

AFFIDAVIT IN SUPPORT OF ASSET FORFEITURE COMPLAINT

I. AFFIANT EXPERIENCE

I am a Special Agent for the Internal Revenue Service, and have served in that capacity since December 1993. I have received training in the investigation of violations of Title 18, United States Code, Section 1956 and 1957, and other federal criminal laws. I have assisted in investigations involving money laundering violations, income tax evasion, failing to file tax returns, and structured currency schemes. I have experience in analyzing taxpayer books and records, bank records, wire transfer records, real estate records and numerous other third party records.

II. PURPOSE OF AFFIDAVIT

This affidavit is in support of the forfeiture of assets seized as a result of seizure warrants executed on various bank accounts, investments accounts, life insurance contracts, and personal property belonging to or associated with Michael C. Cooper; Renaissance, The Tax People Inc.; Renaissance Designer Gallery, Inc.; Advantage International Marketing (AN); and Mary C. Cooper.

The accounts are identified as follows:

<u>Bank</u>	<u>Account number</u>	<u>Account Title</u>
Firststar Bank Topeka, KS	#933001623-0	Renaissance Designer Gallery d/b/a AIM
Community National Bank Inc. Topeka, KS	#DDA-O100171	Renaissance Designer Gallery Products,
Community Nat. Bank Topeka, KS	#SAV-0816175	Renaissance TTP, Inc.
Columbian Bank Topeka, KS	#10088110	Renaissance TTP, INC
Commerce Bank Topeka, KS	#102-783-2	DoubleM, Inc.
Commerce Bank Topeka, KS	#173-925-5	Michael C. Cooper/Mary C. Cooper
Monex Company Newport Beach, CA	#1-0841898-0	Renaissance Designer Gallery, Michael C. Cooper, CEO
Putnam Investments Boston, MA	#B99-I-48-1206348-BBBN	Double M, Inc.

Putnam Investments
Boston, MA

#D62-1-48-1206348-BBB9

Double M, Inc.

The seized life insurance contracts are identified as:

<u>Company</u>	<u>Policy / Contract</u>	<u>Owner</u>
Woodman Accident and Life Company, Omaha, NE	#0304759200	Michael Cooper
Nationwide Life Insurance Company, Columbus, Ohio	#N100700320	Michael Cooper
Nationwide Life Insurance Company, Columbus, Ohio	#N100670690	Renaissance, Inc.

The seized personal property is identified as 240 Australian gold coins, 310 Canadian gold coins, 1 Australian Koala platinum coin, and 1 United States Double Eagle gold coin, which were seized from Commerce Bank, Topeka, Kansas, safe deposit box #040336 on October 11, 2000.

The information contained in this affidavit consists of information known personally by me, and/or information imparted to me by other law enforcement officers. Based on my knowledge and experience, and the information contained in this affidavit, I have probable cause to believe that the accounts, contracts, and personal property identified above, constitute proceeds derived from violations of 18 U.S.C. § 1341, and/or constitutes property involved in violations of 18 U.S.C. §1956 and 18 U.S.C. §1957.

III. BACKGROUND

Michael Cooper:

1. Michael Cooper is a resident of Topeka, Kansas, and the founder and CEO of Renaissance, The Tax People, Inc., a company specializing in the sales and service of home-based business packages. As part of its home-based business concept, Renaissance offers tax support in the form of tax return preparation, tax advice and audit protection. Cooper utilizes multi-level marketing to expand his company's business base. According to Renaissance payroll information, Mary C. Cooper, his wife, also is employed by Renaissance. According to information contained on the Coopers' personal income tax returns, the Coopers are corporate officers of Double M, Inc., a closely-held corporation.

Renaissance, The Tax People, Inc.:

2. Renaissance, The Tax People, Inc., also known as Renaissance TTP, Inc., formerly known as Renaissance Designer Gallery, Inc., and Advantage International Marketing "AIM," (and hereinafter referred to as Renaissance), is a registered corporation in the State of Nevada, and located in Topeka, Kansas. According to its corporate charter, on April 13, 1999, Renaissance Designer Gallery, Inc. officially changed its corporate name to Renaissance TTP, Inc. A key component of the Renaissance marketing strategy is the promotion of its Tax Advantage System (TAS) (also known as "Platinum Tax Advantage" (PTA)). According to information obtained from Renaissance promotional material and undercover contacts with Renaissance officials during the course of an approved IRS undercover operation. TAS is a system by which, a Renaissance member can establish a home-based business and according to Renaissance promotional material "automatically receive a guaranteed minimum \$ 5,000.00 in new tax deductions," as a result of starting a home-based business. Members are encouraged to realize an 'immediate pay raise' by changing their tax withholding with their current employer to reflect their new offsetting business losses that they 'expect' to incur. Utilizing the strategies of the TAS, members are encouraged to deduct a major portion of their home mortgage payments, utilities, depreciation, automobile mileage, child and spouse wages, vacations, employee fringe benefits, and many other aggressive business tax deductions. According to Internal Revenue Code § 162A, a taxpayer can only deduct business expenses, which are ordinary and necessary, and are incurred during the operation of a legitimate ongoing trade or business.

3. Renaissance members, referred to as "Independent Marketing Associates" (IMAs), are encouraged to actively recruit new members. A newly recruited IMA can then start his or her own home-based Renaissance business, and purportedly realize tremendous savings on federal Income taxes. Renaissance promoters encourage aggressive recruitment of new members (IMAs) by allowing existing members to earn 'bonus' income based on the number of new members recruited and/or the total number of active

"Active" members are those having current \$ 100.00 monthly subscriptions in Renaissance's "Platinum Tax Advantage" (PTA) program. According to Renaissance promotional material, IMAs can earn bonus compensation based on a "trinary," or three-leg, multi-level marketing pay plan designed by Michael Cooper. Renaissance also encourages the purchase of a "Founders Pack," or four 'business centers' for one IMA. Renaissance claims that the purchase of a "Founders Pack" automatically establishes that member's three-leg customer base and entitles them to

additional benefits. An IMA's business center is "qualified" for bonus compensation by subscribing to Renaissance's Platinum Tax Advantage program. That is, the IMA is required to subscribe to PTA (\$ 100.00 monthly) in order to earn bonus compensation.

