



Defendant: MICHAEL PAUL HARNEY
JN #: 1467313-1
CLERK'S ORIGINAL

Address: 3435 SUNLIT GRV, SAN ANTONIO, TX 78247-2955

Complainant: JOHN WEIL

CoDefendants:

Offense Code/Charge: 239952 - THEFT \$1500-\$20K-ELDERLY

GJ: 531337

PH Court:

Court #: 399th

SID #: 891014

Cause #:

Witness: State's Attorney

2012 - CR - 0911

FILED
_____ O'CLOCK _____ M
FEB 06 2012
DONNA KAY MCKINNEY DISTRICT CLERK BEXAR COUNTY, TEXAS
<i>Gilbert Campos</i> DEPUTY

TRUE BILL OF INDICTMENT

IN THE NAME AND BY AUTHORITY OF THE STATE OF TEXAS, the Grand Jury of Bexar County, State of Texas, duly organized, empanelled and sworn as such at the January term, A.D., 2012, of the 144th Judicial District Court of said County, in said Court, at said term, do present in and to said Court that in the County and State aforesaid, and anterior to the presentment of this indictment:

COUNT I

on or about the 22nd day of September, 2010, through on or about the 20th day of October, 2010, MICHAEL PAUL HARNEY, hereinafter referred to as defendant, with intent to deprive the owner, JOHN WEIL, who was then and there an elderly individual, of property, namely: LAWFUL CURRENCY OF THE UNITED STATES OF AMERICA, did unlawfully, without the effective consent of the owner, namely, by deception, appropriate the property by acquiring or otherwise exercising control over the property, which had an aggregate value of One Thousand Five Hundred Dollars (\$1,500.00) or more but less than Twenty Thousand Dollars (\$20,000.00) and all of the amounts alleged were pursuant to one scheme or continuing course of conduct;

COUNT II
Paragraph A

on or about the 22nd day of September, 2010, through on or about the 20th day of October, 2010, MICHAEL PAUL HARNEY, hereinafter referred to as defendant, did intentionally and knowingly misapply property, namely: LAWFUL CURRENCY OF THE UNITED STATES OF AMERICA, having an aggregate value of One Thousand Five Hundred Dollars (\$1,500.00) or more but less than Twenty Thousand Dollars (\$20,000.00), that the defendant held as a fiduciary or as a person acting in a fiduciary capacity contrary to AN AGREEMENT UNDER WHICH THE DEFENDANT HELD THE PROPERTY, and in a manner that involved a substantial risk of loss of the property to JOHN WEIL, the owner of said property, and the person for whose benefit the property was held, who was then and there an elderly individual and all of the amounts alleged were pursuant to one scheme or continuing course of conduct;

INDICTMENT - CLERK'S ORIGINAL

REPEATED

ORIGINAL FOR COURT RECORD

Defendant: MICHAEL PAUL HARNEY
JN #: 1467313-1

Paragraph B

on or about the 22nd day of September, 2010, through on or about the 20th day of October, 2010, MICHAEL PAUL HARNEY, hereinafter referred to as defendant, did recklessly misapply property, namely: **LAWFUL CURRENCY OF THE UNITED STATES OF AMERICA**, having an aggregate value of One Thousand Five Hundred Dollars (\$1,500.00) or more but less than Twenty Thousand Dollars (\$20,000.00), that the defendant held as a fiduciary or as a person acting in a fiduciary capacity contrary to **AN AGREEMENT UNDER WHICH THE DEFENDANT HELD THE PROPERTY**, and in a manner that involved a substantial risk of loss of the property to JOHN WEIL, the owner of said property, and the person for whose benefit the property was held, who was then and there an elderly individual, by taking the property and failing to use the property per the agreement and failing to perform the work and all of the amounts alleged were pursuant to one scheme or continuing course of conduct;

