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EASTERN DISTRICT OF CALIFORNIA
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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF CALIFORNIA

210-CR-0210 WBS

UNITED STATES OF AMERICA)	CASE NO.
)	
Plaintiff,)	VIOLATIONS: 18 U.S.C. § 371 -
)	Conspiracy to Commit Mail
v.)	Fraud; 18 U.S.C. § 1341 - Mail
)	Fraud (5 counts)
ROBERT E. ROSENAU and)	
DONNA M. ROSENAU,)	
)	
Defendants.)	

I N D I C T M E N T

COUNT ONE: [18 U.S.C. § 371 - Conspiracy to Commit Mail Fraud]

The Grand Jury charges:

ROBERT E. ROSENAU and
DONNA M. ROSENAU,

defendants herein, as follows:

I. INTRODUCTION

At all times relevant to this Indictment:

1. Defendant ROBERT E. ROSENAU, and his mother, defendant DONNA M. ROSENAU, were individuals who resided in the County of Shasta, in the State and Eastern District of California.

1 2. Defendants ROBERT E. ROSENAU and DONNA M. ROSENAU were
2 employed by and exercised management control over Rosenau Investments,
3 Inc.

4 3. Rosenau Investments, Inc., was a "hard money" lender that
5 loaned money to the development or rehabilitation of real estate
6 properties, generally at a higher interest rate.

7 4. Rosenau Investments, Inc., accepted funds from investors
8 whose money was represented to be used to fund the real estate loans.
9 Shortly after receiving the invested funds, Rosenau Investments, Inc.,
10 would provide a promissory note to the investor identifying the
11 property associated with the investment and the terms of the
12 investment. Typically, the promissory note would specify the monthly
13 interest payment due the investor for the period of the investment and
14 the principal amount that was to be returned to the investor at the
15 end of the investment period. Twenty-four months was the typical
16 investment period.

17 5. A portion of each monthly loan payment made by borrowers
18 would be forwarded to the investor as his or her monthly interest
19 payment. A portion of each loan payment would be retained by Rosenau
20 Investment, Inc., to pay fees associated with the loan and owed by the
21 borrower.

22 6. Beginning not later than approximately December 2007, Rosenau
23 Investments, Inc., found that it could no longer make monthly interest
24 payments to its investors as promised. All but one borrower was
25 seriously in delinquent arrears, and Rosenau Investments, Inc., had
26 exhausted its corporate reserves. From December 2007 through February
27 2008, defendants ROBERT E. ROSENAU and DONNA M. ROSENAU collected
28 approximately \$732,000 from current and new investors in Rosenau

1 Investments, Inc. Most of those newly-invested funds were used to pay
2 back to investors or diverted to defendant ROBERT E. ROSENAU's own use
3 and the use of his associates.

4 II. THE CONSPIRACY

5 7. Beginning on a date unknown to the Grand Jury, but not later
6 than approximately December 28, 2007, and continuing up to at least
7 February 11, 2008, in the State and Eastern District of California and
8 elsewhere, defendants ROBERT E. ROSENAU and DONNA M. ROSENAU
9 knowingly combined, conspired, and agreed among themselves, and with
10 others both known and unknown to the Grand Jury, to execute through
11 the use of the mails or commercial carrier a material scheme and
12 artifice to defraud investors in Rosenau Investments, Inc., and to
13 obtain money from them by means of materially false and fraudulent
14 pretenses, representations and promises, in connection with
15 investments made with Rosenau Investments, Inc.

16 III. MANNER AND MEANS OF THE CONSPIRACY

17 In furtherance of the conspiracy, defendants and their co-
18 conspirators employed, among others, the following ways and means:

19 8. From about December 2007 through February 2008, after
20 determining that Rosenau Investments, Inc., could no longer make
21 monthly interest payments to its investors as promised, defendants
22 ROBERT E. ROSENAU and DONNA M. ROSENAU accepted investor funds
23 totaling approximately \$732,000 from current and new investors on
24 behalf of Rosenau Investments, Inc.

