



1 a. Defendant STEVEN KEITH ZINNEL ("STEVEN ZINNEL") was an  
2 individual residing in Gold River in Sacramento County in the State  
3 and Eastern District of California.

4 b. Defendant DERIAN EIDSON was an individual residing in Yorba  
5 Linda, Orange County, California. Defendant EIDSON was a member of  
6 the bar of the State of California and maintained a client trust  
7 account and a personal bank account at Washington Mutual Bank.

8 c. Corporate Control, Inc. was a California corporation owned  
9 and controlled by defendant STEVEN ZINNEL.

10 d. Done Deal was a California corporation whose titular owner  
11 and president was defendant DERIAN EIDSON.

12 e. Company 1, a company known to the Grand Jury, was a  
13 California corporation engaged in the business of electrical utility  
14 infrastructure contracting and whose titular owner was Nominee 1, a  
15 person known to the Grand Jury.

16 f. 4Results, LLC was a California Limited Liability  
17 corporation that was actually controlled by defendant STEVEN ZINNEL.

18 g. Auto and Boat Store, Inc. was a California corporation that  
19 was actually controlled by defendant STEVEN ZINNEL.

20 h. "The Luyung Property" Sacramento County Parcel No.  
21 072-0450-015-0000 was real estate in Rancho Cordova, California.

22 i. "The Old Eureka Way Property," Sacramento County Parcel No.  
23 069-0620-054-0000 was real estate in Gold River, California. At all  
24 times material, defendant STEVEN ZINNEL used the Old Eureka Way  
25 Property as his residence.

26 II. BACKGROUND

27 2. Defendant STEVEN ZINNEL separated from his then-wife in 1999 and  
28 began what became a contentious divorce proceeding. In April and

1 July of 2001, defendant STEVEN ZINNEL emailed her and told her that  
2 he had retained counsel for bankruptcy and that his company  
3 was going to file for bankruptcy. On July 15, 2001, defendant STEVEN  
4 ZINNEL, emailed her that, when his company went into bankruptcy, he  
5 would draw a smaller salary and her support would "almost go to  
6 zero." He went on, "[A]s soon as the bank and the bonding company  
7 sue me for my personal obligation, I will file personal bankruptcy as  
8 well."

9 III. PRE-FILING FRAUDULENT TRANSFERS AND CONCEALMENT

10 3. Defendant STEVEN ZINNEL, aided and abetted by defendant DERIAN  
11 EIDSON, between in or about October 2001 and on or about July 20,  
12 2005, in a personal capacity and as an officer and agent of at least  
13 one corporation, in contemplation of a case under Title 11, United  
14 States Code, by himself, and with intent to defeat the provisions of  
15 Title 11, did knowingly and fraudulently transfer and conceal some of  
16 his property and the property of said corporation.

17 IV. WAYS AND MEANS

18 4. In knowingly and fraudulently transferring and concealing  
19 property in contemplation of his bankruptcy, defendant STEVEN ZINNEL  
20 employed, among others, the following ways and means:

21 a. In or about October 2001, defendant STEVEN ZINNEL and  
22 Nominee 1 formed Company 1. They agreed that defendant STEVEN ZINNEL  
23 would be a "silent partner." According to the agreement between  
24 defendant STEVEN ZINNEL, Nominee 1, and another person, defendant  
25 STEVEN ZINNEL "or his designated entity or individual," would own  
26 shares of common stock in Company 1. According to the agreement,  
27 defendant STEVEN ZINNEL "or his designated entity or individual"  
28 would put up all the initial startup capital. Also, according to the

1 agreement, once certain conditions were satisfied,, defendant ZINNEL  
2 would get back his initial capital contribution of \$600,000 with 10%  
3 interest per annum with the remaining equity distributed in  
4 proportion to ownership at the time. Nominee 1 was to be the  
5 President, Chief Financial Officer, and Corporate Secretary.  
6 Defendant STEVEN ZINNEL created and filed Company 1's articles of  
7 incorporation with the California Secretary of State. Nominee 1  
8 opened a bank account for Company 1 by placing \$1,500 of his own  
9 money into the account. Defendant STEVEN ZINNEL contributed  
10 approximately \$300,000 worth of funds to start Company 1. Defendant  
11 STEVEN ZINNEL's name appeared nowhere in this or any public filings  
12 of Company 1.

13 b. On or about March 20, 2002, 4Results was formed as a  
14 California LLC.

15 c. On or about June 20, 2002, defendant STEVEN ZINNEL obtained  
16 a loan from First Bank (No. 417023002514) secured by a deed of trust  
17 against the Old Eureka Way Property.

18 d. On or about January 26, 2004, Corporate Control, Inc. sent  
19 a wire transfer in the amount of \$169,804.27 to a bank account in the  
20 name of 4Results. The true controllers of this bank account were  
21 persons associated with defendant STEVEN ZINNEL known to the Grand  
22 Jury.

23 e. On or about January 27, 2004, 4Results purchased a  
24 cashier's check for \$169,804.27 addressed to the then-titular owner  
25 of the Luyung Property.

