

**United States Attorney Melinda Haag
Northern District of California**

FOR IMMEDIATE RELEASE

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**SONOMA MAN SENTENCED TO 37 MONTHS IN PRISON FOR WIRE
FRAUD**

SAN FRANCISCO – Michael Thomas Hamilton, a/k/a Thomas Smith, was sentenced today to 37 months in prison and ordered to pay \$426,911 in restitution for wire fraud, announced United States Attorney Melinda Haag and FBI Special Agent in Charge David J. Johnson.

Hamilton, 49, of Sonoma, Calif., was indicted by a federal grand jury on Nov. 19, 2013. He was charged with 22 counts of mail fraud, wire fraud, and money laundering. On May 8, 2014, he pleaded guilty to two of the wire fraud counts.

In his guilty plea, Hamilton admitted that he engaged in a scheme to obtain money and property by means of materially false and fraudulent representations regarding Small Leaf, a book-selling business he owned and operated. Between February 2011 and continuing through October 2013, Hamilton solicited Small Leaf investors through Craigslist and other means. As part of the scheme, Hamilton falsely represented that: (1) investors would earn high rates of return through the sale of books on Amazon.com and other platforms; (2) if investors did not recoup their investment by a certain date, Small Leaf would reimburse the investor with interest of 10%; and (3) his book-selling business generated more than one million dollars in yearly revenue. In truth, Hamilton's book-selling business generated a de minimus amount of revenue. To induce investors to turn over their money and to lull them into falsely believing their investment was profitable, Hamilton made periodic payments to investors, which he claimed were royalties earned on the sale of books through Amazon. Most of the payments made to investors, however, were from investments by new investors or additional investments by existing investors.

By October 2013, according to the plea agreement, Hamilton had solicited approximately \$1,616,000 from more than 20 investors in California, Oregon, and Massachusetts.

The sentence was handed down by the Honorable William H. Orrick, United States District Court Judge, in San Francisco. Judge Orrick also sentenced the defendant to a three-year period of supervised release. The defendant, who is currently released on a \$75,000 bond, will begin serving the sentence on Jan. 30, 2015. Judge Orrick also ordered a hearing on Jan. 15, 2013, at 1:30 p.m., to resolve additional restitution issues.

Robert S. Leach is the Assistant U.S. Attorney who is prosecuting the case with the assistance of Mary Mallory and Bridget Kilkenny. The prosecution is the result of an investigation by the FBI.

Further Information:

Case #: CR-13-00748 WHO

A copy of this press release may be found on the website of the U.S. Attorney's Office at <http://www.justice.gov/usao/can/index.html>.

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at www.cand.uscourts.gov.

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