

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLORADO

Criminal Case No. 21-cr-000175-WJM

UNITED STATES OF AMERICA,

Plaintiff,

v.

1. MICHAEL LAIN,

Defendant.

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**GOVERNMENT’S OBJECTIONS TO THE  
PRESENTENCE REPORT [DOC. #23]**

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The United States of America hereby files the Government’s Objections to the Presentence Report [Doc. # 23].

**Lain has 74 Short-Term Rental Properties**

Paragraph 52 of the Presentence Report (PSR) reports that defendant Lain provided the following statement to the probation officer: “All my long-term assets have been liquidated to satisfy the \$4,433,837.59 restitution I agreed to pay... My remaining business interests include 74 short-term rentals that have been non-performing since the government initiated its economic shutdown, and are in arrears, default or foreclosure. I do not have enough resources to reinstate my short-term rental portfolio, and I do not intend to reinstate my short-term rental portfolio. The value of my short-term rental portfolio assets is zero (\$0.00).” [Doc. # 23 at ¶ 52]. The government

objects to this conclusory statement. It does not appear that defendant Lain provided any documentation about the 74 short-term rentals to substantiate this specious claim. [*Id.* at ¶¶ 57-58]. First, Lain’s blanket claim that the “government initiated [] economic shutdown” caused his short-term rentals to be non-performing for the past 22 months is simply not supported by economic reality. While the short-term rental market took a significant hit following March of 2020, it undoubtedly rebounded in the months that followed as people have favored short-term rentals over hotel stays during the pandemic. Additionally, the rebound of travel in general in 2021 has been dramatic and has received significant media attention. It simply is not credible that these 74 short-term rentals have been completely non-performing since March 2020 and have no value.

Likewise, the real estate market has been red-hot during the pandemic. While it is commendable that Lain sold many of his real estate assets to satisfy his substantial restitution obligation in this case, he likely did so at a profit on each property. It is not likely that doing so has left him broke as he suggests.

**The \$1.3M Property on E. Via Park Street is Lain’s Asset**

As indicated in Paragraph 54 as well as footnote 3 of the PSR, the property on E. Via Park Street is not listed as one of Lain’s assets “because the defendant reported it is owned by his mother-and-father-in-law.” [*Id.* at ¶ 54 at n. 3]. The government objects to this claim regarding ownership and asserts that the Court should consider this house as part of Lain’s assets. This property is the five-bedroom, four-bathroom house

where Lain and his wife currently reside with his in-laws. [*Id.* at ¶ 42]. In October 2020, this property was purchased for \$975,000. Based on bank records obtained by the government, on October 22, 2020, Michael Lain obtained a cashier's check for \$975,000 from an account held in the name "Lewis Mathew & Georgia Partners," which is an account controlled by Lain. Additionally, on October 2, 2020, \$976,000 was transferred into the "Lewis Mathew & Georgia Partners" account from other accounts controlled by Lain. Clearly, the funds used to purchase the E. Via Park Street property came from Lain, and not from his in-laws. It is also notable that Lain claims responsibility under his monthly expenses for the mortgage payment on this property. [*Id.* at ¶ 54]. Because the money that paid for this property came from Lain and Lain claims to be responsible for its mortgage, any ownership of this property by his in-laws is in-name-only and appears to be strategic. The Court should consider this house as one of Lain's assets. As the property is now valued at \$1,330,700 [*id.* at n. 3], it would increase Lain's total net worth to at least \$1,589,480.99. [*Id.*].

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that on this 11<sup>th</sup> day of January 2022, I electronically filed the foregoing **GOVERNMENT'S OBJECTIONS TO THE PRESENTENCE REPORT [DOC. #23]** with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all counsel of record in this case.

*s/ Amy McDaniel* \_\_\_\_\_

Amy McDaniel  
Legal Assistant  
U.S. Attorney's Office