

INFORMATION

DAO No. 11020759

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- (B) a withdrawal from any individual retirement account; or
- (C) a withdrawal from any qualified retirement plan as defined in the Internal Revenue Code.

COUNT 2

SECURITIES FRAUD, 61-1-1 UCA and 61-1-21 UCA, second degree felony, as follows: That on or about March 01, 2007 at , in Salt Lake County, State of Utah the defendant did willfully in connection with the offer, sale, or purchase of a security, directly or indirectly,

- (1)(a) employ a device, scheme, or artifice to defraud;
- (b) make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) engage in an act, practice, or course of business which operates or would operate as a fraud or deceit upon any person; and
- (2)(a) at the time the crime was committed, the property, money, or thing unlawfully obtained or sought to be obtained was worth \$10,000 or more; or
- (b)(i) at the time the crime was committed, the property, money, or thing unlawfully obtained or sought to be obtained was worth less than \$10,000; and
- (ii) in connection with that violation, the violator knowingly accepted any money representing:
 - (A) equity in a person's primary residence;
 - (B) a withdrawal from any individual retirement account; or
 - (C) a withdrawal from any qualified retirement plan as defined in the Internal Revenue Code.

COUNT 3

SECURITIES FRAUD, 61-1-1 UCA and 61-1-21 UCA, second degree felony, as follows: That on or about June 11, 2007 at , in Salt Lake County, State of Utah the defendant did willfully, in connection with the offer, sale, or purchase of a security, directly or indirectly,

- (1)(a) employ a device, scheme, or artifice to defraud;
- (b) make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) engage in an act, practice, or course of business which operates or would operate as a fraud or deceit upon any person; and
- (2)(a) at the time the crime was committed, the property, money, or thing unlawfully obtained or sought to be obtained was worth \$10,000 or more; or
- (b)(i) at the time the crime was committed, the property, money, or thing unlawfully obtained or sought to be obtained was worth less than \$10,000; and
- (ii) in connection with that violation, the violator knowingly accepted any money representing:
 - (A) equity in a person's primary residence;
 - (B) a withdrawal from any individual retirement account; or
 - (C) a withdrawal from any qualified retirement plan as defined in the Internal Revenue Code.

COUNT 4

SECURITIES FRAUD, 61-1-1 UCA and 61-1-21 UCA, second degree felony, as follows: That on or about April 03, 2008 at , in Salt Lake County, State of Utah the defendant did willfully, in connection with the offer, sale, or purchase of a security, directly or indirectly,

- (1)(a) employ a device, scheme, or artifice to defraud;
- (b) make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) engage in an act, practice, or course of business which operates or would operate as a fraud or deceit upon any person; and
- (2)(a) at the time the crime was committed, the property, money, or thing unlawfully obtained or sought to be obtained was worth \$10,000 or more; or
- (b)(i) at the time the crime was committed, the property, money, or thing unlawfully obtained or sought to be obtained was worth less than \$10,000; and
- (ii) in connection with that violation, the violator knowingly accepted any money representing:
 - (A) equity in a person's primary residence;
 - (B) a withdrawal from any individual retirement account; or
 - (C) a withdrawal from any qualified retirement plan as defined in the Internal Revenue Code.

COUNT 5

PATTERN OF UNLAWFUL ACTIVITY, 76-10-1603 UCA, second degree felony, as follows: That on or about April 01, 2008 at , in Salt Lake County, State of Utah the defendant did, (a) having received any proceeds derived, whether directly or indirectly, from a pattern of unlawful activity in which the defendant had participated as a principal, use or invest, 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 the establishment or operation of, any enterprise;

- (b) through a pattern of unlawful activity, acquire or maintain, directly or indirectly, any interest in or control of any enterprise;
- (c) having been employed by or associated with any enterprise, conduct or participate, whether directly or indirectly, in the conduct of that enterprise's affairs through a pattern of unlawful activity; or
- (d) conspire to violate any of the above provisions.

