

State of Minnesota
County of Hennepin

District Court
4th Judicial District

Prosecutor File No. 17A09938
Court File No. 27-CR-18-5096

State of Minnesota,

Plaintiff,

vs.

HERALD EDWARD LIU DOB: 10/01/1951

13554 45th Ct NE
St. Michael, MN 55376

Defendant.

COMPLAINT

Summons

The Complainant submits this complaint to the Court and states that there is probable cause to believe Defendant committed the following offense(s):

COUNT I

Charge: Theft-By Swindle

Minnesota Statute: 609.52.2(a)(4), with reference to: 609.52.3(5), 609.52.3(1)

Maximum Sentence: 20 YEARS AND/OR \$100,000

Offense Level: Felony

Offense Date (on or about): 04/15/2013

Control #(ICR#): 16001818

Charge Description: That on or about 4/15/2013 through 9/20/13, in Hennepin County, Minnesota, Herald Liu Edward obtained property or services from M.H.. V.C., P.M., M-J. B. and M.C.B. by swindling them using artifice, trick, device or other means, and the property or services

had an aggregate value in excess of Thirty-Five Thousand Dollars (\$35,000.00).

COUNT II

Charge: Theft-By Swindle

Minnesota Statute: 609.52.2(a)(4), with reference to: 609.52.3(5), 609.52.3(1)

Maximum Sentence: 20 YEARS AND/OR \$100,000

Offense Level: Felony

Offense Date (on or about): 10/25/2013

Control #(ICR#): 16001818

Charge Description: That on or about 10/25/2013 through 4/25/14, in Hennepin County, Minnesota, Herald Liu Edward obtained property or services from E.D., M.H., J.C., D.C., C.S., V.C. and M.G. by swindling them using artifice, trick, device or other means, and the property or services

had an aggregate value in excess of Thirty-Five Thousand Dollars (\$35,000.00.)

Charge: Theft-By Swindle

Minnesota Statute: 609.52.2(a)(4), with reference to: 609.52.3(5), 609.52.3(1)

Maximum Sentence: 20 YEARS AND/OR \$100,000

Offense Level: Felony

Offense Date (on or about): 02/13/2015

Control #(ICR#): 16001818

Charge Description: That on or about 2/13/2015 through 7/14/15, in Hennepin County, Minnesota, Herald Edward Liu obtained property or services from M.H. by swindling her using artifice, trick, device or other means, and the property or services

had an aggregate value in excess of Thirty-Five Thousand Dollars (\$35,000.00).

COUNT IV**Charge: Theft-By Swindle**

Minnesota Statute: 609.52.2(a)(4), with reference to: 609.52.3(5), 609.52.3(1)

Maximum Sentence: 20 YEARS AND/OR \$100,000

Offense Level: Felony

Offense Date (on or about): 08/11/2015

Control #(ICR#): 16001818

Charge Description: That on or about 8/11/15 through 2/16/16, in Hennepin County, Minnesota, Herald Edward Liu obtained property or services from M.H. by swindling her using artifice, trick, device or other means, and the property or services had an aggregate value in excess of Thirty-Five Thousand Dollars (\$35,000.00).

COUNT V**Charge: Theft-By Swindle**

Minnesota Statute: 609.52.2(a)(4), with reference to: 609.52.3(2), 609.52.3(5)

Maximum Sentence: 10 YEARS AND/OR \$20,000

Offense Level: Felony

Offense Date (on or about): 03/17/2016

Control #(ICR#): 16001818

Charge Description: That on or about 3/17/2016 through 6/21/16, in Hennepin County, Minnesota, Herald Edward Liu obtained property or services from M.H. by swindling her using artifice, trick, device or other means, and the property or services

had an aggregate value in excess of Five Thousand Dollars (\$5,000.00).

COUNT VI**Charge: Theft-By Swindle**

Minnesota Statute: 609.52.2(a)(4), with reference to: 609.52.3(2), 609.52.3(5)

Maximum Sentence: 10 YEARS AND/OR \$20,000

Offense Level: Felony

Offense Date (on or about): 09/06/2016

Control #(ICR#): 16001818

Charge Description: That on or about 9/6/16 through 10/4/, in Hennepin County, Minnesota, Herald Edward Liu obtained property or services from M.H. by swindling her using artifice, trick, device or other means, and the property or services

had an aggregate

value in excess of Five Thousand Dollars (\$5,000.00).

