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U.S. DISTRICT COURT  
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DISTRICT OF UTAH  
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IN THE UNITED STATES DISTRICT COURT  
DISTRICT OF UTAH, CENTRAL DIVISION

UNITED STATES OF AMERICA	)	Judge Dale A. Kimball
	)	DECK TYPE: Criminal
	)	DATE STAMP: 02/21/2007 @ 11:37:07
	)	CASE NUMBER: 2:07CR00115 DAK
Plaintiff,	)	
	)	<b>INDICTMENT</b>
v.	)	
	)	VIO.
	)	18 U.S.C. § 1341 – Mail Fraud
DENNIS T. WYNN	)	
	)	15 U.S.C. §§ 78j(b), 78ff; 17 C.F.R. §
Defendant.	)	240.10b-5; 18 U.S.C. § 2 – Securities
	)	Fraud
	)	
	)	15 U.S.C. §§ 77e, 77x; 18 U.S.C. § 2 –
	)	Sale of Unregistered Securities
	)	

The Grand Jury charges:

**INTRODUCTION**

At all times material to this Indictment:

1. Defendant DENNIS T. WYNN (defendant "WYNN") resided in Salt Lake City, Utah, and also maintained a residence in Phoenix, Arizona.

2. Wynn Company, Inc. ("Wynn Company") was registered as a corporation in Utah in November 1990. Its principal place of business was 3068 South Highland Drive, Salt Lake City, Utah. Defendant WYNN was the director, president, and sole owner of the Wynn Company. The Wynn Company was in the business of leasing and selling used vehicles to consumers with credit problems who could not obtain alternate financing.

3. W.F.G. Acceptance, Inc. (W.F.G.) was registered as a corporation in Utah in March 2001. Prior to its corporate registration, W.F.G. was a registered dba of Wynn Company. WFG's principal place of business was 3068 South Highland Drive, Salt Lake City, Utah. Defendant WYNN was the president of W.F.G. W.F.G. was the servicing arm of the Wynn Company, facilitating the financing of vehicles sold to consumers.

#### **THE FRAUDULENT CONDUCT**

4. From in or around November 1990 to at least May, 2002, in the Central Division of the District of Utah and elsewhere,

#### **DENNIS T. WYNN,**

devised a scheme to defraud investors in the Wynn Company, and W.F.G. acceptance, and to obtain money from the investors of the Wynn Company by means of false and fraudulent pretenses, representations, promises, and omissions. WYNN offered promissory notes from the Wynn Company and W.F.G. to potential investors. WYNN, personally and through agents, told the potential investors that their notes would be fully collateralized and would be risk-free. In truth and fact WYNN knew that the promissory

notes were not fully collateralized and were in fact risky investments with little hope of profit or return of the invested capital. During the course of his operation of the Wynn Company and W.F.G. , WYNN collected more than \$15,000,000 from at least 185 investors from Utah, Arizona, California, Idaho.

5. It was a part of the Fraudulent Conduct that defendant WYNN created a used car business to sell used cars to customers who were high credit risks.

6. It was further part of the Fraudulent Conduct that the defendant WYNN recruited a network of agents who were paid to solicit investments in the WYNN COMPANY and W.F.G. through the means of promissory notes issued by WYNN COMPANY and W.F.G. Defendant WYNN personally trained many of the agents, provided them with packets of information to give to potential investors, and paid them commissions based on the value of the investments made by investors they recruited.

