

**UNSEALED
PER ORDER**

12/27/2011

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

~~Sealed~~
Public and unaffiliated staff access
to this instrument are
prohibited by court order.

H 11 - 803

UNITED STATES OF AMERICA,
Plaintiff,

v.

LAWRENCE STOWE
aka Dr. Larry Stowe
FRANCISCO MORALES
aka Dr. Frank Morales,
Defendants.

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CRIMINAL NO.
18 U.S.C. § 2
18 U.S.C. § 371
18 U.S.C. § 981
18 U.S.C. § 1341
18 U.S.C. § 1343
21 U.S.C. § 331(a)
21 U.S.C. § 331(d)

United States District Court
Southern District of Texas
FILED

NOV 10 2011

David J. Bradley, Clerk of Court

INDICTMENT

THE GRAND JURY CHARGES:

COUNT ONE
(Conspiracy – 18 U.S.C. § 371)

INTRODUCTION

At all times material to this indictment:

DEFENDANTS

1. Defendant **FRANCISCO MORALES** was a resident of Brownsville, Texas. During the period of this Indictment, Morales represented that he was the owner of a medical clinic named RIO VALLEY MEDICAL CLINIC located in Brownsville, Texas. Morales represented to the public that he was a physician licensed to practice medicine in the United States and provided medical advice to persons suffering from incurable diseases such as amyotrophic lateral sclerosis (ALS) also known as Lou Gehrig's disease, multiple sclerosis (MS) and Parkinson's disease. Morales also sold drug and biological products for the treatment of

such diseases. Morales was not licensed to practice medicine in any State of the United States.

2. Defendant **LAWRENCE STOWE** was a resident of Fort Worth, Texas. During the period of this Indictment, Stowe provided medical advice to patients suffering from cancer, ALS, MS, Parkinson's disease and other incurable diseases and commonly used the name "Dr. Larry Stowe." Stowe promoted and sold drug and biological products for the treatment of cancer, ALS, MS, Parkinson's disease and other incurable diseases. Stowe was not licensed to practice medicine in any State of the United States.

COMPANIES

3. **THE STOWE FOUNDATION** (The Foundation) was an entity owned by defendant **LAWRENCE STOWE**. The Foundation had a listed address of 6340 Lake Worth Boulevard # 403, Fort Worth, Texas 76135. This address was a post office box as the Foundation did not maintain an actual office location. The Foundation was operated out of the home of an employee. The Foundation had received tax exempt status by the Internal Revenue Service (IRS) as it was represented to be a "not for profit public charity." Defendant Stowe utilized The Foundation to distribute and sell drug and biological products for the treatment of cancer, ALS, MS, Parkinson's and other incurable diseases.

4. **STOWE BIOTHERAPY, INC.** was another entity owned by defendant **LAWRENCE STOWE**. Stowe Biotherapy was incorporated in California with a physical address of 8431 La Mesa Boulevard in La Mesa, California. Stowe Biotherapy mainly focused on the promotion of an unproven medical regimen and the distribution and sale of drug and biological products to treat cancer, ALS, MS, Parkinson's and other incurable diseases.

5. **STOWE BIOTHERAPY, INC.**(**STOWE BIOTHERAPY**) utilized the same

business address of 6340 Lake Worth Boulevard, #403, Fort Worth, Texas 76135 as **THE STOWE FOUNDATION**. STOWE BIOTHERAPY was used by defendant **LAWRENCE STOWE** to falsely represent that the FDA had approved its stem cell protocol to treat autoimmune diseases. STOWE BIOTHERAPY distributed literature indicating that the FDA had approved its stem cell protocol for the treatment of incurable neurological diseases.

FOOD AND DRUG ADMINISTRATION REGULATIONS

6. The United States Food and Drug Administration (FDA) is an agency charged by federal statutes and regulations with the responsibility of protecting the health and safety of the American public by, among other things, ensuring the safety and effectiveness of drugs distributed in the United States. The Public Health Services Act (PHSA) and the Food, Drug and Cosmetic Act (FDCA) are statutes that fall under the purview of the FDA.