26 f. On or about February 17, 2004, defendant STEVEN ZINNEL  
27 convinced another person, known to the Grand Jury, to serve as  
28 4Results's agent for service of process. Defendant ZINNEL told that

1 person that his purpose was to control 4Results without using  
2 defendant ZINNEL'S name because defendant ZINNEL's ex-wife had taken  
3 his money from his other businesses, and defendant ZINNEL wanted to  
4 keep one separated.

5 g. On or about February 18, 2004, 4Results acquired title to  
6 the Luyung Property.

7 h. On or about June 7, 2004, Auto and Boat Store, Inc. was  
8 formed as a California Corporation held in title by Nominee 2, a  
9 person known the the Grand Jury, but the Corporation was actually  
10 controlled by defendant STEVEN ZINNEL.

11 i. On or about June 10, 2004, Auto and Boat Store, Inc. took  
12 title to the Luyung Property from 4Results, LLC.

13 j. On or about July 5, 2004, defendant DERIAN EIDSON formed  
14 Done Deal as a California corporation.

15 k. On or about July 13, 2004, defendants STEVEN ZINNEL and  
16 DERIAN EIDSON created a document purporting to assign defendant  
17 STEVEN ZINNEL's interest in Company 1 to Done Deal.

18 l. On or about October 4, 2004, defendant DERIAN EIDSON opened  
19 a bank account in the name of Done Deal.

20 m. On or about October 22, 2004, defendant STEVEN ZINNEL  
21 obtained a loan from First Bank (No. 417053025814) secured by a deed  
22 of trust against the Old Eureka Way Property.

23 n. On or about February 22, 2005, defendant DERIAN EIDSON  
24 added defendant STEVEN ZINNEL as a signatory on Done Deal's account.  
25 Defendant STEVEN ZINNEL proceeded to use the funds in the Done Deal  
26 account for his personal expenses.

27 / / /

28 / / /

V. BANKRUPTCY FILING

1  
2 5. On or about July 20, 2005, in the State and Eastern District of  
3 California, defendant STEVEN ZINNEL filed and caused to be filed a  
4 voluntary bankruptcy petition in his name, case number 05-28800-C7,  
5 under Chapter 7 of Title 11 of the United States Code, in the United  
6 States Bankruptcy Court for the Eastern District of California. On  
7 the schedule of assets and liabilities filed in his bankruptcy case  
8 defendant STEVEN ZINNEL disclosed \$842,620.00 in assets, excluding  
9 interests in assets transferred and concealed as alleged in  
10 paragraphs 4(a) through 4(n) above, \$2,013,896.29 in secured debt,  
11 and \$4,036,466.25 in unsecured debt.

12 All in violation of Title 18, United States Code, Sections 2 and  
13 152(7).

14 COUNT TWO: [18 U.S.C. § 152(1) - Bankruptcy Fraud]

15 The Grand Jury further charges:

16 STEVEN ZINNEL, and  
17 DERIAN EIDSON,

18 defendants herein, as follows:

- 19 1. The allegations set forth in Paragraphs 1, 2, 4, and 5 of Count  
20 1 are realleged as if fully set forth herein.
- 21 2. Between on or about July 20, 2005, and on or about September 6,  
22 2006, in the State and Eastern District of California, defendants  
23 STEVEN ZINNEL and DERIAN EIDSON did knowingly and fraudulently  
24 conceal from a custodian, trustee, and other officer of the court  
25 charged with the control and custody of property, and from creditors,  
26 in the bankruptcy case captioned "In re Steven Zinnel," Bankruptcy  
27 Case Number 05-28800-C7, the property set forth below belonging to  
28 the estate of the debtor, defendant STEVEN ZINNEL:



- 1 a. defendant STEVEN ZINNEL's interest in Company 1;
- 2 b. payments defendant STEVEN ZINNEL was receiving from Company
- 3 1 through Done Deal;
- 4 c. defendant STEVEN ZINNEL's interest in Done Deal's bank
- 5 account;
- 6 d. defendant STEVEN ZINNEL's interest in 4Results;
- 7 e. defendant STEVEN ZINNEL's interest in Auto and Boat Store;
- 8 f. defendant STEVEN ZINNEL's interest in the Luyung Property.

9 3. To further the concealment of assets, defendant STEVEN ZINNEL  
10 made the following false statements, among others:

11 a. On or about August 18, 2005, defendant STEVEN ZINNEL signed  
12 and filed with the Bankruptcy Court a "Summary of Schedules" with  
13 attached schedules of his assets and liabilities, declaring under  
14 penalty of perjury therein that all of the information contained in  
15 them was true and correct. The Summary of Schedules and attached  
16 schedules omitted any mention of defendant STEVEN ZINNEL interest in  
17 Auto and Boat Store, 4Results, Done Deal, the Luyung Property, and  
18 Company 1.