STATEMENT OF PROBABLE CAUSE

Complainant has investigated the facts and circumstances of this offense and believes the following establishes probable cause:

HERALD EDWARD LIU, AKA HERALD EDWARD PETERSON-LIU, Defendant herein, was a licensed resident insurance producer in the State of Minnesota starting in February 2003. He was qualified in the areas of accident, health and life. In 2010, the Minnesota Department of Commerce (hereinafter the Department) received a complaint about Defendant from an elderly woman, one of his clients, from whom Defendant had borrowed \$11,000. The woman, W.A., reported that Defendant had borrowed the money and had not paid it back as he promised he would. The Department began a civil investigation. W.A. withdrew her complaint when Defendant paid her in full shortly after the investigation began.

In October, 2016, the Department received a new complaint regarding a 90 year old client of Defendant's, M.H. M.H. resides in Otsego, Minnesota, and is legally blind. Her grandson, T.H., discovered that M.H. had loaned Defendant over \$100,000 since 2011. A Wright County Sheriff's Office detective interviewed M.H. She stated that she met Defendant by responding to a postcard solicitation she received in the mail. She contacted him and began working with him to work on her will and trust. This began in 2007. In 2011, Defendant began asking M.H. for loans because his business was failing and he needed the money to keep his business going. M.H. started writing checks to Defendant as loans in April 2013. Prior to 2013, M.H. was writing checks to Defendant's girlfriend, Jacinda Crews. That money was then transferred from Crews to Defendant. M.H. received promissory notes for some of the so-called loans but not all. Defendant convinced M.H. to liquidate most of her retirement investments so she could lend it to him. M.H. had some of the money paid back to her, but Defendant often took money from her shortly after giving her the repayment.

Complainant reports that the Department obtained Defendant's bank account records from Wings Financial. Investigators learned that Defendant had deposited several checks from other potential victims. The Department's civil investigators, who were dealing with Defendant regarding his license, interviewed him in his home in November 2016. Defendant admitted that he had also borrowed money from V.C. V.C. is in her late 80's and resides in Minneapolis, Hennepin County, Minnesota. The Department discovered that checks from V.C. had been deposited into Defendant's Wings account beginning in 2013.

Complainant reports that he interviewed V.C. She stated that Defendant asked her for loans to keep his business afloat. Defendant gave V.C. promissory notes for the so-called loans. Complainant learned that Defendant had had V.C. liquidate investments from her trust for the loans. He met with V.C.'s grandson, A.V., at a bank in Minneapolis for A.V. to sign documents withdrawing money from V.C.'s accounts. V.C. received no repayment of the money she gave Defendant.

The Department was also able to identify eight other victims. These victims were identified as J.C., M.G., C.S., E.D., P.M., M-J.B., D.C. and M.B. All were Defendant's clients, and he had asked each for loans to help his business. With one exception, the victims ranged in age from 74 to 90 years old. Defendant convinced some of these victims to liquidate annuities and other financial instruments to make loans to him. Some received promissory notes from Defendant. None of these victims had the money repaid.

After reviewing all documents, records and interviews, Complainant believes the following occurred:

Count I

April 15, 2013 through September 20, 2013

M.H. gave Defendant two checks totaling \$6,500.
M.B. gave Defendant one check for \$3,000.
M-J. B. gave Defendant one check for \$5,972.45.
P.M. gave Defendant one check for \$6,000.
V.C. gave Defendant three checks totaling \$19,000.

The total was \$40,472.45. All of the checks were deposited into Defendant's Wings Financial account in either the Brooklyn Center or Minnetonka branches. These cities are located in Hennepin County, Minnesota.

Count II

October 25, 2013 through April 25, 2014

E.D. gave Defendant one check for \$6,000.
M.H. gave Defendant three checks totaling \$10,700.
J.C. gave Defendant one check for \$1,000. J.C. told investigators that he drove from Rochester to the Minneapolis St. Paul Airport to give Defendant the check.
D.C. gave Defendant two checks totaling \$6,000.
V.C. gave Defendant one check for \$3,000.

