


UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

NORTHERN DISTRICT OF TEXAS  
FILED  
SEP - 3 2010  
CLERK, U.S. DISTRICT COURT  
By  Deputy

UNITED STATES OF AMERICA

V.

EDWARD LOUIS MOLZ, III.  
a/k/a "Frank Sullivan"

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CRIMINAL COMPLAINT

CASE NUMBER: 3-10-m5-307

I, the undersigned complainant being duly sworn state the following is true and correct to the best of my knowledge and belief. Beginning in or about November 2009 and continuing through May 2010, in the Northern District of Texas the defendant,

did knowingly for the purpose of executing a scheme and artifice to defraud, and for obtaining money and property by means of false material and fraudulent pretenses, representations, and promises, cause to be delivered by United States mail and commercial interstate carrier certain documents, items, and other matter, and

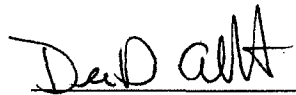
did knowingly, and with intent to defraud, cause to be transmitted in interstate commerce by means of wire and radio communication, certain writings, signs and signals for the purpose of for the purpose of executing and carrying a scheme and artifice to defraud, and for obtaining money and property by means of false material and fraudulent pretenses, representations, and promises, and attempting to do so,

in violation of Title 18 United States Code, Sections 1341 and 1343.

I further state that I am a Special Agent with the Federal Bureau of Investigation and that this complaint is based on the following facts:

SEE ATTACHED AFFIDAVIT

Continued on the attached sheet and made a part hereof. Yes No


  
Deen D. Abbott  
Signature of Complainant

Sworn to before me, and subscribed in my presence

September 3, 2010  
Date and Time Issued

at Dallas, Texas  
City and State

Paul D. Stickney  
United States Magistrate Judge

  
Signature of Judicial Officer

**AFFIDAVIT OF SPECIAL AGENT DEEN D. ABBOTT**

I, Deen D. Abbott, after first being duly sworn, depose and state as follow:

**INTRODUCTION**

1. I am a Special Agent with the Federal Bureau of Investigation, currently assigned to the Dallas Field Office, duly appointed according to law and acting as such. I have been a Special Agent since 2003, and I have conducted numerous investigations into financial crimes, including mail fraud, bank fraud, wire fraud, and securities fraud. I have also attended many training courses regarding methods and techniques for disguising, converting, and transmitting the proceeds of illegal activities. I have also received training regarding the seizure of assets derived from fraud schemes .

2. This affidavit is submitted in support of an application for a complaint and arrest warrant charging Edward Louis Molz III with fraud by wire, in violation of Title 18, USC , Section 1343 and fraud by mail, in violation of Title 18, USC, Section 1341. ~~Information in this affidavit is based on affiant's personal knowledge and on information provided to me by other law enforcement officers. This affidavit is not intended to include every fact or matter observed by me or known by law enforcement. The information is based on my personal observations during the course of my investigation, information conveyed to me by other law enforcement officials, and my review of records, documents, and other physical evidence obtained during the investigation.~~

**Summary – Advance Fee Fraud Scheme**

3. The affiant first became aware of an advance fee fraud scheme being perpetrated in Dallas, Texas when the Dallas Division of the Federal Bureau of Investigation received complaints from 44 victims between May 19, 2010, and June 1, 2010. Interviews with victims and a review of complaint forms submitted to the Federal Bureau of Investigation by the victims revealed that all of the victims were clients of a company called 3rd Street Financial, LLC. 3rd Street Financial, LLC was represented by it's chief financial officer Frank Sullivan. The affiant has interviewed victims who met

personally with the man claiming to be Frank Sullivan, and those victim's later reviewed photographs of Edward Louis Molz III and identified Molz as the same person who claimed to be Frank Sullivan.

4. The affiant's review of records of the Texas Secretary of State, and of public record databases has revealed that Edward Louis Molz III formed 3rd Street Financial, LLC, a Texas Limited Liability Company, on or about August 17, 2009. Molz is the only owner of 3rd Street Financial, LLC, and the company address was listed as Molz's personal residence, 9618 Mill Hollow Drive, Dallas, Texas, 75243. Shortly thereafter a website was created at the Internet address [www.3rdStreetFinancial.net](http://www.3rdStreetFinancial.net) to support the business activities of 3rd Street Financial, LLC.

