

UNITED STATES DISTRICT COURT

for the  
Western District of Texas

Filed 1-4-11  
Clerk, U. S. District Court  
Western District of Texas  
By [Signature]  
Deputy

United States of America )  
vs. )

Case No. SA-11-4M

Richard MORIN )

*Defendant*

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date of October 17, 2007 in the county of Bexar in the Western District of Texas, the defendant violated Title 8 U.S.C. § 1343, an offense described as follows:

Wire Fraud

This criminal complaint is based on these facts:  
See attached affidavit.

[Signature]  
*Complainant's signature*

David Rawlings, FBI, Special Agent  
*Printed name and title*

Sworn to before me and signed in my presence.

Date: January 4, 2011

[Signature]  
*Judge's signature*

City and state: San Antonio, Texas

Honorable Pamela A. Mathy, U.S. Magistrate Judge  
*Printed name and title*

**Maximum Penalties:**  
20 years confinement, \$250,000 Fine or both; 3 years supervised release; \$100 mandatory special assessment

STATE OF TEXAS            )  
                                  )     AFFIDAVIT IN SUPPORT OF COMPLAINT  
COUNTY OF BEXAR         )

I, David Rawlings, being duly sworn do hereby depose and state as follows:

I am employed as a Special Agent with the Federal Bureau of Investigation (FBI) and have been so employed for more than 12 years. I am currently assigned to the San Antonio Division and have been so assigned for my entire career. As an FBI Agent, I work with federal and state law enforcement officers in the investigation of violations of federal laws, including Title 18 of the United States Code.

Based upon my experiences and training as a fraud investigator, I am familiar with the statutes proscribing mail fraud, wire fraud, bank fraud, and other financial crimes. I have a background in banking, and significant experience in investigating fraudulent schemes.

I have personally participated in this investigation and am thoroughly familiar with the information contained in this affidavit either through personal analysis of documents, interviews with witnesses, or through discussions with others who were involved in this investigation. All of the facts set forth below are true and correct to the best of my knowledge:

Richard Morin was released from state jail on or about

August 22, 2006. Richard Morin had pled guilty to two financial related felonies.

Immediately following his release from jail in 2006, Richard Morin, through a partnership with another individual, opened the business Sarmore Management. Richard Morin later individually opened the business Morin Properties. These two businesses were opened for the purpose of buying distressed properties, making needed repairs, selling the properties through owner financed notes, and selling the owner financed notes for a profit. The business model was dependant on selling the owner financed notes in a timely manner at a rate that exceeded all related expenditures.

Richard Morin purchased several homes by obtaining the funds through hard money lenders. Hard money lenders are lending companies that offer specialized real-estate backed loans. Hard money loans are short term and carry high interest rates. These loans are based more on the value of the property and not on the ability of the borrower to repay the loan. Richard Morin sold many of these homes through long-term owner financed notes. With owner financed notes, Richard Morin became the lender and collected the monthly mortgage payments. In addition, Richard Morin solicited investors to provide funds to both purchase and repair homes. Generally, Morin promised the investors quick returns on their investments and led them to believe that their

investments were safe through the filings of deeds of trust. Though Morin filed some deeds of trust, a number of the solicited investments were not protected by a deed of trust.

Richard Morin was unable to successfully sell any owner financed notes due to market conditions and other factors in late 2006 and 2007. In order to sustain Morin's lavish lifestyle, to pay business overhead, and to keep up with his payments to hard money lenders, Richard Morin created a scheme to defraud.

Richard Morin, with intent to defraud, collected funds from several investors. Richard Morin employed certain false material representations in order to obtain funds from these investors. In October, 2007, Richard Morin particularly told one investor (initials J.R.) that the solicited \$37,000.00 would be used to pay for half of the costs to purchase and repair two specific San Antonio homes. The two homes were respectively located on Tyler and Nevada streets. Richard Morin promised the investor that the two homes would be purchased, then sold within 45 days, or that they would be rented until they were sold. Richard Morin fraudulently promised the investor the return of his \$37,000.00 principal plus between \$25,000.00 to \$32,000.00 in added income.

