



Department of Justice

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PEARLMAN SALES AGENT WHO TARGETED ELDERLY INVESTORS INDICTED

Orlando, Florida - United States Attorney Robert E. O'Neill announces the unsealing of an indictment last week charging Steven B. Rodd (45, Tampa) with conspiracy to commit mail fraud, conspiracy to sell unregistered securities and mail fraud. If convicted on all counts, Rodd faces a maximum penalty of 25 years in federal prison. The indictment also notifies Rodd that the United States is seeking a money judgment from him in the amount of \$936,500, representing the amount of commissions he illegally received from the scheme.

According to the indictment, Rodd was barred from selling securities by the State of Florida in 1998 and again in 2003. Despite these prohibitions, Rodd and his partner allegedly began selling an unregistered security named the Employee Investment Savings Account (EISA) through two companies, the Churchill Financial Group and Oxford Financial. The EISA program was supposedly an investment in TransContinental Airlines, a company owned by Louis J. Pearlman. In reality, the EISA was nothing more than an investment fraud. Together with his business partner, Rodd sold over \$32 million worth of the EISA program to over 250 investors living in Pasco, Pinellas, and Hillsborough counties from 2005 through 2006. As part of the conspiracy Rodd would lure elderly

investors into Churchill Financial with newspaper and radio advertisements for annuities or certificates of deposit. He would then sell the investors the EISA program. It was also part of the alleged conspiracy for Rodd to conceal from investors his prior securities bars from the State of Florida, a pending investigation of the EISA program, and to lie to investigators about EISA program commissions and records.

This case was investigated by the Federal Bureau of Investigation, the Internal Revenue Service, Criminal Investigation, and the State of Florida, Office of Financial Regulation. It will be prosecuted by Assistant United States Attorney Daniel W. Eckhart.

An indictment is merely a formal charge that a defendant has committed a violation of the federal criminal laws, and every defendant is presumed innocent unless, and until, proven guilty.