

DRB

INDICTMENT

211-1208-13

THE STATE OF TEXAS
VS

IN THE 241ST DISTRICT COURT
OF
SMITH COUNTY, TEXAS

RICHARD D. HICKS

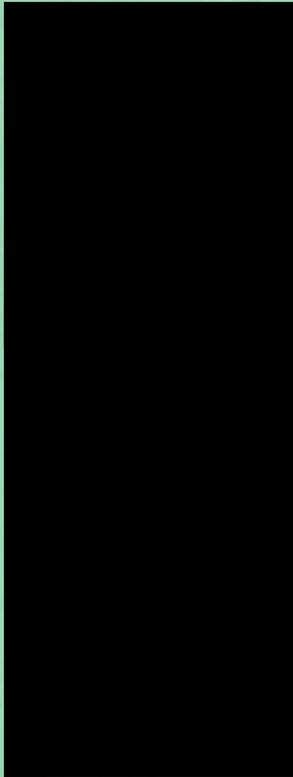
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CHARGE: Fraud Sell Securities

ARTICLE: 581-29C CONTROL #: 13-04475

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF TEXAS:

THE GRAND JURORS, duly selected, organized, sworn and impaneled as such for the County of Smith, State of Texas, at the July-December Term, 2013, of the 241ST Judicial District Court in and for said County, a quorum thereof being present, upon their oaths present in and to said Court that anterior to the presentment of this Indictment, in the County of Smith and State of Texas, RICHARD D. HICKS did then and there, sell and offer for sale promissory notes issued by National Note of Utah, L.C., being a security, to wit: an investment contract, note and an evidence of indebtedness, to each of the persons listed below, and in the following amounts:

<u>Person</u>	<u>Date</u>	<u>Amount</u>
	December 1, 2006	\$150,000.00
	December 28, 2007	\$300,000.00
	September 12, 2008	\$125,000.00
	October 1, 2008	\$75,582.44
	October 1, 2008	\$500,000.00
	February 1, 2009	\$200,000.00
	April 14, 2010	\$25,000.00
	April 28, 2010	\$50,000.00
	November 10, 2010	\$229,000.00
	January 13, 2011	\$25,000.00
	February 1, 2012	\$55,000.00

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and said defendant committed fraud in connection with the sales and offers for sale of said securities by:

PARAGRAPH ONE

Intentionally failing to disclose that on or about September 24, 2001, the defendant, individually, along with Elder Advisory Services (EAS) entered into an Agreed Permanent Injunction and Final Judgment with the Unauthorized Practice of Law Committee for the Supreme Court of Texas wherein the defendant and EAS were permanently enjoined from engaging in certain acts without and being under the supervision of a licensed Texas attorney, said included, among other things, the following: (1) preparing Powers of Attorney; (2) providing advice for a fee to any person other than Defendants regarding how that person, or a relative (by marriage or consanguinity) or a principal under a power of attorney, may become qualified for Medicaid benefits; (3) providing advice for a fee to any person other than Defendants regarding how that person, or a relative (by marriage or consanguinity) or a principal under a power of attorney, may become qualified for benefits available under any program administered by the Social Security Administration or the Texas Department of Human Services; (4) making case-specific recommendations for a fee to any person regarding how that person, or a relative (by marriage or consanguinity) or a principal under a power of attorney, may become eligible for Medicaid benefits; (5) making case-specific recommendations for a fee to any person regarding how that person, or a relative (by marriage or consanguinity) or a principal under a power of attorney, may become eligible for benefits available under any program administered by the Social Security Administration or the Texas Department of Human Services; and (6) advertising assistance in procuring Medicaid benefits for a fee by any form of media, including, but not limited to mail, fax, internet, seminars, radio, television, newspaper, email, or by solicitation by spoken word; said information being material fact; and,

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PARAGRAPH TWO

Intentionally failing to disclose that on or about November 26, 2002, a Notice of Federal Tax Lien in the total amount of \$45,129.19 was filed by the IRS with the Smith County Clerk against Richard D. and Rebecca L. Hicks for the tax periods ending December 31, 1997, December 31, 1998, December 31, 1999/ and December 31, 2000; said information being material fact; and

