

US DISTRICT COURT  
WESTERN DIST ARKANSAS  
FILED

IN THE UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF ARKANSAS  
FAYETTEVILLE DIVISION

MAR 06 2013

CHRIS R. JOHNSON, Clerk  
By

Deputy Clerk

UNITED STATES OF AMERICA	)	
	)	No. 5:12CR50035-001
	)	
	)	18 U.S.C. § 2
V.	)	18 U.S.C. § 1344
	)	18 U.S.C. § 1957
BRANDON LYNN BARBER,	)	18 U.S.C. §§ 152(1), (3) & (7)
K. VAUGHN KNIGHT, and	)	18 U.S.C. § 157
JAMES VAN DOREN	)	18 U.S.C. § 371
	)	18 U.S.C. § 1343
	)	18 U.S.C. § 1349
	)	18 U.S.C. §§ 1956(h), (a)(1)(B)(i)

**THIRD SUPERSEDING INDICTMENT**

The Grand Jury charges:

**BACKGROUND**

At all times relevant to the indictment:

1. The Defendants, **BRANDON LYNN BARBER**, (hereinafter **BARBER**) and **K. VAUGHN KNIGHT**, (hereinafter **KNIGHT**) resided in Fayetteville, Arkansas, which is in the Western District of Arkansas. Defendant **JAMES VAN DOREN** (hereinafter **VAN DOREN**) resided in New York.

2. The Barber Group was incorporated on February, 24, 2004. **BARBER** was the sole owner. The Barber Group was the administrative link to and provided the administrative services for all of **BARBER'S** Limited Liability Companies and Corporations. These services included, but were not limited to: Computer data entry, bookkeeping, preparation of financial statements, loan requests and payroll functions.

3. **BARBER** and several of his Limited Liability Companies and Corporations were primarily involved in residential and commercial real estate development, real estate construction and real estate sales.

4. **BARBER** created separate Limited Liability Companies for specific real estate development and or construction projects. Some of these Limited Liability Companies were partially owned by other individuals or entities in addition to **BARBER**.

5. Lynnkohn, LLC, Bellafont Land, LLC, Bellafont Retail Village, LLC, and EIA International, LLC were entities created by **BARBER** and owned in whole or in part by **BARBER** or other entities controlled by **BARBER**.

6. **BARBER** and **BARBER'S** entities secured over \$200,000,000 in loans or lines of credit from various financial institutions from June 2003 through October 2008.

7. Legacy National Bank of Springdale, Arkansas, Metropolitan National Bank of Little Rock, Arkansas, and Enterprise Bank of St. Louis, Missouri, are all financial institutions, the deposits of which are insured by the Federal Deposit Insurance Corporation (FDIC).

8. On or about July 23, 2008, Legacy National Bank was successful in obtaining a judgment against **BARBER**, in the amount of \$9,901,308.98.

9. The following month, on or about August 20, 2008, **BARBER** instituted bankruptcy proceedings by filing a petition in Bankruptcy Court, on behalf of Lynnkohn, an LLC in which **BARBER** held a controlling interest.

10. **VAUGHN KNIGHT** was **BARBER'S** attorney of record for the Lynnkohn Bankruptcy.

**THE BANK FRAUD SCHEME**

8. From in or about September 2005, the exact date being unknown to the Grand Jury, to in or about September 2007, **BARBER** knowingly devised and intended to devise a scheme and artifice to defraud FDIC insured financial institutions and to obtain funds under the custody and control of FDIC insured financial institutions, by means of material false and fraudulent representations.

9. As part of the scheme and artifice to defraud: **BARBER**, in his effort to secure certain loans and lines of credit from financial institutions, provided false personal financial information and statements that overstated his net worth by: Overstating his cash on hand, understating his liabilities and overvaluing his ownership interest in the various LLCs, Corporations and Partnership entities he listed on his personal financial statements.

10. **BARBER** also submitted false contingent liability statements to financial institutions, thereby falsely depicting his financial condition.

11. Once loans were obtained, **BARBER** used portions of loan proceeds for purposes other than those authorized under the terms of the loans.

**COUNT 1**

**(18 U.S.C. § 1344 - BANK FRAUD)**

12. The Grand Jury repeats and re-alleges the allegations contained in paragraphs 1-11 of this Indictment, as though fully set forth herein.

13. On or about September 1, 2005, through on or about December 16, 2005, in the Western District of Arkansas, Fayetteville Division, and elsewhere, the defendant **BRANDON LYNN BARBER** executed the scheme and artifice as set forth above, in that the defendant made application for and obtained a loan, number 05000659, in the amount of \$2,800,000.00 from

Legacy National Bank, Springdale, Arkansas in the name of Lynnkohn, LLC, for the purpose of purchasing real estate for commercial construction of the Legacy Condominiums and retail space, and in doing so, provided materially false and fraudulent financial information and statements to Legacy National Bank.

All in violation of 18 U.S.C. § 1344.

**COUNT 2**

**(18 U.S.C. § 1344 - BANK FRAUD)**

14. The Grand Jury repeats and re-alleges the allegations contained in paragraphs 1-11 of this Indictment, as though fully set forth herein.

