

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA

San Diego, California

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For Immediate Release

Three Charged in \$30 Million Fraud Scheme

NEWS RELEASE SUMMARY - July 9, 2009

San Diego, CA - United States Attorney Karen P. Hewitt announced today that Matthew “Beau” La Madrid, Lance La Madrid, and Eric Montiel, were charged in a 29-count indictment with conspiracy, mail fraud, wire fraud, and bank fraud in connection with their operation of the Plus Money Premium Return Funds and related real estate investment schemes. Matthew La Madrid was also charged with money laundering and witness tampering. The indictment was handed up by a federal grand jury sitting in San Diego on July 7, 2009 and unsealed today.

According to the indictment, Matthew “Beau” La Madrid was the President and General Manager of Plus Money, Inc. (“Plus Money”), an investment group with offices in El Cajon, and also operated businesses related to real estate investments, including Innovative Financial Solutions (“IFS”), Real Estate Investment Group (“REIG”), and E & M Property Management, located in San Diego County. It is further alleged that Lance La Madrid was the Assistant General Manager of Plus Money and the manager of Premium Return Fund III, and

Eric Montiel was the Audit and Communications Officer for Plus Money, the manager of Premium Return Fund II, and a partner in REIG and E & M Property Management.

The indictment alleges that between May 2004 and May 2008, Plus Money obtained from investors over \$30 million, held in three pools known as Premium Return Fund I, Premium Return Fund II, and Premium Return Fund III. It is further alleged that the defendants represented to investors that they operated a “covered calls” stock option trading program and other investment programs involving real estate, falsely promising that monies invested in the Plus Money funds would be used to trade in “covered call” stock options and that the monthly payments investors would receive represented income from their investment.

The indictment alleges that the defendants provided the Plus Money investors with false and misleading account statements indicating that the investment funds were healthy and profitable and that the principal invested by all participants was intact as of July 13, 2006, when account statements were sent to Plus Money investors falsely indicating that the brokerage account for Premium Return Fund I contained at least \$13 million, when the account contained only \$3 million.

The indictment also alleges that or about September 14, 2007, defendant Matthew “Beau” La Madrid transferred \$5 million from the brokerage accounts for three Premium Return Funds to an account in the name of Vision Quest Investments; and again on October 9, 2007, La Madrid transferred \$2.6 million from the brokerage accounts of two of the three Premium Return Funds to an account in the name of Vision Quest Investments, without the knowledge or consent of the Plus Money investors. According to the indictment, thereafter, on January 15, 2008, the defendants sent account statements to the Plus Money investors falsely stating that the brokerage accounts for each of the three funds contained at least \$8 million, when none of the funds contained more than \$135,000.

The indictment alleges that in order to obtain money from potential investors, the defendants caused others to fraudulently obtain over \$34 million from lenders on home loan applications. It is alleged that the