

**FILED DISTRICT COURT**  
Third Judicial District

**JAN 24 2008**

SALT LAKE COUNTY

By \_\_\_\_\_  
Deputy Clerk

CHARLENE BARLOW, Bar No. 0212  
Assistant Attorney General  
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5272 South College Drive, #200  
Murray, Utah 84123  
Telephone: (801) 281-1221  
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**Attorneys for Plaintiff**

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IN THE THIRD JUDICIAL DISTRICT COURT IN AND FOR  
SALT LAKE COUNTY, STATE OF UTAH

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THE STATE OF UTAH. : Bail \$ \_\_\_\_\_  
Plaintiff, :  
vs. : **CRIMINAL INFORMATION**  
**ROBERT LEROY MAREADY,** : Case No. 0061900649  
DOB: December 27, 1941 :  
Defendant. : Judge \_\_\_\_\_

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The undersigned, JEFFERY NIELSEN, upon oath, states on information and belief that  
the defendant has committed the following crimes:

**SECURITIES FRAUD**  
a second degree felony, 1 count

**COMMUNICATIONS FRAUD**  
a second degree felony, 3 counts

**PATTERN OF UNLAWFUL ACTIVITY**  
a second degree felony, 1 count

**COUNT 1**  
**COMMUNICATIONS FRAUD**  
**a second degree felony**

Commencing on or about August 2007, in Summit County, State of Utah, and elsewhere, the defendant devised a scheme or artifice to defraud **LINDA ALLEN**, or to obtain from her money, property, or anything of value by means of false or fraudulent pretenses, representations, promises, or material omissions, and he communicated directly or indirectly with any person by any means for the purpose of executing or concealing the scheme or artifice, in violation of Utah Code Ann. § 76-10-1801 (1953 as amended). The total value of the property, money or thing obtained or sought to be obtained by the scheme or artifice was more than \$5,000.00, a second degree felony.

**COUNT 2**  
**COMMUNICATIONS FRAUD**  
**a second degree felony**

Commencing on or about October 2007, in Summit County, State of Utah, and elsewhere, the defendant devised a scheme or artifice to defraud **LINDA ALLEN**, or to obtain from her money, property, or anything of value by means of false or fraudulent pretenses, representations, promises, or material omissions, and he communicated directly or indirectly with any person by any means for the purpose of executing or concealing the scheme or artifice, in violation of Utah Code Ann. § 76-10-1801 (1953 as amended). The total value of the property, money or thing obtained or sought to be obtained by the scheme or artifice was more than \$5,000.00, a second degree felony.

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**COUNT 3**  
**COMMUNICATIONS FRAUD**  
**a second degree felony**

Commencing on or about July/August 2004, in Davis County, State of Utah, and elsewhere, the defendant devised a scheme or artifice to defraud **MICHAEL NEY**, or to obtain from him money, property, or anything of value by means of false or fraudulent pretenses, representations, promises, or material omissions, and he communicated directly or indirectly with any person by any means for the purpose of executing or concealing the scheme or artifice, in violation of Utah Code Ann. § 76-10-1801 (1953 as amended). The total value of the property, money or thing obtained or sought to be obtained by the scheme or artifice was more than \$5,000.00, a second degree felony.

**COUNT 4**  
**SECURITIES FRAUD**  
**a second degree felony**

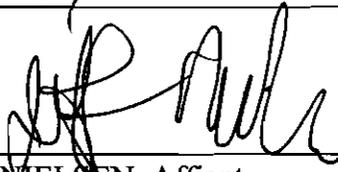
Commencing on or about January 2005, in the State of Utah, County of Davis, and elsewhere, the defendant, in connection with the offer or sale of a security, directly or indirectly, to **MICHAEL NEY**, made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit, in violation of Utah Code Ann. §§61-1-1 and 61-1-21. This violation is a second degree felony under Utah Law.

