

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,  
c/o United States Attorney's Office  
555 Fourth St., N.W.,  
Washington, DC 20530,

Plaintiff,

v.

2 NORTH ADAMS STREET,  
QUINCY, FLORIDA 32351;

AND

205 CACTUS STREET,  
TALLAHASSEE, FLORIDA 32304;

AND

APPROXIMATELY \$634,266.13 IN  
U.S. FUNDS PREVIOUSLY DEPOSITED  
AT THE BARTOW COUNTY BANK,  
ACCOUNT 059-602, IN THE NAME OF  
GOLDEN PANDA AD BUILDER;

AND

ONE 2009 LINCOLN MKS,  
VIN 1LNHM93R99G602546, IN THE  
NAME OF BOWDOIN HARRIS  
ENTERPRISES, INC.

AND

ONE 2008 TRITON 20 FOOT  
CABANA BOAT, VIN TJZP1458B808,  
VESSEL #FL5752NU,  
ONE 2008 MERCURY 90ELPT 4/S  
MOTOR, VIN 1B533883, AND  
ONE 2008 COMF TRAILER,  
VIN 5DKPB13168N019903, FL LICENSE  
881LLS;

CIVIL COMPLAINT FOR  
FORFEITURE *IN REM*

Civil Action No.:

**FILED**

DEC 19 2008

Clerk, U.S. District and  
Bankruptcy Courts

Case: 1:08-cv-02205  
Assigned To : Collyer, Rosemary M.  
Assign. Date : 12/19/2008  
Description: General Civil

AND )  
)  
)  
TWO 2007 BOMBARDIER GTISE )  
JET SKIS, VIN YDV03674A707 AND )  
VIN YDV03669A707, AND ONE 2008 )  
COMFAB TRAILER, )  
VIN 5DKPB13168N019903; )  
)  
AND )  
)  
ONE 2009 ACURA TXS, )  
VIN JH4CU26689C006437, )  
REGISTERED TO HAYS )  
MCDOUGAL AMOS; )  
)  
AND )  
)  
ONE 2008 HONDA CRV, )  
VIN 5J6RE38738L003796, )  
REGISTERED TO JUDY SHIVER )  
HARRIS AND GEORGE FRANKLIN )  
HARRIS III; )  
)  
AND )  
)  
MISCELLANEOUS COMPUTERS, )  
COMPUTER MONITORS AND )  
RELATED EQUIPMENT SEIZED )  
FROM 11-13 S. CALHOUN STREET, )  
QUINCY, FLORIDA ON OR ABOUT )  
AUGUST 4, 2008; )  
)  
Defendants. )  
\_\_\_\_\_ )

**COMPLAINT FOR FORFEITURE *IN REM***

Plaintiff, United States of America, by and through its attorney, the United States Attorney for the District of Columbia, brings this Complaint and alleges as follows in accordance with Supplemental Rule G(2) of the Supplemental Rules for Certain Admiralty or Maritime

Claims and Asset Forfeiture Actions (the "Supplemental Rules"):

1. This is a civil forfeiture action, *in rem*, brought to enforce 18 U.S.C. § 981(a)(1)(C), which authorizes the forfeiture of any property that constitutes or is derived from proceeds traceable to, among other offenses, any offense, or conspiracy to commit such offense, that is a "specified unlawful activity" of the federal anti-money laundering statutes, including wire fraud (18 U.S.C. § 1343) and securities fraud (15 U.S.C. §§ 77e(a) and (c), 78j(b) and 17 C.F.R. 240.10b-5). This action also is brought to enforce 18 U.S.C. § 981(a)(1)(A), which authorizes the forfeiture of any real or personal property that is involved in a money laundering offense (18 U.S.C. §§ 1956 or 1957).

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

3. Venue is proper in this district by virtue of 28 U.S.C. § 1355(b)(1), because acts or omissions giving rise to the forfeiture occurred in this district.

4. The defendant real properties, with all appurtenances and improvements thereon, are: (a) 2 North Adams Street, Quincy, Florida ("2 N Adams Street"); and (b) 205 Cactus Street, Tallahassee, Florida 32304 ("205 Cactus Street"), and are more fully described as:

**2 N Adams Street**

Lots 81, 84, 88 & 89, ORIGINAL TOWN OF QUINCY, according to the Plat thereof as recorded in Plat Book 1, Page(s) 2, of the Public Records of Gadsden County, Florida.

Parcel Identification Number: 3072N3W0730000000890, 0804 & 0810

Together with all the tenements, hereditaments and appurtenances

thereto belonging or in any way appertaining.

**205 Cactus Street**

A LOT OR TRACT OF LAND SITUATE IN THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOUNDED AS FOLLOWS:

Commence at the Northwest corner of said Section 33 and run thence Easterly along the Section line a distance of 2407.94 feet, thence South 00 degrees 14 minutes 38 seconds East 1178.4 feet, thence North 89 degrees 46 minutes 41 seconds East 281.44 feet, thence South 00 degrees 27 minutes 30 seconds East 712.72 feet, thence South 33 degrees 31 minutes 56 seconds East 897.68 feet, thence South 89 degrees 51 minutes 35 seconds East 165.95 feet to the East boundary of the 60 foot right of way of Cactus Street, thence run North 00 degrees 45 minutes 38 seconds West 711.86 feet along the East boundary of Cactus Street to a point which is the Point of Beginning. From said Point hence run South 00 degrees 45 minutes 38 seconds East 20 feet, thence run South 89 degrees 14 minutes 22 seconds west 200 feet to the Point of Beginning; which said lot or parcel includes Lot 17 of Block "D" of Bloxham Terrace as per Second Revised Plat thereof recorded in Plat Book 4, Page 14, of the Public Records of Leon County, Florida, and an undedicated portion of the second revised plat of Bloxham Terrace filed in Plat Book 4, Page 14 of the Public Records of Leon County, Florida, and being the same property described in Official Records Book 335, Page 200, Public Records of Leon County, Florida.

