



DenverDA

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NEWS RELEASE

January 3, 2008

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GRAND JURY RETURNS 62-COUNT INDICTMENT

A Denver Grand Jury has returned a 62-count indictment against a man accused of scamming scores of investors who bought troubled properties and were later forced into foreclosure. The 15-month investigation was a cooperative effort of the Denver DA's Office Economic Crime Unit and the Office of Inspector General for the U.S. Department of Housing and Urban Development.

Kenneth Germain (DOB: 12-12-43) is charged with one count of violating the Colorado Organized Crime Control Act (F2), one count of theft (F4) and sixty counts of securities fraud (F3).

The indictment was handed down on January 2, 2008 and alleges that Germain, through his company EQ Invest, solicited numerous investors over the last few years to buy distressed properties for eventual resale. According to the indictment, Germain solicited investors to put 5% down to buy the property, which EQ promised to manage, fix up and rent to a tenant. The proposal included EQ making the mortgage payment until selling the property. The indictment alleges that in August 2006 Germain stopped making mortgage payments, leaving investors with unexpected mortgage obligations. Many defaulted, and their credit was ruined. According to the indictment, Germain used some of the money for personal expenses.

An arrest warrant has been issued for Germain.