7. Under the PHSA, the term “biological product is defined as a virus, therapeutic serum, toxin, antitoxin, vaccine, blood, blood component or derivative, allergenic product, or analogous product . . . applicable to the prevention, treatment, or cure of a disease or condition of human beings.” Title 42, United States Code, Section 262(i).

8. Under the PHSA, a person must obtain a biologics license and maintain such license prior to the introduction or delivery for introduction into interstate commerce of any biological product. Title 42, United States Code, Section 262(a)(1).

9. Biological products may be exempt from the requirements of 42 U.S.C. § 262(a) if they are the subject of an Investigational New Drug Application (IND). Title 42, United States Code, Section 262(a)(3) and Title 21, Code of Federal Regulations, Section 601.21.

10. Stem cells, blood and products derived from blood used for the treatment of

human diseases such as ALS, MS, MD, Parkinson's disease are biological products with the meaning of 42 U.S.C. § 262(i). Stem cells, blood and products derived from blood, if used for the treatment or prevention of disease in human beings, would also be considered a "drug" under the Food Drug and Cosmetic Act (FDCA), 21 U.S.C. § 321(g). Biological products that are not licensed under 42 U.S.C. § 262(a) and that meet the FDCA's definition of a drug are subject to the FDCA's drug provisions, such as provisions related to drug adulteration, drug misbranding and "new drugs" including the requirement that all "new drugs," must have an approved new drug application before marketing the drug. Under 42 U.S.C. § 262(j), biological products that are licensed under 42 U.S.C. § 262(a) and that meet the FDCA's drug definition are exempt from compliance with the FDCA "new drug" approval provisions; however, they are still subject to the FDCA's drug provisions related to adulteration and misbranding.

11. Under the FDCA, the term "drug" includes articles which are (1) intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man; or (2) intended to affect the structure or any function of the body of man. Title 21, United States Code, Section 321(g)(1)(B) and (C). If a product is promoted and represented as having an affect on the structure or function of the body or impacts the treatment, prevention or mitigation of a disease, it is considered a drug under the FDCA.

12. Stem cells, vaccines, supplements, blood and products derived from blood used for the treatment of amyotrophic lateral sclerosis (ALS), multiple sclerosis (MS), muscular dystrophy(MD), Parkinson's and other incurable diseases are considered drugs within the meaning of Title 21, United States Code, Section 321(g). As such, FDA approval is required prior to the marketing and distribution of such products.

13. The FDCA further prohibits the introduction or delivery for introduction into interstate commerce, or the causing thereof, of any drug that is adulterated or misbranded. Title 21, United States Code, Section 331(a). The FDCA also requires producers of drugs to register with the FDA. 21 U.S.C. 360(b). A drug is considered misbranded if it is manufactured, prepared, propagated, compounded or processed in an establishment not duly registered pursuant to section 360(b) of the FDCA. 21 U.S.C. 352(o). Also a drug is deemed misbranded under the Act if it fails to provide adequate directions for use. Title 21, United States Code, Section 352(f)(1) or if its labelling is false and misleading 352(a).

14. Under the FDCA, the term “label” means a display of written, printed or graphic matter upon the immediate container of any article. Title 21, United States Code, Section 321(k). The term “labeling” means all labels and other written, printed, or graphic matter (1) upon any article or any of its containers or wrappers, or (2) accompanying such article. Title 21, United States Code Section 321(m).

THE CONSPIRACY

15. Beginning in or about January 2006 and continuing thereafter to in or about April 2010, in the Southern District of Texas and elsewhere, defendants,

LAWRENCE STOWE
aka Dr. Larry Stowe
FRANCISCO MORALES
aka Dr. Frank Morales

did knowingly and willfully combine, conspire, confederate and agree with each other and were aided and abetted by others known and unknown by the Grand Jury to commit certain offenses against the United States, namely:

