

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
FORT MYERS DIVISION**

UNITED STATES OF AMERICA

v.

**MICHAEL OLAF SCHÜTT aka
MICHAEL OLAF SCHUETT aka
OLAF BRAND.**

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CASE NO. 2:10-cr-39-FtM-36SPC

**MOTION OF THE UNITED STATES OF AMERICA
FOR ENTRY OF A PRELIMINARY ORDER OF FORFEITURE**

The United States of America, by Robert E. O'Neill, United States Attorney for the Middle District of Florida, respectfully moves this Court, pursuant to Title 18, United States Code, Section 982(a)(1) and Fed. R. Crim. P. 32.2(b)(2), to enter a Preliminary Order of Forfeiture in the above-captioned case, **which, at sentencing, shall become a final order of forfeiture as to defendant Michael Olaf Schütt's right, title and interest** in the following:

- a. Approximately \$5,680.67 in United States currency seized from account number xxxxxxxx3940 in the name of Michael Schuett at Bank of America;
- b. Approximately \$142,679.86 in United States currency seized from account number xxxxxxxx9613 in the name of MCM Capital Management Corp. at Bank of America;
- c. Approximately \$635,097.55 in United States currency seized from account number xxxxxxxx9054 in the name of MI Global Inc. at Bank of America;
- d. Approximately \$664,901.28 in United States currency seized from account number xxxxxx5422 in the name of South Naples Escrow Company at Ironstone Bank;
- e. Approximately \$288,270.02 in United States currency seized from account number xxxxxxxxx6031 in the name of Southwest Florida

Payroll Co. at SunTrust Bank;

- f. Approximately \$297,651.01 in United States currency seized from account number xxxxx9070 in the name of Woodhouse Systems at Regions Bank;
- g. Approximately \$5,345.00 in United States currency seized from account number xxxxxx5997 in the name of Mathews Trade Corp. at BB&T Bank;
- h. Approximately \$74,891.85 in United States currency seized from account number xxxxxx6281 in the name of South Florida Payroll Company at Iberia Bank;
- i. Approximately \$252,932.30 in United States currency seized from account number xxxxxx2644 in the name of Internet Payment Services Group Inc. at Royal Bank of Canada;
- j. Approximately \$103,050.00 in United States currency seized from account number xxxxxx6059 at Fifth Third Bank in the name of Michael Schuett and Jennifer Sherman;
- k. Approximately \$5,000.00 in United States currency seized from the escrow account of Cape Coral Title Insurance Agency, Inc., 1307 Cape Coral Parkway E., Cape Coral, Florida 33904, held for the benefit of Michael Schuett and/or Jennifer Sherman;
- l. A 2009 Audi Q7 Vehicle, Identification Number (VIN) WA1AY74L29D023600, Florida Tag USAG24, Registered to Michael Schuett;
- m. A 2002 Porsche 911 Carrera, VIN WP0CA29962S653737, Florida Tag 379LYJ, Registered to Michael O. Schuett.
- n. Four Rolex watches, namely a stainless steel Milgauss, a Black Dial Stainless Steel Daytona model, and two Sea Dweller watches;
- o. \$10,000.00 in United States currency seized from the defendant's residence on February 18, 2010; and
- p. Two women's rings, more specifically described as:
 - (1) One ladies 14kt. w.g. diamond engagement ring. Ring consisting of one round brilliant Ideal cut diamond graded by EGL Laboratory as 2.00 ct. G/SI1. Diamond measures 7.93x7.89x5.01mm. cert number EGL US89246642D. Ring

features 12 princess cut side diamonds graded G/SI2 color and clarity at 1.33 cts. t.w.; and

(2) One ladies 18kt. w.g. diamond wedding band. Band consisting of 10 princess cut diamonds graded G/SI2 color and clarity at .76cts. t.w. Diamonds are channel set in 18kt. w.g.

In support thereof, the United States submits the following memorandum of law.

MEMORANDUM OF LAW

I. Statement of Facts

1. On March 13, 2010, an Information was filed, charging defendant Michael Olaf Schütt (Schütt) with owning and operating all or part of an unlicensed money transmitting business, in violation of Title 18, United States Code, Sections 1960 and 2. (Doc. 19).

2. The Information contained Forfeiture Allegations pursuant to the provisions of Title 18, United States Code, Sections 98(a)(1), seeking forfeiture of any and all right, title, and interest Schütt may have in any property, real or personal, involved in such offense, and any property traceable to such property, including, but not limited to, the items described above. *Id.* at 2-4.

3. On March 22, 2010, the United States filed its Notice of Maximum Penalties, Elements and Factual Basis (Doc. 22), and on July 9, 2010, the United States filed an Amended Notice of Maximum Penalties, Elements and Factual Basis, which provided the facts supporting the defendant's conviction on Count One and the forfeiture of his assets. (Doc. 43).

4. On March 23, 2010, Schütt entered a plea of guilty to Count One of the Information before United States Magistrate Judge David M. Cohen, who issued a report recommending that the Court accept the defendant's plea. (Doc. 30).

5. On March 25, 2010, the Court accepted Schütt's plea and adjudicated guilty of the offense charged in Count One of the Information. (Doc. 34).

6. On June 24, 2010, the United States filed the Stipulated Agreement as to the Forfeiture of Assets Between the United States of America and Defendant Michael Olaf Schütt, in which he agreed to forfeit to the United States all of the assets, or portions thereof, subject to forfeiture, pursuant to Title 18, United States Code, Section 982(a)(1), whether in the control of the defendant, or the defendant's nominees, including those assets listed above. (Doc. 42).