19 b. On or about August 18, 2005, defendant STEVEN ZINNEL signed  
20 and filed with the Bankruptcy Court a "Statement of Financial  
21 Affairs," declaring under penalty of perjury therein that all of the  
22 information contained in it was true and correct. Question 18 of the  
23 Statement of Financial Affairs concerned "Nature, location, and name  
24 of business." It stated,

25 If the debtor is an individual, list the names, taxpayer  
26 identification numbers, nature of businesses, and beginning and  
27 ending dates of all businesses in which the debtor was an  
28 officer, director, partner, or managing executive of a  
corporation, partnership, sole proprietorship, or was a self-  
employed professional within the six years immediately preceding  
the commencement of this case, or in which the debtor owned 5

1 percent or more of the voting or equity securities within six  
2 years immediately preceding the commencement of this case.

3 Defendant STEVEN ZINNEL omitted any mention of Auto and Boat Store,  
4 Results, Done Deal, and Company 1 from his answer to Question 18.

5 c. On or about August 24, 2005, defendant STEVEN ZINNEL  
6 testified under oath in a hearing of creditors called a "341  
7 Hearing."

8 i. In the 341 Hearing, defendant STEVEN ZINNEL falsely  
9 stated under oath that he had no property that was not listed on his  
10 schedules; and

11 ii. In the 341 Hearing, defendant STEVEN ZINNEL falsely  
12 stated under oath that all of Corporate Control's assets had gone to  
13 First Bank and Trust in 2002.

14 4. To further the concealment of assets, defendants STEVEN ZINNEL  
15 and DERIAN EIDSON employed the following ways and means, among  
16 others:

17 a. Defendant STEVEN ZINNEL used Auto and Boat Store to  
18 disguise defendant STEVEN ZINNEL's control over the Luyung Property;

19 b. Company 1 made payments to defendant STEVEN ZINNEL through  
20 checks to Done Deal;

21 c. The checks to Done Deal were deposited into the Done Deal  
22 bank account; and

23 d. defendant STEVEN ZINNEL used the Done Deal bank account to  
24 pay for his own wine, travel, groceries, restaurant meals, and other  
25 personal expenses.

26 5. On or about September 6, 2006, defendant STEVEN ZINNEL'S Chapter  
27 7 Bankruptcy was discharged.

28 / / /



1 All in violation of Title 18, United States Code, Sections 2 and  
2 152(1).

3 COUNT THREE: [18 U.S.C. § 1956(h) - Money Laundering Conspiracy]

4 The Grand Jury further charges:

5 STEVEN ZINNEL, and  
6 DERIAN EIDSON,

7 defendants herein, as follows:

8 I. CONSPIRACY

9 1. The allegations set forth in Paragraphs 1, 2, 4, and 5 of Count  
10 1 and Paragraphs 2 through 5 of Count Two are realleged as if fully  
11 set forth herein.

12 2. From on or about September 6, 2006, through on or about July 7,  
13 2008, in the State and Eastern District of California and elsewhere,  
14 defendants STEVEN ZINNEL and DERIAN EIDSON did knowingly combine,  
15 conspire, and agree with each other, and with at least one other  
16 person known to the Grand Jury, to commit offenses against the United  
17 States in violation of Title 18, United States Code, Sections 1956  
18 and 1957, to wit:

19 a. to knowingly conduct and attempt to conduct financial  
20 transactions affecting interstate commerce, which transactions  
21 involved the proceeds of specified unlawful activity, that is  
22 bankruptcy fraud, in violation of 18 U.S.C. § 152, knowing that  
23 the transactions were designed in whole and in part to conceal  
24 and disguise the nature, location, source, ownership, and  
25 control of the proceeds of specified unlawful activity, and that  
26 while conducting and attempting to conduct such financial  
27 transactions, knew that the property involved in the financial  
28 transactions represented the proceeds of some form of unlawful  
activity, in violation of Title 18, United States Code, Section  
1956(a)(1)(B)(i); and

b. to knowingly engage and attempt to engage in monetary  
transactions by, through, and to a financial institution,  
affecting interstate and, in criminally derived property of a  
value greater than \$10,000, such property having been derived  
from a specified unlawful activity, that is bankruptcy fraud, in  
violation of Title 18, United States Code, Section 152, in

1 violation of Title 18, United States Code, Section 1957.

2 II. WAYS AND MEANS

3 3. In executing the conspiracy, defendants employed, among others,  
4 the following ways and means:

5 a. After the September 6, 2006 discharge of defendant STEVEN  
6 ZINNEL's bankruptcy until at least on or about July 7, 2008,  
7 defendant STEVEN ZINNEL intended to maintain a secret interest in  
8 Company 1 and intended to receive distributions from Company 1 as a  
9 partner would.

10 b. After the September 6, 2006 discharge of defendant STEVEN  
11 ZINNEL's bankruptcy and until at least July 7, 2008, Nominee 1 caused  
12 Company 1 to pay money to defendant STEVEN ZINNEL and another person  
13 known to the Grand Jury. As defendant STEVEN ZINNEL and Nominee 1  
14 agreed, several of the payments were disguised as payments to Done  
15 Deal for purported sales of goods and services to Company 1 from Done  
16 Deal.

17 c. Defendant STEVEN ZINNEL met periodically with Nominee 1 to  
18 decide the appropriate amount for Company 1's distribution to  
19 defendant STEVEN ZINNEL.