Parcel Identification Number: 21-28-40-D-017-0

Together with all the tenements, hereditaments and appurtenances thereto belonging or in any way appertaining.

5. The defendant personal properties consist of: (1) approximately \$634,266.13 in funds (U.S. Dollars) that previously were deposited at the Bartow County Bank, account 059-602, in the name of Golden Panda Ad Builder, which funds Mr. Clarence Busby and Ms. Dawn Busby voluntarily relinquished to plaintiff; (2) one 2009 Lincoln MKS vehicle, VIN 1LNHM93R99G602546, registered in Florida to Bowdoin Harris Enterprises, Inc.; (3) one 2008 Triton 20 foot Cabana boat, VIN TJZP1458B808, Vessel #FL5752NU, along with a 2008

Mercury 90ELPT 4-speed motor, VIN 1B533883, and a 2008 Comf boat trailer, VIN 5DKPB13168N019903, bearing FL License 881LLS; (4) two 2007 Bombardier GTISE jet skis, VIN YDV03674A707 and VIN YDV03669A707, with a 2008 Comfab trailer, VIN 5DKPB13168N019903; (5) one 2009 Acura TXS vehicle, VIN JH4CU26689C006437, registered in Florida to Hays McDougal Amos; (6) one 2008 Honda CRV vehicle, VIN 5J6RE38738L003796, registered in Florida to Judy Shiver Harris and George Franklin Harris, III; and (7) all computers and related equipment that law enforcement agents seized from 11-13 S. Calhoun Street, Quincy, Florida, on or about August 4, 2008, including equipment that the government returned, post-seizure, based on representations that the seizure of the equipment prevented legitimate advertising operations from occurring.

6. As shown herein, Thomas A. Bowdoin, Jr. ("Mr. Bowdoin") founded and presided over a company he called AdSurfDaily, Inc. and Adcashgenerator ("ASD"), that he and others operated over the Internet, purportedly to sell advertising, but which in fact had as its purpose his and others profiting from selling what were unlawfully sold investment contracts – unregistered securities that were not exempt from registration. ASD operated as a "Ponzi" operation whereby it took money from investors – it termed its investors "members" and advertisers – by promising its investors that it would repay to those investors \$125% of their out-of-pocket investment, and even greater returns on their out-of-pocket investments should the investors reinvest the payouts they were otherwise eligible to cash out. ASD called its operation a revenue-sharing advertising program by which it promised "free advertising" and more – returns of at least 125% of the money that investors paid into the company provided that they would agree to spend a few minutes a day looking at websites. ASD took money from investors located (1) throughout the

United States, including in the District of Columbia, and (2) from several foreign countries.

7. In July 2008, while operating over the Internet and before it ceased operations, ASD informed prospective ad purchasers, on the front page of its website, that their “advertising becomes FREE with rebates and you can Earn 25% on your purchase.” ASD informed prospective “ad purchasers” that “ASD pays its advertisers a rebate to view a minimum number of sites each day, therefore, insuring that prospects will be viewing each site.”

8. In July 2008, while it was still operating over the Internet, on the first page of its website ASD informed prospective ad purchasers that they could “Generate Money Placing Free Ads On The Internet!”

9. In July 2008, on the first page of its website, ASD informed prospective ad purchasers that “[a]d purchasers will continue to be paid rebates until they receive 100% of their ad purchases. To earn an additional 25% rebate on their ad purchase, an ad purchaser must have a minimum group sales volume of \$15 per month or their sales volume must average \$15 per month while the ad package is still active. This helps us maintain a constant growth so everyone can reap their profits.”

10. Company officials and promoters told prospective members that the income-generating operation they were invited to join was legal in all aspects. Officials and promoters persuaded participants that the ASD operation differed materially from seemingly similar, but illegal, autosurf “Ponzi” operations that had failed and caused investors to lose money. ASD's officials represented that its operation was distinguishable from other failed income-generating investment programs, and was sustainable, because ASD had devised a means to repay to its members all their money, and an additional 25% return as a so-called “rebate,” by using just half

of its daily revenues. To convince its “members” to make out-of-pocket payments to ASD, ASD and its operators and officials made material misstatements using the Internet, including statements that: (1) a team of experienced lawyers had determined that the operation was legal; (2) the operation was not a Ponzi or pyramid scheme; (3) the operation had sufficient revenue from sales to support the promised payouts; (4) ASD generated significant income independent of its sales to its members; (5) ASD had a brilliant, novel and sustainable business model; (6) the revenue numbers ASD reported were true; (7) Mr. Bowdoin, ASD's founder and Chief Executive Officer, possessed a distinguished and successful track record of operating businesses; (8) Mr. Bowdoin had a history of delivering profitable investment returns to others; (9) Mr. Bowdoin was independently wealthy, did not need the money he was taking from ASD to support himself, and only intended to help other “good Christian people” secure an easy income, which God intended for all of them to have.

