

TERRY GODDARD  
Attorney General  
Firm Bar No. 14000

E. G. NOYES, JR., #003676  
Assistant Attorney General  
1275 West Washington Street  
Phoenix, Arizona 85007-2926  
Attorneys for Plaintiff

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

STATE OF ARIZONA,

Plaintiff,

v.

MORRIS CLYDE KUYKENDALL (001),

Defendant.

Case No:

63 SGJ 4

**INDICTMENT**

CHARGING VIOLATIONS OF:

COUNT 1:  
FRAUDULENT SCHEMES  
AND ARTIFICES,  
Class 2 Felonies, A.R.S. § 13-2310.

COUNTS 2-7: THEFT,  
Class 2 Felonies, A.R.S. § 13-1802.

COUNTS 8-14: THEFT,  
Class 3 Felonies, A.R.S. § 13-1802.

COUNTS 15-27: SECURITIES FRAUD,  
Class 4 Felonies, A.R.S. § 44-1991.

COUNTS 28-40: SALE OF  
UNREGISTERED SECURITIES,  
Class 4 Felonies, A.R.S. § 44-1841.

COUNT 41-53:  
TRANSACTIONS BY UNREGISTERED  
DEALERS OR SALESMEN,  
Class 4 Felonies, A.R.S. § 44-1842.

The Arizona State Grand Jury accuses DEFENDANT MORRIS CLYDE KUYKENDALL, charging on this 23rd day of June, 2008, that:

## COUNT 1 (FRAUDULENT SCHEMES AND ARTIFICES)

From about February 2006 through about March 2008, DEFENDANT MORRIS CLYDE KUYKENDALL, pursuant to a scheme or artifice to defraud, knowingly obtained a benefit by means of false or fraudulent pretenses, representations, promises or material omissions, and the benefit so obtained involved property with a value of \$100,000 or more, in violation of A.R.S. §§ 13-2310, 13-301 through 13-306, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred when Defendant obtained a total of about \$950,000 from persons who responded to Defendant's solicitations for investments with Kuypow, Inc., an entity that was owned by Defendant and his wife and controlled by Defendant. Defendant publicly offered unregistered securities in the form of investment contracts and/or promissory notes within and from Arizona. Defendant offered high interest rates, with higher rates for larger investments.

Some of the false or fraudulent pretenses, representations, promises and/or material omissions Defendant made to obtain funds from investors included the following:

1. Defendant promised investors that their investments were secured by property owned by Kuypow, Inc., but he recorded no security interests for investors on that property.
2. Defendant represented that investor funds were secured by property owned by Kuypow, Inc., but most of the property in question was owned by Defendant and not Kuypow, Inc.
3. Defendant failed to disclose to investors that most of the property owned by Defendant was subject to large, first-position liens held by commercial lending institutions.
4. Defendant failed to disclose to investors that their monies would be deposited into the Defendant's business account, and then commingled with at least two other accounts.
5. Defendant failed to disclose to investors that their funds would be deposited into Defendant's business account, and that he would use said funds for his personal expenses.

### COUNTS 2-14 (THEFT)

On or about the dates specified below, DEFENDANT MORRIS CLYDE KUYKENDALL, knowingly and without lawful authority, controlled property of another with the intent to deprive them of such property, or converted for an unauthorized term or use property of another entrusted to him or placed in his possession for a limited, authorized term or use, and the property had a value as specified below, in violation of A.R.S. §§ 13-1802, 13-1801, 13-301 through 13-306, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred when Defendant, after obtaining funds from the persons specified below for the limited purpose of investing those funds and repaying them with interest, then deprived those persons of the amount of funds specified below by spending those funds for the benefit of Defendant and/or converting them for unauthorized terms or uses.

Count	Investor	Date	Amount
02	Campobasso, Joe	December 2006	\$42,000
03	Davis, Monte	August 2007 to March 2008	\$151,116
04	Glumack, Carolyn	March 2007 to February 2008	\$69,195
05	Heinemeyer, Marilyn	February 2006 to January 2008	\$159,904
06	Welch, Maggie	April 2006 to June 2007	\$30,260
07	Wenschlag, John and Eileen	October 2006 to December 2006	\$100,333
08	Baldwin, Rose	November 2007 to February 2008	\$9,583
09	Farshler, Fred and Barbara	March 2006 to January 2008	\$21,698
10	Pappe, Donald and Judith	November 2006 to November 2007	\$24,750
11	Rader, Peggy L.	December 2007 to January 2008	\$14,000
12	Sell, Henry and Rose	October 2006	\$5,000
13	St.Germain, Allen and JoAnn	March 2007 to January 2008	\$18,400
14	Van Horn, Frank and Pamela	February 2006 to October 2007	\$6,300

### **COUNTS 15-27 (SECURITIES FRAUD)**

On or about the dates specified in Counts 2-14 of this Indictment, DEFENDANT MORRIS CLYDE KUYKENDALL, in connection with a transaction or transactions within Arizona involving an offer to sell or sale of securities, intentionally or recklessly, directly or indirectly, employed any device, scheme or artifice to defraud and made untrue statements of material fact, in violation of A.R.S. §§ 44-1991, 44-1995, 44-1801, 13-301 through 13-306, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred as described in Count 1 of this Indictment.

("Investor," "Date," and "Amount" data is the same for Counts 2-14 and Counts 15-27.)

### **COUNTS 28-40 (SALE OF UNREGISTERED SECURITIES)**

On or about the dates specified in Counts 2-14 of this Indictment, DEFENDANT MORRIS CLYDE KUYKENDALL sold or offered for sale within or from Arizona securities that were required to be registered with the Arizona Corporation Commission and were not so registered, in violation of A.R.S. §§ 44-1841, 44-1801, 13-301 through 13-306, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred as described in Counts 1 of this Indictment.

("Investor," "Date," and "Amount" data is the same for Counts 2-14 and Counts 28-40.)

### **COUNTS 41-53 (TRANSACTIONS BY UNREGISTERED DEALERS OR SALESMEN)**

On or about the dates specified in Counts 2-14 of this Indictment, within or from Arizona, DEFENDANT MORRIS CLYDE KUYKENDALL sold, offered to sell, or offered for sale securities and he was not registered with the Arizona Corporation Commission as a securities dealer or salesman, in violation of A.R.S. §§ 44-1842, 44-1801, 13-301 through 13-306, 13-701, 13-702, 13-702.01, and 13-801.

This conduct is as described in Count 1 of this Indictment.

("Investor," "Date," and "Amount" data is the same for Counts 2-14 and Counts 41-53.)

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

True Bill

(A "True Bill") (63 SGJ 4)

TERRY GODDARD  
ATTORNEY GENERAL  
STATE OF ARIZONA

Dated: 6/23/08

Marva M. Henderson  
E. G. Noyes, Jr.  
Assistant Attorney General

[Signature]  
Foreperson of the State Grand Jury