STATE OF FLORIDA

OFFICE OF THE GOVERNOR
EXECUTIVE ORDER NUMBER 18-156

(Executive Order of Suspension)

WHEREAS, Reginald Brown is presently serving as a member of the City Council of the City of Jacksonville, Florida; and

WHEREAS, on May 23, 2018, the United States Attorney for the Middle District of Florida charged Reginald Brown by indictment with Conspiracy to Commit Mail and Wire Fraud in violation of 18 U.S.C. § 1349, multiple counts of Aiding and Abetting Mail Fraud in violation of 18 U.S.C. §§ 1341, 1342, multiple counts of Aiding and Abetting Wire Fraud in violation of 18 U.S.C. §§ 1343, 1342, and multiple counts of Illegal Monetary Transactions in violation of 18 U.S.C. §§ 1957, 1952; and

WHEREAS, violations of the statutory sections enumerated above constitute felonies under the laws of the United States; and

WHEREAS, on May 23, 2018, the United States Attorney for the Middle District of Florida charged Reginald Brown by indictment with the additional charge of Failure to File Form 1040 Return in violation of 26 U.S.C. § 7203, which constitutes a misdemeanor under the laws of the United States; and

WHEREAS, Article IV, section 7(c) of the Florida Constitution provides that the Governor may suspend from office any elected municipal officer who is indicted for a crime; and

WHEREAS, section 112.51(2), Florida Statutes, provides that the Governor may suspend from office any elected municipal officer who is indicted for the commission of a federal felony or misdemeanor; and

WHEREAS, it is in the best interests of the residents of the City of Jacksonville, and the citizens of the State of Florida, that Reginald Brown be immediately suspended from the public office which he now holds, upon the grounds set forth in this executive order;

NOW, THEREFORE, I, RICK SCOTT, Governor of Florida, pursuant to Article IV, section 7 of the Florida Constitution and section 112.51, Florida Statutes, find as follows:

A. Reginald Brown is, and at all times material was, a member of City Council of the City of Jacksonville, Florida.

B. The office of City Council of the City of Jacksonville, Florida, is within the purview of the suspension powers of the Governor, pursuant to Article IV, section 7(c) of the Florida Constitution and section 112.51, Florida Statutes.

C. The attached indictment, which is incorporated as if fully set forth in this Executive Order, alleges that Reginald Brown committed felonies under the laws of the United States.

BEING FULLY ADVISED in the premises, and in accordance with the Constitution and the laws of the State of Florida, this Executive Order is issued, effective today:

Section 1. Reginald Brown is suspended from the public office, which he now holds, to wit: member of the City Commission of the City of Jacksonville.

Section 2. Reginald Brown is prohibited from performing any official act, duty, or function of public office; from receiving any pay or allowance; and from being entitled to any of the emoluments or privileges of public office during the period of this suspension, which period shall be from today, until a further Executive Order is issued, or as otherwise provided by law.

IN TESTIMONY WHEREOF, I have hereunto set my hand and have caused the Great Seal of the State of Florida to be affixed at Tallahassee, this 1st day of June, 2018.

RICK SCOTT, GOVERNOR

ATTEST:

SECRETARY OF STATE

FILED
2018 JUN -1 PM 4:35
DEPARTMENT OF STATE
TALLAHASSEE, FLORIDA

FILED

2018 MAY 23 PM 3:39
CLERK, US DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DISTRICT

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

UNITED STATES OF AMERICA

v.

KATRINA BROWN
REGINALD BROWN

Case No.	3:18-cr-89-J-34JRK
Ct. 1:	18 U.S.C. § 1349
Cts. 2-14:	18 U.S.C. §§ 1341 & 2
Cts. 15-27:	18 U.S.C. §§ 1343 & 2
Cts. 28-33:	18 U.S.C. §§ 1957 & 2
Cts. 34 & 35:	18 U.S.C. § 1349 & 1344
Cts. 36 & 37:	18 U.S.C. § 1014
Ct. 38:	26 U.S.C. § 7203

INDICTMENT

The Grand Jury charges:

COUNT ONE
(Conspiracy to Commit Mail and Wire Fraud)

At all times material,

General Allegations

1. The defendant KATRINA BROWN was a resident of Jacksonville, Florida. From in or about May 2011 to the present, KATRINA BROWN was a principal in Cowealth, LLC (Cowealth) and Basic Products, LLC (Basic Products). Both corporations were registered and incorporated with the Florida Division of Corporations on May 13, 2011. From on or about June 25, 2015 to the present, KATRINA BROWN was a member of the

Jacksonville City Council representing District 8. She served on the Finance Committee and the Land Use and Zoning Committee.

2. From in or about 2008 to the present, defendant REGINALD BROWN was a resident of Jacksonville, Florida, and a member of the Jacksonville City Council representing District 10. REGINALD BROWN served on the Finance Committee and Rules Committee.

3. On or about December 10, 2013, KATRINA BROWN incorporated A Plus Training and Consultants, LLC (A Plus Training) with the Florida Division of Corporations and listed REGINALD BROWN as the principal. A Plus Training never performed legitimate business. A Plus Training was incorporated and used solely to perpetrate the scheme to defraud.

4. On or about January 24, 2014, KATRINA BROWN incorporated RB Packaging, LLC (RB Packaging) with the Florida Division of Corporations and listed REGINALD BROWN as the principal. RB Packaging likewise never performed legitimate business. RB Packaging was incorporated and used solely to perpetrate the scheme to defraud.

5. REGINALD BROWN opened a bank account for A Plus Training (December 12, 2013) and RB Packaging (February 19, 2014) at a BBVA Compass branch in Jacksonville, Florida, signed the signature cards, and obtained information for account access.

6. Person A and Person B are relatives of KATRINA BROWN. Person A and Person B have operated KJB Specialties, LLC (KJB Specialties) since 1999 to operate a barbecue business in the Jacksonville, Florida area. On November 18, 2009, KJB Specialties signed a vendor agreement with Wal-Mart, Inc. to distribute various flavors of Barbecue Sauce (the Barbecue Sauce) in Sam's Club stores. Beginning in or about May 2010, the Barbecue Sauce was on the shelves of select Sam's Club stores in Florida.

The SBA Commercial Loan Application and Credit Memo

7. On or about October 20, 2010, Person A submitted a Small Business Administration (SBA) application for a business loan to BizCapital BIDCO I, LLC (BizCapital), a SBA approved lender, seeking approval for a SBA loan for $2,652,600 to Cowealth and Basic Products. Cowealth was incorporated to receive the loan funds. Basic Products was incorporated to operate the manufacturing facility (the Commonwealth warehouse), which was ultimately purchased with funds from a City of Jacksonville (COJ) loan and SBA loan. Basic Products was supposed to use the Commonwealth warehouse to manufacture the Barbecue Sauce. Person A and KATRINA BROWN provided past sales figures for KJB Specialties and future financial projections for Cowealth and Basic Products to BizCapital. BizCapital used

the information provided to compile a Credit Memo (dated May 31, 2011), which was used in the decision process of whether to fund the SBA loan.

8. The SBA is a United States government agency that provides support to entrepreneurs and small businesses. The mission of the SBA is to maintain and strengthen the nation's economy by enabling the establishment and viability of small businesses and by assisting in the economic recovery of communities after disasters.

Jacksonville City Council Ordinance 2011-290-E

9. On May 24, 2011, the Jacksonville City Council voted 14-3 to pass and enact Ordinance 2011-290-E, which approved a loan ($380,000) and grant (up to $260,000) from the COJ Northwest Jacksonville Economic Development Fund (NWJEDF) for the benefit of KJB Specialties. The loan money was ultimately used to help purchase a manufacturing facility located at 5638 Commonwealth Avenue, Jacksonville, Florida (Commonwealth warehouse). The grant money was supposed to help create fifty-six (56) permanent jobs in the northwest area of Jacksonville. REGINALD BROWN voted in favor of the Ordinance.

The Redevelopment Agreement - COJ and KJB Specialties

10. In or about June 2011, based upon the passage and enactment of Ordinance 2011-290-E, KJB Specialties and the COJ (via the NWJEDF) entered into a Redevelopment Agreement (RDA) that governed the terms and conditions concerning the disbursement and use of the $380,000 loan and the $260,000 grant for the purchase of the Commonwealth warehouse and the operation of the Barbecue Sauce business (the Project).

11. The RDA contained provisions concerning the COJ's goals with the Project, including:

- Assist an existing family-owned Jacksonville based business to expand;
- Increase the private capital investment in the Northwest Area (the "Target Area");
- Support sustainable job growth by creating 56 new full-time manufacturing jobs with an average annual wage of $24,800.00; and
- Promote and leverage investment in economically distressed areas.

