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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

UNITED STATES OF AMERICA

VS.

SAMUEL RAY PALASOTA

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§
§
§

CRIMINAL NO. H-13-

(UNDER SEAL)

United States District Court
Southern District of Texas
FILED

MAY 08 2013

David J. Bradley, Clerk of Court

13CR263

UN-SEALED PER

oral order
5/23/13

INDICTMENT

At all times material to this indictment:

COUNTS ONE - TWENTY-ONE
(Mail Fraud - 18 U.S.C. § 1341)

A. INTRODUCTION

1. SAMUEL RAY PALASOTA ("PALASOTA") was a resident of Houston, Texas who held himself out as a pastor. PALASOTA also claimed to manage a real estate investment program, doing business under the name "The Maker's Resources."

2. An individual with initials G. H. R. ("GHR") was a resident of Starkville, Mississippi who was divorced in 2007 and looked to PALASOTA for spiritual guidance and emotional support. During the time she was seeking guidance from PALASOTA, GHR received approximately one million dollars through her divorce settlement.

B. THE SCHEME AND ARTIFICE

3. From in or about December 2008, and continuing until in or about December 2009, in the Houston Division of the Southern District of Texas and elsewhere, the defendant PALASOTA in the specific counts listed below knowingly devised and intended to devise a scheme and artifice to defraud GHR by means of material false pretenses, representations, and promises, in that PALASOTA convinced GHR to invest her money with him in an alleged real estate investment program, but instead of investing in real estate, PALASOTA stole GHR's investment funds.

C. MANNER AND MEANS OF THE SCHEME AND ARTIFICE

4. After GHR's divorce, PALASOTA would and did encourage GHR to invest her divorce settlement funds with him in what he claimed was a real estate investment.

5. PALASOTA would and did tell GHR that in his real estate investment program he would purchase foreclosed homes in the Houston area at below-market prices and then re-sell them for a profit. PALASOTA would and did tell GHR that he wanted investors who would partner with him to finance the purchase of the properties.

6. PALASOTA would and did claim to GHR that his real estate investment was “guaranteed” to provide a high rate of return to investors. PALASOTA would and did provide GHR with an investment schedule that claimed the minimum rate of return to GHR from the investment would increase by five percent for every additional \$100,000 GHR invested, up to a maximum investment of \$650,000.

7. PALASOTA would and did convince GHR to invest \$650,000 in his real estate investment program.

8. Instead of investing GHR’s money in real estate, PALASOTA would and did appropriate the money for his personal use, including paying his personal expenses and purchasing automobiles.

9. For a period of time, PALASOTA would and did make payments to GHR, which he termed “returns on investment.” These payments, however, were not the proceeds of an investment but were simply the return of a portion of GHR’s own money, made to keep up the appearance that the so-called investment was generating income.

D. EXECUTION OF THE SCHEME AND ARTIFICE

10. On or about the dates set forth below, in the Houston Division of the Southern District of Texas and elsewhere, the defendant listed below, for the purpose of executing the aforementioned scheme and artifice to defraud and to obtain money

by material false and fraudulent representations, pretenses, and promises, did knowingly cause to be delivered by the United States Postal Service mail and private and commercial interstate carriers the following matters:

Count	Date	Defendant	Mailing
1	12/1/08	SAMUEL RAY PALASOTA	Heritage Trust Check dated 12/1/08 for \$5,000 signed by GHR payable to PALASOTA for "Investment"
2	1/7/09	SAMUEL RAY PALASOTA	Heritage Trust Check dated 1/7/09 for \$10,000 signed by GHR payable to PALASOTA for "Investment"
3	1/14/09	SAMUEL RAY PALASOTA	Heritage Trust Check dated 1/14/09 for \$10,000 signed by GHR payable to PALASOTA for "Investment"
4	7/6/09	SAMUEL RAY PALASOTA	Regions Bank Cashier's Check dated 7/6/09 for \$25,000 purchased by GHR payable to PALASOTA for "Investment 2"
5	9/8/09	SAMUEL RAY PALASOTA	Regions Bank Cashier's Check dated 9/8/09 for \$100,000 purchased by GHR payable to PALASOTA for "Investment No. 3"
6	9/8/09	SAMUEL RAY PALASOTA	Regions Bank Cashier's Check dated 9/8/09 for \$100,000 purchased by GHR payable to PALASOTA for "Investment No. 4"

7	9/8/09	SAMUEL RAY PALASOTA	Regions Bank Cashier's Check dated 9/8/09 for \$100,000 purchased by GHR payable to PALASOTA for "Investment No. 5"
8	9/8/09	SAMUEL RAY PALASOTA	Regions Bank Cashier's Check dated 9/8/09 for \$100,000 purchased by GHR payable to PALASOTA for "Investment No. 6"
9	9/9/09	SAMUEL RAY PALASOTA	Regions Bank Cashier's Check dated 9/9/09 for \$100,000 purchased by GHR payable to PALASOTA for "Investment No. 7"
10	10/1/09	SAMUEL RAY PALASOTA	Regions Bank Cashier's Check dated 10/1/09 for \$100,000 purchased by GHR payable to PALASOTA for "Investment No. 8"
11	1/31/09	SAMUEL RAY PALASOTA	Woodforest National Bank Check dated 1/31/09 for \$208.33 signed by PALASOTA payable to GHR for "Investment 1 Monthly R.O.I."
12	2/26/09	SAMUEL RAY PALASOTA	Woodforest National Bank Check dated 2/26/09 for \$208.33 signed by PALASOTA payable to GHR for "Investment 1 Monthly R.O.I."
13	3/28/09	SAMUEL RAY PALASOTA	Woodforest National Bank Check dated 3/28/09 for \$208.33 signed by PALASOTA payable to GHR for "Investment 1 (Monthly R.O.I.)"