On or about October 17, 2007, J.R. transferred \$37,000.00 by wire from his bank in California to Richard Morin's San Antonio, Texas bank account in reliance on Morin's false material representations.

In truth and in fact, the Nevada home had already been previously purchased by Sarmore Management on March 9, 2007. In addition, Richard Morin had previously received a total of \$36,500.00 from three separate investors to cover all of the repair costs. The Tyler home had also been previously purchased by Morin Properties on August 8, 2007. Richard Morin had already received \$30,000.00 from two separate investors to cover all repair costs. When Morin solicited the \$37,000.00 investment from J.R. in October, 2007, Morin knew that the \$37,000.00 would not actually be used to purchase houses on Nevada and Tyler streets. Morin also knew that other investors were already named as lienholders on deeds of trust filed the Nevada and Tyler properties. Morin did not disclose this material fact to J.R. Though Morin was not authorized to do so, Morin used the \$37,000.00 investment money to pay mortgage interest, business overhead, and cover his own personal expenses. Morin is currently incarcerated on state charges. On October 19, 2010, Richard Morin admitted to the Affiant during a voluntary interview that Morin used the \$37,000.00 received from J.R. to pay bills unrelated to the two homes. Richard Morin further admitted to the Affiant that he used funds from several investors to pay mortgage interest and personal expenditures and did not use the funds as he told the investors he would at the time he solicited their funds.

I have interviewed many investors who were defrauded by Richard Morin in perpetrating his fraudulent real estate investment scheme. While not all of the investors utilized interstate wire to send Morin their funds, Morin's overall fraudulent real estate scheme cheated investors of hundreds of thousands of dollars.

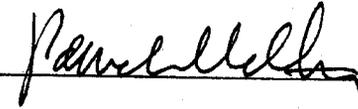
Based on the above information, I believe that Richard Morin knowingly created a scheme to defraud, that Richard Morin acted with specific intent to defraud, and that Richard Morin employed false material representations in order to induce a particular investor to send him \$37,000.00 through interstate wire for the purpose of carrying out his scheme to defraud, all in violation of Title 18 United States Code section 1343.

FURTHER AFFIANT SAYETH NOT.

  
\_\_\_\_\_

DAVID RAWLINGS  
FEDERAL BUREAU OF INVESTIGATION

Sworn to before me on January 4, 2011

  
\_\_\_\_\_

United States Magistrate Judge

FILED

SEALED

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
SAN ANTONIO DIVISION

FEB -2 PM 2:10

CLERK, U.S. DISTRICT COURT  
WESTERN DISTRICT OF TEXAS

UNITED STATES OF AMERICA,

Plaintiff,

VS.

RICHARD MORIN,

Defendant.

CRIMINAL NO. SA-11-CB-00089-FB

INDICTMENT

18 USC § 1343 - Wirefraud

(Counts 1-6)

THE GRAND JURY CHARGES:

A WIRE FRAUD SCHEME

[18 U.S.C. § 1343]

A. INTRODUCTION

At all times material to this Indictment:

1. In 2006, defendant **Richard Morin**, through a partnership with another individual, opened the business Sarmore Management.
2. In 2006, Defendant **Richard Morin** opened the business Morin Properties.
3. Sarmore Management and Morin Properties were opened for the purpose of buying distressed properties, making needed repairs, selling the properties through owner financed notes, and selling the owner financed notes for a profit.
4. Defendant **Richard Morin** sold many homes through long-term owner financed notes.
5. Defendant **Richard Morin** solicited investors to provide funds to both purchase and repair homes.

B. THE SCHEME TO DEFRAUD

1. That from on or about January 10, 2007, and continuing up to on or about October 28, 2008, in the Western District of Texas, the defendant,

**RICHARD MORIN**

did knowingly devise and intend to devise a scheme and artifice to defraud investors by means of false and fraudulent pretenses, representations, and promises.

