

Approved: 
A. DAMIAN WILLIAMS
Assistant United States Attorney

Before: HONORABLE JAMES C. FRANCIS IV
United States Magistrate Judge
Southern District of New York

14 MAG 1419

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: UNITED STATES OF AMERICA : SEALED COMPLAINT
: :
: Violations of 18 U.S.C. §§
- v. - : 1343 and 2; 15 U.S.C. §§
: 78j(b) and 78ff; and 17
: C.F.R. § 240.10b-5
STEVEN WESSEL, :
a/k/a "Wes Wessels," :
: Defendant. :
: :
----- x COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

JORDAN GOODMAN, being duly sworn, deposes and says that he is a Criminal Investigator with the United States Attorney's Office for the Southern District of New York (the "USAO") and charges as follows:

COUNT ONE
(Securities Fraud)

1. From at least in or about June 2013 through in or about April 2014, STEVEN WESSEL, a/k/a "Wes Wessels," the defendant, willfully and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, the mails, and the facilities of national securities exchanges, did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances, as set forth above, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by (a) employing devices, schemes, and artifices to defraud, (b) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not

misleading, and (c) engaging in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon investors, to wit, WESSEL, the defendant, solicited \$200,000 from an investor based on false and misleading representations that he would use the money to purchase and sell securities when, in fact, WESSEL used the investor's money substantially for his own personal benefit.

(Title 15, United States Code, Sections 78j(b) and 78ff;
Title 17, Code of Federal Regulations, Section 240.10b-5;
Title 18, United States Code, Section 2.)

COUNT TWO
(Wire Fraud)

2. From at least in or about June 2013 through in or about April 2014, in the Southern District of New York and elsewhere, STEVEN WESSEL, a/k/a "Wes Wessels," the defendant, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to wit, WESSEL, the defendant, solicited hundreds of thousands of dollars from investors, through the use of telephones, faxes and wire transfers, including the transfer of funds from investors into a bank account in New York, New York, based on false and misleading representations that he would use the money to make legitimate investments with the investors' money when, in fact, WESSEL used the investors' money substantially for his own personal benefit.

(Title 18, United States Code, Sections 1343 and 2.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

3. I have been a Criminal Investigator with the USAO for approximately ten years. I am currently assigned to the Securities and Commodities Fraud Task Force, which is responsible for investigating violations of the federal securities laws, as well as wire, bank and mail fraud laws and related offenses. I have participated in numerous investigations of these offenses, and I have made and

participated in making arrests of numerous individuals for participating in such offenses.

4. The information contained in this affidavit is based upon my personal knowledge, as well as information obtained during this investigation, directly or indirectly, from other sources, including documents and information provided to me by investors, a review of bank records and public records, and information provided to me by witnesses who participated in conversations and written communications with STEVEN WESSEL, a/k/a "Wes Wessels," the defendant. Because this affidavit is prepared for limited purposes, I have not set forth each and every fact I have learned in connection with this investigation. Where conversations and events are referred to herein, they are related in substance and in part. Where dates, figures, and calculations are set forth herein, they are approximate.

Background

5. Based upon interviews of witnesses, a review of documents provided by witnesses, a review of public records, and a review of electronic communications between STEVEN WESSEL, a/k/a "Wes Wessels," the defendant, and others, I have learned that:

a. WESSEL claims to be the founder of Windsor Capital Investments Limited ("Windsor Capital"), a purported investment bank based in New York City.

b. WESSEL claims to be the Chairman and Executive Managing Member of Steeplechase USA, LLC ("Steeplechase USA"), a purported investment company based in New York City that, according to WESSEL, is affiliated with Windsor Capital.

c. In or about April 2014, WESSEL served as the Chairman of the 81st Oxford and Cambridge Boat Race Dinner which, according to WESSEL, is the oldest continuous Oxford-Cambridge alumni event in the world.

d. WESSEL claims to have received a doctorate degree from the University of Oxford in 1983 and a bachelor's degree from the University of Maryland. However, neither the University of Oxford nor the University of Maryland has any record of WESSEL's attendance or graduation.

e. Investor A is a medical doctor who, at all times relevant to this Complaint, lived in New Jersey and Florida.

f. Investor B is a professional in the financial services industry who, at all times relevant to this Complaint, lived in New York City.

6. Based upon my review of bank records, I know that on or about November 2, 2012, STEVEL WESSEL, a/k/a "Wes Wessels," the defendant, opened bank account # xxxxxx4885 in the name "Steven Wessel" at Capital One Bank in New York (the "Capital One Account").