COUNT 6

THEFT, 76-6-404 UCA, third degree felony, as follows: That on or about April 01, 2008 at , in Salt Lake County, State of Utah the defendant did obtain or exercise unauthorized control over the property of another person with a purpose to deprive the person thereof, and

- (a) the value of the property or services was or exceeded \$1,000 but was less than \$5,000; or
- (b) the defendant had been twice before convicted of any of the following offenses, if each prior offense was committed within 10 years of the date of the current conviction or the date of the offense upon which the current conviction is based:
 - (i) theft, any robbery, or any burglary with intent to commit theft;

- (ii) any offense under Title 76, Chapter 6, Part 5, Fraud; or
- (iii) any attempt to commit any of the aforementioned offenses; or
- (c) in a case not amounting to a second-degree felony, the property taken was a stallion, mare, colt, gelding, cow, heifer, steer, ox, bull, calf, sheep, goat, mule, jack, jenny, swine, poultry, or a fur-bearing animal raised for commercial purposes.

THIS INFORMATION IS BASED ON EVIDENCE OBTAINED FROM THE FOLLOWING WITNESSES:

Jeff Nielsen, Jay Behrman, Duane Brown, Margarete Brown, Michael Hines, and Detective Kirkwood.

DECLARATION OF PROBABLE CAUSE:

The statement of Duane Brown that, in or about March 2005, he met with MICHAEL LANGHEINRICH, Defendant, at P.I. Works, Salt Lake County, where he and Defendant discussed rolling Mr. Brown's retirement funds into investments that Defendant promised would safely return a higher rate than Mr. Brown was currently earning but which offered Mr. Brown no right to exercise practical or managerial decisions of the enterprise. Based on Defendant's representations, Mr. Brown invested approximately \$91,516.75 with Defendant between August 25, 2005, and May 10, 2006. Sometime after making the investments, Mr. Brown, began receiving quarterly statements regarding his investments with Defendant on letterhead for a company called Pacific Capital Investors, on the bottom right corner of which were located the address for Defendant's office and telephone number. The Pacific Capital statements also showed Mr. Brown's funds were used to buy into the "Pershing High Yield Investment Fund."

The statement of Duane Brown that, in or about March 2005, he met with Defendant at P.I. Works, Salt Lake County, where he and Defendant discussed investing monies his wife, Margarete Brown, inherited. Defendant told Mr. Brown about investments that were safe and fully insured. On February 3, 2006, Mr. and Mrs. Brown met with Defendant where the Defendant again stated the investment opportunity was completely safe and insured and would return a 5% to 7% return per annum, with interest paid quarterly, but which offered Mrs. Brown no right to exercise practical or managerial decisions of the enterprise. The Statement of Margarete Brown, that based on Defendant's representations, on February 3, 2006, she gave Defendant a \$48,000 personal check made payable to P.I. Works and, on or about February 17, 2006, that she gave Defendant two other personal checks made payable to P.I. Works totaling \$104,000.

The statement of Duane Brown that, in or about March 2006, in Salt Lake County, Mr. Brown called Defendant to discuss investing \$10,000 into a 529 savings account for his granddaughter. Defendant offered to put the funds into an investment that was safe, low-risk and that offered about 13% per annum but which Mrs. Brown would have no right to exercise practical or managerial decisions of the enterprise. On or about March 31, 2006, based on

Defendant's representations, Mr. Brown hand-delivered a \$10,000 personal check for the investment, made payable to P.I. Works, to Defendant at P.I. Works Salt Lake City office.

The statement of Jeff Nielsen, State of Utah Department of Commerce, Division of Securities, that according to US Bank records for PI Works, Between January 10 and September 19, 2006, a total of \$202,896.09 was deposited into the PI Works account, of which \$202,471.84 were funds from Mr. and Mrs. Bown which included funds for Mr. Brown's rollovers, Mrs. Brown's inheritance, and Mr. Brown's \$10,000 to open the 529 savings account. An analysis of PI Works' US Bank records for the time of Mr. Brown's roll-over shows \$40,471.84 of Mr. Brown's roll-over funds were deposited into a US Bank account for PI Works after January 1, 2006, most of which was used for paying Defendant's personal expenses, PI Works' business expenses, and interest payments to Mr. and Mrs. Brown.

