

FILED

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

OCT - 8 2014

U.S. DISTRICT COURT
EASTERN DISTRICT OF MO
ST. LOUIS

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.)
)
 ROBERT S. BEYER II,)
)
 Defendant.)

4:14CR318 RLW/NCC

INDICTMENT

The Grand Jury charges that:

BACKGROUND

1. In or around February 1995, the Defendant, ROBERT S. BEYER II, obtained a license to sell insurance in the State of Missouri. BEYER sold life insurance annuities through Washington National Insurance, Consecos, and American United Life Insurance.

2. In or around August 1995, BEYER became registered in the State of Missouri to sell securities. BEYER worked at or through a number of businesses selling securities, including Forsyth Securities ("Forsyth") from approximately October 2008 through November 2009 and approximately January 2012 through May 2012. Forsyth was later renamed Oakbridge Financial Services. BEYER worked at Oakbridge Financial Services from approximately March to September 2013.

3. During his association with Forsyth, BEYER acted as a broker and assisted numerous private individuals, including but not limited to individuals with the initials R.R. and R.M., in the purchase of securities.

4. During his association with Washington National Insurance, Consec, and American United Life Insurance, BEYER assisted numerous private individuals in the purchase of life insurance annuities, including but not limited to individuals with the initials R.R., R.M., L.W., M.W., and M.F.

5. On or about December 29, 2011, BEYER incorporated Heroic Life Assurance Company LLC ("HLA"), a Missouri for-profit corporation. On or about January 31, 2012, BEYER incorporated Heroic Life Assurance Management Company, a Missouri for-profit corporation. On or about February 8, 2012, BEYER caused to be incorporated Heroic Life Assurance Foundation, Inc. ("HLAF"), a non-profit organization.

THE SCHEME

6. Beginning at a time unknown to the Grand Jury but at least as early as December 28, 2011 and continuing through at least June 10, 2013, BEYER, with the intent to defraud, devised a scheme to defraud customers of Forsyth, Washington National Life, Consec, and American United Life and to obtain money and property from those customers by inducing them to place their funds with HLA, by means of material false and fraudulent pretenses, representations, and promises, as described further herein.

MANNER AND MEANS OF THE SCHEME

7. The manner and means of the scheme are further described as follows:

a. It was part of the scheme that BEYER told investors that HLA was a reliable investment; that their principal, if invested with HLA, would be kept safe and secure; and that such an investment would generate a fixed rate of return, which BEYER sometimes referred to as "interest" or a "dividend." In truth and fact, HLA was a company that BEYER controlled, and

BEYER did not intend to keep the investors' principals secure. Instead, BEYER intended to and did spend investors' funds in ways not calculated to produce any return, let alone a reliable return, including extensive payments to himself and others, which payments were then employed for personal uses and payments of personal expenses, as well as the repayment of prior investors with new investor funds and the payment of expenses of HLAF. More than risky, HLA ultimately operated merely as a vehicle by which BEYER could gain access to and make use of investors' funds for BEYER to pay his personal expenses and the expenses of his companies.

b. It was further part of the scheme that BEYER devised and caused to be incorporated HLAF, through which he planned to offer entrepreneurship classes at no cost to individuals interested in starting businesses. BEYER's purpose in offering such classes was to increase the exposure of HLA and attract other potential investors who might contribute funds to HLA.

c. It was further part of the scheme that BEYER utilized a false identity, "Jesus Cristobal," whom BEYER represented to be a large financier of HLA and HLAF. BEYER created an email account using the name "Jesus Cristobal" and sent himself and others emails from that email account. In truth and fact, "Jesus Cristobal" did not exist, and BEYER's companies had no such source of financing.

d. It was further part of the scheme that BEYER utilized the false identity Jesus Cristobal to induce an employee of HLAF to believe that HLAF and HLA were legitimate enterprises so that the employee would continue to assist BEYER in operating HLAF and recruiting potential investors.

e. It was further part of the scheme that BEYER paid the salary for that employee of HLAF using funds in the account for HLA, which funds had been contributed by HLA investors.

