

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF KANSAS

UNITED STATES OF AMERICA,	)	
	)	Case No. _____
Plaintiff,	)	
	)	Count 1: 18 U.S.C. § 371
vs.	)	Counts 2-3: 21 U.S.C. § 331(a)
	)	Counts 4-21: 18 U.S.C. § 1341
BRADLEY MILLER,	)	Count 22: 18 U.S.C. § 545
CLARK SLOAN, and	)	Counts 23-24: 18 U.S.C. § 554
JONATHAN SLOAN,	)	Count 25: 18 U.S.C. § 1956(h)
	)	
Defendants.	)	
_____	)	

**INDICTMENT**

The Grand Jury charges:

At all material times:

**INTRODUCTION**

1. Beginning in or about February 2009, and continuing through the present, the exact dates being unknown to the Grand Jury, the defendants **BRADLEY MILLER, CLARK SLOAN, and JONATHAN SLOAN**, along with others both known and unknown to the Grand Jury, engaged in a conspiracy and scheme to defraud the U.S. Food and Drug Administration and the public by manufacturing and distributing what they claimed were “all natural” herbal products, when, in truth and in fact, the defendants manufactured and distributed

“K2,” a misbranded drug that contained synthetic chemicals that mimic the effects of marijuana, and distributed “Que She,” a misbranded drug from China that contained controlled substances, including at least one drug substance that had been withdrawn from the United States market due to safety concerns.

2. The U.S. Food and Drug Administration (“FDA”) is the agency of the United States responsible for, among other things, enforcing the provisions of the Federal Food Drug, and Cosmetic Act (“FDCA”), 21 U.S.C. §§ 301 *et seq.* In enforcing the provisions of the FDCA, the FDA’s primary purpose is to protect the public health. The FDA’s responsibilities include regulating the manufacturing, labeling, and distribution of drugs shipped or received in interstate commerce. The FDA’s responsibilities include preventing drugs that are unapproved for marketing or sale, or which are improperly packaged and labeled, from reaching the marketplace.

### **The Defendants and their Businesses**

3. Defendants **BRADLEY MILLER, CLARK SLOAN,** and **JONATHAN SLOAN** are related. **MILLER** and **CLARK SLOAN** are brothers; **JONATHAN SLOAN** is **CLARK SLOAN**’s son.

4. Defendants **BRADLEY MILLER** and **JONATHAN SLOAN** owned and operated Persephone’s Journey, a retail store in Lawrence, Kansas, located at

1103 Massachusetts Street. Persephone's Journey ostensibly sold herbs and botanical products. Defendants **BRADLEY MILLER** and **JONATHAN SLOAN** also owned Bouncing Bear Botanicals, ostensibly a wholesaler of herbs and botanical products. Bouncing Bear Botanicals was located in the basement of Persephone's Journey, then relocated to a warehouse at 14501 South U.S. 59 Highway, Oskaloosa, Kansas.

5. In or about May or June 2009, **JONATHAN SLOAN** sold his interest in Persephone's Journey to **BRADLEY MILLER**. In or about September 2009, **BRADLEY MILLER** gave the retail store to an employee, Natalie Hinson McAnulla, in return for her agreement to buy products from Bouncing Bear Botanicals, and to sell these products at the retail store. Natalie McAnulla eventually changed the name of the retail store to The Sacred Journey.

### **The Food, Drug, and Cosmetic Act**

6. The FDCA defines a "drug" as –
  - a. articles recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, or any supplement to any of them;
  - b. articles intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals;
  - c. articles (other than food) intended to affect the structure or any function of the body of man or other animals; and

- d. articles intended for use as a component of any articles specified in clause (a), (b), or (c). *See* 21 U.S.C. § 321(g)(1).
7. The term “dietary supplement” means a product:
- a. intended to supplement the diet that bears or contains one or more of the following dietary ingredients: (a) a vitamin; (b) a mineral; (c) an herb or other botanical; (d) an amino acid; (e) a dietary substance for use by man to supplement the diet by increasing the total dietary intake; or (f) a concentrate, metabolite, constituent, extract, or combination of any ingredient described in (a), (b), (c), (d), or (e);
  - b. intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form;
  - c. is not represented for use as a conventional food or as a sole item of a meal or the diet; and
  - d. is labeled as a dietary supplement. *See* 21 U.S.C. § 321(ff).
8. A product is not a dietary supplement if it contains an article that is approved as a “new drug” under 21 U.S.C. § 355. *See* 21 U.S.C. § 321(ff)(3)(B).
9. The FDCA defines the term "label" to include “a display of written, printed, or graphic matter upon the immediate container of any article.” *See* 21 U.S.C. § 321(k). The FDCA defines the term “labeling” as “all labels and other written, printed, or graphic matter (1) upon any article or any of its containers or wrappers, or (2) accompanying such article.” *See* 21 U.S.C. § 321(m).

10. Under the FDCA, a drug is deemed to be misbranded if, among other things:

- a. its labeling is false or misleading in any particular, including material omissions. *See* 21 U.S.C. §§ 352(a), 321(n).
- b. unless, in package form, it bears a label containing: (1) the name and place of business of the manufacturer, packer, or distributor, and (2) an accurate statement of the quantity of the contents in terms of weight, measure, or numerical count. *See* 21 U.S.C. § 352(b).
- c. unless its label bears the established name of each active ingredient. *See* 21 U.S.C. § 352(e)(1)(A)(ii).
- d. its labeling does not bear adequate directions for use. *See* 21 U.S.C. § 352(f)(1). Unless subject to an exemption not applicable here, a drug must bear adequate directions for use under which a layperson can use the drug safely for the purposes for which it is intended. *See* 21 C.F.R. § 201.5.
- e. its labeling does not bear such adequate warnings against use in those pathological conditions and by children where its use may be dangerous to health, and against unsafe dosage and methods and duration of administration and application, in such manner and form, as are necessary for the protection of users. *See* 21 U.S.C. § 352(f)(2).

## **K2**

11. The defendants ostensibly sold K2 to the public as an “all natural” herbal product, but it contained synthetic chemicals that mimic the effects of tetrahydrocannabinol (THC), the active ingredient in marijuana. The K2 the

defendants manufactured and distributed contained synthetic cannabinoid compounds known as JWH Compounds, including JWH-018, JWH-072, JWH-073, and JWH-200. The K2 the defendants sold to the public also contained solvents, either Everclear (an alcohol) or acetone, as well as a variety of other additives.

12. Defendants manufactured and sold at least four types of K2 products: Standard, Citron, Blonde, and Summit, with Standard being the least potent, and Summit being the most potent. The potency was based on the amount of JWH Compounds mixed with the herbs. For example, the recipe for K2 Standard used approximately 40 mg of JWH Compounds per kilo of blended herbs, while the recipe for K2 Summit used approximately 160 mg per kilo. But, the defendants manufactured the K2 without quality controls, resulting in inconsistent potencies.

13. The defendants intended K2 to be a smokable product, and promoted K2 as a smokable product, similar to marijuana, and therefore intended K2 to be used to affect the structure or any function of the body (*i.e.*, to be used as a recreational drug to get the user “high”). Consequently, K2 was a drug under the FDCA. Additionally, the defendants represented that K2 could cure, mitigate, treat, or prevent various diseases, such as cancer, depression, anxiety, and neurological disorders.

14. The FDA considers “street drug alternatives” like K2 to be misbranded drugs, in violation of the FDCA, and as such, has concluded that they pose a potential threat to the public health.

**Que She**

15. The defendants purchased Que She from China, typically from WYL Co., Ltd., located in Fuyong Baoan Shenzhen, China. The Que She was shipped to (1) the Bouncing Bear Botanicals’ warehouse in Oskaloosa, Kansas; (2) defendant **JONATHAN SLOAN**’s residence at 1639 Massachusetts, Lawrence, Kansas; and (3) Persephone’s Journey/The Sacred Journey retail store at 1103 Massachusetts, Lawrence, Kansas.

16. The defendants marketed and distributed Que She ostensibly as an “all natural” weight loss product. Que She actually contained Schedule IV controlled substances, Fenfluramine and Sibutramine. Fenfluramine was the active ingredient in an FDA-approved drug for weight loss. But, in 1997, the FDA asked the manufacturer of the drug to withdraw it from the United States market due to the health risks associated with Fenfluramine. In 2004, at the request of the manufacturer, the FDA withdrew its approval of drugs containing Fenfluramine. *See* 69 Fed. Reg. 25124 (May 5, 2004). Similarly, in October 2010, the FDA requested the marketer of the weight loss drug Meridia, whose active ingredient

was Sibutramine, to withdraw the drug from the United States market due to the health risks associated with Sibutramine, and the marketer of Meridia agreed to voluntarily stop marketing it in the United States. Previously, in November 2009, the FDA publicized its concerns about the increased risk of heart attack, stroke, and death posed by Meridia (Sibutramine), and the agency requested that the marketer add a contraindication to Meridia's label for people with a history of cardiovascular disease. On December 21, 2010, at the request of the manufacturer, the FDA withdrew its approval of Meridia. *See* 75 Fed. Reg. 80061 (December 21, 2010).

17. On the Bouncing Bear Botanicals website, Que She was advertised as a "Revolution in Weight Loss." It was described as "a dietary supplement made from an all natural blend of extracts from 11 Chinese herbs." The following information was also on the website:

Que She really does produce results! You will lose weight. Que She works with your body to help your body work more efficiently. Your metabolism increases naturally. Your food is digested faster and more efficiently. You wont [sic] lose your appetite, but you will eat less naturally and be less hungry because your body is using what it gets more efficiently. You will feel better and have more energy. Increased energy without feeling nervous or jittery, or causing insomnia. . . .

THESE STATEMENTS HAVE NOT BEEN  
EVALUATED BY THE EVIL FDA. CONSULT YOUR  
HEALTHCARE PROFESSIONAL BEFORE  
STARTING ANY WEIGHT LOSS PROGRAM

18. When the Que She was shipped from China, it was sometimes misleadingly and falsely labeled as “health products” or “Garlic P.E.”

19. Because the Que She did not comply with 21 U.S.C. § 321(ff), it was not a dietary supplement, and because defendants intended Que She to affect the structure or any function of the body (*i.e.*, to be used as a weight loss product), Que She was a drug under the FDCA.