15. On or about September 12, 2005, through on or about September 21, 2007, in the Western District of Arkansas, Fayetteville Division, and elsewhere, the defendant **BRANDON LYNN BARBER** executed the scheme and artifice as set forth above, in that the defendant made application for and obtained a loan, number 05000728, in the amount of \$16,700,000.00 from Legacy National Bank of Springdale, Arkansas in the name of Lynnkohn, LLC, for the purpose of commercial construction of the Legacy Condominiums and retail space, and in doing so, provided materially false and fraudulent financial information and statements to Legacy National Bank. **BARBER** further defrauded Legacy National Bank by diverting loan funds to other construction and development projects, unrelated to the Legacy Condominium Project. Barber further defrauded Legacy National Bank by falsifying certain contracts for pre-sold units in the Legacy Building and representing to the Bank that those contracts and pre-sold units were legitimate when, in fact, they were not.

All in violation of 18 U.S.C. § 1344.

**COUNT 3**

**(18 U.S.C § 1344 - BANK FRAUD)**

16. The Grand Jury repeats and re-alleges the allegations contained in paragraphs 1-11 of this Indictment, as though fully set forth herein.

17. On or about March 29, 2007, in the Western District of Arkansas, Fayetteville Division, and elsewhere, the defendant **BRANDON LYNN BARBER** executed the scheme and artifice as set forth above, in that the defendant made application for and obtained a loan, number 07000206, in the amount of \$2,700,000.00 from Legacy National Bank of Springdale, Arkansas in the name of Lynnkohn, LLC, for the purpose of commercial construction of the Legacy Condominiums and retail space, and in doing so, provided materially false and fraudulent financial information and statements to Legacy National Bank.

All in violation of 18 U.S.C. § 1344.

**COUNT 4**

**(18 U.S.C. § 1344 - BANK FRAUD)**

18. The Grand Jury repeats and re-alleges the allegations contained in paragraphs 1-11 of this Indictment, as though fully set forth herein.

19. On or about July 29, 2006, in the Western District of Arkansas, Fayetteville Division, and elsewhere, the defendant **BRANDON LYNN BARBER** executed the scheme and artifice as set forth above, in that the defendant made application for and obtained a loan, number 115090495, in the amount of \$14,449,088.00 from Metropolitan National Bank of Little Rock, Arkansas, Fayetteville branch, in the name of Bellafont Land, LLC, for the purpose of commercial land purchase on Joyce Boulevard, Fayetteville, Arkansas, and to develop the property into commercial lots, and in doing so, provided materially false and fraudulent financial



information and statements to Metropolitan National Bank. **BARBER** further defrauded Metropolitan National Bank by diverting loan funds to other construction and development projects, unrelated to the Bellafont Land Project. **BARBER** further defrauded Metropolitan National Bank by the use of a straw investor, Joyce Investments, in an attempt to falsely represent that another, unrelated party was investing in the project, when in fact the investment monies provided by Joyce Investments were actually funds from **BARBER**.

All in violation of 18 U.S.C. § 1344.

**COUNT 5**

**(18 U.S.C. § 1344 - BANK FRAUD)**

20. The Grand Jury repeats and re-alleges the allegations contained in paragraphs 1-11 of this Indictment, as though fully set forth herein.

21. On or about July 16, 2007, in the Western District of Arkansas, Fayetteville Division, and elsewhere, the defendant **BRANDON LYNN BARBER** executed the scheme and artifice as set forth above, in that the defendant made application for and obtained a loan, number 8119532, in the amount of \$17,152,000.00 from Enterprise Bank of St. Louis, Missouri, in the name of Bellafont Retail, LLC, for the purpose of construction and development of the Bellafont Retail Village, Fayetteville, AR, and in doing so, provided materially false and fraudulent financial information and statements to Enterprise Bank. **BARBER** further defrauded Enterprise Bank by diverting loan funds to other construction and development projects, unrelated to the Bellafont Retail Village Project.

All in violation of 18 U.S.C. § 1344.

**COUNT 6**

**(18 U.S.C. § 1957 - MONEY LAUNDERING - Engaging in  
Monetary Transactions in Property Derived  
From Specified Unlawful Activity)**

22. On or about the 23rd day of August, 2007, in the Western District of Arkansas, Fayetteville Division, the defendant **BRANDON LYNN BARBER**, did knowingly engage in a monetary transaction through a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000, that is, by causing \$785,000.00 to be transferred from the Bellafont Retail, LLC account, 1502492, held at First State Bank of Lonoke, Fayetteville branch, in Fayetteville, Arkansas, to the **BARBER** Construction account, number 1502921, held at First State Bank of Lonoke, Fayetteville branch, in Fayetteville, Arkansas, such proceeds having derived from a specified unlawful activity, that is bank fraud, in violation of 18 U.S.C. § 1344.

All in violation of 18 U.S.C. § 1957.

**COUNT 7**

**(18 U.S.C. § 1957 - MONEY LAUNDERING - Engaging in  
Monetary Transactions in Property Derived  
From Specified Unlawful Activity)**

23. On or about the 23rd day of August, 2007, in the Western District of Arkansas, Fayetteville Division, the defendant **BRANDON LYNN BARBER**, did knowingly engage in a monetary transaction through a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000, that is, by causing \$62,100.00 to be transferred from the Bellafont Retail, LLC account, number 1502492, held at First State Bank of Lonoke, Fayetteville branch, in Fayetteville, Arkansas, to the Brandon or Keri Barber Construction Account, number 5500486, held at First State Bank of Lonoke, Fayetteville branch, in

Fayetteville, Arkansas, such proceeds having derived from a specified unlawful activity, that is bank fraud, in violation of 18 U.S.C. § 1344.

