

AD 93 (Rev. 5/85) Search Warrant

United States District Court

SOUTHERN DISTRICT OF FLORIDA

In the Matter of the Search of (Name, address or brief description of property or premises to be searched)

SEARCH WARRANT

MICROSOFT CORPORATION
ATTN: Online Services Custodian of Records
1065 La Avenida
Mountain View, CA 94043

CASE NUMBER: 09-2231 RLD

TO: Chanin Waterman and any Authorized Officer of the United States

Affidavit(s) having been made before me by Chanin Waterman who has reason to believe that

[X] on the premises known as (name, description and/or location) 1065 La Avenida Mountain View, CA 94043

in the Northern District of California there is now concealed a certain person or property, namely

See Attachment A

I am satisfied that the affidavit(s) and any recorded testimony establish probable cause to believe that the person or property so described is now concealed on the person or premises above-described and establish grounds for the issuance of this warrant.

YOU ARE HEREBY COMMANDED to search on or before March 5, 2009 (Date)

(not to exceed 10 days) the person or place named above for the person or property specified, serving this warrant and making the search (in the daytime - 6:00 A.M. to 10:00 P.M.) (at any time in the day or night as I find reasonable cause has been established) and if the person or property be found there to seize same, leaving a copy of this warrant and receipt for the person or property taken, and prepare a written inventory of the person or property seized and promptly return this warrant to Robert L. Dubé, DUTY MAGISTRATE JUDGE as required by law.

U.S. Judge or Magistrate Judge

27 Feb 09 12:45 P.M. Date and Time Issued

at Miami, Florida City and State

ROBERT L. DUBÉ United States Magistrate Judge Name and Title of Judicial Officer

Signature of Judicial Officer (Handwritten Signature)
Certified to be true and correct copy of the document on file
Steven M. Larimore, Clerk, U.S. District Court Southern District of Florida
By (Handwritten Signature) Deputy Clerk
Date 2/27/09

DATE WARRANT RECEIVED <i>2-27-2009</i>	DATE AND TIME WARRANT EXECUTED <i>2-28-2009</i>	COPY OF WARRANT AND RECEIPT FOR ITEMS LEFT WITH <i>Microsoft Corporation</i>
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INVENTORY MADE IN THE PRESENCE OF

INVENTORY OF PROPERTY SEIZED PURSUANT TO THE WARRANT

*2 cd's containing e-mails for mikemuzio@msn.com*

CERTIFICATION

I swear that this inventory is a true and detailed account of the property seized by me on the warrant.

\_\_\_\_\_

Subscribed, sworn to, and returned before me this date.

\_\_\_\_\_  
U.S. Judge or Magistrate

\_\_\_\_\_  
Date

## ATTACHMENT A

### I. Search Procedure

a. The officer executing this warrant shall effect service by any lawful method including faxing the warrant (with Microsoft Corporation consent) to Microsoft Corporation's offices at the location specified in the warrant.

b. The officer executing this warrant shall permit Microsoft Corporation, as custodian of the computer files described in Section II below, to locate the files, copy them onto removable electronic storage media or print them out as paper copies (or use a different copying method if specified in Section II below), and deliver the copies to the officer, who need not be present during this process at the location specified in the warrant.

### II. Files and Accounts to be Copied by Microsoft Corporation Employees

a. All electronic mail stored and presently contained in, or on behalf of, the email account **mikemuzio@msn.com** and any related email accounts.

b. All existing printouts from original storage of all of the electronic mail described above in Section II(a);

c. All transactional information of all activity of the electronic mail addresses and/or individual accounts described above in Section II(a), including log files, dates, times, methods of connecting, ports, dial-ups, and/or locations;

d. All business records and subscriber information, in any form kept, pertaining to the electronic mail addresses and/or individual accounts described above in Section II(a), including applications, subscribers' full names, all screen names associated with the subscribers and/or accounts, all account names associated with the subscribers, methods of payment, telephone numbers, addresses, and detailed billing records; and

e. All records indicating the services available to subscribers of the electronic mail addresses and/or individual accounts described above in Section II(a).

**AFFIDAVIT IN SUPPORT OF  
APPLICATION FOR SEARCH WARRANT**

I, Chanin Waterman, Special Agent of the Federal Bureau of Investigation (FBI), being duly sworn, hereby depose and say the following:

**A. Agent Background and Introduction**

1. I have been employed as an FBI investigative law enforcement officer since 1995. I am empowered to conduct criminal investigations, make arrests, and execute search and arrest warrants related to, among other things, corporate offenses including conspiracy, securities fraud, mail fraud and wire fraud.