- a To use the United States Postal Service or a commercial or private interstate carrier of mail matter in furtherance of a scheme and artifice to defraud by offering, recommending and selling drug and biological products not approved by the FDA, in violation of Title 18, United States Code, Section 1341.
- b To use wire communications in furtherance of a scheme and artifice to defraud by sending and receiving emails and receiving payments for drug and biological products that were not approved by the FDA, in violation of Title 18, United States Code Section 1343.
- c. To violate the Food, Drug and Cosmetic Act, namely, with the intent to defraud and mislead, by causing the introduction of new drugs into interstate commerce that were misbranded, in violation of Title 21, United States Code, Section 331(a), 333(a)(2), 352(f)(1) and 355(a).
- d. To violate the Food, Drug and Cosmetic Act, namely, with the intent to defraud and mislead, by causing the introduction of unapproved new drugs into interstate commerce, in violation of Title 21, United States Code, Section 331(d) and 333(a)(2).

OBJECT OF THE CONSPIRACY

16. It was the object of the conspiracy for the defendants and others to unlawfully enrich themselves by manufacturing and distributing blood cultures, stem cells, vaccines and other drugs not approved by the FDA for the treatment of patients suffering from cancer, ALS, MS, Parkinson's and other diseases. As a result of this fraudulent scheme, the defendants received more than \$750,000.00.

MANNER AND MEANS

The manner and means of the conspiracy included, but were not limited to the following:

17. Defendant **FRANCISCO MORALES** would and did falsely represent to the public that he was a physician licensed to practice in the United States.

18. Defendant **FRANCISCO MORALES** would and did utilize the name Rio Valley Medical Clinic to falsely create the impression that he had an actual medical clinic.

19. Defendant **FRANCISCO MORALES** would and did travel throughout the United States and falsely represent that he was an expert in the study and application of stem cells to treat incurable human diseases.

20. Defendant **FRANCISCO MORALES** would and did falsely represent that he acquired stem cells from FDA approved laboratories.

21. Defendant **FRANCISCO MORALES** would and did falsely represent to prospective patients that he had successfully treated patients suffering from incurable diseases with a stem cell protocol.

22. Defendant **FRANCISCO MORALES** would and did distribute and sell to codefendant **LAWRENCE STOWE** and others a drug and biological product made from goat's blood, commonly referred to as SF-1019 without FDA approval.

23. Defendant **FRANCISCO MORALES** would and did communicate by email with a patient of codefendant **LAWRENCE STOWE** for the purpose of providing medical advice about stem cell treatments.

24. Defendant **LAWRENCE STOWE** would and did use **The STOWE FOUNDATION** and **STOWE BIOTHERAPY** to promote, advertise, sell and distribute drug

and biological products that were not approved by the FDA.

25. Defendant **LAWRENCE STOWE** would and did use website www.TheStoweFoundation.org and the email address of Info@TheStoweFoundation.org to promote, advertise, sell, and distribute information regarding drug and biological products that had not been approved by the FDA.

26. Defendant **LAWRENCE STOWE** would and did routinely give medical advice to persons suffering from ALS, MS, Parkinson's, cancer and other incurable diseases regarding bogus medical therapies that had not been determined as safe and effective by the FDA or the scientific community.

27. Defendant **LAWRENCE STOWE** would and did make incredible claims regarding his treatment protocol to convince persons suffering from incurable and other diseases to purchase such protocol.

28. Defendant **LAWRENCE STOWE** would and did distribute documents indicating that codefendant **FRANCISCO MORALES** was an integral member of his medical team who performed stem cell procedures.

29. Defendant **LAWRENCE STOWE** would and did collaborate with codefendant **FRANCISCO MORALES** regarding medical treatments.

30. Defendant **LAWRENCE STOWE** would and did falsely represent that he "worked with all levels of the FDA" regarding the effectiveness of his treatment protocol.

31. Defendant **LAWRENCE STOWE** would and did falsely represent that his treatment protocol of vitamins, vaccines, transfer factors and stem cells could reverse the affects of ALS, MS, Parkinson's, cancer and other diseases.

32. Defendant **LAWRENCE STOWE** would and did falsely represent to patients suffering from ALS, MS, Parkinson's, cancer and other incurable diseases that his treatment protocol was a "permanent fix" such diseases.

33. Defendant **LAWRENCE STOWE** would and did charge approximately \$125,000,00 for a bogus medical treatment protocol that was represented as a possible cure for ALS, MS, Parkinson's and cancer.

