

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

UNITED STATES OF AMERICA,

Plaintiff,

v.

**MOTION TO MODIFY ORDER
OF DETENTION**

Larry Reynolds,

Court File: 08-CR-320 (PAM)

Defendants.

Defendant, Larry Reynolds, hereby moves the Court to modify the current order of detention allowing Mr. Reynolds to remain free on his currently posted \$2.5 million dollar bail, but removing the currently imposed restriction of electronic home monitoring (hereinafter "EHM") for the following reasons:

1. Mr. Reynolds is a 67-year old man who has been 100% compliant with all of his conditions of release since his original detention in October 2008.
2. Mr. Reynolds waived his removal hearing in the State of Minnesota in order to return to Minnesota voluntarily to address the criminal complaint.
3. Mr. Reynolds pleaded guilty at an early date.
4. Mr. Reynolds has been proactive in his defense and has provided valuable cooperation to the prosecutors in this case.
5. Mr. Reynolds has and continues to be of material assistance to the court-appointed receiver in this case, and has been required to travel out of state, for

the benefit of the receiver, in order to assist with the preservation and sale of assets for the benefit of the estate.

6. While on electronic home monitoring, Mr. Reynolds has been unhooked from his EHM, and unescorted, for the following purposes, all of which occurred without incident and in full compliance with the terms of his furlough:
 - a. A trip to Minnesota, late Fall 2008, in order to meet with the United States Attorney and others for purposes relevant to this case.
 - b. Mr. Reynolds was also required by the receiver to go to Las Vegas on three separate occasions to preserve and maintain the residence there, worth several million dollars, which is now slated to be sold by the receiver.
 - c. Mr. Reynolds was granted holiday furlough for an extended period in December 2008 through January 2009.
7. Mr. Reynolds has provided identity, location and inventory services for the receiver regarding considerable assets in Las Vegas.
8. Mr. Reynolds has been subjected to numerous demands to provide assistance to the United States Attorney and the receiver. Releasing Mr. Reynolds from electronic home monitoring will greatly assist Mr. Reynolds in the performance of these requests, which inure to the greater good.
9. Mr. Reynolds has no objection to the continuance of his secured bond in the amount of 2.5 million dollars, which is secured by his personal residence in Los Angeles. It is the hope of Mr. Reynolds' wife, Antoinette, as an innocent spouse, to be granted, either in the divorce proceedings, or the receivership

proceedings, at least one-half of the marital estate, including, importantly, the house which secures the bond. Mr. Reynolds wishes, of course, to preserve for his wife her fair portion of the marital estate, and would not jeopardize the financial security of his wife of 37 years by not appearing in Court.

10. In the interests of parity, it is noteworthy that, except for Mr. Petters, Mr. Reynolds is the only co-defendant in this case who is restricted to electronic home monitoring. Indeed, co-defendant Catain, who stands in a very similar situation to Mr. Reynolds, was caught embezzling funds from a receiver asset, was incarcerated for a short period of time, and has now been released without electronic home monitoring restrictions.

11. Mr. Reynolds recently was denied payment of his office rent by the receiver and judge in the receivership action, which effectively make it impossible for Mr. Reynolds to continue to be employed, because the current terms of electronic home monitoring allow him to travel to and from his office. Mr. Reynolds will now be obligated to meet with clients and business associates at their offices, or at neutral locations in order to remain employed. Given the parsimonious nature of the living expenses allowed to the Reynolds by the receiver, and the Court, it is necessary that Mr. Reynolds supplement his family income.

Respectfully submitted,

Dated March 13, 2009.

FREDERIC BRUNO & ASSOCIATES

/s/ Frederic Bruno

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