12. The principal amount of the loan was $380,000 with an amortization of twenty-five (25) years. The interest rate was three percent (3%) per year. Provisions of the RDA (including a subsequent amendment)

required $380,000 was used to assist in the purchase of the Commonwealth warehouse.

13. Pursuant to the RDA, the $260,000 grant was authorized once Basic Products spent at least $2,900,000 on the Project. This figure includes expenditures from the SBA loan ($2,652,600) and COJ loan ($380,000). The RDA required that COJ money ($380,000 loan and $260,000 grant) funding the Project should not exceed 25% of the funds involved, and the COJ grant should not exceed 10% of the final eligible Project costs. Thus, the grant figure was subject to reduction based on the formula. The ultimate COJ grant (disbursed on December 17, 2014) was $210,549.99.

14. The RDA contained provisions that the collateral for the $380,000 loan was a second mortgage (in position behind BizCapital) on the Commonwealth warehouse.

15. The RDA (including a subsequent amendment) required the creation of fifty-six (56) new jobs within thirty-six (36) months of the completion of the Project. The fifty-six (56) new jobs were required to be maintained for at least twenty-four (24) months beyond the job creation target date.

16. The RDA (including a subsequent amendment) required that if KJB Specialties and its future assignees (Cowealth and Basic Products) failed to

create fifty-six (56) jobs on or before April 30, 2016, and maintain the jobs for two years, KJB Specialties and its future assignees (Cowealth and Basic Products) must repay the COJ a portion of the NWJEDF grant in the amount of $4,443.00 per job below the targeted fifty-six (56) jobs.

17. On or about February 16, 2012, KJB Specialties assigned its rights and obligations under the RDA to Cowealth and Basic Products.

The August 9, 2011 SBA Loan Authorization

18. On or about August 9, 2011, the SBA and BizCapital entered into an agreement known as the Authorization (SBA 7(A) Guaranteed Loan) (the "SBA Loan Authorization"), pursuant to Section 7(a) of the Small Business Act, permitting BizCapital to disburse a loan (the "SBA loan"). The loan amount was for $2,652,600. The SBA guaranteed 75% of the loan amount. The loan was amortized over a term of twenty-five years. Cowealth was listed as the Borrower. Basic Products (also a Borrower) was listed as the Operating Company.

19. The SBA Loan Authorization specifically allocated $545,000.00 for the purchase of the land located at 5638 Commonwealth Avenue, Jacksonville, Florida 32254 (Commonwealth warehouse), which was the property with the warehouse where the Barbecue Sauce was supposed to be manufactured, bottled, and prepared for shipment and sale.

20. The SBA Loan Authorization specified other categories as to how the $2,652,600 in loan proceeds could be used, including renovations to the Commonwealth warehouse, inventory purchases, equipment purchases, and working capital. The SBA Loan Authorization provided, in pertinent part: "Lender may disburse to Borrower, as working capital only, funds not spent for the listed purposes as long as those funds do not exceed 10% of the specific purpose authorized or $10,000, whichever is less."

The Loan Agreement and Construction Loan Agreement

21. On or about November 22, 2011, Katrina Brown and Person A executed a Loan Agreement with BizCapital, which attached and incorporated the terms of the SBA Loan Authorization, and a more substantive Construction Loan Agreement that likewise governed the terms and conditions of the SBA loan. The Construction Loan Agreement set forth the terms and conditions of the $2,652,600 SBA loan, including that the interest on the Note would be a fluctuating interest rate per annum using the SBA LIBOR Base Rate (London Interbank Offered Rate) plus 2.60%, and an itemization as to how the loan proceeds could be used. The Note was for a term of twenty-five (25) years with the interest only payments for the first twelve (12) months of the loan.

22. The Construction Loan Agreement also provided that a maximum of $187,246.00 was available as an interest reserve at the outset of the disbursement of the loan for the Borrowers (Cowealth and Basic Products) to make interest payments due on the SBA loan.

Disbursement of SBA Loan Funds to Controlled Account

23. On or about November 22, 2011, the loan proceeds were disbursed to a BizCapital controlled deposit account at Enterprise Bank & Trust ("EB&T") in New Orleans, Louisiana for Cowealth.

24. The SBA Loan Authorization required BizCapital to document that Basic Products (the Operating Company) used the loan proceeds for the purposes stated in the SBA Loan Authorization.

25. Before BizCapital authorized a disbursement from the BizCapital controlled account in the name of Cowealth to Basic Products, BizCapital required Basic Products to submit invoices to BizCapital itemizing the precise nature of the expenses that Basic Products incurred. This mechanism was in place so that BizCapital could satisfy itself that Basic Products was properly using the SBA loan funds.

26. During the duration of the SBA loan (prior to BizCapital advising Basic Products that the loan was in default), BizCapital authorized disbursements of loan funds from the controlled account when KATRINA

BROWN submitted disbursement forms via email to a BizCapital representative itemizing the costs incurred for which Basic Products sought reimbursement. The email communications from KATRINA BROWN to BizCapital also contained the specific vendor invoices itemizing the precise nature of the expenses incurred for which Basic Products sought reimbursement via SBA loan funds. The initial loan disbursement occurred on February 16, 2012.

27. In 2012 and 2013, the Basic Products business did not perform as Basic Products projected. The actual sales to Sam's Club in those years were $52,758.19 (2012) and $45,023.34 (2013).

28. Instead of notifying BizCapital and the COJ of the true nature of the challenges that Basic Products faced, and informing BizCapital and the COJ of the status of Basic Products' ability to manufacture, bottle, and sell the Barbecue Sauce, KATRINA BROWN approached REGINALD BROWN about incorporating A Plus Training and RB Packaging with the Florida Division of Corporations. A Plus Training and RB Packaging performed no legitimate business.

29. In or about late 2013 and early 2014, A Plus Training was used as a conduit to improperly receive approximately $12,500 in SBA loan funds, only to funnel loan funds back to Basic Products and KATRINA BROWN.

30. Throughout 2014, RB Packaging was used as a conduit to improperly receive approximately $251,919.04 in SBA loan funds, only to funnel at least $166,500.00 in loan funds back to Basic Products and KATRINA BROWN. REGINALD BROWN, via RB Packaging, retained and used the remainder of the SBA loan funds deposited into the RB Packaging BBVA Compass account, despite selling no goods to or providing no legitimate services for Basic Products.

31. On or about January 27, 2015, BizCapital notified Cowealth and Basic Products that the SBA loan (funded by BizCapital) was in default status because of nonpayment of the loan.

The Conspiracy

32. Between in or about late 2013 and in or about early 2015, in the Middle District of Florida, and elsewhere,

KATRINA BROWN, and
REGINALD BROWN,

the defendants herein, did knowingly and willfully combine, conspire, confederate and agree with each other and others known and unknown to the grand jury, to devise and intend to devise a scheme and artifice to defraud, and for obtaining money by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing and

attempting to execute the scheme and artifice to defraud, to deposit or cause to be deposited any matter or thing whatever to be sent or delivered by the United Parcel Service or any private or commercial interstate carrier, and to transmit and cause to be transmitted by means of wire, in interstate and foreign commerce, certain writings, signs, signals, pictures and sounds, in violation of Title 18, United States Code, Sections 1341 and 1343.

Purpose of the Conspiracy

33. The purpose of the conspiracy was for KATRINA BROWN, REGINALD BROWN, and others known and unknown to the grand jury, to unlawfully obtain tens of thousands of dollars in loan and grant disbursements to Basic Products based on false pretenses that Basic Products owed money to A Plus Training and RB Packaging for purported expenses that Basic Products incurred with A Plus Training and RB Packaging to further the business of manufacturing, bottling, and selling the Barbecue Sauce.

Manner and Means

34. It was part of the conspiracy that REGINALD BROWN was listed as the principal of two Florida corporations (A Plus Training and RB Packaging). Both entities received checks via the BizCapital controlled account for Cowealth of SBA loan proceeds for deposit into the BBVA Compass bank accounts for A Plus Training and RB Packaging.

35. It was further part of the conspiracy that, in order to receive those checks, REGINALD BROWN opened bank accounts at BBVA Compass for A Plus Training and RB Packaging, and signed the signature cards for each account.

36. It was further part of the conspiracy that, as a means to induce BizCapital to continue issuing disbursement checks from the BizCapital controlled account for Cowealth, KATRINA BROWN prepared false and fraudulent invoices itemizing purported work and services that A Plus Training performed for Basic Products, when, in fact, A Plus Training had performed no such services and sold no such items to Basic Products.