7. Sentencing for defendant Schütt is currently scheduled for November 8, 2010. (Doc. 55).

II. Applicable Law

The criminal forfeiture of property for owning and operating an unlicensed money transmitting business, in violation of Title 18, United States Code, Section 1960, is governed by Title 18, United States Code, Section 982(a)(1), which provides for the forfeiture of any property, real or personal, involved in such offense, and any property traceable to such property. See 18 U.S.C. § 982(a)(1).

Federal Rule of Criminal Procedure 32.2 requires that the Court, after accepting a plea of guilty, determine what property is subject to forfeiture under the applicable statute. After a guilty plea, the Court makes both a factual determination regarding the sufficiency of the *nexus* between the offense and the property sought for forfeiture, and a legal finding as to what property is subject to forfeiture.

In this instance, in the Stipulated Agreement as to the Forfeiture of Assets Between the United States of America and Defendant Michael Olaf Schütt, the

defendant agreed to the forfeiture of the assets identified above, and he further agreed that “[a]ll property listed above was either property involved in the offense of owning and operating an unlicensed money transmitting business, as charged in Count One of the Information, or property traceable to such property.” (Doc. 42, at 4).

The defendant further stipulated and agreed that there is a sufficient factual and statutory basis for the forfeiture of these assets to the government, as set forth in the government’s Notice of Maximum Penalties, Elements and Factual Basis filed on March 22, 2010. (Doc. 22). These facts are also provided in the Amended Notice of Maximum Penalties, Elements and Factual Basis filed on July 9, 2010. (Doc. 43). The facts supporting the defendant’s conviction and forfeiture of his property are provided below.

III. Facts Supporting Forfeiture

From in or about April of 2009, to February 18, 2010, in Collier County, in the Middle District of Florida, the defendant Michael Olaf Schuett¹ operated an unlicensed money transmitting business² through various corporations he controlled, by receiving

¹ A German passport issued on 17 August 2004 (renewed on 18 September 2008), refers to Defendant as “Michael Olaf Schütt.”

² Title 18, United States Code, Section 1960 provides that:

(a) Whoever knowingly conducts, controls, manages, supervises, directs, or owns all or part of an unlicensed money transmitting business, shall be fined in accordance with this title or imprisoned not more than 5 years, or both.

(b) As used in this section -

(1) The term "unlicensed money transmitting business" means a money transmitting business which affects interstate or foreign commerce in any manner or degree and -

monies via incoming international wire transfers and disbursing those monies primarily to persons in the United States. Such monies were wire transferred from Europe to bank accounts in the names of numerous businesses that Defendant controlled in the Middle District of Florida. Defendant operated these businesses from his residence located 1378 Chesapeake Ave. Naples, FL 34102. *See Amended Notice of Maximum Penalties, Elements, and Factual Basis.* (Doc. 43, 4-25).

Among the businesses controlled by Defendant, nine were used to conduct activities prohibited by Title 18, United States Code, Section 1960; to wit:

MI Global Inc.;

(A) is operated without an appropriate money transmitting license in a State where such operation is punishable as a misdemeanor or a felony under State law, whether or not the defendant knew that the operation was required to be licensed or that the operation was so punishable;

(B) fails to comply with the money transmitting business registration requirements under section 5330 of title 31, United States Code, or regulations prescribed under such section; . . .

(2) The term "money transmitting" includes transferring funds on behalf of the public by any and all means including but not limited to transfers within this country or to locations abroad by wire, check, draft, facsimile, or courier. . . .

18 U.S.C. §1960.

A "money transmitting business" is further defined in Title 31, United States Code, section 5330(d)(1), as including "any business other than the United States Postal Service which - (A) provides check cashing, currency exchange, or money transmitting or remittance services. . . ."

The Florida Money Transmitter's Code, Fla. Stat. §§ 560.101 and 560.408, prohibit a person from engaging in the business of a money transmitter without registering with the Office of Financial Regulation. Fla. Stat. § 560.125(1).

MCM Capital Management Inc.;
US AG 24 Inc. (USAG24);
South Naples Escrow Company;
Southwest Florida Payroll Co.;
Woodhouse Systems Inc.;
Mathews Trade Corporation;
South Florida Payroll Co.; and
Internet Payment Services Group Inc.

Defendant operated through MCM Capital Management, Inc., MI Global, and US AG 24 Inc., with bank accounts at Bank of America; South Naples Escrow Company with a bank account at Ironstone Bank; Southwest Florida Payroll Co. with a bank account at SunTrust Bank; Woodhouse Systems Inc. with a bank account at Regions Bank; Mathews Trade Corporation with a bank account at BB&T Bank; South Florida Payroll Co. with a bank account at Iberia Bank; and Internet Payment Services Group Inc. with a bank account at Royal Bank of Canada.

As overseas wire transfers of money would come into accounts controlled by Defendant from Bluetool LTD, 34 Rosedale Ave, Blackhill Consett Co. Durham DH8 0DZ United Kingdom; International Payment Systems (IPS); and RECHTSANWAELTE HANTKE HILLER Germany, Defendant would transfer the money to other accounts from which he would either purchase cashier's checks or write business checks, both made payable to various persons located primarily in the United States and would send such checks to those persons via either U.S. Mail or Federal Express.

US AG 24 Inc.

On April 26, 2006, Defendant incorporated US AG 24 Inc. (USAG24), in Florida. Defendant is specifically identified as a Vice President for USAG24. Several companies under the control or direction of Defendant and others were incorporated by USAG24. USAG24 filed papers to incorporate MCM Capital Management Corporation ("MCM"), in Bradenton, Florida, on or about March 20, 2009; MIGlobal Inc. ("MIG"), in Bradenton, Florida, on or about May 6, 2009; South Naples Escrow Company ("SNE"), in Naples, Florida, on or about October 21, 2009; Southwest Florida Payroll Company ("SWFP"), in Bradenton, Florida, on or about November 2, 2009; Woodhouse Systems Inc. ("WSI"), in Bradenton, Florida, on or about March 3, 2009; South Florida Payroll Company ("SFP"), in Bradenton, Florida, on or about November 2, 2009; Mathews Trade Corporation ("MTC"), in Naples, Florida, on or about July 7, 2009; and Internet Payment Services Group Inc. ("IPSG"), in Bradenton, Florida, on or about September 25, 2009.