The total for this time period was \$40,200. Defendant deposited the checks into his Wings Financial account at the Edina, Brooklyn Center or Minnetonka branches.

April 26, 2014 through January 28, 2015

M.H. gave Defendant six checks totaling \$25,300.
V.C. gave Defendant one check for \$16,000.

This total of \$41,300 is both beyond the statute of limitations and not within a six month time period. This conduct is therefore not part of the offenses charged.

Count III

February 13, 2015 through July 14, 2015

M.H. gave Defendant three checks totaling \$19,600.
V.C. gave Defendant one check for \$23,000.

The total for this time period is \$42,600. All checks were deposited into Defendant's account at Hennepin County branches of Wings Financial.

Count IV

August 11, 2015 through February 16, 2016

M.H. gave Defendant eleven checks totaling \$35,500. Defendant deposited the checks into his account at Hennepin County branches of Wings Financial.

Count V

March 17, 2016 through June 21, 2016

M.H. gave Defendant three checks totaling \$8,000. Defendant deposited the checks into his account at Hennepin County branches of Wings Financial.

Count VI

September 6, 2016 through October 4, 2016

M.H. gave Defendant two checks totaling \$6,300. Defendant deposited the checks into his account at Hennepin County branches of Wings Financial.

Complainant reports that he has reviewed Defendant's bank records from Wings Financial. All of the so-called loans were put in Defendant's personal account and not in a business account. Some of the money Defendant took from victims was used to make small repayments to M.H. Most of the money was used to pay cell phone bills, health insurance, internet provider bills, utility bills and other personal expenses, including groceries and clothing. Many of the purchases were made at stores in Hennepin County. Defendant also paid money to a loan servicing company, a line of credit and some credit cards. Defendant transferred money into his Wings Financial savings account from his checking account and vice versa. The only payments from savings were student loans. Deposits from sources other than these victims were a small part of the total deposited into Defendant's account. When Defendant did receive money from other sources, he did not give money to most of the victims but rather, spent it on his own personal expenses.

Complainant reports that the Department executed a search warrant at Defendant's home in St. Michael, Minnesota. Complainant found M.H.'s check book, tax information and other financial documents at Defendant's house. Complainant interviewed Defendant and in a voluntary statement, Defendant admitted taking "loans" from the victims and using the money to pay his mortgage, utilities and other personal expenses. He further stated that he has used some of the money from certain victims to pay back other victims. He acknowledged that he has a fiduciary duty to the victims.

Defendant is currently not in custody.

SIGNATURES AND APPROVALS

Complainant requests that Defendant, subject to bail or conditions of release, be:
(1) arrested or that other lawful steps be taken to obtain Defendant's appearance in court; or
(2) detained, if already in custody, pending further proceedings; and that said Defendant otherwise be dealt with according to law.

Complainant declares under penalty of perjury that everything stated in this document is true and correct. Minn. Stat. § 358.116; Minn. R. Crim. P. 2.01, subds. 1, 2.

Complainant

James Reyerson
Special Agent
85 7th Place East
Suite 500
St. Paul, MN 55101
Badge: 113