37. It was further part of the conspiracy that, as a means to induce BizCapital to continue issuing disbursement checks from the BizCapital controlled account for Cowealth, KATRINA BROWN prepared false and fraudulent invoices itemizing purported items that RB Packaging sold to Basic Products, when, in fact, RB Packaging sold no such items to Basic Products.

38. It was further part of the conspiracy that KATRINA BROWN, via her private email, emailed the false and fraudulent A Plus Training and RB Packaging invoices to BizCapital representatives as part of draw and disbursements requests.

39. It was further part of the conspiracy that once KATRINA BROWN emailed the false and fraudulent A Plus Training and RB Packaging invoices to BizCapital representatives, the false and fraudulent invoices induced BizCapital representatives to send checks in the amount of the invoices via United Parcel Service (UPS) delivery to REGINALD BROWN's mother's home and to REGINALD BROWN's home in Jacksonville, Florida.

40. It was further part of the conspiracy that once REGINALD BROWN received the checks from the BizCapital controlled account for Cowealth, REGINALD BROWN, and at times KATRINA BROWN, deposited those checks into the BBVA Compass accounts for A Plus Training and RB Packaging.

41. It was further part of the conspiracy that once the fraudulently induced Cowealth checks were deposited into the BBVA Compass accounts for A Plus Training and RB Packaging, REGINALD BROWN withdrew cash, wrote a check, or obtained a cashier's check in amounts in the thousands of dollars and provided the cash, checks, and cashier's checks to KATRINA BROWN.

42. It was further part of the conspiracy that KATRINA BROWN retained or deposited cash into the Basic Products BBVA Compass account,

and deposited the checks and cashier's checks into the Basic Products BBVA Compass account.

43. It was further part of the conspiracy that REGINALD BROWN retained tens of thousands of dollars from the Cowealth checks deposited into the A Plus Training and RB Packaging BBVA Compass accounts and used that money for various purposes, including for personal use. A Plus Training and RB Packaging never performed any legitimate services for or sold any manufacturing, bottling, or other products to Basic Products.

44. It was further part of the conspiracy that KATRINA BROWN retained and used the fraudulently obtained funds for her own personal use and to pay business related expenses.

45. It was further part of the conspiracy that, in order to continue to induce BizCapital to send checks from the BizCapital controlled account for Cowealth to REGINALD BROWN payable to A Plus Training and RB Packaging, KATRINA BROWN made false and fraudulent misrepresentations to BizCapital representatives via email concerning the use of those funds and the true status of Basic Products' barbecue sauce manufacturing business.

46. It was further part of the conspiracy that KATRINA BROWN arranged with at least two other individuals (Person C and Person D) for those individuals to receive SBA loan funds for services, products, and work that

Person C and Person D did not perform or provide. Once Person C and Person D received payment, the checks were cashed, and a significant portion of the cash was provided to KATRINA BROWN.

47. It was further part of the conspiracy that KATRINA BROWN, REGINALD BROWN, and others known and unknown to the grand jury, performed acts and made statements to hide and conceal and cause to be hidden and concealed the purpose of the conspiracy and the acts committed in furtherance thereof.

Overt Acts

48. In furtherance of the conspiracy and to effect the objects thereof, the following overt acts, among others, were committed in the Middle District of Florida and elsewhere:

Incorporation of A Plus Training and RB Packaging

49. On or about December 10, 2013, KATRINA BROWN submitted $125.00 via a VISA credit card (ending 1782) to pay the required fee to incorporate A Plus Training with the Florida Division of Corporations. REGINALD BROWN was the listed principal of A Plus Training. The principal and mailing address for A Plus Training was REGINALD BROWN's mother's address in Jacksonville, Florida. The Articles of Incorporation listed REGINALD BROWN as the registered agent.

50. On or about December 12, 2013, REGINALD BROWN opened a bank account in the name of A Plus Training at a BBVA Compass branch in Jacksonville, Florida, and signed the signature card in multiple places on behalf of A Plus Training. During that process, BBVA Compass received a copy of the Articles of Incorporation and the pertinent page for RB Packaging on the Florida Division of Corporations website as proof of the existence of the corporate entity in order to open the business account. A Plus Training engaged in no business activity prior to December 12, 2013, and no legitimate business activity after that date. The listed address for the account was REGINALD BROWN's mother's address.

51. On or about January 23, 2014, KATRINA BROWN submitted $125.00 via a VISA credit card (ending 9080) to pay the required fee to incorporate RB Packaging with the Florida Division of Corporations. REGINALD BROWN was the listed principal of RB Packaging. The principal and mailing address for RB Packaging was REGINALD BROWN's home address in Jacksonville, Florida. The Articles of Incorporation listed REGINALD BROWN as the registered agent.

52. On or about February 19, 2014, REGINALD BROWN opened a bank account in the name of RB Packaging at a BBVA Compass branch in Jacksonville, Florida, and signed the signature card in multiple places on behalf

of RB Packaging. During that process, BBVA Compass received a copy of the Articles of Incorporation and the pertinent page for RB Packaging on the Florida Division of Corporations website as proof of the existence of the corporate entity in order to open the business account. RB Packaging engaged in no business activity prior to January 23, 2014, and no legitimate business activity after that date. The listed address for the account was REGINALD BROWN's home address.

Person C Transactions with Basic Products and KATRINA BROWN

53. On or about October 10, 2013, KATRINA BROWN emailed a BizCapital representative and attached a disbursement form and invoice for Person C's business referenced herein as Entity A. The false and fraudulent invoice from Entity A, which Katrina Brown prepared, itemized various furniture items that Basic Products purportedly purchased from or through Entity A. The total amount listed on the fraudulent invoice was $6,083.00.

54. On or about October 15, 2013, based on the fraudulent invoice that KATRINA BROWN emailed to the BizCapital representative, BizCapital (via the controlled account for Cowealth) sent check number 1017 to Person C in Jacksonville, Florida.

55. On or about October 28, 2013, Person C deposited Cowealth check no. 1017 into the Entity A Bank of America account.

56. On or about October 31, 2013, Person C withdrew $5,583.00 in cash from the Entity A Bank of America account and provided the cash to KATRINA BROWN, and on November 1, 2013, KATRINA BROWN deposited $4,000 in cash into the Basic Products BBVA Compass account.

57. On or about December 9, 2013, KATRINA BROWN wrote Basic Products check no. 901 for $1,500 to Entity A for the purported purchase of three furniture items from Entity A. The furniture purchase never occurred.

58. On or about December 30, 2013, KATRINA BROWN emailed a BizCapital representative and attached a disbursement form and invoice for Person C's business (Entity A). The false and fraudulent invoice from Entity A, which KATRINA BROWN prepared, itemized three additional furniture items that Basic Products purportedly purchased from or through Entity A. The total amount listed on the fraudulent invoice was $1,500.00.

59. On or about January 2, 2014, based upon the fraudulent invoice that KATRINA BROWN emailed to the BizCapital representative, BizCapital (via the controlled account) issued check number 1052 to BizCapital for $15,027.73 to make a loan payment on the BizCapital loan and to reimburse Basic Products for certain expenses incurred, including the false and fraudulent $1,500 expense for the purchase of three furniture items from Entity A.

Person D Transactions with Basic Products and KATRINA BROWN

60. On or about December 30, 2013, KATRINA BROWN engaged in an email exchange with a BizCapital representative regarding the nature of work that Person D purportedly performed for Basic Products. Person D performed no legitimate work for Basic Products. KATRINA BROWN claimed during the email exchange in substance that Person D was a Form 1099 worker and worked for Basic Products for three months at a rate of $500 per week in the warehouse bottling the Barbecue Sauce. KATRINA BROWN provided three false invoices to the BizCapital representative bearing the name of Person D, all of which were for $2,000.

61. In or about late December 2013, Katrina Brown wrote three checks with sequential check numbers (check nos. 907, 908, and 909) payable to Person D, all for $2,000 (total of $6,000). The dates on the check nos. were as follows: 907 ("10-30-2013"), 908 ("11-30-2013"), and 909 ("9-30-2013"). KATRINA BROWN signed all three checks. The three checks cleared the Basic Products BBVA Compass account on December 27, 2013.

62. On or about December 27, 2013, a cash deposit of $5,000 was made into the Basic Products BBVA Compass account. That deposit resulted in BizCapital crediting that amount towards a loan payment, which funds KATRINA BROWN should not have had access to.

A Plus Training Transactions with Basic Products and KATRINA BROWN

BizCapital Loan Draw 57b

63. On or about December 9, 2013, KATRINA BROWN emailed a BizCapital representative and attached a disbursement form and a false and fraudulent invoice for A Plus Training seeking an $8,500 reimbursement for expenses described in part as "Employee Orientation & On-boarding" and "Developed a HACCP Plan for Basic Products LLC." A Plus Training (via REGINALD BROWN) did not sell or provide any such services to Basic Products.

