



*U.S. Department of Justice
United States Attorney
Southern District of Mississippi*

FOR IMMEDIATE RELEASE
July 28, 2011

**MADISON ATTORNEY CHARGED WITH
BANKRUPTCY FRAUD AND BANK FRAUD**

Jackson, Miss - Michael E. Earwood, an attorney from Madison, MS, appeared today for arraignment before U.S. Magistrate Judge F. Keith Ball on a federal indictment charging him with one count of Bankruptcy Fraud and one count of Bank Fraud, U.S. Attorney John Dowdy, Acting U. S. Trustee Henry G. Hobbs, Jr. of Region 5, and FBI Special Agent in Charge Daniel McMullen announced.

Count One of the indictment charges Earwood with devising a scheme to obtain money from a business partner by falsely representing that money solicited from the partner would be used to maintain real property owned by the business, Kinwood Capitol Group. According to the indictment, Michael E. Earwood used the Bankruptcy Court to conceal the scheme from his business partner, in violation of Section 157, Title 18, United States Code.

Count Two of the indictment charges Earwood with bank fraud. According to the indictment, Michael E. Earwood devised a scheme to defraud a bank by pledging as collateral for loans property that he did not own, in violation of Section 1344, Title 18, United States Code.

The Federal Bureau of Investigation and the Federal Deposit Insurance Corporation-Office of Inspector General (FDIC-OIG) conducted the criminal investigation.

If convicted of both counts of the indictment, Michael E. Earwood faces a maximum penalty of 35 years in federal prison.

The public is reminded that, as in any criminal case, a person is presumed innocent until and unless proven guilty. The charges filed merely contain allegations of criminal conduct.

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