The Scheme to Defraud

7. Based upon interviews of witnesses, a review of documents provided by witnesses, a review of electronic communications between STEVEN WESSEL, a/k/a "Wes Wessels," the defendant, and others, as well as my review of documents provided by banks and other financial institutions, I have learned that:

a. In or about June 2013, WESSEL solicited \$200,000 from Investor A based on the false representation that he would use Investor A's money to invest in securities. In truth and in fact, however, WESSEL used substantially all of Investor A's money for his own personal benefit, including for cash withdrawals and to pay personal expenses.

b. In or about April 2014, WESSEL solicited \$550,000 from Investor B based on the false representation that he would use Investor B's money to provide financing for a commercial real estate project. In truth and in fact, however, WESSEL used substantially all of Investor B's money for his own personal benefit, including to pay Investor A \$251,000, which WESSEL claimed represented Investor A's original investment and subsequent market gains.

8. Based upon interviews I conducted with Investor A, who invested money with STEVEN WESSEL, a/k/a "Wes Wessels," the defendant, a review of documents provided by Investor A, a review of electronic communications between WESSEL and others, I have learned the following:

a. In or about June 2013, WESSEL solicited Investor A to invest \$200,000 in Steeplechase USA. WESSEL told Investor A that Steeplechase USA had a minimum investment threshold of \$1,000,000, but that he (WESSEL) would make an exception and accept an initial \$200,000 from Investor A.

b. On or about July 1, 2013, Investor A wired \$100,000 from his/her Bank of America account in Florida (the "Bank of America Account") to WESSEL's Capital One Account in New York.

c. On or about July 3, 2013, Investor A wired another \$100,000 from the Bank of America Account to the Capital One Account.

d. On or about September 3, 2013, WESSEL sent Investor A an email containing the "August performance report" for Investor A's account. According to WESSEL, Investor A's account contained \$249,412.23.

e. On or about September 11, 2013, WESSEL sent Investor A an email containing Steeplechase USA's August 2013 performance report. According to WESSEL, the fund was "up 9.55%" while the "benchmark S&P was down 4.01." WESSEL further asserted that "[y]ear to date, we have advanced our holdings by 71.2%."

f. On or about September 22, 2013, Investor A sent an email to WESSEL and to an email address that purported to belong to an accountant employed by Steeplechase USA ("Accountant 1"). In the email, Investor A requested the return of his/her initial investment and earnings. Investor A thanked WESSEL for the "splendid results."

g. On or about September 23, 2013, Investor A received a reply email purporting to be from Accountant 1. The email stated that Steeplechase USA would stop account activity and that the "first exit available by agreement is December 29, 2013." WESSEL was copied on the email correspondence.

h. Investor A requested that Steeplechase USA continue investing his/her money until December 29, 2013.

i. On or about September 23, 2013, WESSEL sent an email to Investor A that he was "[s]ad" to see Investor A leave the fund.

j. On or about October 22, 2013, WESSEL sent Investor A an email containing an update on Steeplechase USA's "long term holdings." According to WESSEL, as of October 21, 2013, five securities in Steeplechase USA's long-term portfolio gained between 27% and 61%. WESSEL concluded the email: "Just showing off!"

k. On or about December 31, 2013, at approximately 10:11 a.m., Investor A sent WESSEL an email again requesting the return of his/her investment and earnings.

l. On or about December 31, 2013, at approximately 10:29 a.m., WESSEL replied to Investor A's email and promised that his/her investment and earnings would be returned the same day.

m. On or about December 31, 2013, at approximately 11:11 a.m., Investor A received an email that purported to be from WESSEL to the "Members" of Steeplechase USA. The email contained a year-end update on Steeplechase USA's annual performance. According to WESSEL, Steeplechase USA's portfolio gained 167.66% during 2013 (compared to 145% in 2012). WESSEL also explained that the fund "had only twenty-three losing trading days" in 2013. WESSEL promised that "disbursement checks" were "being cut" and that "we will have them to you very soon." WESSEL then reported the year-end performance for six securities in Steeplechase USA's portfolio which, according to WESSEL, gained between 45% and 81%. Wessel concluded the email by boasting: "I think the word you're searching for is 'AMAZING.'"

n. On or about January 2, 2014, Investor A received an email from WESSEL in which WESSEL indicated that Investor A would receive his money "as soon as humanly possible."

o. On or about January 2, 2014, Investor A received an email that purported to be from Accountant 1 and replied to WESSEL's email described in paragraph 8(n). The email stated that Steeplechase USA receives "the disbursement from our two trading accounts, Dominick and Dominick and Schwab ... and then divide as appropriate and cut the checks."

