

MEMORANDUM

TO: KAREN L. BRISCO-RICHARDS, ASSISTANT DIRECTOR, ENFORCEMENT DIVISION, SSB-HOUSTON BRANCH OFFICE

FROM: JENNIFER JONES, INVESTIGATOR, ENFORCEMENT. DIVISION, SSB HOUSTON BRANCH OFFICE

RE: ONE WEST FINANCIAL; LANNY B. LOWN; 01/02 I/S,"L"

DATE: MARCH 3, 2003

I interviewed William H. Mansel ("Mr. Mansel") and his wife, Janice E. Mansel ("Mrs. Mansel"), in connection with the above-referenced matter. Mr. Mansel has an address of xxxxxxxxxxxxxxxxxxxxxxxxx. Mr. Mansel has a home phone number of _____ and is retired from the Air Force and Oxydental Petroleum.¹ Mr. Mansel's social security number is _____ and his date of birth is _____. Mrs. Mansel lives at the same address and also retired. Mrs. Mansel has a social security number of _____ and a date of birth of _____.

Mr. and Mrs. Mansel's daughter passed away four years ago. She left three sons, the youngest of which was two months old. Before she died, she had arranged for a friend to adopt her two month old son. The daughter also left her parents a life insurance policy, worth \$100,000, knowing they would divide the money between her sons. Mr. and Mrs. Mansel are still an active participant in their youngest grandson's life. His adoptive mother approached them recently, requesting that her brother-in-law, Mike Goins ("Goins"),² be allowed to contact Mr. and Mrs. Mansel about an opportunity to invest her adopted son's portion of the insurance proceeds.

¹ Mr. Mansel state that he retired from the Air force in 1968 and Oxydental Petroleum in 1993

² Mr. Mansel provided a phone number of (281) 487-2456 for Goins. Mr. Mansel also stated that he and Goins share a fraternal affiliation with the Masonic Lodge.

On February 21, 2003, Goins contacted Mr. Manssel and informed him that he knew a man by the name of Lanny Lown ("Lown") who could "get a good return on money." Goins told Mr. Mansel that his brother had invested with Lown and has made almost one million. Goins further stated that Lown pays his brother's house note, and taxes directly out of the his "fund"³ so that Lown wouldn't have to generate a 1099 and the payments wouldn't be shown as income. Goins stated that he, too, had invested \$50,000 with Lown and, in less than a year, he has made \$100,000.⁴ Goins provided Mr. Mansel a telephone number for Lown and suggested he make an appointment. Mr. Mansel stated that he made an appointment for February 24, 2003 at 10:00 am.

On February 24, 2003, Mr. Mansel went to Lown's offices located at 2211 Norfolk, Suite 420, Houston, Texas 77098. Mr. Mansel stated that when he arrived a lady "came from the back" and introduced herself as Freddie Geick ("Geick"), assistant to Lown. Geick informed Mr. Mansel that Lown had been called away⁵ but she would explain the program to him. Mr. Mansel stated that the office was a suite with a reception area and a young man on a computer. Mr. Mansel further stated that Geick led him down a hallway and then to the right to enter a conference room. Mr. Mansel stated that he observed other offices to the left and saw several people walking around, but did not recall how many offices and could not see inside them. Mr. Mansel stated that when they⁶ entered the conference room there were no files, just an information sheet for him to fill out and business cards with holders.

Mr. Mansel stated that Geick explained that Lown is in the metals business. Lown finds

³ The "fund" is the term used to collectively describe the investment monies and profits earned.

⁴ Mr. Mansel stated that Goins did not say if he had actually received any funds from Lown.

⁵ Geick informed Mr. Mansel that Lown had received a phone call from the Port of Houston that one of his containers had arrived and they were going to open it up. Lown wanted to be present when the container was opened.

⁶ Present at the meeting was Mr. Mansel, Geick, and Goins.

metals contracts from individuals and/or the government and then uses the money received from investors to bid on the contracts. If he is successful, Lown receives between twenty-five and thirty-five percent "up front" off of the price of the contract. Lown fulfills the contract by providing the metals requested from various sources, mostly overseas. Geick stated that Lown gets his Nickel from California and has a "forge" in New Zealand.⁷ Geick further explained that the rate of return that investors are currently seeing is nine percent per month⁸ Mr. Mansel stated that the nine percent supposedly comes out of the twenty-five to thirty-five percent Lown gets up front. Mr. Mansel stated that Geick said if he invested \$25,000⁹ today, his investment would double by the end of the year. Mr. Mansel stated that Geick informed him that if he invested his grandson's money, by the time his grandson is ready to go to college he would have "several hundred of thousands of dollars" in his "fund".¹⁰ Geick further stated that Lown would then pay tuition, buy books and pay college expenses directly out of the "fund" so his grandson would not have to claim income.

Mr. Mansel stated that he asked Geick why Lown would share this kind of profit with people he didn't even know, like himself. Geick replied that Lown is a generous man and the more money he gets, the bigger contracts he can bid on, thus making more money for everyone. Geick stated that Lown first did this in California; he had a friend whose parents were in a nursing home and Lown took their money and invested it and made them enough that they lived comfortably in the nursing home the rest of their lives.

Mr. Mantel stated that he told Geick that he was uncomfortable filling out an information

⁷ Mr. Mantel stated that Coins told him town has two "forges" overseas but Geick only mentioned the one in New Zealand.

⁸ Geick informed Mr. Mantel that this return was not guaranteed. Mr. Mansel stated that Geick never informed him of any risks associated with this investment, but Goins told him that he could not lose his original investment.

⁹ Mr. Mansel stated that the minimum investment was \$10,000.

¹⁰ Mr. Mansel's grandson is 4 years old.

form that requested his checking and savings account numbers, to which she replied that it was just in case he wanted Lown to transfer any money into his account, the numbers would be on file.¹¹ Geick provided Mr. Mansel with four pre-addressed envelopes, two of which were stamped, to mail his investment check back to Lown. Geick instructed Mr. Mansel to indicate on his investment check the name that the fund should be in. Mr. Mansel stated that he asked Goins what he had as proof of his investment and Goins stated that Lown had provided him a receipt and he had his cancelled check.

Mr. Mansel stated that, in addition to the TSSB, he has checked Lown out with the Attorney General's office and the Better Business Bureau. Mr. Mansel provided the TSSB with a copy of the response he received from the Better Business Bureau.

¹¹ Mr. Mansel did not fill out the form. He provided a copy to the TSSB.