11. Almost all of the supposed revenue that the ASD operation shared with the members who invested their assets in the operation came from funds investors gave to ASD with an expectation of return, not from true product sales or service sales. ASD made up the daily revenue numbers that it published. The revenue numbers were manufactured to deceive members into believing that they could reasonably expect to receive an average daily return on their investment with ASD of about 1%. ASD's operation was neither sustainable nor legal. Mr. Bowdoin never succeeded in managing any legal businesses; rather, he had previously been accused and convicted of defrauding investors. When Mr. Bowdoin and associates concocted ASD, he still owed his ex-wife thousands of dollars from a previous failed venture.

12. The defendant properties are all either (1) property that is traceable to proceeds of the

criminal enterprises outlined herein, (2) property involved in unlawful transactions with such proceeds, or both.

13. After filing this Complaint, the government will serve notice on the defendant real properties and warrants of arrest *in rem* on the personal properties, and will notify persons known to have an ownership interest in such properties about this lawsuit, pursuant to Rule G of the Supplemental Rules and 18 U.S.C. § 985(c)(1). In accordance with 18 U.S.C. § 985(b)(1)(A), the defendant real properties will not be seized until the entry of orders of forfeiture. All funds seized will be held in a U.S. Treasury account pending their forfeiture.

#### **BASES FOR FORFEITURE**

14. The defendant properties (the above-identified real and personal properties) are subject to forfeiture because, as further set forth herein, they: (1) constitute proceeds or are derived from proceeds traceable to violations of 18 U.S.C. § 1343 (wire fraud) and/or securities fraud, a “specified unlawful activity” (as referenced in 18 U.S.C. § 981(c) and defined in 18 U.S.C. § 1956(c)(7)(A) (incorporating § 1961(1)); and/or (2) constitute property involved in money-laundering, in violation of 18 U.S.C. §§ 1956 or 1957; and/or (3) constitute proceeds or property involved in conspiracies to commit these offenses, in violation of 18 U.S.C. §§ 371 and 1956(h). As set forth herein, there is reasonable cause to believe that the funds identified above and the funds that were used to acquire or maintain the real and personal properties at issue here constitute proceeds of a wide-spread Internet-based “Ponzi” scheme that operated in violation of Title 18, United States Code, Section 1343 (wire fraud), and in violation of federal laws prohibiting fraud in the sale of securities. All such property is subject to forfeiture pursuant to 18 U.S.C. § 981(a).



### FACTS

15. On August 4, 2008, in the United States District Court for the District of Columbia, the United States filed a civil forfeiture action that the Court docketed as 08-cv-01345 (RMC). All statements and averments made in paragraphs 9-69 of the Complaint captioned 08-cv-01345 (RMC) are incorporated into this Complaint, by reference herein. A copy of that Complaint is attached hereto as Exhibit 1. Golden Panda Ad Builder ("GP") is discussed therein.

16. ASD and GP are not presently operating. On August 1, 2008, United States Secret Service Task Force Agents executed seizure warrants at a financial institution where ASD and GP held the majority of their deposits. On August 5, 2008, federal agents executed warrants to search ASD's Quincy, Florida headquarters and the home of its founder and president, Mr. Bowdoin. Once the government's investigation into ASD's and GP's activities became known, and once its allegation that ASD and GP had lied about the nature of the operations became public, new investors stayed away. Thus, ASD's and GP's ability to use new investors' money to pay the profitable returns promised ("surfing rebates"), in order to make members' "advertising" expenditures free, evaporated. ASD and GP have not resumed operations.

17. ASD and GP operated over the Internet (thereby engaging in transmissions by wire) at [www.asdcashgenerator.com](http://www.asdcashgenerator.com). Related persons operated La Fuente Dinero (from ASD's location and its bank accounts) over the Internet at [www.lafuentedinero.com](http://www.lafuentedinero.com). From these sites, ASD's management asserted that members could earn large profits simply by (1) paying fees to advertise webpages, (2) surfing other members' webpages, and (3) recruiting more members to do the same. These sites did not explain that these so-called "advertising businesses" generated almost no revenue other than investments from members, or funds that ASD promised to return

to the membership as surfing rebates or profits.

18. In July 2008, while it was still operating over the Internet, ASD said it had a business model with an "innovative rebate structure that will enable [it] to continue indefinitely." On the first page of its website, ASD informed prospective ad purchasers that "[t]he rebates are paid from ad purchase sales of the Cash Generator, the sale of banner ads on the Cash Generator, commissions from the sale of the Ad Placement Service at our sister site 'Attract Marketing System' by Cash Generator members, sale of ebooks and any other products that ASD decides to market." On the first page of its website, ASD informed prospective ad purchasers that "[a]d purchasers will continue to be paid rebates until they receive 100% of their ad purchases. To earn an additional 25% rebate on their ad purchase, an ad purchaser must have a minimum group sales volume of \$15 per month or their sales volume must average \$15 per month while the ad package is still active. This helps us maintain a constant growth so everyone can reap their profits."

19. ASD did not sell any products or services sufficient to generate an income stream needed to support the rebates and commissions that it promised to pay its members from its "sales." The rebate and commission payments came almost entirely from the funds that members, expecting profitable returns, invested with ASD. Investors funds also were used to purchase (or pay off mortgages on) all of the defendant properties.

