

**MARK BRNOVICH**  
Attorney General  
Firm Bar No. 14000

**NICHOLAS KLINGERMAN**  
Assistant Attorney General  
State Bar No.: 028231  
400 West Congress, Suite S-315  
Tucson, Arizona 85701  
Telephone No.: (520) 209-4310  
CRMTucson@azag.gov  
SIS #P002-2015-002201

Attorneys for Plaintiff

**IN THE SUPERIOR COURT OF THE STATE OF ARIZONA  
IN AND FOR THE COUNTY OF MARICOPA**

STATE OF ARIZONA,

Plaintiff,

v.

**BRADLEY HEINRICHS (001),**

Defendant.

Case No:

**87 SGJ 235**

**DIRECT INDICTMENT**

CHARGING VIOLATIONS OF:

**COUNT 1: ILLEGAL CONTROL OF AN ENTERPRISE**, a Class 3 Felony, in violation of A.R.S. § 13-2312

**COUNTS 2-5: FRAUDULENT SCHEMES AND ARTIFICES**, a Class 2 Felony, in violation of A.R.S. § 13-2310

**COUNT 6: THEFT**, a Class 2 Felony, in violation of A.R.S. § 13-1802

**COUNT 7: CONSPIRACY**, a Class 2 Felony, in violation of A.R.S. § 13-1003

The Arizona State Grand Jury accuses **BRADLEY HEINRICHS (001)**, charging on this 14<sup>th</sup> day of December, 2020, that in or from Maricopa County, Arizona:

**COUNT ONE**  
**ILLEGAL CONTROL OF AN ENTERPRISE, A CLASS 3 FELONY**

From on or about January 2005 and continuing through on or about December 2014, **BRADLEY HEINRICHS (001)**, through racketeering or its proceeds, acquired or maintained, by investment or otherwise, control of any enterprise. The enterprises include those listed in Attachment B, and/or a group of persons associated in fact, including but not limited to **BRADLEY HEINRICHS (001)**, Steven J. Hatch, Stephen D. Hatch, Adam Hatch, Ryan Hatch, Jessica Hatch, and others KNOWN and/or UNKNOWN. Through the enterprises, **BRADLEY HEINRICHS (001)** solicited over \$82,000,000 from the investors listed in Attachment B.

The racketeering included:

- Theft, in violation of A.R.S. § 13-2301(D)(4)(b)(v)
- Intentional or reckless false statements or publications concerning land for sale or lease or sale of subdivided lands or sale and mortgaging of unsubdivided lands, in violation of A.R.S. § 13-2301(D)(4)(b)(xvi)
- Resale of realty with intent to defraud, in violation of in violation of A.R.S. § 13-2301(D)(4)(b)(xvii)
- Intentional or reckless fraud in the purchase or sale of securities, in violation of A.R.S. § 13-2301(D)(4)(b)(xviii)
- Intentional or reckless sale of unregistered securities or real property securities, in violation of A.R.S. § 13-2301(D)(4)(b)(xix)
- A scheme or artifice to defraud, in violation of A.R.S. § 13-2301(D)(4)(b)(xx)
- Money laundering, in violation of A.R.S. § 13-2301(D)(4)(b)(xxvi)

The alleged racketeering includes, but is not limited to the Fraudulent Schemes and Artifices and Theft described in this Indictment (which are incorporated herein by reference as if set forth in full), violation of A.R.S. §§ 13-2312(A) and (D), 13-2301, 13-108, 13-109, 13-301, 13-302, 13-304, 13-701, 13-702, 13-703, 13-801, 13-804, 13-811, 13-2313, 13-2314.

