

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA

San Diego, California

***United States Attorney
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For Immediate Release

TWO SENTENCED IN NATIONWIDE MULTI-MILLION DOLLAR INVESTMENT SCAM

NEWS RELEASE SUMMARY - December 11, 2008

San Diego, CA - United States Attorney Karen P. Hewitt announced that today United States District Court Judge Thomas J. Whelan sentenced Randall T. Treadwell to serve 300 months in federal prison and ordered him to pay \$44 million in restitution. A federal jury found Treadwell, and co-defendants Ricky D. Sluder and Larry C. Saturday, guilty on June 7, 2008, of conspiracy and wire fraud.

According to the indictment and evidence introduced at trial, the defendants used companies named "Learn Waterhouse, Inc.," "Wealth Builders Club, Inc.," and "Qwest International, Inc.," to fraudulently solicit over \$50 million from members of the public, purportedly for participation in high-yield trading programs and venture capital investments. The defendants falsely represented that the money would be used for investments that would generate returns ranging from a guaranteed minimum of 2% per month to projected returns of 50% per month or more. For example, the defendants falsely represented that they had engaged in a \$3 million "program" that returned 500% in 40 banking days. They also represented that they

dealt only with “top” U.S. banks, that their investment programs were “risk free,” and that they had a long track record of success.

However, according to evidence introduced at trial, Learn Waterhouse, Wealth Builders Club, and Qwest never generated any profit through any investment activity, but instead merely used investors’ funds to make lulling payments to other investors. The defendants also converted investor funds to their own use. For example, Treadwell used investor funds for a Jacksonville Jaguars luxury box, a \$100,000 boat and a Caribbean cruise and to pay the mortgage on his personal residence in Savannah, Georgia.

Co-defendant Arnulfo M. Acosta, an attorney licensed in Texas, was also sentenced today before Judge Whelan to serve 87 months in custody and ordered to pay \$20 million in restitution based on his guilty plea, on May 10, 2007, to making a false statement and conspiracy charges. As part of his guilty plea, Acosta admitted that he and his three co-conspirators used Learn Waterhouse to fraudulently solicit over \$20 million from members of the public, supposedly for participation in high-yield trading programs and venture capital investments. As part of his plea, Acosta also admitted that, when he knew he was under investigation by the Federal Bureau of Investigation, he intentionally made a materially false statement to the Federal Bureau of Investigation by falsely stating that he was not involved in Learn Waterhouse’s sales efforts, when, in fact, he was involved in promoting and aiding Learn Waterhouse’s sales efforts.

United States Attorney Hewitt stated, “The severity of the punishment imposed today reflects the egregiousness of the conduct in which Randall Treadwell and co-defendants Ricky Sluder and Larry Saturday engaged. They victimized and preyed upon an unsuspecting investing public and fully earned long custodial sentences – with respect to Treadwell, one of the longest prison terms imposed upon a “white collar” criminal in this district. Economic predators will not be permitted to operate in this district with impunity.”

FBI Special Agent in Charge Keith Slotter stated, “Today’s sentencing sends a strong message to those who would falsely misrepresent their investment products and take advantage of the public’s trust.”

Both the United States Attorney’s Office and the Federal Bureau of Investigation specifically note the contributions of the Securities and Exchange Commission, the Alabama Securities Commission, the Florida Bureau of Financial Investigations, and the Texas State Securities Board to this prosecution.

Sentencing for co-defendants Ricky D. Sluder and Larry C. Saturday is scheduled before United States District Judge Thomas J. Whelan on January 12, 2009, at 9:00 a.m. in federal court in San Diego.

DEFENDANTS

Case No. 05CR1570-W

Randall T. Treadwell

Arnulfo M. Acosta

SUMMARY OF CHARGES

Title 18, United States Code, Section 371 - Conspiracy to Commit Offenses Against the United States

Title 18, United States Code, Section 1343 - Wire Fraud

Title 18, United States Code, Section 1001 - False Statement (Acosta only)

PARTICIPATING AGENCIES

Federal Bureau of Investigation

Securities and Exchange Commission

Alabama Securities Commission

Bureau of Financial Investigations, State of Florida

Texas State Securities Board