20 d. Defendant STEVEN ZINNEL instructed Nominee 1 as to how to  
21 disguise Company 1's distribution to defendant STEVEN ZINNEL.

22 e. For the purpose of disguising Company 1's distributions to  
23 defendant STEVEN ZINNEL, Company 1 directed money to Done Deal  
24 purportedly to pay off Done Deal's invoices. Done Deal then paid  
25 defendant STEVEN ZINNEL, purportedly as Done Deal's consultant and  
26 employee.

27 f. After the September 6, 2006 discharge of defendant STEVEN  
28 ZINNEL's bankruptcy, defendant STEVEN ZINNEL maintained signature

1 authority and a debit card for Done Deal's Washington Mutual bank  
2 account, and defendant STEVEN ZINNEL continued to use the account to  
3 pay for his own personal expenses.

4 g. As defendant STEVEN ZINNEL, defendant DERIAN EIDSON, and  
5 Nominee 1 agreed, on or about April 21, 2006, Company 1 made a  
6 \$125,969 payment to defendant STEVEN ZINNEL through the client trust  
7 account of defendant DERIAN EIDSON, which she deposited at her bank.

8 h. On or about June 8, 2006, Company 1 made a \$171,200.43  
9 payment to the client trust account of defendant DERIAN EIDSON, which  
10 she deposited at her bank.

11 i. On or about December 19, 2006, defendant DERIAN EIDSON  
12 transferred \$82,511.25 from her client trust account to her personal  
13 bank account.

14 j. On or about January 10, 2007, defendant DERIAN EIDSON used  
15 a check from her personal bank account to pay \$75,158.00 owed by  
16 defendant STEVEN ZINNEL to the Superior Court of California.

17 k. On or about March 21, 2007, defendant DERIAN EIDSON used  
18 the funds in her client trust account to purchase from Washington  
19 Mutual Bank a cashier's check (#244555536) for \$235,000.00, which  
20 check she used to pay First Bank loan numbers 417023002514 and  
21 417053025814, which loans were secured by the Old Eureka Way  
22 Property.

23 l. On or about August 7, 2007, Done Deal opened an E-Trade  
24 account with a \$10,000.00 check on Done Deal's account which was  
25 signed by defendant STEVEN ZINNEL. Both defendants STEVEN ZINNEL and  
26 DERIAN EIDSON had signature authority over this account.

27 m. On or about August 27, 2007, a \$172,000 check from Company  
28 1 was deposited into the Done Deal bank account.

1 n. On or about August 28, 2007, defendant STEVEN ZINNEL signed  
2 a check (#1196) to transfer \$172,000 from the Done Deal bank account  
3 to the Done Deal E-Trade account.

4 o. On or about December 14, 2007, Done Deal's bank account was  
5 used to pay \$5,710.10 in property taxes due for the Luyung Property.

6 p. Done Deal received payments for renting the Luyung Property  
7 to Company 1.

8 All in violation of Title 18, United States Code, Sections 2 and  
9 1956(h).

10 COUNT FOUR THROUGH TWELVE: [18 U.S.C. § 1956(a)(1)(B)(i) - Money  
11 Laundering]

12 The Grand Jury further charges: T H A T

13 STEVEN ZINNEL, and  
14 DERIAN EIDSON,

15 defendants herein, on or about the dates set forth below, in the  
16 State and Eastern District of California and elsewhere, the  
17 defendants did knowingly conduct and attempt to conduct a financial  
18 transaction affecting interstate commerce, to wit, the negotiation of  
19 a check from Company 1 to Done Deal, as set forth below, which  
20 involved the proceeds of a specified unlawful activity, that is, a  
21 violation of Title 18, United States Code, Section 152, knowing that  
22 the transaction was designed in whole and in part to conceal and  
23 disguise, the nature, location, source, ownership, and control of the  
24 proceeds of said specified unlawful activity and that while  
25 conducting and attempting to conduct such financial transaction knew  
26 that the property involved in the financial transaction represented  
27 the proceeds of some form of unlawful activity.

COUNT	DEFENDANT(S)	DATE OF CHECK	FALSE PURPOSE	AMOUNT
4	ZINNEL and EIDSON	Dec. 27, 2006	Substation equipment	\$139,524.00
5	ZINNEL and EIDSON	Oct. 4, 2007	Legal work	\$3,333.00
6	ZINNEL and EIDSON	Oct. 4, 2007	Legal work	\$4,826.20
7	ZINNEL	Oct. 9, 2007	Safety training	\$42,348.00
8	ZINNEL	Dec. 28, 2007	Safety training, legal work, and management consulting	\$146,752.00
9	ZINNEL	Feb. 14, 2008	Safety training and other purposes	\$42,534.00
10	ZINNEL	Apr. 1, 2008	Management consulting and yard rent	\$111,341.00
11	ZINNEL	June 12, 2008	Consulting "Payout"	\$162,171.00
12	ZINNEL	July 7, 2008	Consulting "Payout"	\$162,171.00

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

COUNT THIRTEEN: [18 U.S.C. § 1957 - Transactions in Criminally Derived Property]

The Grand Jury further charges: T H A T

DERIAN EIDSON

defendant herein, on or about June 8, 2006, in the State and Eastern District of California and elsewhere, did knowingly engage and attempt to engage in a monetary transaction by, through, and to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, that is



1 deposit \$171,200.43 in U.S. funds, such property having been derived  
2 from a specified unlawful activity, that is, a violation of Title 18,  
3 United States Code, Section 152, all in violation of Title 18, United  
4 States Codes, Sections 2 and 1957.