COUNT III
Paragraph A

on or about the 15th day of October, 2010, MICHAEL PAUL HARNEY, hereinafter referred to as defendant, did then and there sell, or offer to sell, to JOHN WEIL, a security, namely: promissory note, note, investment contract, or evidence of indebtedness, and the sale, or offer to sell, of the named security involved an amount of less than \$10,000 and in connection with the sale, or offer to sell, the said defendant did, directly or indirectly, engage in fraud or a fraudulent practice, namely: the defendant did intentionally fail to disclose the following material fact or facts:

1. The funds obtained by the defendant from the issuance of notes to be used to invest in a company in Arizona would instead be used for purposes unrelated to those which they were invested;
 2. The defendant was not creating any legitimate company in Arizona;
 3. The defendant would not be depositing the investment monies in any business account;
 4. The defendant had previously been convicted of misdemeanor and felony offenses in the state of Michigan involving fraud;
 5. The defendant served time in the Michigan Department of Corrections on four counts of embezzlement.
 6. The defendant would not pay back the investment or any interest on the investment;
- And a copy of said security is attached hereto and incorporated herein;

Paragraph B

on or about the 15th day of October, 2010, MICHAEL PAUL HARNEY, hereinafter referred to as defendant, did then and there sell, or offer to sell, to JOHN WEIL, a security, namely: promissory note, note, investment contract, or evidence of indebtedness, and the sale, or offer to sell, of the named security involved an amount of less than \$10,000 and in connection with the sale, or offer to sell, the said defendant did, directly or indirectly, engage in fraud or a fraudulent practice, namely: the defendant did knowingly make the following misrepresentations, in any manner, of a relevant fact or facts:

1. The funds obtained by the defendant from the issuance of notes would be used to invest in a company in Arizona;
 2. The funds obtained by the defendant from the issuance of notes would be used for purposes for which they were invested;
 3. The defendant was creating or created a legitimate company in Arizona;
 4. The defendant would pay back the investment and any interest on the investment and do so, on time;
- And a copy of said security is attached hereto and incorporated herein;

03012012 1250 2108860153 SSB SAN ANTONIO PAGE 0315

Defendant: MICHAEL PAUL HARNEY
JN #: 1467313-1

COUNT IV

on or about the 15th day of October, 2010, MICHAEL PAUL HARNEY, hereinafter referred to as defendant, did intentionally or knowingly sell, or offer to sell, to JOHN WEIL, a security, namely: promissory note, note, investment contract, or evidence of indebtedness, and at the time of the sale, or offer to sell, the named security, the defendant was not a registered dealer or agent in the State of Texas by the Securities Commission of the State of Texas, as is provided by law, and a copy of said security is attached hereto and incorporated herein;

COUNT V

on or about the 15th day of October, 2010, MICHAEL PAUL HARNEY, hereinafter referred to as defendant, did intentionally or knowingly sell, or offer to sell, to JOHN WEIL, a security, namely: promissory note, note, investment contract, or evidence of and said security was issued after September 6th of 1955, and at the time of the sale or offer to sell, the named security had not been registered or granted a permit as provided by law, in that the named security was not registered by notification by and with the Securities Commissioner of the State of Texas, and the named security was not registered by coordination by and with the Securities Commissioner of the State of Texas, and no permit for the sale of said security had been granted by the Securities Commission of the State of Texas and a copy of said security is attached hereto and incorporated herein;

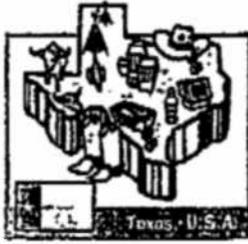
ENHANCEMENT ALLEGATION

AND IT IS FURTHER PRESENTED in and to said court that, prior to the commission of the aforesaid offense, on the 22nd day of December, 1997, in Cause Number 07-3231-FH in the 44th Circuit Court of Livingston County, Michigan, the defendant was convicted of three counts of Embezzlement - Agent/Trustee over \$100;

AGAINST THE PEACE AND DIGNITY OF THE STATE.