20. On August 18, 2008, Bowdoin/Harris Enterprises, Inc.; Adsurf Daily, Inc.; and Mr. Bowdoin, as claimants in a related civil forfeiture case filed in the United States District Court for the District of Columbia (08-cv-01345 (RMC)), filed an "Emergency Motion For Return Of Seized Funds . . . And Motion To Dismiss." In this motion, these claimants asked the Court to

release some of the funds agents seized from Mr. Bowdoin's bank accounts because, his attorneys alleged, without "emergency relief[,] the company will soon collapse completely. Its member base, its most important asset, will disappear, and its employees will be out of work." The government opposed the return of the seized funds, but did not oppose the request for the extraordinary pre-answer evidentiary hearing that claimants had requested as part of their emergency motion. GP joined in the motion but eventually withdrew its claim in that case.

21. The Court accommodated ASD's/Bowdoin's request for an evidentiary hearing, which occurred on September 30, and October 1, 2008. But, before the hearing, ASD's counsel indicated that neither Mr. Bowdoin, nor ASD's Chief Executive Officer Juan Hernandez, would testify at the hearing. Instead, both men, through their then counsel, invoked their right under the U.S. Constitution's Fifth Amendment not to incriminate themselves.

22. Testimony at the hearing confirmed that members paid ASD with the expectation that ASD would provide members with a full rebate of the funds paid to ASD, and additional income. ASD produced no evidence that most of its ad package purchasers were not also seeking to qualify for profitable rebates. Rather, ASD produced no evidence that it had any present means to generate the returns that it represented it would pay to those who paid ASD to join what Mr. Bowdoin and associates touted as his legal income-opportunity program.

23. At the hearing, ASD produced a witness who agreed in a sworn declaration that "[t]he elements of a Ponzi scheme include the promise of a 'return on investment' to induce the participant to put money into the program. A second element is the lack of any underlying product or service or asset sufficient to sustain the promised payouts, and a third element is the necessity of a continuing flow of new investors/participants to fund the payouts." Those

elements existed within ASD.

24. A “Ponzi” scheme needs new investors to succeed. To attract new money, “Ponzi” operators must promote the scheme's wealth-building opportunity while at the same time disguising to new members the fact that the program's ability to pay profitable returns depends on the operator's receipt of new members' money. At rallies and on ASD's website, numerous material misrepresentations were made in order to promote the operator's alleged business acumen and to disguise the source of the purported profits.

25. On or about July 12, 2008, during an ASD rally in Miami, Florida, a representative of ASD took the stage to addresses concerns that prospective members might have about whether ASD was a legitimate business. The representative said that ASD's founder had received the Medal of Distinction from the President of the United States for his contribution to business and that the only blemish in the founder's past was a speeding ticket. Those representations were false, and ASD's founder and president, Mr. Bowdoin, knew they were false.

26. After ASD operated for at least 20 months over the Internet, from October 2006 to July 2008, Mr. Bowdoin hired Michigan attorney Gerald Nehra, purportedly to assist in making ASD compliant with applicable laws. Before hiring Mr. Nehra, Mr. Bowdoin also retained the Akerman Senterfitt law firm to address ASD's noncompliance with federal and state securities laws. Although throughout the first half of 2008, Mr. Bowdoin represented to members that ASD complied with all applicable laws, in December 2007, more than six months before the government intervened, Mr. Bowdoin decided to tell an associate (a silent partner) in the ASD venture, whose share of ASD's revenue Mr. Bowdoin had decided to reduce from 5% to 1%, that “if we can change the site and marketing plan before the [the regulators] attack, everyone will be

safe.” In 2007, Mr. Bowdoin and several associates knew they were breaking the law operating ASD. They knew that Mr. Bowdoin was lying to ASD participants in order to get more of their money – so that the ASD fraud could continue, and expand, to the point where its operators could start pulling out significant income for operators, their friends, and their family members.

27. On July 30, 2008, Mr. Bowdoin signed Mr. Nehra's “Retainer Agreement for Specialized Legal Services for a United States Direct Selling Company.” In the Retainer Agreement, Mr. Nehra agreed that “[t]he DESIGN of [ASD's multi-level marking plan] and the proposed IMPLEMENTATION of the plan will be legally reviewed by me to eliminate or reduce to an absolute minimum any possibility of violation of . . . Securities Laws (Sale of unregistered securities)[.]” For this, Mr. Nehra demanded and received a \$24,000 retainer, his largest retainer ever. During the Court hearing that ASD requested, Mr. Nehra acknowledged that in his more than twenty years of experience with multilevel marketing companies, he had never seen one like ASD that had both a traditional commission structure, and also a non-traditional “rebate” program that permitted customers to get back not just all of the money they paid into the program, but more.

28. Mr. Nehra agreed that to comply with law in this country, multilevel marketing companies must sell true products or services, not “income opportunities.” Mr. Nehra did not tell ASD that ASD was legal before ASD commenced, or ceased, its operations. When Mr. Nehra was employed by ASD, he watched Mr. Bowdoin explain in a video that prospects could “start earning money now with this income earning opportunity.” Mr. Nehra suggested to Mr. Bowdoin that ASD should play up advertising to lessen the likelihood of legal attack.

29. On its website, ASD committed itself to using at least 65% of its revenues to ensure

that “advertising becomes FREE” for members, who also could “Earn 25% on [their] purchases.”

