

#1

STATE OF WISCONSIN

CIRCUIT COURT
BRANCH 3

WINNEBAGO COUNTY

STATE OF WISCONSIN,

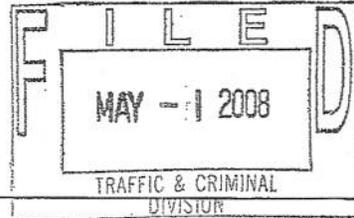
Plaintiff,

v.

Case No. 08-CF- 277

MARK H. BRENNER,
W/M DOB 06/09/58,
1720 OREGON STREET,
OSHKOSH, WI 54902,

Defendant.



SUMMONS

THE STATE OF WISCONSIN TO THE ABOVE-NAMED DEFENDANT:

A Complaint, copy of which is attached, having been made before me accusing the defendant of committing the following crimes:

1. COUNT I: Sale of unregistered security, contrary to Wis. Stat. § 551.21(1) (2001-02);
2. COUNT II: Securities fraud, contrary to Wis. Stat. § 551.41(2) (2001-02);
3. COUNT III: Sale of unregistered security, contrary to Wis. Stat. § 551.21(1) (2001-02);
4. COUNT IV: Securities fraud, contrary to Wis. Stat. § 551.41(2) (2001-02);
5. COUNT V: Sale of unregistered security, contrary to Wis. Stat. § 551.21(1) (2003-04); and
6. COUNT VI: Securities fraud, contrary to Wis. Stat. § 551.41(2) (2003-04).

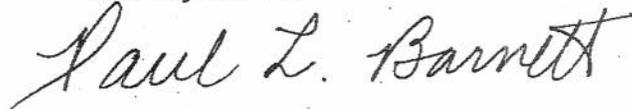
IF YOU REQUIRE THE ASSISTANCE OF AUXILIARY AIDS OR SERVICES BECAUSE OF A DISABILITY, CALL (920) 236-4848 AND ASK FOR THE WINNEBAGO COUNTY CIRCUIT COURT ADA COORDINATOR.

Exhibit 1

You, Mark H. Brenner, are, therefore, summoned to appear before the Circuit Court of Winnebago County, the Honorable Barbara Hart Key, Branch 3, Courthouse, 415 Jackson Drive, Oshkosh, Wisconsin, to answer the complaint, on **June 4, 2008, at 10:15 a.m.**, and, in case of your failure to appear, a warrant for your arrest may be issued.

Dated this 30th day of April, 2008.

J.B. VAN HOLLEN
Attorney General



PAUL L. BARNETT
Assistant Attorney General and
Special Prosecutor for Winnebago County
State Bar #1008145

Attorneys for State of Wisconsin

Wisconsin Department of Justice
Post Office Box 7857
Madison, Wisconsin 53707-7857
(608) 266-5366

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STATE OF WISCONSIN,

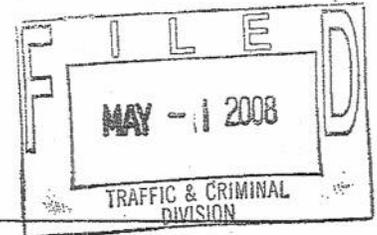
Plaintiff,

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Case No. 08-CF- 277

MARK H. BRENNER,
W/M DOB 06/09/58,
1720 OREGON STREET,
OSHKOSH, WI 54902,

Defendant.



CRIMINAL COMPLAINT

David R. Klabunde, Special Agent in the Wisconsin Department of Justice, Division of Criminal Investigation, being first duly sworn on oath, upon information and belief states the following:

COUNT I (SALE OF UNREGISTERED SECURITY)

On, about or between May 4, 2002, and May 13, 2002, in the city of Oshkosh, Wisconsin, in Winnebago County, the defendant, Mark H. Brenner, doing business as Valley Home Buyers, did willfully offer and sell a security to Jerome and Beatrice Perron by soliciting the Perrons to sign an agreement to loan Brenner \$57,000, for a real estate business venture, which they did sign on May 13, 2002, and which was never registered nor is exempt from registration as a security with the Wisconsin Department of Financial Institutions. The defendant's actions violate Wis. Stat. § 551.21(1) (2001-02). Pursuant to Wis. Stat. §§ 551.58(1)

and 939.50(3)(h) (2001-02), this is a Class H felony punishable by a fine not to exceed \$10,000, or imprisonment not to exceed six years, or both.

