



Terry Goddard
Attorney General

Office of the Attorney General
State of Arizona

Office of Victim Services

August 23, 2006

Re: CR 2001-006183; William Crotts, Thomas Grabinski, Jalma Hunsinger, E.A. Kuhn, Rick Rolfes, Donald Deardoff, Harold Friend, and Lawrence Hoover

Dear BFA Victim/Investor:

The purpose of this letter is to update you on several important events taking place in the criminal proceedings related to BFA and to advise you that we anticipate that all future notifications related to the criminal proceedings will be limited to the BFA website (www.agaz.gov) and the BFA helpline (602-364-1275 or 866-823-6577). We do not anticipate sending letters directly to you in the future.

The following updates relate to: (1) the guilty verdicts and impending sentencing proceedings involving William Crotts and Thomas Grabinski; and (2) the guilty plea proceedings involving the final remaining defendant, Lawrence Hoover.

As you likely know, on July 24, 2006, a jury found William Crotts and Thomas Grabinski guilty of the following:

- Counts 1, 2, & 3: Fraudulent Schemes and Artifices, each a Class 2 Felony.
- Count 31: Knowingly Conducting an Illegal Enterprise, a Class 3 Felony.

Both defendants are scheduled to be sentenced before the Honorable Kenneth L. Fields on **September 28, 2006, at 9:00 a.m. and continuing September 29, 2006, at 9:00 a.m.** To accommodate the victim/investors who wish to attend the sentencing, the proceedings are scheduled to be held in the Maricopa County Board of Supervisors Auditorium, Maricopa County Superior Court, Central Court Building, 201 West Jefferson, Phoenix, Arizona 85003.

You have the right to be present and heard at sentencing, to present the court with information and opinions about the offense, the defendants, the sentence, and an explanation of the nature and extent of any physical, psychological, emotional or financial harm suffered by you and your family. Victim statements will begin at 9:00 a.m. on September 28, 2006. **If you would like to make a statement to the Court during the sentencing proceeding, please contact the Attorney General Office of Victim Services, BFA Advocate at 602-542-4911 by September 14, 2006.** The Judge has requested the statements to be limited to approximately 5 minutes in order to allow enough time for all victims that wish to be heard.

The judge has ordered a pre-sentence investigation by the county probation department, an arm of the Superior Court. The product of this investigation is a Pre-sentence Report. The judge receives this report prior to the sentencing date and considers all the information contained in it to arrive at a sentencing decision. The report typically includes a summary of the crime and information about the defendant's

criminal, economic, social, educational and employment history. You may submit a written statement to be included in the report. This is important because, although many crime victims experience similar feelings, questions and concerns, no two victims experience the same emotional, physical and financial impact. Only you can tell the court how you have been affected by this crime. The statement may be in lieu of or in addition to any oral statement you make to the court. **If you would like to have your views included in the pre-sentence report, you may personally write a letter or submit a completed victim impact questionnaire. This questionnaire may be found at www.azag.gov, click on Victim Services, Quick Link, BFA Case Information, Victim Impact Statement.** If you choose to have your views included in the pre-sentence report, you may submit your statement or letter no later than **September 20, 2006** to Maricopa County Adult Probation Dept., 111 S. 3rd Ave., 5th Floor, West Court Building, Phoenix, AZ., 85003, attention: Shani Martinez.

Please note that the Attorney General and the Maricopa County Probation Department are obligated to provide a copy of any victim impact statement to the defense attorneys. Please be sure to include your name only but not your address and telephone as this information is confidential. Any victim impact statement submitted previously to the pre-sentence investigator will be also considered in the preparation of the pre-sentence report for all of the defendants in this case.

In addition, plea negotiations have been in progress with Lawrence Hoover for a non-trial resolution of the case. The State has proposed a plea agreement that will allow the defendant to plead guilty to Count 1: Fraudulent Schemes and Artifices, a Class 2 Felony. Under State law, the defendant will be subject to a possible penalty range of 3 years minimum to 12.5 years maximum imprisonment. Probation is available. The plea agreement stipulates to the following additional term:

- Defendant agrees to pay a fine of \$500,000.00 to be designated as restitution and the total amount the Defendant shall pay, whether designated as a fine, restitution or any combination thereof, shall not exceed \$500,000.00.

A change of plea hearing has been scheduled for **September 5, 2006 at 11:00 a.m.** before the Honorable Kenneth L. Fields. If the defendant agrees to the proposed terms, the judge will then decide at the change of plea hearing whether to accept or reject the plea agreement. If either the defendant or the judge rejects the plea agreement, the defendant's case will proceed to trial. If the agreement is accepted by both the defendant and the judge, a date for sentencing will be scheduled.

Please note: Jalma Hunsinger, E.A. Kuhn, Rick Rolfs, Don Deardoff and Harold Friend are co-defendants in this case and have previously accepted plea offers. The sentencing dates for these co-defendants will be scheduled at a later date. Those dates will be posted on the BFA website BFA hotline.

As always, please be aware that all court hearings are subject to being cancelled or rescheduled. Please be sure to monitor the BFA website and helpline for schedule changes. Thank you for your continued patience and cooperation throughout the prosecution of this case.

Sincerely

Arizona Attorney General
Office of Victim Services