**COUNT 1 – Conspiracy**

20. The Grand Jury incorporates by reference Paragraphs 1 through 19 as though fully reasserted and realleged herein.

21. Beginning in or about March 2009, and continuing through the present, the exact dates being unknown to the Grand Jury, in the District of Kansas and elsewhere, the defendants

**BRADLEY R. MILLER  
CLARK SLOAN  
and  
JONATHAN SLOAN**

knowingly and willfully combined, conspired, confederated, and agreed with each other and with other persons, both known and unknown to the Grand Jury:

- (a) to commit offenses against the United States, that is:
- (1) with the intent to defraud and mislead, introducing a misbranded drug into interstate commerce, in violation of Title 21, United States Code, Sections 331(a), with reference to 333(a)(2);
  - (2) with the intent to defraud and mislead, doing an act to a drug while it was held for sale after shipment in interstate commerce that resulted in the drug being misbranded, in violation of Title 21, United States Code, Section 331(k), with reference to Section 333(a)(2);
  - (3) using the mails in executing a scheme to defraud, in violation of Title 18, United States Code, Section 1341;
  - (4) smuggling into the United States, contrary to law, misbranded drugs, in violation of Title 18, United States Code, Section 545; and
  - (5) smuggling out of the United States, contrary to law, misbranded drugs, in violation of Title 18, United States Code, Section 554; and
- (b) to defraud the United States and departments and agencies thereof, namely, the Food and Drug Administration, by impairing, impeding, and obstructing by craft, trickery, deceit, and dishonest means, the FDA's lawful and legitimate function of protecting the health and safety of the American public by enforcing the Federal Food, Drug, and Cosmetic Act, one purpose of which is to ensure that drugs sold for human use are safe and effective and bear labeling that contains true and accurate information.

### **Purpose of the Conspiracy**

22. One purpose of the conspiracy was to make money for the defendants.

23. Another purpose of the conspiracy was to defeat the FDA's lawful and legitimate function of protecting the health and safety of the American public.

**Manner and Means of the Conspiracy**

24. Defendants **BRADLEY MILLER, CLARK SLOAN, JONATHAN SLOAN**, and others used the following manner and means in furtherance of the conspiracy and scheme. In so doing, defendants **BRADLEY MILLER, CLARK SLOAN, JONATHAN SLOAN**, and others, at times, used and perverted otherwise lawful conduct to further the conspiracy and scheme.

25. During the course and in furtherance of the conspiracy and scheme, defendants **BRADLEY MILLER, CLARK SLOAN, JONATHAN SLOAN**, and others had various roles, duties, and responsibilities to make the conspiracy and scheme successful. For example:

- a. Defendant **BRADLEY MILLER** developed the recipes for and manufactured the K2, which came in different flavors and potencies. The manufacturing began in **BRADLEY MILLER's** residential garage, then moved to the Oskaloosa warehouse. In addition to manufacturing the K2, defendant **BRADLEY MILLER** ordered the synthetic chemicals (*i.e.*, the JWH compounds), and developed the brochures used to market the K2.

- b. Defendant **JONATHAN SLOAN**, in addition to being an owner of Bouncing Bear Botanicals, was responsible for its daily business operations, finances, and Information Technology (“IT”).
- c. Defendant **CLARK SLOAN** developed and monitored the Bouncing Bear Botanical website, and worked in marketing and IT.
- d. Natalie McAnulla was responsible for retail sales of K2 in Lawrence, Kansas. Natalie McAnulla kept the K2 products “behind the counter” and had employees verify that customers purchasing the K2 products were over 18 years of age. After receiving bulk quantities of K2, she directed employees to repackage the K2 into baggies containing 3 grams of K2, to print labels, and to affix labels to the baggies.

26. During the course and in furtherance of the conspiracy and scheme, defendants **BRADLEY MILLER, CLARK SLOAN, JONATHAN SLOAN**, and others manufactured K2 in a manner designed to disguise the presence of chemicals and to avoid law enforcement detection. The K2 manufacturing process included several steps, such as: blending together a mixture of dried herbs, mixing the JWH Compound (a powder) with a solvent (either Everclear or acetone), pouring the mixture over the blended herbs, adding flavorings (such as vanilla

extract, Kool-Aid, artificial flavors), adding colorings, mixing the ingredients together, drying the manufactured product, then packaging the product.

27. During the course and in furtherance of the conspiracy and scheme, defendant **BRADLEY MILLER** typically manufactured the K2 at the Oskaloosa warehouse after hours because of the strong odor of acetone, a solvent used in the manufacturing process. For periods of time during the conspiracy, **BRADLEY MILLER** produced 5-10 kilograms of K2 per night, which was insufficient to keep up with the demand for the product.

28. Defendants **BRADLEY MILLER, CLARK SLOAN, JONATHAN SLOAN**, and others created names for the synthetic marijuana products and attempted to obtain trademarks for them. Defendants **BRADLEY MILLER** and **JONATHAN SLOAN** claim to own the K2 trademark. In choosing the K2 name, defendants **BRADLEY MILLER** and **JONATHAN SLOAN** sought to suggest that their product could be used to get its users “high.”

29. During the course and in furtherance of the conspiracy and scheme, defendants **BRADLEY MILLER, CLARK SLOAN, JONATHAN SLOAN**, and others utilized at least the following businesses to market, sell, and distribute drugs for human consumption, including K2, Que She, and other misbranded drugs:

Bouncing Bear Botanicals; Persephone's Journey; The Sacred Journey; Single Christian Network; Wonder Herbals; Herbal Fire, and ASC Network.

30. During the course and in furtherance of the conspiracy and scheme, defendants **BRADLEY MILLER, CLARK SLOAN, JONATHAN SLOAN**, and others created an integrated distribution system using multiple websites for the purpose of marketing, selling, and distributing drugs for human consumption, including K2, Que She, and other misbranded drugs. Defendants **CLARK SLOAN** and **JONATHAN SLOAN** created a wholesale website for ordering products from Bouncing Bear Botanicals. Those wanting to be wholesalers had to submit applications for access to the website, which **JONATHAN SLOAN** processed. Defendants **BRADLEY MILLER, CLARK SLOAN, JONATHAN SLOAN**, and others marketed, sold, and distributed to wholesalers and retailers both inside and outside the United States, taking orders by telephone, E-mail, and mail.

31. During the course and in furtherance of the conspiracy and scheme, defendants **BRADLEY MILLER, CLARK SLOAN, JONATHAN SLOAN**, and others conducted business through E-mails, using at least the following E-mail addresses:

barkingbear99@aol.com (Bradley Miller)

barkingbear99@gmail.com (Bradley Miller)

theguy@bbbotanicals.com (Clark Sloan)

jjshaloam@aol.com (Jonathan Sloan)

godergrrl@yahoo.com (Natalie Hinson McAnulla)

clarkster@hughes.net (Clark Sloan)

clarkster@comcast.net (Clark Sloan)

32. During the course and in furtherance of the conspiracy and scheme, the defendants **BRADLEY MILLER, JONATHAN SLOAN**, and others mailed to retail stores samples of K2, along with brochures and pricing information, and through Persephone's Journey/Sacred Journey, gave out free samples of K2 on "Sample Sundays." Following these marketing efforts, K2 became an instant success with customers, with escalating sales thereafter. The mailed brochures made the following statements about K2:

All K2 blends contain a proprietary mixture of herbs and extracts, which set a new standard for smoking blends. Our signature blends make our competitors look like charlatans.

The mailed pricing information indicated that the stronger versions of K2 were more expensive, and that volume discounts were available. The mailed brochures omitted material information about the actual ingredients in K2.

33. During the course and in furtherance of the conspiracy, defendants **BRADLEY MILLER, CLARK SLOAN, JONATHAN SLOAN**, and others manufactured and packaged the K2 to resemble marijuana. The labels on the K2 products stated the following information:

An exotic herbal incense blend.  
Richly fragrant and aromatic.  
Contains a combination  
Of rare plants, herbal extracts,  
And botanical concentrates.  
Must be 18 or Older  
NOT FOR CONSUMPTION  
Net Weight: 3 grams

Despite the labeling described above, a written brochure available at the counter of The Sacred Journey where K2 was sold stated the following:

JWH-018 and JWH-073 are synthetic compounds contained in a number of different blends of herbs and incense marketed as K2 and other brands. It is sold in herb stores along with teas and spices.

34. During the course and in furtherance of the conspiracy and scheme, defendants **BRADLEY MILLER, CLARK SLOAN, JONATHAN SLOAN**, and others falsely referred to the K2 products as aromatic incense, and falsely labeled the K2 as “Not for Consumption” to defraud and mislead government authorities regarding the products’ status as drugs, with the purpose of avoiding regulatory requirements over the drugs and enabling the defendants to continue selling the

drugs in exchange for money. Because JWH Compounds have no odor, these compounds would be a useless ingredient in aromatic incense.

35. During the course and in furtherance of the conspiracy and scheme, co-conspirator Natalie McAnulla held staff meetings with Sacred Journey's employees, and instructed store employees how to respond to customers' questions about K2, because "we never know who we are talking to."

36. During the course and in furtherance of the conspiracy and scheme, defendants **BRADLEY MILLER, CLARK SLOAN, JONATHAN SLOAN**, and others intended for consumers to smoke K2, despite the "Not for Consumption" labeling. For example, the Sacred Journey Facebook page advertised a "NEW SMOKE BLEND!!" and made reference to "K2 Smoke" as follows:

Ask about our new K2 smoke :)  
K2= the second highest peak in the world :)  
Enjoy your journey!

37. During the course and in furtherance of the conspiracy and scheme, defendants **BRADLEY MILLER, CLARK SLOAN, JONATHAN SLOAN**, and others, promoted K2's consumption and lulled consumers into a false sense of security and safety by making false and misleading statements regarding K2's health benefits through a written brochure available at the counter of The Sacred Journey where K2 was sold, including the following statements:

Evidence suggests that compounds such as JWH-018 and JWH-073 could help reduce the chance of developing prostate cancer and possible other cancers, and are currently being researched as a treatment for depression and anxiety.

People who suffer from neurological disorders use products containing JWH-018 and JWH-073 instead of marijuana to alleviate their symptoms.

The two chemical compounds have the potential to be used to treat a host of diseases and ailments.

38. During the course and in furtherance of the conspiracy and scheme, and despite knowing that ingesting K2 could cause heart and respiratory problems, could cause people to pass out, and could cause people to have convulsions and other reactions warranting hospital admissions, defendants **BRADLEY MILLER, CLARK SLOAN, JONATHAN SLOAN**, and others withheld such information about the known effects of the K2 products. A brochure available on the counter at The Sacred Journey affirmatively represented as follows:

There is no evidence that these compounds are harmful. There are no reported chemical dependencies, negative health effects, accidents, impaired driving or impaired judgment from the use of these compounds.