Neither Defendant nor any of these companies ever registered with the State of Florida as a money transmitting business. Defendant was, prior to his arrest, operating MI Global Inc., MCM Capital Management Inc., USAG24, South Naples Escrow Company, Southwest Florida Payroll Co., Woodhouse Systems Inc., Mathews Trade Corporation, South Florida Payroll Co., and Internet Payment Services Group Inc. without a license. Violation of the money transmitter statute under Florida law is a felony.³

³ The penalties for violating this statute are as follows: (1) if currency or payment instruments exceed \$300 but are less than \$20,000 in any 12 money period, the person has committed a third degree felony; (2) if currency or payment instruments total or exceed \$20,000 but are less than \$100,000 in any 12 month period, the person has

Bank documents show that MI Global Inc., MCM Capital, USAG24, South Naples Escrow Company, South West Florida Payroll Company, South Florida Payroll Company, Woodhouse Systems, Inc., Mathews Trade Corporation, and Internet Payment Services Group Inc., for each of which Defendant was the incorporator and acts as funds transmitter, transmitted and remitted funds to third parties on behalf of foreign corporations.⁴ Neither MI Global Inc., MCM Capital Management Inc., USAG24, South Naples Escrow Company, Southwest Florida Payroll Co., Woodhouse Systems Inc., Mathews Trade Corporation, South Florida Payroll Co., nor Internet Payment Services Group Inc. ever registered with FinCEN as required by federal law.

On or about the dates set forth below, in furtherance of the goal to operate as unlicensed money transmitting businesses through MI Global Inc., MCM Capital Management Inc., USAG24, South Naples Escrow Company, Southwest Florida Payroll Co., Woodhouse Systems Inc., Mathews Trade Corporation, South Florida Payroll Co.,

committed a second degree felony; and (3) if currency or payment instruments total or exceed \$100,000, the person has committed a first degree felony. Fla. Stat. § 560.125(5)(a)(c).

Under the Florida Money Transmitters' Code, the term "money transmitter" includes any person located in or doing business in Florida who acts as a payment instrument seller, foreign currency exchanger, check casher, funds transmitter, or deferred presentment provider." Fla. Stat. § 560.103(11). The term "funds transmitter" includes "any person who engages in the receipt of currency or payment instruments for the purpose of transmission by any means, including transmissions within this country or to or from locations outside this country, by wire, facsimile, electronic transfer, courier, or otherwise." Fla. Stat. § 560.103(10).

⁴ For purposes of Title 18, United States Code, Section 1960(b)(1)(B), a money transmitting business is required to register by filing the appropriate information with the Financial Crimes Enforcement Network ("FinCEN"), an agency within the Department of Treasury. 31 U.S.C. § 5330(a), 31 C.F.R. § 103.41(a)(1) and (b).

and Internet Payment Services Group Inc., Defendant conducted and aided and abetted the conducting of financial transactions totaling \$2,128,425 at banks located in the Middle District of Florida as set forth below:

Date	Amount	Originator	Beneficiary
11/24/2009	\$849,379.48	South Naples Escrow Co., Shamrock Bank cashier's check #00149	MCM Capital Management Corp., account no. 11950100028807 at Bank of Florida Southwest, Naples, Florida.
12/01/2009	\$103,537.12	Bluetool Ltd., Wirecard Bank AG, Grasbrunn, Germany	MIGlobal Inc., account no. 898002949054 at Bank of America, Naples, Florida.
12/03/2009	\$136,187.89	Bluetool Ltd., Wirecard Bank AG, Grasbrunn, Germany	MIGlobal Inc., account no. 898002949054 at Bank of America, Naples, Florida.

12/09/2009	\$123,538.86	Bluetool Ltd., Wirecard Bank AG, Grasbrunn, Germany	MIGlobal Inc., account no. 898002949054 at Bank of America, Naples, Florida.
12/17/2009	\$156,785.89	Bluetool Ltd., Wirecard Bank AG, Grasbrunn, Germany	MIGlobal Inc., account no. 898002949054 at Bank of America, Naples, Florida.
12/17/2009	\$141,759.78	Bluetool Ltd., Wirecard Bank AG, Grasbrunn, Germany	MIGlobal Inc., account no. 898002949054 at Bank of America, Naples, Florida.
12/28/2009	\$112,456.78	Bluetool Ltd., Wirecard Bank AG, Grasbrunn, Germany	MCM Capital Management Corp., account no. 11950100028807 at Bank of Florida Southwest, Naples, Florida.

12/29/2009	\$154,312.65	Bluetool Ltd., Wirecard Bank AG, Grasbrunn, Germany	MCM Capital Management Corp., account no. 11950100028807 at Bank of Florida Southwest, Naples, Florida.
01/07/2010	\$102,316.12	Bluetool Ltd., Wirecard Bank AG, Grasbrunn, Germany	MCM Capital Management Corp., account no. 11950100028807 at Bank of Florida Southwest, Naples, Florida.
01/21/2010	\$248,149.81	Michael Schuett, Bank of Florida cashier's check #022163	MCM Capital Management Corp., account no. 11950100028807 at Bank of Florida Southwest, Naples, Florida.

Between August 13, 2009, and December 1, 2009, a United Kingdom based

corporation, Bluetool LTD., initiated twenty-eight (28) monetary wire transfers totaling approximately \$7,312,710.82 USD to bank accounts in the names of these companies controlled by Defendant. These incoming monetary wire transfers ranged in the amounts from \$125,601.00 to \$407,678.12.

