

## MEMORANDUM

TO: DAVID GRAUER, DIRECTOR, ENFORCEMENT DIVISION, AUSTIN; STATE SECURITIES BOARD

FROM: KAREN L. BRISCO-RICHARDS, ASSISTANT DIRECTOR, ENFORCEMENT DIVISION, HOUSTON BRANCH OFFICE, STATE SECURITIES BOARD

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

DATE: MARCH 10, 2003

On March 7, 2003, I spoke with Troy Elmore ("Mr. Elmore) via telephone regarding the above-referenced individual and entity. Mr. Elmore resides at \_\_\_\_\_, Pearland, Texas \_\_\_\_\_. His Home telephone number is \_\_\_\_\_ and his business telephone number is \_\_\_\_\_.

On March 7, 2003, the Texas State Securities Board ("TSSB") received an inquiry regarding Lown's licensing background from an individual named Mike Stryjewski (pronounced "Stri-yoo-skee").<sup>1</sup> Subsequent to contacting us, Mr. Stryjewski gave Mr. Elmore, who had met with Lown our telephone number. Mr. Elmore contacted the TSSB and agreed to be interviewed.

Mr. Elmore stated that he learned about Lown through other people who worked at Lyondell Citgo; where Mr. Stryjewski works. Friends told Mr. Elmore about an investment opportunity Lown was offering. Mr. Elmore was skeptical about the investment opportunity and decided to check it out for himself. He searched the internet and located the website for Lown/One Financial West, and then made contact with Lown. On December 23, 2002, Mr. Elmore went to Lown's office which was located in the Frost Bank Building at Greenbriar and Highway 59.

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<sup>1</sup> Mr. Stryjewski was not solicited and did not invest with Lanny Lown ("Lown"), but had friends who did.



Mr. Elmore stated that he began by asking Lown what he did. Lown said that he buys Titanium from an overseas vendor and sells it to people who buy for the [U.S.] government. Lown told Mr. Elmore that he makes his money on "spread." Mr. Elmore asked Lown why he needed investors. Lown responded that they could make more money. Mr. Elmore asked Lown why he "cared about common people." Lown said that he was helping people out who had lost their money, e.g., retirement funds, in the stock market, and that he was helping them to get it back. Lown told Mr. Elmore that he had 11,000 investors, but that he only dealt with 900 of them.

Mr. Elmore stated that Lown told him that he had gone to school at Texas A&M. Mr. Elmore told Lown that he had gone to Texas A&M. Mr. Elmore asked Lown a few questions about that, and Lown then became evasive and changed the subject.

Mr. Elmore stated that he kept asking questions. Lown finally told Mr. Elmore that he was not right for the investment because he would be asking too many questions and bugging Lown too much.

Mr. Elmore stated that Lown had represented that the profits would be seven (7) to ten (10) percent per month, and that there was no minimum investment. Lown would share the huge gains by paying investors' personal expenses, e.g., car payments.

Mr. Elmore stated that he checked the alumni directory for Texas A&M. Lown's name was not in it. Mr. Stryjewski checked also.

Mr. Elmore stated that when he initially contacted Lown's office, he was told he could not see Lown unless he revealed who had referred him to Lown. Mr. Elmore told Lown's office that people at Lyondell Citgo had referred him. Mr. Elmore was told by the person he spoke with that everything was okay then, that they only accepted referrals and did not deal with the public. Mr.

Elmore stated that he only saw the entry and conference room when he visited Lown's office suite.

Mr. Elmore stated that people are retiring and mortgaging homes right now at Lyondell Citgo based upon what Lown represented. Mr. Elmore stated that he would prefer that his name be kept out of this and that his contact with us be kept confidential.