34. Defendant **LAWRENCE STOWE** would and did receive hundreds of thousands of dollars from investors and persons suffering from cancer, ALS, MS, Parkinson's and other diseases for a treatment protocol that was not the product of any proven clinical trial and not approved by the FDA.

35. Defendant **LAWRENCE STOWE** would and did falsely represent that payments made to **THE STOWE FOUNDATION** by patients for medical treatments were a donation to the **FOUNDATION**.

36. Defendant **LAWRENCE STOWE** would and did cause blood extracted from patients to be sent in interstate commerce to a pathologist in College Station, Texas for the purpose of growing bacteria from the blood that was later used to create an unapproved drug and biological product.

37. Defendant **LAWRENCE STOWE** would and did cause bacteria grown from human blood to be sent from College Station, Texas to a laboratory in Warrenton, South Carolina for the purpose of creating an unapproved biological and drug product called "patient specific transfer factors" (PSTFs) that was sold to patients.

38. Defendant **LAWRENCE STOWE** would and did cause the manufacture of

supplements, vaccines, blood born pathogens and PSTFs in a facility not registered by the FDA.

36. Defendant **LAWRENCE STOWE** would and did cause the manufacture of supplements, vaccines, blood born pathogens, and PSTFs that was not associated with any clinical trial or procedure approved or sanctioned by the FDA.

OVERT ACTS

37. In furtherance of the conspiracy and to effect the objects thereof, the following Overt Acts, among others, were committed in the Southern District of Texas and elsewhere:

(1) On or about January 15, 2003, defendant **LAWRENCE STOWE** obtained an IRS tax exemption for **THE FOUNDATION** by representing **THE FOUNDATION** was a “not for profit public charity.”

(2) On or about January 20, 2006, defendant **LAWRENCE STOWE** hired an individual trained in pathology in College Station, Texas, to receive blood samples from patients that had been placed in interstate commerce for the purpose of growing bacteria that would later be used to create PSTFs, a drug and biological product that had not been approved by the FDA.

(3) On or about January 20, 2006, defendant **LAWRENCE STOWE** was informed by the pathologist in College Station, Texas that the growing bacteria to create a drug and biological product was not an approved clinical process.

(4) On or about February 26, 2006, defendant **LAWRENCE STOWE** hired a laboratory in Warrenton, South Carolina, to supply and manufacture supplements, vitamins and vaccines that were not approved by the FDA for the treatment of human diseases.

(5) On or about October 6, 2006, **LAWRENCE STOWE** caused W.H. to place a

sample of her blood in interstate commerce to send to the pathologist in College Station, Texas, to begin the process of creating PSTFs, a drug and biological product that had not been approved by the FDA.

(6) On or about October 24, 2006, defendant **LAWRENCE STOWE** caused the pathologist in College Station, Texas, to place bacteria grown from human blood into interstate commerce to send to a laboratory in Warrentonville, South Carolina, for the purpose of creating PSTFs, a drug and biological product that was not approved by the FDA.

(7) On or about January 15, 2007, defendant **FRANCISCO MORALES** established **RIO VALLEY MEDICAL CLINIC** in Brownsville, Texas and listed the clinic address as 2805 Hackberry Lane.

(8) On or about January 29, 2007, defendant **FRANCISCO MORALES** falsely represented that he was licensed to practice medicine in the State of Texas and the United States.

(9) On or about August 11, 2007, defendant **FRANCISCO MORALES** falsely represented that **RIO VALLEY MEDICAL CLINIC** located at Brownsville, Texas, was an actual medical clinic when in fact it was his personal residential home address and not a clinic.

(10) On or about April 28, 2007, defendant **FRANCISCO MORALES** sent an email to codefendant **LAWRENCE STOWE** regarding unapproved drug products that Morales sold to the public.

(11) On or about April 28, 2007, defendant **FRANCISCO MORALES** sent an email to codefendant **LAWRENCE STOWE** indicating that his price for performing stem cell treatments would be \$12,0000.