An analysis of PI Works' US Bank records for the time of Mrs. Brown's inheritance investments shows that Mrs. Brown's funds were used to pay Defendant's personal expenses, PI Works' business expenses, and interest payments to Mr. and Mrs. Brown. An analysis of PI Works' US Bank records for the time of the 529 account investment shows that Mr. Brown's funds were used for PI Works' business expenses, a "loan" to an unrelated individual, and as part of a \$4,000 payment to Ember Salverson, Defendant's wife.

The statement of Duane Brown that, on or about September 26, 2006, in Salt Lake County, he was contacted by Defendant via telephone regarding an investment in a Certificate of Deposit (CD). Later that day, Defendant came to Mr. Brown's Salt Lake City home where Defendant told Mr. and Mrs. Brown the CD offered interest at a rate of 12% per annum for a one year term, that the investment was safe, insured but which Mrs. Brown would have no right to exercise practical or managerial decisions of the enterprise. Based on Defendant's representations, Mr. Brown invested by giving Defendant two personal checks made payable to P.I. Works totaling \$14,568.40. The statement of Jeff Nielsen, State of Utah Department of Commerce, Division of Securities, that an analysis of PI Works' US Bank records for the time shows the funds were used as part of a \$2,000 payment to Ember Salverson, Defendant's wife, at least \$10,000 in payments related to Defendant and his wife's condo, \$1,082 paid for P.I. Works' office rent, over \$1,000 paid to Mr. Bown, and other expenses. Mr. Brown did not give Defendant permission to use his investment to pay for personal or business expenses.

The statement of Duane and Margarete Brown that, in or about March 2007, in Salt Lake County, that they met with Defendant at his Salt Lake City office to discuss moving Mrs. Brown's insurance accounts, which they notified Defendant were retirement accounts, into an IRA account through Defendant. Defendant told Mr. and Mrs. Brown that he would be able to earn more interest on Mrs. Brown's funds than what her accounts were earning and that the investment funds were safe and insured but which Mrs. Brown would have no right to exercise practical or managerial decisions of the enterprise. Based on Defendant's representations, Mrs. Brown rolled-over approximately \$43,677.41 into P.I. Works accounts between March 2007 and July 2007. The statement of Jeff Nielsen, State of Utah Department of Commerce, Division of Securities, that an analysis of PI Works' US Bank records for the time shows Mrs. Brown's funds were used to pay Defendant's personal expenses, P.I. Works' business expenses, and

interest payments to Mr. and Mrs. Brown. Neither Mr. or Mrs. Brown gave Defendant permission to use their investment to pay for personal or business expenses.

The statement of Duane and Margarete Brown that, June 11, 2007, in Salt Lake County, that they met with Defendant at their Salt Lake City home where Defendant told them he had a money market account offer for them which, if Mr. and Mrs. Brown invested money for one year, would receive 7.5% per annum interest, but which Mr. and Mrs. Brown would have no right to exercise practical or managerial decisions of the enterprise. Defendant also told Mr. and Mrs. Brown they could withdraw the funds at anytime, but would receive 5% per annum on their funds if withdrawn before the one year term ended. Based on Defendant's representations, Mr. and Mrs. Brown invested by giving Defendant a \$10,000 personal check made payable to P.I. Works. The statement of Jeff Nielsen, State of Utah Department of Commerce, Division of Securities, that an analysis of PI Works' US Bank records for the time shows Mr. and Mrs. Brown's funds were used to pay Defendant's personal expenses and P.I. Works' business expenses. Neither Mr. or Mrs. Brown gave Defendant permission to use their investment to pay for personal or business expenses.

The statement of Jay Behrman that, in or about March 2008, in Salt Lake County he had two meetings with defendant regarding an opportunity for Mr. Berhman to loan funds to a client of Defendant's against a settlement Defendant had negotiated for the client. Defendant stated he would charge his client 5% interest per month and that the loan was a minimal risk because the settlement was coming and enough to cover the amount of the loan. Defendant stated to Mr. Behrman that Defendant was also loaning his client funds against the settlement. Based on Defendant's representations, Mr. Berhman decided to invest \$20,000 knowing he would have no right to exercise practical or managerial decisions of the enterprise. On April 3, 2008, Mr. Behrman gave Defendant a check made payable to P.I. Works for \$20,000.