4. Renaissance's compensation plan features include: "Direct Sales," "Residual Direct -Trinary," "PTA Residual," and "Nationwide Infinity Pool" bonuses. All of these bonuses are calculated based on new PTA sales and/or current monthly renewals of PTA subscriptions in the IMA's downline. The PTA Residual bonus is determined by 'qualified levels of pay,'^t based on the number of active members sponsored by the IMA. Nationwide Infinity Pool bonuses are based on the number of active members in the IMA's downline, and the total national PTA Residual bonuses of all Renaissance IMAs. The Binary-Trinary, PTA Residual, and Nationwide Infinity Pool features of Renaissance's compensation plan are structured in the manner of a pyramid. Brief descriptions of features of Renaissance's bonus compensation plan are as follows:

A. Direct Sales Bonus

\$100.00 compensation - For each \$ 300.00 sale of the "Tax Advantage System" (TAS), also known as the 'Tax Relief System (TRS), and \$ 100.00 monthly subscription to PTA (hereafter referred to as TRS/PTA).

B. Residual Direct Sales Bonus

\$ 33.00 per month compensation — For three consecutive months following the sale of every TRS/PTA.

C. Binary Bonuses

\$ 300.00 compensation — For 9 TRS/PTA sales in each of any two legs in a business center.

\$600.00 compensation - For 18 TRSIPTA sales in each of any two legs in a business center.

\$ 900.00 compensation - For 27 TRS/PTA sales in each of any two legs in a business center.

D. Trinary Bonuses

\$300.00 compensation — For 3 TRS/PTA sales in each of the three legs in a business center.

\$ 600.00 compensation — For 6 TRS/PTA sales in each of the three legs in a business center.

\$900.00 compensation — For 9 TRS/PTA sales in each of the three legs in a business center.

E. PTA Residual Bonus

\$3.00 compensation — For each active customer per qualified level in IMA's downline:

1 personally sponsored active customer qualifies 3 levels;

2 personally sponsored active customers qualifies 6 levels;

3 personally sponsored active customers qualifies 9 levels.

Each level (X) of the downline has 3 to the Xth power of potential customers.

For example, level 6 would potentially have 3 to the 6th power customers, i.e.

729 customers; or potential PTA Residual Bonus of: \$ 3.00 x 729 = \$2,187.00.

F. Nationwide Infinity Pool Bonuses

Additional PTA Residual Bonuses for levels 10 through 12 of an IMA downline.

Successive and cumulative 3% shares of the total national PTA residual revenues, based on size and number of sales teams, i.e. business center downlines.

For example:	20,000 current PTA subscribers
x	\$100
x	<u>.03</u>
	\$1,800.00

5. According to Renaissance's compensation plan, non-qualified IMAs may sell the Tax Relief System to a customer without also subscribing the customer to the Platinum Tax Advantage. (A non-qualified IMA is one who is not currently subscribed in the PTA.) However, a non-qualified IMA is not eligible for any bonus compensation, but can earn \$ 100.00 profit from the \$300.00 sale of a TRS. "Qualified" IMAs may also sell the TRS only, but the sale is not considered to be "complete." For selling the TRS only, without the PTA, qualified IMAs are also ineligible for any bonus compensation based on that sale. These non-qualified and incomplete sales are given minimal attention in Renaissance's promotional materials, and, when addressed, they are presented in a manner to encourage sales of the PTA versus sales of the TRS only. All Renaissance bonus compensation programs are based on new PTA sales and/or the number of current PTA subscribers in the IMA's downline.

6. Members who recruit Certified Public Accountants (CPAs), or tax professionals, earn a "bounty" or "additional commission" for those recruitments. These CPAs, called the 'Affiliated Tax

Professional Network” (ATPN) are then encouraged to recruit new Independent Marketing Associates (IMAs) from their existing client base, and to prepare client returns utilizing the ‘automatic’ business deductions described in the Tax Relief System. The \$ 100.00 monthly Platinum Tax Advantage subscription fee, paid by Renaissance customers and IMAs, purportedly provides the subscriber with “unlimited support regarding tax-related and business-building issues.” Nevertheless, the cost to have a member of the Renaissance ATPN prepare your federal income tax return varies from thirty-five dollars to several hundred dollars based on the number and types of schedules required for the return. Additionally, Cooper claims to make PTA members “audit proof,” regarding potential Internal Revenue Service audits of PTA members federal tax returns.

7. Renaissance was established in 1995 and its membership base has continued to increase nationwide at a rapid pace since that time. According to recent Renaissance promotional material, its current membership base exceeds 50,000 members. Cooper oversees every aspect of the business operation, actively recruits new members, and promotes the use of questionable home-based business deductions to his members. In addition, Cooper has made numerous corporate stock offerings to members, knowing that Renaissance has not been legally approved to offer stock. To the contrary, Cooper was previously issued a cease and desist order by the State of Kansas for similar illegal stock offerings. He has also made numerous false claims and omissions in his written and audio/video promotional material in furtherance of his business activities. The promotion and sales of this organization are facilitated through the use of the United States Postal- Service, and commercial interstate parcel carriers.

8. Evidence obtained via grand jury subpoenas indicates that Renaissance has maintained numerous bank accounts over the past three years. Renaissance maintained three accounts as its primary business-operating accounts. These accounts were located at Firststar (f/d/b/a Mercantile) Bank, Columbian Bank, and Community National Bank, all located in Topeka Kansas. Based on a sampling of deposit and withdrawal items, it has been determined that these accounts were used to deposit service fees from Renaissance members, and to pay salary, commissions, and other Renaissance operating expenses. Deposits sampled from the Firststar and Community National Banks included deposits originating from three separate credit card merchant’s bank accounts, Equifax, Novus, and Maxxus companies. The Maxxus merchant transactions were deposited exclusively into the Renaissance bank account at Firststar (f/d/b/a Mercantile) Bank, Account #933001623-0. Funds from the Equifax and Novus accounts were deposited to

the Renaissance checking account at Community National Bank, Account #DDA0 100171. These merchant transactions represent credit card payments for services by Renaissance members to the company. Deposits into the Columbian Bank account were comprised mainly of bank drafts and checks drawn on customer bank accounts for memberships and services provided by Renaissance. According to Chuck Kermise of Columbian Bank, these drafts are prepared and deposited by a representative of Renaissance, and represent membership and service payment to Renaissance by Renaissance members. Based upon my review of these bank records there have been numerous transfers from these operating accounts to other Renaissance bank and brokerage accounts. Cooper also maintained a precious metals account at Monex Company, under the name Renaissance Designer Gallery, Michael Cooper, CEO. According to statements made by Cooper during a conference call with Renaissance members, the Monex precious metals account was intended as an investment account to be divided and used to provide sales bonuses to IMAs. A majority of the deposits into the Monex precious metals account originate from other Renaissance bank accounts.