14	4/28/09	SAMUEL RAY PALASOTA	Woodforest National Bank Check dated 4/28/09 for \$208.33 signed by PALASOTA payable to GHR for "Investment 1 (Monthly R.O.I.)"
15	5/28/09	SAMUEL RAY PALASOTA	Woodforest National Bank Check dated 5/28/09 for \$208.33 signed by PALASOTA payable to GHR for "Investment 1 Monthly R.O.I."
16	6/28/09	SAMUEL RAY PALASOTA	Woodforest National Bank Check dated 6/28/09 for \$208.33 signed by PALASOTA payable to GHR for "Investment 1 Monthly R.O.I."
17	7/28/09	SAMUEL RAY PALASOTA	Woodforest National Bank Check dated 7/28/09 for \$208.33 signed by PALASOTA payable to GHR for "Investment 1 (Monthly R.O.I.)"
18	7/28/09	SAMUEL RAY PALASOTA	Woodforest National Bank Check dated 7/28/09 for \$208.33 signed by PALASOTA payable to GHR for "Investment 2 (Monthly R.O.I.)"
19	8/28/09	SAMUEL RAY PALASOTA	Woodforest National Bank Check dated 8/28/09 for \$208.33 signed by PALASOTA payable to GHR for "Investment 1 (Monthly R.O.I.)"
20	8/28/09	SAMUEL RAY PALASOTA	Woodforest National Bank Check dated 8/28/09 for \$208.33 signed by PALASOTA payable to GHR for "Investment 2 (Monthly R.O.I.)"

21	9/30/09	SAMUEL RAY PALASOTA	Woodforest National Bank Check dated 9/30/09 for \$10,833.31 signed by PALASOTA payable to GHR for "Investments 1-7 {Aggregate Monthly Payment"
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In violation of Title 18, United States Code, Section 1341.

COUNTS TWENTY-TWO - TWENTY-FOUR
(Wire Fraud - 18 U.S.C. § 1343)

A. INTRODUCTION

1. The Grand Jury adopts, realleges, and incorporates herein Paragraphs One and Two of Counts One through Twenty-One as if set out fully herein.

B. THE SCHEME AND ARTIFICE

2. The Grand Jury adopts, realleges, and incorporates herein Paragraph Three of Counts One through Twenty-One as if set out fully herein.

C. MANNER AND MEANS OF THE SCHEME AND ARTIFICE

3. The Grand Jury adopts, realleges, and incorporates herein Paragraphs Four through Nine of Counts One through Twenty-One as if set out fully herein.

D. EXECUTION OF THE SCHEME AND ARTIFICE

4. On or about the dates set forth below, in the Houston Division of the Southern District of Texas and elsewhere, the defendant listed below, for the purpose of executing the aforementioned scheme and artifice to defraud and to obtain money

by material false and fraudulent representations, pretenses, and promises, did knowingly cause to be transmitted by means of wire communication in interstate or foreign commerce, the transfer of funds described below:

Count	Date	Defendants	Wire Communication
22	11/2/09	SAMUEL RAY PALASOTA	\$14,166.64 wire transfer from PALASOTA to GHR from Woodforest National Bank to Regions Bank for "Investments 1-8 Monthly Aggregate Payout"
23	11/30/09	SAMUEL RAY PALASOTA	\$14,166.64 wire transfer from PALASOTA to GHR from Woodforest National Bank to Regions Bank for "Investments 1-8 Monthly Aggregate Payout"
24	12/21/09	SAMUEL RAY PALASOTA	\$14,166.64 wire transfer from PALASOTA to GHR from Woodforest National Bank to Regions Bank for "Investments 1-8 Monthly Aggregate Payout"

In violation of Title 18, United States Code, Section 1343.

NOTICE OF FORFEITURE

18 U.S.C. § 981(a)(1)(C); 28 U.S.C. § 2461(c)

Pursuant to Title 18, United States Code, Section 981(a)(1)(C), through application of Title 28, United States Code, Section 2461(c), the United States gives notice to defendant,

SAMUEL RAY PALASOTA,

that upon conviction of a violation of Title 18, United States Code, Sections 1341 or 1343, all property, real or personal, which constitutes or is derived from proceeds traceable to such offense, is subject to forfeiture.

Defendant is notified that upon conviction, a money judgment may be imposed equal to the total value of the property subject to forfeiture. The property subject to forfeiture includes, but is not limited to, approximately \$650,000 in United States dollars.

Substitute Assets

Defendant is notified that in the event that property subject to forfeiture, as a result of any act or omission of the defendant,

- (A) cannot be located upon the exercise of due diligence;
- (B) has been transferred or sold to, or deposited with, a third party;
- (C) has been placed beyond the jurisdiction of the court;
- (D) has been substantially diminished in value; or
- (E) has been commingled with other property which cannot be divided without difficulty,

the United States will seek to forfeit any other property of the defendant up to the total value of the property subject to forfeiture, pursuant to Title 21, United States Code, Section 853(p), incorporated by reference in Title 28, United States Code,

Section 2461(c).

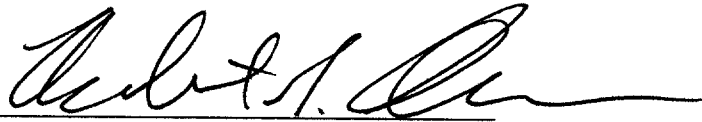
A TRUE BILL:

ORIGINAL SIGNATURE ON FILE

FOREPERSON OF THE GRAND JURY

KENNETH MAGIDSON
UNITED STATES ATTORNEY

By:



Robert S. Johnson
Assistant United States Attorney