Foreman of the Grand Jury

030512 12:50 PM 03/01/2012



TEXAS SENIOR ASSOCIATION
PO BOX 701973
San Antonio, TX 78270
(210)488-1408

October 15, 2010

This agreement between The Texas Senior Association and John Weil Sr. and Mitzi Weil. This is a bidding contract and agreement to repay the sum of \$ 3750.⁰⁰ Dollars to John Weil Sr. and Mitzi Weil From the Texas Senior Association for an investment of \$ 2500.⁰⁰ in the Texas Senior Association. The sum of \$ 3750.⁰⁰ Dollars will be paid in installments of \$ 937.50 on the following dates.

- 1st payment Nov 14, 2010
- 2nd payment Dec 14, 2010
- 3rd payment Jan 14, 2011
- 4th payment Feb 14, 2011

I Paul Harney, Executive Director of the Texas Senior Association agree to be responsible for the payment and payment arrangements of this agreement.

By signing below all parties agree to this contract made this day of Oct 15 2010.

Paul Harney
Executive Director Texas Senior Association

Oct 15, 2010
Date

Mitzi Weil
John Weil Sr.

10-15-10
Date
10/15/10

0309-11-101-1-10000



Defendant: MICHAEL PAUL HARNEY
JN #: 1492848-1
CLERK'S ORIGINAL

Address: 3435 SUNLIT GRV, SAN ANTONIO, TX 78247-2955

Complainant: KENNETH STEELHAMMER

CoDefendants:

Offense Code/Charge: 239952 - THEFT \$1500-\$20K-ELDERLY

GJ: 544443

PH Court:

Court #: 399th

SID #: 891014

Cause #:

Witness: State's Attorney

2012 - CR - 0912

FILED	
O'CLOCK _____ M	
FEB 06 2012	
DONNA KAY MCKINNEY DISTRICT CLERK BEXAR COUNTY, TEXAS	
BY <i>Debra Campbell</i>	
DEPUTY	

TRUE BILL OF INDICTMENT

IN THE NAME AND BY AUTHORITY OF THE STATE OF TEXAS, the Grand Jury of Bexar County, State of Texas, duly organized, empanelled and sworn as such at the January term, A.D., 2012, of the *144th* Judicial District Court of said County, in said Court, at said term, do present in and to said Court that in the County and State aforesaid, and anterior to the presentment of this indictment:

COUNT I

on or about the 26th day of October, 2010, MICHAEL PAUL HARNEY, hereinafter referred to as defendant, with intent to deprive the owner, KENNETH STEELHAMMER, who was then and there an elderly individual, of property, namely: **LAWFUL CURRENCY OF THE UNITED STATES OF AMERICA**, did unlawfully, without the effective consent of the owner, namely, by deception, appropriate the property by acquiring or otherwise exercising control over the property, which had an aggregate value of One Thousand Five Hundred Dollars (\$1,500.00) or more but less than Twenty Thousand Dollars (\$20,000.00) and all of the amounts alleged were pursuant to one scheme or continuing course of conduct;

COUNT II
Paragraph A

on or about the 26th day of October, 2010, MICHAEL PAUL HARNEY, hereinafter referred to as defendant, did intentionally and knowingly misapply property, namely: **LAWFUL CURRENCY OF THE UNITED STATES OF AMERICA**, having an aggregate value of One Thousand Five Hundred Dollars (\$1,500.00) or more but less than Twenty Thousand Dollars (\$20,000.00), that the defendant held as a fiduciary or as a person acting in a fiduciary capacity contrary to **AN AGREEMENT UNDER WHICH THE DEFENDANT HELD THE PROPERTY**, and in a manner that involved a substantial risk of loss of the property to KENNETH STEELHAMMER, the owner of said property, and the person for whose benefit the property was held, who was then and there an elderly individual and all of the amounts alleged were pursuant to one scheme or continuing course of conduct;