BEYER did not indicate to any potential investor in HLA that their funds would be used to pay the expenses of a non-profit organization.

f. It was further part of the scheme that BEYER represented HLA to be profitable, when, in truth and fact, the business had never generated a profit. HLA in fact never engaged in any legitimate revenue-generating activity other than the solicitation and receipt of investor funds.

g. It was further part of the scheme that BEYER solicited funds from individuals with whom BEYER had formed a relationship of trust and confidence through his work with Forsyth, Washington National Life, and American United Life. Despite said relationship, BEYER recommended that those individuals invest in HLA, even though he knew such an investment was not suitable to those individuals' investment needs. BEYER failed to disclose to those individuals that he held an interest in HLA.

h. It was further part of the scheme that BEYER operated HLA in a manner similar to a Ponzi scheme, whereby BEYER repaid at least one investor who demanded a return of her money using money contributed by a later investor.

i. It was further part of the scheme that BEYER created documents memorializing some of the foregoing investments in HLA, which were sometimes characterized as loans and other times characterized as "memberships." BEYER utilized these documents to create the misimpression that the investments in HLA were safe and secure as BEYER had represented and that HLA was a profitable company.

j. It was further part of the scheme that BEYER falsely represented to at least one investor who requested a return of funds that BEYER could not immediately grant the request because of the nature of the investments in which the funds had been placed. In truth and fact,

BEYER had misappropriated and misused said funds and had not placed them in any investment.

k. It was further part of the scheme that BEYER created websites and used other social media tools to make HLA look like an existing company. In truth and fact, HLA was a start-up company with no capital other than funds contributed by investors under the false pretenses, representations, and promises described herein.

COUNT I
(Wire Fraud)

8. Each of the allegations in Paragraphs 1 through 7 of this Indictment is hereby incorporated by reference as if fully set forth herein.

9. On or about March 27, 2012, within the Eastern District of Missouri, the Defendant

ROBERT S. BEYER II

having devised the above-described scheme and artifice to defraud and to obtain money and property by false and fraudulent representations, pretenses, and promises, and for the purpose of executing and attempting to execute that scheme, did knowingly transmit and cause to be transmitted by means of wire and radio communication in interstate commerce certain signs, signals, and sounds, to wit, a wire transfer in the amount of \$20,000 from an account at US Bank in Minneapolis, Minnesota to an account at Meramec Valley Bank in Ellisville, Missouri.

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNT II
(Unlawful Monetary Transaction)

10. Each of the allegations in Paragraphs 1 through 7 of this Indictment is hereby incorporated by reference as if fully set forth herein.

11. On or about January 11, 2012, within the Eastern District of Missouri, the Defendant

ROBERT S. BEYER II

did knowingly engage and attempt to engage in a monetary transaction affecting interstate commerce, by and through a financial institution, in criminally derived property of a value greater than \$10,000.00, to wit, the deposit of funds supporting a check, drawn on an account ending in 5211 at Meramec Valley Bank, in the amount of \$49,995.00, into an account ending in 5209 at PNC Bank in the name of the Defendant, such property having been derived from a specified unlawful activity, that is, wire fraud, in violation of Title 18, United States Code, Section 1343.

In violation of Title 18, United States Code, Sections 1957 and 2.

FORFEITURE ALLEGATION

12. Pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), upon conviction of an offense in violation of Title 18, United States Code, Section 1343 as set forth in Count I, the defendant shall forfeit to the United States of America any property, real or personal, constituting or derived from any proceeds traceable to said offense.

13. Subject to forfeiture is a sum of money equal to the total value of any property, real or personal, constituting or derived from any proceeds traceable to said offense.

14. Pursuant to Title 18, United States Code, Sections 982(a), upon conviction of an offense in violation of Title 18, United States Code, Section 1957, as set forth in Count II, the defendant shall forfeit to the United States of America any property, real or personal, involved in such offense, and any property traceable to such property.

15. Subject to forfeiture is a sum of money equal to the total value of any property, real or personal, involved in such offense, or any property traceable to such property.

16. If any of the property described above, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

the United States of America will be entitled to the forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p).

A TRUE BILL.

FOREPERSON

RICHARD G. CALLAHAN
United States Attorney

RICHARD E. FINNERAN, #60768MO
Assistant United States Attorney