7. It was further a part of the Fraudulent Conduct that defendant WYNN, directly and through his agents, made false and fraudulent representations to investors, including:

- a. That investors' investments would be secured by property valued at 150% of the investment. This security would be provided by one or both of two forms of collateral: an assignment of payments coming in from specific automobile loan contracts between the automobile purchasers and Wynn Company; and, the actual title to specific vehicles purchased by the Wynn Company or W.F.G. In truth and fact, as defendant WYNN well knew, the investments were not fully collateralized as the investors were promised;
- b. That an independent, third-party escrow agent would maintain the collateral supposedly securing investments in a secure fashion. In

truth and fact, as defendant WYNN well knew, the individuals and entities he claimed would act as escrow agents did not act as such and were not authorized to act as such because they were not registered, bonded escrow agents with the Utah Department of Financial Institutions;

- c. That the independent, third-party escrow agent would monitor investors' promissory notes, and periodically update the collateral to insure that it was maintained at 150% of the amount of the note. In truth and fact, defendant WYNN knew that many of the investors did not have collateral packages at all and that the collateral packages that were created were not monitored or updated;
- d. That the Wynn Company guaranteed every contract securing an investors' promissory note, and would indemnify the investor against any default. In truth and fact, based on the his and Wynn Company's and W.F.G.'s record with prior investors, WYNN knew investors would not be paid the promised interest and that their investment capital would not be returned;
- e. That certain investors would receive fixed interest payments on a monthly basis. In truth and fact, based on WYNN'S and Wynn Company's record with prior investors, WYNN knew nearly all investors did not receive their regular monthly interest payments;

8. It was further a part of the Fraudulent Conduct that defendant WYNN directly, and through his agents, omitted to state material facts including the following, which were necessary in order to make the statements made to investors, in the light of the circumstances under which they were made, not misleading:

- a. Investments made by prior investors were not secured;
- b. Most investors were not paid the promised returns by Wynn Company and W.F.G., who had defaulted on their promissory notes;
- c. Many of the interest checks issued by Wynn Company to prior investors failed to clear the bank due to insufficient funds;

- d. Wynn Company received complaints from prior investors on an almost daily basis due to Wynn Company's failure to make interest payments, return invested capital, or demonstrate the promised collateral; and,
- e. Defendant WYNN had \$1,189,533 in outstanding civil judgments against himself and the Wynn Company.

9. It was further a part of the Fraudulent Conduct that defendant WYNN and his agents held investment seminars to "educate" prospective investors about the investment. Defendant WYNN was often a speaker at the seminars. During these investment seminars, the speakers, including WYNN, made false representations including the false representations listed in Paragraph 7 above and omitted to state material facts including those listed in Paragraph 8 above, which were necessary in order to make the statements made to investors, in the light of the circumstances under which they were made, not misleading.

10. It was further a part of the Fraudulent Conduct that defendant WYNN, directly, and indirectly through his agents, instructed investors to make investment checks payable to Wynn Company or W.F.G., and send them to Wynn Company's or W.F.G.'s business offices in Salt Lake City, Utah. Alternatively, Defendant WYNN instructed investors to send their investment funds via wire transfer to W.F.G.'s bank account at Key Bank, in Salt Lake City, Utah.

11. It was further a part of the Fraudulent Conduct that defendant WYNN provided each investor with a signed promissory note from Wynn Company or W.F.G., which stated that the investments were collateralized up to 150% and that collateral was

monitored and updated by an escrow agent.

12. It was further a part of the Fraudulent Conduct that defendant WYNN did not arrange for an escrow agent to manage and properly secure investors' promissory notes. Instead, defendant WYNN represented to investors that either W.F.G., a law firm by the name of Holman & Walker, LC, an employee by the name of Susan Hale, or the accounting firm of Bangerter & Associates, would act as escrow agent, when in fact, as defendant WYNN well knew, none of these parties acted in the capacity of escrow agent for Wynn Company investors or was ever a registered, bonded, escrow agent with the Department of Financial Institutions.

13. It was further a part of the Fraudulent Conduct that defendant WYNN employed several different "lender representatives," to pacify investors who were calling, writing, and emailing defendant WYNN to inquire and complain about late interest payments and the inability to inspect or take control of the supposed collateral. WYNN caused these lender representatives to make false statements to investors in response to those investors' complaints in an effort to lull the investors into a false sense of security.

14. It was further part of the Fraudulent Conduct that defendant WYNN did not pay investors the amounts promised on the promissory notes.

