

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

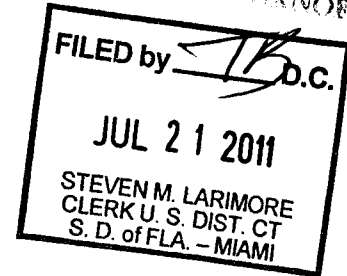
CASE NO.

11-20490

18 U.S.C. § 1341
18 U.S.C. § 1343
18 U.S.C. § 2
18 U.S.C. § 981(a)(1)(c)

CR-COOKE

MAGISTRATE JUDGE
TURNER



UNITED STATES OF AMERICA,

vs.

MICHAEL SCOTT SEGAL,
a/k/a "SCOTT SEGAL,"

Defendant.

INDICTMENT

The Grand Jury charges that:

GENERAL ALLEGATIONS

At all times relevant to this Indictment:

1. From in or around March 2009 to in or around September 2010, Bright Jewel Holdings Limited Inc. was a Florida corporation with principal offices in Miami-Dade County, Florida. Bright Jewel Holdings Limited Inc. purportedly engaged in the business of international trading which primarily focused on importing consumer products from China.

2. Defendant **MICHAEL SCOTT SEGAL**, a/k/a "**Scott Segal**," was an individual who resided in Miami-Dade County, Florida. **SEGAL** was the owner and controlling principal of Bright Jewel Holdings Limited Inc.

3. From in or around June 2009 to in or around July 2010, **MICHAEL SCOTT SEGAL** maintained and controlled Regions Bank account number XXXXXX2051 in Miami-Dade County, Florida.

4. From in or around March 2009 to in or around September 2010, **MICHAEL SCOTT SEGAL** maintained and controlled Citibank accounts numbered XXXXXX1467 and XXXXXX1687 in Miami-Dade County, Florida.

5. **MICHAEL SCOTT SEGAL** represented himself as a former New York stockbroker, with extensive knowledge of the New York Stock Exchange and high level contacts in the Chinese Government.

6. In or around 2007, Carolina Property Holdings Inc. ("CPH") was a Nevada entity designed for a public offering of the land and development plan for South Carolina property. **MICHAEL SCOTT SEGAL** was not an officer, director or authorized agent of CPH.

COUNTS 1 - 2
Mail Fraud
(18 U.S.C. § 1341)

1. Paragraphs 1 through 6 of the General Allegations section of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

2. From in or around November 2008, through in or around February 2011, in Miami-Dade and Broward Counties in the Southern District of Florida, and elsewhere, the defendant,

MICHAEL SCOTT SEGAL,
a/k/a "SCOTT SEGAL,"

did knowingly and with intent to defraud, devise and intend to devise a scheme and artifice to defraud and obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, knowing that the pretenses, representations, and promises were false and fraudulent when made, and for the purpose of executing the scheme and artifice, and attempting to do so, did knowingly cause to be delivered certain mail matter by the United States Postal Service and by a private and commercial interstate carrier, according to the directions thereon.

PURPOSE OF THE SCHEME AND ARTIFICE

3. It was the purpose of the scheme and artifice for **MICHAEL SCOTT SEGAL** to unjustly enrich himself by misappropriating monies from investors for his personal use and benefit, by making materially false and fraudulent representations and concealing material facts concerning, among other things, the nature of the investment product he was offering, expected profits, and the use of the investor monies.

THE SCHEME AND ARTIFICE

The manner and means by which **MICHAEL SCOTT SEGAL** sought to accomplish the purpose of the scheme and artifice included, among others, the following:

4. **MICHAEL SCOTT SEGAL** solicited family, friends, and other persons to invest in either his company, Bright Jewel Holdings Limited Inc., or with **SEGAL** personally, offering various supposed investment opportunities, including the purchase of consumer goods from China, a land development project in and around the Chengdu, China area, and a Venezuelan security cargo locks deal.

5. **MICHAEL SCOTT SEGAL** solicited family, friends, and other persons to invest in a supposed investment opportunity to purchase, at an inexpensive price, consumer goods manufactured in China, such as DVD's, cargo container security locks, Blackberry cellular telephones, shopping carts, televisions, electronic cigarettes, Playstation 3 entertainment systems, and I-Pod's. These products would then purportedly be shipped to either the United States or Venezuela to be sold at a high profit margin.

6. **MICHAEL SCOTT SEGAL** told prospective investors considering the purchase of consumer products from China that their funds would be used to acquire the products in China and then to ship the product orders to the agreed upon delivery destination within a 30 to 90 day

window, when in fact, and as **SEGAL** then and there well knew, virtually no products were purchased from China nor were they shipped to any agreed upon location.