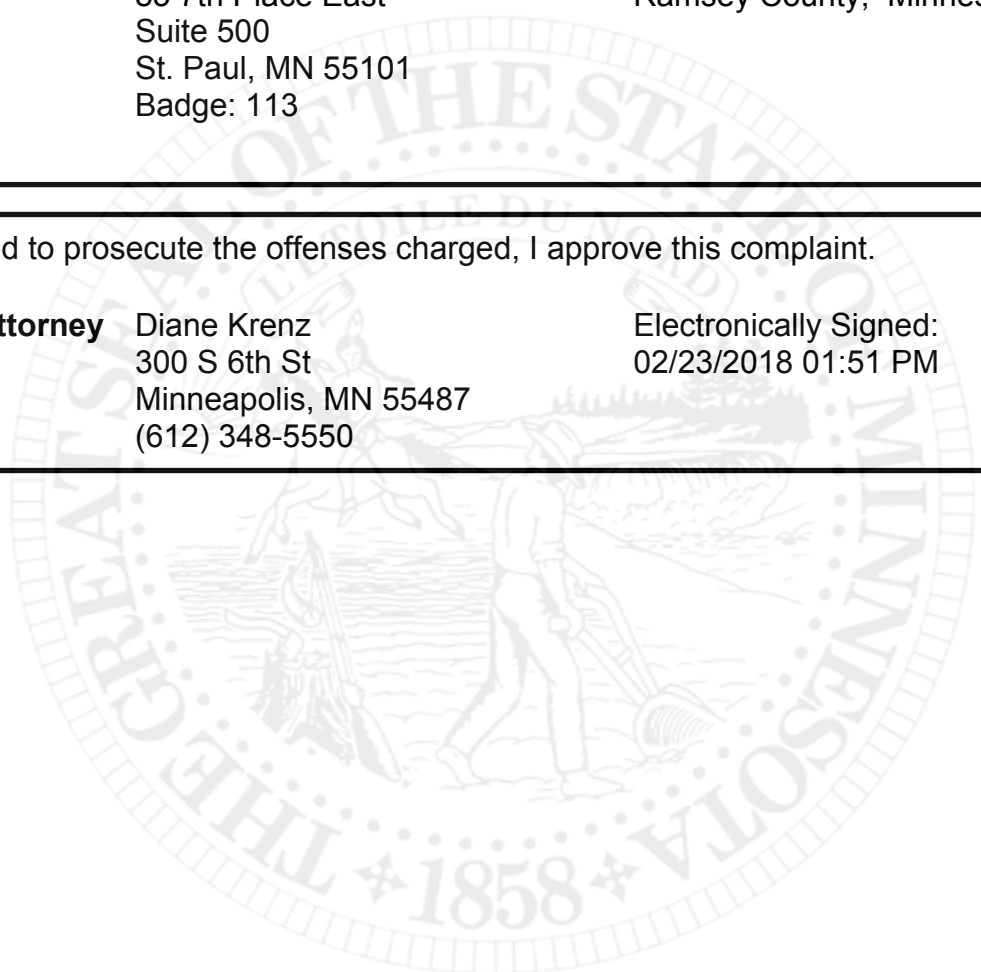
Electronically Signed:
02/23/2018 02:08 PM
Ramsey County, Minnesota

Being authorized to prosecute the offenses charged, I approve this complaint.

Prosecuting Attorney

Diane Krenz
300 S 6th St
Minneapolis, MN 55487
(612) 348-5550

Electronically Signed:
02/23/2018 01:51 PM



FINDING OF PROBABLE CAUSE

From the above sworn facts, and any supporting affidavits or supplemental sworn testimony, I, the Issuing Officer, have determined that probable cause exists to support, subject to bail or conditions of release where applicable, Defendant's arrest or other lawful steps be taken to obtain Defendant's appearance in court, or Defendant's detention, if already in custody, pending further proceedings. Defendant is therefore charged with the above-stated offense(s).

SUMMONS

THEREFORE YOU, THE DEFENDANT, ARE SUMMONED to appear on **March 21, 2018 at 1:30 PM** before the above-named court at 300 S Sixth Street, Minneapolis, MN 55487 to answer this complaint.

IF YOU FAIL TO APPEAR in response to this SUMMONS, a WARRANT FOR YOUR ARREST shall be issued.

WARRANT

To the Sheriff of the above-named county; or other person authorized to execute this warrant: I order, in the name of the State of Minnesota, that the Defendant be apprehended and arrested without delay and brought promptly before the court (if in session), and if not, before a Judge or Judicial Officer of such court without unnecessary delay, and in any event not later than 36 hours after the arrest or as soon as such Judge or Judicial Officer is available to be dealt with according to law.

Execute in MN Only

Execute Nationwide

Execute in Border States

ORDER OF DETENTION

Since the Defendant is already in custody, I order, subject to bail or conditions of release, that the Defendant continue to be detained pending further proceedings.

Bail: \$100,000.00

Conditions of Release:

This complaint, duly subscribed and sworn to or signed under penalty of perjury, is issued by the undersigned Judicial Officer as of the following date: February 23, 2018.

Judicial Officer

Ivy S. Bernhardson
District Court Judge

Electronically Signed: 02/23/2018 02:19 PM

Sworn testimony has been given before the Judicial Officer by the following witnesses:

**COUNTY OF HENNEPIN
STATE OF MINNESOTA**

State of Minnesota

Plaintiff

vs.