(12) On or about November 16, 2009, defendant **LAWRENCE STOWE**, sent an email to M.M., a person suffering from ALS indicating that a treatment protocol of vitamins, supplements, vaccines and stem cells would cost \$125,000,00 with an initial payment of \$47,000.

(13) On or about November 17, 2009, defendant **LAWRENCE STOWE** traveled to Houston, Texas, to meet with M.M., a person suffering from ALS to provide information regarding his treatment protocol for the treatment of ALS.

(14) On or about November 18, 2009, defendant **LAWRENCE STOWE** met with M.M. and stated that his treatment protocol of vitamins, vaccines and stem cells would “permanently fix” M.M.’s ALS disease.

(15) On or about November 18, 2009, defendant **LAWRENCE STOWE** falsely represented to M.M. that he and codefendant **FRANCISCO MORALES** had successfully treated other ALS sufferers who were now in remission.

(16) On or about November 18, 2009, defendant **LAWRENCE STOWE** provided M.M. contact information for codefendant **FRANCISCO MORALES**.

(17) On or about November 18, 2009, defendant **LAWRENCE STOWE** requested that payment in the amount of \$47,000 for the treatment protocol be made payable to **THE STOWE FOUNDATION** to disguise the receipt of income to himself.

(18) On or about November 18, 2009, defendant **LAWRENCE STOWE** caused M.M. to pay \$47,000 to **THE STOWE FOUNDATION** for a treatment protocol of vitamins, supplements and vaccines that had not been approved by the FDA.

(19) On or about December 15, 2009, defendant **LAWRENCE STOWE** caused M.M.

to send a sample of his blood to the pathologist in College Station, Texas to begin the process of creating a drug and biological product that had not been approved by the FDA.

(20) On or about December 31, 2009, defendant **LAWRENCE STOWE** provided a receipt to M.M. which falsely represented that the \$47,000 for medical services was a donation to **THE STOWE FOUNDATION** and “nothing of fair market value was exchanged.”

(21) On or about January 10, 2010, defendant **LAWRENCE STOWE** met with M.M, M.S. and S.W. to discuss the use of supplements, vaccines and stem cells to treat ALS.

(22) On or about January 10, 2010, defendant **LAWRENCE STOWE** falsely represented to M.M. and S.W. that his treatment protocol would be a “permanent fix” for their ALS, a incurable neurological disease.

(23) On or about January 10, 2010, defendant **LAWRENCE STOWE** falsely represented to M.M. and S.W. that he worked with all levels of the FDA regarding his treatment protocol of supplements, vaccines and stem cells.

(24) On or about January 29, 2010, defendant **FRANCISCO MORALES** sent an email to M.M. indicating the cost of stem cell therapy to treat his ALS would be between \$14,500 and \$17,500.

(25) On or about January 31, 2010, defendant **FRANCISCO MORALES** sent an email to S.W., a person suffering from ALS, in which Morales falsely represented that over 1,000 patients had been treated with his stem cell therapy with only positive results and no side effects.

(26) On or about January 31, 2010, defendant **FRANCISCO MORALES** sent an email to M.S. indicating the he and codefendant **LAWRENCE STOWE** looked forward to an upcoming meeting.

In violation of Title 18, United States Code, Section 371.

COUNTS TWO THROUGH NINETEEN
(Mail Fraud-Using non-FDA approved drugs)
(18 U.S.C. § 1341)

1. The Grand Jury realleges paragraphs 1 through 14 of Count One above and incorporates them as if alleged herein.

SCHEME TO DEFRAUD

2. From on or about January 20, 2006 and continuing to on or about March 15, 2010, the defendant devised and intended to devise a scheme and artifice to defraud for obtaining money by means of material false and fraudulent pretenses and representations in that the defendant did advertise, promote, distribute and sell drug and biological products that had not been approved by the FDA.

MANNER AND MEANS

The manner and means of the scheme and artifice to defraud included, but were not limited to the following:

3. Defendant **LAWRENCE STOWE** would and did routinely misrepresent and mislead patients regarding the medical benefits of using vitamins, vaccines, transfer factors and adult stem cells to treat chronic and incurable diseases.