5 COUNT FOURTEEN: [18 U.S.C. § 1957 - Transactions in Criminally  
6 Derived Property]

7 The Grand Jury further charges: T H A T

8 DERIAN EIDSON

9 defendant herein, on or about December 19, 2006, in the State and  
10 Eastern District of California and elsewhere, did knowingly engage  
11 and attempt to engage in a monetary transaction by, through, and to a  
12 financial institution, affecting interstate and foreign commerce, in  
13 criminally derived property of a value greater than \$10,000, that is  
14 transfer \$82,511.25 from her client trust account at Washington  
15 Mutual Bank to her personal account at Washington Mutual Bank, such  
16 property having been derived from a specified unlawful activity, that  
17 is, a violation of Title 18, United States Code, Section 152, all in  
18 violation of Title 18, United States Codes, Sections 2 and 1957.

19 COUNT FIFTEEN: [18 U.S.C. § 1957 - Transactions in Criminally  
20 Derived Property]

21 The Grand Jury further charges: T H A T

22 STEVEN ZINNEL,  
23 and DERIAN EIDSON,

24 defendants herein, on or about January 10, 2007, in the State and  
25 Eastern District of California and elsewhere, did knowingly engage  
26 and attempt to engage in a monetary transaction by, through, and to a  
27 financial institution, affecting interstate and foreign commerce, in  
28 criminally derived property of a value greater than \$10,000, that is

1 use her personal bank account at Washington Mutual Bank to write a  
2 check (#1684) in the amount of \$75,158.00 in U.S. funds to the  
3 Superior Court of California, such property having been derived from  
4 a specified unlawful activity, that is, a violation of Title 18,  
5 United States Code, Section 152, all in violation of Title 18, United  
6 States Codes, Sections 2 and 1957.

7 COUNT SIXTEEN: [18 U.S.C. § 1957 - Transactions in Criminally  
8 Derived Property]

9 The Grand Jury further charges: T H A T

10 STEVEN ZINNEL,  
11 and DERIAN EIDSON,

12 defendants herein, on or about March 21, 2007, in the State and  
13 Eastern District of California and elsewhere, did knowingly engage  
14 and attempt to engage in a monetary transaction by, through, and to a  
15 financial institution, affecting interstate and foreign commerce, in  
16 criminally derived property of a value greater than \$10,000, that is  
17 use funds in her client trust account to purchase from Washington  
18 Mutual Bank a cashier's check (#244555536) for \$235,000.00 in U.S.  
19 funds, which cashier's check she used to pay First Bank loan numbers  
20 417023002514 and 417053025814, which loans were secured by the Old  
21 Eureka Way Property, such funds having been derived from a specified  
22 unlawful activity, that is, a violation of Title 18, United States  
23 Code, Section 152, all in violation of Title 18, United States Codes,  
24 Sections 2 and 1957.

25 COUNT SEVENTEEN: [18 U.S.C. § 1957 - Transactions in  
26 Criminally Derived Property]

27 The Grand Jury further charges: T H A T

28 STEVEN ZINNEL

1 defendant herein, on or about August 28, 2007, in the State and  
2 Eastern District of California and elsewhere, did knowingly engage  
3 and attempt to engage in a monetary transaction by, through, and to a  
4 financial institution, affecting interstate and foreign commerce, in  
5 criminally derived property of a value greater than \$10,000, that is  
6 a transfer of approximately \$172,000 in U.S. funds from Washington  
7 Mutual Bank to E-Trade, such property having been derived from a  
8 specified unlawful activity, that is, a violation of Title 18, United  
9 States Code, Section 152, all in violation of Title 18, United States  
10 Codes, Sections 2 and 1957.

11 COUNT EIGHTEEN: [18 U.S.C. § 1956(h) - Money Laundering  
12 Conspiracy]

13 The Grand Jury further charges:

14 STEVEN ZINNEL, and  
15 DERIEN EIDSON,

16 defendants herein, as follows:

17 1. The allegations set forth in Paragraphs 1, 2, 4, and 5 of Count  
18 1 and Paragraphs 2 and 3 of Count 3 are realleged as if fully set  
19 forth herein.

20 I. BACKGROUND

21 2. By on or about February 3, 2009, the following background facts  
22 were true:

23 a. The relationship between defendant STEVEN ZINNEL and  
24 Nominee 1 had deteriorated. In or about May 2008, Nominee 1 advised  
25 defendant STEVEN ZINNEL that he wanted to terminate Company 1's  
26 relationship with defendant STEVEN ZINNEL. Defendant STEVEN ZINNEL  
27 and Nominee 1 came to discuss Company 1 making a final payment to  
28 terminate defendant STEVEN ZINNEL's secret interest in Company 1.