EVIDENCE OF FORFEITABILITY

9. According to Renaissance promotional material, all new members are “automatically” entitled to \$ 5,000.00 in new tax deductions, and are able to reduce their current federal income tax withholding, giving members an immediate pay raise of approximately \$ 500.00 per month. This information is contrary to Internal Revenue Code § 162(A) which states that a taxpayer can only deduct business expenses which are reasonable, ordinary and necessary, and are incurred during the operation of a legitimate ongoing trade or business, and even under these circumstances, such business expense deductions are limited. The promotion and sale of a product utilizing deceptive and misleading information constitutes a scheme to defraud or obtain money by means of false or fraudulent pretenses. In this particular case, offering to sell and selling a tax reduction package promising immediate tax deductions to persons who have not actually incurred the expense in a legitimate business fits the definition of a fraud or deceptive practice. The use of the United States Mails and commercial interstate carriers to transport matter and things in furtherance of this scheme to defraud United States consumers violates 18 U.S.C. § 1341, (mail fraud). The use of the proceeds from the scheme to defraud in subsequent financial transactions constitutes a violation of 18 U.S.C. § 1956 and/or 18 U.S.C. § 1957, (money laundering). Proceeds derived from the mail fraud violations and property involved in the money laundering violations are forfeitable to the United States pursuant to 18 U.S.C. § 981.

10. Special Agents of the IRS Criminal Investigation Division, in an authorized undercover capacity, made numerous contacts with Cooper and other promoters of Renaissance. In all situations, the promoters emphasized the legitimate nature of their tax package, and advised the undercover agents that they too would be entitled to certain business deductions the moment they joined their organization. These deductions are in excess of any fees paid to Renaissance, and are taken without the actual expenditure being incurred by the member. They also encouraged the Special Agents to actively promote this package to others for a commission. They claimed that most independent marketing representatives (IMAs) earn the majority of their income from the commissions.

11. On September 3, 1998, David Brandt, Securities Commissioner for the State of Kansas, issued a consent order stating that Michael C. Cooper did not contest the fact that he had sold 4,032,000 shares of unregistered Renaissance securities as a promotional incentive, in the State of Kansas during 1998. In this order, the State of Kansas ordered Cooper to cease offering unregistered securities and to offer repayment to those that had been harmed. IRS Special Agents received information, while in an authorized undercover capacity, that Renaissance promoters are continuing to make comments regarding possible stock offerings, although Renaissance has still not received approval to do so by the State of Kansas, or the United States Securities and Exchange Commission according to Kansas State Securities Attorney, Wiley B. Kannarr.

Undercover Contact 1

12. On June 8, 1999, IRS Undercover Agent #1 (UCA#1), in an authorized undercover capacity, met with Thomas Steelman, at Steelman's office in Blue Springs, Missouri. According to information obtained from promotional material and statements made during the undercover investigation, Steelman is the co-founder of Renaissance, a CPA, and a member of the Renaissance Tax Team. UCA# 1 was wearing a concealed tape recorder and surreptitiously recorded his meeting with Steelman. UCA#1 had contacted Steelman under the guise of a Dallas, Texas businessman interested in the tax savings offered by Renaissance. **Steelman told the special agent that the Renaissance business was based on the sales of "home-based businesses."** According to Steelman, the wholesale products were irrelevant. **The focus was selling the home-based business package to others, who in turn would sell them to someone else, each realizing the tremendous tax benefits of owning a "home-based business."** The special agent was to profit from each sale below him in a multi-level marketing

strategy. Steelman stated that the special agent did not need to sell any product other than the “business package,” in order to claim deductions for a legitimate home-based business. Steelman stated that all you have to do is buy the package, and you can “avail yourself to all the deductions.” Steelman stated further that wherever he goes on vacations to Florida, or anywhere else he simply passes out some promotional material and his trips are deductible. According to Internal Revenue Code, § 1 62A, a taxpayer can only deduct reasonable business expenses, which are ordinary and necessary, and are incurred during the operation of a legitimate ongoing trade or business.

Undercover Contact 2

13. On June 15, 1999, IRS Undercover Agent #2 (UCA#2), in an authorized undercover capacity, entered Renaissance headquarters in Topeka, Kansas to inquire about obtaining membership into the organization. UCA#2 was wearing a concealed tape recorder and surreptitiously recorded the conversation with Executive Administrator Richard Kringen, CEO Michael Cooper, and several others. During this meeting, Kringen made the following statements to UCA#2 regarding Renaissance membership: **“By purchasing the business in a box (Renaissance membership), you can then write off 50% to 70% of all the expenses associated with your home or apartment” “The \$100 per month for the membership qualifies you for prima facie evidence you have a business in your home and qualifies you to break the exclusive use rule.” “The instant you buy the product (Tax Advantage System), you just increased your tax deductions by four, the tax relief system is worth four deductions to you.” “You can zero out your taxes on \$40,000 to \$50,000 income.” “The extent of the business is just referring it to others.”** According to Internal Revenue Code, § 162A, a taxpayer can only deduct reasonable business expenses, which are ordinary and necessary, and are incurred during the operation of a legitimate ongoing trade or business.

14. On nine separate occasions, UCA#2 received promotional or membership material from Renaissance, The Tax People, Inc., or an associate thereof, via the United States Postal Service, or an interstate commercial carrier. These mailings contained promotional material such as videotapes, brochures, tax forms and other material containing in part, false and/or misleading information. Specific details of the false and misleading information are listed in paragraphs #16 - #24.

15. On July 13, 1999, UCA#2 retrieved from UCA#2’s mailbox, an envelope postmarked, July 8, 1999, with United States Postal meter number 8065694, and return address of Renaissance, The Tax People, net, 1001 SW. Gage Boulevard, Topeka, Kansas 66604’, “Dick Kringen,” written in ink below the return address. This envelope contained a letter from Dick Kringen, regarding Renaissance membership,

"The 16th Amendment" Renaissance promotional magazine, photocopies of promotional information, and membership applications for Renaissance, The Tax People, Inc. This mailing contained material intended for the furtherance of the promotion of Renaissance as the materials would be considered as an incentive for prospective IMAs to join Renaissance and send money to Mr. Cooper and Renaissance, as well as incentives for current IMAs to recruit additional IMAs.

16. On July 19, 1999, UCA#2 retrieved from UCA#2's mailbox, a priority mail package postmarked, July 12, 1999, with United States Postal meter number 8065694, and return address of 'Renaissance, TTP, Dick Kringen, 1001 SW. Gage Boulevard, Topeka, Kansas 66604.' This package contained a promotional flyer titled, 'AIM Super Saturday' advertising a Renaissance seminar, a video tape titled 'It's your choice,' and a audio tape cassette titled, 'A personal message from the president. The following false claims and/or omissions were contained in the Renaissance videotape promotion titled, 'It's

17. **"This program is approved for eight hours of continual professional education (CPE) in all 50 states for licensed professionals."** At the time this tape was produced and distributed in 1999, Renaissance had not applied for such certification, according to the National Association of State Boards of Accountancy (NASBA). In March, 2000, Renaissance applied and was approved for certification by NASBA for live presentations only. However, acceptance by the NASBA is simply an endorsement and does not assure that the program will be approved by every state for CPE credit. According to Susan Somers, Director of the Kansas State Board of Accountancy, the State of Kansas has not approved the Renaissance program for CPE credits, and has stated that they do not plan to do so.