**COUNT 5**  
**PATTERN OF UNLAWFUL ACTIVITY**  
**a second degree felony**

Commencing on or about January 2005, the defendant has engaged in conduct which

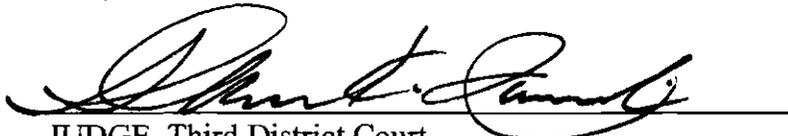
constituted the commission of at least three episodes of unlawful activity as defined in Utah Code Ann. § 76-10-1601 (1995). The defendant: (1) received proceeds derived, directly or indirectly, from a pattern of unlawful activity as more fully defined in Counts 1 through 4 above, in which he participated as a principal, or he used or invested, directly or indirectly, any part of that income, or the proceeds of the income, or the proceeds derived from the investment or use of those proceeds, in the acquisition of any interest in, or establishment or operation of, any enterprise; (2) through a pattern of unlawful activity acquired or maintained, directly or indirectly, any interest in or control of any enterprise; or (3) was employed by, or associated with any enterprise and conducted or participated, whether directly or indirectly, in the conduct of that enterprise's affairs through a pattern of unlawful activity. The unlawful activity included three or more violations of securities fraud and communications fraud. This is a violation of Utah Code Ann. §76-10-1601 and § 76-10-1603(5) (1995), et seq. a second degree felony.

DATED this 24 day of January, 2008.



\_\_\_\_\_  
JEFFERY NIELSEN, Affiant

SUBSCRIBED AND SWORN to before  
me on this 24 day of JAN.,  
2008.



\_\_\_\_\_  
JUDGE, Third District Court

This CRIMINAL INFORMATION is based upon evidence from the following witnesses:

1. Michael Ney
2. Linda Allen
3. Robert LeRoy Maready
4. And Others.

AUTHORIZED for presentment and filing this 22<sup>d</sup> day of January,  
2008.

MARK L. SHURTLEFF  
Utah Attorney General

By: Charlene Barlow  
CHARLENE BARLOW  
Assistant Attorney General



defendant, ROBERT LEROY MAREADY, has committed these offenses,

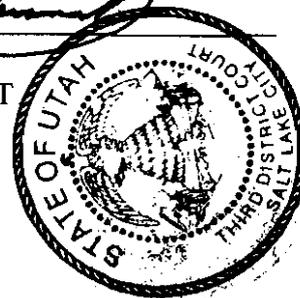
**YOU ARE THEREFORE COMMANDED** to arrest the above named defendant forthwith and bring the defendant before this court, or before the nearest or most accessible magistrate for setting bail. If the defendant has fled justice, you shall pursue the defendant into any other county of this state and there arrest the defendant. The offenses listed above are felonies.

Bail is set in the amount of \$ 35000<sup>00</sup> CASH ONLY

DATED this 24 day of JAN., 2008.



HONORABLE,  
JUDGE, THIRD DISTRICT COURT



Defendant's Last Known Address:

2112 North State Road 32  
Kamas, UT



I CERTIFY THAT THIS IS A TRUE COPY OF  
AN ORIGINAL DOCUMENT ON FILE IN THE  
THIRD DISTRICT COURT, SALT LAKE  
COUNTY, STATE OF UTAH.