39. During the course and in furtherance of the conspiracy and scheme, defendants **BRADLEY MILLER, CLARK SLOAN, JONATHAN SLOAN**, and others made false and misleading statements about K2 products being legal. A

brochure available on the counter at The Sacred Journey affirmatively represented the following:

Neither [JWH-018 or JWH-073] compound is illegal in the United States. They are not prohibited by federal law, the Food and Drug Administration or the Drug Enforcement Administration.

40. During the course and in furtherance of the conspiracy and scheme, defendants **BRADLEY MILLER, CLARK SLOAN, JONATHAN SLOAN**, and others worked to prevent the Kansas legislature from banning K2, including advertising on a Lawrence radio station with a testimonial from an employee and K2 user who stated she used it to ease the pain she experienced as a result of her multiple sclerosis.

41. During the course and in furtherance of the conspiracy and scheme, defendants **BRADLEY MILLER, CLARK SLOAN, JONATHAN SLOAN**, and others used the mails and commercial interstate carriers, such as UPS, to promote, market, sell, and distribute, both inside and outside the United States, drugs for human consumption, including K2, Que She, and other misbranded drugs.

42. During the course and in furtherance of the conspiracy and scheme, defendants **BRADLEY MILLER, CLARK SLOAN, JONATHAN SLOAN**, and others used a convoluted delivery system for the JWH Compounds, which included

placing orders for the JWH Compounds with Sebastian Torres (a/k/a “Seba”) in South America; Seba ordering the JWH Compounds from Lotus Labs in California; Lotus Labs ordering the JWH Compounds from Obiter Research; Obiter Research shipping the JWH Compounds to Henry Rankovic in Massachusetts; and having Henry Rankovic remove the invoices, repackage the JWH Compounds and ship them to the Bouncing Bear Botanicals warehouse in Oskaloosa, Kansas.

43. During the course and in furtherance of the conspiracy and scheme, defendants **BRADLEY MILLER, CLARK SLOAN, JONATHAN SLOAN**, and others would create false invoices for overseas shipments of K2, indicating that the contents of the packages were “natural fragrance” or “natural incense” or “K2 incense blends” or “aromatherapy”, for the purpose of avoiding customs inspections and having the misbranded drugs intercepted.

44. During the course and in furtherance of the conspiracy and scheme, defendants **BRADLEY MILLER, CLARK SLOAN, JONATHAN SLOAN**, and others made at least and approximately \$3.3 million through the sale of drugs for human consumption, including K2, Que She, and other misbranded drugs.

### Overt Acts<sup>1</sup>

45. In furtherance of the conspiracy and scheme and artifice to defraud, and to accomplish their purposes and objectives, one or more co-conspirators committed in the District of Kansas and elsewhere the following overt acts, among others:

- (1) Each of the allegations set forth in Counts 2-24, and each of the financial transactions in Count 25, is incorporated and re-alleged as though restated herein, as an individual overt act done in furtherance of the conspiracy.
- (2) In or about February of 2009, defendant **BRADLEY MILLER** returned from a trip to China and introduced K2 as a new product to sell at Persephone's Journey from "behind the counter."
- (3) On or about March 24, 2009, Barkingbear99@aol.com sent JJSHALOAM@aol.com an E-mail: "We need a name. It works . . . it's a nice smoke. . . K2 . . . ."
- (4) On or about March 26, 2009, in an E-mail about "new smoke," Barkingbear99 wrote JJSHALOAM:

I made a new batch. I told Andy we'd send him samples of both express mail tomorrow. . . . The cost to us including solvents and everything is about 70 cents per gr for the stronger

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<sup>1</sup> E-mails are quoted with misspellings preserved.

and 55 cents or so for the regular grade. I figure we should clear 90 grand or so profit off this 15 K investment. . . . If this flies pretty fast, maybe we can make a half million or so real quick and then bail. Toss me back some promo ideas. Some give aways maybe, etc. . .

- (5) On or about March 26, 2009, JJSHALOAM responded to Barkingbear99's E-mail, stating “sending out a gram sample to 1,000 people should get buzz going. . . .”
- (6) On or about March 27, 2009, JJSHALOAM sent an E-mail to barkingbear99, stating: “We could name the whole line off of mountains. The higher the strength, the higher the mountain.”
- (7) On or about March 30, 2009, Barkingbear99, in an E-mail about “K2 etc” wrote JJSHALOAM: “the samples could just be a regular label that says ‘K2 Smoke Blend’ Sample.”
- (8) On or about April 25, 2009, defendant **BRADLEY MILLER** wrote: “We didnt create the Que She. We buy it direct from China.”
- (9) On or about April 25, 2009, Jon, from info bouncingbearbotanicals.com, answered numerous questions in an E-mail, including how to pay for products ordered from Bouncing Bear Botanicals:

If you want to pick up your order in person, we have a store in Lawrence, KS . . . : Persephone’s Journey, 1103 Massachusetts Street, Lawrence, KS downtown across from the court house. . . . All of our

orders are shipped in plain, unmarked packages, with just a shipping label and return address. . . .

Send a Western Union to: Jon Sloan . . . .

Bank transfers inside the U.S. You can send a bank transfer to: Bank of Blue Valley, . . . Account: Bouncing Bear Botanicals . . . Acct #: XXX2819 . . . .

If you are outside the U.S. send a wire transfer to: . . . Wells Fargo Bank . . . Credit: Bank of Blue Valley Account #XXXXXX0048

We can't take PayPal. They've closed several of our accounts for lots of B.S. reasons. The last one was for selling non-FDA approved herbs.

- (10) On or about May 3, 2009, Bouncing Bear Botanicals registered two domain/website names: K2smokeblend.com and k2blend.com.
- (11) On or about May 15, 2009, Bouncing Bear Botanicals, doing business as K2 Botanicals, registered the domain/website name: K2botanicals.com.
- (12) On or about May 20, 2009, defendant **JONATHAN SLOAN** transferred \$15,791.99 from Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, d/b/a Herbal Fire.com) to Capitol Federal Account #XXXX3575 (**Jonathan Sloan**, Amanda J).
- (13) On or about May 20, 2009, defendant **JONATHAN SLOAN** wire transferred \$15,000.00 from Bank of Blue Valley Account #XXX819

(Bouncing Bear Botanicals, d/b/a Herbal Fire.com) to La Caixa Bank in Barcelona, Spain, for the benefit of Sebastian Torres.

(14) On or about May 28, 2009, Jon, from info bouncingbearbotanicals.com, E-mailed a Russian named Vladimir: “I’d like to sell the K2 over there. What did you have in mind to sell/get it imported there?”

(15) On or about May 29, 2009, Brad M, from info bouncingbearbotanicals.com, E-mailed Vladimir:

The K2 is a mixture of herbs and extracts . . . they work similar to . . . common popular smokes u’ed find in amsterdam say. . . . There may be some JWH added as well for emphasis. . . .

(16) On or about May 29, 2009, defendant **JONATHAN SLOAN** transferred \$20,000.00 from Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, d/b/a Herbal Fire.com) to Capitol Federal Account #XXXX6233 (**Bradley Miller**).

(17) On or about June 2, 2009, Vladimir, from stray@mail.tomsknet.ru, E-mailed Brad at info bouncingbearbotanicals.com the following:

Hey Brad, I was really glad to receive a message from you! Thank you for detaled and frank letter. Well, I see that the composition of K2 makes it illegal in Russia. . . . So we need to find a non-typical method of import.

- (18) On or about June 4, 2009, Brad M, from info bouncingbearbotanicals.com,  
E-mailed Vladimir:

We can easily send as, well, what ever you want. We can list the ingredients, all benign, and include a professional packing slip with ingredient list and indications. "Thank you for your recent purchase of our all natural Yerba Mate healthy slimming tea. . . . Etc bla bla bla." On stationary from "Pure Organics Teas" or some such. Or we could just send it as herba mate in 3 flavors. What ever. No problem for us. You tell us . . . we send. . . . this product will blow the roof off. Your customers will not be able to order fast enough to keep this in stock. This is a million dollar cash cow that will produce as long as our window of opportunity stays open. . . . This is a good one and a gold mine. Our problems will only be able to keep supplies up with demand. And those are the kinds of problems that we enjoy, right?

- (19) On or about June 5, 2009, defendant **BRADLEY MILLER** withdrew \$20,000.00 from his Capitol Federal Account #XXXX6233 to fund Cashier's Check #10354678, made payable to defendant **JONATHAN SLOAN**.
- (20) On or about June 9, 2009, defendant **JONATHAN SLOAN** deposited a total of \$20,269.77 into Capitol Federal Account #XXXX3575 (**Jonathan Sloan**, Amanda J.), which deposit included Cashier's Check #10354678.
- (21) On or about June 10, 2009, JJSHALOAM E-mailed Barkingbear99:

Did you see the Que She from my guy? They came out of the box and without labels. pretty handy for repackaging.

(22) On or about June 19, 2009, Barkingbear99@aol.com E-mailed employees at

Bouncing Bear the following instructions:

dont tell people that we make K2. In case it comes up. vague is good. We get it through our business partner, who we trust and deal with for 10 years, and it's made in India. (and has herbs collected from the side of a weird ass mountain in Africa or something...) Again... vague is good. . . . Again, don't tell anyone shit. The more mysterious the better. Comprende?

(23) On or about June 20, 2009, Brad M, from info@bouncingbearbotanicals.com,

responding to a question about what synthetic cannabinoid was present in the K2 smoke blend, stated:

That question is popping up a lot today. . . . We get the blend directly as it is. Our sources tell us that it is indeed a completely natural blend. . . . To be completely honest, I cant say that there is not some JWH in the mix. . . . This blend is formulated in India by some friends and sources that we have dealt with for years. They tell us that there arent any synthetics in the mix, and for now I'm going with that.

(24) On or about July 2, 2009, a Persephone's Journey employee E-mailed

Bouncing Bear Botanicals the following information:

Regarding the pending K2 order, I would say fill it as listed, we will sell the shit out of it. Jon: has brad talked to you about raising the price of K2? I have been feeling out the customers and this stuff will sell even at a much steeper price. I know many customers are buying it just because they think it's a better deal than MJ . . .