25 9. A few days after each investment was accepted, defendants
26 ROBERT E. ROSENAU and DONNA M. ROSENAU caused promissory notes to be
27 mailed to the investors documenting the investment, period of the
28 investment, applicable interest rate, monthly interest payment, and

1 the property address associated with the "hard money" loan the
2 investment purportedly funded.

3 10. Rather than use the newly-invested funds to make "hard
4 money" loans as had been represented by the defendants, the defendants
5 deposited the funds into Rosenau Investments, Inc. bank accounts in
6 order to bring the balance above the amount needed to make the monthly
7 interest payments of approximately \$163,000 to all of the company's
8 approximately 87 investors.

9 11. On or about January 1, 2008, and February 1, 2008, from the
10 newly-invested funds, defendants ROBERT E. ROSENAU and DONNA M.
11 ROSENAU caused monthly interest payment checks to be mailed to
12 investors.

13 12. In or about January and February 2008, defendant ROBERT E.
14 ROSENAU caused approximately eight checks totaling approximately
15 \$186,637 to be issued by Rosenau Investments, Inc., including money
16 from the newly-invested funds, for his personal benefit and the
17 benefit of his associates.

18 IV. OVERT ACTS

19 In furtherance of the conspiracy, and to achieve the objects
20 thereof, the defendants and their co-conspirators committed, among
21 others, the following overt acts in the State and Eastern District of
22 California, and elsewhere:

23 13. On or about December 31, 2007, defendant ROBERT E. ROSENAU
24 caused an investor's check in the amount of \$200,000 to be deposited
25 in the bank account of Rosenau Investments, Inc.

26 14. On or about January 1, 2008, defendants ROBERT E. ROSENAU
27 and DONNA M. ROSENAU caused monthly interest payments totaling
28 approximately \$163,000 to be made to investors.

1 15. On or about January 9, 2008, defendants ROBERT E. ROSENAU
2 and DONNA M. ROSENAU caused eight promissory notes to be mailed to
3 investor J.R.

4 16. On or about January 18, 2008, defendant DONNA M. ROSENAU
5 caused an investors check in the amount of \$50,000 to be deposited in
6 the bank account of Rosenau Investments, Inc.

7 17. On or about January 22, 2008, defendants ROBERT E. ROSENAU
8 and DONNA M. ROSENAU caused a promissory note to be mailed to
9 investors C.H. and L.H.

10 18. On or about January 23, 2008, defendant ROBERT E. ROSENAU
11 caused an investor's check in the amount of \$200,000 to be deposited
12 in the bank account of Rosenau Investments, Inc.

13 19. On or about February 1, 2008, defendants ROBERT E. ROSENAU
14 and DONNA M. ROSENAU caused monthly interest payments totaling
15 approximately \$163,000 to be made to investors.

16 20. On or about February 1, 2008, defendants ROBERT E. ROSENAU
17 and DONNA M. ROSENAU caused an investor's check in the amount of
18 \$100,000 to be deposited in the bank account of Rosenau Investments,
19 Inc.

20 21. On or about February 4, 2008, defendants ROBERT E. ROSENAU
21 and DONNA M. ROSENAU caused two promissory notes to be mailed to
22 investors M.H. and V.H.

23 22. On or about February 7, 2008, defendant ROBERT E. ROSENAU
24 caused five checks to issue, each in the amount of \$15,000 drawn on
25 the bank account of Rosenau Investments, Inc., made payable to the
26 bank. In the memo portion of each check is typed "Cashiers Check to
27 Robert Rosenau."

28 ///

1 23. On or about February 8, 2008, defendant ROBERT E. ROSENAU
2 caused an investor's check in the amount of \$100,000 to be deposited
3 in the bank account of Rosenau Investments, Inc.

4 24. On or about February 8, 2008, defendants ROBERT E. ROSENAU
5 and DONNA M. ROSENAU caused three promissory notes to be mailed to
6 investor T.S.

7 25. On or about February 11, 2008, defendants ROBERT E. ROSENAU
8 and DONNA M. ROSENAU caused a promissory note to be mailed to investor
9 J.R.