On May 22, 2009, Defendant opened business account # XXXXXX2758 in the name of IPS Corp. at Fifth Third Bank in Naples, Florida; Defendant is the only signatory on the account. Records generated from May 22, 2009, through September 9, 2009, for such account revealed twenty-seven (27) incoming wire transfers totaling approximately \$2,174,770.98.

Such transactions are as follows:

Date	Amount	Originator	Bank Banque Des	Country
June 17, 2009	\$400.78	IPS	Mascaregnes	Mauritius
July 14, 2009	\$5,148.89	BLUETOOL LTD	Wirecard Bank AG	Germany
July 17, 2009	\$12,648.89	BLUETOOL LTD	Wirecard Bank AG	Germany
July 21, 2009	\$39,513.12	BLUETOOL LTD	Wirecard Bank AG	Germany
July 23, 2009	\$35,648.78	BLUETOOL LTD RECHTSANWAELTE	Wirecard Bank AG	Germany
July 29, 2009	\$100.12	HANTKE HILLER RECHTSANWAELTE	Wirecard Bank AG	Germany
July 29, 2009	\$300.19	HANTKE HILLER	DZ Bank AG	Germany
August 11, 2009	\$32,806.12	BLUETOOL LTD	Wirecard Bank AG	Germany
August 12, 2009	\$45,648.89	BLUETOOL LTD	Wirecard Bank AG	Germany
August 17, 2009	\$65,330.86	BLUETOOL LTD	Wirecard Bank AG	Germany
August 18, 2009	\$75,350.86	BLUETOOL LTD	Wirecard Bank AG	Germany
August 19, 2009	\$45,648.12	BLUETOOL LTD	Wirecard Bank AG	Germany
August 21, 2009	\$51,648.89	BLUETOOL LTD	Wirecard Bank AG	Germany
August 24, 2009	\$94,845.01	BLUETOOL LTD	Wirecard Bank AG	Germany
August 26, 2009	\$130,745.72	BLUETOOL LTD	Wirecard Bank AG	Germany
August 27, 2009	\$123,106.12	BLUETOOL LTD	Wirecard Bank AG	Germany
August 28, 2009	\$80,537.12	BLUETOOL LTD	Wirecard Bank AG	Germany
August 31, 2009	\$145,832.12	BLUETOOL LTD	Wirecard Bank AG	Germany
September 2, 2009	\$89,642.12	BLUETOOL LTD	Wirecard Bank AG	Germany
September 3, 2009	\$123,759.67	BLUETOOL LTD	Wirecard Bank AG	Germany
September 4, 2009	\$278,285.78	BLUETOOL LTD	Wirecard Bank AG	Germany

September 8, 2009	\$89,537.89	BLUETOOL LTD	Wirecard Bank AG	Germany
September 8, 2009	\$256,426.12	BLUETOOL LTD	Wirecard Bank AG	Germany
September 9, 2009	\$158,332.12	BLUETOOL LTD	Wirecard Bank AG	Germany

Approximately Two Thousand Five Hundred and Eight (2,508) checks were thereafter written from the account totaling approximately \$1,859,978.25.

Account activity for the period October 1, through November 4, 2009, for business checking account number XXXXXX5849 in the name of MCM Capital Management Corporation at Wachovia Bank, with an address of 1378 Chesapeake Avenue, Naples FL 14102, included fifteen (15) incoming monetary wire transfers, all originating from Bluetool LTD via Wirecard Bank AG totaling \$2,166,717.40.

Those incoming wire transfers were as follows:

Date	Amount
10/1/2009	\$156,280.30
10/2/2009	\$167,867.32
10/6/2009	\$69,646.32
10/8/2009	\$89,658.12
10/8/2009	\$93,202.12
10/9/2009	\$96,547.12
10/13/2009	\$101,639.12
10/13/2009	\$219,296.12
10/19/2009	\$123,417.12
10/20/2009	\$221,570.12
10/21/2009	\$218,639.12
10/21/2009	\$167,871.34
10/29/2009	\$8,658.12
10/30/2009	\$204,658.13
11/4/2009	\$227,547.12
Total	\$2,166,717.40

From November 3, 2009, through November 18, 2009, five (5) Shamrock Bank cashiers checks totaling \$1,306,715.80 issued on an account in the name of South Naples Escrow Company were deposited into account number XXXXXX5849 at

Wachovia Bank in the name of MCM Capital Management Inc. On October 29, 2009, two (2) Shamrock Bank checks totaling \$457,801.24 were deposited into account number XXXXXX5849 at Wachovia Bank in the name of MCM Capital Management Inc.

On October 23, 2009, Defendant opened checking account number XXXXXX5867 at Shamrock Bank in the name of South Naples Escrow Company. From October 26 through December 7, 2009, twenty three (23) monetary wire transfers were received into the account totaling \$5,723,893.27. For each of these transfers, the sender was Standard Chart, the originator was Bluetool LTD. and the originating financial institution was Wirecard Bank, as set forth below:

Date	Incoming Wires Sender	10/26/2009 - 12/07/2009 Originator	Originating F.I.	Amount
10/26/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$70,793.12
10/27/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$203,537.12
10/28/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$207,865.12
10/29/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$389,759.12
11/03/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$289,537.12
11/05/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$356,759.67
11/06/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$189,537.12
11/10/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$201,295.15
11/10/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$389,648.12
11/12/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$169,759.15
11/12/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$246,648.12
11/16/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$178,648.12
11/16/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$201,537.12
11/18/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$234,537.12
11/19/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$234,759.19
11/24/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$278,648.18
11/25/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$278,957.12
11/30/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$255,426.12
12/01/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$201,648.12