COUNT II (SECURITIES FRAUD)

From on or about summer 2001 through on or about May 13, 2002, in the city of Oshkosh, Wisconsin, in Winnebago County, the defendant, Mark H. Brenner, doing business as Valley Home Buyers, did, in connection with the offer or sale of a security, directly or indirectly, willfully make untrue statements of material facts and/or omitted to state material facts, on which another relied, in that, in the course of offering and selling a security to Jerome and Beatrice Perron by soliciting the Perrons to sign an agreement to loan Brenner \$57,000, for a real estate business venture, which they did sign on May 13, 2002, (a) the defendant falsely represented that his real estate business was established; that the business was "going"; that he was in a position to pay big interest to his investors; that he was experienced in real estate; and that (b) the defendant failed to inform the Perrons of the material facts that, between 1989 and 1994, civil judgments were entered against him in various actions filed in Winnebago, Fond du Lac, and Outagamie counties, all but two of which remain unsatisfied; that in a 1994 action his home mortgage was foreclosed on; that he was the subject of numerous garnishment actions; that neither he nor Valley Home Buyers ever purchased any real estate in pursuit of the real estate venture; that he used previous funds provided by the Perrons to pay for his living expenses, including numerous checks or withdrawals of cash to himself; that the records of several financial institutions do not reflect any substantial ongoing business expenses incurred or income earned in connection with any real estate buying, repairing and selling venture. The defendant's acts violate Wis. Stat. § 551.41(2) (2001-02). Pursuant to Wis. Stat. §§ 551.58(1) and

939.50(3)(h) (2001-02), this is a Class H felony punishable by a fine not to exceed \$10,000, or imprisonment not to exceed six years, or both.

COUNT III (SALE OF UNREGISTERED SECURITY)

On or about November 27, 2002, in the city of Oshkosh, Wisconsin, in Winnebago County, the defendant, Mark H. Brenner, doing business as Valley Home Buyers, did willfully offer and sell a security to Jerome and Beatrice Perron by soliciting the Perrons to sign an agreement to loan Brenner \$20,000, for a real estate business venture, which they did sign on November 27, 2002, and which was never registered nor is exempt from registration as a security with the Wisconsin Department of Financial Institutions. The defendant's actions violate Wis. Stat. § 551.21(1) (2001-02). Pursuant to Wis. Stat. §§ 551.58(1) and 939.50(3)(h) (2001-02), this is a Class H felony punishable by a fine not to exceed \$10,000, or imprisonment not to exceed six years, or both.

COUNT IV (SECURITIES FRAUD)

From on or about summer 2001 through on or about November 27, 2002, in the city of Oshkosh, Wisconsin, in Winnebago County, the defendant, Mark H. Brenner, doing business as Valley Home Buyers, did, in connection with the offer or sale of a security, directly or indirectly, willfully make untrue statements of material facts and/or omitted to state material facts, on which another relied, in that, in the course of offering and selling a security to Jerome and Beatrice Perron by soliciting the Perrons to sign an agreement to loan Brenner \$20,000, for a real estate business venture, which they did sign on November 27, 2002, (a) the defendant falsely represented that his real estate business was established; that the business was "going"; that he was in a position to pay big interest to his investors; that he was experienced in real estate; that

he owned 19 houses and things are going "good"; and that (b) the defendant failed to inform the Perrons of the material facts that, between 1989 and 1994, civil judgments were entered against him in various actions filed in Winnebago, Fond du Lac, and Outagamie counties, all but two of which remain unsatisfied; that in a 1994 action his home mortgage was foreclosed on; that he was the subject of numerous garnishment actions; that neither he nor Valley Home Buyers ever purchased any real estate in pursuit of the real estate venture; that he used previous funds provided by the Perrons to pay for his living expenses, including numerous checks or withdrawals of cash to himself; that the records of several financial institutions do not reflect any substantial ongoing business expenses incurred or income earned in connection with any real estate buying, repairing and selling venture. The defendant's acts violate Wis. Stat. § 551.41(2) (2001-02). Pursuant to Wis. Stat. §§ 551.58(1) and 939.50(3)(h) (2001-02), this is a Class H felony punishable by a fine not to exceed \$10,000, or imprisonment not to exceed six years, or both.

