

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
**11-60124-CR-ZLOCH/ROSENBAUM**  
CASE NO. \_\_\_\_\_  
18 U.S.C. §371

UNITED STATES OF AMERICA,

Plaintiff,

v.

STEPHEN CAPUTI,

Defendant.

\_\_\_\_\_/

INFORMATION

The United States Attorney charges that, at all times relevant to this Information:

GENERAL ALLEGATIONS

1. Rothstein, Rosenfeldt and Adler, [REDACTED], (hereinafter referred to as "RRA") was a law firm with offices located at 401 East Las Olas Boulevard, Fort Lauderdale, Florida and elsewhere. The law firm employed approximately seventy attorneys and engaged in the practice of law involving a wide range of specialties, including labor and employment law.

2. Scott W. Rothstein (hereinafter referred to as "Rothstein") was an attorney and the Chief Executive Officer (CEO) and Chairman of RRA.

3. TD Bank, [REDACTED], (hereinafter referred to as "TD Bank") was a large commercial bank with branch offices in 13 states, including offices in Weston, Florida and Deerfield Beach, Florida. The executive offices of TD Bank were located in Portland, Maine and Cherry Hill, New Jersey.

4. Rothstein and RRA maintained approximately 38 bank accounts at TD Bank during the dates set forth below..

**COUNT 1**

(Conspiracy to Commit Wire Fraud, 18 U.S.C. §371)

1. The General Allegations of this Information, numbered 1 through 4, are realleged and expressly incorporated herein as if set forth in full.

2. From in or about 2007 through in or about October 2009, in Broward County in the Southern District of Florida and elsewhere, the defendant,

STEPHEN CAPUTI,

did knowingly and willfully combine, conspire, confederate, and agree with Rothstein and with other persons known and unknown to the United States Attorney to commit an offense against the United States of America, that is, to devise and intend to devise a scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing, and attempting to execute, such scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, to knowingly transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, certain signs, signals, and sounds, in violation of Title 18, United States Code, Section 1343 (Wire Fraud).

The Purpose and Object of the Conspiracy

3. The purpose and object of the conspiracy was to enrich the members of the conspiracy by various means, including obtaining investors' money for their own use and benefit and the benefit of others through the operation of a fraudulent investment scheme.

The Manner and Means of the Conspiracy

**THE FRAUDULENT INVESTMENT SCHEME**

4. It was part of the conspiracy that, beginning in or about 2007, Rothstein and other co-conspirators began operating a fraudulent investment scheme.

5. It was further part of the conspiracy that the potential investors in the fraudulent investment scheme were informed that either RRA or firms affiliated with RRA represented alleged potential plaintiffs (hereinafter referred to as "plaintiffs") in sexual harassment, discrimination and/or whistle-blower suits and that settlements of these claims had been negotiated prior to the filing of law suits.

6. It was further part of the conspiracy that potential investors were informed that, pursuant to the aforesaid settlement agreements, the terms thereof were to remain confidential.

7. It was further part of the conspiracy that potential investors were informed that the plaintiffs would accept discounted lump-sum payments, that the investors would fund the lump-sum payments to the alleged plaintiffs, and that, in exchange, potential investors would receive the installment payments due and owing to the plaintiffs under the terms of the negotiated settlement agreements.

8. It was further part of the conspiracy that the potential investors were informed by Rothstein and other co-conspirators that pools of confidential settlement agreements were available for purchase in amounts ranging from hundreds of thousands of dollars to millions of dollars.

9. It was further part of the conspiracy that potential investors were told that the amounts due the alleged plaintiffs were paid into trust accounts at TD Bank controlled by Rothstein and RRA, and that said funds would only be utilized to pay the potential investors.

10. It was further part of the conspiracy that investors funds, consisting of wire transfers in interstate and foreign commerce, were sent into and out of accounts maintained at TD Bank.

11. It was further part of the conspiracy that, in fact, there were no such plaintiffs who had entered into the above-described confidential settlement agreements. Instead, Rothstein would utilize the funds obtained from investors to further the fraudulent scheme by (a) paying prior investors in the scheme; (b) supplementing and supporting the operation and activities of RRA; (c) distributing lavish gifts, including exotic automobiles, jewelry, boats, loans, cash and bonuses, to individuals and members of RRA in order to engender goodwill and loyalty and to create the appearance of a successful law firm; (d) making political contributions to local, state and federal political candidates; (e) making large monetary contributions to public and private charitable institutions, including hospitals and other legitimate charitable and nonprofit organizations, in order to deflect any negative scrutiny by the public and/or law enforcement agencies and to create the public impression of altruism and commitment to the community; and (f) creating the appearance of affluence and wealth, by purchasing expensive real and personal property, in order to convince potential investors of the legitimacy of RRA and of the purported investment opportunities.