All in violation of 18 U.S.C. § 1957.

**COUNT 8**

**(18 U.S.C. § 1957 - MONEY LAUNDERING - Engaging in  
Monetary Transactions in Property Derived  
From Specified Unlawful Activity)**

24. On or about the 23rd day of August, 2007, in the Western District of Arkansas, Fayetteville Division, the defendant **BRANDON LYNN BARBER**, did knowingly engage in a monetary transaction through a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000, that is, by causing \$45,500.00 to be transferred from the Bellafont Retail, LLC account, number 1502492, held at First State Bank of Lonoke, Fayetteville branch, in Fayetteville, Arkansas, to the Brandon or Keri Barber Construction Account, number 5500486, held at First State Bank of Lonoke, Fayetteville branch, in Fayetteville, Arkansas, such proceeds having derived from a specified unlawful activity, that is bank fraud, in violation of 18 U.S.C. § 1344.

All in violation of 18 U.S.C. § 1957.

**COUNT 9**

**(18 U.S.C. § 1957 - MONEY LAUNDERING - Engaging in  
Monetary Transactions in Property Derived  
From Specified Unlawful Activity)**

25. On or about the 28th day of August, 2007, in the Western District of Arkansas, Fayetteville Division, the defendant **BRANDON LYNN BARBER**, did knowingly engage in a monetary transaction through a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000, that is, by causing \$325,000.00 to be



transferred from the Barber Construction account, number 1502921, held at First State Bank of Lonoke, Fayetteville branch, in Fayetteville, Arkansas, to the Brandon Barber account, number 5503019, held at First State Bank of Lonoke, Fayetteville branch, in Fayetteville, Arkansas, such proceeds having derived from a specified unlawful activity, that is bank fraud, in violation of 18 U.S.C. § 1344.

All in violation of 18 U.S.C. § 1957.

**COUNT 10**

**(18 U.S.C. § 1957 - MONEY LAUNDERING - Engaging in  
Monetary Transactions in Property Derived  
From Specified Unlawful Activity)**

26. On or about the 5th day of September, 2007, in the Western District of Arkansas, Fayetteville Division, the defendant **BRANDON LYNN BARBER**, did knowingly engage in a monetary transaction through a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000, that is, by causing \$30,000.00 to be transferred from the Brandon L. Barber account, number 5503019, held at First State Bank of Lonoke, Fayetteville branch, in Fayetteville, Arkansas, to East Meets West Spa, Fayetteville, Arkansas, such proceeds having derived from a specified unlawful activity, that is bank fraud, in violation of 18 U.S.C. § 1344.

All in violation of 18 U.S.C. § 1957.

**COUNT 11**

**(18 U.S.C. § 1957 - MONEY LAUNDERING - Engaging in  
Monetary Transactions in Property Derived  
From Specified Unlawful Activity)**

27. On or about the 10th day of September, 2007, in the Western District of Arkansas, Fayetteville Division, the defendant **BRANDON LYNN BARBER**, did knowingly engage in a

monetary transaction through a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000, that is, by causing \$16,500.00 to be transferred from the Brandon L. Barber account, number 5503019, held at First State Bank of Lonoke, Fayetteville branch, in Fayetteville, Arkansas, to Atlantis Casino, such proceeds having derived from a specified unlawful activity, that is bank fraud, in violation of 18 U.S.C. § 1344.

All in violation of 18 U.S.C. § 1957.

**COUNT 12**

**(18 U.S.C. § 1957 - MONEY LAUNDERING - Engaging in  
Monetary Transactions in Property Derived  
From Specified Unlawful Activity)**

28. On or about the 10th day of September, 2007, in the Western District of Arkansas, Fayetteville Division, the defendant **BRANDON LYNN BARBER**, did knowingly engage in a monetary transaction through a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000, that is, by causing \$13,500.00 to be transferred from the Brandon L. Barber account, number 5503019, held at First State Bank of Lonoke, Fayetteville branch, in Fayetteville, Arkansas, to Robert Redfern, CPA, such proceeds having derived from a specified unlawful activity, that is bank fraud, in violation of 18 U.S.C. § 1344.

All in violation of 18 U.S.C. § 1957.

**CONSPIRACY TO COMMIT BANKRUPTCY FRAUD,  
WIRE FRAUD AND MONEY LAUNDERING**

**Overview of the Fraudulent Scheme**

29. Beginning on at least April 1, 2008 and continuing through on or about November 9, 2010, in the Western District of Arkansas and elsewhere, defendants **BRANDON LYNN BARBER, K. VAUGHN KNIGHT and JAMES VAN DOREN**, did knowingly and

intentionally combine, conspire, confederate, and agree with each other to devise a scheme and artifice to defraud **BARBER'S** creditors by concealing income, assets and funds from them and ultimately allowing **BARBER** to use those funds for his benefit including for his personal expenses.

30. As a further part of the scheme to defraud, and in an effort to conceal his assets from his creditors, the bankruptcy trustee and the bankruptcy court, **BARBER** opened a bank account, **NWARE Investments, LLC**, account number xxx-060, at First Security Bank, Fayetteville, Arkansas, on or about November 11, 2008. **BARBER** closed this **NWARE** account at the end of August 2009 and on September 2, 2009, opened a new **NWARE Investments, LLC**, account, number xxxx-xxx-410, at Bank of Arkansas, Fayetteville, Arkansas.

