

<p>County Court, City and County of Denver, Colorado Lindsey-Flanigan Courthouse, Room 160 520 W. Colfax Ave. Denver, CO 80204</p> <hr/> <p>Plaintiff: The People of the State of Colorado</p> <p>Defendant: Kelsey Lyons 05/09/1985</p> <hr/>	<p>Filed in the County Court City & County of Denver, Colorado</p> <p>APR 28 2023</p> <p>CLERK OF COURT</p> <p>▲ COURT USE ONLY ▲</p> <hr/> <p>Case Number: 23CR02416</p> <p>Div: Criminal Ctrm 2300</p>
<p align="center">SUPPORTING AFFIDAVIT FOR AT LARGE ARREST WARRANT</p>	

I, JOSHUA MOHLMAN of lawful age do swear upon my oath to the facts set forth below and on 7 continuation page(s):

Your affiant, JOSHUA MOHLMAN, an Investigator for the Denver District Attorney's Office, Economic Crime Unit was assigned to investigate allegations of THEFT, in violation of 18-4-401(1),(2)(i); THEFT, in violation of 18-4-401(1),(2)(h); THEFT, in violation of 18-4-401(1),(2)(h); THEFT - AT-RISK VICTIM, in violation of 18-6.5-103(5); 18-4-401(1); THEFT, in violation of 18-4-401(1),(2)(h); THEFT, in violation of 18-4-401(1),(2)(g); by **Kelsey Lyons** against [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], on DA Case Number **2022ECU000022**.

On or about March 16, 2022, the Denver District Attorney's Office received a complaint from [REDACTED]. The District Attorney's Office received subsequent complaints from [REDACTED], [REDACTED] and [REDACTED], [REDACTED], and [REDACTED]. The complaints concerned allegations of theft against general construction contractor Kelsey Lyons, the owner/operator of KelsMac LLC. During the course of the investigation, your affiant has learned the following:

On or about June 22, 2020, Kelsey Lyons was discharged from a Chapter 7 bankruptcy under case number 20-10514-t7 in the United States Bankruptcy Court, District of New Mexico. In court filings, Ms. Lyons listed assets of approximately \$70,000.00, with liabilities totaling over \$3,000,000.

According to Colorado Secretary of State records, Ms. Lyons first filed articles of organization for KelsMac LLC on July 24, 2020. The business office was initially recorded as 2700 Aberdeen Court,

Fort Collins, Colorado. As of January 1, 2022, Kelsmac LLC's status with the Colorado Secretary of State is delinquent for failure to file periodic reports.

Buildzoom.com is a website that provides referrals for construction and remodeling contractor services. According to a profile on Buildzoom.com, KelsMac was a residential and commercial general contracting firm that was licensed, bonded, and insured.

████████████████████

During all times relevant to the complaint, ██████████ and ██████████, ██████████, resided at ██████████ Osceola Street in the City and County of Denver, State of Colorado. ██████████ were the owners of a residence located at ██████████ South Balsam Street in Littleton, Colorado. In June 2021, the ██████████ were seeking a general contractor to complete major renovations and an addition on their Littleton home. The ██████████ utilized services provided by Buildzoom.com and were referred to Kelsey Lyons. ██████████ positively identified Ms. Lyons through a Colorado Department of Motor Vehicle photo emailed by your affiant.

████████████████████ contacted Ms. Lyons and requested a bid for the project. On or about July 22, 2021, Ms. Lyons submitted a proposal with a total cost of \$423,392.26. The proposal included a \$21,000.00 project management fee along with estimates for materials, labor and permits. The scope of work included general demolition and the removal of the existing roof, framing in the existing structure and addition, windows, flooring, plumbing, electrical, exterior siding and trim, as well as finish carpentry and other finishes.

On July 26, 2021, ██████████ executed a construction contract with Ms. Lyons. The contract stated Ms. Lyons, the contractor, would furnish all labor, equipment, tools, materials, and supervision to complete the scope of work. The payment schedule included a 10% deposit of \$42,339.00 for scheduling and permit administration. There was a second 10% deposit of \$42,339.00 for materials and labor.

Ms. Lyons emailed ██████████ with bank account information for the initial deposit. On or about July 27, 2021, ██████████ wire transferred \$42,339.00 to a Chase Bank account associated with KelsMac LLC.

Due to delays associated with the appraisal for a construction loan, the second deposit was delayed until September 2021. On or about September 9th, ██████████ met with Ms. Lyons and representatives of ██████████ to discuss the project and construction timelines. During the meeting, Ms. Lyons stated she was transitioning her business from being a "hands on general contractor" to a general contractor consultant. ██████████ understood that ██████████ would be completing most of the actual construction. However, Ms. Lyons would be the ██████████ main point of contact until construction began.