**BRADLEY HEINRICHS (001)** operated a complex real estate investment enterprise that involved two separate land portfolios: a group of separately-owned parcels named the “Legacy Properties” and a smaller group of land holdings organized under a single corporate entity, Arizona Commercial Real Estate Solutions, LLC (“ACRES”). While managing those land portfolios, **BRADLEY HEINRICHS (001)** employed the following conduct to commit the acts of racketeering listed above: (1) overleveraging property without disclosing the details to investors; (2) using new investor money to pay off loans held by existing investors; (3) transferring investor money between different enterprises without authorization; (4) misleading investors about the value of their investments and the likelihood they would be repaid when they inquired about overdue notes; and (5) using religious affinity to secure loans and distract or dispel investor concerns.

To obtain investments, **BRADLEY HEINRICHS’ (001)** enterprises issued promissory notes to investors. Those notes were not secured, and not all issued notes were subject to an exception from registration. In fact, most investors believed their investments were secured by deeds of trust, either in the actual land or in the companies that owned the land. Because the projects were vastly overleveraged, the investors’ security interests were illusory.

Additionally, **BRADLEY HEINRICHS (001)** deceptively placated investors’ inquiries about projects or missed payments. Specifically, **BRADLEY HEINRICHS (001)** regularly sent investors an “Investment Summary” that showed ever-increasing interest earnings with no warnings that there was insufficient money to pay out these earnings. Finally, **BRADLEY HEINRICHS (001)** relied on religious affinity to solicit investments, gain trust, and assure investors that they would make money.

**COUNT TWO**  
**FRAUDULENT SCHEMES AND ARTIFICES, A CLASS 2 FELONY**

On or about June 6, 2014, **BRADLEY HEINRICHS (001)**, pursuant to a scheme or artifice to defraud, knowingly obtained any benefit by means of false or fraudulent pretenses, representations, promises or material omissions, to wit: \$120,847.72 from James John, in violation of A.R.S. §§ 13-2310(A) & (C), 13-108, 13-109, 13-301, 13-302, 13-304, 13-701, 13-702, 13-703, 13-801, 13-804, 13-811, 13-2313, 13-2314.

**BRADLEY HEINRICHS (001)** committed the above fraudulent scheme or artifice through, but not limited to, the following conduct: (1) soliciting the investment after discovering that Steven J. Hatch misappropriated assets from the enterprise; (2) soliciting the investment on behalf of ACRES but distributing money to Legacy Properties; and/or (3) using the solicited money to repay prior investors.

**COUNT THREE**  
**FRAUDULENT SCHEMES AND ARTIFICES, A CLASS 2 FELONY**

On or about June 26, 2014, **BRADLEY HEINRICHS (001)**, pursuant to a scheme or artifice to defraud, knowingly obtained any benefit by means of false or fraudulent pretenses, representations, promises or material omissions, to wit: \$100,000 from Richard Blickenstaff, in violation of A.R.S. §§ 13-2310(A) & (C), 13-108, 13-109, 13-301, 13-302, 13-304, 13-701, 13-702, 13-703, 13-801, 13-804, 13-811, 13-2313, 13-2314.

**BRADLEY HEINRICHS (001)** committed the above fraudulent scheme or artifice through, but not limited to, the following conduct: (1) soliciting the investment after discovering that Steven J. Hatch misappropriated assets from the enterprise; (2) soliciting the investment on behalf of ACRES but distributing money to Legacy Properties; and/or (3) using the solicited money to repay prior investors.

**COUNT FOUR**  
**FRAUDULENT SCHEMES AND ARTIFICES, A CLASS 2 FELONY**

On or about June 30, 2014, **BRADLEY HEINRICHS (001)**, pursuant to a scheme or artifice to defraud, knowingly obtained any benefit by means of false or fraudulent pretenses, representations, promises or material omissions, to wit: \$250,000 from William Borger, in violation of A.R.S. §§ 13-2310(A) & (C), 13-108, 13-109, 13-301, 13-302, 13-304, 13-701, 13-702, 13-703, 13-801, 13-804, 13-811, 13-2313, 13-2314.