18. **"Renaissance is a publicly traded company."** According to Wiley Kannarr, Kansas State Securities Attorney, neither the State of Kansas nor the Federal Securities and Exchange Commission has approved Renaissance stock for public trading.

19. **Statement by Michael Cooper: "I overpaid my taxes by \$4,000.00 per year for the past 15 years."** Based on Internal Revenue Service Records of tax returns filed, the following is a summary of the years in which Cooper's total tax liability did not exceed \$3,000.00 for the year.

YEAR - TOTAL TAX LIABILITY		
1985	-	\$ 173
1988	-	\$2,940.
1990	-	\$ 868.
1991	-	ZERO
1992	-	\$ 1,098
1994	-	\$2,366
1995	-	ZERO

20. The following false claims and/or omissions were contained in the audio tape "A personal message from the president," a promotional tape narrated solely by Michael Cooper, and provided to new members as part of the Tax Advantage System:

21. **Statement made by Michael Cooper regarding his 1995 income received as president of a prior multi-level marketing company: "I was personally earning \$ 20,000.00 per month, and resigned as President in 1995 walking out on over \$ 40,000.00 per month personal income."** On Cooper's 1995 income tax return, he reported no wages and a (-\$ 52,545.00) loss from a sole proprietorship marketing business venture.

22. **"Renaissance is a publicly traded company."** As noted in paragraph 18, above, Renaissance was not authorized to be publicly traded.

23. **"One of the best parts of networking, and the one I want your family to enjoy is financial freedom for our families, and I mean a totally debt free lifestyle. Let me tell you what that means in my opinion. Now, I haven't borrowed any money since 1982, don't have a mortgage or payment on our home and we pay cash for whatever we want or need, you know cars, food, vacations, and to be real honest, even a few toys."** (statement made by Cooper). According to the United States Bankruptcy Court, Michael C. Cooper has filed three separate, Chapter 13 bankruptcies since 1982. The dates of those filings are: February 2, 1983, Bankruptcy #83-40072; March 11, 1991, Bankruptcy #91-40483; and, November 23, 1993, Bankruptcy #93-41903. On November 23, 1993, Michael C. and Mary C. Cooper filed a voluntary petition for a Chapter 13 Bankruptcy requesting relief from 39 separate creditors totaling approximately \$167,000.00. The following is a partial listing of those creditors:

Ten separate American Express Accounts, totaling approximately	\$33,400.
Armstrong Lumber, Inc.	\$ 4,150.
Centrex	\$ 5,000.
Capitol Federal Savings and Loan, Assn.	\$ 3,800.
Four Visa/MasterCard Accounts totaling approximately	\$12,000.
Constable Bindery	\$ 1,500.
Diamond Entertainment Corporation	\$ 2,500.
Ed Marling Stores	\$ 2,139.
Empire Graphics	\$10,000.
Energy Shear of America, Inc.	\$ 5,000.
Holinberg	\$ 3,500.
Inner-City Manufacturing	\$ 8,000.
Kinko's	\$ 2,000.
Seltsam, Hanni & Company (Lease)	\$10,000.
The Optima Card	\$ 2,572.
Contract for Deed (Residence Property)	\$18,000.

24. According to the Shawnee County, Kansas, Assessors office, Cooper purchased a tract of land

formerly known as 8544 NW Wilson Road, Topeka Kansas, (address changed to 2635 NW 86th Street, Topeka, Kansas) on contract for deed on July 10, 1986. Upon filing his 1993 Chapter 13 Bankruptcy, Cooper listed the remaining balance on that contract as \$18,000 (balloon payment).

25. On September 2, 1999, UCA#2 retrieved from UCA#2's mailbox, an envelope postmarked, August 30, 1999, with United States Postal meter number 8065694, and return address of Renaissance, The Tax People, net, 1001 SW. Gage Boulevard, Topeka, Kansas 66604", "Dick Kringen," written in ink below the return address. This package contained, "The 16h Amendment" Renaissance promotional magazine. This mailing contained material intended to induce the reader to participate in and promote the Renaissance program.

26. On September 2, 1999, UCA#2 retrieved from UCA#2s mailbox, a box containing a United Parcel Service, Ground label, tracking number 1Z 240 3W5 03 4331 6281, with a return address listed of 'Renaissance, net, 1001 SW Gage Blvd., Topeka, Kansas 66604. The box contained a promotional kit titled, "Tax Relief System," with eight promotional audio tapes, instructional booklets, automobile log, Fonn W-4, Renaissance membership applications, and a video tape, titled, "It's your choice." The false claims and/or omissions contained in the Renaissance video tape promotion titled, "It's your choice" are described in paragraphs 17-19, above.

27. On September 27, 1999, UCA#2 retrieved from UCA#2s mailbox an envelope postmarked, September 1, 1999. with United States Postal meter number 8065694, and return address of Renaissance, The Tax People, net, 1001 S.W. Gage Boulevard, Topeka, Kansas 66604", "Dick Kringen,' written in ink below the return address. This package contained a photocopy of the confirmation copy of UCA42's 'independent marketing associate application and agreement," twenty-two additional blank copies of the agreement listing UCA#2s name as sponsor, a list of upcoming Renaissance promotional rallies, question and answer forms, testimonials and other Renaissance promotional material. This mailing contained material intended to induce the reader to participate in and promote the Renaissance program.

28. On September 27, 1999, UCA#2 retrieved from UCA#2's mailbox an envelope postmarked, September 1, 1999, with United States Postal meter number 8065694, and return address of Renaissance, The Tax People, net, 1001 SW. Gage Boulevard, Topeka, Kansas 66604." This package contained a letter welcoming UCA#2 to Renaissance, and a promotional audiotape titled, "A personal message from the president.' The false claims and/or omissions contained in the audio tape "A personal message from the president" are described in paragraphs 21-24, above.

29. On October 5, 1999, UCA#2 retrieved from UCA#2's mailbox an envelope postmarked, October 1,

1999, with United States Postal meter number PB9872656, and return address of "A&T, Inc., 17331 E. 40 Hwy. suite 101A, Independence, Missouri 64055." This envelope contained information pertaining to tax return preparation services for Renaissance members, and a group of documents titled, "1998 income tax organizer." A&T, Inc. is a tax preparation company, owned by Thomas Steelman, a member of the Renaissance Tax Team. This mailing contained material intended to induce the reader to sell the Renaissance program to others, and information forms used by the Renaissance Tax Advantage System to prepare members' tax returns.

