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MONTANA EIGHTEENTH JUDICIAL DISTRICT COURT, GALLATIN COUNTY

THE STATE OF MONTANA,

Plaintiff,

No. DC-12-37A

v.

RICHARD F. REYNOLDS, a/k/a
RICHARD F. ADKINS

AMENDED INFORMATION

Defendant.

* * * * *

The State of Montana, having first obtained leave of this Court and by this Amended Information accuses the Defendant with committing the following crimes in Gallatin County, Montana:

COUNT 1: Operating a Pyramid Promotional Scheme (Ponzi Scheme), common scheme, a Felony, in violation of Mont. Code Ann. §§ 30-10-324(6)(b) and 30-10-325, committed on or about May 5, 2009, through on or about February 22, 2012, when the Defendant

willfully conducted, promoted or caused to be conducted or promoted a \$1,020,917.89 Ponzi Scheme involving over 140 investors by making payments to the investors from money obtained from later investors, rather than from any profits or other income of an underlying or purported underlying business venture.

COUNT 2: Theft by Embezzlement, common scheme, a Felony, in violation of §45-6-301(7)(b), MCA, committed on or about May 5, 2009, through February 22, 2102, when the Defendant, with the purpose to deprive investors of their money, purposely or knowingly obtained by deception control over investors' money entrusted to the Defendant, in an amount exceeding \$10,000.00.

COUNT 3: Failure to Register as a Securities Salesperson, a Felony, in violation of §30-10-201(1), MCA, committed on or about May 1, 2009, through February 22, 2102, when the Defendant knowingly or willfully acted as a salesperson of a security without being registered as a salesperson with the State of Montana.

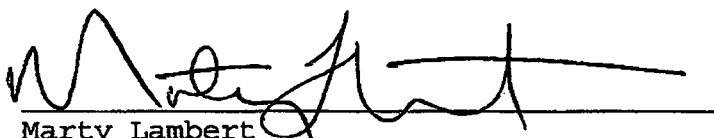
COUNT 4: Failure to Register a Security, a Felony, in violation of §30-10-202(1), MCA committed on, around, or between May 1, 2009, through February 22, 2012, when the Defendant knowingly or willfully offered unregistered securities to investors.

COUNT 5: Fraudulent Practices, a Felony, in violation of §30-10-301(1)(b), MCA, committed on or about May 1, 2009, through

February 22, 2012, when the Defendant, while offering the sale of a security, directly and/or indirectly from Montana, knowingly or willfully made untrue statements of a material fact and/or omitted a material fact which, in light of the circumstances under which they were made or omitted, were misleading. Specifically, the Defendant misled the investors by making untrue statements or omitting material facts when Defendant did not tell investors Defendant was using investors' monies for his Ponzi scheme and his own personal use.

COUNT 6: Fraudulent Practices, a Felony, in violation of §30-10-301(1)(c), MCA and the Administrative Rules of Montana §6.10.401(1)(q), committed on or about May 1, 2009, through February 22, 2012, when the Defendant, in connection with the offer, sale, or purchase of a security, directly or indirectly, from Montana, knowingly or willfully engaged in an act, practice, or course of business that operated or would operate as a fraud or deceit upon the investors. Specifically, the Defendant engaged in an act, practice, or course of business that operated as a fraud or deceit upon the investors by using deceptive or misleading sales material or sales presentations.

DATED this 22 day of October, 2013.


Marty Lambert
Gallatin County Attorney

Count 1

A person convicted of Operating a Pyramid Promotional Scheme (Ponzi Scheme) shall be imprisoned in the state prison for a term of not more than 10 years or may be fined an amount not to exceed \$100,000.00, or both.

Counts 2

A person convicted of the offense of Theft by embezzlement, where the value of the property obtained exceeds \$10,000.00, shall be imprisoned in the state prison for a term of not less than 1 year or more than 10 years and may be fined an amount not to exceed \$50,000.00.

Count 3

A person convicted of Failure to Register as a Salesperson shall be imprisoned in the state prison for a term of not more than 10 years or may be fined an amount not to exceed \$5,000.00, or both.

Count 4

A person convicted of Failure to Register a Security shall be imprisoned in the state prison for a term of not more than 10 years or may be fined an amount not to exceed \$5,000.00, or both.

Counts 5-6

A person convicted of Fraudulent Practices shall be imprisoned in the state prison for a term of not more than 10 years or may be fined an amount not to exceed \$5,000.00, or both.

WITNESSES:

Lynne Egan
Robert Humphrey
Sylvia Humphrey
Scott Keller
Ronald Rohletter
Bonnie Rohletter
David Culberson
Deena Culberson
Gary Threatt
Dwight Southerland
Caryn Southerland
Allen Humphrey
Alexander Petronov
Susannah Petronov
E. Brown Bannister

Debra Bannister
Lynn Ellis
Mark Huyoung
Diana Thomas
Lyle Thomas
Robert Perry
Fred Unger
Roberto Torres Delgado
Mark Townsend
Scott Hepford
Susan Battle
Carlo Triolo
Dennis Blanchard
Joseph Palmisano
Joyce Palmisano
Mark Fernandez
Lee Whitman
Linda Culberson
Robert Esposito
Debby Esposito
Ted Seymour
Diana Thomas
Lyle Thomas
Edward Yoder
Vernon Zook
Joseph Miller
Joyce Miller
Michael Cory
Theodore Kramer
Thomas Dolislager
Dwight Pierce
Kari Albro
Happy Jack Feder
Sam Scaggs
David Harper
Robert Perry
Charles Hammett
Chris Berglund
Chris Poole
Salvador Lee
Joseph Borg
Matthew Kitzi
Mary Hosmer
Joe Bateson
Representative, Bank of America
Representative, Wells Fargo
Sam Scaggs

David Harper
Robert Perry
Charles Hammett
Chris Berglund
Chris Poole
Salvador Lee
Todd Ganovski