64. On or about December 11, 2013, based on the fraudulent invoice that KATRINA BROWN emailed to the BizCapital representative, BizCapital (via the controlled account for Cowealth) sent check number 1038 in the amount of $8,500 payable to A Plus Training via UPS to REGINALD BROWN's mother's home in Jacksonville, Florida.

65. On or about December 12, 2013 (the day that REGINALD BROWN opened the A Plus Training account at BBVA Compass), REGINALD BROWN deposited Cowealth check number 1038 (bearing the endorsement of REGINALD BROWN) into the A Plus Training BBVA Compass account.

66. On or about December 19, 2013, REGINALD BROWN withdrew $7,050 in cash from the A Plus Training BBVA Compass account.

67. On or about December 20, 2013, $2,000 in cash was deposited into the Basic Products BBVA Compass account.

68. On or about December 21, 2013, REGINALD BROWN withdrew $1,000 in cash from the A Plus Training BBVA Compass account.

69. On or about December 27, 2013, a cash deposit of $1,000 was made into the Basic Products BBVA Compass account.

BizCapital Loan Draw 62

70. On or about January 22, 2014, KATRINA BROWN emailed a BizCapital representative and attached a disbursement form and a false and fraudulent invoice for A Plus Training seeking a $4,000 reimbursement for expenses described in part as "Food Protection Manager Licensing Florida Department of Agriculture/FDA Regulation Req. For Manufacturing Plant Permitting." A Plus Training (via REGINALD BROWN) did not sell or provide any such services to Basic Products.

71. On or about January 24, 2014, based on the fraudulent invoice that KATRINA BROWN emailed to the BizCapital representative, BizCapital (via the controlled account for Cowealth) sent check number 1061 in the

amount of $4,000 payable to A Plus Training via UPS to REGINALD BROWN's mother's home in Jacksonville, Florida.

72. On or about January 29, 2014, REGINALD BROWN deposited Cowealth check no. 1061 (bearing the endorsement of REGINALD BROWN) into the A Plus Training BBVA Compass account. Before the deposit of the $4,000 check, the prior daily balance in the A Plus Training BBVA Compass account was $35.55.

73. On or about February 1, 2014, REGINALD BROWN withdrew $3,000 in cash from the A Plus Training BBVA Compass account. The cash was not deposited into the Basic Products BBVA Compass account. At that time, the prior daily balance of the Basic Products BBVA Compass account was (-$2,313.89).

RB Packaging Transactions with Basic Products and KATRINA BROWN

BizCapital Loan Draw 64

74. On or about February 17, 2014, KATRINA BROWN emailed a BizCapital representative and attached a disbursement form and a false and fraudulent invoice for RB Packaging seeking a $9,580 reimbursement for expenses described in the email as "SAUCES LABELS.. BOXES FOR SAUCE ,, CAPS FOR BOTTLES." RB Packaging (via REGINALD

BROWN) did not sell or provide any such items described in the email or invoice to Basic Products.

75. On or about February 18, 2014, based on the fraudulent invoice that KATRINA BROWN emailed to the BizCapital representative, BizCapital (via the controlled account for Cowealth) sent check number 1077 in the amount of $9,580 payable to RB Packaging via UPS to REGINALD BROWN's home in Jacksonville, Florida.

76. On or about February 19, 2014, Cowealth check no. 1077 was deposited into the RB Packaging BBVA Compass account. Before the deposit of the $9,580 check, the balance in the RB Packaging BBVA Compass account was $0.

77. On or about February 21, 2014, REGINALD BROWN withdrew $8,000 in cash from the RB Packaging BBVA Compass account. The cash was not deposited into the Basic Products BBVA Compass account. At that time, the balance of the Basic Products BBVA Compass account was (-$2,465.89).

BizCapital Loan Draw 66

78. On or about March 19, 2014, KATRINA BROWN emailed a BizCapital representative and attached a disbursement form and a false and fraudulent invoice for RB Packaging seeking a $9,652.60 reimbursement for

expenses described in the email as "inventory purchase material for sauce." The invoice described, among other items, "16oz Sauce Bottle Boxes" and "16 oz bottle sauce label components." RB Packaging (via REGINALD BROWN) did not sell or provide any such items described in the email or invoice to Basic Products.

79. On or about March 20, 2014, based on the fraudulent invoice that KATRINA BROWN emailed to the BizCapital representative, BizCapital (via the controlled account for Cowealth) sent check number 1083 in the amount of $9,652.60 payable to RB Packaging via UPS to REGINALD BROWN's home in Jacksonville, Florida.

80. On or about March 21, 2014, REGINALD BROWN deposited Cowealth check no. 1083 (bearing the endorsement of REGINALD BROWN) into the RB Packaging BBVA Compass account. Before the deposit of the $9,652.60 check, the prior daily balance in the RB Packaging BBVA Compass account was $385.

81. On or about March 24, 2014, REGINALD BROWN withdrew $8,000 in cash from the RB Packaging BBVA Compass account.

82. On or about March 24, 2014, $9,000 in cash was deposited into the Basic Products BBVA Compass account. Before the deposit, the prior daily balance in the Basic Products BBVA Compass account was (-$1,246.81).

BizCapital Loan Draw 70b

83. On or about April 22, 2014, KATRINA BROWN emailed a BizCapital representative and attached a disbursement form and a false and fraudulent invoice for RB Packaging seeking a $14,873.00 reimbursement for expenses described in the email as "equipment purchase." The invoice described the equipment in part as "Magnum Case Sealer, Top and Bottom Drive" and "Stretch Wrap Turntable, 20 in." RB Packaging (via REGINALD BROWN) did not sell or provide any such equipment to Basic Products.

84. On or about April 23, 2014, based on the fraudulent invoice that KATRINA BROWN emailed to the BizCapital representative, BizCapital (via the controlled account for Cowealth) sent check number 1105 in the amount of $14,873 payable to RB Packaging via UPS to REGINALD BROWN's home in Jacksonville, Florida.

85. On or about April 24, 2014, Cowealth check no. 1105 was deposited into the RB Packaging BBVA Compass account. Before the deposit of the $14,873 check, the prior daily balance in the RB Packaging BBVA Compass account was $229.60.

86. On or about April 25, 2014, REGINALD BROWN withdrew $9,500 in cash from the RB Packaging BBVA Compass account.

87. On or about April 25, 2014, $2,000 in cash was deposited into the Basic Products BBVA Compass account. Immediately prior to the deposit, the balance in the Basic Products BBVA Compass account was $90.65.

88. On or about April 29, 2014, an additional $7,000 in cash was deposited into the Basic Products BBVA Compass account. Before the deposit, the prior daily balance in the Basic Products BBVA Compass account was $183.60.

BizCapital Loan Draw 72

89. On or about July 2, 2014, KATRINA BROWN emailed a BizCapital representative and attached a disbursement form and a false and fraudulent invoice for RB Packaging seeking an $18,661.02 reimbursement for expenses described in the email as "INVENTORY." The invoice described the inventory in part in a handwritten note as "Sauce Bottle Purchase Inventory." RB Packaging (via REGINALD BROWN) did not sell or provide any such equipment to Basic Products.

90. On or about July 14, 2014, KATRINA BROWN again emailed a BizCapital representative and stated, in part, "WE NEED TO OVERNIGHT THOSE CHECKS I SEND AN OVERNIGHT FEE AS WELL... WE NEED THOSE BOTTLES ASAP WE HAVE ORDERS TO FILL."

91. On or about July 14, 2014, based on the fraudulent invoice that KATRINA BROWN emailed to the BizCapital representative and the further fraudulent misrepresentations KATRINA BROWN made via email, BizCapital (via the controlled account for Cowealth) sent check number 1109 in the amount of $18,661.02 payable to RB Packaging via UPS to REGINALD BROWN's home in Jacksonville, Florida.

92. On or about July 16, 2014, Cowealth check no. 1109 was deposited into the RB Packaging BBVA Compass account. Before the deposit of the $18,661.02 check, the prior daily balance in the RB Packaging BBVA Compass account was $23.29.

93. On or about July 16, 2014, REGINALD BROWN wrote RB Packaging check no. 903 in the amount of $16,500 payable to Basic Products.

94. On or about July 17, 2014, the $16,500 RB Packaging check was credited to the Basic Products BBVA Compass account. Before the deposit, the prior daily balance in the Basic Products BBVA Compass account was $90.08.