5. The affiant has interviewed victims who provided statements and documents confirming Molz introduced himself to clients as Frank Sullivan, chief financial officer of 3rd Street Financial, LLC. Molz offered for sale "aged corporations" that Molz claimed 3rd Street Financial had established and maintained over the course of four or five years. Victims were told that 3rd Street Financial stated that they had incorporated multiple corporate entities four to five years ago and had a proprietary process for building up the credit scores of those corporate entities. Molz claimed that the 3rd Street Financial process resulted in building up the reputation and credit scores of the corporate entities. Molz offered to sell the corporate entities to small business owners needing access to bank lines of credit, who could then draw out the entire line of credit. None of the victims received access to any bank lines of credit.

6. Molz offered different levels of corporations based on the corporate entities borrowing limits. For an advance fee of \$3,250 a Tier 1 corporation could be purchased. A Tier 1 corporation would have access to \$150,000 to \$250,000 in bank lines of credit. For an advance fee of \$6,500 a Tier 2 corporation could be purchased. A Tier 2 corporation would have access to \$250,000 to \$400,000 in bank lines of credit.

7. Clients received by email a service agreement as well as other documents to facilitate the fraud including fraudulent bank line of credit letters, false testimonials,

and a question & answer sheet. The client was required to have the service agreement signed and notarized and would send it back to Molz either electronically or via an interstate commercial carrier. The client would also pay their advance fee either via a wire transfer to Molz's bank accounts or by a check sent via an interstate commercial carrier.

8. Molz advertised on his website that it would take an average of ten weeks for the corporation to become available to the client. Molz offered a 100 percent money back guarantee if the client didn't receive their corporation after twelve weeks.

9. A review of the Molz and 3rd Street Financial bank accounts conducted by the affiant and as described later in this affidavit indicates that client deposits began on November 12, 2009 and ended on approximately May 24, 2010. The bulk of client deposits occurred from January through March of 2010. The total client deposits identified to date were \$1,005,040.03.

10. In furtherance of the scheme, Molz caused client applications and other documents to be delivered by mail and commercial interstate carriers, and to be transmitted by interstate wires.

### **The Website**

11. The affiant has reviewed screen captures of the website previously located at [www.3rdStreetFiancial.net](http://www.3rdStreetFiancial.net) and has determined that it contained many false and misleading statements including:

- A) "This program is limited! Call to reserve your aged corporation." - There is no indication that the program was limited in anyway, and Molz told clients that anyone could get approved.
- B) "We build a strong business credit profile on one of our 4-5 year aged corporations that our company formed years ago." - The investigation has not revealed the existence of any corporate entities formed, owned or controlled by Molz.
- C) "We are having a 99.9% success rate right now even in these crazy economic times." - Investigators have been unable to locate any successful business operations, and financial analysis has revealed no legitimate business activity in Molz controlled accounts.

### **The Offering Documents**

12. Victims provided the affiant copies of the various marketing materials and

offering documents that the victims received by email or in person. Included in those offering documents were a three page Question & Answers sheet put together by brokers employed by Molz based on information provided by Molz. The Question and Answer sheet contains false statements including that the owner of 3rd Street Financial is Ronald Davis, and that Ronald Davis and Frank Sullivan had worked together at JP Morgan Chase for many years. .

13. The affiant has also reviewed a series of bank line of credit approval letters from Bank of America, JP Morgan Chase, Wells Fargo Bank, and Compass bank that were provided to victims by Molz as proof of prior success in obtaining lines of credit. The companies listed as receiving the bank lines of credit include Buy Sale Properties, LLC., Victorian Development, Inc, Real Power Solutions, Murano Technologies, Inc., Golden Fox, Inc., Universal Imported Services Inc., W.P. Investment Services, Inc., Real Property Development, Inc, and Tahoe Venture, Inc. Based on your affiant's prior experience all of the letters appear to be fraudulent, and contain misspellings, grammatical errors, and a common letterhead. The affiant has interviewed the actual owner of the above companies, a Nevada businessman, who provided information that the companies are shell corporations wholly owned by the Nevada businessman. The affiant has reviewed the website [www.nevcorp.com](http://www.nevcorp.com) and determined that the above names were listed on the website. The website is not in the control of Molz.