1 Nominee 1 had not come to an agreement with defendants STEVEN ZINNEL  
2 and DERIAN EIDSON.

3 b. On or about June 11, 2008, defendant STEVEN ZINNEL sent  
4 Nominee 1 an email with the subject heading "Dist". He wrote,  
5 "Attached is the distribution schedule that I have." Attached was a  
6 spreadsheet entitled "Company 1 Distributions" and tracking various  
7 distributions to defendant STEVEN ZINNEL, Nominee 1, and another  
8 person known to the Grand Jury, from July 15, 2006 through February  
9 11, 2008. The transactions characterized as distributions included  
10 purported payments for equipment purchases, legal work, and safety  
11 invoices.

12 c. On or about December 3, 2008, defendant STEVEN ZINNEL met  
13 with Nominee 1 to discuss an agreement for defendant STEVEN ZINNEL to  
14 receive payment to terminate his secret interest in Company 1.  
15 Defendant STEVEN ZINNEL there and then presented Nominee 1 with what  
16 purported to be an agreement in which Done Deal agreed to terminate a  
17 consulting agreement with Company 1 in exchange for Company 1's  
18 payment to Done Deal of \$4 million.

19 d. Defendants STEVEN ZINNEL and DERIAN EIDSON both understood  
20 that Company 1, in fact, had paid partnership distributions disguised  
21 by Done Deal's invoices to Company 1 for business expenses and that  
22 the original agreement between Nominee 1 and defendant STEVEN ZINNEL  
23 was that Nominee 1 would represent to the world that Company 1 was  
24 solely Nominee 1's business and that Company 1's distributions would  
25 be made to Done Deal and characterized as other things.

26 e. Defendants STEVEN ZINNEL and DERIAN EIDSON were both  
27 satisfied with that system of paying secret distributions as expense  
28 items and intended to receive further disguised payments of

1 distributions from Company 1.

2 f. Defendants STEVEN ZINNEL and DERIAN EIDSON agreed to demand  
3 that Nominee 1 pay Done Deal four million dollars to buy out the  
4 secret equity interest in Company 1 and that the payment should be  
5 disguised as consideration for the termination of a consulting  
6 agreement.

7 g. There was no consulting agreement between Company 1 and  
8 Done Deal, defendant STEVEN ZINNEL, or defendant DERIAN EIDSON such  
9 that Company 1 would have had to pay to terminate the consulting  
10 agreement.

11 II. THE CONSPIRACY

12 3. Beginning no later than on or about February 17, 2009, and  
13 continuing at least until on or about March 2, 2009, in the Eastern  
14 District of California and elsewhere, defendants STEVEN ZINNEL and  
15 DERIAN EIDSON did knowingly combine, conspire, and agree with each  
16 other to commit offenses against the United States in violation of  
17 Title 18, United States Code, Sections 1956 and 1957, to wit:

18 a. to knowingly conduct and attempt to conduct financial  
19 transactions affecting interstate commerce, which transactions  
20 involved the proceeds of specified unlawful activity, that is,  
21 violation of 18 U.S.C. § 152, knowing that the transactions were  
22 designed in whole and in part to conceal and disguise the nature,  
23 source, ownership, and control of the proceeds of specified unlawful  
24 activity, and that while conducting and attempting to conduct such  
25 financial transactions, knew that the property involved in the  
26 financial transactions represented the proceeds of some form of  
27 unlawful activity, in violation of Title 18, United States Code,  
28 Section 1956(a)(1)(B)(i); and

24 b. to knowingly engage and attempt to engage in monetary  
25 transactions by, through or to a financial institution, affecting  
26 interstate commerce, in criminally derived property of a value  
27 greater than \$10,000, such property having been derived from a  
28 specified unlawful activity, that is, violation of Title 18, United  
States Code, Section 152, in violation of Title 18, United States  
Code, Section 1957.

28 / / /



1 III. WAYS AND MEANS OF THE CONSPIRACY

2 4. The defendants executed the conspiracy by the following ways and  
3 means:

4 a. On or about February 3, 2009, defendant DERIAN EIDSON sent  
5 an attorney for Company 1 a letter stating that she represented  
6 defendant STEVEN ZINNEL and Done Deal regarding the discontinuation  
7 of the business relationship with Company 1.

8 b. On or about February 17, 2009, defendant DERIAN EIDSON  
9 traveled to Sacramento, California, to meet with an attorney for  
10 Company 1. Defendant DERIAN EIDSON purported to act as owner and  
11 principal of Done Deal and attorney for both Done Deal and defendant  
12 STEVEN ZINNEL. Defendant DERIAN EIDSON stated the following at this  
13 meeting:

14 i. "The original agreement at the time of the formation  
15 [of Company 1] was that [Nominee 1] would represent to the world that  
16 it was solely his business and that distributions would be made  
17 pursuant to a consulting agreement and distributions were made to  
18 Done Deal."

19 ii. That defendant STEVEN ZINNEL had assigned to Done Deal  
20 his interest in Company 1 in July 2004 for \$35,000.