BizCapital Loan Draw 73

95. On August 14, 2014, KATRINA BROWN emailed a BizCapital representative and asked, "Can u email the balance on equipment and

inventory please.. second request." Based upon that email, on August 18, 2014, the BizCapital representative responded via email:

> Katrina,
>
> See below for a summary of undisbursed funds.
>
> Equipment = $68,383.69*
>
> Inventory = $90,162.89
>
> Working Capital = $303.90
>
> *Please note this equipment balance does not include the City grant funds which have yet to be received. The City will not release until at least $2,900,000.00 in project funds have been disbursed. We have currently disbursed $2,873,749.52 overall.

96. On or about August 19, 2014, KATRINA BROWN emailed a BizCapital representative and attached a disbursement form and a false and fraudulent invoice for RB Packaging seeking a $60,130 reimbursement for equipment described in the invoice as "PORTABLE SUGAR CONVEYOR," "PORTABLE SALT CONVEYOR," and "BAG DUMP STATION." RB Packaging (via REGINALD BROWN) did not sell or provide any such equipment to Basic Products. In December 2013, KATRINA BROWN obtained a quote for and written materials describing a Portable Sugar

equipment to Basic Products. In December 2013, KATRINA BROWN obtained a quote for and written materials describing a Portable Sugar Conveyor from a legitimate vendor. KATRINA BROWN altered the quote and materials provided to make it appear that RB Packaging provided the quote and materials.

97. On or about August 19, 2014, based on the fraudulent invoice and materials that KATRINA BROWN emailed to the BizCapital representative, BizCapital (via the controlled account for Cowealth) sent check number 1113 in the amount of $60,130 payable to RB Packaging via UPS to REGINALD BROWN's home in Jacksonville, Florida.

98. On or about August 21, 2014, REGINALD BROWN deposited Cowealth check no. 1113 into the RB Packaging BBVA Compass account. Before the deposit of the $60,130 check, the prior daily balance in the RB Packaging BBVA Compass account was $21.39.

99. On or about August 21, 2014, REGINALD BROWN wrote RB Packaging check no. 906 in the amount of $33,000 payable to Basic Products.

100. On or about August 22, 2014, the $33,000 RB Packaging check was deposited into the Basic Products BBVA Compass account. Before the deposit, the prior daily balance in the Basic Products BBVA Compass account was $74.65.

BizCapital Loan Draw 74

101. On or about August 27, 2014, KATRINA BROWN emailed a BizCapital representative and attached a disbursement form and a false and fraudulent invoice for RB Packaging seeking an $18,761.17 reimbursement for equipment described in the email as "INVOICE FOR THE PURCHASE OF GALLON CONTAINERS AND LABELS FOR THE GALLON", and described in the invoice as, "NAT GALLON AND 115 GRAM," "BOXES FOR GALLON CONTAINERS", and JEROME BROWN BBQ 128 OZ BBQ LABELS." RB Packaging (via REGINALD BROWN) did not sell or provide any such items to Basic Products.

102. On or about August 28, 2014, based on the fraudulent invoice that KATRINA BROWN emailed to the BizCapital representative and the further fraudulent misrepresentations KATRINA BROWN made via email, BizCapital (via the controlled account for Cowealth) sent check number 1114 in the amount of $18,761.17 payable to RB Packaging via UPS to REGINALD BROWN's home in Jacksonville, Florida.

103. On or about August 29, 2014, Cowealth check no. 1114 was deposited into the RB Packaging BBVA Compass account. Before the deposit of the $18,761.17 check, the prior daily balance in the RB Packaging BBVA Compass account was $5,035.05.

104. On or about August 30, 2014, REGINALD BROWN accessed $20,362.04 from the RB Packaging BBVA Compass account to purchase cashier's checks and kept some cash.

105. On or about August 30, 2014, REGINALD BROWN purchased five cashier's checks totaling $17,180.04 (plus $40.00 in fees for the five cashier's checks) to pay expenses associated with Person B's Barbecue and Music Festival that occurred on August 31, 2014 in downtown Jacksonville, Florida. REGINALD BROWN kept $3,142.00 in cash.

BizCapital Loan Draw 75

106. On or about September 11, 2014, KATRINA BROWN emailed a BizCapital representative and attached a disbursement form and a false and fraudulent invoice for RB Packaging seeking a $25,411.25 reimbursement for equipment described in the email as "there are 12 oz bottles and packaging for the bottles as well", and described in the invoice in part as, "Inventory For Production." RB Packaging (via REGINALD BROWN) did not sell or provide any such items to Basic Products.

107. On or about September 11, 2014, based on the fraudulent invoice that KATRINA BROWN emailed to the BizCapital representative and the further fraudulent misrepresentations KATRINA BROWN made via email, BizCapital (via the controlled account for Cowealth) sent check number 1115

in the amount of $25,411.25 payable to RB Packaging via UPS to REGINALD BROWN's home in Jacksonville, Florida.

108. On or about September 12, 2014, Cowealth check no. 1115 was deposited into the RB Packaging BBVA Compass account. Before the deposit of the $25,411.25 check, the prior daily balance in the RB Packaging BBVA Compass account was (-$1,074.27).

109. On or about September 12, 2014, REGINALD BROWN wrote RB Packaging check no. 909 in the amount of $22,000 payable to Basic Products.

110. On or about September 12, 2014, the $22,000 RB Packaging check was deposited into the Basic Products BBVA Compass account. Before the deposit, the prior daily balance in the Basic Products BBVA Compass account was (-$765.23).

BizCapital Loan Draw 76

111. On or about September 25, 2014, KATRINA BROWN emailed two BizCapital representatives and attached a disbursement form and a false and fraudulent invoice for RB Packaging seeking a $23,380 reimbursement for equipment described in the email as "INVENTORY FOR NEW LABELS", and further representing that "THESE ARE OUR NEW PRODUCTS COMING OUT. OUR COMPANY BASIC PRODUCTS IS LOOKING

GOOD.." RB Packaging (via REGINALD BROWN) did not sell or provide any such items to Basic Products.

112. On or about September 26, 2014, based on the fraudulent invoice that KATRINA BROWN emailed to the BizCapital representative and the further fraudulent misrepresentations KATRINA BROWN made via email, BizCapital (via the controlled account for Cowealth) sent check number 1116 in the amount of $23,380 payable to RB Packaging via UPS to REGINALD BROWN's home in Jacksonville, Florida.

113. On or about September 29, 2014, Cowealth check no. 1116 was deposited into the RB Packaging BBVA Compass account. Before the deposit of the $23,380 check, the prior daily balance in the RB Packaging BBVA Compass account was $405.07.

114. On or about September 29, 2014, REGINALD BROWN withdrew $20,000 in cash from the RB Packaging BBVA Compass Bank account and purchased a cashier's check payable to Basic Products in the same amount.

115. On or about September 30, 2014, the $20,000 cashier's check was deposited into the Basic Products BBVA Compass account. Before the deposit, the prior daily balance in the Basic Products BBVA Compass account was $252.50.

BizCapital Loan Draw 77

116. On or about October 13, 2014, KATRINA BROWN emailed two BizCapital representatives and attached a disbursement form and a false and fraudulent invoice for RB Packaging seeking a deposit of $8,253.65 as a down payment to purchase food manufacturing and baking equipment totaling $71,470. RB Packaging (via REGINALD BROWN) did not sell or provide any such items to Basic Products.

117. On or about October 13, 2014, based on the fraudulent invoice that KATRINA BROWN emailed to the BizCapital representative and the further fraudulent misrepresentations KATRINA BROWN made via email, BizCapital (via the controlled account for Cowealth) sent check number 1119 in the amount of $8,253.65 payable to RB Packaging via UPS to REGINALD BROWN's home in Jacksonville, Florida.

118. On or about October 15, 2014, Cowealth check no. 1119 was deposited into the RB Packaging BBVA Compass account. Before the deposit of the $8,253.65 check, the prior daily balance in the RB Packaging BBVA Compass account was $1,722.47.

119. On or about October 15, 2014, REGINALD BROWN withdrew $7,000 in cash from the RB Packaging BBVA Compass Bank account and purchased a cashier's check payable to Basic Products in the same amount.

120. On or about October 15, 2014, the $7,000 cashier's check was deposited into the Basic Products BBVA Compass account. Before the deposit, the prior daily balance in the Basic Products BBVA Compass account was (-$143.43).

December 17, 2014 Wire of $210,549.99 COJ Grant to BizCapital

121. On or about October 17, 2014, based in part on KATRINA BROWN's submitted false and fraudulent invoices, a BizCapital representative engaged in email communications with a COJ representative concerning the disbursement of a total of $3,043,054.44 in BizCapital and COJ (NWJEDF) loan money to Basic Products. In the email communication, the BizCapital representative informed the COJ representative that all requisite loan disbursements were made, such that the COJ could provide the eligible grant money (ultimately $210,549.99) to BizCapital. The email communication explained that the maximum grant money ($260,000.00) was reduced to the eligible amount of $210,549.99 based on the applicable formula that the COJ (NWJEDF) grant money could not exceed 10% of the final eligible project costs and the total COJ funding (loan and grant money combined) could not exceed 25% of the final eligible project costs.