31. As a further part of the scheme to defraud **BARBER, KNIGHT AND VAN DOREN** and others known and unknown to the Grand Jury made and caused to be made transfers of money to and through these **NWARE** accounts in an effort to avoid collection and garnishment and to conceal **BARBER'S** true financial condition from his creditors.

32. **BARBER** used the funds transferred into the **NWARE** accounts for his benefit, including for his personal expenses.

33. As a further part of the scheme to defraud, **BARBER**, caused funds to be deposited into **KNIGHT'S** interest on lawyer's trust account, (hereinafter, **IOLTA** account), number xxxx7195, at Arvest Bank, for the purpose of concealing the money and placing it beyond the reach of **BARBER'S** creditors.

34. **BARBER AND KNIGHT**, caused the funds deposited into **KNIGHT'S IOLTA** account to be used on **BARBER'S** behalf, including to be transferred to the **NWARE** accounts,

to accounts of other entities and to be used for **BARBER'S** benefit, including paying his personal expenses.

35. As a further part of the scheme to defraud, **BARBER** delivered a briefcase containing approximately \$30,000.00 to **JAMES VAN DOREN** in order to conceal the money and place it beyond the reach of his creditors. **BARBER** and **VAN DOREN** did conceal those funds and the funds were used for **BARBER'S** benefit, including for his personal expenses.

36. As a further part of the scheme to defraud, **BARBER** endorsed a check payable to himself in the amount of \$64,000.00 over to **VAN DOREN**. **VAN DOREN** deposited the money into his account and then transferred the money to **BARBER**, who then used the money for his benefit, including for his personal expenses, thereby concealing the money from creditors and placing it beyond the reach of his creditors.

37. As a further part of the scheme to defraud, **BARBER**, utilized EIA International, LLC, a limited liability corporation that was owned and controlled by **BARBER** to buy and sell real estate. The income derived by **BARBER** from real estate transactions was transferred into **KNIGHT'S** IOLTA account, thereby concealing it from **BARBER'S** creditors. A portion of the money was transferred to bank accounts controlled by or in the name of **VAN DOREN** and used for **BARBER'S** benefit, including for his personal expenses.

### COUNT 13

#### **(CONSPIRACY TO COMMIT BANKRUPTCY FRAUD) (18 U.S.C. §§ 371 and 157)**

38. The Grand Jury repeats and re-alleges the allegations contained in paragraphs 29-37 of this Indictment, as though fully set forth herein.

39. From on or about April 2008 through on or about July 31, 2009, in the Western District of Arkansas, and elsewhere, the Defendants, **BRANDON LYNN BARBER, K.**

**VAUGHN KNIGHT, AND JAMES VAN DOREN** did knowingly and intentionally combine, conspire, confederate, and agree with each other and with others known and unknown to the Grand Jury, to knowingly and fraudulently devise and intend to devise the foregoing scheme and artifice to defraud and for the purpose of executing and concealing such a scheme and artifice, filed a petition under Title 11 of the United States Code, to wit: In re: Brandon Lynn Barber, Debtor, No.5:09-bk-73807, filed a document in that bankruptcy proceeding, and made a false or fraudulent representation, claim, or promise concerning or in relation to that bankruptcy proceeding under Title 11, before and after the filing of the petition in violation of 18 U.S.C. §§157 and 371.

MANNER AND MEANS OF THE CONSPIRACY

40. It was the purpose of the conspiracy that **BARBER, KNIGHT AND VAN DOREN** and others acting on their behalf, disguised the income and assets of **BARBER** from his creditors in order to obtain and retain economic benefits for **BARBER**.

41. As part of the conspiracy, **BARBER, KNIGHT** and **VAN DOREN**, agreed that they would conceal and disguise income and funds belonging to **BARBER** and transfer said funds into and through accounts belonging to **KNIGHT** and **VAN DOREN**, thereby hiding it from creditors.

42. As part of the conspiracy, the funds hidden from creditors in the accounts of **KNIGHT** and **VAN DOREN** would then be paid back on **BARBER'S** behalf or flow back to accounts belonging to **BARBER** or to other accounts for his benefit, including for personal expenses.



OVERT ACTS

43. In furtherance of the conspiracy and to achieve the objects and purpose thereof, at least one of the conspirators committed and caused to be committed, in the Western District of Arkansas and elsewhere, at least one of the following overt acts, among others:

- a. On or about September 29, 2008, **BARBER** took a check made payable to **BARBER** and endorsed it over to **VAN DOREN**. **VAN DOREN** then deposited that check into **VAN DOREN'S** personal bank account and the funds were spent, used and transferred for **BARBER'S** benefit, including for **BARBER'S** personal expenses.
- b. On or between April 1, 2008 and July 31, 2009, **BARBER** instructed persons known to the Grand Jury to transfer funds to **KNIGHT'S** IOLTA account. **KNIGHT** held funds in his IOLTA account on **BARBER'S** behalf and then, at **BARBER'S** direction, transferred funds, for **BARBER'S** benefit, including to accounts in the names of persons or entities other than **BARBER** in order to conceal those funds from creditors.
- c. On or between April 1, 2008 and July 31, 2009, **KNIGHT** transferred funds to entities and accounts owned by **VAN DOREN**. **VAN DOREN** then further transferred, spent, and used the funds for **BARBER'S** benefit, including for **BARBER'S** personal expenses.
- d. On or between July 2008 and July 31, 2009, **BARBER** delivered a briefcase containing cash to **VAN DOREN** and **VAN DOREN** placed the cash into a safe deposit box owned or controlled by **VAN DOREN**. **VAN DOREN** and

**BARBER** then further obtained, transferred, spent, and used the funds for **BARBER'S** benefit, including for **BARBER'S** personal expenses.

