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FOR IMMEDIATE RELEASE

Fraud Artist Gets 21-Year Prison Sentence for \$30 Million Ponzi Scheme

(Phoenix, Ariz. – May 20, 2009) Attorney General Terry Goddard today announced that Owen A. Vilan, 51, of Mesa has been sentenced to 21 years in prison as a result of a Ponzi scheme he ran that defrauded victims of some \$30 million between 2004 and 2007. Vilan is also required to pay more than \$22 million in restitution to victims.

In April, Vilan pleaded guilty to one count of money laundering and two counts of fraud schemes and artifices, all felonies.

According to court documents, Vilan claimed to be a successful stock-option trader who could produce a 36 percent annual return on investment for his investors. Between August 2004 and March 2007, he successfully solicited some 250 individuals to invest a total of \$25 million in his company, Saguaro Investments (also known as Vilan Enterprises).

Vilan, who is not licensed to sell securities, invested only a portion of victims' money in stock trading activities, much of which he lost. He spent much of the victims' money on himself, his family and associates. The scheme collapsed when Vilan was arrested and could no longer recruit new investors. The victims of the Ponzi scheme were primarily wage earners, many of whom borrowed money, mortgaged their homes or cashed out savings or pensions to invest. Vilan promoted the scheme through referrals of victims, some of whom received commissions.

In March 2007, the Arizona Corporation Commission ordered Vilan to cease and desist from violating the Arizona Securities Act. Vilan ignored the order, and, between March 2007 and his arrest in October 2007, he allegedly created a new investment company, Desert Group Investments, LLC. Through this company he fraudulently solicited \$5 million from new investors.

This case was investigated by the Arizona Corporation Commission's Securities Division.

Seven other individuals who participated in Vilan's scheme pleaded guilty to lesser charges and were sentenced to probation in Maricopa County Superior Court. They are Bernardo Reyes, 45, of Mesa; Lucy Vilan, 42, of Mesa; Juan Torres, 49, of Mesa; Jesus Rodriguez, 44, of Queen Creek; Joe Morales, 49, of Queen Creek; Jeffrey Leiter, 38, of Mesa; and Francisco Moreno, 44, of Tucson.

The court has appointed a receiver to assist victims of Vilan's scheme. Those who believe they have been defrauded by Vilan should go to the receiver's Web site, <http://www.saguaroinvestments-receivership.com>.

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