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8 IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
9 IN AND FOR THE COUNTY OF MARICOPA

10 STATE OF ARIZONA,
11
12 Plaintiff,

13 vs.

14 WILLIAM PIERRE CROTTS (A),
15 THOMAS DALE GRABINSKI (B),
16 LAWRENCE DWAIN HOOVER (C),
17 HAROLD DEWAYNE FRIEND (D),
18 AND
19 RICHARD LEE ROLFES (E),
20 Defendants.

No. CR 2001-_____

48 SGJ 37

INDICTMENT

CHARGING VIOLATIONS OF:

**COUNTS 1, 2 (Defendants A, B, C, D)
and COUNT 3 (All Defendants)
Fraudulent Schemes and Artifices
A.R.S. § 13-2310
Each a Class 2 felony**

**COUNTS 4 thru 30 (Defendants A, B, C, D)
COUNTS 24-30 (Defendant E)
Theft
A.R.S. §§ 13-1801, 1802(A)(1)(2)(3)
Each a Class 2 felony**

**COUNT 31 (Defendants A, B, C, D)
COUNT 32 (Defendant E)
Illegally Conducting an Enterprise
A.R.S. §§ 13-2312, 13-2301
Class 3 felony**

A.R.S. §§ 13-301 through 306 and §§13-701, 702, 801, 802, 804, 901

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27 The Arizona State Grand Jury accuses WILLIAM PIERRE CROTTS (A), THOMAS DALE
28 GRABINSKI(B), LAWRENCE DWAIN HOOVER (C), HAROLD DEWAYNE FRIEND (D), AND

1 RICHARD LEE ROLFES (E), charging that in or from Maricopa County, Arizona:

2 **COUNT ONE**

3 Between approximately January 1, 1994 and August 31, 1999, the defendants WILLIAM
4 PIERRE CROTTS (A), THOMAS DALE GRABINSKI (B), LAWRENCE DWAIN HOOVER (C)
5 AND HAROLD DEWAYNE FRIEND (D), acting as accomplices to each other and others
6 employed by or associated with the Baptist Foundation of Arizona, Arizona Southern Baptist
7 New Church Ventures, Inc., Christian Financial Partners, Inc., A.L.O., Inc., or E.V.I.G., Inc.,
8 pursuant to a scheme or artifice to defraud, knowingly obtained a benefit of approximately \$346
9 million by means of false or fraudulent pretenses, representations, promises or material
10 omissions. Said conduct occurred when investment funds were obtained from individuals by
11 use of false or fraudulent pretenses or by falsely representing or omitting material information
12 regarding one or more of the following: (a) the true financial condition of the Baptist Foundation
13 of Arizona, its subsidiaries and affiliates; (b) how Baptist Foundation of Arizona investor funds
14 would be used; (c) the true nature of the relationship between the Baptist Foundation of Arizona,
15 Arizona Southern Baptist New Church Ventures, Inc., Christian Financial Partners, Inc., A.L.O.,
16 Inc., and E.V.I.G., Inc.; or (d) investments (except Investment Agreements) with the Baptist
17 Foundation of Arizona were backed by adequate specific collateral.

18 All in violation of Arizona Revised Statutes §§ 13-2310 and 13-301 through 306.

19 **COUNT TWO**

20 Between approximately January 1, 1994 and August 31, 1999, the defendants WILLIAM
21 PIERRE CROTTS (A), THOMAS DALE GRABINSKI (B), LAWRENCE DWAIN HOOVER (C)
22 AND HAROLD DEWAYNE FRIEND (D), acting as accomplices to each other and others
23 employed by or associated with the Baptist Foundation of Arizona, Arizona Southern Baptist
24 New Church Ventures, Inc., Christian Financial Partners, Inc., A.L.O., Inc., or E.V.I.G., Inc.,
25 pursuant to a scheme or artifice to defraud, knowingly obtained a benefit of approximately \$35
26 million by means of false or fraudulent pretenses, representations, promises or material
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1 omissions. Said conduct occurred when investment funds were obtained from individuals by use
2 of false or fraudulent pretenses or by falsely representing or omitting material information
3 regarding one or more of the following: (a) the true financial condition of Arizona Southern
4 Baptist New Church Ventures, Inc.; (b) how Arizona Southern Baptist New Church Ventures, Inc.
5 investor funds would be used; (c) the true nature of the relationship between the Baptist
6 Foundation of Arizona, Arizona Southern Baptist New Church Ventures, Inc. Christian Financial
7 Partners, Inc., A.L.O., Inc., and E.V.I.G., Inc.; or (d) investments with Arizona Southern Baptist
8 New Church Ventures, Inc. were backed by adequate collateral.