**C. MANNER AND MEANS OF THE SCHEME TO DEFRAUD**

It was a part of the scheme and artifice to defraud investors, by means of false and fraudulent pretenses, representations, and promises in order to deceive:

- 1) Defendant **Richard Morin** would and did represent to investors that the solicited funds would be used for specific business purposes, to include the purchase of, or repairs to, particular San Antonio, Texas homes.
- 2) Defendant **Richard Morin** would and did promise investors quick returns (under 120 days) on investments and additionally promised that investments were protected through liens filed against San Antonio, Texas properties.
- 3) Defendant **Richard Morin** would and did further promise investors the return of their invested principal plus additional added income.
- 4) In truth and fact, defendant **Richard Morin** would and did know that the solicited investment funds would not actually be used for the specific business purposes represented to each investor.
- 5) In truth and fact, defendant **Richard Morin** would and did know that he did not have the ability to repay investors, and that most investments would not be protected by property liens.
- 6) In truth and fact, though defendant **Richard Morin** was not authorized to do so by the investors, **Richard Morin** would and did spend the solicited investment funds to cover his own personal expenses, to pay business overhead, and to pay mortgage interest on properties unrelated

to the particular investment for which he received the investment funds.

**D. THE EXECUTION OF THE WIRE FRAUD SCHEME**

**COUNT ONE**  
[18 U.S.C. § 1343]

1. The Grand Jury hereby incorporates by reference and realleges all of the allegations of Sections A , B, and C, of this Indictment.

2. On or about March 29, 2007, in the Western District of Texas, the defendant,

**RICHARD MORIN,**

for the purpose of executing the aforementioned wire scheme and artifice to defraud and attempting to do so, by making false material representations to an investor; to wit: falsely representing that his company owned a certain San Antonio home, that all investment funds would be used to make repairs to that particular home, and that the investment would be protected by a first lien against the home, did knowingly cause the investor to transmit by means of wire communication in interstate and foreign commerce from Mexico to San Antonio, Texas certain signs and signals, that is, investment funds in the amount of \$8,000.00.

All in violation of Title 18, United States Code Section 1343.

**COUNT TWO**  
[18 U.S.C. § 1343]

1. The Grand Jury hereby incorporates by reference and realleges all of the allegations of Sections A , B, and C, of this Indictment.

2. On or about June 22, 2007, in the Western District of Texas, the defendant,

**RICHARD MORIN,**

for the purpose of executing the aforementioned wire scheme and artifice to defraud and attempting to do so, by making false material representations to an investor; to wit: falsely

representing that all investment funds would be used to make repairs to a particular San Antonio home, that the investment would be protected by a second lien against the home, and that the investment would be returned with income within 45 days, did knowingly cause the investor to transmit by means of wire communication in interstate commerce from California to San Antonio, Texas, certain signs and signals, that is, investment funds in the amount of \$10,000.00.

All in violation of Title 18, United States Code Section 1343.

**COUNT THREE**  
[18 U.S.C. § 1343]

1. The Grand Jury hereby incorporates by reference and realleges all of the allegations of Sections A , B, and C, of this Indictment.

2. On or about October 17, 2007, in the Western District of Texas, the defendant,

**RICHARD MORIN,**

for the purpose of executing the aforementioned wire scheme and artifice to defraud and attempting to do so, by making false material representations to an investor; to wit: falsely representing that all investment funds would be used to purchase and to make repairs to two particular San Antonio homes, and that the investment would be protected by second liens against the homes, did knowingly cause the investor to transmit by means of wire communication in interstate commerce from California to San Antonio, Texas, certain signs and signals, that is, investment funds in the amount of \$37,000.00.

All in violation of Title 18, United States Code Section 1343.

**COUNT FOUR**  
[18 U.S.C. § 1343]

1. The Grand Jury hereby incorporates by reference and realleges all of the allegations of

Sections A , B, and C, of this Indictment.