- e. On or about July 31, 2009, **BARBER** caused to be filed a bankruptcy case under Title 11 of the United States Code, specifically the case entitled: In re: Brandon Lynn Barber, Debtor, No. 5:09-bk-73807.

All in violation of 18 U.S.C. §§ 157 and 371.

**COUNT 14**

**(18 U.S.C. § 152(7) - BANKRUPTCY FRAUD - Concealment of Assets)**

47. The Grand Jury repeats and re-alleges the allegations contained in paragraphs 29-37 of this Indictment, as though fully set forth herein.

48. On or between April 1, 2008 and November 9, 2010, in the Western District of Arkansas and elsewhere, the Defendants **BRANDON LYNN BARBER AND K. VAUGHN KNIGHT**, aiding and abetting each other and aided and abetted by each other, in contemplation of a bankruptcy case under Title 11 of the United States Code by **BARBER**, specifically the case entitled In re: Brandon Lynn Barber, Debtor, No. 5:09-bk-73807, and with the intent to defeat the provisions of Title 11, knowingly and fraudulently transferred monies totaling up to or exceeding \$1,000,000.00 belonging to **BARBER** into **KNIGHT'S** IOLTA account, thereby concealing it from **BARBER'S** creditors and the Bankruptcy Court.

All in violation of 18 U.S.C. §§ 152(7) and 2.

**COUNT 15**

**(18 U.S.C. § 152(7) - BANKRUPTCY FRAUD - Concealment of Assets)**

49. The Grand Jury repeats and re-alleges the allegations contained in paragraphs 33-44 of this Indictment, as though fully set forth herein.

50. On or between April 1, 2008 and November 9, 2010, in the Western District of Arkansas and elsewhere, the Defendants **BRANDON LYNN BARBER** and **JAMES VAN DOREN**, aiding and abetting each other and aided and abetted by each other, in contemplation of a bankruptcy case under Title 11 of the United States Code by **BARBER**, specifically the case entitled In re: Brandon Lynn Barber, Debtor, No. 5:09-bk-73807, and with the intent to defeat the provisions of Title 11, knowingly and fraudulently transferred \$64,000.00 and \$30,000.00 belonging to **BARBER** to **VAN DOREN**, thereby concealing it from **BARBER'S** creditors and the Bankruptcy Court.

All in violation of 18 U.S.C. §§ 152(7) and 2.

**COUNT 16**

**(18 U.S.C. § 152(1) - CONCEALMENT OF ASSETS)**

51. The Grand Jury repeats and re-alleges the allegations contained in paragraphs 33-44 of this Indictment, as though fully set forth herein.

52. On or about the 31st day of July, 2009, in the Western District of Arkansas, **BRANDON LYNN BARBER**, did in this district and elsewhere, knowingly and fraudulently conceal and cause to be concealed from creditors and from the United States Trustee, property belonging to the estate of a debtor, namely, in In re: Brandon Lynn Barber, Debtor, No. 5:09-bk-73807, a bank account, "NWARE, LLC", account number xxx-060, which had a \$2,225.13 balance on the date the bankruptcy petition was filed.

All in violation of 18 U.S.C. § 152(1).

**COUNT 17**

**(18 U.S.C. § 152(3) - FALSE STATEMENTS)**

53. The Grand Jury repeats and re-alleges the allegations contained in paragraphs 33-44 of this Indictment, as though fully set forth herein.

54. On or about the 31st day of July, 2009, in the Western District of Arkansas, **BRANDON LYNN BARBER**, aided and abetted by **K. VAUGHN KNIGHT**, did in this district and elsewhere, knowingly and fraudulently make a material false declaration, certificate and verification, under the penalty of perjury, in and in relation to a case under Title 11 United States Code, namely, in In re: Brandon Lynn Barber, Debtor, No. 5:09-bk-73807, by submitting a Statement of Financial Affairs, in which the defendants fraudulently omitted up to or exceeding \$1,000,000 in income belonging to **BARBER**, for calendar year 2008 and instead reported income of \$3,426.95 for calendar year 2008.

All in violation of 18 U.S.C. §§ 152(3) and 2.

**COUNT 18**

**(18 U.S.C. § 1957 - MONEY LAUNDERING - Engaging in  
Monetary Transactions in Property Derived  
From Specified Unlawful Activity)**

55. On or about the 15th day of August, 2008, in the Western District of Arkansas, Fayetteville Division, the defendants **BRANDON LYNN BARBER and K. VAUGHN KNIGHT**, aided and abetted by each other and others known and unknown to the grand jury, did knowingly engage in a monetary transaction through a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000, that is, by causing \$95,000.00 to be transferred from **KNIGHT'S** IOLTA account, number xxxx7195, held at Arvest Bank, to Brandon Barber's account held at Priority Bank, number xxx-xxx-497, such

proceeds having derived from a specified unlawful activity, that is bankruptcy fraud, in violation of 18 U.S.C. § 152 (7).