30. In July 2008, while it was still operating over the Internet, ASD displayed to prospective members a video of Mr. Bowdoin, along with an attorney who ASD had employed, Robert Garner. Mr. Bowdoin introduced Mr. Garner as the company’s outside legal counsel. In the video, which ASD “streamed” over the Internet, Mr. Bowdoin invited viewers to “start earning money now with this income earning opportunity.” Mr. Bowdoin said he was a “professional and successful businessman” and that, although ASD might “sound too good to be true . . . like an illegal money making scheme that won’t last very long. . . . Ad Cash Generator is good and it’s all true and it’s definitely legal, ethical, and not a scam.” Mr. Bowdoin further explained that he asked his attorney to confirm that ASD was not a “Ponzi” scheme. Thereafter, Mr. Garner proceeded to explain that Bowdoin hired Mr. Garner to insure that ASD’s operations were legal in all aspects. Mr. Garner assured viewers that he and “other attorneys in our offices . . . are dedicated to this work with [Mr. Bowdoin] and his company.” According to Mr. Garner, “ASD . . . complies with all laws and regulations that apply to it.” In explaining that ASD was not a “Ponzi” scheme, Mr. Garner noted that a “Ponzi” scheme is “illegal, because [it] use[s] money from new investors to pay the first investors in the scheme their promised returns.” (Emphasis added.) On behalf of ASD, on its website, Mr. Garner told prospective members that ASD was not a “Ponzi” fraud because, among other things, “ASD’s business models have multiple components, as Andy mentioned earlier, and multiple sources of revenue.”

31. Except for Mr. Garner’s description of a “Ponzi” fraud, however, none of his representations was true. Mr. Garner did not work with “other attorneys in our offices,” ASD did not comply with all laws applicable to it, Mr. Bowdoin was not wealthy from prior successful

business ventures, ASD did not have multiple sources of revenue to support the rebates it said it would pay members who surfed, and ASD actually Mr. Garner to participate in a marketing video that ASD crafted to reassure hesitant prospects of ASD's lawfulness, not for his expertise in ensuring ASD's compliance with applicable laws.

32. Before displaying the Bowdoin/Garner video over the Internet, Mr. Bowdoin employed a self-proclaimed Internet marketing expert, Tari Steward, to assist Mr. Bowdoin in expanding ASD's membership base. Mr. Steward conducted a survey of some of ASD's biggest promoters to determine why others were not joining ASD. Many responders indicated that prospective members thought ASD was too good to be true, either an illegal "Ponzi" or pyramid scheme. Mr. Steward reported this information to Mr. Bowdoin, and the two decided to create a video to assuage the reported concerns prospective members had expressed. Thereafter, Mr. Steward, Mr. Bowdoin, and Mr. Garner agreed to the text of the video, and Messrs. Bowdoin and Garner allowed themselves to be taped explaining that ASD was not a "Ponzi" or pyramid scheme. Messrs. Bowdoin and Garner said that ASD's operation had been reviewed carefully by a team of legal experts to ensure compliance with all applicable laws.

33. Messrs. Bowdoin and Garner knew that the representations made in the video were material to prospective participants, made-up, and false. The misrepresentations led to a significant expansion of investment with ASD and related auto-surf investment programs.

34. On the video, Mr. Bowdoin explained: "It's actually very simple how our company can pay out so much money to our members and still have plenty of money to operate and keep expanding. We sell advertising and we pay fifty percent of our sales to our members as rebates. So, by paying fifty percent of our sales we can pay out indefinitely." In truth, Mr. Bowdoin and

ASD promised to pay out 125% of what he terms “sales,” but to use only 50% of each day's revenue to support these repayments. In fact, as its two non-attorney witnesses confirmed at the Court hearing, it was paying them 125%. All this “50% of each day's revenue” did was prolong the time it took to pay the returns – but it does not change the fact that the returns were being funded by new members' money. Historically, while the membership base was expanding, it was taking members about four months to earn their 125% return.

35. Robert Grayson testified that he was a member of ASD. He explained that he had put about \$35,000 of his own money into ASD, that he had received about \$25,000 back so far, as well as a check for another \$8,000 that he was unable to cash before the government seized ASD funds. In other words, he was almost at the point where all of his out-of-pocket expenditure (initial investment) had been returned.

36. Mr. Grayson further testified that, based on his having reinvested in ad packages, he had an ad package balance worth approximately \$200,000 from which he was expecting to receive about \$2,000 per day (provided he merely surfed several websites for fifteen seconds each day). Compounding the returns that ASD provided would permit members to earn much, much more than their 125%.

37. At the hearing, Mr. Grayson admitted that he was not sure whether ASD would be cost-effective without its rebate program. He acknowledged that his advertisements were not shown when ASD's website was down, and he confirmed that ASD's website was down for a prolonged period of time. However, during this time, he testified, he still earned “surfing” returns that were paid as an accommodation for ASD's inability to display any advertising.

38. Mr. Grayson also testified that he did not believe ASD was promoted as an



investment program or a “security.” But in an email that he wrote to ASD or its attorneys, Mr. Grayson explained ASD's operation as follows: “ASD has chosen to utilize a combination of compensation components to reward it's [sic] members and allow them to a) recover their out of pocket advertising costs, b) earn a 25% premium above and beyond these costs, c) compound the recovery of those expenses, and d) earn commissions on 2 generations of the referral of new members who also make advertising purchases.” Mr. Grayson likened ASD's compounding of rebates to how “a securities investor can reinvest his or her dividend in order to purchase additional shares of stock and increase the size of the next dividend[.]” “Last but not least” Mr. Grayson said, “let's not forget this is an advertising program and the purpose of advertising is to generate profitable sales of a product or service[.]” Id. According to Mr. Grayson, “[k]nowing that my cost for page views with ASD is FREE - any sale I make is by definition profitable[,] especially when compared to the enormous costs of search engines and the software manipulation they go through to take my money.”