2. This Affidavit is based upon my personal knowledge, information and evidence obtained by other law enforcement officers and regulatory officials in the course of this investigation, and reference materials used in the securities industry.

**B. The Internet and MSN**

3. Based on my training and experience, I know that Title 18, United States Code, Section 2703(a) permits any court "with jurisdiction over the offense under investigation" to issue a search warrant even where the search location is outside the Court's geographic jurisdiction. Moreover, I know that Section 2703(g) provides that "the presence of an officer shall not be required for service or execution of a search warrant issued in accordance with this chapter..."

4. Per Title 18, United States Code, Section 1030(e)(1), the term "computer" means an electronic, magnetic, optical, electrochemical, or other high speed data processing device performing logical, arithmetic, or storage functions, and includes any data storage facility or communications facility directly related to or operating in conjunction with such device.

5. From training and experience, I have gained a general understanding of the operation of computers and the Internet. Based on my training and experience, as well as the training knowledge, and experience of other law enforcement personnel involved in the investigation, I know the following:

a. The Internet is a worldwide network of computer systems operated by governmental entities, corporations, and universities. To access the Internet, an individual computer user must subscribe to an access provider, which operates a host computer system with direct access to the Internet. The world wide web ("www") is a functionality of the Internet which allows users of the Internet to share information.

b. Individuals who use the Internet can communicate with each other by using electronic mail, also known and referred to herein as "email." Email is an electronic form of communication, which can contain letter-type correspondence and graphic images. Email is similar to conventional paper-type mail in that it is addressed from one individual to another. Many email services allow users to add "attachments" to an email message. An "attachment" can be a text file, documents, images, or other type of media.

c. An email message usually contains a header, which gives the screen or account name, the identity of the Internet access provider, and the return address on the Internet of the individual who originated the message or attachments. A user can access the Internet from a computer network or Internet Service Provider ("ISP") that connects to the Internet. An ISP assigns each user an Internet Protocol ("IP") address for the duration of the Internet session. Each IP address is unique.

6. Microsoft Corporation ("Microsoft") is a company that provides free web-based Internet email access to the general public through a division of online services known as The Microsoft Network ("MSN"). Subscribers obtain an account by registering on the Internet with MSN. MSN requests subscribers to provide basic information, such as name, gender, zip code and other personal/biographical information. However, MSN does not verify the information provided. Microsoft maintains electronic records pertaining to the individuals and companies for which they maintain subscriber accounts. These records include account access information, email transaction information, and account application information. Subscribers to MSN may access their accounts on servers maintained and/or owned by Microsoft from any computer connected to the Internet located anywhere in the world. Any email that is sent to a MSN subscriber is stored in the subscriber's "mailbox" on Microsoft's servers until the subscriber deletes the email or the subscriber's mailbox exceeds the storage limits preset by Microsoft. If the message is not deleted by the subscriber, the account is below the maximum limit, and the subscriber accesses the account periodically, that message can remain on Microsoft's servers indefinitely. Microsoft's Online Services Custodian of Records is located at 1065 La Avenida, Mountain View, CA 94043.

7. Furthermore, when the subscriber sends an email, it is initiated at the user's computer, transferred via the Internet to Microsoft's servers, and then transmitted to its end destination. MSN users have the option of saving a copy of the email sent. Unless the sender of the email specifically deletes the email from the Microsoft server, the email can remain on the system indefinitely. An MSN subscriber can store files, including emails and attachments, on servers maintained and/or owned by Microsoft.

Emails and attachments stored on a Microsoft server by a subscriber may not necessarily be located in the subscriber's home computer. The subscriber may store emails and/or other files on the Microsoft server for which there is insufficient storage space in the subscriber's computer and/or which he/she does not wish to maintain in the computer in his/her residence. A search of the files in the computer in the subscriber's residence will not necessarily uncover the files that the subscriber has stored on the Microsoft server.

8. In addition, I am aware that computers located at Microsoft contain information and other stored electronic communications belonging to unrelated third parties. Accordingly, this affidavit and application for search warrant seeks authorization solely to search the computer account and/or files by following the procedures described herein and in Attachment A.