Herald Edward Liu

Defendant

LAW ENFORCEMENT OFFICER RETURN OF SERVICE
*I hereby Certify and Return that I have served a copy of this
Summons upon the Defendant herein named.*

Signature of Authorized Service Agent:

DEFENDANT FACT SHEET

Name: Herald Edward Liu
DOB: 10/01/1951
Address: 13554 45th Ct NE
St. Michael, MN 55376

Alias Names/DOB:

SID:

Height:

Weight:

Eye Color:

Hair Color:

Gender: MALE

Race:

Fingerprints Required per Statute: Yes

Fingerprint match to Criminal History Record: No

Driver's License #:

SILS Person ID #: 215934

SILS Tracking No. 2979148

Alcohol Concentration:

STATUTE AND OFFENSE GRID

Cnt Nbr	Statute Type	Offense Date(s)	Statute Nbrs and Descriptions	Offense Level	MOC	GOC	Controlling Agencies	Case Numbers
1	Charge	4/15/2013	609.52.2(a)(4) Theft-By Swindle	Felony	U1061		MN062095Y	16001818
	Penalty	4/15/2013	609.52.3(1) Theft-Firearm or Property Value Over \$35,000	Felony	U1061		MN062095Y	16001818
	Modifier	4/15/2013	609.52.3(5) Theft-Aggregated within 6-months and in violation of subd. 2, clauses (1), (2), (3), (4), or (13)	No-Level	U1061		MN062095Y	16001818
2	Charge	10/25/2013	609.52.2(a)(4) Theft-By Swindle	Felony	U1061		MN062095Y	16001818
	Penalty	10/25/2013	609.52.3(1) Theft-Firearm or Property Value Over \$35,000	Felony	U1061		MN062095Y	16001818
	Modifier	10/25/2013	609.52.3(5) Theft-Aggregated within 6-months and in violation of subd. 2, clauses (1), (2), (3), (4), or (13)	No-Level	U1061		MN062095Y	16001818
3	Charge	2/13/2015	609.52.2(a)(4) Theft-By Swindle	Felony	U1061		MN062095Y	16001818
	Penalty	2/13/2015	609.52.3(1) Theft-Firearm or Property Value Over \$35,000	Felony	U1061		MN062095Y	16001818
	Modifier	2/13/2015	609.52.3(5) Theft-Aggregated within 6-months and in violation of subd. 2, clauses (1), (2), (3), (4), or (13)	No-Level	U1061		MN062095Y	16001818
4	Charge	8/11/2015	609.52.2(a)(4) Theft-By Swindle	Felony	U1061		MN062095Y	16001818
	Penalty	8/11/2015	609.52.3(1) Theft-Firearm or Property Value Over \$35,000	Felony	U1061		MN062095Y	16001818
	Modifier	8/11/2015	609.52.3(5) Theft-Aggregated within 6-months and in violation of subd. 2, clauses (1), (2), (3), (4), or (13)	No-Level	U1061		MN062095Y	16001818
5	Charge	3/17/2016	609.52.2(a)(4) Theft-By Swindle	Felony	U1062		MN062095Y	16001818
	Modifier	3/17/2016	609.52.3(5) Theft-Aggregated within 6-months and in violation of subd. 2, clauses (1), (2), (3), (4), or (13)	No-Level	U1062		MN062095Y	16001818
	Penalty	3/17/2016	609.52.3(2) Theft-Value over \$5,000 or Trade Secret, Explosive, Controlled Substance I or II	Felony	U1062		MN062095Y	16001818
6	Charge	9/6/2016	609.52.2(a)(4) Theft-By Swindle	Felony	U1062		MN062095Y	16001818
	Modifier	9/6/2016	609.52.3(5) Theft-Aggregated within 6-months and in violation of subd. 2, clauses (1), (2), (3), (4), or (13)	No-Level	U1062		MN062095Y	16001818
	Penalty	9/6/2016	609.52.3(2) Theft-Value over \$5,000 or Trade Secret, Explosive, Controlled Substance I or II	Felony	U1062		MN062095Y	16001818