

# Prison for man who created his own bank

By MARK MORRIS  
The Kansas City Star

A federal judge Thursday sentenced a Kansas City man to 10 years in prison for selling bogus financial products.

Denny Ray Hardin, 52, operated what he called "The Private Bank of Denny Ray Hardin" out of his home and created what he described as the "bonded promissory note."

An FBI agent testified Thursday that she found evidence that Hardin sold almost 2,000 of the notes to more than 500 customers, telling them that the notes were backed by an account at the Federal Reserve Bank and could be used to pay off debts.

At Hardin's trial last year, witnesses testified that the notes were worthless.

U.S. District Judge Gary Fenner concluded that the intended loss from Hardin's scheme was more than \$100 million. That figure, and the large number of victims, ramped up Hardin's possible sentence under federal guidelines to more than 33 years.

Both Fenner and prosecutors felt such a sentence would overstate the severity of Hardin's crime. Nevertheless, the judge said he deserved a substantial prison term.

"People who were in desper-

ate circumstances turned to you for help and it made their situation worse," Fenner said.

Hardin subscribes to a political view that the court lacked jurisdiction in his case and had no legal authority to judge him.

Hardin said he never intended to defraud anybody.

"I believed I had the ability to do this," Hardin said. "If I was trying to steal anything, I would have tried to take more than I did steal, supposedly."

He plans to appeal.

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He is accused of buying land near the Camden Point exit on Interstate 29 and then selling part of it to the Northland Regional Ambulance District.

According to court records, Rawlings purchased 34 acres in April 2010 for \$130,000. He resold 1.5 acres to the ambulance district in March 2011 for \$175,000.

Prosecutor Eric Zahnd said Thursday that Rawlings allegedly made \$144,000 from the transaction.

There was no record that the agency had the land appraised at that time, court records stated.

However, an appraisal in November 2011 put its worth at \$30,600.

Rawlings was elected board president in 2006. He knew as early as 2008 that the district wanted to build a new station near Route U at the Camden

bid.

When another potential land seller in the area came forward, Rawlings allegedly directed Tom Paylor, executive director of the ambulance district, to reply that the district already has "a contract on (the) ground" and "won't be needing any more" bids, Zahnd said.

Rawlings later told investigators that he was giving the district "a good deal." He said he based the price on a real estate broker's statement that the bank owned 3.5 acres, on the opposite side of I-29, priced at \$240,000.

If Rawlings is convicted, Zahnd said, he could be sentenced to a maximum of one year in the county jail and a fine of up to \$1,000.

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