30. On October 14, 1999, UCA#2 retrieved from UCA#2s mailbox an envelope postmarked. September 1, 1999, with United States Postal meter number 8065694, and return address of Renaissance, The Tax People, net. 1001 S.W. Gage Boulevard, Topeka, Kansas 66604.' This envelope contained a Renaissance newsletter and other miscellaneous promotional material. This mailing contained material intended for the furtherance of the promotion of the Renaissance program.

31. On November 5, 1999, UCA#2 retrieved from UCA#2's mailbox an envelope postmarked, October 30, 1999, with United States Postal meter number 8065694, and return address of "Renaissance, The Tax People, net, 1001 SW. Gage Boulevard, Topeka, Kansas 66604." This envelope contained a Renaissance newsletter and other miscellaneous promotional material. This mailing contained material intended for the furtherance of the promotion of the Renaissance program.

Undercover Contact 3

32. On August 3, 1999, IRS Undercover Agent #1 (UCA#1), and Undercover Agent #3 (UCA#3) in an authorized undercover capacity, met with Thomas Steelman at his office in Blue Springs, Missouri. UCA#1 and UCA#3 were wearing concealed tape recorders and surreptitiously recorded their meeting with Steelman. The meeting was a follow-up from undercover contact #1, and UCA#1 was introducing his Accountant, UCA#3, to Steelman for possible recruitment into Renaissance. **Steelman advised the special agents that he prepares amended returns for his customers for the tax year that is three years prior to their membership with Renaissance. Steelman 'estimates' these prior business expenses which were allegedly omitted on the original return, although he has no records on which to base these claims or even substantiate the existence of the prior business. Steelman advises members to file the return within 60 days of the IRS statute expiration date of the return (statute of limitation for examination of the return), so the IRS won't have time to examine it. Steelman advised that he will not prepare the subsequent years' amended return until just prior to that year**

as well. When asked what he does in the event an amended return does get audited, Steelman stated, "I just drop the claim." Steelman also advised the Special Agents that no profit motive is necessary in operating their "home-based business," or in claiming these business deductions. Finally, Steelman stated that if the IRS audits one of the Renaissance members' original tax returns, he simply ignores the auditor's requests and files a claim in tax court. Steelman stated that he takes this action knowing the chances of their case being heard in tax court are minimal, thus resulting in the audit assessment being overturned. Steelman stated that he handles many tax issues in this manner. According to the United States Criminal Code, it is unlawful to prepare tax returns containing information which the preparer knows to be incorrect as to any material item, or to perpetrate a scheme to interfere with the lawful function of the IRS to assess or collect the proper amount of taxes. These actions would constitute a violation of Title 26, U.S.C. § 7206(2), (aiding and abetting in the preparation of a false document), and Title 18, U.S.C. § 371, (conspiracy to impede or impair the lawful function of the Internal Revenue Service). These violations, including Steelman's statements and conduct, are part of the fraudulent promotion of the Renaissance program in violation of 18 U.S.C. § 1341 (mail fraud).

33. The examination division of the IRS has verified that over the past year, there have been several original and amended income tax returns filed by Renaissance members, which have been selected for examination. The majority of these returns involve Schedule "C," small business tax schedules, which contain minimal gross receipts, and disproportionate expenses for automobile expenses, family wages, depreciation, travel, and business use of the home. In each case, these expenses grossly exceeded the business income amount, thus creating a substantial loss. During the civil review process, the IRS determined that many of these taxpayers were not legally entitled to claim these expenses, despite the fact that Renaissance promoters have claimed that these type of deductions are legal and appropriate. The majority of these audits have resulted in the disallowance of Renaissance-related business expenses, and a subsequent assessment of additional tax and penalties.

34. An analysis of bank and brokerage accounts maintained in the name of Michael C. Cooper, Renaissance, The Tax People, Inc, or any former, or otherwise associated entity thereof, was conducted by IRS Special Agent David Christmore. The following is a summary of that analysis:

35. **Firstar Bank, f/d/b/a Mercantile Bank of Topeka**

Account No. 933001623-0

Styled: 12/31/96 Renaissance Designer Gallery Products, Inc
1001 SW. Gage Blvd, Topeka, KS 66604

(changed) 04/30/98 Renaissance Designer Gallery DBA AIM
1001 SW. Gage Blvd, Topeka, KS 66604

According to the records maintained by Firststar Bank the total deposits into this account were \$2,612,628.97 in 1998, \$11,851,253.56 in 1999, and \$ 12,940,880.23 through July, 2000. This account was utilized to pay the operating expenses for the business operation, and remaining balances were transferred to Colonial Bank in Las Vegas. Based on my knowledge of the Renaissance business, experience with investigations involving this type of organization, characteristics of other Renaissance bank accounts, including deposits originating from merchants credit card accounts, the records for this account indicate that the deposits made in this account represent payments made by Renaissance members for Renaissance membership, fees, and services. On October 11,2000, a seizure warrant (D. Kan. No. 00-M-8097-0I) was served on Firststar Bank for this account resulting in the seizure of \$1,541,981.87 on October 17, 2000.

36. **Community National Bank**

Account No. DDA-0100171

Styled: 12/31/96 Renaissance Designer Gallery Products, Inc
Melvin G. McCall
1001 S.W. Gage Blvd, Topeka, KS 66604

(changed) 02/28/97 Renaissance Designer Gallery Products, Inc
1001 SW. Gage Blvd, Topeka, KS 66604

(changed) 07/31/99 Renaissance Designer Gallery Products, Inc.
P.O. Box 4654, Topeka, KS 66604

According to records maintained by Community National Bank, the total deposits into this account were \$ 3,053,749.50 in 1998, \$ 11,031,924.76 in 1999, and \$35,307,527.18 through September 21, 2000. Most deposits into this account are from credit card clearings of customers, via EQUIFAX and NOVUS accounts. Balances in this account were transferred to Colonial Bank in Las Vegas and beginning in September, 2000, into a savings account at Community National Bank. According to Community National Bank, Vice President Tom Pfannensteil, this account represented a Renaissance operating account, whereby all of the deposits represent payments to Renaissance by members for their Renaissance services. On October 11,2000, a seizure warrant (D. Kan. No. 00-M-8098-0I) was served on Community National Bank for this account resulting in the seizure of the account.