**C. Stored Wire and Electronic Communications Access**

9. Title 18, United States Code, Sections 2701 through 2711, is entitled "Stored Wire and Electronic Communications and Transactional Records Access."

a. Title 18, United States Code, Section 2703(a), provides, in part:

A governmental entity may require the disclosure by a provider of electronic communication service of the contents of a wire or electronic communication, that is in electronic storage in an electronic communications system for one hundred and eighty days or less, only pursuant to a warrant issued using the procedures described in the Federal Rules of Criminal Procedure by a court with jurisdiction over the offense under investigation or equivalent State warrant. A governmental entity may require the disclosure by a provider of electronic communications services of the contents of a wire or electronic communication that has been in electronic storage in an electronic communications system for more than one hundred and eighty days by the means available under subsection (b) of this section.



b. Title 18, United States Code, Section 2703(b), provides, in part:

(1) A governmental entity may require a provider of remote computing service to disclose the contents of any wire or electronic communication to which this paragraph is made applicable by paragraph (2) of this subsection (A) without required notice to the subscriber or customer, if the governmental entity obtains a warrant issued using the procedures described in the Federal Rules of Criminal Procedure by a court with jurisdiction over the offense under investigation or equivalent State warrant . . .

(2) Paragraph (1) is applicable with respect to any wire or electronic communication that is held or maintained on that service --

(A) on behalf of, and received by means of electronic transmission from (or created by means of computer processing of communications received by means of electronic transmission from), a subscriber or customer of such remote computing service; and

(B) solely for the purpose of providing storage or computer processing services to such subscriber or customer, if the provider is not authorized to access the contents of any such communications for purposes of providing any services other than storage or computer processing.

c. Title 18, United States Code, Section 2711, provides, in part:

As used in this chapter --

(1) the terms defined in section 2510 of this title have, respectively, the definitions given such terms in that section; [and]

(2) the term "remote computing service" means the provision to the public of computer storage or processing services by means of an electronic communications system.

d. Title 18, United States Code, Section 2510, provides, in part:

(8) "contents," when used with respect to any wire, oral, or electronic communication, includes any information concerning the substance, purport, or meaning of that communication; . . .

(14) "electronic communications system" means any wire, radio, electromagnetic, photo optical or photo electronic facilities for the transmission of wire or electronic communications, and any computer facilities or related electronic equipment for the electronic storage of such communications;

(15) "electronic communication service" means any service which provides to users thereof the ability to send or receive wire or electronic communications; . . .

(17) "electronic storage" means --

(A) any temporary, intermediate storage of a wire or electronic communication incidental to the electronic transmission thereof; and

(B) any storage of such communication by an electronic communication service for purposes of backup protection of such communication.

e. The government may also obtain records and other information pertaining to a subscriber to or customer of electronic communication services or remote computing service by way of a search warrant, 18 U.S.C. § 2703(c). No notice to the subscriber or customer is required, 18 U.S.C. § 2703(c)(2).

#### **D. Search Procedure**

10. In order to ensure that Agents search only those computer accounts and or files described in Attachment A, this affidavit and application for search warrant seeks authorization to permit employees of Microsoft to assist agents in the execution of this warrant. To further ensure that Agents executing this warrant search only those computer

accounts and/or files described in Attachment A, the following procedures will be implemented:

a. The search warrant will be presented to Microsoft personnel who will be directed to isolate those accounts and files described in Attachment A;

b. In order to minimize any disruption of computer service to innocent third parties, Microsoft employees and law enforcement personnel trained in the operation of computers will create an exact duplicate of the computer accounts and files described in Attachment A, including an exact duplicate of all information stored in the computer accounts and files described in Attachment A;

c. Microsoft employees will provide the exact copy in electronic form of the accounts and files described in Attachment A and all information stored in those accounts and files to the agent who serves this search warrant;

d. Law enforcement personnel will then make a working copy of the material provided by Microsoft and will place the original version of the materials in evidence. Thereafter, law enforcement will review the working copy of the information stored in the accounts and files received from Microsoft employees and then identify and copy the information contained in those accounts and files which are authorized to be further copied by this search warrant; and

e. Law enforcement personnel will then seal the original copy of the accounts and files received from Microsoft employees and will not further review the original copy absent an order of the Court.

**E. Summary of the Investigation & Probable Cause**

11. Because this affidavit is being submitted for the limited purpose of supporting a search warrant for the email account **mikemuzio@msn.com** and any related accounts, I have not included herein the details of every aspect of the investigation.

