# Department of Justice

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

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**<u>SANTA ROSA MAN CHARGED WITH ADDITIONAL COUNTS OF FRAUD AND MONEY LAUNDERING</u>**

***Defendant allegedly defrauded multiple new victims after 2011 indictment***

SAN FRANCISCO – A federal grand jury in San Francisco yesterday issued a second superseding indictment against Douglas Dean Hollingsworth (a/k/a Doug Hollingsworth) of Santa Rosa, Calif., charging him with two counts of mail fraud, twenty-one counts of wire fraud, and four counts of money laundering, United States Attorney Melinda Haag announced. The charges arise out of Hollingsworth's alleged operation of a Ponzi scheme through which he convinced numerous victims that he had developed a sophisticated computer system that permitted him to identify trends in the financial markets and conduct highly-profitable short-term trading based on those trends. Hollingsworth promised victims guaranteed rates of return – up to six percent per month – on money they provided to his companies, Baytree Investors and Capsule Partners.

According to the second superseding indictment, Hollingsworth, 64, is alleged to have used victims' money for his own personal use (such as more than $20,000 spent at Santa Rosa Dental Care and more than $14,000 spent at Best Buy) and to pay earlier victims their promised rates of return, not to conduct profitable trading activities as he had promised. Hollingsworth also concealed from some of his new victims that his home had been searched and bank accounts seized pursuant to a federal warrant in 2010, and that he had been indicted by a federal grand jury in 2011.

Hollingsworth was arrested in Santa Rosa and made his initial appearance in federal court in San Francisco on Sept. 2, 2011. He is currently out of custody on a $100,000 bond. The defendant's next scheduled appearance is at 9:30 a.m. on Dec. 27, 2012, for his arraignment before Magistrate Judge Jacqueline Scott Corley.

The maximum statutory penalty for each count of mail and wire fraud, in violation of 18 U.S.C. §§ 1341 and 1343, respectively, is 20 years' imprisonment, a fine of $250,000, and restitution. The maximum statutory penalty for each count of money laundering, in violation of 18 U.S.C. § 1957, is 10 years' imprisonment, a fine of $250,000, and restitution. However, any sentence following conviction would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Denise Marie Barton and Tracie L. Brown are the Assistant U.S. Attorneys who are prosecuting the case with the assistance of Denise Oki, Elizabeth Garcia, and Rayneisha Booth. The prosecution is the result of an investigation by the Federal Bureau of Investigation.

*Please note, an indictment contains only allegations against an individual and, as with all defendants, Hollingsworth must be presumed innocent unless and until proven guilty.*

**Further Information:**

Case #: CR 11-0540 CRB

A copy of this press release may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can.

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.

All press inquiries to the U.S. Attorney's Office should be directed to Jack Gillund at (415) 436-6599 or by e-mail at Jack.Gillund@usdoj.gov.

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