[Signature]  
DEPUTY COURT CLERK

**FILED DISTRICT COURT**  
Third Judicial District

**JAN 24 2008**

SALT LAKE COUNTY

By \_\_\_\_\_ Deputy Clerk

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IN THE THIRD JUDICIAL DISTRICT COURT IN AND FOR  
SALT LAKE COUNTY, STATE OF UTAH

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THE STATE OF UTAH, :  
 :  
 Plaintiff, : **AFFIDAVIT OF PROBABLE CAUSE**  
 :  
 vs. :  
 :  
 **ROBERT LEROY MAREADY** : Case No: 00191001049  
 DOB: December 27, 1941 :  
 :  
 Defendant. : Judge: \_\_\_\_\_

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STATE OF UTAH )  
 :ss  
 COUNTY OF SALT LAKE )

I, JEFFERY NIELSEN, being first duly sworn upon oath, depose and state as follows:

1. I am currently employed as a full time investigator with the Utah Division of Securities following my completion of an internship with the Division during the Spring/Summer of 2006, and a contract position with the Division from May 2006 through July 2007. I have worked as the primary investigator on several cases; and, during my internship I

assisted other Investigators for the Division of Securities on other cases. I am currently investigating possible violations of securities fraud statutes and related criminal code violations by ROBERT LEROY MAREADY.

2. The facts set forth in this affidavit are based upon the results of an investigation during which I have collected and reviewed records from witnesses and other sources. I have received information from Michael Ney, Linda Allen, Robert Leroy Maready, and others.

#### **PARTIES**

3. ROBERT LEROY MAREADY, at all pertinent times, resided in Utah, and his last known address is 2112 N. State Road 32, Kamas, UT 84036.
4. Athena Capital, Inc. registered with the Utah Division of Corporations on July 12, 2004. ROBERT LEROY MAREADY is listed as Registered Agent, Secretary, and Vice President. Athena Capital, Inc.'s status is active.
5. Pony Express Road, Inc. registered with the Nevada Secretary of State on January 6, 2005. Laughlin Associates, Inc. is listed as the Registered Agent. Pony Express Road, Inc.'s status is revoked as of February 1, 2006.

#### **BACKGROUND**

6. Between 2004 and 2007, ROBERT LEROY MAREADY met with investors at MAREADY's home in Summit County, and spoke with investors in Salt Lake and Davis Counties over the telephone.

7. MAREADY offered investors an opportunity to invest in foreign exchange (forex) trading. MAREADY told investors he would trade their forex accounts, and would receive a percentage of profits made.
8. MAREADY offered one investor an opportunity to invest in a real estate development. In return for the investment, MAREADY offered the investor an unsecured promissory note. Promissory notes are securities as defined by Utah Code Annotated §61-1-13.
9. Prior to their investing, MAREADY did not provide investors with the information ordinarily provided in a prospectus including but not limited to: financial statements, descriptions of the backgrounds of the company officers and directors, a list of the risk factors relating to the investment, and a discussion of the company's business operations.
10. MAREADY did not disclose other material facts to investors, including but not limited to: suitability factors for the investments; a minimum investment amount needed to participate in the investment opportunity; how liquid the investment was; how MAREADY would be compensated for selling the investment; a track record of MAREADY paying investors; if any other investors were involved; if the investment MAREADY offered was a registered security or exempt from registration; and if MAREADY was licensed as a broker-dealer or agent.
11. Third District Court documents show MAREADY was involved in six civil legal proceedings between August 1992 and April 2007, with in excess of \$417,600 in

judgments entered against MAREADY from the civil suits. MAREADY failed to disclose this information to investors.

12. MAREADY filed a Chapter 7 bankruptcy on April 3, 1985, and a Chapter 11 bankruptcy on June 18, 1991. MAREADY failed to disclose this information to investors.
13. MAREADY was charged with multiple counts of fraud and theft in Arizona on or about 1991. MAREADY later pleaded guilty to theft counts, and spent approximately three and a half years in Arizona state prison between 1997 and 2001. MAREADY failed to disclose this information to investors.
14. Two individuals invested \$55,000 into MAREADY's forex trading scheme. MAREADY lost approximately \$43,400 while trading the two investors' forex accounts.
15. MAREADY received \$20,000 from one investor in return for a promissory note. MAREADY still has not paid back approximately \$5,000 in principal on the promissory note.