122. On or about October 17, 2014, to further the COJ's analysis of whether the COJ should wire the $210,549.99 in grant money to Basic Products, BizCapital sent (via UPS) three binders containing the documents supporting the seventy-seven (77) draws (including the false and fraudulent invoices) that BizCapital disbursed (via the controlled account for Cowealth to Basic Products) to the COJ.

123. On or about December 17, 2014, based on the submission of the three binders containing the documents supporting the seventy-seven draws (including the false and fraudulent invoices), a COJ (NWJEDF) representative authorized and initiated a wire transfer of $210,549.99 to BizCapital.

BizCapital Loan Draw 78

124. On or about December 18, 2014, KATRINA BROWN emailed a BizCapital representative to determine if BizCapital received the $210,549.99 in funds via wire from the COJ.

125. On or about December 18, 2014, upon being advised by another BizCapital representative that the COJ wired the $210,549.99 in grant funds to BizCapital, KATRINA BROWN emailed a BizCapital representative and attached a disbursement form and a false and fraudulent invoice for RB Packaging seeking the balance of the payment purportedly owed ($63,216.35) for food manufacturing and baking equipment. The $63,216.35 payment was

the purported balance of the $71,470, for which Basic Products purportedly paid $8,253.65 to RB Packaging as a deposit, which caused the reimbursement request in Draw 77. RB Packaging (via REGINALD BROWN) did not sell or provide any such items to Basic Products.

126. On or about December 18, 2014, based on the false and fraudulent invoice that KATRINA BROWN emailed to the BizCapital representative and the further fraudulent misrepresentations KATRINA BROWN made via email, BizCapital (via the controlled account for Cowealth) sent check number 1123 in the amount of $63,216.35 payable to RB Packaging via UPS to REGINALD BROWN's home in Jacksonville, Florida.

127. On or about December 19, 2014, Cowealth check number 1123 was deposited into the RB Packaging BBVA Compass account. Before the deposit of the $63,216.35 check, the prior daily balance in the RB Packaging BBVA Compass account was $26.15.

128. On or about December 22, 2014, REGINALD BROWN wrote RB Packaging check numbers 101 and 102, each for $25,000, payable to Basic Products.

129. On or about December 22, 2014, RB Packaging check number 101 ($25,000) was deposited into the Basic Products BBVA Compass account.

The prior daily balance in the Basic Products BBVA Compass account was (-$13,894.27).

130. On or about December 23, 2014, RB Packaging check number 102 ($25,000) was deposited into the Basic Products BBVA Compass account. Before the deposit, the prior daily balance in the Basic Products BBVA Compass account was $11,029.73.

Attempt for Draw on January 27, 2015

131. On or about January 27, 2015, KATRINA BROWN emailed a BizCapital representative and attached a false and fraudulent invoice for RB Packaging seeking a payment of $64,071.20 for heavy equipment, including a forklift type vehicle and a 60-quart floor mixer. RB Packaging (via REGINALD BROWN) had no ability to sell or provide this equipment to Basic Products. BizCapital denied the draw request because the SBA loan was in default status.

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

COUNTS TWO THROUGH TWENTY-SEVEN
(Aiding and Abetting Mail and Wire Fraud)

Scheme and Artifice

1. The allegations in Paragraphs 1 – 31, 34 – 47, and 49 – 131 of Count One are incorporated herein.

Mail Fraud

2. Between in or about late 2013 and in or about early 2015, in the Middle District of Florida, and elsewhere,

KATRINA BROWN, and
REGINALD BROWN,

the defendants herein, with intent to defraud, aided and abetted and did knowingly and willfully devise and participate in a scheme and artifice to defraud, and for the purpose of obtaining money by means of materially false and fraudulent pretenses, representations, and promises.

Execution

3. On or about the dates listed below, in the Middle District of Florida and elsewhere, for the purpose of executing the above-described scheme and artifice to defraud, the defendants knowingly deposited, and caused to be deposited, to be sent and delivered by a private and commercial interstate carrier the following matter:

COUNT	DATE	MAILING
TWO	December 11, 2013	UPS package sent from BizCapital in New Orleans, Louisiana to REGINALD BROWN's mother's address in Jacksonville, Florida, with tracking number 1ZR9995F1395343954 and containing a check for $8,500 to A Plus Training and Consultants, LLC from the BizCapital controlled account for Cowealth (check number 1038)
THREE	January 24, 2014	UPS package sent from BizCapital in New Orleans, Louisiana to REGINALD BROWN's mother's address in Jacksonville, Florida, with tracking number 1ZR9995F0299169200 and containing a check for $4,000 to A Plus Training and Consultants, LLC from the BizCapital controlled account for Cowealth (check number 1061)
FOUR	February 18, 2014	UPS package sent from BizCapital in New Orleans, Louisiana to REGINALD BROWN's address in Jacksonville, Florida, with tracking number 1ZR9995F0196609483 and containing a check for $9,580 to RB Packaging, LLC from the BizCapital controlled account for Cowealth (check number 1077)
FIVE	March 20, 2014	UPS package sent from BizCapital in New Orleans, Louisiana to REGINALD BROWN's address in Jacksonville, Florida, with tracking number 1ZR9995F0191983757 and containing a check for $9,652.60 to RB Packaging, LLC from the BizCapital controlled account for Cowealth (check number 1083)
SIX	April 23, 2014	UPS package sent from BizCapital in New Orleans, Louisiana to

		REGINALD BROWN's address in Jacksonville, Florida, with tracking number 1ZR9995F0298225847 and containing a check for $14,873 to RB Packaging, LLC from the BizCapital controlled account for Cowealth (check number 1105)
SEVEN	July 14, 2014	UPS package sent from BizCapital in New Orleans, Louisiana to REGINALD BROWN's address in Jacksonville, Florida, with tracking number 1ZR9995F0197226340 and containing a check for $18,661.02 to RB Packaging, LLC from the BizCapital controlled account for Cowealth (check number 1109)
EIGHT	August 19, 2014	UPS package sent from BizCapital in New Orleans, Louisiana to REGINALD BROWN's address in Jacksonville, Florida, with tracking number 1ZR9995F0190220288 and containing a check for $60,130 to RB Packaging, LLC from the BizCapital controlled account for Cowealth (check number 1113)
NINE	August 28, 2014	UPS package sent from BizCapital in New Orleans, Louisiana to REGINALD BROWN's address in Jacksonville, Florida, with tracking number 1ZR9995F0190841974 and containing a check for $18,761.17 to RB Packaging, LLC from the BizCapital controlled account for Cowealth (check number 1114)

TEN	September 11, 2014	UPS package sent from BizCapital in New Orleans, Louisiana to REGINALD BROWN's address in Jacksonville, Florida, with tracking number 1ZR9995F0192038562 and containing a check for $25,411.25 to RB Packaging, LLC from the BizCapital controlled account for Cowealth (check number 1115)
ELEVEN	September 26, 2014	UPS package sent from BizCapital in New Orleans, Louisiana to REGINALD BROWN's address in Jacksonville, Florida, with tracking number 1ZR9995F0195657718 and containing a check for $23,380 to RB Packaging, LLC from the BizCapital controlled account for Cowealth (check number 1116)
TWELVE	October 13, 2014	UPS package sent from BizCapital in New Orleans, Louisiana to REGINALD BROWN's address in Jacksonville, Florida, with tracking number 1ZR9995F0191646997 and containing a check for $8,253.65 to RB Packaging, LLC from the BizCapital controlled account for Cowealth (check number 1119)
THIRTEEN	October 17, 2014	UPS parcels sent from BizCapital in New Orleans, Louisiana to the City of Jacksonville, with tracking numbers 1ZR9995F0398177915, 1ZR9995F0395725935, 1ZR9995F0398442922 and containing three total binders with all information submitted for the seventy-seven draw requests for SBA loan disbursements initiated by Basic Products, LLC and KATRINA BROWN

FOURTEEN	December 18, 2014	UPS package sent from BizCapital in New Orleans, Louisiana to REGINALD BROWN's address in Jacksonville, Florida, with tracking number 1ZR9995F0197602399 and containing a check for $63,216.35 to RB Packaging, LLC from the BizCapital controlled account for Cowealth (check number 1123)

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

Wire Fraud

4. On or about the dates listed below, in the Middle District of Florida and elsewhere, for the purpose of executing the above-described scheme and artifice to defraud, and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises,