10 All in violation of Title 18, United States Code, Section 371.

11 COUNTS TWO THROUGH SIX: [18 U.S.C. § 1341 - Mail Fraud]

12 The Grand Jury further charges:

13 ROBERT E. ROSENAU and
14 DONNA M. ROSENAU,

15 defendants herein, as follows:

16 1. Paragraphs 1 through 6 and 8 through 12 of Count One of this
17 Indictment are re-alleged and incorporated as if fully set forth
18 herein.

19 I. THE SCHEME TO DEFRAUD

20 2. Beginning on a date unknown to the Grand Jury, but not later
21 than approximately December 28, 2007, and continuing up to at least
22 February 11, 2008, in the State and Eastern District of California and
23 elsewhere, defendants ROBERT E. ROSENAU and DONNA M. ROSENAU did
24 devise and intend to devise a material scheme and artifice to defraud
25 investors in Rosenau Investments, Inc.; and to obtain money from them
26 by means of materially false and fraudulent pretenses, representations
27 and promises, in that they falsely represented to investors that they
28 were going to use investor funds to make "hard money" real estate

1 loans when they knew that the funds would actually be used to make
2 monthly interest payments investors and diverted to defendant ROBERT
3 E. ROSENAU's own use and the use of his associates.

4 II. THE MAILINGS

5 3. On or about the dates set forth below, in the State and
6 Eastern District of California and elsewhere, for the purpose of
7 executing and attempting to execute the aforementioned scheme and
8 artifice to defraud, defendants ROBERT E. ROSENAU and DONNA M. ROSENAU
9 did knowingly cause to be sent or delivered by the Postal Service, or
10 delivered by common carrier, to the locations set forth below, the
11 documents and items specified below:


<u>COUNT</u>	<u>DATE</u>	<u>FROM</u>	<u>TO</u>	<u>CONTENTS OF MAILING</u>
12 2	1/9/2008	Redding, CA	Chico, CA	Eight promissory notes
13 3	1/22/2008	Redding, CA	Redding, CA	Promissory note
14 4	2/4/2008	Redding, CA	Redding, CA	Two promissory notes
15 5	2/8/2008	Redding, CA	Redding, CA	Three promissory notes
16 6	2/11/2008	Redding, CA	Chico, CA	Promissory note

17
18
19 All in violation of Title 18, United States Code, Section 1341.

20 A TRUE BILL.

21 /s/ Signature on file w/AUSA

22
23 FOREPERSON

24 
25 BENJAMIN B. WAGNER
United States Attorney

No. _____

UNITED STATES DISTRICT COURT

Eastern District of California

Criminal Division

THE UNITED STATES OF AMERICA

vs.

ROBERT E. ROSENAU and DONNA M. ROSENAU

INDICTMENT

VIOLATIONS: 18 U.S.C. § 371 - Conspiracy to Commit Mail
Fraud; 18 U.S.C. § 1341 - Mail Fraud (5 counts)

A true bill,

/s/

Foreman.

Filed in open court this *27th* day

of *May*, A.D. 20 *10*

P. Buzz
Clerk.

Bail, \$ *Both Defendants: Summons to Issue - Bail to
be determined @ hearings.*

Dale A. Dyer

GPO 863 525

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PENALTY SLIP

ROBERT E. ROSENAU and DONNA M. ROSENAU

COUNT 1: ROBERT E. ROSENAU and DONNA M. ROSENAU

VIOLATION: 18 U.S.C. § 371 - Conspiracy to Commit Mail Fraud

PENALTY: 5 Years Imprisonment,
\$250,000 Fine, or both;
3 Years TSR

COUNTS 2-6: ROBERT E. ROSENAU and DONNA M. ROSENAU

VIOLATION: 18 U.S.C. § 1341 - Mail Fraud

PENALTY: 20 Years Imprisonment,
\$250,000 Fine, or both;
3 Years TSR

COURT ASSESSMENT: \$100 each count

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