14. Clients received an approximately seven page Service Agreement that began with a 100% money back guarantee and was signed by Ronald J. Davis, President. The Service Agreement contains the promise that if at least \$250,000 in lines of credit are not secured by 3rd Street Financial on behalf of the purchased corporate entity the client will receive their advance fee back.

15. An analysis of the bank accounts receiving advance fees from victims by your affiant determined the majority of expenditures from the accounts were for the personal benefit of Molz with none made for the purported business of 3<sup>rd</sup> Street Financial. This Service Agreement was notarized by the client and then either scanned

and emailed to Molz or sent via an interstate commercial carrier.

16. Your affiant has interviewed victim J.L., who lives in Massachusetts. J.L. reviewed 3rd Street Financial's website, and then contacted 3rd Street Financial by telephone and spoke with an individual identifying himself as Frank Sullivan. J.L. spoke at length with Frank Sullivan about the product offered. J.L. arranged for Frank Sullivan to speak with his attorney by telephone, and Frank Sullivan repeated the same misrepresentations about 3rd Street Financial to the attorney. J.L. flew to Dallas, Texas and met with Frank Sullivan in January, 2010 prior to becoming a client. J.L. through research of public records discovered that 3rd Street Financial was actually owned by Edward Molz III. At the meeting Frank Sullivan continued to identify himself as such, and was questioned about the name Edward Molz. Frank Sullivan claimed that Edward Molz was a wealthy individual who guaranteed all of the bank lines of credit and was a silent partner.

17. Induced by the fraudulent information provided by Molz, the victim J.L., who at all times was located in Massachusetts, wire transferred from his bank account in Rhode Island to Dallas, Texas \$10,000 on February 10, 2010, \$5,000 on February 26, 2010, and \$5,000 on March 8, 2010 for the purchase of four aged corporations. After Lambert wire transferred the money to 3rd Street Financial all communication with the company ceased.

#### **Molz's Business Locations**

18. In order to facilitate the fraud Molz contracted with a mail service located at 7557 Rambler Road, Suite 700, Dallas, Texas. Molz opened an account under the name 3rd Street Financial and provided a copy of his Texas drivers license in his true name of Edward Louis Molz III to secure the mail services. The affiant has interviewed the receptionist of the mail service who provided information that Molz received approximately five Fedex or United States Postal Service Express packages at the mail service each day from December 30, 2009 until March 31, 2010 when his contract was

terminated for what the company deemed to be suspicious activity. Molz would personally come into the business daily and pick up the mail he had received. Molz repeatedly identified himself to employees at the location as Frank Sullivan even though the employees could tell from Molz's drivers license photograph, which Molz provided to open the account, that Frank Sullivan and Edward Louis Molz III were the same person.

19. The affiant has interviewed the manager of a mail service located at 3030 Lyndon B. Johnson Freeway, Suite 700, Dallas, Texas. This address appears on the service agreement provided to 3rd Street Financial's clients. The manager stated that on April 1, 2010 Molz provided a copy of his Texas drivers license and established a mail service at this location. This mail service also received Fedex and USPS packages from clients on Molz's behalf which Molz came in to pick up on a daily basis. Molz's contract with this mail service was terminated after two months due to lack of payment.

20. The affiant's review of financial records revealed that Molz contracted with a virtual telephone answering service, Davinci Virtual, located in Utah for telephone answering and receptionist services. An interview conducted with management of Davinci Virtual revealed that Molz received the telephone number (888) 927-9449 from the service. Molz used the telephone number (888) 927-9449 in his 3rd Street Financial marketing materials. Clients used the telephone number to call 3rd Street Financial or Frank Sullivan, and receptionists in Utah would provide a message service or connect the clients to Molz. Molz provided information to the answering service that Frank Sullivan was an employee of 3rd Street Financial.

#### **Financial Analysis of Molz Bank Accounts**

21. The affiant has reviewed bank records of Molz and 3<sup>rd</sup> Street Financial obtained by Grand Jury subpoena. Molz established a personal JP Morgan Chase bank account with an account number ending in 0027 in the name Edward L. Molz III on October 19, 2009. Molz established a JP Morgan Chase business account with an

account number ending in 8688 in the name of 3rd Street Financial, LLC on October 19, 2009. Molz provided the account number for the JP Morgan Chase business account to clients of 3rd Street Fiancial in order to enable them to directly wire transfer their advance fees to the account.