12/02/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$289,648.89
12/03/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$276,537.12
12/04/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$278,648.12
12/07/2009	Standard Chart	Bluetool LTD	WireCard Bank	\$299,759.12
			Total	\$5,723,893.27

From October 26 through December 7, 2009, the account originated eight (8) outgoing monetary wire transfers totaling \$2,228,905.73. Five of the outgoing monetary wire transfers were to account # xxxxxxxx9613 at Bank of America in the name of MI Global Inc. Three (3) of the outgoing wires were to RBC account # XXXXXX2644 in the name of International Payment Group. RBC bank is located in Canada, and has a branch in Naples, Florida. Such outgoing monetary wire transfers are summarized as follows:

Date	Outgoing Wires Receiving F.I.	November 25 - December 10, 2009 Beneficiary	Amount
11/25/2009	Bank of America	MI Global Inc.	\$ 278,678.12
12/01/2009	RBC Bank	International Payment Group	\$ 255,466.12
12/01/2009	Bank of America	MI Global Inc.	\$ 480,366.24
12/04/2009	Bank of America	MI Global Inc.	\$ 259,678.89
12/04/2009	RBC Bank	Independent Payment Service	\$ 108,306.91
12/08/2009	Bank of America	MI Global Inc.	\$ 276,567.12
12/10/2009	RBC Bank	International Payment Group	\$ 115,295.21
12/10/2009	Bank of America	MI Global Inc.	\$ 453,567.12
		Total	\$2,228,905.73

Additionally, twenty (20) checks were issued on the account, eleven (11) of which were cashiers checks issued to MCM Capital Management Inc., MI Global Inc., International Payment Service Group, Internet Payment Services, or US AG 24 Inc., as set forth below:

CHECKS				
Date	Check Number	Payable To	Amount	
10/26/2009	Counter Check	MCM Capital Management	\$70,000.00	Purchase Cashiers Check
10/27/2009	Counter Check	MCM Capital Management	\$187,899.12	Purchase Cashiers Check
10/28/2009	1002	MCM Capital Management	\$198,678.12	
10/29/2009	Counter Check	MCM Capital Management	\$387,789.12	Purchase Cashiers Check
10/29/2009	1003	MI Global	\$67,178.12	
		International Payment Service		
11/03/2009	Counter Check	Group	\$42,000.00	Purchase Cashiers Check
11/03/2009	Counter Check	MCM Capital Management	\$201,567.12	Purchase Cashiers Check
11/04/2009	1006	MI Global	\$ 44,000.00	
11/09/2009	1008	MCM Capital Management	\$259,123.12	Purchase Cashiers Check
11/09/2009	1009	MI Global	\$45,000.00	
11/09/2009	1010	Internet Payment Services	\$ 45,000.00	
11/12/2009	1011	MCM Capital Management	\$189,567.12	Purchase Cashiers Check
11/12/2009	1012	MCM Capital Management	\$298,789.12	Purchase Cashiers Check
11/12/2009	1014	MCM Capital Management	\$201,325.15	Purchase Cashiers Check
11/12/2009	1013	MI Global	\$99,678.12	
11/18/2009	1015	MCM Capital Management	\$415,467.27	Purchase Cashiers Check
11/24/2009	Counter Check	MCM Capital Management	\$849,379.48	Purchase Cashiers Check
12/01/2009	1017	US AG 24	\$12,669.47	
12/01/2009	1018	Olaf Brand or Michael Schuett	\$ 24,812.00	Endorsed by Michael Schuett
		South Naples Escrow		
12/11/2009	Counter Check	Company	\$23,172.00	Closing Withdrawal
Total			\$3,663,094.45	

On November 19, 2009, Defendant opened business account # XXXXXX2807 at Bank of Florida Southwest in the name of MCM Capital Management Corp. MCM Capital Management Corp. is owned by USAG24.

Bank of Florida Southwest records for account # XXXXXX2807 in the name of MCM Capital Corp. reflect the following deposit activity:

November 19, 2009	Deposit	\$100.00 (Cash)
November 24, 2009	Deposit	Cashiers check in the amount of \$849,379.48

The deposited cashiers check was check number 001496 issued by Shamrock Bank on November 24, 2009, the remitter for which was South Naples Escrow Company.

Additionally, from December 2, 2009, through January 8, 2010, twelve (12) incoming monetary wire transfers totaling of \$1,111,192.76 posted to account # XXXXXX2807 at

Bank of Florida Southwest in the name of MCM Capital Management Corp. Three (3) incoming monetary wire transfers were from account #XXXXXX1576 at Northern Trust Bank of Miami in the name of South Naples Escrow Company located at 1378 Chesapeake Ave, Naples, FL. The wires transfers are as follows:

December 28, 2009	\$100,000.76
December 30, 2009	\$ 89,748.59
January 10, 2009	\$ 90,000.05

Nine of the incoming monetary wire transfers were from an account in the name of Bluetool LTD. at Instruction Financial Institution located at West LB AG, Harzogstrasse 15-40217, Deusseldorf, Germany. The originating client was Bluetool LTD. The wire transfers are as follows:

December 4, 2009	\$ 1,098.67	Bluetool
December 17, 2009	\$ 89,606.12	Bluetool
December 17, 2009	\$ 94,567.14	Bluetool
December 18, 2009	\$ 77,532.90	Bluetool
December 21, 2009	\$101,236.12	Bluetool
December 22, 2009	\$ 98,316.86	Bluetool
December 28, 2009	\$112,456.78	Bluetool
December 29, 2009	\$154,312.65	Bluetool
January 17, 2010	\$102,316.12	Bluetool

From December 2, 2009, through January 8, 2010, One Thousand Four Hundred and Ninety-Three (1,493) checks totaling \$1,799,144.85 were issued on this account. The checks ranged in amounts from \$7.01 to \$6,000.11 and were payable to various persons located throughout the United States.