39. In paying money to ASD, Mr. Grayson testified that he relied on ASD's representations that ASD's operation was legal.

40. Chuck Osmin, who had been employed with ASD as a customer service representative for about three months (before ASD-related funds were seized), testified that he was aware that ASD had paid many participants the 125% returns it offered.

41. Mr. Osmin, the only ASD representative presented at the hearing, did not know whether ASD had any revenue sources other than what it received from its members to pay the returns.

42. Mr. Osmin also testified that ASD used ad packages as compensation for employees

and rally/convention workers.

43. Mr. Osmin said he was aware that some ASD “advertisers” had no businesses to advertise. He acknowledged that ASD suggested two websites for such individuals to use in order to permit them to “take advantage of our opportunity.”

44. Mr. Osmin also acknowledged that ASD continued to pay returns even when it could not display any advertising and thus was not paying members for having surfed any ads. He explained, however, that ASD paid such “global credits” as an accommodation to those who were not able to receiving any advertising.

45. Mr. Osmin described ASD’s different membership levels and explained that members could pay ASD monthly fees to view fewer web pages.

46. From the money Mr. Osmin invested out-of-pocket with ASD, he had already netted a return of about 700%.

47. Mr. Osmin provided no information about the amount of funds needed for ASD to continue to operate, nor did he provide any information about ASD’s finances including its balance sheet or statement of earnings.

48. Mr. Osmin did not know of any ASD board of directors. ASD had no a board of directors.

49. Although no officer or director of ASD testified at the hearing, Philip Schwartz, an attorney with the Akerman Senterfitt law firm, did. Mr. Schwartz expressed his expertise with federal securities laws. According to Mr. Schwartz, Mr. Bowdoin contacted him after ASD had been operating for at least 20 months over the Internet, from October 2006 to July, 2008.

50. Mr. Schwartz testified, that after his initial contact with ASD, he was waiting for

ASD to send him documents to review. Mr. Schwartz said that ASD did not send documents to him before the government seized funds from Mr. Bowdoin's Bank of America accounts. At no time during ASD's operations did Mr. Schwartz, or any other attorney from his firm, tell ASD that its operation was legal.

51. At the hearing, Mr. Schwartz offered an unaudited "Balance Statement" prepared by ASD indicating that, as of July 31, 2008, ASD had received \$100,888,592.23 as income from the sale of ad packages, but had total assets of only \$41,879,631.31.

52. In its emergency motion, ASD stated that its customers would evaporate unless ASD was permitted to pay its customers with the funds the customers supposedly paid to ASD to purchase advertising. Thus, the rebate program that Mr. Schwartz swore he had not evaluated was, according to his law firm (which submitted ASD's Emergency Motion), key to ASD's ability to "sell" advertising.

53. When they executed search warrants at ASD's Quincy, Florida, headquarters and at the home Mr. Bowdoin had recently purchased with ASD funds, agents questioned Mr. Bowdoin about ASD's operation. Mr. Bowdoin told two agents that he based ASD on 12daily Pro. He said he thought it was a good program, except that it paid out too quickly. Although Mr. Bowdoin told federal agents that he had not participated in 12daily Pro, Mr. Bowdoin told others that he actually lost money by participating in the 12daily Pro autosurf program.

54. Initially, Mr. Bowdoin had intended to operate as "Daily Prosurf." He registered that name in Florida. Instead, however, ASD began operations over the Internet as "AdSurfDaily." Before the ASD auto-surf program ceased operation, the program was renamed "AdCashGenerator." Mr. Bowdoin told some individuals that he had to stop operating the

program over the Internet as AdSurfDaily after one or more Russians hacked into his program and caused the ASD operation to issue approximately \$1 million to one or more Russians before Mr. Bowdoin discovered that the Russians had not paid any money to ASD to secure for themselves a portion of its revenue stream (as so-called “rebates”). The Russians were not the only ones stealing a portion of the revenue stream. Mr. Bowdoin and associates issued ad packages to friends and family (who paid nothing for the ad packages) as free investment, and compensation programs. Mr. Bowdoin, and others working with or associated with ASD, also gave ad packages to employees/workers as compensation for services performed for ASD. These individuals were also able to pull out considerable funds from the so-called rebate program even though in many cases they put little, if any of their own money into the scheme. For example, a former employee took over \$30,000 out of ASD after putting in nothing. Another former employee pulled out over \$300,000 after putting in about \$10,000. One ASD promoter pulled out almost \$100,000 after putting in less than \$1,000. Mr. Osmin said that, after pulling out most of his out-of-pocket investment, he had expected, from having reinvested “dividends,” to receive about \$2,000 per day from ASD before it ceased operations. Mr. Bowdoin also gave free ad packages to a son and to a former daughter-in-law, by which they pulled funds out of ASD without paying any money to ASD. In his son's case, he arranged for another employee to “surf” the program in order to qualify for a share of the daily rebates. Purchasing advertising was irrelevant to these “investors.”