- (25) On or about July 17, 2009, Bouncing Bear Botanicals, doing business as K2 Botanicals, registered the domain/website name: K2blends.com.
- (26) On or about July 20, 2009, Jon, from JJSHALOAM, E-mailed Seba at kkitzu@gmx.net with the following questions: “Has Brad ordered more powder from you? Just making sure he has. Any discount on multiple kilos, by the way?”
- (27) On or about July 21, 2009, defendant **JONATHAN SLOAN** wire transferred \$15,000.00 from Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, LLC, d/b/a Herbal Fire.com) to HSBC Bank in Uruguay for the benefit of Sebastian Torres.
- (28) On or about August 10-13, 2009, defendants **BRADLEY MILLER** and **JONATHAN SLOAN** sent two individuals to the CHAMPS Convention in Las Vegas, Nevada. “CHAMPS” stands for Contemporary Handcrafted American Made Products. This trade show caters to the retail business industry, including “smoke shops” and “head shops,” providing opportunities for business-to-business wholesalers to interact. Vendors set up booths and are able to speak with prospective customers face-to-face. The individuals went to CHAMPS to market K2 products, with a banner that read “Smoke it, Feel it, Share it.” Defendants **BRADLEY MILLER** and

**JONATHAN SLOAN** instructed these individuals to tell potential customers that K2 was a legal alternative to marijuana, that K2 was sold to users so they could get high, that K2 acts on the same receptors as THC, and that K2 is to be smoked in the same manner as marijuana. The individuals handed out 1 gram samples of K2 at the CHAMPS Convention.

- (29) On or about August 10, 2009, after other CHAMPS participants warned the individuals that marketing K2 as a smokable product was illegal, defendant **JONATHAN SLOAN** instructed the individuals to take down the banner.

Thereafter, the defendants marketed the K2 as “incense.”

- (30) On or about August 19, 2009, barkingbear99@aol.com sent the following E-mail to jjshaloam@aol.com:

?Can you send me some pictures of K2 labels and pictures of a different back.? Leave off the line about it being somkeable, ?? (have it say instead?? An exotic herbal incense blend)? and the nicotine free part, and the distributed by part,? and add a line that says NOT FOR CONSUMPTION

- (31) In or about September 2009, defendants **JONATHAN SLOAN** and **BRADLEY MILLER**, through Bouncing Bear Botanicals, granted a license to Inca Tea, an Argentinean business, and transferred four domain/website names to Inca Tea: k2smokeblend.com, k2blend.com, k2botanicals.com, and k2blends.com.

(32) On or about September 5, 2009, Seba, from kkitzu@gmx.net, E-mailed Brad and Jon about the “EU k2 distribution strategy” and made the following statement: “VERY important is not to ever send out of the USA any mix made with 018 cuz it is illegal in many countries and you and the customer will be in REAL trouble!!”

(33) On or about September 21, 2009, Jon, from info bouncingbearbotanicals.com, responding to a question about whether ingredients must be listed in an herbal smoke or herbal incense, stated in an E-mail:

If it’s incense, no ingredients needed. And, yeah. Don’t market K2 as a smoke. We made that mistake at first and have changed it to incense. Has a great aroma and was, of course, the only thing we were selling it for originally, too. :-)

(34) On or about September 24, 2009, barkingbear99@aol.com sent the following E-mail to jjshaloam@aol.com and clarkster@comcast.net about “Logistics”:

We’re probably gonna need a lot of herb stocks. Can you check on supplies for our base herbs? We’ll be looking at going through hundreds of pounds a week. Holy smoke. And this just from 2 customers. Also . . . how about grinding them? These little blenders wont cut it for long. Also . . . what else do we need to think about for the logistics of keeping up with supplying hundreds of KGs of K2 per week? I’m pretty sure there are other questions I’m not seeing just yet. Also . . . just as a reminder question. We really need a backup way to do this separate from BBB. (I’ll send this to Clark too for that reason) I think the foriegn markets will make us plenty, and they are

safe. BBB will need to separate from this at some point. We need a plan that's out of contact with BBB, and out of the US. Right now we have a K2 web site that has our info on it. And BBB comes up on top of a google search for K2. What's our exit strategy?

- (35) On or about September 25, 2009, Clarkster, from clarkster@comcast.net, E-mailed barkingbear99@aol.com and jjshaloam@aol.com the following:

On your logistics.. The problem with much of Europe is not the substance being there – it is GETTING it there. You have to get through international customs. Big shipments of some weird substance are going to raise lotsa red flags. . . . And. You have a substance that gets people high like marijuana. So, while it is legal now, making big shipments internationally is going to really start the tails wagging. A lot of European countries are just like the USA. Some worse. As soon as they figure out that it gets people high – BOINK – illegal. All of Europe is not Amsterdam. Here is the thing.. A lot of these countries might slap a drug USER on the wrist. But they are going to put a drug DEALER in prison for a long, long time. So, the problem is SELLING the stuff to someone over there for the purpose of distribution. While all legal now. . . . Them knowing you are selling massive amounts of this, it's going to cause some places to try to crack down quick. It absolutely can not be coming from BBB. I also recommend changing the little baggy it is shipped in. Change that to K2 Aroma Incense. More Later.

- (36) On or about October 22, 2009, Clarkster, from clarkster@comcast.net, E-mailed JJSHALOAM@aol.com about the fact that in nine days' time they made \$105,542.76 in sales.

- (37) On or about November 2, 2009, defendant **JONATHAN SLOAN** transferred \$14,000.00 from Bank of Blue Valley Account #XXX613

(Bouncing Bear Botanicals, d/b/a Wonder Herbals) to Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, d/b/a Herbal Fire.com).

(38) On or about November 3, 2009, BRM E-mailed Natalie at godergrrl@yahoo.com, asking her to transfer money.

(39) On or about November 9, 2009, barkingbear99@aol.com E-mailed info bouncingbearbotanicals.com:

What to do about that consistency thing. Think about it. It's going to Peru. They can get what ever they need. But I dont what that is. I had high hopes for that cement mixer. A cement mixer and a garage. Pretty high tech huh. Funny in it's way. Im not a chemist. Seems like there will be some settling of that shake just through handling, transport, packing etc. Any ideas? People sure like it. That store is crazy. 10 thousand dollar days. I really like the idea of BBB having other smokes and selling em. . . . Anyway . . . Lets design some new lines and brands. All legit.

(40) On or about November 12, 2009, Clarkster, in an E-mail from info bouncingbearbotanicals.com, responding to a question from a customer in Latvia, where JWH Compounds were banned, stated: "Hi, K2 contains JWH-018".

(41) On or about November 12, 2009, JJSHALOAM discussed a possible name for a distributor – K2café – in an E-mail to a Bouncing Bear employee, stating: "I woke up in the middle of the night thinking this: that's a terrible name for K2. Café implies consumption."

(42) On or about November 18, 2009, a K2 distributor sent JJSHALOAM@aol.com an E-mail with the following information:

I've told you this more than once before. "Incense" doesn't protect you from shit! If it were all natural mix and so happens to have euphoric effects, then yes, absolutely. If it's a MAN MADE SYNTHETIC CANNABINOID laced on useless herbs, then there's the INTENT the DEA needs for the analog law. JWH-018 has NO "incense" purposes. Its SOLE purpose is to get people high. . . . Man, I can't believe you're even considering continuing this business, now that you know what's in this shit.

(43) On or about November 20, 2009, an employee at The Sacred Journey informed an undercover agent that the store was out of K2, but that she could place him on a lengthy waiting list. The employee also told the agent that smoking K2 will not test positive for narcotics on a urine drug screen.

(44) On or about December 2, 2009, Barkingbear99@aol.com and JJSHALOAM@aol.com exchanged E-mails about pricing the rights to K2 at "a million or so for US rights. Sebastian has foreign rights."

(45) On or about December 9, 2009, Jon, from info bouncingbearbotanicals.com, responding to an inquiry regarding whether K2 had any non-natural components, stated: "Yeah. The K2 have some JWH compounds."

(46) On or about December 9, 2009, Clarkster, from theguy@bbbotanicals.com, E-mailed barkingbear99@gmail.com and JJSHALOAM@aol.com:

Are you guys talking about getting serious about how to get the money out of K2? . . . Tell me what you want me to do to get cooking on getting it out of BBB and milking it for cash. Here is my strong recommendation. I wrote this before. I got no reply. Here it is again.

1. Give anyone and everyone the right to make it themselves. It costs \$150,000 CASH. No boundaries. No regions. They can sell it all they want to, to anyone they want to. They sign a contract that they will not reveal the secret for a period of 12 months. By that time, you are onto another recipe that stays ahead of the feds... OR you have simply retired with your \$4,000,000.00 OR...

2. Same deal as above except they are restricted by some kind of regional boundary. The Lawrence store can have Kansas City for example. Greg gets Missouri. Csaba gets Amsterdam. . . . Same thing on the contract. They all sign contracts. All pay cash. . . .

3. Sell it to one person for \$4,000,000.00. . . .

I also recommend a lawyer to draw up the contracts. A real lawyer, and one that know about international stuff. . . . And, Brad, you give me the written details. I'll whip that into a real instruction book. We don't say "Grab a handful," we say: "Carefully measure 1 level cup" etc.

(47) On or about December 31, 2009, Clarkster, from TheGuy@bbbotanicals.

com, E-mailed jonster, at jonster@server2.bouncingb.com:

I read just yesterday that law/bill (whatever it is), that makes everything illegal if it is trying to simulate the illegal drug. Those 10 websites they took down and arrested everyone. If it wasn't for that, I'd say milk K2 for a few more months. \$150,000 a week isn't too bad. And it keeps going up. So, get a couple million over the next few months. Then sell it – at an even higher price. But... . Too scary. Not worth 20 years in San Quentin.

(48) In early 2010, defendant **BRADLEY MILLER** contacted a long-time business associate in Massachusetts, asked him to accept packages from California, remove the shipping labels and product invoices, then ship the packages to Bouncing Bear Botanicals in Oskaloosa. Bouncing Bear Botanicals paid for the shipping of these boxes, which contained JWH Compound.

