



The United States Attorney's Office

Central District of California



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Release No. 11-142

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Promoter of Christian Rock Concerts Pleads Guilty to Federal Wire Fraud Charge in \$1 Million Ponzi Scheme

SANTA ANA, California – The owner and operator of a Downey firm has pleaded guilty to wire fraud in a scheme that collected nearly \$1 million from victims who were falsely promised that their money would be used to host Christian rock concerts.

Lauren Baumann, 43, of Downey, the owner of Stewardship Estates, LLC, pleaded guilty late yesterday before United States District Judge Josephine S. Tucker.

Baumann admitted in court today that she solicited loans from investors with claims that the money would be used to finance "battle of the bands" events featuring Christian rock bands and other music groups that would generate profits from ticket sales and company sponsorships. In some cases, Baumann told investors that the funds would also be used to purchase, refurbish and resell homes.

In fact, a substantial portion of the investors' funds was used to pay earlier investors, who thought they were receiving profits from Baumann's venture. Baumann also used investor funds to pay approximately \$10,000 a month to rent a historic mansion in Downey and to pay private school tuition for her children, among other personal expenses.

As a result of Baumann's scheme, more than two dozen victims in Orange and Los Angeles counties suffered losses totaling nearly \$560,000.

When she pleaded guilty, Baumann also admitted that she failed to disclose to investors that she had been convicted of securities fraud in 1999 in a Texas federal court and that she had been found liable in a related civil fraud action brought by the United States Securities and Exchange Commission.

The charge of wire fraud carries a statutory maximum penalty of 20 years in federal prison. Following the entry of Baumann's guilty plea late Monday afternoon, Judge Tucker scheduled a sentencing

hearing for December 12.

The criminal case against Baumann is the result of an investigation by the Federal Bureau of Investigation.

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From Article at [GetOutOfDebt.org](http://www.getoutofdebt.org)