All in violation of 18 U.S.C. §§ 1957 and 2.

**COUNT 19**

**(18 U.S.C. § 1957 - MONEY LAUNDERING - Engaging in  
Monetary Transactions in Property Derived  
From Specified Unlawful Activity)**

56. On or about the 21st day of August, 2008, in the Western District of Arkansas, Fayetteville Division, the defendants **BRANDON LYNN BARBER and K. VAUGHN KNIGHT**, aided and abetted by each other and others known and unknown to the grand jury, did knowingly engage in a monetary transaction through a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000, that is, by causing \$95,230.03 to be transferred from **KNIGHT'S** IOLTA account, number xxxx7195, held at Arvest Bank, to Brandon Barber's Citicard account, number xxxx-xxxx-xxxx-2141, for use in paying **BARBER'S** credit card bill, such proceeds having derived from a specified unlawful activity, that is bankruptcy fraud, in violation of 18 U.S.C. § 152(7).

All in violation of 18 U.S.C. §§ 1957 and 2.

**COUNT 20**

**(18 U.S.C. § 1957 - MONEY LAUNDERING - Engaging in  
Monetary Transactions in Property Derived  
From Specified Unlawful Activity)**

57. On or about the 21st day of November, 2008, in the Western District of Arkansas, Fayetteville Division, the defendants **BRANDON LYNN BARBER and K. VAUGHN KNIGHT**, aided and abetted by each other and others known and unknown to the grand jury, did knowingly engage in a monetary transaction through a financial institution, affecting interstate



commerce, in criminally derived property of a value greater than \$10,000, that is, by causing \$20,000.00 to be transferred from **KNIGHT'S IOLTA** account, number xxxx7195, held at Arvest Bank, to Brandon Barber's account, NWARE Investments, LLC, held at First Security Bank, number, xxx-060, such proceeds having derived from a specified unlawful activity, that is bankruptcy fraud, in violation of 18 U.S.C. § 152(7).

All in violation of 18 U.S.C. §§ 1957 and 2.

**COUNT 21**

**(18 U.S.C. § 1957 - MONEY LAUNDERING - Engaging in  
Monetary Transactions in Property Derived  
From Specified Unlawful Activity)**

58. On or about the 12th day of December, 2008, in the Western District of Arkansas, Fayetteville Division, the defendants **BRANDON LYNN BARBER and K. VAUGHN KNIGHT**, aided and abetted by each other and others known and unknown to the grand jury, did knowingly engage in a monetary transaction through a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000, that is, by causing \$20,000.00 to be transferred from **KNIGHT'S IOLTA** account, number xxxx7195, held at Arvest Bank , to **BRANDON BARBER'S** account, NWARE Investments, LLC, held at First Security Bank, number, xxx-060, such proceeds having derived from a specified unlawful activity, that is bankruptcy fraud, in violation of 18 U.S.C. § 152(7).

All in violation of 18 U.S.C. §§ 1957 and 2.

**COUNT 22**

**(18 U.S.C. § 1957 - MONEY LAUNDERING - Engaging in  
Monetary Transactions in Property Derived  
From Specified Unlawful Activity)**

59. On or about the 16th day of January, 2009, in the Western District of Arkansas, Fayetteville Division, the defendants **BRANDON LYNN BARBER and K. VAUGHN KNIGHT**, aided and abetted by each other and others known and unknown to the grand jury, did knowingly engage in a monetary transaction through a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000, that is, by causing \$15,000.00 to be transferred from **KNIGHT'S** IOLTA account, number xxxx7195, held at Arvest Bank, to **BRANDON BARBER'S** account, NWARE Investments, LLC, held at First Security Bank, number xxx-060, such proceeds having derived from a specified unlawful activity, that is bankruptcy fraud, in violation of 18 U.S.C. § 152(7).

All in violation of 18 U.S.C. §§ 1957 and 2.

**COUNT 23**

**CONSPIRACY TO COMMIT WIRE FRAUD  
(18 U.S.C. § 1349 - CONSPIRACY and 18 U.S.C. § 1343 – WIRE FRAUD)**

60. The Grand Jury repeats and re-alleges the allegations contained in paragraphs 29-37 of this Indictment, as though fully set forth herein.

61. From in or about April, 2008 through in or about July of 2009, in the Western District of Arkansas, Fayetteville Division, and elsewhere, the defendants, **BRANDON LYNN BARBER, K. VAUGHN KNIGHT, and JAMES VAN DOREN** did knowingly and intentionally combine, conspire, confederate and agree with each other to devise and intend to devise a scheme and artifice to defraud **BARBER'S** creditors and for obtaining money and property by means of false and fraudulent pretenses, representations and promises thereby

affecting financial institutions and other creditors and in furtherance of that scheme did transmit and cause to be transmitted certain wire communications in interstate commerce.

All in violation of 18 U.S.C. §§ 1349 and 1343.

MANNER AND MEANS OF THE CONSPIRACY

62. It was the purpose of the conspiracy that **BARBER, KNIGHT, and VAN DOREN**, acting on behalf of themselves and entities owned by them, concealed funds from **BARBER'S** creditors by transferring those funds through accounts owned by them and through accounts in the name of entities owned by them and then ultimately spending, using or transferring those funds for **BARBER'S** benefit.