COUNT V (SALE OF UNREGISTERED SECURITY)

On or about December 10, 2004, in the city of Oshkosh, Wisconsin, in Winnebago County, the defendant, Mark H. Brenner, doing business as Valley Home Buyers, did willfully offer and sell a security to Jerome and Beatrice Perron by soliciting the Perrons to sign a promissory note and agreement consolidating and extending the maturity and modifying the terms of the Perrons' previous notes, which they did sign on December 10, 2004, and which was never registered nor is exempt from registration as a security with the Wisconsin Department of Financial Institutions. The defendant's actions violate Wis. Stat. § 551.21(1) (2003-04). Pursuant to Wis. Stat. §§ 551.58(1) and 939.50(3)(h) (2003-04), this is a Class H

felony punishable by a fine not to exceed \$10,000, or imprisonment not to exceed six years, or both.

COUNT VI (SECURITIES FRAUD)

From on or about summer 2001 through on or about December 10, 2004, in the city of Oshkosh, Wisconsin, in Winnebago County, the defendant, Mark H. Brenner, doing business as Valley Home Buyers, did, in connection with the offer or sale of a security, directly or indirectly, willfully make untrue statements of material facts and/or omitted to state material facts, on which another relied, in that, in the course of offering and selling a security to Jerome and Beatrice Perron, which consolidated and extended the maturity and modifying the terms of the Perrons' previous notes, which they did sign on December 10, 2004, (a) the defendant falsely represented that his real estate business was established; that the business was "going"; that he was in a position to pay big interest to his investors; that he was experienced in real estate; that he owned 19 houses and things are going "good"; and that (b) the defendant failed to inform the Perrons of the material facts that, between 1989 and 1994, civil judgments were entered against him in various actions filed in Winnebago, Fond du Lac, and Outagamie counties, all but two of which remain unsatisfied; that in a 1994 action his home mortgage was foreclosed on; that he was the subject of numerous garnishment actions; that neither he nor Valley Home Buyers ever purchased any real estate in pursuit of the real estate venture; that he used previous funds provided by the Perrons to pay for his living expenses, including numerous checks or withdrawals of cash to himself; that the records of several financial institutions do not reflect any substantial ongoing business expenses incurred or income earned in connection with any real estate buying, repairing and selling venture. The defendant's acts violate Wis. Stat. § 551.41(2) (2003-04). Pursuant to Wis. Stat. §§ 551.58(1) and 939.50(3)(h) (2003-04), this is a Class H

felony punishable by a fine not to exceed \$10,000, or imprisonment not to exceed six years, or both.

FACTUAL BASIS

David R. Klabunde is a Special Agent assigned to the Financial Crimes Unit of the Division of Criminal Investigation. Agent Klabunde has been employed in this capacity since July 23, 2007. Prior to working for DCI, Agent Klabunde was employed by the Milwaukee Police Department for approximately 29½ years, where he worked as a Detective for 12 years and as a Lieutenant supervising other detectives for over 4 years. Agent Klabunde has received training in the investigation of financial crimes.

Agent Klabunde was assigned to investigate allegations of securities law violations and theft by Mark H. Brenner.

On October 18, 2007, January 9, 2008, April 24, 2008, and April 28, 2008, Agent Klabunde interviewed Jerome Perron, via telephone. During the latter three interviews, his wife, Beatrice Perron, also participated in the conversation. The Perrons currently reside in Harlingen, Texas. In the summer of 2001, the Perrons were looking for a high-yield financial investment. A financial advisor directed them to Mark H. Brenner, who explained to the Perrons that he (Brenner) needed operating capital for his real estate business. Brenner said that he needed the money to purchase distressed properties, to hire workers to clean, repair and refurbish them, and then to resell them for a profit. Brenner represented to the Perrons that his real estate business was established and that the business was "going," putting him in a position to pay big interest to his investors. Brenner represented that he was experienced in real estate and used language, such as

obtaining options on houses, as if he was involved in that business. Brenner represented that he already had at least one other investor in his business.