Account # XXXXXX2807 at Bank of Florida Southwest in the name of MCM Capital Management Corp. was closed on January 12, 2010. Bank of Florida Southwest cashier's check #22163 payable to MCM Capital Management Corp. in the amount of \$248,149.81 was then deposited into Bank of America account number

xxxxxxx9613 in the name of MCM Capital Management Corp.

Since May of 2009, Defendant used account # xxxxxxxx9613 in the name of MCM Capital Management Corp; account # xxxxxxxx9054 in the name of MI Global Inc. at the Bank of America; account # xxxxxx5422 in the name of South Naples Escrow Co at Ironstone Bank; account number xxxxxxxxx6031 in the name of Southwest Florida Payroll Co. at SunTrust Bank; account number xxxxx9070 in the name of Woodhouse Systems at Regions Bank; account number xxxxxx5997 in the name of Mathews Trade Corp. at BB&T Bank; and account number xxxxxx6281 in the name of South Florida Payroll Company at Iberia Bank to conduct the money transmitting activities described herein.

Bank of America Account Number xxxxxxxx9613

On January 22, 2010, Defendant deposited Bank of Florida Southwest cashier's check number 22163 in the amount of \$248,149.81 into account # xxxxxxxx9613 at Bank of America in the name of MCM Capital Management Corp. Defendant established such account on January 22, 2010.

Bank of America Account Number xxxxxxxx9054

Defendant established Bank of America account # xxxxxxxx9054 in the name of MI Global Inc. on September 9, 2009. From September 9, 2009, through February 2, 2010, the account received approximately fifty-eight (58) incoming monetary wire transfers totaling approximately \$7,472,841.32. Forty-six (46) monetary wire transfers were from Bluetool LTD. totaling \$4,681,655.90. South Naples Escrow Company initiated twelve (12) monetary wire transfers totaling \$2,791,185.42 into account #

xxxxxxx9054 in the name of MI Global Inc., and three monetary wire transfers were from counter credits.

From September 9, 2009, through December 31, 2009, approximately 6,156 withdrawals/debits, ranging in amounts from approximately \$50.00 to \$5,001.00 were initiated from the account.

Bank of America Account Number xxxxxxxx3940

On or about November 30, 2009, Defendant deposited a check in the amount of \$24,812 drawn on account number XXXXXX6383 at Shamrock Bank in the name of South Naples Escrow Company into Bank of America account # xxxxxxxx3940 in the name of Michael Schuett.

On January 20, 2010, Defendant deposited a check in the amount of \$20,000.00 drawn on account # XXXXXX8973 at Bank of America in the name of US AG 24 Inc. into account # xxxxxxxx3940 at Bank of America in the name of Michael Schuett.

On January 25, 2010, Defendant deposited two checks totaling \$10,206.40 from account # XXXXXX8973 at Bank of America in the name of US AG 24 Inc. into account # xxxxxxxx3940 at Bank of America in the name of Michael Schuett.

IronStone Bank Account Number xxxxxx5422

Defendant opened account # xxxxxx5422 in the name of South Naples Escrow Company at IronStone Bank on January 15, 2010. Defendant conducted monetary wire transfers from account # xxxxxx5422 at IronStone Bank in the name of South Naples Escrow Company to account # xxxxxxxx9054 at Bank of America in the name of MI Global Inc.

SunTrust Account Number xxxxxxxx6031

On November 9, 2009, account no. xxxxxxxx6031 was opened by "Michael Olaf Schütt" (spelled as it appears on his passport) in the name of Southwest Florida Payroll Co. at SunTrust Bank located at 3315 Davis Blvd. Naples, FL 34104. From November 9, 2009 to present, account number xxxxxxxx6031 in the name of Southwest Florida Payroll Co. at SunTrust Bank received approximately twenty-nine (29) incoming monetary wire transfers from Bluetool Ltd. Approximately 400 checks were written on account number xxxxxxxx6031 in the name of Southwest Florida Payroll Co.

Regions Bank Account Number xxxxx9070

On November 10, 2009, Defendant opened account number xxxxx9070 in the name of Woodhouse Systems Inc. at Regions Bank, located at 7405 Devonshire Blvd, Naples, FL 34104. This account received monetary wire transfers from Bluetool LTD; Defendant wrote large numbers of checks drawn on account number xxxxx9070 in the name of Woodhouse Systems at Regions Bank.

BB&T Bank Account Number xxxxxx5997

Defendant opened account xxxxxx5997 in the name of Mathews Trade Corp. at BB&T Bank at 7379 E. Davis Blvd, Naples, FL 34104. On February 2, 2010, a monetary wire transfer was initiated from account number xxxxxx5422 in the name of South Naples Escrow Company at Ironstone Bank to account number xxxxxx5997 in the name of Mathews Trade Corp at BB&T Bank.

Iberia Bank Account Number xxxxxx6281

On November 4, 2009, Defendant opened account # xxxxxx6281 in the name of

South Florida Payroll Company at a branch of Iberia Bank located at 775 Airport Road N. Naples, FL 34104.

From November 4, 2009, through January 31, 2010, a total of twenty-eight (28) monetary wire transfers were received from Bluetool LTD into account # xxxxxx6281 in the name of South Florida Payroll Company at Iberia Bank totaling \$2,062,403.89. During that time frame, over 2,000 checks were written from account # xxxxxx6281 in the name of South Florida Payroll Company at Iberia Bank. Several incoming monetary wire transfers from South Naples Escrow Co., totaling \$356,120.29, were deposited into account # xxxxxx6281 in the name of South Florida Payroll Company at Iberia Bank.