63. As part of the conspiracy, **BARBER, KNIGHT, and VAN DOREN** agreed that they would engage in wire transfers and other transfers of funds in order to conceal income, assets, and funds from **BARBER'S** creditors and provide such income, assets, and funds for **BARBER'S** benefit, including for **BARBER'S** personal living expenses.

64. As part of the conspiracy, **BARBER** took a check made payable to **BARBER** and endorsed it over to **VAN DOREN**. **VAN DOREN** then deposited that check into **VAN DOREN'S** personal bank account and the funds were spent, used and transferred for **BARBER'S** benefit, including for **BARBER'S** personal living expenses.

65. As part of the conspiracy, **BARBER** instructed persons known to the Grand Jury to transfer funds to **KNIGHT'S** IOLTA account. **KNIGHT** held funds in his IOLTA account on **BARBER'S** behalf and then, at **BARBER'S** direction, transferred funds, for **BARBER'S** benefit, including to accounts in the names of persons or entities other than **BARBER** in order to conceal those funds from creditors.

66. As part of the conspiracy, **KNIGHT** transferred funds to entities and accounts owned by **VAN DOREN**. **VAN DOREN** then further transferred, spent, and used the funds for **BARBER'S** benefit, including for **BARBER'S** personal living expenses.

67. As part of the conspiracy, **BARBER** delivered a briefcase containing cash to **VAN DOREN** and **VAN DOREN** placed the cash into a safe deposit box owned or controlled by **VAN DOREN**. **VAN DOREN** and **BARBER** then further obtained, transferred, spent, and used the funds for **BARBER'S** benefit, including for **BARBER'S** personal living expenses.

68. As part of the conspiracy, **BARBER**, **KNIGHT** and **VAN DOREN** caused several wire transfers of funds between accounts in their names or of entities owned by them, including:

- a. On or before September 29, 2008, Barber endorsed a check in the amount of \$64,000 over to **VAN DOREN** and **VAN DOREN** deposited that check into a Citibank account in New York in the name of **VAN DOREN**, causing that check to be cleared through the banking system by means of wire communications and transfers.
- b. On or about October 29, 2008, **VAN DOREN** caused a wire transfer of \$22,000 from a Citibank account in New York in the name of **VAN DOREN** to a First Security Bank account in Fayetteville, Arkansas in the name of the Barber Group.
- c. On or about November 14, 2008, **KNIGHT** caused a wire transfer of \$150,000 from **KNIGHT'S** IOLTA account, held at Arvest Bank in Fayetteville, Arkansas to a Citibank account in New York in the name of Epsilon Investments, LLC, an entity owned by **VAN DOREN**.

- d. On or about March 16, 2009, **VAN DOREN** caused a wire transfer of \$20,000 from the Citibank account in New York in the name of Epsilon Investments, LLC to the NWARE Investments, LLC account at First Security Bank in Fayetteville, Arkansas.

**COUNT 24**

**(18 U.S.C. § 1957 – MONEY LAUNDERING –Engaging in Monetary Transactions  
in Property Derived from Specified Unlawful Activity)**

69. On or about the 29<sup>th</sup> day of October, 2008, in the Western District of Arkansas, Fayetteville Division and elsewhere, the defendants, **BRANDON LYNN BARBER** and **JAMES VAN DOREN**, aided and abetted by each other and others known and unknown to the grand jury, did knowingly engage in a monetary transaction through a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000, that is, by causing \$22,000 to be transferred from a Citibank Account in New York in the name of **JAMES VAN DOREN** to a First Security Bank account in Fayetteville, Arkansas in the name of the Barber Group, an entity owned by **BARBER**, such proceeds having derived from a specified unlawful activity, that is wire fraud, in violation of 18 U.S.C § 1343.

All in violation of 18 U.S.C. §§ 1957 and 2.

**COUNT 25**

**(18 USC § 1957 – MONEY LAUNDERING –Engaging in Monetary Transactions  
in Property Derived from Specified Unlawful Activity)**

70. On or about the 16<sup>th</sup> day of March, 2009, in the Western District of Arkansas, Fayetteville Division and elsewhere, the defendants, **BRANDON LYNN BARBER** and **JAMES VAN DOREN**, aided and abetted by each other and others known and unknown to the grand jury, did knowingly engage in a monetary transaction through a financial institution,



affecting interstate commerce, in criminally derived property of a value greater than \$10,000, that is, by causing \$20,000 to be transferred from a Citibank Account in New York in the name of Epsilon Investments, LLC, an entity owned by **VAN DOREN**, to a First Security Bank account in Fayetteville, Arkansas in the name of **NWARE Investments, LLC**, an entity owned by **BARBER**, such proceeds having derived from a specified unlawful activity, that is wire fraud, in violation of 18 U.S.C § 1343.

All in violation of 18 U.S.C. §§ 1957 and 2.

**COUNT 26**

**CONSPIRACY TO COMMIT MONEY LAUNDERING  
(18 U.S.C. § 1956)**

71. The Grand Jury repeats and re-alleges the allegations contained in paragraphs 29-37 and 60-69 of this Indictment, as though fully set forth herein.

72. From in or around April of 2008 through in or around July of 2009, in the Western District of Arkansas and elsewhere, the defendants, **BRANDON LYNN BARBER, K. VAUGHN KNIGHT**, and **JAMES VAN DOREN** did knowingly and willfully combine, conspire and agree with each other and with other persons, known and unknown to the Grand Jury, to conduct financial transactions, affecting interstate commerce, involving the proceeds of specified unlawful activity, knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity and knowing that the transactions were designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity, in violation of 18 U.S.C. § 1956(a)(1)(B)(i)(Concealment Money Laundering) and in violation of 18 U.S.C. § 1956(h).