Deposits during the period October 11 -16, 2000, to this account totaled \$ 445,326.59, which brought the balance to \$1,585,837.56. On October 16, 2000, pursuant to the seizure warrant, Community National Bank turned over \$1,085,837.56 in funds out of this account pursuant to the seizure warrant. Community National Bank retained \$500,000.00 in escrow to cover any "charge backs" that might be presented against this account. This account was utilized by Renaissance TTP, Inc. to make automatic deposits, which were then automatically debited to the customer's checking accounts or charged to their credit cards. It had been Community National Bank's experience that after accepting and processing these automatic deposits some of the deposits would be returned to the bank as not honored by the bank accounts where the debit was to occur, or as charges to the respective credit cards. Typically, the customer would have placed a stop payment on the automatic debit to their bank account, or would instruct the credit card company to not allow any additional charges to this company. Had the bank forwarded all funds in the account to the U.S. Treasury per the seizure warrant executed on October 11,2000, it would have put the bank in the position of not having these funds available to return due to these charge backs to this account, which occurred after the account had been depleted. However, an agreement regarding the payment of the present and future charge backs has been reached between the officials of Community National Bank and the U.S. Attorney's Office. The agreement allows the payment of the charge backs to be handled as part of the asset forfeiture litigation. On December 7,2000, a seizure warrant was obtained (D. Kan. No. 00-M-8126-O1) and will be served on December 8, 2000, on Community National Bank for the \$500,000 that Community National Bank had retained.

37. **Community National Bank**

Account No. SAV-08 16175

Account opened: 09/05/00

Styled: 07/31/99

Renaissance TTP, Inc.

P.O. Box 4654, Topeka, KS 66604

According to records maintained by Community National Bank, this is a savings sweep account opened in September, 2000. Excess funds of account no. DDA-0100171 (See paragraph 36, above) are transferred

into this account. Total deposits for September, 2000, are \$7,809,020.03. According to Community National Bank, Vice President Tom Pfannensteil, the purpose of this account is for Renaissance to earn interest on the excess funds in their operating account, while still having those funds available if needed. On October 11,2000, a seizure warrant (D. Kan. No. 00-M-8102-01) was served on Community National Bank for this account resulting in the seizure of \$3,319,317.54 on October 16, 2000.

38. Columbian Bank, Topeka, Kansas Account No. 10088110

Account opened:	03/07/00	
Styled:	03/07/00	Renaissance TTP, Inc. 1001 S.W. Gage Blvd., Topeka, KS 66604

According to the records maintained by Columbian Bank, this is a checking account opened March, 2000, and total deposits through August, 2000, equal \$ 5,448,832.79. A sampling of the deposit items to this account disclose that this account is utilized to deposit checks and drafts received from customers for products materials or services. Funds in this account were subsequently transferred to Colonial Bank. According to Columbian Bank Vice President Chuck Kermise, this account represents a Renaissance operating account. The deposits are comprised of bank drafts, prepared by Renaissance which represent its members' monthly payment for services. On October 11, 2000, a seizure warrant (D. Kan. No. 00-M-8099-01) was served on Columbian Bank for this account resulting in the seizure of \$272,881.14.

39. Commerce Bank

Account No.	102-783-2	
Account opened:	10/05/98	
Styled:	10/05/98	Double M, Inc. 2635 NW. 86th St., Topeka, Kansas 66618

According to the records maintained by Commerce Bank this is a Venture Checking Account bank account. Double M, Inc. is a personal corporation belonging to and controlled by Michael C. Cooper and Mary C. Cooper. Total deposits into this account for the past twelve months include the following:

\$ 1,664,688.24 which represents funds from Colonial Bank, Las Vegas, NV; Acct. 112002544, (See Paragraph 41, below) and
\$ 69,590.19 which represents funds from Community National Bank, Topeka KS; Acct. 0100171 #DDA (See Paragraph 36, above)

On October 11, 2000, a seizure warrant (D. Kan. No. 00-M-8100-0l) was served on

Commerce Bank for this account resulting in the seizure of \$16,129.13.

40. **Commerce Bank**

Account No. 173-925-5

Account opened: 01/28/99

Styled: 01/29/99

Michael C. Cooper

Mary C. Cooper

2635 NW. 86th St., Topeka, Kansas 66618

According to records maintained by Commerce Bank, between November 2, 1999, and July 20,2000, Mr. Cooper deposited or caused to be deposited \$1,648,914.62 into this account, with such funds being transferred or originating from the account described in paragraph 39, supra, (Double M account). On October 11,2000, a seizure warrant (D. Kan. No. 00-M-8096-01) was sewed on Commerce Bank for this account resulting in a seizure of \$ 534,444.06.

41. **Colonial Rank, Las Vegas**

Account No. 112002544

Styled: 12/27/96 Renaissance of Nevada
2635 NW. 86th St., Topeka, Kansas 66618

(changed) 12/26/97 Renaissance Designer Gallery Productt, Inc.
1001 SW. Gage Blvd., Topeka, KS 66604

(changed) 08/28/98 Renaissance Designer Gallery Products, Inc.
"Hold at Branch"

(changed) 04/27/00 Renaissance Designer Gallery Products, Inc.
2820W. Charleston Blvd., Las Vegas, NV 89102

According to records maintained by Colonial Bank, this was the checking account used to pay investors monies that they had earned through the Renaissance pyramid scheme. Deposits are as follows: \$4,823,034.96 in 1998; \$15,933,793.94 in 1999; and \$12,582,192.78 through April, 2000. In 1998, funds were transferred into this account as follows: \$1,749,000.00 from Firstar Bank (f/d/b/a Mercantile Bank), and \$ 2,913,000.00 from Community National Bank in 1998; \$1,057,000.00 from Firstar Bank (f/d/b/a/ Mercantile Bank) and \$1,409,000.00 from Community National Bank in 1999, as well as, transfers from

Colonial Bank, Las Vegas account no. 112006337 in the amount of\$ 13,416,913.43. In 2000, transfers were the source of deposits into this account, with \$12,535,778.65 being transferred from account no. 112006337 into this account. According to Young Boozer, the security department manager for Colonial Bank, the checking account represented a Renaissance business operating account. A large portion of Renaissance deposits originated from other Renaissance bank accounts in Topeka, Kansas. According to Steve Crist, of Colonial Bank, this account is now closed.

