

D.A. # D1DC-15-900044 / MNI # 1918155

299th

No. D1-DC-15-900044

The State of Texas v. James Warr

Indictment

Count I:	Misapplication of Fiduciary Property, § 32.45	1st Degree Felony
Count II:	Theft, § 31.03	1st Degree Felony
Count III:	Securities Fraud, Vernon's Ann.Civ.St.Article 581-29	1st Degree Felony
Count IV:	Money Laundering, § 34.02	1st Degree Felony

Bond

In the 403rd Judicial District County of Travis County, Texas

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

THE GRAND JURY, for the County of Travis, State of Texas, duly selected, empaneled, sworn, charged, and organized as such at the January Term, A.D. 2015, of the 403rd Judicial District Court for said County, upon its oath presents in and to said Court at said term, that James Warr, in the County of Travis, and State of Texas, did then and there, before the presentment of this indictment, and pursuant to one scheme or continuing course of conduct, on or about the dates listed below, intentionally, knowingly, or recklessly misapply property, to wit: United States Currency, from the following owners and in the following amounts:

<u>Owner</u>	<u>Date of Appropriation</u>	<u>Amount of Appropriation</u>
Matthew Frank	April 20, 2010	\$ 11,100.00
Sandra & Travis Horton	June 7, 2010	\$ 34,949.85
Roger Temme	June 21, 2010	\$ 19,071.00
Sandra & Travis Horton	June 25, 2010	\$ 66,665.69
Joseph Hodge	July 1, 2010	\$ 7,915.13
Wayne Berry	July 2, 2010	\$ 5,100.00

Filed in The District Court of Travis County, Texas

APR 27 2015

At 4:16 P. M.
Veiva L. Price, District Clerk

Roger Temme	July 6, 2010	\$ 10,262.44
James Hall	July 16, 2010	\$ 1,050.00
Linda Feldman	August 5, 2010	\$ 50,000.00
Sam Mangum	August 6, 2010	\$ 1,108.04
Bridget & James Durham	August 12, 2010	\$ 28,603.55
Nora Rosas-Torres	August 12, 2010	\$ 5,150.00
Tom Zibton	August 13, 2010	\$ 8,250.37
Bridget & James Durham	August 24, 2010	\$ 14,000.00
Sandy Kurtzman	August 25, 2010	\$ 423,791.93
Michael Moore	August 31, 2010	\$ 217,755.06
Tom Zibton	September 17, 2010	\$ 11,290.61
Stephen Norton	September 23, 2010	\$ 39,510.38
Bridget & James Durham	September 30, 2010	\$ 10,793.50
Marcia Read	November 22, 2010	\$ 44,200.00
Marcia Read	November 22, 2010	\$ 4,000.00
Charles Warner	November 22, 2010	\$ 2,886.33
Stephen Norton	December 9, 2010	\$ 7,209.09
Shelley Rodriguez	December 27, 2010	\$ 60,000.00
Marcia Read	December 27, 2010	\$ 6,902.73
Chris Luke	December 27, 2010	\$ 17,557.87
Marcia Read	January 3, 2011	\$ 2,000.00

And said Defendant held said property as a fiduciary and as a person acting in a fiduciary capacity, but not as a commercial bailee, and said Defendant misapplied said

property by dealing with said property contrary to an agreement under which the property was to be held, to wit: an agreement whereby said Defendant would invest each of the aforementioned persons' funds in an investment opportunity to provide each of the aforementioned persons a profit,

And said Defendant misapplied said property by dealing with said property contrary to the aforementioned agreement, to wit: for the use or benefit of the said Defendant, and in a manner that involved substantial risk of loss to the owners of said property,

And the aggregate value of the property misapplied was \$200,000 or more,

Count II

And the Grand Jury further presents in and to said Court at said term that James Warr, before the presentment of this indictment, in the County of Travis and State of Texas, did then and there, on or about the dates listed below, intentionally or knowingly unlawfully appropriate property, other than real property, to wit: United States Currency, by acquiring or exercising control of said property in the following amounts:

<u>Owner</u>	<u>Date of Appropriation</u>	<u>Amount of Appropriation</u>
Matthew Frank	April 20, 2010	\$ 11,100.00
Sandra & Travis Horton	June 7, 2010	\$ 34,949.85
Roger Temme	June 21, 2010	\$ 19,071.00
Sandra & Travis Horton	June 25, 2010	\$ 66,665.69
Joseph Hodge	July 1, 2010	\$ 7,915.13
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Chris Luke	December 27, 2010	\$ 17,557.87
Marcia Read	January 3, 2011	\$ 2,000.00

And said appropriation was without the effective consent of said owners in that consent was induced by deception, to wit:

- a. Said Defendant created and confirmed by words and conduct false impressions of fact that were likely to affect the judgment of said owners in the transactions and

the Defendant did not believe to be true, or

- b. Said Defendant failed to correct false impressions of fact that were likely to affect the judgment of said owners in the transactions, that said Defendant previously created and confirmed by words and conduct, and said Defendant did not at the time believe to be true, or
- c. Said Defendant promised performance that affected the judgment of said owners in said transactions that said Defendant did not intend to perform and knew would not be performed,

And said Defendant acted with intent to deprive said owners of said property by withholding said property permanently or for so extended a period of time that a major portion of the value or enjoyment of said property was lost to said owners, and by disposing of said property in a manner that made recovery of said property by said owners unlikely,

And all of said amounts were obtained, as alleged, as part of one scheme or continuing course of conduct, and the aggregate value of the property so appropriated was \$200,000 or more,

Count III

And the Grand Jury further presents in and to said Court at said term that James Warr, before the presentment of this indictment, in the County of Travis and State of Texas, did then and there, on or about the dates listed below, directly and through agents, sell and offer for sale interests in the Warr Investment Program and the Warr International Program, being securities, to wit: investment contracts and evidences of indebtedness, to each of the persons listed below, and in the following amounts:

<u>Owner</u>	<u>Date of Appropriation</u>	<u>Amount of Appropriation</u>
Matthew Frank	April 20, 2010	\$ 11,100.00
Sandra & Travis Horton	June 7, 2010	\$ 34,949.85
Roger Temme	June 21, 2010	\$ 19,071.00
Sandra & Travis Horton	June 25, 2010	\$ 66,665.69
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Marcia Read	January 3, 2011	\$ 2,000.00

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

- a. Intentionally failing to disclose that previous investors' funds invested in the Warr Investment Program and the Warr International Program were used to pay the personal expenses of the Defendant, said information being a relevant fact, and/or
- b. Intentionally failing to disclose that previous investors' funds invested in the Warr Investment Program and the Warr International Program were not used to purchase real estate notes and / or hard money loans, said information being a relevant fact, and / or
- c. Intentionally failing to disclose that the real estate notes and / or hard money loans purchased by Defendant were not generating sufficient revenue to meet the promised return to investors, said information being a relevant fact, and / or
- d. Intentionally failing to disclose that on or about September 21, 2010, the Deputy Commissioner of the Texas State Securities Board issued Emergency Cease and Desist Order Number ENF-10-CDO-1693 against the said Defendant, ordering the Defendant to cease and desist from offering for sale any unregistered security in Texas, cease and desist from acting as an unregistered securities dealer or agent in Texas, cease and desist from engaging in material misrepresentations in

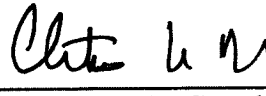
connection with the offer for sale of securities in Texas, and cease and desist from engaging in any fraud in connection with the offer for sale of any security in Texas, said information being material facts,

And all of said amounts were obtained pursuant to one scheme or continuing course of conduct, and the aggregate amount that was obtained was \$100,000 or more,

Count IV

And the Grand Jury further presents in and to said Court at said term that James Warr, before the presentment of this indictment, in the County of Travis and State of Texas, on or about the period beginning April 1, 2010, and ending January 31, 2011, did then and there knowingly acquire an interest in and possess the proceeds of criminal activity, to wit: United States Currency, in an amount of \$200,000 or more, and said proceeds were generated from the commission of the offense of Theft in the amount of \$200,000 or more, a felony under the laws of the State of Texas,

against the peace and dignity of the State.



Foreperson of the Grand Jury

Unofficial copy - Travis Co. District Clerk Veva L. Price