7. **MICHAEL SCOTT SEGAL** furthermore solicited family, friends, and other persons to invest in the supposed investment opportunity of a land development project in or around the Chengdu, China area, which **SEGAL** falsely and fraudulently claimed would produce a high yield rate of return in excess of 1000%.

8. **MICHAEL SCOTT SEGAL** told prospective investors involved in the Chengdu, China land development project that their funds would be used to purchase shares in a company called Carolina Property Holdings, Inc. (CPH), which **SEGAL** falsely stated was part of the land development project in China.

9. **MICHAEL SCOTT SEGAL** introduced himself as “**Scott Segal**” in order to conceal his true identity and prevent potential investors from discovering his prior criminal conviction.

10. **MICHAEL SCOTT SEGAL** falsely and fraudulently represented to investors that he had personally invested millions of dollars of his own money in his purported investment opportunities, including the China consumer product deal and the Chengdu, China land development project, in order to entice investors into making similar investments.

11. To discourage existing investors from requesting distribution of their purported profits and to encourage existing investors to contribute additional money, **MICHAEL SCOTT SEGAL** falsely and fraudulently claimed that he had obtained a contract from the Venezuelan government to supply cargo security locks for containers in their ports which would result in even greater profits than the previous investments if the investors would leave their money with **SEGAL**.

12. When investors complained about not receiving their supposedly purchased consumer goods or any return on their investments, **MICHAEL SCOTT SEGAL** attempted to lull them by falsely and fraudulently explaining that the delays were due to either shipments being stolen or confiscated by the Chinese government, difficulties with converting funds into U.S. dollars from Venezuelan currency, and that the development of the Chengdu, China land deal was taking longer than anticipated. In some cases, **SEGAL** would send refund checks to investors, often funded with new investors' monies, or would send checks which would bounce due to insufficient funds.

13. To fraudulently induce individuals to invest in his supposed business opportunities, **MICHAEL SCOTT SEGAL** made and caused others to make numerous materially false and fraudulent statements to investors, and the defendant concealed material facts from investors, including, among others, the following:

Materially False Statements

a) That **MICHAEL SCOTT SEGAL** was the lead liaison for all American investors interested in the Chengdu, China land development project;

b) That **MICHAEL SCOTT SEGAL** had invested millions of dollars of his own funds in the supposed investment opportunities;

c) That **MICHAEL SCOTT SEGAL** owned numerous factories in China which employed more than 6,000 individuals;

d) That **MICHAEL SCOTT SEGAL** had secured an exclusive contract to supply the Venezuelan government with cargo shipment security container locks;

Concealment of Material Facts

e) That the defendant's legal name was **MICHAEL SCOTT SEGAL**, and he was previously convicted of a criminal offense;

f) That **MICHAEL SCOTT SEGAL** was misappropriating investor funds for his own personal use and benefit, including, a down-payment on a house in Miami-Dade County, Florida, the purchase of a 10-carat diamond ring, and the monthly payments for several luxury automobiles; and

g) That interest payments and returns on investments made to investors were wholly funded with new investor monies.

USE OF THE MAILS

14. On or about the dates specified as to each count below, the defendant, **MICHAEL SCOTT SEGAL**, for the purpose of executing the aforesaid scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and attempting so to do, did knowingly cause to be delivered by the United States Postal Service and by private and commercial interstate carrier, according to the directions thereon, the items identified below in each count:

COUNT	APPROX. DATE	DESCRIPTION OF MAILING
1	November 2008	Investment materials related to the Chengdu, China land development deal were sent from Miami, Florida via U.S. mail to A.A. in California
2	May 3, 2010	\$200,000 check mailed from Miami, Florida to M.A and N.A. in California

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

COUNTS 3 - 12 **Wire Fraud** **(18 U.S.C. § 1343)**

1. Paragraphs 1 through 6 of the General Allegations section of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

2. From in or around November 2008, through in or around February 2011, in Miami-Dade and Broward Counties, in the Southern District of Florida, and elsewhere, the defendant,

**MICHAEL SCOTT SEGAL,
a/k/a "SCOTT SEGAL,"**

did knowingly and with intent to defraud, devise and intend to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, knowing that the pretenses, representations and promises were false and fraudulent when made, did knowingly transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, certain wires, signs, and signals for the purpose of executing the scheme and artifice.

PURPOSE OF THE SCHEME AND ARTIFICE

3. It was the purpose of the scheme and artifice for **MICHAEL SCOTT SEGAL** to unjustly enrich himself by misappropriating monies from investors for his personal use and benefit by making materially false and fraudulent representations and concealing and omitting to state material facts concerning, among other things, the nature of the investment product he was offering, expected profits, and the use of investor monies.