21 iii. "You know, we're fine continuing on the way it was  
22 before [Nominee 1] decided to, you know before he indicated he wanted  
23 to terminate. So if he doesn't want to terminate the business  
24 relationship, you know, then he needs to be providing an equal  
25 shareholder with the financial information and distribution  
26 information about the company."

27 iv. "It was just my understanding that all along, you  
28 know, that distributions would be characterized as consulting fees

1 and expensed by Company 1 as such."

2 v. "My understanding was that each - originally - each,  
3 Steve, and Done Deal and Tom owned 46% and [the other person] owned  
4 8% and then last year either [Nominee 1] or Company 1 bought out [the  
5 other person's] 8%[.]"

6 vi. "I think those are STEVE ZINNEL's issues of what he  
7 disclosed in bankruptcy and what he didn't disclose."

8 vii. Nominee 1 and defendant STEVEN ZINNEL "met, you know,  
9 for seven years they met on a monthly or every other month basis to  
10 talk about financials, so that's consistent all along and it wasn't  
11 until [Nominee 1] got scared that he, you know, started backing  
12 away."

13 c. On or about March 2, 2009, defendant DERIAN EIDSON traveled  
14 to Sacramento, California to meet with an attorney for Company 1.  
15 Defendant DERIAN EIDSON purported to act as owner and principal of  
16 Done Deal and attorney for both Done Deal and defendant STEVEN  
17 ZINNEL. Defendant DERIAN EIDSON stated the following at this  
18 meeting:

19 i. She wanted to resolve the dispute with Company 1 in  
20 the form of terminating a consulting agreement and she thought "that  
21 would shine as little light on this situation and what transpired."

22 ii. She suggested that Nominee 1's attorney advise Nominee  
23 1, "If you want to terminate your relationship with Steve, you can  
24 either do a termination of ownership interest which has not been  
25 disclosed, or do a termination of a consulting agreement. And then  
26 everyone walks away with the bad decisions that were made before -  
27 can't really be changed at this point, but at least, you know,  
28 everyone has followed through with what they agreed to do."

1 All in violation of Title 18, United States Code, Section  
2 1956(h).

3 COUNT NINETEEN: [18 U.S.C. § 1956(a)(1)(B)(i) - Money Laundering]

4 The Grand Jury further charges: T H A T

5 DERIAN EIDSON,

6 defendant herein, on or about February 19, 2010 in the State and  
7 Eastern District of California and elsewhere, did knowingly attempt  
8 to conduct a financial transaction affecting interstate commerce, to  
9 wit, she demanded that Nominee 1 pay Done Deal four million dollars  
10 to buy out the secret equity interest in Company 1 and that the  
11 payment should be disguised as consideration for the termination of a  
12 consulting agreement, which involved the proceeds of a specified  
13 unlawful activity, that is concealment of assets in connection with a  
14 bankruptcy in violation of Title 18, United States Code, Section 152,  
15 knowing that the transaction was designed in whole and in part to  
16 conceal and disguise, the nature, location, source, ownership, and  
17 control of the proceeds of said specified unlawful activity and that  
18 while conducting and attempting to conduct such financial transaction  
19 knew that the property involved in the financial transaction  
20 represented the proceeds of some form of unlawful activity, all in  
21 violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

22 FORFEITURE ALLEGATION: [18 U.S.C. § 981(a)(1)(C), 28 U.S.C. §  
23 2461(c), 18 U.S.C. § 982(a)(1) & Fed. R.  
Crim. P. 32.2(a) - Criminal Forfeiture]

24 1. Upon conviction of one or more of the offenses alleged in Counts  
25 One and Two of this Superseding Indictment, defendants STEVEN ZINNEL  
26 and DERIAN EIDSON shall forfeit to the United States, pursuant to  
27 Title 18, United States Code, Section 981(a)(1)(C) and Title 28,  
28 United States Code, Section 2461(c), any property, real or personal,

1 constituting or derived from proceeds traceable to said violations,  
2 including but not limited to the following:

- 3 a) A sum of money equal to the total amount of money  
4 involved in the scheme, for which defendants are  
5 convicted;
- 6 b) Vacant land known as "The Luyung Property" located in  
7 Rancho Cordova, Sacramento County, CA, APN: 072-0450-  
8 015-0000; and
- 9 c) Real property located at 11966 Old Eureka Way, Gold  
10 River, CA, APN: 069-0620-054-0000 (referred to herein  
11 as "The Old Eureka Way Property").

12 2. Upon conviction of one or more of the offenses alleged in Counts  
13 Three through Nineteen of this Superseding Indictment, defendants  
14 STEVEN ZINNEL and DERIAN EIDSON shall forfeit to the United States,  
15 pursuant to Title 18, United States Code, Section 982(a)(1), any  
16 property, real or personal, involved in said violations, or any  
17 property traceable to such property, including but not limited to a  
18 sum of money equal to the total amount of money involved in the  
19 scheme, for which defendants are convicted.