KATRINA BROWN, and
REGINALD BROWN,

the defendants herein, did knowingly transmit, cause to be transmitted, and aid and abet the transmission of, the following writings, signs, signals, pictures, and sounds, by means of wire communication in interstate commerce:

COUNT	DATE	WIRE COMMUNICATION
FIFTEEN	December 12, 2013	Deposit of check number 1038 from the BizCapital controlled account for Cowealth in the amount of $8,500 into the A Plus Training and Consultants, LLC BBVA Compass Bank account in Jacksonville, Florida, the funding of which occurred via wire transfer from Enterprise Bank & Trust in St. Louis, Missouri
SIXTEEN	January 29, 2014	Deposit of check number 1061 from the BizCapital controlled account for Cowealth in the amount of $4,000 into the A Plus Training and Consultants, LLC BBVA Compass Bank account in Jacksonville, Florida, the funding of which occurred via wire transfer from Enterprise Bank & Trust in St. Louis, Missouri
SEVENTEEN	February 19, 2014	Deposit of check number 1077 from the BizCapital controlled account for Cowealth in the amount of $9,580 into the RB Packaging, LLC BBVA Compass Bank account in Jacksonville, Florida, the funding of which occurred via wire transfer from Enterprise Bank & Trust in St. Louis, Missouri
EIGHTEEN	March 21, 2014	Deposit of check number 1083 from the BizCapital controlled account for Cowealth in the amount of $9,652.60 into the RB Packaging, LLC BBVA Compass Bank account in Jacksonville, Florida, the funding of which occurred via wire transfer from Enterprise Bank & Trust in St. Louis, Missouri

NINETEEN	April 24, 2014	Deposit of check number 1105 from the BizCapital controlled account for Cowealth in the amount of $14,873 into the RB Packaging, LLC BBVA Compass Bank account in Jacksonville, Florida, the funding of which occurred via wire transfer from Enterprise Bank & Trust in St. Louis, Missouri
TWENTY	July 16, 2014	Deposit of check number 1109 from the BizCapital controlled account for Cowealth in the amount of $18,661.02 into the RB Packaging, LLC BBVA Compass Bank account in Jacksonville, Florida, the funding of which occurred via wire transfer from Enterprise Bank & Trust in St. Louis, Missouri
TWENTY-ONE	August 21, 2014	Deposit of check number 1113 from the BizCapital controlled account for Cowealth in the amount of $60,130 into the RB Packaging, LLC BBVA Compass Bank account in Jacksonville, Florida, the funding of which occurred via wire transfer from Enterprise Bank & Trust in St. Louis, Missouri
TWENTY-TWO	August 29, 2014	Deposit of check number 1114 from the BizCapital controlled account for Cowealth in the amount of $18,761.17 into the RB Packaging, LLC BBVA Compass Bank account in Jacksonville, Florida, the funding of which occurred via wire transfer from Enterprise Bank & Trust in St. Louis, Missouri

TWENTY-THREE	September 12, 2014	Deposit of check number 1115 from the BizCapital controlled account for Cowealth in the amount of $25,411.25 into the RB Packaging, LLC BBVA Compass Bank account in Jacksonville, Florida, the funding of which occurred via wire transfer from Enterprise Bank & Trust in St. Louis, Missouri
TWENTY-FOUR	September 29, 2014	Deposit of check number 1116 from the BizCapital controlled account for Cowealth in the amount of $23,380 into the RB Packaging, LLC BBVA Compass Bank account in Jacksonville, Florida, the funding of which occurred via wire transfer from Enterprise Bank & Trust in St. Louis, Missouri
TWENTY-FIVE	October 15, 2014	Deposit of check number 1119 from the BizCapital controlled account for Cowealth in the amount of $8,253.65 into the RB Packaging, LLC BBVA Compass Bank account in Jacksonville, Florida, the funding of which occurred via wire transfer from Enterprise Bank & Trust in St. Louis, Missouri
TWENTY-SIX	December 17, 2014	Wire Transfer of $210,549.99 in grant funds from the City of Jacksonville to the BizCapital controlled account for Cowealth in New Orleans, Louisiana
TWENTY-SEVEN	December 19, 2014	Deposit of check number 1123 from the BizCapital controlled account for Cowealth in the amount of $63,216.35 into the RB Packaging, LLC BBVA Compass Bank account in Jacksonville, Florida, the funding of which occurred via wire transfer from Enterprise Bank & Trust in St. Louis, Missouri

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNTS TWENTY-EIGHT THROUGH THIRTY-THREE
(Illegal Monetary Transactions)

1. The allegations in Paragraphs 1 – 31, 34 – 47, and 49 – 131 of Count One are incorporated herein, as are the allegations in Paragraphs 1 – 4 of Counts Two through Twenty-Seven.

2. On or about the dates listed below, in the Middle District of Florida and elsewhere,

KATRINA BROWN, and
REGINALD BROWN,

the defendants herein, did knowingly engage and attempt to engage and aid and abet the engagement in monetary transactions, affecting interstate and foreign commerce, in criminally derived property of a value greater than $10,000, such property having been derived from specified unlawful activity, that is, aiding and abetting mail fraud and wire fraud, in violation of Title 18, United States Code, Sections 1341, 1343, and 2.

TWENTY-EIGHT	July 17, 2014	Deposit of RB Packaging, LLC check number 903 in the amount of $16,500 into the Basic Products, LLC BBVA Compass Bank account in Jacksonville, Florida
TWENTY-NINE	August 22, 2014	Deposit of RB Packaging, LLC check number 906 in the amount of $33,000 into the Basic Products, LLC BBVA Compass Bank account in Jacksonville, Florida

THIRTY	September 12, 2014	Deposit of RB Packaging, LLC check number 909 in the amount of $22,000 into the Basic Products, LLC BBVA Compass Bank account in Jacksonville, Florida
THIRTY-ONE	September 30, 2014	Deposit of BBVA Compass cashier's check number 501953609 with Remitter Reginald Brown in the amount of $20,000 into the Basic Products, LLC BBVA Compass Bank account in Jacksonville, Florida
THIRTY-TWO	December 22, 2014	Deposit of RB Packaging, LLC check number 101 in the amount of $25,000 into the Basic Products, LLC BBVA Compass Bank account in Jacksonville, Florida
THIRTY-THREE	December 23, 2014	Deposit of RB Packaging, LLC check number 102 in the amount of $25,000 into the Basic Products, LLC BBVA Compass Bank account in Jacksonville, Florida

All in violation of Title 18, United States Code, Sections 1957 and 2.

COUNTS THIRTY-FOUR AND THIRTY-FIVE
(Attempted Bank Fraud)

Scheme and Artifice

At all times material,

1. The allegations set forth in Paragraphs 1 – 31 of Count One are incorporated herein.

2. WebBank was headquartered in Salt Lake City, Utah, and a financial institution as defined by 18 U.S.C. § 20; that is, WebBank was an insured depository institution with deposits insured by the Federal Deposit Insurance Corporation (FDIC).

3. Retail Capital, LLC, d/b/a Credibly (Credibly), was a small business lender, whose loans were funded by WebBank.

4. Lendcore was a broker for merchant loan transactions involving Credibly and WebBank.

5. Bizfi was a broker for merchant loan transactions involving Credibly and WebBank.

6. A merchant advance loan was for a borrower who would not typically qualify for traditional financing, in which the lender lends a sum of money and purchases a portion of the borrower's future cash flow until the loan was repaid.

7. Beginning in or about early October 2015 and continuing until on or about November 8, 2016, in the Middle District of Florida and elsewhere,

KATRINA BROWN,

the defendant herein, did knowingly execute and attempt to execute a scheme and artifice to defraud WebBank, a financial institution, the deposits and accounts of which were insured by the FDIC, and did attempt to obtain moneys and funds owned by and under the custody and control of WebBank, by means of materially false and fraudulent pretenses and representations.

Manner and Means

8. It was part of the scheme and artifice to defraud that in early October 2015, KATRINA BROWN assisted in preparing a Credibly Funding Application on behalf of KJB Specialties seeking a merchant advance loan of $60,000. The Funding Application listed KATRINA BROWN's email address. The listed intended use of proceeds was "working capital."

9. It was further part of the scheme and artifice that in early November 2015, KATRINA BROWN emailed from her Hotmail account the Funding Application to a Lendcore representative.

10. It was further part of the scheme and artifice that once KATRINA BROWN learned (via Lendcore) that, in order to secure a merchant advance loan via Credibly through WebBank, the borrower (KJB

Specialties) was required to illustrate that monthly deposits would equal or exceed the requested loan amount ($60,000), and that insufficient funds charges would have a detrimental effect on the approval process, KATRINA BROWN obtained altered KJB Specialties Wells Fargo bank statements for August, September, and October 2015. The altered bank statements reflect increased total credits and debits to the account for each month in excess of $60,000, and removed various insufficient funds charges.

