendinger);

15.01 Carats FLY/VS2 Micro Set Surrounding Shank (Christian Allmendinger);

Chimento 18 carat rose gold ladies ring with white cachalong stone in the middle (18KRG W. Cachalong Ring) (Christian Allmendinger);

Chimento 18 carat rose gold necklace with diamonds and cachalong stone (18KRG W. Cachalong Necklace) (Christian Allmendinger);

Men's stainless steel yellow gold watch (GTS SS/YG Ballon Bl.LR) (Christian Allmendinger);

2.42 Carat Round Diamond Earrings (2.42 CT Rd Dia Earrings) (Adley Abdulwahab);

Rolex Yacht Masters Stainless Steel Watch (Mans Yacht Master SS LDS) (Adley Abdulwahab);

Bank Accounts:

AIG Private Client, ID#6101, #0004042596-101, in the name of Chris Allmendinger;

Encore, ID#5177, #00-22005177, in the name of Allmendinger 2007 Family Trusts Agreement;

Encore, ID#1043, #00-20371043, in the name of Christian M. & Karen Charise Allmendinger;

Encore, ID#1616, #02-02001616, in the name of Christian M. Allmendinger;

Encore, ID#2687, #00-22002687, in the name of Christian M. Allmendinger;

JP Morgan Chase, ID#8368, #8851808368, in the name of Christian M. Allmendinger;

JP Morgan Chase, ID#5911, #2902285911, in the name of Wert Realty Holdings;

JP Morgan Chase, ID#7478, #709287478, in the name of Wert Realty Holdings;

Morgan Stanley, ID#8963, #371-038963, in the name of Chris Allmendinger;

Regions Bank, ID#7306, #0083917306, in the name of Chris M. Allmendinger;

Wells Fargo, ID#6927, #734-4496927, in the name of Alexandar T. Abdulwahab by Adley H. Abdulwahab;

Wells Fargo, ID#9167, #963-6789167, in the name of Christian M. Allmendinger;

Wells Fargo, ID#6828, #734-4496828, in the name of Jordan Abdulwahab by Adley Abdulwahab;

Miscellaneous Items:

8' Marquette with Marquette Bar with Accessories (Pool Table) (Christian Allmendinger); and

Steinway 5'10" Grand Piano with Bench (Christian Allmendinger).

86. If property subject to forfeiture meets the requirements of 21 U.S.C. §853(p), the government will seek an order forfeiting substitute assets.

(In accordance with Title 18, United States Code, Sections 981(a)(1)(C), 982(a) and Title United States Code Section 2461(c).)

A TRUE BILL

FOREPERSON

NEIL H. MACBRIDE
UNITED STATES ATTORNEY

By: Jessica D. Brumberg
Michael Dry
Jessica Brumberg
Assistant United States Attorneys
Eastern District of Virginia

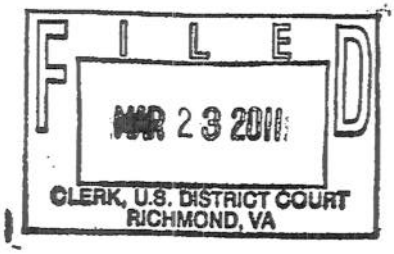
DENIS J. MCINERNEY
CHIEF, FRAUD SECTION

By: for Albert Stieglitz
Trial Attorney, Fraud Section
Department of Justice

IN THE UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF VIRGINIA

Richmond Division



UNITED STATES OF AMERICA	)	
	)	
v.	)	Criminal No. 3:10CR248
	)	
CHRISTIAN M. ALLMENDINGER,	)	
	)	
Defendant.	)	

VERDICT FORM

COUNT ONE
(Mail Fraud Conspiracy)

We, the jury, unanimously find the defendant, CHRISTIAN M. ALLMENDINGER,

Guilty as charged in Count One of the Superseding Indictment.
(Not Guilty or Guilty)

COUNT TWO
(Mail Fraud)

We, the jury, unanimously find the defendant, CHRISTIAN M. ALLMENDINGER

Guilty as charged in Count Two of the Superseding Indictment.
(Not Guilty or Guilty)

COUNT THREE
(Mail Fraud)

We, the jury, unanimously find the defendant, CHRISTIAN M. ALLMENDINGER

Guilty as charged in Count Three of the Superseding Indictment.
(Not Guilty or Guilty)

Allmendinger Exhibit 2

COUNT EIGHT
(Conspiracy to Commit Money Laundering)

We, the jury, unanimously find the defendant, CHRISTIAN M. ALLMENDINGER,

Guilty as charged in Count Eight of the Superseding *Indictment.*
(Not Guilty or Guilty)

COUNT NINE
(Money Laundering)

We, the jury, unanimously find the defendant, CHRISTIAN M. ALLMENDINGER,

Guilty as charged in Count Nine of the Superseding Indictment.
(Not Guilty or Guilty)

COUNT ELEVEN
(Money Laundering)

We, the jury, unanimously find the defendant, CHRISTIAN M. ALLMENDINGER,

Guilty as charged in Count Eleven of the Superseding Indictment.
(Not Guilty or Guilty)

COUNT FIFTEEN
(Securities Fraud)

We, the jury, unanimously find the defendant, CHRISTIAN M. ALLMENDINGER,

Guilty as charged in Count Fifteen of the Superseding Indictment.
(Not Guilty or Guilty)

So Say We All, this 23 day of March, 2011.

FOREPERSON

WILLIAM F. GEIER