The statement of Jeff Nielsen, State of Utah Department of Commerce, Division of Securities, that an analysis of PI Works' US Bank records for the time shows Mr. Behrman's funds were used to pay Defendant's personal expenses and P.I. Works' business expenses. Mr. Behrman did not give Defendant permission to use his investment to pay for personal or business expenses.

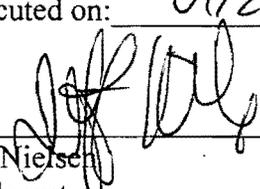
The statement of Jeff Nielsen, State of Utah Department of Commerce, Division of Securities, that Defendant passed the series 4, 7, 24, 27, & 63 exams between 1978 and 1987. Defendant was last licensed in 1990. In about 1991, the NASD took action against Defendant in which Defendant was censured, fined \$57,500, and barred from association with any NASD member in any capacity. Defendant was convicted on federal charges of bank fraud and a securities violation in 1993, and was later convicted of felony theft by the state of Utah in 2005. The SEC obtained a default judgment and permanent injunction against Defendant in a 1993 federal suit. Defendant has been involved in numerous civil suits between about 1989 and 2009, resulting in excess of \$3,000 in judgments entered against Defendant. State of Utah court

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records show many other judgments against Defendant which have expired in addition to the \$3,000 judgments mentioned above. At no time before or after any of the above monetary transactions did Defendant disclose his criminal, civil or administrative history to Mr. or Mrs. Brown or Mr. Behrman or that he had used or intended to use Mr. and Mrs. Brown's or Mr. Behrman's investment funds for personal expenses or business expenses.

Pursuant to Utah Code Annotated § 78B-5-705 (2008) I declare under criminal penalty of the State of Utah that the foregoing is true and correct to the best of my belief and knowledge.

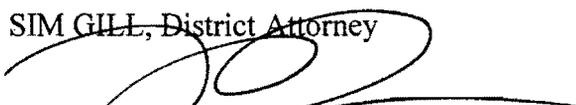
Executed on: 09/23/11



Jeff Nielsen
Declarant

Authorized for presentment and filing

SIM GILL, District Attorney



Deputy District Attorney
23rd day of September, 2011
JC / DAO # 11020759

SEP 23 2011

By [Signature]
SALT LAKE COUNTY
Deputy Clerk

SO # 170356 OTN
DAO # 11020759

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

THE STATE OF UTAH,

Plaintiff,

vs.

MICHAEL S LANGHEINRICH

DOB: 04/14/1958,
123 Versallies Way
Midway, UT 84049

AKA:

SS# 529685887

Defendant.

Before: _____

Magistrate

WARRANT OF ARREST

Case No.

111906928

THE STATE OF UTAH;

To any Peace Officer in the State of Utah, Greetings:

An Information, based upon a written declaration having been declared by Jeff Nielsen - UTAH DIVISION OF SECURITIES, Agency Case No. 10-0037, and it appears from the Information or Declaration filed with the Information, that there is probable cause to believe that the public offenses of;

SECURITIES FRAUD (4 Counts), second degree felonies, PATTERN OF UNLAWFUL ACTIVITY, a second degree felony, and THEFT, a third degree felony, have been committed, and that MICHAEL LANGHEINRICH has committed them.

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 Court finds reasonable grounds to believe defendant will not appear upon a summons.

Bail is set in the amount of \$50,000.00.

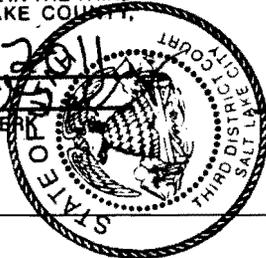
Dated this 23 day of September A.D. 2011.

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.

DATE:

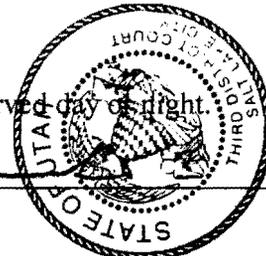
Sept 23, 2011

DEPUTY COURT CLERK



This Warrant may be served day or night.

MAGISTRATE



SERVED: DATE: _____

BY: _____