**JP Morgan Chase Account #826798688**

22. From November 12, 2009 until May 24, 2010, \$1,005,040.03 was deposited into the 3rd Street Financial account number 8688. This amount represents advance fees paid by 201 clients of 3rd Street Financial. Approximately half of the money was wire transferred directly to 3rd Street Financial's account and the other half were personal or cashiers checks mailed or hand delivered to 3rd Street Financial and deposited into the account.

23. Molz transferred \$28,525 to the JP Morgan Chase personal account number 0027. Molz also transferred \$29,000 to a personal bank account at Compass Bank in the name of Edward Molz III. Molz commingled the funds between both JP Morgan Chase accounts and used both accounts as his personal accounts. None of the withdrawals from the accounts appear to be expenditures related to the corporate entities or any related legitimate business activity in either JP Morgan Chase account.

24. Based on affiant's analysis of the bank accounts Molz used the investor money from the combined JP Morgan accounts to support a lavish lifestyle of travel, entertainment and nightclubs. Molz made cash withdrawals of \$219,992.10, entertainment expenses of \$58,536.58, automobile expenses of \$54,432.44, personal expenses of \$48,415.78, plastic surgery of \$25,575.00, travel of \$18,680.92, and meals of \$9,753.75. Molz paid commissions to outside brokers of \$118,450.00.

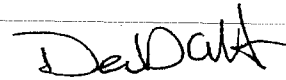
25. Molz used \$353,541.31 to purchase various assets. Included in this amount are \$18,530.00 for a 40 foot Silverton boat, \$9,833.38 for a 2007 Chevrolet Corvette, \$65,339.91 for a house in Irving, Texas, \$26,364.00 for a 2007 BMW 650, \$33,855.03 for a 2005 Maserati, \$162,647.01 for a 2007 Lamborghini Murcielago, and \$32,971.98 for miscellaneous furniture, jewelry and electronics.



26. On August 16, 2010 the affiant spoke with a JP Morgan Chase representative who was in receipt of a Grand Jury subpoena who advised that on August 9, 2010 a deposit in the amount of approximately \$110,000 was received with a notation of Lamborghini of Dallas. Investigation by the affiant in Dallas, Texas revealed that the 2007 Lamborghini Murcielago was purchased at Park Place Motors, Dallas, Texas in April 2010 with funds from the JP Morgan Chase bank accounts, and subsequently resold to Lamborghini of Dallas at a substantial loss.

**CONCLUSION**

27. Based upon the aforementioned facts and my training and experience, I conclude there is probable cause to believe that Edward Molz III, did orchestrate and conduct an advance fee scheme via United States mail, via commercial interstate carriers, and electronically in violation of statutes prohibiting Mail Fraud (18 U.S.C. § 1341) and Wire Fraud (18 U.S.C. § 1343).



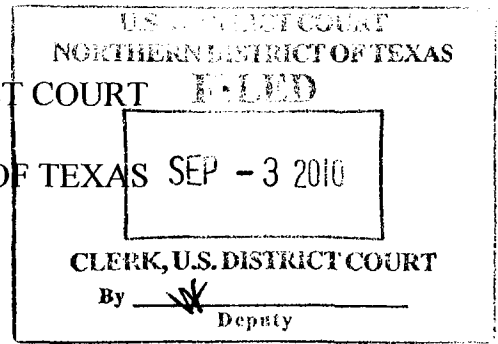
Deen D. Abbott  
Special Agent  
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence this 3 day of September 2010.



Paul D. Stickney  
United States Magistrate Judge

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS



DALLAS DIVISION

UNITED STATES OF AMERICA

§  
§  
§  
§

vs.

NO. 3-10-mj-307

EDWARD LOUIS MOLZ, III.  
a/k/a "Frank Sullivan"

**ORDER SEALING**

The Court having considered the Government's Motion To Seal Criminal Complaint and Application for a Seizure Warrant grants said motion.

It is therefore ORDERED that the Criminal Complaint, the Application for a Seizure Warrant, and the supporting affidavits in this cause be SEALED until further order of the Court.

Signed this 3 day of September, 2010.

PAUL D. STICKNEY  
UNITED STATES MAGISTRATE JUDGE