**COUNTS ONE THROUGH FOUR**  
**18 U.S.C. § 1341**  
**(Mail Fraud)**

15. The Grand Jury realleges paragraphs 1 through 14 as if fully stated herein.

16. From in or around November 1990 to July 2002, in the Central Division of

the District of Utah,

**DENNIS T. WYNN,**

knowingly devised the scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations and promises described above as the Fraudulent Conduct, and for the purpose of executing, and attempting to execute, the scheme and artifice, did place and cause to be placed in a post office and authorized depository for mail matter, the items described below to be sent and delivered by the Postal Service on or about the dates listed below:

<b>Count</b>	<b>Date of Mailing</b>	<b>Sender</b>	<b>Recipient</b>	<b>Item Mailed</b>
1	02-26-2002	Wynn Company, Inc. Salt Lake City, Utah	M. W. Clearfield, Utah	Promissory Note
2	03-11-2002	Wynn Company, Inc. Salt Lake City, Utah	M. W. Clearfield, Utah	Promissory Note
3	03-05-2002	Wynn Company, Inc. Salt Lake City, Utah	F. H. Sandy, Utah	Financial Perspective
4	04-08-2002	Wynn Company, Inc. Salt Lake City, Utah	A.B. Sunnyvale, California	Letter re: Note #3124

all in violation of 18 U.S.C. § 1341, 2(a) and 2(b).

**COUNTS FIVE AND SIX**  
**15 U.S.C. §§ 78j(b) and 78ff; 17 C.F.R. § 240.10b-5**  
**(Securities Fraud)**

17. The Grand Jury realleges paragraphs 1 through 14 as if fully stated herein.

18. Beginning in or around November 1990 and continuing at least until July 2002, in the Central Division of the District of Utah,

**DENNIS T. WYNN**

DEFENDANT herein, knowingly and willfully and with the intent to defraud, directly and indirectly, in connection with the purchase and sale of securities: (a) employed the scheme to defraud described above as the Fraudulent Conduct; (b) made, and caused others to make, untrue statements of material fact and failed to state, and caused others to fail to state, material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and, (c) engaged in, and caused others to engage in, acts, practices, and courses of business that operated as a fraud and deceit upon other persons.

19. On or about the dates set forth below, in the District of Utah and elsewhere, the DEFENDANT, in furtherance of the fraudulent scheme described above as the Fraudulent Conduct, used and caused others to use, the means and instrumentalities of interstate commerce, the mails, and the facilities of national securities exchanges in connection with the following purchases and sales of securities:

<b>Count</b>	<b>Date</b>	<b>Transaction</b>
5	2-26-2002	W.F.G. Acceptance Promissory Note sold to M.W. for \$21,136.93.
6	3-11-2002	W.F.G. Acceptance Promissory Note sold to M.W. for \$12,689.08.

All in violation of 15 U.S.C. §§ 78j(b) and 78ff; 17 C.F.R. § 240.10b-5; and 18 U.S.C. §

2(a) and (b).

**COUNT SEVEN**  
**15 U.S.C. §§ 77e, 77x**  
**Sale of Unregistered Securities**

20. The Grand Jury realleges paragraphs 1 through 14 as if fully stated herein.

21. Beginning in or around November 1990 and continuing at least until February 2002, in the Central Division of the District of Utah,

**DENNIS T. WYNN**

DEFENDANT herein did willfully, by use of the means and instruments of transportation and communication in interstate commerce, and by use of the mails, sell securities, namely promissory notes of the Wynn Company and W.F.G. through the use or medium of any prospectus and otherwise when no registration statement was in effect as to such securities; and to offer to sell securities of the Wynn Company and W.F.G., through the use or medium of any prospectus or otherwise, when no registration statement was filed

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as to such securities, all in violation of 15 U.S.C. §§ 77e and 77x; and 18 U.S.C. § 2(a) and (b).

A TRUE BILL:

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FOREPERSON OF THE GRAND JURY

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