12. Pink OTC Markets, Inc., informally known as the Pink Sheets, operates Pink Quote, an electronic quotation system that displays quotes from broker dealers for many over-the-counter ("OTC") securities. Market makers and other broker dealers who buy and sell OTC securities can use Pink Quote to publish their bid and ask quotation prices. With the exception of a few foreign issuers, the companies quoted in Pink Quote tend to be closely held, extremely small and/or thinly traded. Most do not meet the minimum listing requirements for trading on a national securities exchange, such as the New York Stock Exchange or the Nasdaq Stock Market. Many of these companies do not file periodic reports or audited financial statements with the U.S. Securities and Exchange Commission, making it very difficult for investors to find reliable, unbiased information about those companies.

13. International Business Ventures Group Inc. ("IBVR") is a Florida corporation that is publicly traded using Pink Quote.

14. On February 16, 2009, I interviewed a cooperating individual (the "CI") who reported that, since April 2008, a person named Ronnie Bass has conspired with others, known and unknown, to conduct a fraudulent offering of securities in the form of unsecured notes through an entity known as Homepals Investment Club ("Homepals"). The CI further reported that Homepals was operated as a "Ponzi scheme" that targeted members of the Haitian community in South Florida. The CI further informed the

government that thousands of victims who invested in Homepals have lost a total of approximately \$6 million.

15. The CI further informed me that in late 2008, Ronnie Bass and others associated with Homepals traveled to Tampa, Florida to meet with an individual named Michael Muzio. At this meeting, Muzio expressed that he was impressed with Bass's ability to raise money through Homepals. Muzio recommended that Bass and the CI could make significantly more money with public shell companies. On Muzio's recommendation, Ronnie Bass, the CI and others used \$265,000.00 of investor money raised through Homepals to "purchase" IBVR.

16. IBVR is a "shell corporation" with limited assets and few business activities. According to Muzio's plan, Bass and the CI were required to pay Muzio \$25,000 per month, which he used to purchase IBVR stock in Pink Quote. Muzio then used corrupt market makers and broker dealers to make "wash trades,"<sup>1</sup> giving the investing public the false impression that IBVR stock is actively traded. Despite a lack of understanding about the purported business of IBVR and the operation of a public company, the CI was given the title of "Chief Executive Officer" of IBVR. Muzio filed false documents with Pink OTC Markets, Inc. indicating that IBVR had significant assets and caused IBVR to issue false press releases claiming that the company was actively engaged in revenue producing business. The purpose of the Muzio's manipulation of

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<sup>1</sup> A "wash trade" is a transaction designed to make it appear that a purchase and sale has occurred even though no change in ownership occurred. For example, an investor might simultaneously buy and sell shares in one company through two different brokerage firms in order to create the appearance of substantial trading activity that will draw in other investors. Wash trades are illegal.

IBVR's quoted stock price was to artificially inflate the value of IBVR stock, so that Michael Muzio, Ronnie Bass and others could sell their worthless shares to the unwitting and misinformed investing public.

17. Ronnie Bass, Michael Muzio and others convinced many of the alleged victims of the Homepals note offering to "convert" the unsecured notes (which are no longer being paid) into restricted shares of common stock issued by IBVR. To induce the victims to undertake this conversion, Ronnie Bass and others promised unrealistic and improbable returns to those who purchased IBVR stock in this manner.

18. Michael Muzio's scheme to manipulate IBVR's stock price includes numerous violations of criminal statutes, including Title 15 United States Code, Sections 78j(b), 78ff(a) and 17 C.F.R. Section 240.10b-5 (securities fraud) and Title 18, United States Code, Sections 371 (conspiracy), 1343 (wire fraud), and 1349 (conspiracy).

19. I have reviewed numerous emails produced by the CI that confirm the allegations set forth above. In many of these emails, Michael Muzio uses the email address **mikemuzio@msn.com**: (i) to communicate with individuals about stock trades in his brokerage accounts, (ii) to direct the transfer of money used to fund the IBVR Stock Manipulation, and (iii) to negotiate his share of the anticipated proceeds of the IBVR Stock Manipulation.

20. For example, on November 12, 2008, Michael Muzio sent an email from **mikemuzio@msn.com** stating that, "I will show you the last 3 shell deals I have done I Have (*sic*) gotten an avg of 50k and 10% of the deal..."