(49) On or about January 6, 2010, Jon, at JJSHALOAM@aol.com, received the following E-mail from Seba at kkitzu@gmx.net:

hi jon i saw you sent 98,800 to uruguay, cool thanks now brad is telling me that soon we will need another batch of powders, there is no stock, so i will tell the lab to start making, this will mean in 10 days or so they will have it ready, so i will ask you for another 75k by mid next week, is this alright? seba

(50) On or about January 7, 2010, JJSHALOAM@aol.com and Clarkster, from clarkster@hughes.net, exchanged E-mails discussing “a batch of K2 that smells whacked.” **CLARK SLOAN** stated “I wouldn’t want to be smoking it. Too much chemical in it or sumpn. With some of these reports of some kid passing out somewhere, I wouldn’t be shocked. **JONATHAN SLOAN** replied “Did I tell you the real story with that kid?” **CLARK SLOAN** replied as follows:

I know about the 16 year old that got drunk and all that. Other stories I've heard – like the ones in Florida. Dave Miller had something weird happen to him too, and he wasn't drunk. You already know what I think about it: don't know what it really does, or what it might do. And I don't have any confidence that Brad mixes it up 100% the same everytime. What happens when he forgets he already added the JW and adds some more? What might happen if some kid is taking some xanax or something and combines K2. All kinds of unknowns. Just a spooky product to me.

JJSHALOAM@aol.com asked for more information about the stories in Florida, and Clarkster, from clarkster@hughes.net, sent a link to an on-line article from the Herald Tribune entitled "Fake marijuana sickens teens."

(51) On or about January 8, 2010, Seba E-mailed jjshaloam@aol.com, stating:

brad just placed the new order for more powders and lab has started to make them, that means i will need another 2 x \$75k sent in the next 2 weeks, plus maybe smth like 25k or so to be sent to peru to buy the stocks?

(52) On or about January 10, 2010, barkingbear99@aol.com sent an E-mail to clarkster@hughes.net and jjshaloam@aol.com with the following information:

I REALLY like this idea of a sort of universal K2 website. Any one could use it. The prices would all be standardized. But anyone who sent a buyer there would get the commissions . . . There's tons of untapped market potential out there. You just hook up with a few good customers that buy from you every week, and poof, yer making 10 grand a week. And anyone could do it.

In response, Clarkster, from [clarkster@hughest.net](mailto:clarkster@hughest.net), wrote

[barkingbear99@aol.com](mailto:barkingbear99@aol.com) and [jjshaloam@aol.com](mailto:jjshaloam@aol.com) the following:

Wow. That doesn't even make sense. 1. They already have a law on the books where if you try to sell something that mimics the effects of an illegal drug, they can peg you with the equivalent crime of selling the illegal drug. You are selling enough K2 right now for them to put you in San Quentin for the rest of your life. 2. It is highly probably that the feds are already watching. Big brother is very powerful. Jon's banker is already eyeballing that bank account and watching wire transfers to and from Peru. All the feds have to do is be suspicious of stuff and they can close your banks, take your inventory, your car, your house – whatever they want. 3. Who is going to make it? We can't even fulfill all the orders right now. Customers are waiting for their orders while the Lawrence store has tubs of it in the back room. It would be really cool to increase all the orders, but to do so, you have to be able to actually fulfill them. Why not do the right thing: Sell it right now. Get your 1.5 to 2M. Get your 10% from Seba for the rest of your life and get out of it. You'll be rich enough, and a residual income forever. And you can stop worrying about the feds, the bankers, and stop worrying about getting it made, getting acetone, finding wholesale flowers and herbs, or getting people pissed because the store has some and no one else does. Just sell it – get out – and be done.

(53) On or about January 13, 2010, Clarkster, from [theguy@bbbotanicals.com](mailto:theguy@bbbotanicals.com), E-mailed [jjshaloam@aol.com](mailto:jjshaloam@aol.com) the following information:

I did make a tub of Summit, so did accomplish one thing. Now, my throat had needles in it and I have a headache. I think it might be possible that the headache is from smelling that acetone. That is a nasty job making that stuff. I don't like it at all. I don't know how long we'll be making K2, but if it is for very long. a mixer would be a great buy. Seriously. And it would make sure it is mixed good, and

would help dry it, and keep us from stirring that crap with a spoon and not doing a very good job.

- (54) On or about January 14, 2010, Clarkster, from [clarkster@hughes.net](mailto:clarkster@hughes.net), sent an E-mail to [barkingbear99@aol.com](mailto:barkingbear99@aol.com) and [jjshaloam@aol.com](mailto:jjshaloam@aol.com), with the following information:

Until we get it out of the warehouse, we need to do the acetone stuff at night when people are gone. I could easily put the herbs together in the day. Actually – anyone can. . . Me and Bruce spent the morning doing those 30 tubs. And what I understand we wound up with 15kg and we have over 100+kg waiting on order. So. . that isn't going to get it done. Why can't 2 people be working on it full time – 12 hours a day? I mean .. two shifts. 2 people each shift. Could probably get 40-50 kg a day that way.

- (55) On or about January 16, 2010, Clarkster, from [clarkster@hughes.net](mailto:clarkster@hughes.net), sent [jjshaloam@aol.com](mailto:jjshaloam@aol.com) an E-mail:

Your deposit was 272,000. . . K2 is kinda fun with the \$ isn't it? Be cool if we could stall all legislation for say, a year or more, and just rake in the doe for a while. You could easily be pulling in \$300,000 a week on it. I think you could raise the price too. You could up it by 50% and still be good. I mean the wholesale price.

- (56) On or about January 17, 2010, Seba, from [kkitzu@gmx.net](mailto:kkitzu@gmx.net), sent Jon at [JJSHALOAM@aol.com](mailto:JJSHALOAM@aol.com) an E-mail indicating that he was ordering the new lot of 20kg powders, and asking him to send \$75k for the first payment as soon as possible to Uruguay Bank.

(57) On or about January 18, 2010, defendant **JONATHAN SLOAN** testified before the Kansas State Legislature in opposition to the State's proposal to add JWH Compounds as a Schedule I drug. During his testimony, he claimed to be representing a distributor of K2 products, stated that K2 had JWH compounds in it, stated that K2 should not be used by minors, and stated that K2 had health benefits, including being useful for pain and insomnia.

(58) On or about January 27, 2010, Clarkster, from TheGuy@bbbotanicals.com, E-mailed JJSHALOAM@aol.com and barkingbear99@aol.com, and stated the following:

It finally clicked in my brain last night as to what the problem is with K2, at least as far as my thinking goes. It goes against the spirit of what Bouncing Bear Botanicals is all about. Bouncing Bear is a botanical shop that ships natural herbs, ethnobotanicals, ethnogens. . . . Now BBB is selling a fake herb combo, spiced with a synthetic chemical, that no one knows exactly what that will do to you. BBB is now just a huge drug dealer. When pointing out that the feds are breathing down BBB's neck, it is just "we got a new synthetic we'll use, and just invent another fake drug." K2 goes against what BBB should be. I know that money looks good.. But, I think it is walking a shaky line. Playing one step ahead of the feds is whacked out. . . . They know who you are. They are watching you.

(59) On or about January 30, 2010, in response to an E-mail from Jon at info bouncingbearbotanicals.com, an individual named Ryan, also known as Bo

Scott, a K2 wholesaler in Portland, Oregon, E-mailed: “I don’t just sell to anyone because if this product gets into the wrong hands we are all screwed.”

(60) On or about February 25, 2010, following the execution of federal search and seizure warrants on February 4, 2010, jjshaloam@aol.com E-mailed theguy@bbbotanicals.com, informing him that “The value of the K2 they took could be as high as \$7 Million or more (based on the \$15/pack price of Standard. though most actually charge more).”

(61) On or about May 13, 2010, Jon, from JJSHALOAM@aol.com, E-mailed a Chinese Que She supplier:

In the future, would you be able to get the pills by themselves? Not in bottles. What would that cost? Can you get them in blank bottles? Or have them printed with my design?

(62) On or about August 6, 2010, defendants **JONATHAN SLOAN** and **BRADLEY MILLER**, through Bouncing Bear Botanicals, filed an application to register K2 as a trademark with the United States Patent and Trademark Office.

(63) On or about November 10, 2010, defendants **JONATHAN SLOAN** and **BRADLEY MILLER**, as well as Bouncing Bear Botanicals, filed a

trademark infringement lawsuit in federal court, claiming that former customers/distributors had infringed on their K2 trademark.

46. The foregoing is in violation of Title 18, United States Code, Sections 2 and 371.

## **COUNT 2**

### **Introducing Misbranded Drug K2 into Interstate Commerce**

47. The Grand Jury incorporates by reference Paragraphs 1 through 46, as though fully realleged and reasserted herein.

48. Beginning in or about March 2009, and continuing through at least in or about April 2010, the exact dates being unknown to the Grand Jury, in the District of Kansas and elsewhere, the defendants,

**BRADLEY R. MILLER  
CLARK SLOAN  
and  
JONATHAN SLOAN,**

with the intent to defraud and mislead the FDA and the public, introduced and delivered for introduction into interstate commerce, and caused to be introduced and delivered for introduction into interstate commerce, a drug, namely K2, which was misbranded in at least one of the following respects:

- (1) the labeling for said drugs was false and misleading, in at least one particular, including the following:

- (a) the said drugs were falsely labeled in a manner indicating that they were not for human consumption, when in fact such drugs were intended for human consumption;
  - (b) the said drugs were sold as incense and under other false and misleading names, when in fact the products were intended for use as drugs for human consumption;
  - (c) the said drugs failed to identify accurately the package's contents and intended use; 21 U.S.C. §§ 352(a), 321(n);
- (2) the label for said drug, in package form, failed to include the name and address of the manufacturer, packer, or distributor, 21 U.S.C. § 352(b)(1);
  - (3) the label for said drug failed to bear the established name of each active ingredient, 21 U.S.C. § 352(e)(1)(A)(ii); and
  - (4) the labeling for said drug lacked adequate directions for use, 21 U.S.C. § 352(f)(1).

49. The foregoing is in violation of Title 18, United States Code, Section 2, and Title 21, United States Code, Section 331(a), with reference to Section 333(a)(2).