**BRADLEY HEINRICHS (001)** committed the above fraudulent scheme or artifice through, but not limited to, the following conduct: (1) soliciting the investment after discovering that Steven J. Hatch misappropriated assets from the enterprise; (2) soliciting the investment on behalf of ACRES but distributing money to Legacy Properties; and/or (3) using the solicited money to repay prior investors.

**COUNT FIVE**  
**FRAUDULENT SCHEMES AND ARTIFICES, A CLASS 2 FELONY**

On or about July 23, 2014, **BRADLEY HEINRICHS (001)**, pursuant to a scheme or artifice to defraud, knowingly obtained any benefit by means of false or fraudulent pretenses, representations, promises or material omissions, to wit: \$1,000,000 from Eric Gastevich/ATG RE Holdings, in violation of A.R.S. §§ 13-2310(A) & (C), 13-108, 13-109, 13-301, 13-302, 13-304, 13-701, 13-702, 13-703, 13-801, 13-804, 13-811, 13-2313, 13-2314.

**BRADLEY HEINRICHS (001)** committed the above fraudulent scheme or artifice through, but not limited to, the following conduct: (1) soliciting the investment after discovering that Steven J. Hatch misappropriated assets from the enterprise; (2) soliciting the investment on behalf of ACRES but distributing money to Legacy Properties; and/or (3) using the solicited money to repay prior investors.

**COUNT SIX**  
**THEFT, A CLASS 2 FELONY**

From on or about June 2014 and continuing through on or about July 2014, **BRADLEY HEINRICHS (001)**, committed theft from James John, Richard Blickenstaff, William Borger, and/or Eric Gastevich/ATG RE Holdings with a value of twenty-five thousand dollars or more, to wit: \$1,470,847.72, in violation of A.R.S. §§ 13-1802, 13-108, 13-109, 13-301, 13-302, 13-304, 13-701, 13-702, 13-703, 13-801, 13-804, 13-811, 13-2313, 13-2314.

**COUNT SEVEN**  
**CONSPIRACY, A CLASS 2 FELONY**

From on or about January 2005 and continuing through on or about December 2014, **BRADLEY HEINRICHS (001)**, with the intent to promote or aid in the commission of an offense, did agree with one or more persons, including but not limited to, Steven J. Hatch, Stephen D. Hatch, Adam Hatch, Ryan Hatch, Jessica Hatch, and/or others known and/or unknown, that at least one of them or another person would engage in conduct constituting the offenses of:

- **FRAUDULENT SCHEMES AND ARTIFICES**, in violation of A.R.S. § 13-3210
- **THEFT**, in violation of A.R.S. § 13-1802
- **SALE OF UNREGISTERED SECURITIES**, in violation of A.R.S. § 44-1841
- **TRANSACTIONS BY UNREGISTERED DEALERS AND SALESMEN**, in violation of A.R.S. § 44-1842

in furtherance of this conspiracy and to effect the forgoing objects thereof, these defendants and their co-conspirators did commit numerous overt acts, including but not limited to: the overt acts described in Counts 1 through 6 of this indictment (which are incorporated herein by reference as if set forth in full), in violation of A.R.S. §§ 13-1003,

13-2310, 13-1802, 44-1841, 44-1842, 13-108, 13-109, 13-301, 13-302, 13-304, 13-701, 13-702, 13-703, 13-801, 13-804, 13-811, 13-2313, 13-2314.

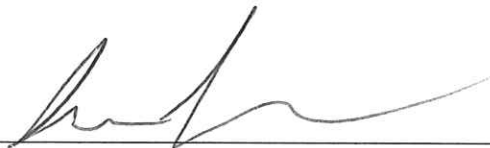
Pursuant to A.R.S. § 21-425, the State Grand Jurors find that the offenses described above were committed in Maricopa County, Arizona.

True Bill  
(A "True Bill")

MARK BRNOVICH  
ATTORNEY GENERAL  
STATE OF ARIZONA

Dated: 11-14-20

  
\_\_\_\_\_  
NICHOLAS KLINGERMAN  
Assistant Attorney General

  
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Foreperson of the State Grand Jury