



**United States Department of Justice
United States Attorney's Office
District of Minnesota**



News Release

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Golden Valley woman indicted for defrauding investors out of \$750,000

Earlier today in federal court in Minneapolis, a Golden Valley investment adviser was indicted for defrauding investors out of \$750,000. The indictment, which was filed on May 11, 2011, charges Renee Marie Brown, age 47, with five counts of securities fraud, five counts of wire fraud, and one count of money laundering.

The indictment states that on July 1, 2009, Brown created Investors Income Fund X, LLC, a limited liability company. Then, from June of 2009 through March of 2010, she purportedly induced investors to invest in Fund X, falsely telling them that Fund X was a "bond fund" with an eight or nine-percent rate of return, and that she had invested \$200,000 of her own money in the fund. According to the indictment, Fund X never was a bond fund, and Brown never invested any of her own money in Fund X. Moreover, Brown allegedly used more than \$500,000 of the investors' funds for her personal use, including the purchase of a condominium and the payment of credit card bills. Allegedly, the "returns" distributed to investors merely were transfers from Fund X investors' funds, not legitimate returns from investments.

The indictment outlines five occasions when Brown purportedly committed securities fraud by fraudulently inducing investors to provide her with money and five occasions when she committed wire fraud by electronically communicating with financial institutions and investors regarding funds involved in the fraud. In addition, the indictment alleges that on February 11, 2010, Brown committed money laundering when she transferred \$85,000 in funds generated from the fraud to the account of another one of her companies.

If convicted, Brown faces a potential maximum penalty of 20 years in prison on each securities fraud and wire fraud count and a potential maximum penalty of ten years for money

laundering. All sentences will be determined by a federal district court judge.

This case is the result of an investigation by the Federal Bureau of Investigation, with assistance from the United States Securities and Exchange Commission. It is being prosecuted by Assistant U.S. Attorney Nancy E. Brasel.

This law enforcement action is in part sponsored by the interagency Financial Fraud Enforcement Task Force. The task force was established to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. It includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch and, with state and local partners, investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

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An indictment is a determination by a grand jury that there is probable cause to believe that offenses have been committed by a defendant. A defendant, of course, is presumed innocent until he or she pleads guilty or is proven guilty at trial.