Royal Bank of Canada (RBC Bank) Account Number xxxxxx2644

On September 24, 2009, Defendant opened Account Number xxxxxx2644 in the name of Internet Payment Services Group Inc. at a branch of RBC Bank located at 4099 Radio Road, Naples, Florida 34104. Account Number xxxxxx2644 in the name of Internet Payment Services Inc. regularly received incoming monetary wire transfers from Bluetool LTD. and South Naples Escrow Co.

2009 Audi Q7 Sport Utility Vehicle, VIN WA1AY74L29D023600

On or about December 14, 2009, Defendant purchased a gray 2009 Audi Q7 Sport Utility Vehicle, VIN WA1AY74L29D023600, from Audi of Naples. Bank records reflect that account # xxxxxxxx3940 at Bank of America in the name of Michael Schuett was debited on December 14, 2009, in the amounts of \$1,449.20 and \$22,038.00, both payable to Audi of Naples. On Bank of America check number 1011 in the amount of \$1,449.20, the memo line indicates "Audi Q7" and on cashier's check number 7052710

in the amount of \$22,038.00, the "Pay to the order of" line states, "Audi of Naples."

Watches

With the proceeds of monies wire transferred from Europe, Defendant purchased two watches at Mayors Jewelers located 23140 Fashion Drive, Coconut Point Mall, Estero, FL 33928, namely:

Men's Rolex Stainless Steel Milgauss watch, serial number unknown, total cost purchased on August 28, 2009, for \$6,969.50 with Fifth Third Bank cashier's check number 15387385 in the amount of \$5,969.50 and \$1000.00 US currency;

Men's Rolex Black Dial Stainless Daytona Serial number V573859 purchased on November 12, 2009, for \$10,520.00 paid in US currency; and,

Further, the defendant purchased two watches in Las Vegas, Nevada, in February 2010, with the monies involved in his unlicensed money transmitting business, namely:

Men's Rolex Sea Dweller watch, serial number M596002; and

a Men's Rolex Sea Dweller watch, serial number M615239.

On August 27, 2009, Defendant purchased cashiers check no. 15387385 in the amount of \$5,969.50 with monies then in Fifth Third account no. xxxxxx6399, payable to Mayors Jewelers Inc. Additionally, Defendant made cash withdrawals via ATM from account xxxxxxxx3940 at Bank of America in the name of Michael Schuett, as follows:

11/3 - \$ 600 ATM
11/3 - \$ 500 ATM
11/4- \$ 600 ATM
11/5- \$ 600 ATM
11/6- \$ 600 ATM
11/6- \$5,000 at counter (Berkshire lakes banking center)
11/9- \$ 300 ATM (SunTrust ATM)

11/12- \$7,520 - withdrawal (Berkshire Lakes Banking Center)
11/13- \$1,000 - Visa Debit Card at Mayors Jewelers.

Additionally, on 13 November, 2009, the day Defendant purchased a watch for cash in the amount of \$9,600.00 and used his debit visa card to fund the remainder of the purchase, i.e., a debit from Defendant's personal account # xxxxxxxx3940 at Bank of America in the amount of \$1,000.00 payable to South Mayor Jewelers.

**Account no. xxxxxx6059 at Fifth Third Bank
in the name of Michael Schuett and Jennifer Sherman.**

Michael Schuett and Jennifer Sherman were married on January 16, 2010, in Naples, FL. Michael Schuett and Jennifer Sherman opened account no. xxxxxx6059 at Fifth Third Bank jointly on February 1, 2010. Bank records for account number xxxxxxxx3940 in the name of Michael Schuett at Bank of America indicate that on February 2, 2010, Defendant made an outgoing monetary wire transfer from account number xxxxxxxx3940 in the name of Michael Schuett at Bank of America to account number xxxxxx4808 in the Thomas Sherman at Fifth Third Bank totaling \$39,700.00. On February 8, 2010, Defendant initiated an outgoing monetary wire transfer from account number xxxxxxxx5422 in the name of South Naples Escrow Company at IronStone Bank to account number xxxxxxxx4808 in the name of Thomas Sherman at Fifth Third Bank in the amount of \$63,300.00. Collectively, these two monetary wire transfers totaled \$103,000.00.

On February 5, 2010, check number 1525 in the amount of \$103,000 was issued from account number xxxxxxxx4808 in the name of Thomas Sherman at Fifth Third Bank to "Jen" Sherman and thereafter deposited into Fifth Third Bank account number xxxxxx6059 in the name of Michael Schuett and Jennifer Sherman. The memo line on

check number 1525 reads "Gift".

Cape Coral Title Insurance Agency, Inc.

On January 27, 2010, check number 1004 was issued to Cape Coral Title Insurance Agency Inc. in the amount of \$5,000.00. The memo line for this check reads, "Deposit for 3637 Kent Street Naples, FL." Check number 1004 was issued from account xxxxxxxx3940 in the name of Michael Schuett at Bank of America. Check number 1004 was deposited into an escrow account at Cape Coral Title Insurance Agency Inc. for the benefit of Defendant and his wife, in anticipation of the closing of a pending real estate transaction, whereby Michael Olaf Schütt using the name Michael Olaf Schuett and Jennifer Sherman were to acquire title to real property located at 3637 Kent Street Naples, FL.