4 Defendant **LAWRENCE STOWE** would and did cause blood extracted from patients to be sent in interstate commerce to an individual and laboratory in College Station, Texas, for the purpose of growing bacteria from the blood that was later used to create an unapproved drug and biological product.

5. Defendant **LAWRENCE STOWE** would and did cause bacteria grown from human blood to be sent from College Station, Texas, to a laboratory in Warrentville, South Carolina, for the purpose of creating an unapproved biological and drug product called “patient specific transfer factors” (PSTFs) that was later sold to patients.

6. Defendant **LAWRENCE STOWE** would and did make false and misleading statements to patients that the PSTFs would relieve chronic inflammation and improve their medical condition.

EXECUTION OF THE SCHEME TO DEFRAUD

7. On or about the dates listed below, in the Southern District of Texas and elsewhere, the defendant,

**LAWRENCE STOWE,
aka Dr. Larry Stowe,**

aided and abetted by other persons known and unknown to the Grand Jury, intentionally and knowingly and for the purpose of executing and attempting to execute the scheme and artifice to defraud, and obtaining money and property by means of materially false and fraudulent pretenses, representations and promises described above, did knowingly cause drug and biological products, to be delivered by mail or private or commercial interstate carrier, as indicated below:

CT	DATE OF SHIPMENT (on or about)	PRODUCT SENT	Patient	PRODUCT SHIPPED FROM	PRODUCT SHIPPED TO
2	12/19/2006	human blood	B.H.	Del Mar, CA	2507 Merimac Ct. College Station, TX

3	1/3/2007	bacteria from blood	B.H	2507 Merimac Ct. College Station, TX	542 Legion Road, Warrenville, SC
4	8/31/2007	human blood	K.B.	8341 La Mesa Blvd La Mesa, CA	2507 Merimac Ct. College Station, TX
5	10/23/2007	bacteria from blood	K.B.	2507 Merimac Ct. College Station, TX	542 Legion Road, Warrenville, SC
6	10/23/2007	human blood	J.B.	8341 La Mesa Blvd La Mesa, CA	2507 Merimac Ct. College Station, TX
7	11/13/2007	bacteria from blood	J.B.	2507 Merimac Ct. College Station, TX	542 Legion Road, Warrenville, SC
8	5/16/2008	human blood	D.V	1300 Cog Hill Ln. Fort Worth, TX	2507 Merimac Ct. College Station, TX
9	5/28/2008	bacteria from blood	D.V.	2507 Merimac Ct. College Station, TX	542 Legion Road, Warrenville, SC
10	7/23/2008	human blood	R.C.	1300 Cog Hill Ln. Fort Worth, TX	2507 Merimac Ct. College Station, TX
11	8/19/2008	bacteria from blood	R.C.	2507 Merimac Ct. College Station, TX	542 Legion Road, Warrenville, SC
12	9/04/2008	human blood	L.C.	8341 La Mesa Blvd La Mesa, CA	2507 Merimac Ct. College Station, TX
13	9/23/2008	bacteria from blood	L.C.	2507 Merimac Ct. College Station, TX	542 Legion Road, Warrenville, SC
14	11/08/2008	human blood	W.B	8341 La Mesa Blvd La Mesa, CA	2507 Merimac Ct. College Station, TX
15	11/20/2008	bacteria from blood	W.B.	2507 Merimac Ct. College Station, TX	542 Legion Road, Warrenville, SC
16	6/16/2009	human blood	F.S.	Littleton, CO	2507 Merimac Ct. College Station, TX
17	6/29/2009	bacteria from blood	F.S.	2507 Merimac Ct. College Station, TX	542 Legion Road, Warrenville, SC
18	12/15/2009	human blood	M.M.	Houston, TX	2507 Merimac Ct. College Station, TX
19	1/31/2010	bacteria from blood	M.M.	2507 Merimac Ct. College Station, TX	542 Legion Road, Warrenville, SC

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT TWENTY
(Wire Fraud)
(18 U.S.C. § 1343)

1. The Grand Jury realleges paragraphs 1 through 14 of Count One above and incorporates them as if alleged herein.

SCHEME TO DEFRAUD

2. From on or about November 15, 2009 and continuing to on or about February 10, 2010, the defendant devised and intended to devise a scheme and artifice to defraud for obtaining money by means of material false and fraudulent pretenses and representations in that the defendant did advertise, promote, distribute and sell drug and biological products that had not been approved by the FDA and represented that such products would significantly improve the medical condition of persons suffering from chronic and incurable neurological diseases.