#### **THE COCONSPIRATORS**

12. It was further part of the scheme that, at different times, Rothstein would utilize co-conspirators to assist him in carrying out various aspects of the fraudulent investment scheme, including the following: attorneys, who would falsely claim to represent the alleged plaintiffs in the sexual harassment, discrimination, and/or whistle-blower suits; bank officials, who would provide false documents and other misleading information to investors in order to make it appear that the funds purportedly being held in the trust accounts for the plaintiffs had not been dissipated;

“independent verifiers,” who would purport to verify that the persons and entities entering into the confidential settlement agreements were genuine and that there were sufficient funds in the trust accounts at TD Bank to pay the investors; accountants and/or bookkeepers, who would transfer funds between the various trust accounts and other bank accounts in order to perpetuate the fraudulent investment scheme; computer experts, who would create false bank statements and web sites in order to make it appear to investors that the funds purportedly being held in the trust accounts for the plaintiffs had not been dissipated; office workers at RRA, who would create false documents in connection with the purported confidential settlement agreements; persons who would pose as the purported plaintiffs claiming to be entitled to a settlement from the litigation; and financial advisors, who would induce investors through fraudulent misrepresentations to send hundreds of millions of dollars to Rothstein to purchase the fictitious confidential settlement agreements.

#### **A PERSON POSING AS A BANKER**

13. It was further part of the conspiracy that investors and their representatives, both before and after having invested in the fraudulent scheme, would perform due diligence in an attempt to verify that funds were being held in trust accounts at TD Bank in accordance with the terms of their investments.

14. It was further part of the conspiracy that Rothstein would arrange for investors and their representatives to be taken to branches of TD Bank for the purpose of confirming with bank officials that funds were being held in trust accounts at TD Bank in accordance with the terms of their investments.

15. It was further part of the conspiracy that defendant CAPUTI agreed to pose as a TD Bank official during meetings with investors.

16. It was further part of the conspiracy that Rothstein would contact TD Bank officials, generally at the Weston, Florida branch, and request the use of a conference room at the bank.

17. It was further part of the conspiracy that defendant CAPUTI would obtain from a co-conspirator fraudulent bank statements which falsely reflected the balances of trust accounts at TD Bank.

18. It was further part of the conspiracy that defendant CAPUTI would travel to the TD Bank branch and wait in the conference room for the investors or their representatives.

19. It was further part of the conspiracy that defendant CAPUTI would meet investors or their representatives at the TD Bank branch and falsely introduced himself as a customer service representative of TD Bank.

20. It was further part of the conspiracy that defendant CAPUTI would hand the investors or their representatives the fraudulent bank statements, which the investors would compare to fraudulent bank statements previously provided by Rothstein, thus inducing the investors or their representatives into believing that balances existed in the accounts sufficient to fund their investments when, in fact, they did not.

#### **A PERSON POSING AS A PLAINTIFF**

21. It was further part of the conspiracy that certain investors requested to meet with plaintiffs who ostensibly were entering into the confidential settlement agreements.

22. It was further part of the conspiracy that Rothstein solicited defendant CAPUTI to pose as such a plaintiff.

23. It was further part of the conspiracy that, in the presence of various potential investors, defendant CAPUTI executed settlement documents which falsely purported that defendant CAPUTI was entitled to settlement proceeds totaling \$10,000,000.

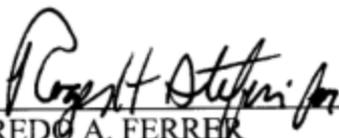
24. It was further part of the conspiracy that, shortly after meeting with defendant CAPUTI, various investors agreed to invest \$5,000,000 in the fraudulent investment scheme.

**OVERT ACT**

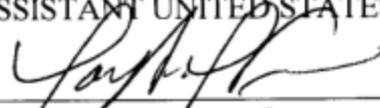
In furtherance of the conspiracy and to achieve the purpose and object thereof, the defendant and his coconspirators committed and caused to be committed in the Southern District of Florida and elsewhere, at least the following act, among others:

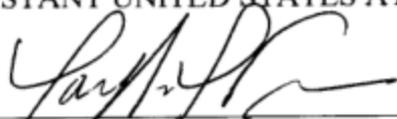
1. On or about September 25, 2009, defendant CAPUTI met with two potential investors in the fraudulent investment scheme and posed as a plaintiff who purportedly had entered into a \$10,000,000 settlement.

All in violation of Title 18, United States Code, Section 371.