11. It was further part of the scheme and artifice that once the August, September, and October 2015 KJB Specialties Wells Fargo bank statements were altered, in November 2015, KATRINA BROWN emailed the false and fraudulent KJB Specialties bank statements from her Hotmail account to a Lendcore email address. Lendcore then provided the false and fraudulent bank statements to Credibly. A representative of Credibly reviewed the false and fraudulent statements on behalf of WebBank to determine if a $60,000 merchant advance loan was appropriate. The merchant advance loan application was declined.

12. It was further part of the scheme and artifice that in early November 2016, KATRINA BROWN, on behalf of Basic Products, sought a merchant advance loan from WebBank via Credibly, this time brokered by Bizfi, and prepared and signed a Merchant Pre-Qualification Form, which

sought funding between $50,000 and $55,000. Katrina Brown's Hotmail account was listed on the Pre-Qualification Form.

13. It was further part of the scheme and artifice that in early November 2016, KATRINA BROWN obtained altered Wells Fargo bank statements for Basic Products for the months of July, August, and September 2016.

14. It was further part of the scheme and artifice that the actual Wells Fargo bank statements for KJB Specialties for the months of March, April, and May 2016 were used as a template to create the false and fraudulent Basic Products bank statements for July, August, and September 2016.

15. It was further part of the scheme and artifice that the monthly credits to the Basic Products Wells Fargo bank account in July, August, and September 2016, were drastically inflated from the figures set forth in the actual Basic Products bank statements for those months to reflect credits in excess of $54,000 (July 2016), $67,000 (August 2016), and $70,000 (September 2016). The actual credits to the Basic Products Wells Fargo account were $17,775 (July 12 – August 5, 2016 statement), $1,410 (August 6 – September 8, 2016 statement), and $460 (September 9 – October 7, 2016 statement).

Execution

16. The following substantive counts (Thirty-Four and Thirty-Five) constitute independent executions of the above described scheme and artifice and to obtain monies and funds owned by WebBank by means of materially false and fraudulent pretenses and representations:

COUNT THIRTY-FOUR

On or about November 13, 2015, in the Middle District of Florida and elsewhere,

KATRINA BROWN,

the defendant herein, did email and cause to be submitted false and fraudulent KJB Specialties Wells Fargo bank statements for the months of August through October 2015 to a Lendcore representative seeking a $60,000 merchant advance loan for KJB Specialties from Credibly and WebBank, in violation of Title 18, United States Code, Sections 1349 & 1344.

COUNT THIRTY-FIVE

On or about November 8, 2016, in the Middle District of Florida and elsewhere,

KATRINA BROWN,

the defendant herein, did email and cause to be submitted false and fraudulent Basic Products Wells Fargo bank statements for the months of July through September 2016 to a Bizfi representative seeking a $50,000-$55,000 merchant advance loan for Basic Products from Credibly and WebBank, in violation of Title 18, United States Code, Sections 1349 & 1344.

COUNT THIRTY-SIX
(False Statement to a Federally Insured Institution)

1. The allegations in Paragraphs 1 – 4, 6 – 11, and 16 of Count Thirty-Four are incorporated herein.

2. On or about November 13, 2015, in the Middle District of Florida and elsewhere,

KATRINA BROWN,

the defendant herein, did knowingly make false statements in support of a loan application seeking a merchant advance loan of $60,000 when the defendant emailed and caused to be submitted false and fraudulent KJB

Specialties Wells Fargo bank statements for the months of August through October 2015 to a Lendcore representative in support of the loan application, when, in fact, the defendant knew the bank statements were false and fraudulent, with the intent to influence an action of a financial institution (WebBank), the deposits of which were insured by the Federal Deposit Insurance Corporation, in violation of Title 18, United States Code, Section 1014.

COUNT THIRTY-SEVEN
(False Statement to a Federally Insured Institution)

1. The allegations set forth in Paragraphs 1 – 3, 5 – 7, and 12 – 16 of Count Thirty-Five are incorporated herein.

2. On or about November 8, 2016, in the Middle District of Florida and elsewhere,

KATRINA BROWN,

the defendant herein, did knowingly make false statements in support of a loan application seeking a merchant advance loan of up to $55,000 when the defendant emailed and caused to be submitted false and fraudulent Basic Products Wells Fargo bank statements for July through September 2016 to a Bizfi representative in support of the loan application, when, in fact, the

defendant knew the bank statements were false and fraudulent, with the intent to influence an action of a financial institution (WebBank), the deposits of which were insured by the Federal Deposit Insurance Corporation, in violation of Title 18, United States Code, Section 1014.

COUNT THIRTY-EIGHT
(Failure to File Form 1040 Return)

During the calendar year 2014, in the Middle District of Florida,

REGINALD BROWN

the defendant herein, who was a resident of Jacksonville, Florida, had and received gross income substantially in excess of the minimum filing amounts established by law for said calendar year. Because of the gross income received, REGINALD BROWN was required by law, following the close of the calendar year 2014, and on or before April 15, 2015, to file an income tax return with the Internal Revenue Service, at Jacksonville, Florida, or to another Internal Revenue Service office permitted by the Commissioner of Internal Revenue, stating specifically the items of his gross income and any deductions and credits to which he was entitled. Well knowing and believing all of the foregoing, defendant REGINALD BROWN did willfully fail, on or about April 15, 2015, in the Middle District of Florida, to file an income tax

return, in violation of Title 26, United states Code, Section 7203.

FORFEITURE

1. The allegations contained in Counts One through Twenty-Seven, and Counts Thirty-Four and Thirty-Five, are incorporated by reference for the purpose of alleging forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) and 18 U.S.C. § 982(a)(2)(A).

2. Upon conviction of a conspiracy of the violation of 18 U.S.C. §§ 1341 and/or 1343, in violation of 18 U.S.C. § 1349, or upon a conviction of the violation of 18 U.S.C. §§ 1341 and/or 1343, or upon conviction of an attempt of the violation of 18 U.S.C. § 1344, in violation of 18 U.S.C. § 1349, the defendants, KATRINA BROWN and REGINALD BROWN, shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) and 18 U.S.C. § 982(a)(2)(A) and any property, real or personal, which constitutes or is derived from proceeds traceable to the offense.

3. The allegations contained in Counts Twenty-Eight through Thirty-Three are incorporated by reference for the purpose of alleging forfeitures pursuant to 18 U.S.C. § 982(a)(1).

4. Upon conviction of a violation of 18 U.S.C. § 1957, the defendants, KATRINA BROWN and REGINALD BROWN, shall forfeit to

the United States, pursuant to 18 U.S.C. § 982(a)(1), any property, real or personal, involved in such offense, or any property traceable to such property.

5. The allegations contained in Counts Thirty-Six and Thirty-Seven are incorporated by reference for the purpose of alleging forfeitures pursuant to 18 U.S.C. § 982(a)(2)(A).

6. Upon conviction of a violation of 18 U.S.C. § 1014, the defendant, KATRINA BROWN, shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(2)A), any property constituting, or derived from, proceeds the person obtained directly or indirectly, as a result of such violation.

7. The property to be forfeited includes, but is not limited to, the sum of at least $754,613.10, which represents the proceeds of the offenses.

8. If any of the property described above, as a result of any act or omission of the defendant:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be

divided without difficulty,

the United States shall be entitled to forfeiture of substitute property pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c), and as incorporated by 18 U.S.C. § 982(b)(1).

A TRUE BILL

Foreperson

MARIA CHAPA LOPEZ
United States Attorney

By: _____
A. Tysen Duva
Assistant United States Attorney

By: _____
Michael J. Coolican
Assistant United States Attorney

By: _____
Frank Talbot
Assistant United States Attorney
Chief, Jacksonville Division

FORM OBD-34
5/21/18 Revised

No.

UNITED STATES DISTRICT COURT
Middle District of Florida
Jacksonville Division

THE UNITED STATES OF AMERICA

vs.

KATRINA BROWN,
REGINALD BROWN

INDICTMENT

Ct. 1:	18 U.S.C. § 1349
Cts. 2-14:	18 U.S.C. §§ 1341 & 2
Cts. 15-27:	18 U.S.C. §§ 1343 & 2
Cts. 28-33:	18 U.S.C. §§ 1957 & 2
Cts. 34 & 35:	18 U.S.C. § 1349 & 1344
Cts. 36 & 37:	18 U.S.C. § 1014
Ct. 38:	26 U.S.C. § 7203

A true bill,

Foreperson

Filed in open court this 23rd day
of May, 2018.

Clerk

Bail $_____

GPO 863 525