MANNER AND MEANS OF THE SCHEME AND ARTIFICE

4. The allegations in paragraphs 4 through 13 of Count 1 of this Indictment are realleged and incorporated by reference herein as a description of the scheme and artifice.

USE OF THE WIRES

5. On or about the dates specified as to each count below, the defendant, **MICHAEL SCOTT SEGAL**, for the purpose of executing the aforesaid scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations,

and promises, did knowingly transmit and cause to be transmitted, by means of wire communications in interstate and foreign commerce, certain writings, signs, and signals, as more particularly described in each count below:

COUNT	APPROX. DATE	DESCRIPTION OF WIRE COMMUNICATION
3	November 28, 2008	Email which provided bank wiring instructions, transmitted from Miami, Florida to A.A. in California
4	November 28, 2008	Wire transfer in the amount of \$750,000 from A.A.'s Bank of America account #XXXXXX9593 in California to MICHAEL SCOTT SEGAL 's Citibank account #XXXXXXX1467 in Miami, Florida
5	April 7, 2009	Email which included a false and fraudulent Securities and Exchange Commission offering draft memorandum regarding the Chengdu, China land development deal, transmitted from Miami, Florida to A.A. in California
6	July 8, 2009	Wire transfer in the amount of \$29,500 from L.G.'s National Financial Services Corp. account #XXXXXXX7761 in Boston, MA to a Bright Jewel Holdings Limited Inc. Citibank account #XXXXXXX1687 in Miami, Florida
7	July 29, 2009	Wire transfer in the amount of \$40,000 from L.G.'s National Financial Services Corp. account #XXXXXXX7761 in Boston, MA to a Bright Jewel Holdings Limited Inc. Citibank account #XXXXXXX1687 in Miami, Florida
8	August 4, 2009	Wire transfer in the amount of \$100,000 from L.G.'s Republic International Bank account #XXXXXXXXXX2076 in Curacao to a Bright Jewel Holdings Limited Inc. Citibank account #XXXXXXX1687 in Miami, Florida
9	October 13, 2009	Email which contained false and fraudulent documents regarding the status of a Venezuelan cargo security container lock deal, transmitted from Miami, Florida to A.A. in California

COUNT	APPROX. DATE	DESCRIPTION OF WIRE COMMUNICATION
10	April 1, 2010	Wire transfer in the amount of \$9,000 from T.R.'s Bank of America account #XXXXXXXXX1431 in Maine to a Bright Jewel Holdings Limited Inc. Regions Bank account #XXXXXXX2051 in Miami, Florida
11	May 4, 2010	Wire transfer in the amount of \$2,350 from T.R.'s Bank of America account #XXXXXXXXX1431 in Maine to MICHAEL SCOTT SEGAL 's Citibank account #XXXXXXX1467 in Miami, Florida
12	May 11, 2010	Wire transfer in the amount of \$1,900 from T.R.'s Bank of America account #XXXXXXXXX1431 in Maine to MICHAEL SCOTT SEGAL 's Citibank account #XXXXXXX1467 in Miami, Florida

In violation of Title 18, United States Code, Sections 1343 and 2.

FORFEITURE
(18 U.S.C. § 981(a)(1)(c))

1. The allegations of this Indictment are realleged and by this reference fully incorporated herein for the purpose of alleging forfeiture to the United States of America of certain property in which the defendant has an interest.

2. Upon conviction of any violation alleged in this Indictment, the defendant, **MICHAEL SCOTT SEGAL**, shall forfeit to the United States all of his right, title and interest in any property, real or personal, which constitutes, or is derived from, any proceeds traceable to such violation, pursuant to Title 18, United States Code, Section 981(a)(1)(c), as made applicable by Title 28, United States Code, Section 2461(c).

3. The property subject to forfeiture, includes, but is not limited to, the sum of \$1,338,810.00 in United States currency, which sum represents the proceeds of the wire and mail fraud scheme charged in this Indictment.

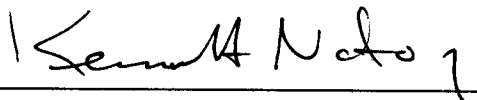
4. If the property described above as being subject to forfeiture, as a result of any act or omission of the defendant,

- a. cannot be located upon the 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 subdivided without difficulty;

it is the intent of the United States of America, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

All pursuant to Title 28, United States Code, Section 2461(c), Title 18, United States Code, Section 981(a)(1)(c), and the procedures set forth at Title 21, United States Code, Section 853.

A TRUE BILL



WIFREDO A. FERRER
UNITED STATES ATTORNEY



ROSA RODRIGUEZ-MERA
ASSISTANT UNITED STATES ATTORNEY