On or about September 14, 2021, ██████████ wire transferred the second deposit of \$42,339.00 to the KelsMac LLC account at Chase Bank. Ms. Lyons confirmed receipt of the wire transfer in a text

message communication. [REDACTED] paid Ms. Lyons a total of \$84,678.00 towards the contract. Between late September and mid December 2021, no progress was made on the project at [REDACTED] South Balsam Street. In text message communications, Ms. Lyons blamed some of the delay on the availability of truss parts and associated manufacturing delays. [REDACTED] contacted [REDACTED], [REDACTED]. [REDACTED] said he had spoken with the truss manufacturing company and learned the truss engineering had been completed and Ms. Lyons was invoiced on or about November 1, 2021. Ms. Lyons failed to pay the invoice; therefore, the company did not move forward with the truss manufacturing.

On December 21, 2021, [REDACTED] received an email from Ms. Lyons stating that KelsMac LLC had ceased operations and retained counsel to wind down and close the business. The email stated that claims for repayment could be submitted. The email further stated the business assets would be liquidated and the proceeds would be distributed amongst creditors. To date, Ms. Lyons has returned a total of approximately \$10,000.00 of the \$84,678.00 paid by [REDACTED]. This money was paid as the result of a settlement agreement.

[REDACTED]

[REDACTED] and [REDACTED], [REDACTED], are the owners of a residence at [REDACTED] West Chestnut Avenue in the City of Littleton, County of Jefferson, State of Colorado. On May 19, 2021, [REDACTED] and [REDACTED] signed a construction contract with Kelsey Lyons of KelsMac LLC. The contracted scope of work included a main floor addition and other renovations at the home on West Chestnut Avenue. The contract called for a \$37,226.00 materials and labor deposit towards a total contract price of \$183,133.20. [REDACTED] received a building permit from Jefferson County on May 19, 2021.

On or about May 20, 2021, [REDACTED] gave Ms. Lyons a \$37,226.00 check for the deposit. The check was deposited into the KelsMac business account at Chase Bank.

Despite multiple calls and emails from [REDACTED] to Ms. Lyons, very little work commenced on the project between May and September 2021. Ms. Lyons did hire a subcontractor, [REDACTED], to complete the concrete foundation work. According to [REDACTED], Ms. Lyons paid him \$8,000.00 towards his total project cost of \$22,000.00.

In an email dated September 2, 2021, Ms. Lyons told [REDACTED] she had sent all of her projects to a larger company, later identified as [REDACTED], to see if they would be interested in finishing out the contracts. After Mr. Lemmonier refused the offer of another contractor, Ms. Lyons made promises to return [REDACTED] deposit minus the money she paid towards the foundation. Ms. Lyons failed to return the deposit money.

In 2022, Ms. Lyons returned \$4,500.00 of the \$37,226.00 deposit paid [REDACTED]. This money was paid as the result of a settlement agreement. After deducting the settlement and the cost of the concrete work, Ms. Lyons still owes [REDACTED] \$24,726.00.

[REDACTED]

[REDACTED] is the owner of a residence located at [REDACTED] South Emerson Street in the City and County of Denver, State of Colorado. [REDACTED], [REDACTED], lives at the residence. In early 2021, [REDACTED] and [REDACTED] were seeking a contractor to build a new addition and conduct other remodeling work at the residence. [REDACTED] engaged Buildzoom.com and was referred to Kelsey Lyons/KelsMac.

After interviewing several contractors and receiving estimates, [REDACTED] decided to hire Ms. Lyons. On or about June 20, 2021, Ms. Lyons emailed [REDACTED] a finalized estimate. The estimated scope of work included labor and materials for the rebuilding of a sunroom, a room addition, a new bathroom, and a basement remodel. The total bid was \$84,995.00. Ms. Lyons requested an initial deposit of \$25,498.50 (30%) for materials and labor. In an email communication, Ms. Lyons indicated that work would commence quickly after she received the deposit and approval of a building permit.

On June 28, 2021, [REDACTED] gave Ms. Lyons a check for \$25,498.50. The check was deposited into the KelsMac business account at Chase Bank.

Due to delays associated with the building permit process, no work was completed at [REDACTED] South Emerson Street between July and October 2021. In an email on October 4, 2021, Ms. Lyons told [REDACTED] that [REDACTED] would be taking over project management and construction tasks for her. During a telephone conversation, Ms. Lyons told [REDACTED] she “couldn’t handle the crews anymore” and was bringing in another construction contractor to manage projects. Ms. Lyons indicated her business would remain open.

In November 2021, [REDACTED] anticipated the building permit would soon be issued. [REDACTED] reached out to Ms. Lyons to plan a start date and ensure materials would be ordered. Ms. Lyons was unresponsive to emails, calls, and text messages. [REDACTED] learned that Ms. Lyons did not turn over her \$25,498.50 to [REDACTED].