9. Based upon a review of documents provided by Dominick & Dominick, a financial services firm based in New York ("Dominick & Dominick"), and Charles Schwab, a brokerage and banking firm, I have learned that neither Dominick & Dominick nor Charles Schwab have any accounts associated with Steeplechase USA, Windsor Capital, or STEVEN WESSEL, a/k/a "Wes Wessels," the defendant.

10. Based upon interviews with Investor A, I know that STEVEN WESSEL, a/k/a "Wes Wessels," did not return Investor A's money in January 2014, as promised.

11. Between in or about March 2014 and April 2014, at my direction, Investor A made consensually recorded phone calls with STEVEN WESSEL, a/k/a "Wes Wessels," the defendant. Based on my review of the recorded calls and my review of bank records for the Capital One Account, I have learned that:

a. On or about March 24, 2014, WESSEL told Investor A that his/her earnings stood at \$49,629.57 and that his/her "money is sitting exactly where it is. Nothing, nothing has changed, nothing has moved."

b. On or about March 24, 2014, the Capital One Account had a balance of \$568.67.

c. On or about April 16, 2014, WESSEL told Investor A that he (WESSEL) had "signed all the checks" and that Investor A should expect "a little more" than \$249,000. WESSEL further told Investor A that his/her investment and earnings would be returned via the "U.S. Post Office."

d. On or about April 16, 2014, the Capital One Account had a balance of \$4.06.

12. Based upon a review of bank records for the Capital One Account and a review of publicly available court records, I have learned that:

a. On or about June 28, 2013, before STEVEN WESSEL, a/k/a "Wes Wessels," the defendant, received the first wire transfer of \$100,000 from Investor A, the Capital One Account had a balance of \$45.14.

b. On or about July 1, 2013, the same day that Investor A wired \$100,000 to the Capital One Account, STEVEN WESSEL, a/k/a "Wes Wessels," the defendant, withdrew approximately \$75,000 from the Capital One Account and wrote two checks totaling approximately \$12,000 from the Capital One Account. None of those withdrawals and checks were related to Investor A's investment in Steeplechase USA.

c. Between on or about July 1, 2013 and on or about July 3, 2013, WESSEL used funds in the Capital One Account to purchase food, transportation and other personal items.

d. On or about July 1, 2013, WESSEL made a \$25,000 restitution payment to the United States District Court for the Southern District of New York, a payment obligation arising from

a prior judgment of conviction against WESSEL dated October 23, 2006.

e. On or about July 3, 2013, the same day that Investor A wired an additional \$100,000 to the Capital One Account, WESSEL wrote two checks totaling \$66,020 and withdrew \$40,000. None of the checks or withdrawals were related to Investor A's investment in Steeplechase USA.

f. For the remainder of July 2013, WESSEL used funds in the Capital One Account to spend thousands of dollars on personal expenses including, among other things, meals at restaurants in Manhattan.

g. On or about April 23, 2014, WESSEL received a wire transfer of \$550,000 from Investor B to the Capital One Account.

h. On or about April 23, 2014, WESSEL obtained a Capital One bank check for \$251,000 (the "Bank Check"). The money was drawn from the Capital One Account.

13. I have seen a copy of the Bank Check. The Bank Check is made payable to Investor A and the memo line states "Steeplechase USA".

14. From my review of publicly available records, I know that the Bank Check was sent via Federal Express to Investor A's residence in New Jersey.

15. Based on interviews I conducted with Investor B, who wired \$550,000 to STEVEN WESSEL, a/k/a "Wes Wessels," the defendant, a review of documents provided by Investor B, a review of electronic communications between WESSEL and Investor B, I have learned the following:

a. WESSEL represented to Investor B that he (WESSEL) owned a company that traded securities based on algorithms and that the company utilized Dominick & Dominick for brokerage services.

b. On or about February 19, 2014, WESSEL forwarded Investor B Steeplechase USA's 2013 year-end performance. Similar to the email described in paragraph 8(m) above, the email WESSEL sent to Investor B claimed that Steeplechase USA's portfolio substantially outperformed the market in 2013.