2. On or about October 25, 2007, in the Western District of Texas, the defendant,

**RICHARD MORIN,**

for the purpose of executing the aforementioned wire scheme and artifice to defraud and attempting to do so, by making false material representations to an investor; to wit: falsely representing that his investment was buying out the position of another investor and that the investment would be protected by a second lien against a particular San Antonio home, did knowingly cause the investor to transmit by means of wire communication in interstate commerce from California to San Antonio, Texas, certain signs and signals, that is, investment funds in the amount of \$20,000.00.

All in violation of Title 18, United States Code Section 1343.

**COUNT FIVE**  
[18 U.S.C. § 1343]

1. The Grand Jury hereby incorporates by reference and realleges all of the allegations of Sections A , B, and C, of this Indictment.

2. On or about November, 2, 2007, in the Western District of Texas, the defendant,

**RICHARD MORIN,**

for the purpose of executing the aforementioned wire scheme and artifice to defraud and attempting to do so, by making false material representations to an investor; to wit: falsely representing that the investment would be returned with income within 30 days and that the investment would be protected by a lien against a particular San Antonio home, did knowingly cause the investor to transmit by means of wire communication in interstate commerce from California to San Antonio, Texas, certain signs and signals, that is, investment funds in the

amount of \$10,000.00.

All in violation of Title 18, United States Code Section 1343.

**COUNT SIX**  
[18 U.S.C. § 1343]

1. The Grand Jury hereby incorporates by reference and realleges all of the allegations of Sections A, B, and C, of this Indictment.

2. On or about December 21, 2007, in the Western District of Texas, the defendant,

**RICHARD MORIN,**

for the purpose of executing the aforementioned wire scheme and artifice to defraud and attempting to do so, by making false material representations to an investor; to wit: falsely representing that the investment would be returned with income within 90 days, that the investor would be paid \$1,000 per month, for three months, and that the investment would be protected by a lien against a particular San Antonio property, did knowingly cause the investor to transmit by means of wire communication in interstate commerce from California to San Antonio, Texas, certain signs and signals, that is, investment funds in the amount of \$50,000.00.

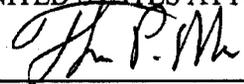
All in violation of Title 18, United States Code Section 1343.

A TRUE BILL

  
FOREPERSON OF THE GRAND JURY

JOHN E. MURPHY  
UNITED STATES ATTORNEY

By: \_\_\_\_\_

  
THOMAS P. MOORE  
Assistant United States Attorney

**U.S. District Court [LIVE]  
Western District of Texas (San Antonio)  
CRIMINAL DOCKET FOR CASE #: 5:11-cr-00089-FB-1**

Case title: USA v. MORIN

Date Filed: 02/02/2011

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Assigned to: Chief Judge Fred Biery

**Defendant (1)**

**Richard Morin**

represented by **Roy R. Barrera , Sr.**  
Nicholas and Barrera. PC  
424 E. Nueva Street  
San Antonio, TX 78205  
Bexar  
(210) 224-5811  
Fax: 210/224-5890  
Email: [carmenbramirez@yahoo.com](mailto:carmenbramirez@yahoo.com)  
**LEAD ATTORNEY**  
**ATTORNEY TO BE NOTICED**  
*Designation: Retained*

**Pending Counts**

18:1343.F – FRAUD BY WIRE,  
RADIO, OR TELEVISION –  
Wirefraud  
(1-6)

**Disposition**

**Highest Offense Level  
(Opening)**

Felony

**Terminated Counts**

None

**Disposition**

**Highest Offense Level  
(Terminated)**

None

**Complaints**

8 USC 1343 Wire Fraud

**Disposition**

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**Plaintiff**

**USA**

represented by **Thomas P. Moore**  
Assistant United States Attorney  
601 N.W. Loop 410  
Suite #600  
San Antonio, TX 78216  
(210) 384-7150  
Fax: 210/384-7118  
Email: [Tom.Moore2@usdoj.gov](mailto:Tom.Moore2@usdoj.gov)  
**LEAD ATTORNEY**  
**ATTORNEY TO BE NOTICED**