PARAGRAPH THREE

Intentionally failing to disclose that on or about April 21, 2003, a Notice of Federal Tax Lien in the total amount of \$11,365.53 was filed by the IRS with the Smith County Clerk against Richard D. and Rebecca L. Hicks for the tax period ending December 31, 2001;said information being material fact; and

PARAGRAPH FOUR

Intentionally failing to disclose that on or about October 17, 2006, a Notice of Federal Tax Lien in the total amount of \$36,652.55 was filed by the IRS with the Smith County Clerk against Richard D. and Rebecca L. Hicks for tax periods ending December 31, 2002, December 31, 2004, and December 31, 2005; said information being material fact; and

PARAGRAPH FIVE

Intentionally failing to disclose that on or about May 3, 2010, a Notice of Federal Tax Lien in the total amount of \$19,094.72 was filed by the IRS with the Smith County Clerk against Richard D. Hicks/Elder Advisory Services for tax periods ending March 31, 2003, June 30, 2003, September 30, 2003, December 31, 2003, March 31, 2004, June 30, 2004, September 30, 2004, December 31, 2004, March 31, 2005, June 30, 2005, September 30, 2005, December 31, 2005, March 31, 2006, and December 31, 2006; said information being material fact; and

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PARAGRAPH SIX

Intentionally failing to disclose that on or about May 3, 2010, a Notice of Federal Tax Lien in the total amount of \$9,664.80 filed by the IRS with the Smith County Clerk against Richard D. Hicks/Elder Advisory Services for tax periods ending December 31, 2005, December 31, 2003, December 31, 2004, December 31, 2005, December 31, 2006, December 31, 2007, March 31, 2008, June 30, 2008, September 30, 2008, December 31, 2008, and June 30, 2009; said information being material fact; and

PARAGRAPH SEVEN

Intentionally failing to disclose that on or about March 23, 2011, a Notice of Federal Tax Lien in the total amount of \$6,417.45 filed by the IRS with the Smith County Clerk against Richard D. Hicks/Elder Advisory Services for tax periods ending December 31, 2009, March 31, 2007, June 30, 2007, March 31, 2009, September 30, 2009, and December 31, 2009; said information being material fact; and

PARAGRAPH EIGHT

Intentionally failing to disclose that on or about October 1, 2010, a promissory note in the amount of \$500,000.00 issued by National Note of Utah, L.C., in the name of and for the benefit of James Morrow, a client of the defendant who was solicited by the defendant to make such investment, matured and repayment of the principal amount invested with National Note of Utah, L.C. became due and owing, and that demand was made by the said James Morrow for the return of his principal in the amount of \$500,000.00, and that National Note of Utah, L.C., failed and refused to return said principal amount, which well know by the defendant; said information being material fact; and

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PARAGRAPH NINE

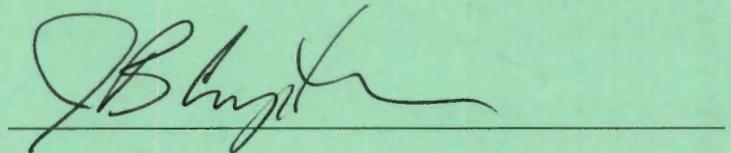
Intentionally failing to disclose that in 2011, payments to previous clients of the defendant who invested funds in promissory notes issued by National Note of Utah, L.C., and who elected to receive purported monthly interest payments in connection with their investments, began to be delayed payments and that said payments ultimately ceased and said clients received no further payments from National Note of Utah, L.C.; said information being material fact; and

PARAGRAPH TEN

Intentionally failing to disclose that the defendant was not licensed or registered as an agent, dealer or investment advisor to sell securities with the Texas State Securities Board; said information being material fact; And all of said amounts were obtained pursuant to one scheme and continuing course of conduct, and the aggregate amount that was obtained was \$100,000.00 or more;

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AGAINST THE PEACE AND DIGNITY OF THE STATE.



Foreman of the Grand Jury