

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)	
)	No.
v.)	
)	Violation: Title 18, United States
STEVEN W. SALUTRIC)	Code, Section 1343

The UNITED STATES ATTORNEY charges:

1. At times material to this information:
 - a. Results One Financial, LLC (“Results One”) was a registered investment advisory firm located in Elmhurst, Illinois. Results One had over 1,000 clients and approximately \$160 million in assets under management, typically held in a variety of mutual funds.
 - b. Defendant STEVEN W. SALUTRIC was a founding principal of Results One and employed as an investment adviser, as defined in Title 15, United States Code, Section 80b-2(a)(11).
 - c. Defendant SALUTRIC managed the funds of approximately 100 Results One clients. Most of defendant SALUTRIC’s clients were individuals and small businesses, for whom he established various investment accounts including personal investment accounts, trust accounts, and retirement savings accounts.

d. Client funds and securities at Results One were held in accounts at Charles Schwab & Co., Inc. (“Schwab”), which served as the custodian of client assets. Pursuant to written investment advisory agreements (“investment agreements”) with Results One clients, defendant SALUTRIC had discretionary authority to trade in the Schwab accounts in the best interests of the particular client without prior client authorization. These trades typically involved the relatively low-risk purchase and sale of mutual fund shares. Under the investment agreements, defendant SALUTRIC did not have discretionary authority to withdraw funds from Schwab client accounts, other than limited authority to withdraw advisory fees.

e. With respect to accounts managed by investment advisers, prior to the disbursement of funds to third parties, Schwab required a written request, called a “letter of authorization” (“LOA”), signed by the client.

2. Beginning no later than in or around December 2002, and continuing through at least in or around January 2010, in the Northern District of Illinois, Eastern Division, and elsewhere,

STEVEN W. SALUTRIC,

defendant herein, knowingly devised, intended to devise, and participated in a scheme to defraud Results One investment adviser clients and Schwab, and to obtain money from Results One investment adviser clients that was in the custody of Schwab, by means of materially false and fraudulent pretenses,

representations, and promises, and material omissions, which scheme is further described below.

3. It was part of the scheme that to induce potential clients to entrust the management of their investment funds to defendant SALUTRIC, he provided them with an investment agreement that stated their funds would not be withdrawn from their investment accounts without their prior authorization, and he assured them their money would be placed in low-risk mutual funds and bonds.

4. It was further part of the scheme that defendant SALUTRIC's representations caused clients to agree to deposit their investment funds in Schwab investment accounts managed by defendant SALUTRIC.

5. It was further part of the scheme that, instead of keeping the clients' funds in the Schwab accounts, as he had represented he would, defendant SALUTRIC fraudulently withdrew clients' funds without their knowledge or permission.

6. It was further part of the scheme that, instead of placing clients' money in low-risk mutual funds and bonds, as he had represented he would, defendant SALUTRIC fraudulently placed clients' money in high-risk alternative investments without their knowledge or permission.

7. It was further part of the scheme that defendant SALUTRIC fraudulently obtained over approximately \$3,000,000 from clients by preparing,

forging clients' signatures on, and faxing and causing to be faxed to Schwab, LOAs that falsely represented to Schwab that the clients wished to transfer funds from their Schwab accounts to bank accounts held by SALUTRIC's personal business associates and entities in which SALUTRIC had a pecuniary interest, including restaurants, a movie production company, car dealerships, and real estate development projects. Among the client funds that defendant SALUTRIC misappropriated were elderly clients' retirement savings.

8. It was further part of the scheme that defendant SALUTRIC, by forging clients' signatures on LOAs and faxing them to Schwab, transferred and caused to be transferred clients' funds from their Schwab accounts to other clients' Schwab accounts, for the purpose of making ponzi-like deposits to prolong and conceal the scheme.

9. It was further part of the scheme that defendant SALUTRIC forged Client A's signature on checks drawn on Client A's Schwab account and made the checks payable to one of defendant's associates and to an entity in which defendant had a pecuniary interest.

10. It was further part of the scheme that defendant SALUTRIC fraudulently obtained over approximately \$1,000,000 from Client B by, without the client's knowledge or permission, transferring Client B's funds to himself and to various entities in which he had a pecuniary interest including a restaurant, a movie production company, car dealerships, and a real estate

development partnership.

11. It was further part of the scheme that, at times, defendant SALUTRIC used a corporate bank account to conceal transfers of misappropriated client funds to himself and ponzi-like transfers to other clients.

12. It was further part of the scheme that to lull clients and conceal his actions, defendant SALUTRIC made multiple materially false and fraudulent representations to clients, including:

a. a statement to Client C that his funds were invested in a union pension plan yielding a 15% return when, in fact, defendant SALUTRIC knew that Client C's funds instead had been fraudulently transferred to various ventures in which defendant had a pecuniary interest including a real estate development project and a movie production company, and that Client C already had lost a significant amount of his investment;

b. a statement to Client D that his funds were invested in AT&T bonds providing an 8% return when, in fact, defendant SALUTRIC knew that Client D's funds instead had been fraudulently transferred to a real estate venture in which defendant had a pecuniary interest; and,

c. a statement to Client E that his funds had been placed in a certificate of deposit when, in fact, defendant SALUTRIC knew that Client E's funds instead had been fraudulently transferred to a restaurant in which defendant had a pecuniary interest.

13. It was further part of the scheme that defendant SALUTRIC misrepresented, concealed, hid and caused to be misrepresented, concealed, and hidden, the acts and purposes of the acts done in furtherance of the scheme.

14. As a result of the scheme, defendant SALUTRIC caused approximately ten clients to suffer losses totaling approximately at least \$4,261,818.

15. On or about September 1, 2009, in the Northern District of Illinois, Eastern Division,

STEVEN W. SALUTRIC,

defendant herein, for the purpose of executing the above-described scheme, knowingly transmitted and caused to be transmitted by means of wire and radio communications in interstate commerce, certain writings, signs, signals and sounds, namely a facsimile transmission from defendant SALUTRIC, at facsimile number 630-834-7878, in Illinois, to Schwab representative A, at facsimile number 877-806-4137, in Florida, containing a forged LOA fraudulently directing Schwab to transfer \$75,000 from the account of Client F to the account of Partnership A;

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

UNITED STATES ATTORNEY