MANNER AND MEANS

The manner and means of the scheme and artifice to defraud included, but were not limited to the following:

3. Defendant **LAWRENCE STOWE** would and did send an email to M.M., a person suffering from ALS indicating that a treatment protocol of vitamins, supplements, vaccines and stem cells would cost \$125,000,00 with an initial payment of \$47,000.

4. Defendant **LAWRENCE STOWE** would and did travel to Houston, Texas, and meet with M.M., a person suffering from ALS, to provide information regarding his treatment protocol

for ALS.

5. Defendant **LAWRENCE STOWE** would and did meet with M.M. and stated that his treatment protocol of vitamins, vaccines, stem cells and other drugs would “permanently fix” M.M.’s ALS disease.

6. Defendant **LAWRENCE STOWE** would and did falsely represent to M.M. that he and codefendant **FRANCISCO MORALES** had successfully treated other ALS sufferers who were now in remission.

7. Defendant **LAWRENCE STOWE** would and did request that payment in the amount of \$47,000 for the treatment protocol be made payable to **THE STOWE FOUNDATION** to disguise the receipt of income to himself.

EXECUTION OF THE SCHEME TO DEFRAUD

8. On or about November 17, 2009, in the Southern District of Texas and elsewhere, the defendant,

**LAWRENCE STOWE,
aka Dr. Larry Stowe,**

for the purpose of executing and attempting to execute a scheme and artifice to defraud, did knowingly cause to be transmitted by means of wire communication in interstate commerce certain writings, signs, signals, pictures and sounds, that is, a wire transfer in the amount of \$47,000 from a Compass Bank in Houston, Texas, account number xxxx5722 to a Bank of America bank in Fort Worth, Texas, deposited in the Stowe Foundation bank account, number xxxx3334 for a comprehensive immune therapy program to be administered to M.M.

In violation of Title 18, United States Code, Section 1343.

COUNT TWENTY-ONE
(Wire Fraud)
(18 U.S.C. § 1343)

1. The Grand Jury realleges paragraphs 1 through 14 of Count One above and incorporates them as if alleged herein.

SCHEME TO DEFRAUD

2. From on or about January 15, 2006 and continuing to on or about March 15, 2010, the defendant devised and intended to devise a scheme and artifice to defraud for obtaining money by means of material false and fraudulent pretenses and representations in that the defendant did advertise, promote distribute and sell drug and biological products that had not been approved by the FDA.

MANNER AND MEANS

The manner and means of the scheme and artifice to defraud included, but were not limited to the following:

2. Defendant **FRANCISCO MORALES** would and did send emails to M.M., a person suffering from ALS regarding his cost for performing a stem cell procedure.

3. Defendant **FRANCISCO MORALES** would and did send emails to codefendant **LAWRENCE STOWE** regarding performing stem cell procedures.

EXECUTION OF THE SCHEME TO DEFRAUD

7. On or about January 24, 2010, in the Southern District of Texas and elsewhere, the defendant

FRANCISCO MORALES
aka Dr. Frank Morales

for the purpose of executing and attempting to execute a scheme and artifice to defraud, did knowingly cause to be transmitted by means of wire communication in interstate commerce certain writings, signs, signals, pictures and sounds, that is, an email sent from the defendant using email account _____ to M.S. at _____ regarding a protocol to perform an unapproved stem cell procedure on M.M.

In violation of Title 18, United States Code, Section 1343.

COUNT TWENTY-TWO
(Misbranded Drugs)
(21 U.S.C. § 331(a))

1. On or about December 26, 2009, in the Southern District of Texas and elsewhere, the defendant,

LAWRENCE STOWE
aka Dr. Larry Stowe

aided and abetted by other persons known and unknown to the Grand Jury, with the intent to defraud and mislead, caused the introduction and delivery for introduction into interstate commerce a vaccine commonly referred to as Immune Factor G40 that was misbranded in that the labeling regarding the vaccine did not bear adequate directions for use.