**COUNT 1**  
**COMMUNICATIONS FRAUD, a second degree felony**  
**(Linda Allen)**

16. Linda Allen said she met MAREADY when Allen responded to a classified ad MAREADY posted about currency trading. Allen said she had multiple meetings with MAREADY, starting on or about August 2007, to discuss the currency trading. Allen said all discussions took place either in person at MAREADY's home, located in Marion, Summit County, Utah, or over the telephone while Allen was in Salt Lake County.

17. During Allen and MAREADY's discussions, MAREADY told Allen he was an experienced investment advisor and trainer. MAREADY said he had eight years of experience in trading forex, and MAREADY showed Allen he could make as much as 5-10% in daily profits from trading. MAREADY said he traded other clients' accounts, and was "only going to take on one more client" before retiring. MAREADY has not held any licenses in securities, nor has MAREADY held any licenses with the National Futures Association, a fact MAREADY failed to disclose to Allen.
18. MAREADY said Allen would need to set up a trading account through a company called Interbank FX, LLC in order to start trading. MAREADY said the account should start with \$30,000, since anything less than \$30,000 was "not worth [MAREADY's] time." MAREADY said he would trade the account until Allen was able to trade the account herself at the end of MAREADY's training. MAREADY said he would take 50% of the profits he made while trading the account up until the profits reached half of whatever amount of funds Allen put into the account. After MAREADY reached half of the amount deposited, MAREADY would take 25% of the profits at that point.
19. Allen told MAREADY she could not afford to invest in a high risk investment and lose her investment funds, as Allen was responsible for taking care of her elderly mother, and Allen had suffered large financial setbacks in the past. MAREADY said there was "little or no risk" in the investment, based on the way he traded. MAREADY said what he did was the closest thing to a "money machine" Allen would ever see. MAREADY showed

Allen his trading accounts and the results in the account. Allen said the results were impressive.

20. Allen told MAREADY she wanted to think about the investment. Allen said she has a friend in the title business, whom she asked to do a judgment search on MAREADY.

Allen said the only result uncovered was judgment of about \$8,000 from some time ago.

21. Sometime later, MAREADY called Allen, and invited Allen to watch MAREADY trade an account to see the results he could achieve. Allen agreed, and went to MAREADY's home to watch MAREADY trade an account. Allen said MAREADY appeared to make between a few hundred to a few thousand dollars on trades. MAREADY said his trading system worked so well that MAREADY was meeting with somebody who wanted to buy the rights to MAREADY's trading system.

22. During this meeting, MAREADY also discussed his prior business experience.

MAREADY said he had been involved in large development projects, and owned the first Embassy Suites Hotel. MAREADY said he spent most of his life in Arizona, but later stopped doing business ventures and moved to Utah. MAREADY mentioned he owned a house boat at Lake Powell, vacation property in Oregon, and some property near his home. MAREADY did not disclose a failed land development deal during 2005, in which MAREADY took \$20,000 from a Utah investor. MAREADY also failed to disclose that this failed development deal led to a \$320,233 judgment entered against MAREADY on or about April 19, 2007.

23. Allen said she would invest with MAREADY, but Allen wanted to wait until she moved, as Allen had just sold her home and was moving to a less expensive condo. MAREADY told Allen she should set up the trading account in the meantime, while MAREADY prepared a training manual for Allen. MAREADY also said Allen was to give MAREADY a power of attorney to trade the account, but MAREADY instructed Allen not to inform Interbank FX of the power of attorney. Based on MAREADY's representations, Allen opened an account at Interbank FX on or about the end of September 2007, and deposited \$30,000 into the account on or about October 1, 2007.
24. Prior to Allen's \$30,000 investment, MAREADY failed to disclose some of the information found in paragraphs 11, 12, and 13.
25. After Allen opened the account, MAREADY began live trading while Allen watched the trading at MAREADY's home. Allen said MAREADY made about \$2,050 in profits during the first night of trading. Allen said instead of paying MAREADY 50% of the profits on a daily basis, Allen gave MAREADY \$25,000 up front to represent MAREADY's portion of profits. MAREADY agreed, and had Allen deposit the check into a Zions Bank account for MAREADY's company, Athena Capital, on or about October 5, 2007.