55. Even in its second iteration, as Adcashgenerator.com, Mr. Bowdoin and associates knew that the ASD operation was using new members' money to pay older members their promised returns, and manufacturing revenue figures to appear consistently profitable in order to

convince members to participate and to keep most of their money with ASD and associated programs. Although, as a result of unintended payouts to one or more non-paying Russians, AdSurfDaily became insolvent much sooner than Mr. Bowdoin and associates had anticipated, Mr. Bowdoin did not report the losses accurately to most members. Instead, he said the problem with his initial program was that cash reserves had been drained because surfing commissions were overpaid. To avoid regulatory scrutiny when ASD's first iteration collapsed, Mr. Bowdoin explained that account balances of the prior operation would be transferred to the new operation, allowing the old program's participants to share in the new revenue stream as new funds came into the new operation. In discussing the transferring of such account balances, Mr. Bowdoin explained: "You have heard us talk about not overwhelming the system by transferring all of the ad packages from the old site at one time. If we did that we would never get off the ground. To avoid that from happening, we must transfer the balances in increments. Here is the plan our Accountant suggested. Based on the sales that we now have, transfer over 150,000 ad packages which will be about 5%. Based on \$3,000 per day in sales we can pay 1%. 50% of \$3,000 is \$1500 which is 1% of the 150,000. We have enough sales now to start at \$3,000 per day for the first 5 days and the \$1500 on Sat. And [sic] Sun. As our sales increase in increments of \$3,000 per day we will transfer another 150,000 ad purchases. In other words, when sales reach \$6,000 per day we will transfer another 150,00 [sic] ad purchases [strike out "ad purchases"], when they reach \$9,000 per day we will transfer over [strike out "over"] another 150,000. Then when they start expiring we will transfer more and we will continue this until we get all of the balances transferred. All credits for surfing will be transferred. All pending cash outs will be paid from profits from the new cash generator site and then all cash balances on the old site will also be

paid from profits. The time period for paying pending cash outs and cash balances will be determined by Sales.”

56. Mr. Bowdoin never told later participants with ASD that the funds they paid to ASD were being used to pay returns to participants with AdSurfDaily who failed to receive promised returns because one or more Russians had defrauded AdSurfDaily. Nor did ASD operators ever alert authorities to the missing funds. Several times, Mr. Bowdoin was told about other individuals who had scammed ASD. Neither Mr. Bowdoin, nor any other operator of ASD, ever alerted authorities to criminal activity targeted against ASD. ASD did not want any law enforcement scrutiny.

#### Use Of SUA Proceeds to Purchase Defendant Real Properties

57. Mr. Bowdoin generated no substantial income except that which he paid himself from his operation of ASD, what he pulled out as “bonuses,” and what he derived from his participation in the ASD rebate program. During his operation of ASD, Mr. Bowdoin purchased at least two Florida properties in others' names, including, for \$800,000.00 cash, a Quincy Florida office building located at 2 Adams Street North, Quincy, Florida 32351. The funds used to purchase the Quincy Florida office building derived from Mr. Bowdoin's operation of ASD. Funds for the purchase were removed from the same Bank of America accounts that Mr. Bowdoin used to collect the proceeds of his Internet-based Ponzi operation. These are the same accounts from which the government seized funds that it sued for forfeiture in 08-cv-01345 (RMC).

58. On or about June 10, 2008, George Harris and Edna Faye Bowdoin opened bank account number XXXXXX0101 at Capital City Bank. The account was in the name of

Bowdoin/Harris Enterprises, Inc. To open the account, Ms. Bowdoin and Mr. Harris transferred \$177,900.12 into the account from two Bowdoin/ASD accounts (Bank of America accounts XXXXXX5501 and XXXXXX4901.) On or about June 23, 2008, George Harris requested via a telephone call, that an electronic wire for \$157,216.79 be sent from his Capital City Bank account to Citi Mortgage, Inc. The reference that Mr. Harris provided was "REF: PAYOFF JUDY HARRIS #XXXXXX2292". On or about July 11, 2008, a satisfaction of mortgage was recorded in Leon County for the residence at 205 Cactus Street, Tallahassee, FL 32304. This house is the residence of Judy and George Harris. George Harris is the son of Mr. Bowdoin's current wife. The satisfaction of mortgage indicates that the account number that referenced the mortgage was #XXXXXX2292. In short, Edna Faye Bowdoin and her son, George Harris, created an entity that funneled ASD proceeds into a bank account from which funds were provided to George Harris, and his wife, to pay off their home mortgage. Thomas and Faye Bowdoin created Bowdoin/Harris Enterprises, Inc., and used it to purchase real properties and other assets, believing that using this structure would help to conceal from the government their expenditures and assets they purchased.

Use of ASD Proceeds to Acquire Other Defendant Properties

59. On or about June 11, 2008, Judy Harris and George Harris III purchased the defendant 2008 Honda CRV from Proctor Honda, 2373 West Tennessee Street, Tallahassee, FL, for \$28,607.67. The payment for the vehicle was made with ASD company check #1337 and was drawn on Bank of America account number XXXXXX3605. The check was deposited into Proctor Honda's bank account at Farmers & Merchants Bank on June 12, 2008. Judy Harris and George Harris both signed the paperwork to complete the transaction with the dealership. On

August 8, 2008, an individual ("MSR") recorded a lien on the vehicle that is owned by Judy and George Harris. MSR is the aunt of Judy Harris, and helped raise Judy Harris. MSR told a United States Secret Service task force agent that Judy Harris came over to her house and asked to borrow \$5000 from her. MSR said that she withdrew the cash from her account at a bank and gave the cash to Judy Harris. Judy instructed MSR to put a lien on the vehicle to assure her that the money would be repaid. The funds used for this purchase derived from ASD members.