**COUNT 3**  
**Introducing Misbranded Drug Que She into Interstate Commerce**

50. The Grand Jury incorporates by reference Paragraphs 1 through 46, as though fully realleged and reasserted herein.

51. Beginning in or about March 2009, and continuing through in or about June 2010, the exact dates being unknown to the Grand Jury, in the District of Kansas and elsewhere, the defendants,

**BRADLEY R. MILLER  
CLARK SLOAN  
and  
JONATHAN SLOAN,**

with the intent to defraud and mislead the FDA and the public, introduced and delivered for introduction into interstate commerce, and caused to be introduced and delivered for introduction into interstate commerce, a drug, namely Que She, which was misbranded in the following ways:

- (1) the labeling for said drug was false and misleading, 21 U.S.C. §§ 352(a), 321(n);
- (2) the label for said drug, in package form, failed to include the name and address of the manufacturer, packer, or distributor, 21 U.S.C. § 352(b)(1);
- (3) the label for said drug failed to bear the established name of each active ingredient, 21 U.S.C. § 352(e)(1)(A)(ii);
- (4) the labeling for said drug lacked adequate directions for use, 21 U.S.C. § 352(f)(1); and
- (5) the labeling for said drug lacked adequate warnings against use by children where its use may be dangerous to health, or against unsafe dosage and methods, and duration of administration, in such manner and form, as was necessary for the protection of the users of the drug, 21 U.S.C. § 352(f)(2).

52. The foregoing is in violation of Title 18, United States Code, Section 2, and Title 21, United States Code, Section 331(a), with reference to Section 333(a)(2).

**COUNTS 4 - 21**  
**Mail Fraud**

53. The Grand Jury incorporates by reference Paragraphs 1 through 52, as though fully realleged and reasserted herein.

54. Beginning in or about March 2009, and continuing through in or about June 2010, the exact dates being unknown to the Grand Jury, in the District of Kansas and elsewhere, the defendants knowingly and intentionally devised and executed a scheme to defraud the Food and Drug Administration and the public by marketing and distributing misbranded drugs, and drugs they represented to be “all natural,” when, in truth and in fact, the K2 they manufactured and distributed contained a synthetic active ingredient that was a synthetic cannabinoid, and the Que She they distributed contained two active drug ingredients, one of which was a controlled substance that had been withdrawn from the United States market due to health concerns.

55. On or about at least the following dates, in the District of Kansas and elsewhere, for the purpose of executing the scheme to defraud the FDA and the public, and attempting to do so,

**BRADLEY R. MILLER  
CLARK SLOAN  
and  
JONATHAN SLOAN**

knowingly caused shipments of K2 and Que She, both misbranded drugs, and shipments of JWH Compounds, to be delivered by United States mail, and by private and commercial interstate carriers, such as United Parcel Service (“UPS”), and Express Mail Services (“EMS”), according to the directions thereon, including at least the following shipments, as well as the shipments listed in Counts 23 and 24:

<b>Count</b>	<b>On or About Date</b>	<b>Items Shipped/Delivered</b>	<b>Carrier</b>
4	Oct. 19, 2009	Bouncing Bear Botanicals (“BBB”) shipped approximately \$10,400 of K2 from Oskaloosa, Kansas, to Luke Anderson/Toybox in Oak Grove, Kentucky	UPS
5	Oct. 19, 2009	BBB shipped approximately \$5,900 of K2 from Oskaloosa, Kansas, to Mary/One Love in Loveland, Colorado	US Mail
6	Dec. 11, 2009	BBB shipped approximately \$16,400 of K2 from Oskaloosa, Kansas, to Silver Video #2 in Madison, Tennessee	UPS
7	Dec. 17, 2009	BBB shipped approximately \$23,610 of K2 from Oskaloosa, Kansas, to The Dymka Shop/Barrett Moffett in Pineville, Louisiana	UPS
8	Jan. 8, 2010	BBB shipped approximately \$9,900 of K2 from Oskaloosa, Kansas, to Party Shack/Clayton in Panama City Beach, Florida	UPS
9	Jan. 15, 2010	BBB shipped approximately \$10,750 of K2 from Oskaloosa, Kansas, to Marick Enterprises Inc./Jeff Hannick in Fenton, Missouri	UPS
10	Jan. 26, 2010	BBB shipped approximately \$2,700 of K2 from Oskaloosa, Kansas, to Brandon Castro/Euphoria LLC, in Commerce Township, Michigan	UPS
11	Jan. 27, 2010	BBB shipped approximately \$45,000 of K2 from Oskaloosa, Kansas, to Brandon Franklin in Springfield, Missouri	UPS

<b>Count</b>	<b>On or About Date</b>	<b>Items Shipped/Delivered</b>	<b>Carrier</b>
12	Jan. 27, 2010	BBB shipped approximately \$4,900 of K2 from Oskaloosa, Kansas, to Loraine Cloudnine/Cloud Nine in Moosup, Connecticut	UPS
13	Jan. 28, 2010	BBB shipped approximately \$8,100 of K2 from Oskaloosa, Kansas, to Larry Mystics/Mystics in Lawrenceville, Georgia	UPS
14	Jan. 29, 2010	BBB shipped approximately \$43,700 in K2 from Oskaloosa, Kansas to Toybox/Luke Anderson in Oak Grove, Kentucky	UPS
15	Feb. 2, 2010	Henry Rankovic shipped approximately 40 kilos of JWH Compounds from Massachusetts to Bouncing Bear Botanicals	UPS
16	Feb. 2, 2010	BBB shipped approximately \$3,800 of K2 from Oskaloosa, Kansas, to Outta Control in Keyport, New Jersey	UPS
17	Feb. 2, 2010	BBB shipped approximately \$13,000 of K2 from Oskaloosa, Kansas, to Doug Sloan in Indianapolis, Indiana	UPS
18	Feb. 3, 2010	BBB shipped approximately \$19,000 of K2 from Oskaloosa, Kansas, to Bo Scott/KNJ in Lake Oswego, Oregon	UPS
19	May 15, 2010	WYL C., Ltd. In China shipped Que She to Jon Sloan at 1639 Massachusetts, Lawrence, Kansas	EMS
20	May 26, 2010	Worldwide Express Co., Ltd. In Hong Kong shipped Que She to BBB at 14501 US 59 Hwy, Oskaloosa, KS	EMS
21	June 3, 2010	Que She was shipped to BBB at 1103 Massachusetts, Lawrence, Kansas	EMS

56. The foregoing is in violation of Title 18, United States Code, Sections 2 and 1341.

**COUNT 22**  
**Smuggling Que She into the United States**

57. The Grand Jury incorporates by reference Paragraphs 1 through 56, as though fully realleged and reasserted herein.

58. Beginning in or about March 2009, and continuing through at least in or about June 2010, the exact dates being unknown to the Grand Jury, in the District of Kansas and elsewhere, the defendants

**BRADLEY R. MILLER**  
**CLARK SLOAN**  
**and**  
**JONATHAN SLOAN**

fraudulently and knowingly imported Que She and brought Que She into the United States, contrary to law, that is, in violation of 21 U.S.C. § 331(a) (misbranded drugs), 18 U.S.C. § 1341 (mail fraud), and 18 U.S.C. § 542 (importing by means of false statements), and received, bought, sold, and in any manner facilitated the transportation and sale of such merchandise after importation, knowing the same to have been imported and brought into the United States contrary to law, that is, in violation of 21 U.S.C. §§ 331(a) (misbranded drugs), 18 U.S.C. § 1341 (mail fraud), and 18 U.S.C. § 542 (importing by means of false statements).

59. The foregoing is in violation of Title 18, United States Code, Sections 2 and 545.

**COUNT 23**  
**Smuggling K2 Out of the United States**

60. The Grand Jury incorporates by reference Paragraphs 1 through 56, as though fully realleged and reasserted herein.

61. Beginning in or about March 2009, and continuing through in or about February 2010, the exact dates being unknown to the Grand Jury, in the District of Kansas and elsewhere, the defendants

**BRADLEY R. MILLER**  
**CLARK SLOAN**  
**and**  
**JONATHAN SLOAN**

fraudulently and knowingly exported and sent from the United States, and attempted to export and send from the United States, K2, contrary to any law or regulation of the United States, that is, in violation of 21 U.S.C. §§ 331(a) & 331(k) (misbranded drugs), and 18 U.S.C. § 1341 (mail fraud), and received, bought, sold, and in any manner facilitated the transportation and sale of such merchandise, article and object, prior to exportation, knowing the same to be intended for exportation contrary to any law or regulation of the United States, that is, in violation of 21 U.S.C. §§ 331(a) & 331(k) (misbranded drugs), and 18 U.S.C. § 1341 (mail fraud), including at least the following shipments:

<b>On or about Date</b>	<b>Products Shipped</b>	<b>Description for Customs</b>	<b>Shipper</b>	<b>Customer</b>
10/21/09	Summit Samples	"Natural Incense"	USPS EC 601 720 889 US	Sia JRL Latvia
11/16/09	500 3 gr packs Summit "200"	"Fragrance"	UPS 1Z9V194E6692311629	Rakanu Sales Germany
12/04/09	3 gr Double Summit	"Natural Incense"	USPS EC 601 957 704 US	Thomas Ambrazas Lithuania
12/04/09	20 kg of K2 Summit Ultra	"Fragrance"	UPS	Launos Ltd United Kingdom
12/08/09	1 kg Summit 500 gr Blonde	"Natural Fragrace" [sic]	USPS EC 601-977-774	Yan Kvashenko Ukraine
12/09/09	3 kilos each - Blonde, Standard, Summit		UPS 1Z9V194E5499288282	Csaba Kemenes Netherlands
12/10/09	10 gr Double Summit	"Natural Incense"	USPS EC 601 994 976 US	Launos Ltd. United Kingdom
12/17/09	10 3 gr packs of each K2 Standard Incense K2 Citron Incense	"Natural Fragrance"	USPS EC 602 043 889 US	Vladimir Melamed Canada
01/11/10	20 gr sample 2K2		UPS 1Z9V194E0490750257	Sia HRL Latvia
01/11/10	20 gr sample 2K2		UPS 1Z9V194E0494560035	Toma Ambrazas Lithuania
01/15/10	5.5 kg Blonde 2 kg Summit	"Natural Fragrance (summit) "Natural Fragrance (blonde)"	USPS EC 602 170 366 US	Yan Kvashenko Ukraine
01/20/10	1000 3 gr packets Summit Ultra		UPS 1Z9V194E049433025	JH Avanti AB Sweden

62. The foregoing is in violation of Title 18, United States Code, Sections 2 and 554.

**COUNT 24**  
**Smuggling Que She Out of the United States**

63. The Grand Jury incorporates by reference Paragraphs 1 through 56, as though fully realleged and reasserted herein.

64. Beginning in or about March 2009, and continuing through at least in or about June 2010, the exact dates being unknown to the Grand Jury, in the District of Kansas and elsewhere, the defendants