INDICTMENT - CLERK'S ORIGINAL

REPAIR

ORIGINAL FOR COURT AND GRAND JURY

Defendant: MICHAEL PAUL HARNEY
JN #: 1492848-1

Paragraph B

on or about the 26th day of October, 2010, MICHAEL PAUL HARNEY, hereinafter referred to as defendant, did recklessly misapply property, namely: **LAWFUL CURRENCY OF THE UNITED STATES OF AMERICA**, having an aggregate value of One Thousand Five Hundred Dollars (\$1,500.00) or more but less than Twenty Thousand Dollars (\$20,000.00), that the defendant held as a fiduciary or as a person acting in a fiduciary capacity contrary to **AN AGREEMENT UNDER WHICH THE DEFENDANT HELD THE PROPERTY**, and in a manner that involved a substantial risk of loss of the property to **KENNETH STEELHAMMER**, the owner of said property, and the person for whose benefit the property was held, who was then and there an elderly individual, by taking the property and failing to use the property per the agreement and failing to perform the work and all of the amounts alleged were pursuant to one scheme or continuing course of conduct;

COUNT III
Paragraph A

on or about the 26th day of October, 2010, MICHAEL PAUL HARNEY, hereinafter referred to as defendant, did then and there sell, or offer to sell, to **KENNETH STEELHAMMER**, a security, namely: promissory note, note, investment contract, or evidence of indebtedness, and the sale, or offer to sell, of the named security involved an amount of less than \$10,000 and in connection with the sale, or offer to sell, the said defendant did, directly or indirectly, engage in fraud or a fraudulent practice, namely: the defendant did intentionally fail to disclose the following material fact or facts:

1. The funds obtained by the defendant from the issuance of notes to be used to invest in a company in Arizona would instead be used for purposes unrelated to those which they were invested;
 2. The defendant was not creating any legitimate company in Arizona;
 3. The defendant would not be depositing the investment monies in any business account;
 4. The defendant had previously been convicted of misdemeanor and felony offenses in the state of Michigan involving fraud;
 5. The defendant served time in the Michigan Department of Corrections on four counts of embezzlement.
 6. The defendant would not pay back the investment or any interest on the investment;
- And a copy of said security is attached hereto and incorporated herein;

Paragraph B

on or about the 26th day of October, 2010, MICHAEL PAUL HARNEY, hereinafter referred to as defendant, did then and there sell, or offer to sell, to **KENNETH STEELHAMMER**, a security, namely: promissory note, note, investment contract, or evidence of indebtedness, and the sale, or offer to sell, of the named security involved an amount of less than \$10,000 and in connection with the sale, or offer to sell, the said defendant did, directly or indirectly, engage in fraud or a fraudulent practice, namely: the defendant did knowingly make the following misrepresentations, in any manner, of a relevant fact or facts:

1. The funds obtained by the defendant from the issuance of notes would be used to invest in a company in Arizona;
2. The funds obtained by the defendant from the issuance of notes would be used for purposes for which they were invested;
3. The defendant was creating or created a legitimate company in Arizona;
4. The defendant would pay back the investment and any interest on the investment and do so, on time;

ORIGINAL FILED IN COURT

Defendant: MICHAEL PAUL HARNEY
JN #: 1492848-1

And a copy of said security is attached hereto and incorporated herein;

COUNT IV

on or about the 26th day of October, 2010, MICHAEL PAUL HARNEY, hereinafter referred to as defendant, did intentionally or knowingly sell, or offer to sell, to KENNETH STEELHAMMER, a security, namely: promissory note, note, investment contract, or evidence of indebtedness, and at the time of the sale, or offer to sell, the named security, the defendant was not a registered dealer or agent in the State of Texas by the Securities Commission of the State of Texas, as is provided by law, and a copy of said security is attached hereto and incorporated herein;

COUNT V

on or about the 26th day of October, 2010, MICHAEL PAUL HARNEY, hereinafter referred to as defendant, did intentionally or knowingly sell, or offer to sell, to KENNETH STEELHAMMER, a security, namely: promissory note, note, investment contract, or evidence of and said security was issued after September 6th of 1955, and at the time of the sale or offer to sell, the named security had not been registered or granted a permit as provided by law, in that the named security was not registered by notification by and with the Securities Commissioner of the State of Texas, and the named security was not registered by coordination by and with the Securities Commissioner of the State of Texas, and no permit for the sale of said security had been granted by the Securities Commission of the State of Texas and a copy of said security is attached hereto and incorporated herein;