In violation of Title 21, United States Code, Sections 331(a), 333(a)(2) and 352(f)(1) and Title 18, United States Code, Section 2.

COUNT TWENTY-THREE
(Misbranded Drugs)
(21 U.S.C. § 331(a))

1. In or about December 26, 2009, in the Southern District of Texas and elsewhere, the defendant,

LAWRENCE STOWE
Dr. Larry Stowe

aided and abetted by other persons known and unknown to the Grand Jury, with the intent to defraud and mislead, caused the introduction and delivery for introduction into interstate commerce a vaccine commonly referred to as Immune Factor G40 that was misbranded in that the promotional material was false and misleading.

In violation of Title 21, United States Code, Sections 331(a) , 333(a)(2) and 352(a) and Title 18, United States Code, Section 2.

COUNT TWENTY-FOUR
(Introduction of an Unapproved New Drug)
(21 U.S.C. § 331(d))

1. On or about December 26, 2009, in the Southern District of Texas and elsewhere, the defendant,

LAWRENCE STOWE
Dr. Larry Stowe

aided and abetted by other persons known and unknown to the Grand Jury, with the intent to defraud and mislead, caused the introduction and delivery for introduction into interstate commerce, a vaccine commonly referred to as Immune Factor G40, which was a new drug within the meaning of the Food, Drug and Cosmetic Act and not approved for use in the United States, as defendant did not have in effect with the FDA an approved New Drug Application, Abbreviated New Drug Application, and Investigational New Drug Application for the creation and distribution of this vaccine.

In violation of Title 21, United States Code, Sections 331(d) and 333(a)(2).

NOTICE OF CRIMINAL FORFEITURE
(18 U.S.C. § 981 (a)(1)(C); 28 U.S.C. § 2461(c))

Pursuant to Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 981(a)(1)(C), the United States gives notice to the defendants,

LAWRENCE STOWE
aka Dr. Larry Stowe
FRANCISCO MORALES
aka Dr. Frank Morales

that in the event of their conviction for a violation of 18 U.S.C. §§ 371, 1341 and 1343, the United States intends to seek forfeiture of all property, real or personal, that constitutes or is derived, directly or indirectly, from proceeds traceable to such offenses. The offenses include:

- a. the conspiracy charged in Count One of the Indictment;
- b. the substantive violations of 18 U.S.C. § 1341 charged in Counts Two through Nineteen of the Indictment; and
- c. the substantive violation of 18 U.S.C. § 1343 charged in Count Twenty and Twenty One of the Indictment.

The property subject to forfeiture includes, but is not limited to:

1. approximately \$750,000 in United States dollars, representing the amount of proceeds obtained as a result of the conspiracy charged in Count 1;
2. the amount of proceeds obtained as a result of each offense charged in Counts 2-19;
3. the amount of proceeds obtained as a result of the offense charged in Count 20 and 21.

The United States gives notice that upon defendants' conviction, a money judgment may be imposed equal to the total value of the property subject to forfeiture, for which the defendants may be jointly and severally liable.

The United States gives notice that in the event that the property which is subject to forfeiture to the United States, as a result of any act or omission of the defendants,

- (a) cannot be located upon exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

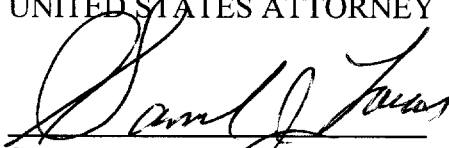
it is the intent of the United States to seek forfeiture of any other property of the defendants up to the value of such property, pursuant to Title 21 United States Code, Section 853(p), incorporated by reference in Title 28, United States Code, Section 2461(c).

A TRUE BILL:

ORIGINAL SIGNATURE ON FILE
FOR PERSON

KENNETH MAGIDSON
UNITED STATES ATTORNEY

By:


SAMUEL J. LOUIS
Assistant United States Attorney
(713) 567-9737