Approximate balance: Zero (account closed)

42. **Colonial Bank, Las Vegas**

Account No. 112006337		
Styled:	12/27/96	Michael C. Cooper, DBA Renaissance Holding Corp. 4020 SW. 6th St., Topeka, Kansas 66606
(changed)	06/28/97	Michael C. Cooper, DBA Renaissance Holding Corp. 1001 SW. Gage Blvd., Topeka, KS 66604
(changed)	03/26/99 DBA	Renaissance Holding Corp.. Michael C. Cooper, 1001 SW. Gage Blvd., Topeka, KS 66604
(changed)	08/27/99	Michael C. Cooper, DBA Renaissance of Nevada 1001 SW. Gage Blvd., Topeka, KS 66604

According to the records maintained by Colonial Bank, this is the 'holding account" at this bank. Deposits into this account are as follows: \$358,194.00 in 1998; \$6,755,823.18 in 1999; and, \$ 15,999,536.59 in 2000. This account was subsequently utilized to transfer funds into account no. 112002544 at Colonial Bank. A review of the deposit items into this account indicate that the deposits into this account for 1998 included monies received from persons investing in Renaissance stock. In 1999, \$ 6,985,000.00 was transferred from Mercantile Bank, and \$8,085,000.00 was transferred from Community National Bank. For 2000, \$6,330,000.00 was transferred from Mercantile Bank, \$ 9,3 85,000.00 was transferred from Community National Bank, and \$270,000.00 was transferred from Columbian Bank. According to Steve Grist of Colonial Bank, this account is now closed.

43. **Monex Company**

Account No. 1-0841898-0		
Account opened:	11/30/95	
Styled:	11/30/95	Michael Cooper 4020 Southwest 6th Street, Topeka, KS 66606
(changed)	12/31/95	Renaissance Designer Gallery, Michael C. Cooper C.E.O. 4020 Southwest 6th Street, Topeka, KS 66606
(changed)	08/31/98	Renaissance Designer Gallery, Michael C. Cooper C.E.O. 1001 S.W. Gage Blvd., Topeka, KS 66604

According to the records maintained by Monex, this is a precious metal commodity account. Total deposits between December 4, 1995 and August 29, 2000, were \$1,303,510.11. Sources of these deposits were: \$ 776,849.15 from Colonial Bank, Las Vegas account no. 112002544; \$215,000.00 from Community National Bank account no. 0100171; and \$300,000.00 from Farmers and Merchants Bank. In a conference call to Renaissance members, Cooper stated that he had purchased silver, and other precious metals, to offer as sales incentives to members. These awards were to be presented at the annual Renaissance conferences.

On October 11, 2000, a seizure warrant (D. Kan. No. 00-M-8101-0I) was served on Monex for this account, and upon its liquidation and related expenses resulted in the seizure of \$ 518,116.87.

44. Information received from bank records obtained during the execution of a search warrant at the Renaissance corporate headquarters on October 11, 2000, revealed the existence of investment accounts maintained at Putnam Investments in Boston, Massachusetts. These accounts were held in the name of Double M, Inc., a closely-held corporation of Michael C. & Mary C. Cooper. The following are details pertaining to the Putnam Investments.

45. **Putnam Investments #1**

Account No. B99-1-48-1206348-BBBN (Putnam New Century Growth CI-A)		
Styled:	02/15/00	Double M, Inc. Client No. 0447894635 2635 NW 86th St. Topeka, Kansas 66618-2117

According to records maintained by Commerce Bank that IRS Special Agent David Christmore reviewed, on April 28, 2000, Mr. Cooper issued check no. 1006, drawn on Commerce Bank account no.173-925-5, in the amount of \$100,000.00 with this check being payable to: Putnam Investments. On May 1, 2000, Cooper deposited \$100,000.00 with Putnam Investments, Putnam New Century Growth CI-A fund, account number B99-I-48-1206348-BBBN. As of June 30,2000, this account had a balance of \$188,432.15. Additionally, during the execution of a search warrant at Renaissance's headquarters building located at 1001 SW Gage Boulevard, Topeka, Kansas, (D. Kan. No. 00-M-8095-01), records regarding this investment account were found that also showed the funds from this check being deposited into this investment account.

On October 17, 2000, a seizure warrant (D. Kan. No. 00-M-8106-01) was obtained for the funds in this account up to \$ 100,000.00. The warrant was served on Putnam Investments in Boston, Massachusetts, on October 19, 2000, and resulted in the seizure of\$ 931.50.

46. Putnam Investments #2

Account No. D62-1-48-1206348-BBB9 (Tax Smart Equity Fund CI-A)

Styled: 01/05/00 DoubleM, Inc.Client No. 0447894635
2635 NW 86th St.
Topeka, Kansas 66618-2117

According to records maintained by Commerce Bank that Special Agent David Christmore renewed, on January 4, 2000, Michael Cooper issued check no. 1004 drawn on Commerce Bank, account no. 173-925-5, in the amount of \$100,00.00, with this check being payable to: Putnam Investments. The memo section of this check includes the notation 'Tax Smart Equity'. On January 5, 2000, Cooper opened an account at Putnam Investments, under the name Double M, Inc. This account was opened in the Putnam Tax Smart Equity CL-A fund, account number D62-I-48-1206348-BBB9. The initial deposit on January 5, 2000, was in the amount of \$100,000.00. As of June 30, 2000, this account fund had a balance of\$1 12,765.95. Additionally, during the execution of a search warrant at Renaissance's headquarters building located at 1001 SW Gage Boulevard, Topeka, Kansas, (D. Kan. No. 00-M-8095-01), records regarding this investment account were found that also showed the funds from this check being deposited

into this investment account.

On October 17, 2000, a seizure warrant (D. Kan. No. 00-M-8107-01) was obtained for the funds in this account up to \$ 100,000.00. On October 19, 2000, this seizure warrant was served on Putnam Investments in Boston, Massachusetts, and resulted in the seizure of \$ 892.79.

47. **Woodmen Accident and Life Company**
Policy/Contract Number: 0304759200
Date of Issue: February 21, 2000
Face Amount: \$ 100,000.00
Insured: Michael C. Cooper
Owner: Renaissance, Inc.

According to records obtained from Commerce Bank related to account number 173-925-5 that Special Agent David Christmore has reviewed pursuant to a Grand Jury subpoena, on June 20, 2000, Mr. Cooper issued check no. 1007, drawn on this account, in the amount of \$ 250,000.00, with this check being payable to the order of Woodmen Accident and Life. The memo section of this check has the notation "250,000 Life Contract - Policy #304759200."

Records have been received pursuant to a Grand Jury subpoena from Woodmen Accident and Life Company related to policy number 0304759200, which Special Agent Christmore has reviewed. These records disclose that on February 21, 2000, this policy was issued and indicated an initial premium of \$ 250,000.00. The records indicate that this policy is a "whole life" insurance policy with a face amount of \$ 100,000.00, and an initial annual premium of \$ 2,520.00. This insurance policy also contains a "paid-up additions purchase option rider - single premium" with a face amount of \$ 971,626.00 with an initial annual premium of \$ 247,480.00. A delivery certificate contained within these records discloses that this policy was delivered to Michael C. Cooper on June 20, 2000. The beneficiary of this insurance policy is the estate of the insured, Michael C. Cooper. According to these records, this policy had a surrender value of \$ 236,673.24 on October 21, 2000. On November 28, 2000, a seizure warrant (D. Kan. No. 00-M-8117-01) was served on Woodmen Accident and Life Company, Omaha, Nebraska. The policy has not been surrendered to the United States pursuant to this seizure warrant, but it has been frozen.