ENHANCEMENT ALLEGATION

AND IT IS FURTHER PRESENTED in and to said court that, prior to the commission of the aforesaid offense, on the 22nd day of December, 1997, in Cause Number 07-3231-FH in the 44th Circuit Court of Livingston County, Michigan, the defendant was convicted of three counts of Embezzlement – Agent/Trustee over \$100;

AGAINST THE PEACE AND DIGNITY OF THE STATE.



Foreman of the Grand Jury

WARRANT FOR GRAND JURY



TEXAS SENIOR ASSOCIATION
PO BOX 701973
San Antonio, TX 78270
(210)488-1408

October 15, 2010

This agreement between The Texas Senior Association and Kenneth Steelhammer and Connie Steelhammer This is a bidding contract and agreement to repay the sum of \$ 3750.⁰⁰ Dollars to Kenneth Steelhammer and Connie Steelhammer From the Texas Senior Association for an investment of \$ 2500.⁰⁰ in the Texas Senior Association. The sum of \$ 3750.⁰⁰ Dollars will be paid in installments of \$ 937.⁵⁰ on the following dates.

- 1st payment Dec 26 2010
- 2nd payment Jan 26 2011
- 3rd payment Feb 26 2011
- 4th payment March 26 2011

I Paul Harney, Executive Director of the Texas Senior Association agree to be responsible for the payment and payment arrangements of this agreement.

By signing below all parties agree to this contract made this day of Oct 26 2010.

Paul Harney
Executive Director Texas Senior Association

Oct 26 2010
Date

Date

030911 101 1-1-10 09 09 09

[Handwritten signature]



Defendant: MICHAEL PAUL HARNEY
JN #: 1482124-1
CLERK'S ORIGINAL

Address: 3435 SUNLIT GRV, SAN ANTONIO, TX 78247-2955

Complainant: SIDNEY GLENN

CoDefendants:

Offense Code/Charge: 239952 - THEFT \$1500-\$20K - ELDERLY

GJ: 531509

PH Court:

Court #: 399H

SID #: 891014

Cause #:

Witness: State's Attorney

2012 - CR - 0913

FILED	
O'CLOCK _____ M	
FEB 06 2012	
DONNA KAY MCKINNEY	
DISTRICT CLERK	
BEXAR COUNTY, TEXAS	
<i>Robert Camp</i>	
BY _____	DEPUTY

TRUE BILL OF INDICTMENT

IN THE NAME AND BY AUTHORITY OF THE STATE OF TEXAS, the Grand Jury of Bexar County, State of Texas, duly organized, empanelled and sworn as such at the January term, A.D., 2012, of the *144th* Judicial District Court of said County, in said Court, at said term, do present in and to said Court that in the County and State aforesaid, and anterior to the presentment of this indictment:

COUNT I

on or about the 26th day of September, 2010, through on or about the 23rd day of December, 2010, MICHAEL PAUL HARNEY, hereinafter referred to as defendant, with intent to deprive the owner, SIDNEY GLENN, who was then and there an elderly individual, of property, namely: LAWFUL CURRENCY OF THE UNITED STATES OF AMERICA, did unlawfully, without the effective consent of the owner, namely, by deception, appropriate the property by acquiring or otherwise exercising control over the property, which had an aggregate value of One Thousand Five Hundred Dollars (\$1,500.00) or more but less than Twenty Thousand Dollars (\$20,000.00) and all of the amounts alleged were pursuant to one scheme or continuing course of conduct;