**COUNT 2**  
**COMMUNICATIONS FRAUD, a second degree felony**  
**(Linda Allen)**

26. After trading profitably for the first couple of live trading sessions, MAREADY suggested Allen deposit more funds into the account. Allen said she was impressed by MAREADY's results, so she deposited an additional \$20,000 into the Interbank FX account on or about October 9, 2007.
27. Prior to Allen's \$20,000 investment, MAREADY failed to disclose some of the information found in paragraphs 11, 12, and 13.
28. Within a few days of the \$20,000 deposit into trading account, MAREADY lost approximately \$30,000 in trades. MAREADY told Allen he was not used to trading such a small account. MAREADY continually told Allen he would make back the money in a few days.
29. Allen said MAREADY would trade the account profitably, followed by larger losses. On or about early December 2007, Allen, through email, told MAREADY she was unhappy with the trading. On or about December 6, 2007, MAREADY sent a facsimile to Allen showing he took an account from \$100,000 to \$189,475.
30. On or about early December 2007, Allen's account held about \$17,000. Allen said she did not want to trade forex anymore. MAREADY responded by saying he could have the account up to \$75,000. In an email to Allen dated December 12, 2007, MAREADY said

he would “guarantee whatever loss incurred from \$17K,” and that MAREADY could “make this loss back within 48 hours.”

31. On or about December 14, 2007, Allen did an internet check on MAREADY, and discovered the Utah Division of Securities had a Stipulation and Consent Order with MAREADY. Allen said she closed the Interbank FX trading account at that time, with the account balance at approximately \$11,000. Allen contacted MAREADY by email to request MAREADY return the trading account back to \$17,000 as promised, along with the \$25,000 she put into the Zions Bank account, since MAREADY did not make the profit discussed.
32. On or about December 18, 2007, Allen met with MAREADY. During the discussion, MAREADY said he is dying, but wanted to gain the satisfaction of being able to help Allen before he passed. MAREADY asked Allen for another opportunity to trade Allen’s funds, and said “when I can do what I can do, you’re going to have a lot more money in your account than you ever thought possible.” Allen declined the offer. MAREADY said he could get Allen’s money back from a trust account he has, but it would take at least 90 days.
33. Since October 2007, Allen has deposited \$50,000 into her forex trading account, and has given MAREADY \$25,000 in pre-paid commissions. Allen recovered \$11,000 when she closed her trading account. Allen’s losses are \$64,000 to date.

**COUNT 3**  
**COMMUNICATIONS FRAUD, a second degree felony**  
**(Michael Ney)**

34. Michael Ney met MAREADY on or about July or August 2004. Ney said he saw an ad in the newspaper for currency trading. Ney said he called the number in the ad, and talked to MAREADY about the currency trading. MAREADY said he taught people how to trade currency. MAREADY said an account would be set up in Ney's name, but MAREADY would have a power of attorney to trade the account for Ney. MAREADY said an account could make as much as \$500 in profit per day. MAREADY said he wanted \$10,000 to get the account started. Ney said he did not have \$10,000, so MAREADY agreed to take \$5,000. Ney agreed, and gave MAREADY \$5,000 to use for currency trading. Ney said he signed a power of attorney allowing MAREADY to trade the account. Ney said MAREADY lost approximately \$4,400 in trades over a three month period.
35. Prior to Ney's \$5,000 investment, MAREADY failed to disclose some of the information found in paragraphs 11, 12, and 13.