**BRADLEY R. MILLER**  
**CLARK SLOAN**  
**and**  
**JONATHAN SLOAN**

fraudulently and knowingly exported and sent from the United States, and attempted to export and send from the United States, Que She, contrary to any law or regulation of the United States, that is, in violation of 21 U.S.C. §§ 331(a) & (k) (misbranded drugs), and 18 U.S.C. § 1341 (mail fraud), and received, bought, sold, and in any manner facilitated the transportation and sale of such merchandise, article and object, prior to exportation, knowing the same to be intended for exportation contrary to any law or regulation of the United States, that is, in violation of 21 U.S.C. §§ 331(a) & 331(k) (misbranded drugs), and 18 U.S.C. § 1341 (mail fraud), including at least the following shipments:

<b>On or About Date</b>	<b>Customer</b>	<b>Shipped To</b>
January 4, 2010	Diane Tiessen	Canada
January 7, 2010	Ed Dekker	Canada
January 18, 2010	Marie-Claire Astles	Canada
January 19, 2010	Daniel Sassoon	Singapore
January 28, 2010	Dennis Schuerch	Thailand
January 30, 2010	Dennis Schuerch	Thailand
January 30, 2010	Natalie Chan	Singapore

65. The foregoing is in violation of Title 18, United States Code, Sections 2 and 554.

**COUNT 25**

**Conspiracy to Launder Monetary Instruments and to Engage in Monetary Transactions Derived From Specified Unlawful Activity**

66. The Grand Jury incorporates Paragraphs 1 through 65 by reference as though fully realleged and restated herein.

67. From in or about April 2009, through in or about February 2010, The Sacred Journey had sales of approximately and at least \$885,000.00, and Bouncing Bear Botanicals had sales of approximately and at least \$3.8 million. At least \$3.3 million of these sales was attributable to the sale of K2 products.

68. Beginning at least in or about September 2009, and continuing through in or about February 2010, the exact dates being unknown to the Grand Jury, in the District of Kansas and elsewhere, defendants

**BRADLEY R. MILLER**

**CLARK SLOAN**  
**and**  
**JONATHAN SLOAN**

and others, both known and unknown to the Grand Jury, conspired to transport, transmit, and transfer monetary instruments and funds from a place in the United States to a place outside the United States, in violation of Title 18, United States Code, Section 1956(a)(2)(A), and conspired to engage in monetary transactions in property derived from specified unlawful activity, in violation of Title 18, United States Code, Section 1957.

**MANNER AND MEANS**

69. During the course and in furtherance of the conspiracy, defendants **BRADLEY R. MILLER, CLARK SLOAN, JONATHAN SLOAN**, and others utilized the following federally insured financial institutions and accounts to conduct financial transactions:

- a. Bank of Blue Valley Account #XXX819, in the name of Bouncing Bear Botanicals, d/b/a Herbal Fire Com, for which **JONATHAN SLOAN** served as the signatory;
- b. Bank of Blue Valley Account #XXX5613, in the name of Bouncing Bear Botanicals, d/b/a Wonder Herbals, for which **JONATHAN SLOAN** served as the signatory;

- c. Bank of Blue Valley Account #XXX406, in the name of Persephone's Journey LLC, for which **JONATHAN SLOAN** served as the signatory;
- d. Capitol Federal Account #XXXX6233, in the name of **BRADLEY MILLER**, for which **BRADLEY MILLER** was the signatory;
- e. Capitol Federal Account #XXXX3575 in the names of **JONATHAN SLOAN** and Amanda J., for which **JONATHAN SLOAN** and Amanda J. served as the signatories;
- f. First National Bank of Olathe Account #XXX1231, in the name of **CLARK SLOAN**, d/b/a Single Christian Network, for which **CLARK P. SLOAN**, **JONATHAN SLOAN**, Kathryn L. S., and Nathan G. B. served as the signatories.
- g. Peoples Bank Account #XXXX5138, in the name of The Sacred Journey, for which Natalie McAnulla served as the signatory;
- h. Peoples Bank Account #XXXX6514, in the name of The Sacred Journey, Inc., for which Natalie McAnulla served as the signatory;
- i. Peoples Bank Account #XXXX2097, in the name of **BRADLEY MILLER** and PJ's, for which **BRADLEY MILLER** and Natalie McAnulla served as the signatories;

- j. Peoples Bank Account #XXXX5453, in the name of **BRADLEY MILLER** and Shannon D., for which **BRADLEY MILLER** and Shannon D. served as the signatories;
- k. Sunflower Bank Account #XXXXX9996, in the name of Natalie L. McAnulla, for which Natalie McAnulla served as the signatory; and
- l. Sunflower Bank Account #XXXXX4517, in the name of Natalie L. McAnulla, for which Natalie McAnulla served as the signatory.

70. During the course of the conspiracy, the defendants **BRADLEY R. MILLER, CLARK SLOAN, and JONATHAN SLOAN**, and others, knowingly engaged, attempted to engage, and caused each other and others to engage, in monetary transactions affecting interstate commerce, in criminally derived property of a value greater than \$10,000, that is, the withdrawal, deposit, and transfer of funds from and to federally insured financial institutions, such property having been derived from specified unlawful activity, that is mail fraud, smuggling, and conspiracy to commit mail fraud and smuggling, as alleged in Counts 1 and 4-24, in violation of Title 18, United States Code, Section 1957, including the following transactions:

No.	On or About Date	Transaction	Amount
(1)	09/21/09	Cash is deposited to Peoples Bank Account #XXXX5138 (Sacred Journey)	14,701.79

No.	On or About Date	Transaction	Amount
(2)	10/19/09	Natalie McAnulla transfers from Peoples Bank Account #XXXX5138 (Sacred Journey) to Peoples Bank Account #XXXX2097 ( <b>Bradley Miller/PJ's</b> )	11,100.00
(3)	10/22/09	<b>Bradley Miller</b> transfers from Peoples Bank Account #XXXX2097 ( <b>Miller/PJ's</b> ) to Peoples' Bank Account #XXXX5453 ( <b>Miller/D.</b> )	20,000.00
(4)	11/02/09	<b>Jonathan Sloan</b> transfers from Bank of Blue Valley Account #XXX406 (Persephone's Journey) to Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, d/b/a Herbal Fire.com)	13,000.00
(5)	11/04/09	<b>Jonathan Sloan</b> transfers from Bank of Blue Valley Account #XXX406 (Persephone's Journey) to People's Bank Account #XXXX2097 ( <b>Bradley Miller/PJ's</b> )	11,007.00
(6)	11/06/09	<b>Bradley Miller</b> transfers from Peoples Bank Account #XXXX2097 ( <b>Miller/PJ's</b> ) to Peoples' Bank Account #XXXX5453 ( <b>Miller/D.</b> )	15,000.00
(7)	11/09/09	Natalie McAnulla issues Check #1139 from Peoples Bank Account #XXXX5138 (Sacred Journey) to <b>Bradley Miller</b>	10,217.00
(8)	11/12/09	<b>Bradley Miller</b> deposits Check #1139 into Peoples Bank Account #XXXX5453 ( <b>Miller/D.</b> )	10,217.00
(9)	11/17/09	Natalie McAnulla transfers from Peoples Bank Account #XXXX5138 (Sacred Journey) to Peoples Bank Account #XXXX6514 (Sacred Journey)	60,000.00
(10)	11/23/09	Cash is deposited to Peoples Bank Account #XXXX5138 (Sacred Journey), as part of a \$12,055.40 total deposit	11,932.55
(11)	11/30/09	Natalie McAnulla transfers from Peoples Bank Account #XXXX5138 (Sacred Journey) to Peoples Bank Account #XXXX2097 ( <b>Bradley Miller/PJ's</b> )	53,650.00
(12)	11/30/09	<b>Bradley Miller</b> transfers from Peoples Bank Account #XXXX2097 ( <b>Bradley Miller/PJ's</b> ) to Peoples Bank Account #XXXX5453 ( <b>Miller/D.</b> )	53,650.00
(13)	12/14/09	<b>Bradley Miller</b> transfers from Peoples Bank Account #XXXX2097 ( <b>Bradley Miller/PJ's</b> ) to Peoples Bank Account #XXXX5453 ( <b>Miller/D.</b> )	56,000.00
(14)	12/21/09	Check #1065 from Peoples Bank Account #XXXX5453 ( <b>Miller/D.</b> ) is deposited to Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, d/b/a Herbal Fire.com), as part of a \$128,971.80 deposit	53,700.00
(15)	12/23/09	Natalie McAnulla transfers from Peoples Bank Account #XXXX5138 (Sacred Journey) to Peoples Bank Account #XXXX6514 (Sacred Journey)	50,000.00

No.	On or About Date	Transaction	Amount
(16)	12/24/09	Natalie McAnulla issues Check #1163 from Peoples Bank Account #XXXX5138 (Sacred Journey) to <b>Bradley Miller</b>	54,500.00
(17)	12/28/09	<b>Clark Sloan</b> issues Check #9579 from First National Bank of Olathe Account #XXXX231 ( <b>Clark Sloan</b> , d/b/a Single Christian Network), payable to Bouncing Bear Botanicals	18,000.00
(18)	12/29/09	Cash is deposited to Peoples Bank Account #XXXX5138 (Sacred Journey), as part of a total deposit of \$10,360.40	10,266.57
(19)	12/30/09	Natalie McAnulla transfers from Peoples Bank Account #XXXX5138 (Sacred Journey) to Peoples Bank Account #XXXX2097 ( <b>Bradley Miller/PJ's</b> )	54,550.00
(20)	12/30/09	Cash is deposited to Peoples Bank Account #XXXX5138 (Sacred Journey), as part of a total deposit of \$17,153.88	16,769.50
(21)	01/04/10	Check #9579 from First National Bank of Olathe Account #XXXX231 ( <b>Clark Sloan</b> , d/b/a Single Christian Network) is deposited to Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, LLC, d/b/a Herbal Fire.com), as part of a \$272,537.18 deposit	18,000.00
(22)	01/04/10	Natalie McAnulla transfers from Peoples Bank Account #XXXX5138 (Sacred Journey) to Peoples Bank Account #XXXX6514 (Sacred Journey)	52,000.00
(23)	01/06/10	Shannon D. deposits Check #1163 into Peoples Bank Account #XXXX5453 ( <b>Miller/D.</b> ), as part of a total deposit of \$58,800.00	54,500.00
(24)	01/06/10	Natalie McAnulla issues Check #1168 from Peoples Bank Account #XXXX5138 (Sacred Journey) to Bouncing Bear Botanicals	10,455.50
(25)	01/19/10	Check #1168 was deposited to Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, d/b/a Herbal Fire.com), as part of a \$272,537.18 deposit	10,455.50
(26)	01/29/10	Natalie McAnulla transfers from Peoples Bank Account #XXXX5138 (Sacred Journey) to Peoples Bank Account #XXXX6514 (Sacred Journey)	85,000.00
(27)	01/29/10	Natalie McAnulla withdraws from Peoples Bank Account #XXXX6514 (Sacred Journey)	150,000.00
(28)	01/29/10	Natalie McAnulla purchases a CD at Peoples Bank (account #XXXX2287)	50,000.00
(29)	01/29/10	Natalie McAnulla purchases a CD at Peoples Bank (account #XXXX2317)	50,000.00
(30)	01/29/10	Natalie McAnulla purchases a CD at Peoples Bank (account #XXXX2325)	50,000.00