COUNT II
Paragraph A

on or about the 26th day of September, 2010, through on or about the 23rd day of December, 2010, MICHAEL PAUL HARNEY, hereinafter referred to as defendant, did intentionally and knowingly misapply property, namely: LAWFUL CURRENCY OF THE UNITED STATES OF AMERICA, having an aggregate value of One Thousand Five Hundred Dollars (\$1,500.00) or more but less than Twenty Thousand Dollars (\$20,000.00), that the defendant held as a fiduciary or as a person acting in a fiduciary capacity contrary to AN AGREEMENT UNDER WHICH THE DEFENDANT HELD THE PROPERTY, and in a manner that involved a substantial risk of loss of the property to SIDNEY GLENN, the owner of said property, and the person for whose benefit the property was held, who was then and there an elderly individual and all of the amounts alleged were pursuant to one scheme or continuing course of conduct;

INDICTMENT - CLERK'S ORIGINAL

REPEATED

ORIGINAL FOR FILED

Defendant: MICHAEL PAUL HARNEY
JN #: 1482124-1

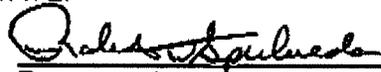
Paragraph B

on or about the 26th day of September, 2010, through on or about the 23rd day of December, 2010, MICHAEL PAUL HARNEY, hereinafter referred to as defendant, did recklessly misapply property, namely: LAWFUL CURRENCY OF THE UNITED STATES OF AMERICA, having an aggregate value of One Thousand Five Hundred Dollars (\$1,500.00) or more but less than Twenty Thousand Dollars (\$20,000.00), that the defendant held as a fiduciary or as a person acting in a fiduciary capacity contrary to AN AGREEMENT UNDER WHICH THE DEFENDANT HELD THE PROPERTY, and in a manner that involved a substantial risk of loss of the property to SIDNEY GLENN, the owner of said property, and the person for whose benefit the property was held, who was then and there an elderly individual, by taking the property and failing to use the property per the agreement and failing to perform the work and all of the amounts alleged were pursuant to one scheme or continuing course of conduct;

ENHANCEMENT ALLEGATION

AND IT IS FURTHER PRESENTED in and to said court that, prior to the commission of the aforesaid offense, on the 22nd day of December, 1997, in Cause Number 07-3231-FH in the 44th Circuit Court of Livingston County, Michigan, the defendant was convicted of three counts of Embezzlement – Agent/Trustee over \$100;

AGAINST THE PEACE AND DIGNITY OF THE STATE.


Foreman of the Grand Jury

03/01/2012 12:50 2108860153



Defendant: MICHAEL PAUL HARNEY
JN #: 1462152-1
CLERK'S ORIGINAL

Address: 3435 SUNLIT GRV, SAN ANTONIO, TX 78247-2955

Complainant: JOAN HOEHLE

CoDefendants:

Offense Code/Charge: 239906 - THEFT \$1,500-\$20,000

GJ: 549961

PH Court:

Court #: 399th

SID #:891014

Cause #:

Witness: State's Attorney

2012 - CR - 0914

FILED	
O'CLOCK _____ M	
FEB 06 2012	
DONNA KAY MCKINNEY DISTRICT CLERK BEXAR COUNTY, TEXAS	
BY <i>Silbert Campos</i> DEPUTY	

TRUE BILL OF INDICTMENT

IN THE NAME AND BY AUTHORITY OF THE STATE OF TEXAS, the Grand Jury of Bexar County, State of Texas, duly organized, empanelled and sworn as such at the January term, A.D., 2012, of the 144th Judicial District Court of said County, in said Court, at said term, do present in and to said Court that in the County and State aforesaid, and anterior to the presentment of this indictment:

COUNT I

on or about the 25th day of September, 2010, through on or about the 15th day of October, 2010, MICHAEL PAUL HARNEY, hereinafter referred to as defendant, with intent to deprive the owner, JOAN HOEHLE, of property, namely: **LAWFUL CURRENCY OF THE UNITED STATES OF AMERICA**, did unlawfully, without the effective consent of the owner, namely, by deception, appropriate the property by acquiring or otherwise exercising control over the property, which had an aggregate value of One Thousand Five Hundred Dollars (\$1,500.00) or more but less than Twenty Thousand Dollars (\$20,000.00) and all of the amounts alleged were pursuant to one scheme or continuing course of conduct;