All in violation of 18 U.S.C. § 1956.

MANNER AND MEANS OF THE CONSPIRACY

73. It was the purpose of the conspiracy that **BARBER, KNIGHT and VAN DOREN** would conduct financial transactions involving proceeds of bankruptcy fraud, wire fraud, and bank fraud in order to conceal and disguise the fact that the funds belonged to **BARBER** and were being spent, appropriated, and made available for his benefit, including for his personal expenses, and would accomplish this by transferring the funds between accounts in the name of **KNIGHT and VAN DOREN** or entities owned and controlled by **KNIGHT and VAN DOREN**.

74. As part of the conspiracy, **BARBER, KNIGHT and VAN DOREN** agreed that they would conceal and disguise income, funds, and assets belonging to **BARBER** and transfer said funds into and through accounts belonging to **KNIGHT and VAN DOREN**, thereby hiding them from creditors.

75. As part of the conspiracy, the funds hidden from creditors in the accounts of **KNIGHT and VAN DOREN** would then be paid back on **BARBER'S** behalf or flow back to accounts belonging to **BARBER** or to other accounts for his benefit, including for personal expenses.

76. As part of the conspiracy, **BARBER, KNIGHT, and VAN DOREN** caused several wire transfers of funds between accounts in their names or of entities owned by them:

- a. On or about October 29, 2008, **BARBER** took a check made payable to **BARBER** and endorsed it over to **VAN DOREN**. **VAN DOREN** then deposited that check into **VAN DOREN'S** personal bank account and the

funds were spent, used and transferred for **BARBER'S** benefit, including for **BARBER'S** personal expenses.

- b. On or between April 1, 2008 and July 31, 2009, **BARBER** instructed persons known to the Grand Jury to transfer funds to **KNIGHT'S** IOLTA account. **KNIGHT** held funds in his IOLTA account on **BARBER'S** behalf and then, at **BARBER'S** direction, transferred funds, for **BARBER'S** benefit, including to accounts in the names of persons or entities other than **BARBER** in order to conceal those funds from creditors.
- c. On or between April 1, 2008 and July 31, 2009, **KNIGHT** transferred funds to entities and accounts owned by **VAN DOREN**. **VAN DOREN** then further transferred, spent, and used the funds for **BARBER'S** benefit, including for **BARBER'S** personal expenses.
- d. On or between July 2008 and July 31, 2009, **BARBER** delivered a briefcase containing cash to **VAN DOREN** and **VAN DOREN** placed the cash into a safe deposit box owned or controlled by **VAN DOREN**. **VAN DOREN** and **BARBER** then further obtained, transferred, spent, and used the funds for **BARBER'S** benefit, including for **BARBER'S** personal expenses.

All in violation of 18 U.S.C. § 1956.

**COUNT 27**

**(18 U.S.C. § 1956 – MONEY LAUNDERING)**

78. On or about November 14, 2008, in the Western District of Arkansas, the defendants, **K. VAUGHN KNIGHT**, and **JAMES VAN DOREN**, aiding and abetting each other, did knowingly conduct a financial transaction, affecting interstate commerce, involving

the proceeds of specified unlawful activity, knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, and knowing that the transactions were designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity, that is, by causing \$150,000 to be transferred from **KNIGHT'S** IOLTA account, number xxxx7195, held at Arvest Bank, to an account in the name of Epsilon Investments, LLC, owned by **VAN DOREN**, held at Citibank in New York, such proceeds having derived from a specified unlawful activity, that is wire fraud in violation of 18 U.S.C. §§ 1343 and 1956(a)(1)(B)(i).

All in violation of 18 U.S.C. § 1956 and 2.

NOTICE OF INTENT TO SEEK CRIMINAL FORFEITURE

The United States re-alleges and incorporates by reference herein Counts 1-27. As a result of committing the offenses as alleged in this Indictment, each defendant shall forfeit to the United States, pursuant to 18 U.S.C. §§ 981(a)(1), (a)(1)(c), 982(a)(2) and 28 U.S.C. § 2461, all property involved in or traceable to property involved in the offenses, including proceeds obtained directly or indirectly from the offenses.

Moreover, if any property subject to forfeiture, as a result of any act or omission by any defendant:

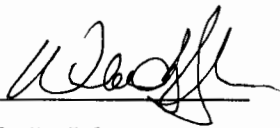
- (a) Cannot be located upon the exercise of due diligence;
- (b) Has been transferred or sold to, or deposited with a third party;
- (c) Has been placed beyond the jurisdiction of the court;
- (d) Has been substantially diminished in value; or
- (e) Has been commingled with other property which cannot be subdivided without difficulty;

The defendants shall forfeit to the United States any other property of the defendants up to the value of the forfeitable property, or a sum of United States currency, in the form of a money judgment, representing the amount of proceeds obtained by the defendants as a result of the offense described in this Indictment. The money judgment will be later executed against any other property held by the defendants.

A True Bill.

1/s/ Grand Jury Foreperson  
Grand Jury Foreperson

CONNER ELDRIDGE  
UNITED STATES ATTORNEY

By:   
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