No.	On or About Date	Transaction	Amount
(31)	02/08/10	Natalie McAnulla withdraws cash from Sunflower Bank Account XXXXXX4517	25,000.00

71. During the course and in furtherance of the conspiracy, defendant **JONATHAN SLOAN**, with the intent to promote the carrying on of specified unlawful activity, that is mail fraud, smuggling, and conspiracy to commit mail fraud and smuggling, as alleged in Counts 1 and 4-24, transported, transmitted, and transferred, and attempted to transport, transmit, and transfer a monetary instrument and funds from a place in the United States to and through a place outside the United States, in violation of Title 18, United States Code, Section 1956(a)(2)(A), including the following transactions:

No.	On or About Date	Transaction	Amount
(32)	Sept. 8, 2009	Wire transfer from Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, LLC, d/b/a Herbal Fire.com) to HSBC Bank in Uruguay for the benefit of Sebastian Enrique Torres Gomes Omil	25,000.00
(33)	Sept. 10, 2009	Wire transfer from Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, LLC, d/b/a Herbal Fire.com) to HSBC Bank in Uruguay for the benefit of Sebastian Enrique Torres Gomes Omil	25,500.00
(34)	Sept. 14, 2009	Wire transfer from Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, LLC, d/b/a Herbal Fire.com) to HSBC Bank in Uruguay for the benefit of Sebastian Enrique Torres Gomes Omil	20,000.00
(35)	Sept. 23, 2009	Wire transfer from Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, LLC, d/b/a Herbal Fire.com) to HSBC Bank in Uruguay for the benefit of Sebastian Enrique Torres Gomes Omil	30,000.00

<b>No.</b>	<b>On or About Date</b>	<b>Transaction</b>	<b>Amount</b>
(36)	Oct. 13, 2009	Wire transfer from Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, LLC, d/b/a Herbal Fire.com) to HSBC Bank in Uruguay for the benefit of Sebastian Enrique Torres Gomes Omil	40,000.00
(37)	Oct. 21, 2009	Wire transfer from Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, LLC, d/b/a Herbal Fire.com) to HSBC Bank in Uruguay for the benefit of Sebastian Enrique Torres Gomes Omil	60,105.00
(38)	Nov. 13, 2009	Wire transfer from Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, LLC, d/b/a Herbal Fire.com) to HSBC Bank in Uruguay for the benefit of Sebastian Enrique Torres Gomes Omil	14,533.00
(39)	Nov. 25, 2009	Wire transfer from Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, LLC, d/b/a Herbal Fire.com) to HSBC Bank in Uruguay for the benefit of Sebastian Enrique Torres Gomes Omil	11,500.00
(40)	Dec. 10, 2009	Wire transfer from Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, LLC, d/b/a Herbal Fire.com) to HSBC Bank in Uruguay for the benefit of Inca Tea, Ltd.	150,000.00
(41)	Dec. 28, 2009	Wire transfer from Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, LLC, d/b/a Herbal Fire.com) to HSBC Bank in Uruguay for the benefit of Inca Tea, Ltd.	75,000.00
(42)	Jan. 5, 2010	Wire transfer from Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, LLC, d/b/a Herbal Fire.com) to HSBC Bank in Uruguay for the benefit of Inca Tea, Ltd.	98,800.00
(43)	Jan. 8, 2010	Wire transfer from Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, LLC, d/b/a Herbal Fire.com) to HSBC Bank in Uruguay for the benefit of Inca Tea, Ltd.	87,000.00
(44)	Jan. 14, 2010	Wire transfer from Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, LLC, d/b/a Herbal Fire.com) to HSBC Bank in Uruguay for the benefit of Inca Tea, Ltd.	75,000.00

No.	On or About Date	Transaction	Amount
(45)	Jan. 22, 2010	Wire transfer from Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, LLC, d/b/a Herbal Fire.com) to HSBC Bank in Uruguay for the benefit of Inca Tea, Ltd.	75,000.00
(46)	Jan. 26, 2010	Wire transfer Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, LLC, d/b/a Herbal Fire.com) to HSBC Bank in Uruguay for the benefit of Sebastian Torres	160,000.00
(47)	Feb. 3, 2010	Wire transfer from Bank of Blue Valley Account #XXX819 (Bouncing Bear Botanicals, LLC, d/b/a Herbal Fire.com) to Barclays Bank Seychelles for the benefit of Inca Tea, Ltd.	170,000.00

72. The foregoing is in violation of title 18, United States Code, Sections 2 and 1956(h).

### **FORFEITURE ALLEGATIONS**

73. Paragraphs 1 through 46, and the allegations of Count 1 and Counts 4 through 25, are hereby realleged and incorporated herein by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Sections 981(a)(1), 982(a)(1), and 982(a)(2).

**I. Forfeiture – Mail Fraud and Conspiracy to Commit Mail Fraud**

74. Upon conviction of one or more of the mail fraud offenses alleged in Counts 1 and 4-21 of this Indictment, defendants **BRADLEY MILLER, CLARK SLOAN,** and **JONATHAN SLOAN,** shall forfeit to the United States of America, pursuant to 18 U.S.C. §981(a)(1)(C) and 28 U.S.C. § 2461, any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offenses. The property to be forfeited includes, but is not limited to, the following:

**A. MONEY JUDGMENT**

A sum of money equal to the amount of proceeds obtained as a result of the conspiracy to commit mail fraud and mail fraud offenses set out in Counts 1 and 4-21, for which the defendants are jointly and severally liable; and

**B. REAL PROPERTY**

All that lot or parcel of land, together with its buildings, appurtenances, improvements, fixtures, attachments and easements, more particularly described as:  
1639 Massachusetts, Lawrence, Kansas, to wit:

Babcock's Enlarged Add Blk 12 Lt 9  
Property Identification Number: 023-103-06-0-20-11-008.00-0; and

### **C. PERSONAL PROPERTY**

Funds held by the Kansas Department of Revenue, up to \$483,442.65, which were seized pursuant to Tax Warrants for Controlled Substances on or about February 4, 2011.

### **II. Forfeiture – Smuggling into the United States and Conspiracy to Smuggle into the United States**

75. Upon conviction of one or more of the smuggling offenses alleged in Counts 1 and 22 of this Indictment, defendants **BRADLEY MILLER, CLARK SLOAN,** and **JONATHAN SLOAN** shall forfeit to the United States, pursuant to 18 U.S.C. § 545 and 18 U.S.C. § 982(a)(2)(B), any merchandise smuggled or its value, and any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offenses. The property to be forfeited includes, but is not limited to, the following:

#### **A. MONEY JUDGMENT**

A sum of money equal to the amount of proceeds obtained as a result of the smuggling offenses set out in Counts 1 and 22 for which the defendants are jointly and severally liable; and

**B. REAL PROPERTY**

All that lot or parcel of land, together with its buildings, appurtenances, improvements, fixtures, attachments and easements, more particularly described as:

1639 Massachusetts, Lawrence, Kansas, to wit:

Babcock's Enlarged Add Blk 12 Lt 9

Property Identification Number: 023-103-06-0-20-11-008.00-0; and

**C. PERSONAL PROPERTY**

Funds held by the Kansas Department of Revenue, up to \$483,442.65, which were seized pursuant to Tax Warrants for Controlled Substances on or about February 4, 2011.

**III. Forfeiture – Smuggling out of the United States and Conspiracy to Smuggle out of the United States**

76. Upon conviction of one or more of the smuggling offenses alleged in Counts 1, 23, and 24 of this Indictment, defendants **BRADLEY MILLER**, **CLARK SLOAN**, and **JONATHAN SLOAN** shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offenses. The property to be forfeited includes, but is not limited to, the following:

**A. MONEY JUDGMENT**

A sum of money equal to the amount of proceeds obtained as a result of the smuggling offenses set out in Counts 1, 23, and 24 for which the defendants are jointly and severally liable; and

**B. REAL PROPERTY**

All that lot or parcel of land, together with its buildings, appurtenances, improvements, fixtures, attachments and easements, more particularly described as: 1639 Massachusetts, Lawrence, Kansas, to wit:

Babcock's Enlarged Add Blk 12 Lt 9  
Property Identification Number: 023-103-06-0-20-11-008.00-0; and

**C. PERSONAL PROPERTY**

Funds held by the Kansas Department of Revenue, up to \$483,442.65, which were seized pursuant to Tax Warrants for Controlled Substances on or about February 4, 2011.

**IV. Forfeiture – Conspiracy to Commit Money and Illegal Monetary Transactions**

77. Upon conviction of the conspiracy to commit money laundering and to engage in monetary transactions derived from specified unlawful activity, as alleged in Count 25 of this Indictment, defendants **BRADLEY MILLER, CLARK SLOAN, and JONATHAN SLOAN** shall forfeit to the United States of

America, pursuant to 18 U.S.C. § 982(a)(1), any property, real or personal, involved in such offenses, and any property traceable to such property, including, but not limited to:

**A. MONEY JUDGMENT**

A sum of money equal to the total amount of property involved in the offense, for which the defendants are jointly and severally liable; and

**B. PERSONAL PROPERTY**

Funds held by the Kansas Department of Revenue, up to \$483,442.65, which were seized pursuant to Tax Warrants for Controlled Substances on or about February 4, 2011.

**V. Forfeiture Allegation – Substitute Property**

78. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

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

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), to seek forfeiture of any other property of said defendants up to the value of the forfeitable property described above.

A TRUE BILL.

Dated: April 3, 2013

s/ Foreperson \_\_\_\_\_  
FOREPERSON

Tanya J. Treadway  
Barry R. Grissom  
United States Attorney  
District of Kansas  
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Ks. S. Ct. # 10866

(It is requested that trial of the above captioned case be held in Topeka, Kansas.)