COUNT II
Paragraph A

on or about the 25th day of September, 2010, through on or about the 15th day of October, 2010, MICHAEL PAUL HARNEY, hereinafter referred to as defendant, did intentionally and knowingly misapply property, namely: **LAWFUL CURRENCY OF THE UNITED STATES OF AMERICA**, having an aggregate value of One Thousand Five Hundred Dollars (\$1,500.00) or more but less than Twenty Thousand Dollars (\$20,000.00), that the defendant held as a fiduciary or as a person acting in a fiduciary capacity contrary to **AN AGREEMENT UNDER WHICH THE DEFENDANT HELD THE PROPERTY**, and in a manner that involved a substantial risk of loss of the property to JOAN HOEHLE, the owner of said property, and the person for whose benefit the property was held, and all of the amounts alleged were pursuant to one scheme or continuing course of conduct;

RECEIVED FOR CLERK'S ORIGINAL

INDICTMENT - CLERK'S ORIGINAL

REPEATER

Defendant: MICHAEL PAUL HARNEY
JN #: 1462152-1

Paragraph B

on or about the 25th day of September, 2010, through on or about the 15th day of October, 2010, MICHAEL PAUL HARNEY, hereinafter referred to as defendant, did recklessly misapply property, namely: **LAWFUL CURRENCY OF THE UNITED STATES OF AMERICA**, having an aggregate value of One Thousand Five Hundred Dollars (\$1,500.00) or more but less than Twenty Thousand Dollars (\$20,000.00), that the defendant held as a fiduciary or as a person acting in a fiduciary capacity contrary to **AN AGREEMENT UNDER WHICH THE DEFENDANT HELD THE PROPERTY**, and in a manner that involved a substantial risk of loss of the property to **JOAN HOEHLE**, the owner of said property, and the person for whose benefit the property was held, by taking the property and failing to use the property per the agreement and failing to perform the work and all of the amounts alleged were pursuant to one scheme or continuing course of conduct;

COUNT III
Paragraph A

on or about the 15th day of October, 2010, MICHAEL PAUL HARNEY, hereinafter referred to as defendant, did then and there sell, or offer to sell, to **JOAN HOEHLE**, a security, namely: promissory note, note, investment contract, or evidence of indebtedness, and the sale, or offer to sell, of the named security involved an amount of less than \$10,000 and in connection with the sale, or offer to sell, the said defendant did, directly or indirectly, engage in fraud or a fraudulent practice, namely: the defendant did intentionally fail to disclose the following material fact or facts:

1. The funds obtained by the defendant from the issuance of notes to be used to invest in a company in Arizona would instead be used for purposes unrelated to those which they were invested;
2. The defendant was not creating any legitimate company in Arizona;
3. The defendant would not be depositing the investment monies in any business account;
4. The defendant had previously been convicted of misdemeanor and felony offenses in the state of Michigan involving fraud;
5. The defendant served time in the Michigan Department of Corrections on four counts of embezzlement.
6. The defendant would not pay back the investment or any interest on the investment;

And a copy of said security is attached hereto and incorporated herein;

Paragraph B

on or about the 15th day of October, 2010, MICHAEL PAUL HARNEY, hereinafter referred to as defendant, did then and there sell, or offer to sell, to **JOAN HOEHLE**, a security, namely: promissory note, note, investment contract, or evidence of indebtedness, and the sale, or offer to sell, of the named security involved an amount of less than \$10,000 and in connection with the sale, or offer to sell, the said defendant did, directly or indirectly, engage in fraud or a fraudulent practice, namely: the defendant did knowingly make the following misrepresentations, in any manner, of a relevant fact or facts:

1. The funds obtained by the defendant from the issuance of notes would be used to invest in a company in Arizona;
2. The funds obtained by the defendant from the issuance of notes would be used for purposes for which they were invested;
3. The defendant was creating or created a legitimate company in Arizona;
4. The defendant would pay back the investment and any interest on the investment and do so, on time;

ORIGINAL FOR FILING