In an email on December 4, 2021, [REDACTED] confronted Ms. Lyons about the lack of communication and demanded that she transfer the deposit to [REDACTED]. In an email response, Ms. Lyons said she would be meeting with her accountant and attorney to release deposits. In another email dated December 21, 2021, Ms. Lyons said KelsMac LLC had ceased operations and retained counsel to close the business.

On January 20, 2022, [REDACTED] filed a civil lawsuit against Kelsey Lyons in the Denver District Court, case number [REDACTED]. That case was dismissed on November 23, 2022, after a settlement between [REDACTED] and Ms. Lyons was reached. According to [REDACTED], she received a \$7,500.00 settlement that included a \$5,000 lump sum payment and future monthly payments totaling \$2,500.00.

[REDACTED]

In early 2021, [REDACTED], [REDACTED], and [REDACTED], [REDACTED], were planning an addition and/or accessory dwelling unit (ADU) on [REDACTED] home at [REDACTED] Ames Way in Arvada. [REDACTED] and [REDACTED] are elderly and planned to live in the addition. [REDACTED] utilized the website buildzoom.com to assist them with finding and hiring a general contractor. [REDACTED] and Mr. and [REDACTED] met Kelsey Lyons through the website and ultimately decided to hire her as the general contractor. [REDACTED] entered into a construction contract with Ms. Lyons that had a value of \$394,952.40. The contract called for a materials and labor deposit of 20% (\$78,990).

Bank records show that [REDACTED] made a total of four payments to Ms. Lyons. In April 2021, there were two payments totaling \$14,000.00. In June 2021, there were two more payments totaling \$83,990.00. [REDACTED] paid Ms. Lyons a total of \$97,990.00. During an interview with [REDACTED], she stated all payments were made by handing a check to Ms. Lyons. The checks were drawn on [REDACTED] bank account and they were present when all the checks were transferred. [REDACTED] commented to Ms. Lyons that he was an elderly veteran and was 81 years of age. [REDACTED], born [REDACTED], was 81 years old in April 2021. [REDACTED], born [REDACTED], was 74 years old on April 1, 2021.

Ms. Lyons did hire and pay the [REDACTED] architecture firm to prepare building plans for the project. It is believed Ms. Lyons paid approximately \$11,000.00 for those services. Ms. Lyons completed a small amount of demolition work on the project. Ms. Lyons hired contractors that removed a deck, fence, and tree from the property. Ms. Lyon also had a roll-off dumpster delivered to the property. It is believed Ms. Lyons appropriately utilized approximately \$19,000 of the \$97,990 paid by [REDACTED].

In September 2021, Ms. Lyons hired [REDACTED] as a subcontractor for the project. In November, [REDACTED] sent several text messages to Kelsey Lyons that went unanswered. [REDACTED] contacted [REDACTED] [REDACTED] who advised he heard Ms. Lyons was going out of business. [REDACTED] attempted to contact Ms. Lyons through text, calls, and emails with no response. [REDACTED] was attempting to obtain an accounting of money Ms. Lyons spent on the project and a refund of unused funds. Ms. Lyons failed to return any money to [REDACTED].

To date, Ms. Lyons has promised to return a total of approximately \$15,000.00 of the \$97,990.00 paid by [REDACTED]. According to [REDACTED], Ms. Lyons paid a \$10,000.00 lump sum amount and promised to make additional monthly payments totaling \$5,000.00. This money was paid as the result of a settlement agreement. After deducting the settlement and the cost of the completed work, Ms. Lyons still owes [REDACTED] \$63,990.00.

[REDACTED]

On June 21, 2021, [REDACTED] contracted with Kelsey Lyons to perform remodeling work in his residence at [REDACTED] East Cornell Avenue in Denver. The contract listed services that included the demolition of a sunroom, framing, insulation, doors, and additional exterior and interior finishes.

The contract also listed a new concrete patio. The contract had a total value of \$52,100.00.

Pursuant to the contract, ██████ paid a deposit of \$15,630 to Ms. Lyons on July 7, 2021. After the deposit was paid, very little of the remodeling was actually performed.

On December 21, 2021, Ms. Lyons emailed ██████ and advised her business, KelsMac LLC, had ceased operations and retained counsel to assist with closing the business. Ms. Lyons requested that ██████ provide the amount and documentation for any money that was owed to him. In an email response, ██████ demanded that his \$15,630.00 deposit be returned. Ms. Lyons failed to return any of the deposit to ██████.

On June 15, 2022, your affiant interviewed ██████. ██████ said he was a carpenter that primarily did finish work, moulding, and door installation. ██████ acted as a project manager on two or three of Ms. Lyons' jobs in 2021. He said Ms. Lyons had problems with subcontractors and customers that caused her to lose money. Ms. Lyons would pay contractors who were then responsible for paying other subcontractors. When the contractors failed to pay the subs, Ms. Lyons was forced to make up the difference. ██████ said the owner of a plastic surgery center didn't pay Kelsey's final invoice because either the work was not timely, or it was believed to be substandard. ██████ believed Ms. Lyons had an ██████ who also stole money from her. ██████ said Ms. Lyons still owes him approximately \$3,000.00.