60. On about June 11, 2008, a check was written from Bank of America account XXXXXXXXXX3605 held in the name of Mr. Bowdoin or ASD for the amount of \$33,450.30. The check was written to Proctor Motor Co., Inc. and indicates (in the memo field) that it was written to purchase the defendant Acura TXS vehicle for Hays Amos. Juan Fernandez signed the check. The funds used to purchase the Acura derived from ASD members.

61. On about June 28, 2008, check number 2708 was written from Bank of America account number XXXXXXXXXX3605 held in the name of Mr. Bowdoin or ASD. The check was written to Tallahassee Power Sports for \$20,506.98 for the purchase of the two defendant jet ski personal water craft and a dual trailer to transport the water craft. The bill of sale was to ASD, and Faye Bowdoin signed for the goods.

62. On about July 1, 2008, a check was written from the account held in the name of Bowdoin/Harris Enterprises, Inc., from account number XXXXXX0101, which was held at Capital City Bank. The check was written to Tri-State Marine of Florida for \$23,445.00 to purchase the defendant boat, trailer, and attachments, and was signed by Thomas A. Bowdoin. The funds used for this purchase derived from ASD members.

63. On July 28, 2008, a cashier's check was issued from Bowdoin/Harris Enterprises to



Tallahassee Lincoln Mercury for the amount of \$48,244.03. The account from which the check was drawn is XXXXXXXXX5012 and has an account name of Bowdoin/Harris Enterprises, Inc. Thomas A. Bowdoin, Jr. Admin. The account was opened with a cashier's check from Capital City Bank, which had been issued upon the closing of the Bowdoin/Harris account, which was held at Capital City Bank. The Capital City Bank funds came from the Bowdoin/ASD accounts at Bank of America and these funds were used to purchase the defendant Lincoln MKS vehicle. The funds used for this purchase derived from ASD members.

64. The defendant computers and related equipment were purchased with funds derived from ASD members, and the \$634,266.13 from GP derived from its former members' investments there.

### **CONCLUSION**

65. Based on the information provided herein, there is reasonable cause to believe that ASD, Thomas A. Bowdoin, Jr., and others devised and intended to devise a scheme or artifice to defraud, or a scheme for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, and that he and they transmitted or cause to be transmitted by means of wire, communications in interstate or foreign commerce (including writings, signs, signals, pictures, or sounds), for the purpose of executing such scheme or artifice, to wit: Internet-based Ponzi schemes, in violation of Title 18, United States Code, Section 1343 (Wire Fraud); in violation of laws prohibiting fraud in the sale of securities; and in violation of Title 18, United States Code, Section 371 (Conspiracy to Commit Wire or Securities Fraud). Further, based on the information provided herein, there is reasonable cause to believe that the defendant properties constitute proceeds of the above-specified offenses or property involved in financial

transactions, with wire fraud or securities fraud proceeds, that are prohibited by the federal anti-money laundering statutes.

**COUNT I**

66. All statements and averments made in paragraphs 1-65 are re-alleged and incorporated, herein, by reference.

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

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

**COUNT II**

69. All statements and averments made in paragraphs 1-65 are re-alleged and incorporated, herein, by reference.

70. The defendant properties are subject to forfeiture because they constitute or are derived from proceeds traceable to a conspiracy to violate 18 U.S.C. § 1343, in violation of 18 U.S.C. §§ 371 and 1349.

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

**COUNT III**

72. All statements and averments made in paragraphs 1-65 are re-alleged and incorporated, herein, by reference.

73. The defendant properties are subject to forfeiture because they constitute or are

derived from proceeds traceable to fraud in the sale of securities, in violation of 15 U.S.C. §§ 77e(a) and (c), 78j(b) and 17 C.F.R. 240.10b-5, and a “specified unlawful activity.”

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

#### **COUNT IV**

75. All statements and averments made in paragraphs 1-65 are re-alleged and incorporated, herein, by reference.

76. The defendant properties are subject to forfeiture because they constitute or are derived from proceeds traceable to a conspiracy involving fraud in the sale of securities, in violation of 18 U.S.C. § 371.

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

#### **COUNT V**

78. All statements and averments made in paragraphs 1-65 are re-alleged and incorporated, herein, by reference.

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

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

**COUNT VI**


81. All statements and averments made in paragraphs 1-65 are re-alleged and incorporated, herein, by reference.

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

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

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

Respectfully submitted,

  
JEFFREY A. TAYLOR  
United States Attorney  
DC Bar No. 498610

A handwritten signature in black ink, appearing to read 'William R. Cowden', is written over a horizontal line. A small checkmark is visible to the right of the signature.

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**VERIFICATION**

I, Roy Dotson, a Special Agent with the United States Secret Service, declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing Complaint for Forfeiture *In Rem* is based upon reports and information known to me and/or furnished to me by other law enforcement agents and that everything represented herein is true and correct.

Executed on this 19<sup>th</sup> day of December 2008.

/s/   
Roy Dotson  
Special Agent  
United States Secret Service