The Perrons also informed Agent Klabunde that they met with Brenner at a local Oshkosh restaurant after making the \$57,000 payment to Brenner. Mr. Perron stated that he asked Brenner how the business was going and how many houses Brenner had purchased. Brenner replied that he had purchased 19 houses and that things were going "good."

In reliance on the representations made by Brenner, on three separate occasions between November 2001 and November 2002, the Perrons invested a total of \$97,000 in Brenner's business. The Perrons did not give Brenner permission to use the money for any purpose other than his business. After making their investments, Brenner made periodic payments to the Perrons, which stopped altogether after April 2005. Brenner gave numerous different excuses for not making additional payments.

The Perrons provided Agent Klabunde with copies of various documents reflecting the transactions between them and Brenner. One document, entitled Agreement, dated November 24 and 26, 2001, and signed by the Perrons and Brenner, provides that the Perrons promised to loan Brenner \$20,000, that the term of the agreement was 36 months and that Brenner promised to make quarterly payments to the Perrons with an annual interest rate of 11 percent. The Perrons delivered this money to Brenner in two separate personal checks, both dated November 23, 2001, made payable to Brenner personally in the amounts of \$13,000 and \$7,000, respectively. The Perrons mailed the checks and the agreement to Brenner at 1528 South Koeller Road, Oshkosh, Wisconsin, which Brenner told them was his post office box.

Another document, entitled Agreement, dated May 4 and 13, 2002, and signed by the Perrons and Brenner, provides that the Perrons promised to loan Brenner an additional \$57,000, that

the term of the agreement was 60 months, and that Brenner promised to make monthly payments to the Perrons with an annual interest rate of 10 percent for the first six months, and 11 percent thereafter. At the top of the agreement appears the name and address of the business on behalf of which Brenner purported to solicit the investment – Valley Home Buyers, 1528 South Koeller Road, P.M.B. 390, Oshkosh, Wisconsin 54902. The Perrons mailed this money to Brenner at the South Koeller Road, Oshkosh, Wisconsin, address, in the form of a cashier's check made payable to Brenner in the amount of \$57,000, and dated May 13, 2002.

A third document, entitled Agreement, dated November 27, 2002, and signed by both Perrons and Brenner, provides that the Perrons promised to loan Brenner an additional \$20,000, that the term of the agreement was 12 months, and that Brenner promised to make monthly payments to the Perrons with an annual interest rate of 15 percent. The top of the agreement again contained the name and address of Brenner's business – Valley Home Buyers in Oshkosh, Wisconsin. The Perrons delivered this money to Brenner in the form of a personal check made payable to Brenner in the amount of \$20,000, and dated November 21, 2002.

A fourth document, entitled Promissory Note and Agreement, dated December 10, 2004, and signed by both Perrons and Brenner, attempts to memorialize the outstanding obligations owed by Brenner to the Perrons. This agreement was signed by the Perrons and Brenner at a face to face meeting at a restaurant in the city of Oshkosh, Wisconsin. The agreement provided that, as of November 30, 2004, the outstanding amount owed by Brenner to the Perrons was \$104,790.12. The agreement provided that this amount would continue to accrue interest at an annual rate of 12 percent.

The Perrons also provided to Agent Klabunde front and back copies of the checks issued to Brenner pursuant to the various agreements. The checks dated November 23, 2001, May 13,

2002, and November 21, 2002, each reflect, on the reverse side, that they were processed by Lakeview Credit Union of Neenah, Wisconsin, in Winnebago County.

Agent Klabunde obtained copies of records from several financial institutions in which Brenner or his firm, Valley Home Buyers, maintained savings and/or checking accounts. These institutions included Lakeview Credit Union of Neenah, Wisconsin; Oshkosh Truck Credit Union of Oshkosh, Wisconsin; Fox Communities Credit Union of Appleton, Wisconsin. The statements from Brenner's personal savings account and from the Valley Home Buyers/Mark Brenner business checking account, both at Lakeview Credit Union, reflect that each check issued by or on behalf of the Perrons was deposited into one or the other of these accounts.