c. In or about early 2014, Investor B and WESSEL began to develop a business relationship. Specifically, WESSEL

successfully recruited Investor B to serve as an unpaid consultant to Windsor Capital.

d. In or about early 2014, WESSEL further represented to Investor B that he (WESSEL) was forming a company called Steeplechase Golf ("Steeplechase Golf") that would be a division of Windsor Capital. WESSEL proposed that Investor B join Steeplechase Golf as the Chief Operating Officer.

e. On or about February 18, 2014, WESSEL sent Investor B an email requesting that Investor B consider investing in Steeplechase USA. WESSEL asked Investor B to say "Yay/nay as quickly as you can please." Minutes later, Investor B declined by email. WESSEL responded "You're a big chicken."

f. In or about early April 2014, WESSEL asked Investor B to provide a bridge loan of \$550,000 for a Virginia Beach real estate investment (the "Virginia Beach Development"). WESSEL told Investor B that he (WESSEL) was personally investing his own money in the Virginia Beach Development. WESSEL further represented that Investor B's \$550,000 would be pooled with WESSEL's investment to provide bridge financing for the Virginia Beach Development.

g. Instead of investing directly in the Virginia Beach Development, Investor B agreed to loan WESSEL \$550,000. Investor B understood that the loan would be used to provide bridge financing for the Virginia Beach Development.

h. On or about April 22, 2014, WESSEL sent Investor B an email, forwarding what purported to be an email from an employee ("Employee 1") at Signature Bank ("Signature Bank"). In his email to Investor B, WESSEL wrote: "[Investor B]. . . here is a note from my banker. . . Obviously confidential. I'll bring two copies of loan agreement. . . you bring a bankers check. See you tonight." In the forwarded email, Employee 1 stated, in part, "Hi Wes, you asked we send a confirming note when we transacted a withdrawal of \$1,388,900.00 from your account *****2939 to the escrow account of [Investor C]. We advanced this at 10:50 AM this morning."¹ The forwarded email continued: "When he processes the loan agreement we have arranged, we have instructions on file from him to return to you this 'bridge' and 15% interest accumulated. The loan closing date is set now for August 29, 2014."

¹ Investor C is an individual who, according to STEVEN WESSEL, a/k/a "Wes Wessels," the defendant, was associated with the Virginia Beach Development.

i. Investor B told me that the email purporting to be from Employee 1 gave Investor B comfort that WESSEL intended to use the \$550,000 personal loan in connection with a legitimate real estate transaction, as WESSEL had promised.

j. In or about April 2014, after receiving the email described in paragraph 15(h) above, Investor B and WESSEL signed a loan agreement (the "Loan Agreement") under which Investor B agreed to provide WESSEL with a \$550,000 personal loan at a 15% interest rate. The Loan Agreement placed no restrictions on WESSEL's use of the money.

k. In or about May 2014, WESSEL told Investor B that the \$550,000 was being held in escrow in an account at Signature Bank.

l. Investor B does not know Investor A.

16. I have spoken with an investigator with Signature Bank about the email purporting to be from Employee 1 described in paragraph 15(h) above. From that conversation, I have learned that the email purporting to be from Employee 1 is fabricated.

17. Based upon a review of documents provided by Signature Bank, I have learned that Signature Bank does not have any account ending with "2939" associated with Steeplechase USA, Windsor Capital, or STEVEN WESSEL, a/k/a "Wes Wessels," the defendant.

18. Based upon a review of bank records for the Capital One Account, I have learned that:

a. After paying Investor A \$251,000 with funds provided by Investor B, STEVEN WESSEL, a/k/a "Wes Wessels," the defendant, withdrew tens of thousands of dollars in cash from the Capital One Account and spent thousands of dollars on, among other things, hotels, airfare, meals at restaurants, and purchases at cigar clubs.

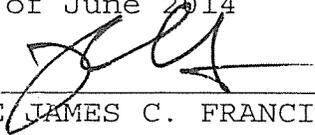
b. None of WESSEL's expenditures related to the Virginia Beach Development.

WHEREFORE, I respectfully request that an arrest warrant be issued for STEVEN WESSEL, a/k/a "Wes Wessels," the defendant, and that he be arrested and imprisoned or bailed, as the case may be.



JORDAN GOODMAN
Criminal Investigator
United States Attorney's Office

Sworn to before me this
23rd day of June 2014



HONORABLE JAMES C. FRANCIS IV
UNITED STATES MAGISTRATE JUDGE
SOUTHERN DISTRICT OF NEW YORK