

OFFICE OF THE
DISTRICT ATTORNEY
COUNTY OF SANTA BARBARA

JOYCE E. DUDLEY
District Attorney



DA 10-267

RELEASE NUMBER

October 9, 2014

RELEASE DATE

APPROVED BY *Joyce E. Dudley*, DISTRICT ATTORNEY

Brian Cota, Senior Deputy District Attorney

CONTACT (805) 568-2424

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October 9, 2014

Re: The People of the State of California v. David Prenatt

Santa Barbara County District Attorney Joyce E. Dudley announced today that David Prenatt was sentenced to 10 years state prison and ordered to pay \$13,200,823.00 in restitution to the 8 victims in the case.

On September 9, 2014, David Prenatt pled guilty to 7 felony counts of engaging in a fraudulent securities scheme, a violation of Corporation Code section 25541. Mr. Prenatt also admitted a special allegation that the crimes were related felonies, a material element of which is fraud, which involved a pattern of conduct that involved the taking of over \$500,000.

Mr. Prenatt is currently serving a 51 month federal prison sentence after pleading guilty to providing false information on a personal financial statement to a federally insured bank. Mr. Prenatt began serving his federal sentence on December 9, 2013 and will not finish serving that sentence until August of 2017. Mr. Prenatt's 10 year sentence in the state case will not begin until he finishes his federal sentence, at which time he will be transported from federal prison to the California state prison system.

From 2006 to 2009 Mr. Prenatt, who owned and operated David Prenatt Financial, located in Montecito, solicited friends and family to provide him large unsecured personal loans, telling them that he had a short term lending business, in which he would use their money to provide bridge loans to other individuals at a high interest rate. Mr. Prenatt promised high rates of returns and indicated to them that there was no risk in their investments because he had the personal assets to cover their investment.

In 2012 a Chapter 11 Trustee's report concluded that Mr. Prenatt did not use the investor's monies to provide short term loans as he had represented, but instead, used the money primarily to support an extravagant lifestyle while also paying returns to his early investors.

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SANTA BARBARA OFFICE
1112 Santa Barbara Street
Santa Barbara, CA 93101
(805) 568-2300
Fax (805) 568-2453

SANTA MARIA OFFICE
312-D East Cook Street
Santa Maria, CA 93454
(805) 346-7540
Fax (805) 346-7588

LOMPOC OFFICE
115 Civic Center Plaza
Lompoc, CA 93436
(805) 737-7760
Fax (805) 737-7732