9 All in violation of Arizona Revised Statutes §§ 13-2310 and 13-301 through 306.

10 **COUNT THREE**

11 Between approximately October 16, 1996 and August 31, 1999, the defendants
12 WILLIAM
13 PIERRE CROTTS (A), THOMAS DALE GRABINSKI (B), LAWRENCE DWAIN HOOVER (C),
14 HAROLD DEWAYNE FRIEND (D) AND RICHARD LEE ROLFES (E), acting as accomplices
15 to each other and others employed by or associated with the Baptist Foundation of Arizona,
16 Arizona Southern Baptist New Church Ventures, Inc., Christian Financial Partners, Inc., A.L.O.,
17 Inc., E.V.I.G., Inc., or Rolfes Financial Services, pursuant to a scheme or artifice to defraud,
18 knowingly obtained a benefit of approximately \$86 million by means of false or fraudulent
19 pretenses, representations, promises or material omissions. Said conduct occurred when
20 investment funds were obtained from individuals by use of false or fraudulent pretenses or by
21 falsely representing or omitting material information regarding one or more of the following: (a)
22 the true financial condition of Christian Financial Partners, Inc. ; (b) how investor funds received
23 by Christian Financial Partners, Inc. would be used; (c) the true nature of the relationship
24 between the Baptist Foundation of Arizona, Arizona Southern Baptist New Church Ventures,
25 Inc., Christian Financial Partners, Inc., A.L.O., Inc., and E.V.I.G., Inc.; or (d) investments with
26 Christian Financial Partners, Inc. were backed by adequate collateral.

1 All in violation of Arizona Revised Statutes §§ 13-2310 and 13-301 through 306.

2 **COUNTS 4 THROUGH 30**

3 On or about the dates given below, the defendants WILLIAM PIERRE CROTTS (A),
4 THOMAS DALE GRABINSKI (B), LAWRENCE DWAIN HOOVER (C) AND HAROLD
5 DEWAYNE FRIEND (D) (for all Counts listed below) and RICHARD LEE ROLFES (E) (for
6 Counts 24-30) without lawful authority, knowingly: (1) controlled property of another with intent
7 to deprive the owner of such property; or (2) converted for an unauthorized term or use property
8 of another, entrusted to a defendant or placed in his possession for a limited, authorized term
9 or use; or (3) obtained property or services of another, by means of any material
10 misrepresentation with intent to deprive the owner of such property or services. Said conduct
11 occurred when the defendants, acting as accomplices of one another and others employed by
12 or associated with the Baptist Foundation of Arizona (BFA) and its subsidiaries and affiliates,
13 Arizona Southern Baptist New Church Ventures, Inc. (NCV), Christian Financial Partners, Inc.
14 (CFPI), A.L.O., Inc., or E.V.I.G., Inc., obtained the following amounts from investors for the
15 indicated investment type.

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Count	Dates	Investment Name & Approx. Number of Accounts	Amount
17 18 19	4 9-1-92 - 8-31-99	BFA-Easy Access Investment Agreements, 4,620 accounts	\$49,305,00 0
20 21	5 7-1-94 - 8-31-99	BFA-Investment Agreements 7,800 accounts	\$134,952,0 00
22 23	6 9-1-92	BFA-Mortgaged Backed Note-Pre-Circular 220 accounts	\$2,594,000
24 25	7 9-1-92 - 8-31-93	BFA-Mortgaged Backed Note-Series A 710 accounts	\$11,845,00 0
26 27	8 9-1-93 - 8-31-94	BFA-Mortgaged Backed Note-Series B 920 accounts	\$15,930,00 0
28	9 9-1-94 - 8-31-95	BFA-Mortgaged Backed Note-Series C 330 accounts	\$4,482,000

