

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

Criminal Case No. 18-CR-508 - ~~18-508~~ CMA

UNITED STATES OF AMERICA,

Plaintiff,

v.

DANIEL B. RUDDEN,

Defendant.

INFORMATION

The United States Attorney charges that:

COUNT ONE
18 U.S.C. § 1341

The Scheme

1. Beginning in at least 2010 and continuing until in or about June of 2018, in the State and District of Colorado and elsewhere, defendant DANIEL B. RUDDEN (RUDDEN) devised a scheme to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises (hereinafter referred to as the "Scheme"). The Scheme was executed in connection with soliciting investments in Rudden's company Financial Visions, Inc. (FV), which took assignments on life insurance policies in order to pay for funeral expenses and charged the deceased's family member(s) a fee for this service. It was a part of the Scheme that:

- a. Between 2001 and the summer of 2018, Rudden was the President and Chief Executive Officer of FV. FV was a Colorado corporation based in Greenwood Village, Colorado. FV's business model was based on taking assignments on life insurance policies in order to pay for funeral expenses. When a family experienced the death of a family member and could not afford the funeral expenses, FV would pay the funeral home and/or cemetery for those expenses and take an assignment on the deceased's life insurance policy. When the insurance company paid the life insurance proceeds, it would pay FV directly for the funeral expenses that FV had fronted. FV charged the family of the deceased a 4 to 5 percent fee for this service.
- b. Between 2001 and the spring of 2018, Rudden solicited loans from investors purportedly to finance FV's business. Individuals who decided to invest in FV received a one-page Promissory Note signed by the defendant as President of FV. Through the Promissory Note, the defendant promised to pay back to the investor the principal amount invested plus interest. Most investors were promised 12% simple interest per year on their principal amount invested, to be paid on a quarterly basis. In addition to receiving interest payments on a quarterly basis, the investors were promised that the "entire principal balance plus any accrued interest can be called and deemed payable UPON 90 days written notice."
- c. Between at least 2010 and the spring of 2018, through yearly investor update letters and verbal statements, Rudden falsely represented to investors that:

- i. FV was continuing to grow by adding additional funeral homes since the last update letter;
- ii. FV routinely was having its “best year ever”; and
- iii. FV investors would continue to receive interest payments on the principal amounts invested with the ability to redeem their capital when needed.

Moreover, in 2018, Rudden falsely represented that he was negotiating a sale of FV.

- d. However, starting in at least 2010, as Rudden well knew, the interest payments owed to investors far exceeded the gross profits earned by FV and he was using principal amounts received from later investors to make interest payments to prior investors.
- e. Despite his knowledge that as of at least 2010, FV’s business was failing and Rudden was using new investor money to pay interest to prior investors, Rudden continued to seek and accept investor money for FV as described above through at least the spring of 2018.
- f. Additionally, there never were any negotiations for the sale of FV. Rudden’s false representations concerning these negotiations were designed to stall for time and lull investors into believing that the business was sound.

Taking into account money returned to investors in the form of “interest” payments, investors are currently owed approximately \$20 million dollars.

Execution of the Scheme

2. For the purpose of executing the Scheme described in paragraphs 1a.

through 1f. above, in or about March of 2017, the defendant knowingly caused, or caused another person, to mail through the United States Postal Service an investor update letter addressed to Investor M.B., according to the direction thereon.

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

FORFEITURE ALLEGATION

3. The allegations contained in Count 1 of this Information are hereby re-alleged and incorporated by reference for the purpose of alleging forfeiture pursuant to the provisions of 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c).

4. Upon conviction of the violations alleged in Count 1 of this Information involving mail fraud in violation of 18 U.S.C. § 1341, Defendant DANIEL B. RUDDEN shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), any and all of his right, title and interest in all property constituting and derived from any proceeds he obtained directly and indirectly as a result of such offense, including, but not limited to:

A money judgment in the amount of proceeds obtained by the Scheme.


5. If any of the property described in paragraph 4 above, as a result of any act or omission of Defendant DANIEL B. RUDDEN:

- 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 subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of Defendant DANIEL B. RUDDEN up to the value of the forfeitable property.

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COMPLAINT FILED? YES NO

IF YES, PROVIDE MAGISTRATE CASE NUMBER: 1:18-mj-01129-STV
IF NO, PROCEED TO "OFFENSE" SECTION

OFFENSE: **Count 1:** 18 U.S.C. § 1341 – Mail Fraud

LOCATION OF OFFENSE: Denver County, Colorado

PENALTY: **Count 1:** NMT 20 years imprisonment; a fine of NMT \$250,000 or twice the financial gain; NMT 3 years supervised release; and \$100 special assessment

AGENT: Special Agent Travis Wall, FBI

AUTHORIZED BY: Martha A. Paluch, Rebecca S. Weber, Assistant U.S. Attorneys

ESTIMATED TIME OF TRIAL:

five days or less

over five days

other

THE GOVERNMENT

will seek detention in this case

will not seek detention in this case

The statutory presumption of detention **is not** applicable to this defendant.

OCDEF CASE: Yes No