**COUNT 4**  
**SECURITIES FRAUD, a second degree felony**  
**(Michael Ney)**

36. On or about January 2005, MAREADY sent Ney an email about an investment opportunity to develop property in Provo, Utah. MAREADY and Ney also had discussions about the investment at MAREADY's home in Marion, Utah, and over the

telephone while Ney was in Farmington, Utah. MAREADY said he would double Ney's investment funds in six months, but MAREADY did not specify a minimum amount of funds Ney needed to invest. MAREADY said he would give Ney a promissory note in return for the investment.

37. On or about February 2005, Ney invested \$20,000 with MAREADY and Pony Express Road. In return for the \$20,000 investment, MAREADY gave Ney a \$20,000 promissory note. The note was given to Ney while Ney was at MAREADY's home. The note, which was signed by MAREADY in Ney's presence, was to mature in six months, and offered an interest rate of 100% for the six months.
38. Prior to Ney's \$20,000 investment, MAREADY failed to disclose some of the information found in paragraphs 9, 10, 11, 12, and 13.
39. On or about August 2005, when the promissory note matured, MAREADY told Ney he was working on the deal, but was having health issues which were keeping MAREADY from doing the work. On or about September or October 2005, MAREADY admitted to pulling out of the land development deal. Ney said he requested to have his money back at about this time. MAREADY said he would pay back Ney, but it would take about 30 days for MAREADY to get the money to Ney. Ney said MAREADY continually put off returning Ney's funds. Ney said he hired a lawyer on or about April 2006, and filed a civil suit against MAREADY to try and recover his investment funds. On or about April 19, 2007, a \$320,233 judgment was entered against MAREADY in the civil suit.

40. Since investing, Ney filed a complaint with the Utah Division of Securities. Through a Stipulation and Consent Order dated October 17, 2007, MAREADY agreed to pay Ney back \$20,000. MAREADY has paid back \$15,000 as of December 19, 2007.
41. At an interview conducted by Affiant on January 3, 2008, MAREADY said he used \$15,000 of the money he received from Linda Allen to pay Ney.

**COUNT 5**  
**PATTERN OF UNLAWFUL ACTIVITY, a second degree felony**

42. Commencing on or about July or August 2004, MAREADY engaged in conduct which constituted the commission of at least three episodes of unlawful activity as defined in Utah Code Ann. §76-10-1603. MAREADY: (1) received proceeds derived, directly or indirectly, from a pattern of unlawful activity as more fully defined in Counts 1 through 4 above, in which MAREADY participated as principal, or used or invested, directly or indirectly, any part of that income, or the proceeds derived from the investment or use of those proceeds, in the acquisition of any interest in, or establishment or operation of, any enterprise; (2) through a pattern of unlawful activity acquired or maintained, directly or indirectly, any interest in or control of any enterprise; or (3) was employed by, or associated with any enterprise and conducted or participated, whether directly or indirectly, in the conduct of that enterprise's affairs through a pattern of unlawful activity. The unlawful activity included three or more violations of communications fraud. This is a violation of Utah Code Ann. §76-10-1603, a second degree felony.

**SUMMARY**

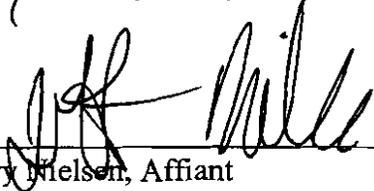
43. Based on my review of the evidence there is probable cause to believe that MAREADY committed the crimes of:

**COMMUNICATIONS FRAUD**  
a second degree felony, 3 counts

**SECURITIES FRAUD**  
a second degree felony, 1 count

**PATTERN OF UNLAWFUL ACTIVITY**  
a second degree felony, 1 count

DATED this 24 day of January, 2008.

  
\_\_\_\_\_  
Jeffery Nielsen, Affiant

SUBSCRIBED AND SWORN before me this  
24 day of Jan.,  
2008.

  
\_\_\_\_\_  
JUDGE, THIRD DISTRICT COURT