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Count	Dates	Investment Name & Approx. Number of Accounts	Amount
10	9-1-95 - 8-31-96	BFA-Mortgaged Backed Note-Series D 250 accounts	\$2,455,000
11	9-1-96 - 8-31-97	BFA-Mortgaged Backed Note-Series E 150 accounts	\$1,409,000
12	8-1-96 - 7-31-97	BFA-Maximum Value Performance Note-Series A 1,420 accounts	\$36,197,000
13	8-1-97 - 7-31-98	BFA-Maximum Value Performance Note-Series B 2,050 accounts	\$49,784,000
14	6-1-98 - 5-31-99	BFA-Maximum Value Performance Note-Series C 2,090 accounts	\$46,468,000
15	6-1-99 - 8-31-99	BFA-Maximum Value Performance Note-Series D 260 accounts	\$5,563,000
16	11-1-94 - 10-31-95	BFA-Peak Performance Collateral Note-Series A 560 accounts	\$20,488,000
17	11-1-95 - 10-31-96	BFA Peak Performance Collateral Note-Series B 830 accounts	\$29,703,000
18	9-1-92 - 8-31-97	NCV-Investment Agreements 450 accounts	\$6,105,000
19	9-1-92	NCV-Mortgaged Backed Note-Pre-Circular 70 accounts	\$1,824,000
20	9-1-92 - 8-31-93	NCV-Mortgaged Backed Note-Series A 480 accounts	\$6,952,000
21	9-1-93 - 8-31-94	NCV-Mortgaged Backed Note-Series B 580 accounts	\$8,633,000
22	9-1-94 - 8-31-95	NCV-Mortgaged Backed Note-Series C 690 accounts	\$13,452,000
23	9-1-95 - 8-31-96	NCV-Mortgaged Backed Note-Series D 620 accounts	\$10,615,000
24	7-1-96 - 6-30-97	NCV-Mortgaged Backed Note-Series E 320 accounts	\$5,434,000

Count	Dates	Investment Name & Approx. Number of Accounts	Amount
25	1-1-98 - 8-31-99	CFPI-Cash Investment Fund 280 accounts	\$1,414,000
26	12-11-96 - 8-31-99	CFPI Investment Agreements 2,000 accounts	\$23,585,000
27	12-11-96- 12-10-97	CFPI-Maximum Value Performance Note-Series A 1,010 accounts	\$22,006,000
28	12-11-97- 12-10-98	CFPI-Maximum Value Performance Note-Series B 1,280 accounts	\$24,554,000
29	12-11-98- 12-10-99	CFPI-Maximum Value Performance Note-Series C 230 accounts	\$2,702,000
30	2-15-99 - 8-31-99	CFPI-Maximum Value Performance Note-Series D 750 accounts	\$11,756,000

All in violation of A.R.S. §§ 13-1801, 1802(A)(1)(2)(3), and 13-301 through 13-306.

COUNT 31

Between approximately January 1, 1994 and August 31, 1999, the defendants WILLIAM PIERRE CROTTS (A), THOMAS DALE GRABINSKI (B), LAWRENCE DWAIN HOOVER (C) AND HAROLD DEWAYNE FRIEND (D), while employed by or associated with an enterprise, the Baptist Foundation of Arizona, conducted such enterprise's affairs through racketeering or participated directly or indirectly in the conduct of that enterprise knowing it was being conducted through racketeering. The racketeering offenses included theft and fraudulent schemes and artifices, as more particularly described in the other counts of this indictment.

All in violation of A.R.S. §§ 13-2312, 13-2301, 13-1802, 13-2310 and 13-301 through 13-306.

COUNT 32

Between approximately May 1, 1996 and August 31, 1999, the defendant RICHARD

1 LEE ROLFES (E), while employed by or associated with an enterprise, Rolfes Financial
2 Services, conducted such enterprise's affairs through racketeering or participated directly or
3 indirectly in the conduct of that enterprise knowing it was being conducted through racketeering.
4 The racketeering offenses included theft and fraudulent schemes and artifices, as more
5 particularly described in the other counts of this indictment (Counts 2, 3, and 24 through 30).

6 All in violation of A.R.S. §§ 13-2312, 13-2301, 13-1802, 13-2310 and 13-301 through
7 13-306.

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

15 JANET NAPOLITANO
16 Attorney General
17 State of Arizona

18 _____
19 SHERRY K. STEPHENS
Assistant Attorney General

(A "True Bill")

20 _____
Date

21 _____
22 CAROLYN K. PASSAMONTE
Assistant Attorney General

23 _____
24 FOREPERSON OF THE GRAND JURY

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