48. **Nationwide Life Insurance Company #1**
Policy/Contract Number: NI 00700320
Policy Date: June 16, 2000

Initial Specified Amount:	\$ 2,659,424.00
Insured:	Michael C. Cooper
Owner:	Michael C. Cooper

According to records obtained from Commerce Bank related to account number 173-925-5 that IRS Special Agent David Christmore has reviewed pursuant to a Grand Jury subpoena, on June 20, 2000, Mr. Cooper issued check no. 1008, drawn on this account, in the amount of \$ 750,000.00, with this check being payable to the order of Nationwide Life. The memo section of this check has the notation 750,000.00 Life Contract - Policy #N100700320.

Records have been received pursuant to a Grand Jury subpoena from Nationwide Life Insurance Company related to policy number N100700320, which Special Agent Christmore has reviewed. These records disclose that this policy date is June 16,2000, and a policy delivery receipt contained within these documents indicates the policy was delivered to Michael C. Cooper on June 20, 2000, and on that date he paid \$ 750,000.00 to Nationwide Life Insurance Company. These records disclose that this policy is a single premium, Flexible Premium Variable Universal Life insurance policy wit an initial specified amount of \$2,659,424.00, and a scheduled premium of \$750,000.00. According to these records, this policy had an accumulated cash value of \$ 669,148.75, a surrender charge of\$ 30,274.48, with a resulting surrender value of\$ 638,874.27 on November 1, 2000. On November 27, 2000, a seizure warrant (1). Kan. No. 00-M-8119-01) was served on Nationwide Life Insurance Company, Columbus, Ohio. This policy has not yet been surrendered to the United States, but it has been frozen.

49. **Nationwide Life Insurance Company #2**
Policy/Contract Number: N100670690
Policy Date: June 16, 2000
Initial Specified Amount: \$ 2,140,000.00
Insured: Michael C. Cooper
Owner: Renaissance, Inc.

Records have been received pursuant to a Grand Jury subpoena from Nationwide Life Insurance Company related to policy number N100670690, which IRS Special Agent David Christmore have reviewed. These records disclose that this policy was issued on June 16,2000, and a policy delivery receipt contained within these documents indicates the policy was delivered to Michael C. Cooper on June 20,

2000, and on that date he paid \$135,000.00 to Nationwide Life Insurance Company. These records included a copy of check number 174196, dated June 20,2000, drawn on the Renaissance, TTP, Inc. bank account number 112002544 located at Colonial Bank in Las Vegas, Nevada. These records disclose that this policy is a Flexible Premium Variable Universal Life insurance policy with an initial specified amount of\$ 2,140,000.00, and a scheduled premium of\$ 135,000.00. These records show the insured ofthis policy is Michael C. Cooper, with the owner of the policy as Renaissance, Inc. According to these records, this policy had an accumulated cash value of \$116,947.96, a surrender charge of \$24,361.44, with a resulting surrender value of \$92,586.52 on November 1,2000. On November 27, 2000, a seizure warrant (D. Kan. No. 00-M-8118-01) was served on Nationwide Life Insurance Company, Columbus, Ohio. This policy has not yet been surrendered to the United States, but it has been frozen.

50. A diagram is attached to this affidavit as Exhibit A which details the transfer of funds between accounts for purposes of establishing money laundering transactions and to establish a nexus for the forfeiture of the property for which forfeiture is sought.
51. On October 11,2000, agents with the IRS and U.S. Postal Inspection Service executed a search warrant (D. Kan. No. 00-5025-M-01) at Commerce Bank, Topeka, Kansas, for safe deposit box #040336, which was leased by Michael C. and Mary Cooper. The agents found 240 Australian gold coins, 310 Canadian gold coins, 1 Australian Koala platinum coin, and 1 United States Double Eagle gold coin in this safe deposit box. The packaging materials for these coins were dated, which indicated their purchase had been made during the time frame of the fraudulent scheme described within this affidavit. The purchase of these coins would have been made with proceeds from the fraudulent activity described within this affidavit and/or purchased to conceal or disguise the nature, location, source, ownership, or control of the proceeds of the fraudulent activity.
52. The properties identified in Section II of this affidavit and more fully described in paragraphs 35, 36, 37, 38, 39, 40, 43, 45,46, 47, 48, 49, and 51, above, have been used by Michael Cooper and/or Renaissance, Inc. to facilitate the promotion of fraudulent activity, and/or to conceal or disguise the nature, location, source, ownership, or control of the proceeds of the fraudulent activity. These properties represent the proceeds of a specified unlawful activity (mail fraud) under 18 U.S.C. §

1341, and/or constitutes property involved in violations of 18 U.S.C. §§ 1956 and 1957 (money laundering), and are therefore subject to forfeiture pursuant to 18 U.S.C. § 981.

CONCLUSIONS OF AFFIANT

53. Based on information obtained from other federal law enforcement agents, the special agents involved in the IRS undercover operation, and a review of Renaissance promotional material, I have probable cause to believe that false and misleading advertising and statements, indicates the intent of Michael Cooper and Renaissance to engage in a scheme to defraud using the United States Mails in furtherance of this scheme. In addition, a review of bank records for Michael Cooper and Renaissance, indicates that the proceeds from the scheme to defraud were deposited in the bank and investment accounts, coins, and life insurance policies identified above. Additionally, the bank records for Michael Cooper and Renaissance indicate that the proceeds obtained as a result of the mail fraud scheme in amounts exceeding \$ 1 00,000,000.00 over a three-year period, were laundered by using these proceeds for such things as payment of members' commissions and bonuses, promotional materials, and the general operating expenses of Renaissance for the purpose of promoting the fraudulent activity in violation of 18 U.S.C. §§ 1956 and 1957. Thus, I have probable cause to believe that the properties identified herein are subject to forfeiture pursuant to 18 U.S.C. § 981.

RICK DONNELSON
Special Agent, IRS-CID

Subscribed and sworn before me this 7th day of December, 2000.

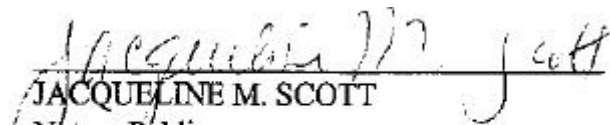

JACQUELINE M. SCOTT
Notary Public
My Appt. Expires 6-8-03

EXHIBIT "A"