Seizure Warrants

From on or about February 18 to on or about February 23, 2010, federal agents seized the following assets pursuant to federal seizure warrants issued on February 17 and 22, 2010:

- a. Approximately \$5,680.67 in United States currency seized from account number xxxxxxxx3940 in the name of Michael Schuett at Bank of America;**
- b. Approximately \$142,679.86 in United States currency seized from account number xxxxxxxx9613 in the name of MCM Capital Management Corp. at Bank of America;**
- c. Approximately \$635,097.55 in United States currency seized from account number xxxxxxxx9054 in the name of MI Global Inc. at Bank of America;**
- d. Approximately \$664,901.28 in United States currency seized from account number xxxxxx5422 in the name of South Naples Escrow Company at**

Ironstone Bank;

e. Approximately \$288,270.02 in United States currency seized from account number xxxxxxxx6031 in the name of Southwest Florida Payroll Co. at SunTrust Bank;

f. Approximately \$297,651.01 in United States currency seized from account number xxxxx9070 in the name of Woodhouse Systems at Regions Bank;

g. Approximately \$5,345.00 in United States currency seized from account number xxxxxx5997 in the name of Mathews Trade Corp. at BB&T Bank;

h. Approximately \$74,891.85 in United States currency seized from account number xxxxxx6281 in the name of South Florida Payroll Company at Iberia Bank;

i. Approximately \$252,932.30 in United States currency seized from account number xxxxxx2644 in the name of Internet Payment Services Group Inc. at Royal Bank of Canada;

j. Approximately \$103,050.00 in United States currency seized from account number xxxxxx6059 at Fifth Third Bank in the name of Michael Schuett and Jennifer Sherman;

k. Approximately \$5,000.00 in United States currency seized from the escrow account of Cape Coral Title Insurance Agency, Inc., 1307 Cape Coral Parkway E., Cape Coral, Florida 33904, held for the benefit of Michael Schuett and/or Jennifer Sherman;

l. A 2009 Audi Q7 Vehicle, Identification Number (VIN) WA1AY74L29D023600, Florida Tag USAG24, Registered to Michael Schuett;

m. Two Rolex watches, namely a stainless steel Milgauss, and a Black Dial Stainless Steel Daytona model;

All property listed above was either property involved in the offense of owning and operating an unlicensed money transmitting business, or property traceable to such property.

Furthermore, the defendant regularly drove his 2002 Porsche 911 Carrera, VIN WP0CA29962S653737, Florida Tag 379LYJ, registered to Michael O. Schuett, to

various bank branches in order to conduct business related to his operation of an unlicensed money transmitting business. Additionally, he utilized this vehicle to drive a multitude of checks drawn on the various bank accounts established in the names of corporations conducting an unlicensed money transmitting business, to the United States Postal Service to be mailed to persons located primarily in the United States.

In addition, on January 11, 2010, the defendant purchased two women's rings, to wit: 2.00 CT RB SI1/G EGL; 14K W/G 1.33 TDW Semi; and 18K W/G .76 TDW S12/G. The defendant withdrew the monies to purchase the rings from a business account, which had been funded by approximately 17 incoming monetary wire transfers from Bluetool LTD totaling \$3,942,396.

Further, on February 18, 2010, a search warrant was executed at the defendant's residence in Collier County, Florida, and approximately \$10,000.00 in United States currency was seized from his residence. These monies are property involved in the defendant's unlicensed money transmitting business.

Lastly, well prior to completion of the crime, Defendant became aware that a substantial portion of the funds involved in the Defendant's money transmitting business were the proceeds of an unlawful gambling business. By processing these funds, the Defendant knowingly aided and abetted that unlawful gambling business. (Doc. 43, 4-25).

Based on the foregoing, the United States asserts that it has established the requisite *nexus* between the property sought for forfeiture and the defendant's offense of conviction, in violation of Title 18, United States Code, Section 1960, as charged in Count One of the Information. Accordingly, these assets are subject to forfeiture

pursuant to the provisions of Title 18, United States Code, Section 982(a)(1), as property involved in such offense, or property traceable to such property.

If the Court finds that the United States has established the requisite *nexus* between the specific property sought for forfeiture and the illegal activities charged in Count One of the Information, to which the defendant pled guilty, then the Court must a Preliminary Order of Forfeiture, forfeiting to the United States all right, title, and interest of the defendant in the specified assets in accordance with Title 18, United States Code, Section 982(a)(1), and Fed. R. Crim. P. 32.2(b)(2).

III. Conclusion

Accordingly, the United States requests that the Court grant the United States' Motion for Preliminary Order of Forfeiture. Upon issuance of the Preliminary Order of Forfeiture, the government will provide written notice to all third parties known to have an alleged legal interest in the subject property and will publish notice on the internet at www.forfeiture.gov. Determining whether a third party has such an interest shall be deferred until any third party files a claim in the ancillary proceeding under Rule 32.2(c). Also, pursuant to Rule 32.2(b)(3), at sentencing, "the [preliminary] order of forfeiture becomes final as to the defendant and **must be made a part of the sentence and be included in the judgment.**" See United States v. Kennedy, 201 F.3d 1324, 1326 (11th Cir. 2000).

Because the Preliminary Order of Forfeiture forfeits only the interest of defendant Michael Olaf Schütt in the subject property, the United States requests that the Court retain jurisdiction to enter any further orders necessary for the forfeiture and disposition

of the subject property and to entertain any third party claims that may be asserted in these proceedings.

Respectfully submitted,

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U.S. v. Michael Olaf Schütt

Case No. 2:10-cr-39-FtM-36SPC

CERTIFICATE OF SERVICE

I hereby certify that on October 29, 2010, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system which will send a notice of electronic filing to the following:

James E. Felman
JFelman@kmf-law.com

Katherine Earle Yanes
kyanes@kmf-law.com

I hereby certify that on October 29, 2010, a true and correct copy of the foregoing document and the notice of electronic filing was sent by United States Mail to the

following non-CM/ECF participant:

L. Barrett Boss
Cozen Oconnor
The Army & Navy Building
1627 I Stret, Suite 1100
Washington, DC 20006

s/Yolande G. Viacava
Yolande G. Viacava
Assistant United States Attorney