On August 5, 2022, your affiant interviewed ██████, the ██████ in Littleton. ██████ is a full-service general contracting firm. ██████ said he met Kelsey Lyons in the summer of 2021. There were approximately seven or eight different projects that Ms. Lyons wanted to transfer to ██████. ██████ did not have much contact with Ms. Lyons and she did not turn over any client money that had been paid to her.

On April 18, 2022, your affiant submitted an affidavit and search warrant to the Denver County Court. The search warrant requested Chase Bank records associated with Kelsey Lyons and/or Kelsmac LLC. The warrant was reviewed and approved by the Honorable Judge Renee Goble. Your affiant received and reviewed bank records from Chase Bank. Your affiant found most of the client funds were deposited and distributed from a Kelsmac LLC business checking account ending in ██████. Ms. Lyons was listed as the only authorized signer on the account. An analysis of the account between the dates of May 20, 2021, and October 6, 2021, showed Kelsey Lyons was credited a total of approximately \$568,572.52. The two largest contributors of these funds were listed victims (\$231,392.50) and other known clients (\$176,044.66). The majority of the debits were for business and construction related expenses that included business loan payments, transfers, customer refunds, material costs and contractor costs. The total business expenses were \$388,102.75 which represents 66.64% of the \$568,572.52. The other expenses include bank fees (.23% or \$1,323.80), personal expenses (23.46% or \$136,658.86), and unknown, unclassified expenses (9.77% or \$56,936.00). The categorized personal expenses included payments directly to Kelsey Lyons (\$43,798.05), credit card payments to Capital One Bank (\$48,667.47), and withdrawals (\$33,572.00).

The analysis showed that Ms. Lyons failed to keep victim funds in escrow. Ms. Lyons utilized victim funds to pay for contractors and business expenses related to other projects. Ms. Lyons also utilized victim funds for her personal benefit. For example, Ms. Lyons received a \$25,498.50 deposit from [REDACTED] on June 28, 2021. On June 28th and June 29th, Ms. Lyons spent the majority of [REDACTED] funds to make payments to herself (\$1,500.00), payments to individuals/businesses that are believed to be construction contractors (\$17,576.00), payments for construction materials (\$1,381.56), payments for bank fees (\$216.00), and payments that are unknown/uncategorized (\$6,992.00). Ms. Lyons failed to complete any work on [REDACTED] project.

Colorado Revised Statute 38-22-127(1) and (2) states that all funds disbursed to any contractor or subcontractor under any building, construction, or remodeling contract or on any construction project shall be held in trust for the payment of the subcontractors, laborer or material suppliers, or laborers who have furnished laborers, materials, services, or labor, who have a lien, or may have a lien, against the property, or who claim, or may claim, against a principal and surety under the provisions of this article and for which such disbursement was made.

This section shall not be construed so as to require any such contractor or subcontractor to hold in trust any funds which have been disbursed to him or her for any subcontractor, laborer or material supplier, or laborer who claims a lien against the property or claims against a principal and surety who has furnished a bond under the provisions of this article if such contractor or subcontractor has a good faith belief that such lien or claim is not valid or if such contractor or subcontractor, in good faith, claims a setoff, to the extent of such setoff.

Any person who violates the provisions of subsections (1) and (2) of this section commits theft, as defined in section 18-4-401, C.R.S.

Based on the foregoing, your affiant respectfully requests that an At Large Warrant be issued for the arrest of Kelsey Lyons, DOB: 05/09/1985 for: THEFT, in violation of 18-4-401(1),(2)(i)THEFT, in violation of 18-4-401(1),(2)(h)THEFT, in violation of 18-4-401(1),(2)(h)THEFT - AT-RISK VICTIM, in violation of 18-6.5-103(5);18-4-401(1)THEFT, in violation of 18-4-401(1),(2)(h)THEFT, in violation of 18-4-401(1),(2)(g)

I swear and affirm under oath, by administration of the oath over the telephone by the undersigned judge, that the below electronic signature is my own and that the contents of this Affidavit are true and accurate.

Affiant: Joshua Mohlman 4/28/23 - 11:25 AM
INVESTIGATOR

Dated this 28th day of April, 2023, at 12:17pm AM / PM.

In accordance with § 16-1-106 and § 16-3-108, the above-named Affiant swore and affirmed under oath over the telephone to the undersigned judge that the electronic signature is that of the named Affiant and that the contents of this Affidavit are true and accurate.

Olympia Z. Fay Olympia Z. Fay
Signature of Judge Printed name of Judge