Agent Klabunde provided a copy of many of these records to Alyssa Koehler, who is a DCI intelligence analyst. Among Analyst Koehler's duties is to provide analytical assistance to the assigned special agent, including analyzing financial documents like bank records, and organizing the data contained within them for the purpose of tracing the origins and transactions of money that are or may be evidence of criminal activity.

Analyst Koehler prepared a list of all payments made by Brenner to the Perrons. This list shows that payments began in April 2002 and continued through April 2005. The total payments made by Brenner from accounts in his name or in the name of Valley Home Buyers was \$24,957.62.

One additional payment was made to the Perrons by Renee Nemitz, whom Mr. Perron identified as Brenner's girlfriend, by check in the amount of \$650, dated May 15, 2003.

The Perrons also stated that they filed a civil suit against Brenner and that they obtained a judgment against him. Agent Klabunde reviewed the Consolidated Court Automation Programs

(CCAP) and determined that, on or about September 8, 2005, the Perrons filed a civil action against Brenner, d/b/a Valley Home Buyers, in the Circuit Court of Winnebago County, with case no. 2005-CV-1082 and that on or about November 17, 2005, the Court entered a default judgment in favor of the Perrons in the amount of \$105,838.12.

On December 13, 2007, Agent Klabunde went to the Winnebago County Register of Deeds Office. A check of the records for property deeds and mortgages showed no entries for Mark Brenner or Valley Home Buyers from 1997 to the present.

On January 10, 2008, Agent Klabunde contacted the Register of Deeds offices by telephone in the counties surrounding Oshkosh, including Fond Du Lac, Calumet, Outagamie, Green Lake, Waushara, and Waupaca counties. Each reported that there had been no recordings of any properties under the name of Mark H. Brenner or Valley Home Buyers during the period January 1, 2000, through January 10, 2008.

On April 10, 2008, Agent Klabunde and others executed a search warrant at 1720 Oregon Street, Oshkosh, Wisconsin, in Winnebago County. Numerous documents were seized from Brenner's office and the living room within the premises. Among the documents seized was a folder entitled "Private Investors Folder." Among other things this folder contained each of the four agreements between the Perrons and Brenner.

Also seized was a file folder labeled "Credit Report" and its contents. The contents included copies of excerpted pages from CCAP of various civil cases in which Brenner was the named defendant. Agent Klabunde searched CCAP for the complete record of entries for these cases. A summary list of these cases as reflected in CCAP is as follows:

issued by the Perrons dated November 24, 2002, for \$20,000, into the Valley Home Buyers/Mark Brenner business checking account at Lakeview Credit Union.

According to Analyst Koehler's analysis, of the \$77,000 deposited into the Lakeview Credit Union savings account, \$74,000 was transferred or withdrawn and deposited into Brenner's personal checking account at Lakeview Credit Union between December 14, 2001, and December 3, 2002. At the conclusion of these withdrawals only \$693.38 remained in the savings account. Of the \$20,000 deposited into the Lakeview Credit Union business account, \$13,850 was withdrawn and deposited into Brenner's personal checking account at Lakeview Credit Union between January 14, 2003, and May 12, 2003. At the conclusion of these withdrawals only \$2,295.04 remained in the business account. Between December 28, 2001, and March 24, 2003, Brenner wrote checks totaling \$21,726.12 to himself from his personal checking account, some of which he deposited into a personal checking account he maintained at Oshkosh Truck Credit Union. Between December 26, 2002, and March 19, 2003, Brenner wrote checks totaling \$14,300 to himself or to cash from the business account.

Agent Klabunde further reviewed Analyst Koehler's analysis of the deposits and withdrawals from each of the savings and checking accounts in the name of Brenner or Valley Home Buyers. Other than the periodic payments to the Perrons, there is no evidence of any substantial ongoing business expenses incurred or income earned in connection with any real estate buying, repairing and selling venture.

The Perrons also stated to Agent Klabunde that Brenner never informed them at any time that he had been sued in civil court; that money judgments had been entered against him; that many of these judgments remained unsatisfied; that numerous garnishment actions had been initiated by two creditors against him and his then employer; that he was the subject of a