  
\_\_\_\_\_  
WIFREDO A. FERRER  
UNITED STATES ATTORNEY

  
\_\_\_\_\_  
JEFFREY N. KAPLAN  
ASSISTANT UNITED STATES ATTORNEY

*for*   
\_\_\_\_\_  
PAUL F. SCHWARTZ  
ASSISTANT UNITED STATES ATTORNEY

  
\_\_\_\_\_  
LAWRENCE D. LaVECCHIO  
ASSISTANT UNITED STATES ATTORNEY

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

UNITED STATES OF AMERICA

CASE NO. \_\_\_\_\_

vs.

CERTIFICATE OF TRIAL ATTORNEY\*

STEPHEN CAPUTI,

Defendant.

Superseding Case Information:

Court Division: (Select One)

X Miami FTL FTL Key West WPB FTP

New Defendant(s) Yes \_\_\_\_\_ No \_\_\_\_\_  
Number of New Defendants \_\_\_\_\_  
Total number of counts \_\_\_\_\_

I do hereby certify that:

- I have carefully considered the allegations of the indictment, the number of defendants, the number of probable witnesses and the legal complexities of the indictment/information attached hereto.
- I am aware that the information supplied on this statement will be relied upon by the Judges of this Court in setting their calendars and scheduling criminal trials under the mandate of the Speedy Trial Act, Title 28 U.S.C. Section 3161.

3. Interpreter: (Yes or No) No  
List language and/or dialect \_\_\_\_\_

4. This case will take 0 days for the parties to try.

5. Please check appropriate category and type of offense listed below:  
(Check only one) (Check only one)

I	0 to 5 days	<u>X</u>	Petty	_____
II	6 to 10 days	_____	Minor	_____
III	11 to 20 days	_____	Misdem.	_____
IV	21 to 60 days	_____	Felony	_____
V	61 days and over	_____		

6. Has this case been previously filed in this District Court? (Yes or No) No

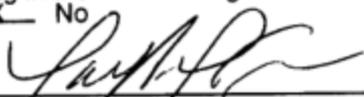
If yes:  
Judge: \_\_\_\_\_ Case No. \_\_\_\_\_  
(Attach copy of dispositive order)

Has a complaint been filed in this matter? (Yes or No) No

If yes:  
Magistrate Case No. \_\_\_\_\_  
Related Miscellaneous numbers: \_\_\_\_\_  
Defendant(s) in federal custody as of \_\_\_\_\_  
Defendant(s) in state custody as of \_\_\_\_\_  
Rule 20 from the \_\_\_\_\_ District of \_\_\_\_\_

Is this a potential death penalty case? (Yes or No) No

- Does this case originate from a matter pending in the U.S. Attorney's Office prior to April 1, 2003? \_\_\_\_\_ Yes X No
- Does this case originate from a matter pending in the U. S. Attorney's Office prior to April 1, 1999? \_\_\_\_\_ Yes X No  
If yes, was it pending in the Central Region? \_\_\_\_\_ Yes \_\_\_\_\_ No
- Does this case originate from a matter pending in the Northern Region of the U.S. Attorney's Office prior to October 14, 2003? \_\_\_\_\_ Yes X No
- Does this case originate from a matter pending in the Narcotics Section (Miami) prior to May 18, 2003? \_\_\_\_\_ Yes X No
- Does this case originate from a matter pending in the Central Region of the U.S. Attorney's Office prior to September 1, 2007? \_\_\_\_\_ Yes X No

  
LAWRENCE D. LAVECCHIO  
ASSISTANT UNITED STATES ATTORNEY  
Florida Bar No. 0305405

\*Penalty Sheet(s) attached

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: STEPHEN CAPUTI

Case No: \_\_\_\_\_

Count #: 1

Conspiracy to Commit Wire Fraud

Title 18, United States Code, Section 371

\* Max. Penalty: 5 Years' Imprisonment; \$250,000.00 Fine

\*

UNITED STATES DISTRICT COURT  
for the  
Southern District of Florida

United States of America )  
v. ) Case No.  
STEPHEN CAPUTI )  
Defendant. )

WAIVER OF AN INDICTMENT

I understand that I have been accused of one or more offenses punishable by imprisonment for more than one year. I was advised in open court of my rights and the nature of the proposed charges against me.

After receiving this advice, I waive my right to prosecution by indictment and consent to prosecution by information.

Date: \_\_\_\_\_

\_\_\_\_\_  
*Defendant's signature*

\_\_\_\_\_  
*Signature of defendant's attorney*

\_\_\_\_\_  
*Printed name of defendant's attorney*

\_\_\_\_\_  
*Judge's signature*

\_\_\_\_\_  
*Judge's printed name and title*