21. As another example, on November 24, 2008, Michael Muzio sent an email from **mikemuzio@msn.com** in which he expressed frustration about Homepals's

imperfect record of reimbursing the costs he incurred to manipulate the quoted price of IBVR stock, stating:

IBVR Trading I feel like a rag doll keep it up don't buy What is the deal I should teach you guys a lesson and put it at .01 tomorrow so you guys finally get it. It costs money to maintain a stock and I am the fucking idiot doing it. If you don't want it anymore please just say the word I have been trying to be a gentleman about it and be patient most of all cause I happen to like you brain but I really think you not getting it.(sic)

example the stock got hit today with 200 shares at 1.65 my bid 333.0 real money had to buy it were does it come from my pocket. last week 10,006.00 in real buying were does the money come from to pay for it? Abner said last firday he was journaling over money so in good faith I stay high bids at 1.65 1.18 and 1.06 under me the stock is .10. (sic)

Please make up your mind once and for all on what you want done on this stock and how you are going to stick to a plan if its letting it fall to .01 a share so be it at least I will not have to send you 10 emails a day explaining it (sic)

22. In another email sent from **mikemuzio@msn.com** on or around January 2, 2009, Michael Muzio complained about suspected stock sales by Ronnie Bass that Muzio believed were interfering with his ability to manipulate the quoted price of IBVR stock, writing "[w]e got hit with stock on Wed and nite (sic) is on the offer again today (Ronnie) B get those shares back or we are going to have this problem over and over again as you and I both know we cant believe a word out of his mouth."(sic)

23. On January 19, 2009, Michael Muzio again wrote from **mikemuzio@msn.com** to express his expectation that the fraudulent trades scheme could raise the quoted stock price to \$4.00 in Pink Quote, and to request more money to fund his trades, saying,

I know you were busy last week putting (*sic*) out fires but here are the totals from last week and progress from Yahoo Finance, we traded about 20,000 shares of stock or about \$60,000 in dollars in the \$3.00 range

We are starting to get some real attention from some smaller funds on the credit lines I am 100% positive if I can keep this up this week and next I will have a letter of commitment for one of them for a credit line.

I took some big chances this week hoping the guys from Hati (*sic*) would come thru and understand the Stock is big factor in their decision.

I am really in need of some funds this week to pay for all this stock and believe. 1. I can get the credit line and 2. Get the stock to 4.00...

24. Since the February 16, 2009 debriefing, under the supervision of law enforcement, the CI has recorded numerous telephone calls and exchanged numerous emails with Michael Muzio, who continues to use the **mikemuzio@msn.com** email address. In these communications, Michael Muzio repeatedly reaffirmed his plan to engage in illegal trading activity.

25. In a consensually monitored telephone call on February 18, 2009, Michael Muzio told the CI that he was contemplating an abbreviated version of the manipulation scheme in which he would issue four or five press releases to "pump" up the stock and then "obliterate the stock" by dumping it onto the market at once.

26. On or about February 20, 2009, a letter was faxed to Microsoft requesting preservation of the contents of the account **mikemuzio@msn.com** for 90 days, pursuant to 18 U.S.C. § 2703(f). On February 23, 2009, Microsoft acknowledged receipt of the letter, stating that it would preserve the contents of that account as requested. Therefore, the contents of the account are available for search.



27. As is standard among providers of email services, I expect that Microsoft will voluntarily comply with the search warrant, without a physical search of its premises.

28. Pursuant to 18 U.S.C. §§ 2703(a), (b)(1)(A), and (c)(1)(A), "a court with jurisdiction over the offense under investigation" may issue a search warrant for records and electronic communications of the type specified in Attachment A.

WHEREFORE, there is probable cause to believe that the items described in the attachment to this affidavit are evidence of the crimes described in paragraph 18 of this affidavit, and property designed for use, intended for use, and used in committing those crimes, and that those items will be found at 1065 La Avenida, Mountain View, CA 94043.

FURTHER AFFIANT SAYETH NAUGHT

*Chanin Waterman*

CHANIN WATERMAN  
Special Agent  
Federal Bureau of Investigation

Sworn to and subscribed before me this 07 of February, 2009.

*Robert L. Dubé*

Robert L. Dubé  
United States Magistrate Judge

**ATTACHMENT A**

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e. All records indicating the services available to subscribers of the electronic mail addresses and/or individual accounts described above in Section II(a).