20 3. If any property subject to forfeiture, as a result of the  
21 offenses alleged in Counts One through Nineteen of this Superseding  
22 Indictment:


- 23 (a) cannot be located upon the exercise of due diligence;  
24 (b) has been transferred or sold to, or deposited with, a third  
25 party;  
26 (c) has been placed beyond the jurisdiction of the Court;  
27 (d) has been substantially diminished in value; or  
28 (e) has been commingled with other property which cannot be

1 divided without difficulty;  
2 it is the intent of the United States, pursuant to Title 18, United  
3 States Code, Section 982(b)(1) and Title 28, United States Code,  
4 Section 2461(c), incorporating Title 21, United States Code, Section  
5 853(p), to seek forfeiture of any other property of said defendants,  
6 including but not limited to any of the property listed in Paragraphs  
7 1 and 2 of this forfeiture allegation, up to the value of the  
8 property subject to forfeiture.

9  
10 A TRUE BILL.

11 **/s/ Signature on file w/AUSA**

12  
13 \_\_\_\_\_  
14 FOREPERSON

15   
16 \_\_\_\_\_  
17 BENJAMIN B. WAGNER  
18 United States Attorney  
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**UNITED STATES DISTRICT COURT**

*Eastern District of California*

*Criminal Division*

**THE UNITED STATES OF AMERICA**

vs.

**STEVEN ZINNEL and DERIAN EIDSON**

**SUPERSEDING INDICTMENT**

**VIOLATION(S):** 18 U.S.C. § 152 (7) - Bankruptcy Fraud;  
18 U.S.C. § 152 (1) - Bankruptcy Fraud;  
18 U.S.C. § 1956 (h) - Money Laundering Conspiracy (2 Counts)  
18 U.S.C. § 1956 - Money Laundering (10 Counts);  
18 U.S.C. § 1957 - Transactions in Criminally Derived  
Property (4 Counts)  
18 U.S.C. § 982(a) (1), 18 U.S.C. § 981 (a) (1) (c)  
& 28 U.S.C. § 2461 (c) - Criminal Forfeiture

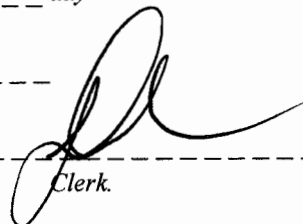
*A true bill,*

15/

*Foreman.*

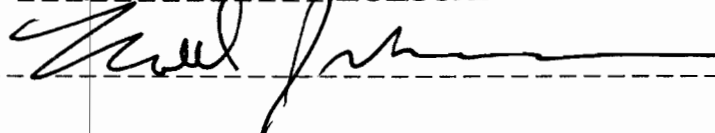
*Filed in open court this* 7 *day*

*of* DECEMBER *, A.D. 20* 11



*Clerk.*

*Bail, \$* **NO PROCESS NECESSARY**



**PENALTY SLIP-Superseding Indictment**

**2:11-CR-234 MCE**

**STEVEN ZINNEL AND DERIAN EIDSON**

**Counts 1-2**

**STEVEN ZINNEL AND DERIAN EIDSON**

VIOLATION: 18 U.S.C. § 152(7) -Bankruptcy Fraud

PENALTY: Not more than \$250,000,  
Not more than 5 years imprisonment, or both,  
3 years Term of Supervised Release

**Count 3& 18**

**STEVEN ZINNEL AND DERIAN EIDSON**

VIOLATION: 18 U.S.C. § 1956(h) - Money Laundering Conspiracy

PENALTY: Not more than \$250,000 or not more than twice the  
Criminally derived property  
Not more than 10 years imprisonment  
3 years Term of Supervised Release

**Counts 4-12**

**STEVEN ZINNEL AND DERIAN EIDSON**

VIOLATION: 18 U.S.C. § 1956 (a)(1)(B) (i)-Money Laundering

PENALTY: Not more than \$500,000, Or Twice the value of the  
Property involved in the transactions, whichever is greater,  
Not more than 20 years imprisonment, or both,  
3 years Term of Supervised Release

**Count 13-14**

**DERIAN EIDSON**

VIOLATION: 18 U.S.C. § 1957-Transactions in Criminally Derived  
Property

PENALTY: Not more than \$250,000,  
Not more than 10 years imprisonment or both,  
3 years Term of Supervised Release

**Count 15-16**

**STEVEN ZINNEL and DERIAN EIDSON**

VIOLATION: 18 U.S.C. § 1957-Transactions in Criminally Derived  
Property

PENALTY: Not more than \$250,000,  
Not more than 10 years imprisonment or both,  
3 years Term of Supervised Release

**Count 17**

**STEVEN ZINNEL**

VIOLATION: 18 U.S.C. § 1957-Transactions in Criminally Derived  
Property

PENALTY: Not more than \$250,000,  
Not more than 10 years imprisonment or both,  
3 years Term of Supervised Release

**Criminal  
Forfeiture**

VIOLATION: 18 U.S.C. § 982 (a)(1), 18 U.S.C. § 981 (a)(1)(C) and 28 U.S.C. §  
2461(c)

PENALTY: As Indicated in the Indictment

PENALTY

ASSESSMENT: \$100.00 special assessment