

ORIGINAL

CLERK US DISTRICT COURT
NORTHERN DIST. OF TX
FILED

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

2019 SEP -6 PM 3:51

DEPUTY CLERK Ek

UNITED STATES OF AMERICA

NO.

v.

DONALD ANDREW ROTHMAN

3 - 19CR - 437 - S

INFORMATION

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times relevant to this Information:

Introduction

1. EarthWater Limited (f/k/a EarthWater PLC) was a United Kingdom company with its principal place of business in Dallas County, Texas. EWB International Inc., a subsidiary of EarthWater Limited, was a Texas corporation (together with EarthWater Limited, "EarthWater"). EarthWater maintained a bank account at Bank of America with account number ending in #2037. EarthWater's offices were located at 15455 Dallas Parkway, Addison, Texas, and 16220 Midway Road, Addison, Texas. EarthWater manufactures and sells bottled water that it claims is infused with special minerals mined from an 80-million-year-old deposit hidden in a secret location.

2. Defendant **DONALD ANDREW ROTHMAN**, a/k/a Don Andrews, d/b/a On the Hill, Inc., d/b/a Just Me To, Inc., was a citizen of the United States residing in Coral Springs, Florida.

COUNT ONE
(CONSPIRACY TO COMMIT MAIL AND WIRE FRAUD –
18 U.S.C. SECTION 1349)

The Conspiracy

3. From in or around 2014 through in or around May 2019, in Dallas, Dallas County, within the Northern District of Texas, and elsewhere, the defendant,

DONALD ANDREW ROTHMAN,

together with Cengiz Jan Comu, John Mervyn Price, Harley E. Barnes, III, Richard Laurence Kadish, Richard Lawrence Green, Daniel Thomas Broyles, Sr., and other co-conspirators known and unknown, knowingly combined, conspired, confederated, and agreed together, and with each other, to commit the following offenses:

a. To knowingly and willfully 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 the scheme and artifice to defraud, to knowingly and willfully place and caused to be placed in a post office and authorized depository for mail matter, and to be sent and delivered by the Postal Service and by a private and commercial interstate carrier, mail matter, specifically victim investments in EarthWater, in violation of Title 18, United States Code, Section 1341; and

b. To knowingly and willfully 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 the scheme to defraud, to knowingly and willfully transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce writings, signs, signals, pictures, and sounds, specifically wire transfers of victim investment funds into and from the bank account of EarthWater, in violation of Title 18, United States Code, Section 1343.

Purpose of the Conspiracy

4. The purposes of the conspiracy were to: (a) enrich **ROTHMAN** and his co-conspirators, who used the proceeds of the stock sales for their personal benefit; and (b) conceal the conspiracy.

Manner and Means of the Conspiracy and the Scheme to Defraud

5. It was part of the conspiracy and scheme to defraud, and among the manner and means by which the defendant and his co-conspirators carried out the conspiracy, that:

a. **ROTHMAN** and his co-conspirators targeted victim investors using telephone and email marketing to induce those victim investors to purchase EarthWater stock.

b. **ROTHMAN** used the alias "Don Andrews" and the email account "globalclientrelations@gmail.com" to mask his true identity and background from victim investors. Rothman was recruited by Green to sell EarthWater stock. **ROTHMAN**, in turn, recruited one or more individuals to sell EarthWater stock.

c. To induce victim investors to purchase EarthWater stock, **ROTHMAN** and his co-conspirators made numerous false and fraudulent representations, both in direct exchanges with victim investors and through published and publicly posted

materials. These false and fraudulent representations included, among other things, that EarthWater's stock was marketable, on the verge of an initial public offering (IPO), merger, or acquisition, and would have a value of at least \$5.00 per share after the IPO, merger, or acquisition. **ROTHMAN** and his co-conspirators then falsely represented that victims had only a brief opportunity to purchase EarthWater stock for anywhere from \$0.10 - \$0.50 per share in an unregistered offering—thus promising a high-yield return on victims' investments.

d. **ROTHMAN** and his co-conspirators falsely represented to victim investors that EarthWater would use ninety (90) percent of invested funds for new product development, global license and distribution, product inventories, marketing and public relations, working capital, legal/accounting/advisory, and cost contingencies. **ROTHMAN** and his co-conspirators also falsely represented to victim that fees paid to a broker-dealer with respect to sales of EarthWater shares in the unregistered offering (or "placement fees") would not exceed ten (10) percent of the purchase price of the shares.

e. **ROTHMAN** and his co-conspirators falsely represented to victim investors orally and in a Private Placement Memorandum they drafted and distributed to victim investors that certain of EarthWater's officers and employees, including Comu, Price, and Barnes, did not receive salaries from EarthWater in 2014, 2015, or 2016.

f. **ROTHMAN** and his co-conspirators withheld from victim investors material information about the anticipated and actual use of proceeds from the sale of EarthWater stock in the unregistered offering.

g. Once a victim investor agreed to purchase EarthWater stock, **ROTHMAN** and his co-conspirators continued to contact the victim investor to persuade the victim investor to make additional purchases of EarthWater stock to allegedly maximize the victim's investment gains.

h. In truth and in fact, **ROTHMAN** knew that the proceeds of EarthWater stock sales were not invested in EarthWater as described to victim investors, but paid out to him and his co-conspirators for their personal benefit.

i. To obtain victims' money, **ROTHMAN** and his co-conspirators instructed victim investors to mail payments for EarthWater stock to EarthWater at EarthWater's offices in Addison, Texas, or to wire payments directly into EarthWater's Bank of America bank account, which Comu, Price, and Barnes controlled.

j. Comu, Price, and Barnes received and deposited into EarthWater's bank account all victim payments mailed to EarthWater's offices in Addison, Texas. Comu, Price, and Barnes also monitored EarthWater's bank account for victim payments made by wire transfers directly into that account.

k. Upon Comu, Price, and Barnes' receipt of a victim's funds, Comu, Price, and Barnes, would issue and send the victim investor an EarthWater stock certificate that at least one of them had signed.

l. Once a victim investor's funds were deposited into EarthWater's bank account, Comu, Price, and Barnes distributed from that account, by check or wire transfer, sales commission payments totaling approximately forty-five (45) to fifty (50) percent of the victim's funds to the bank account(s) of the co-conspirator(s) who had contacted the

victim investor and induced the victim investor to purchase EarthWater stock. For each victim that **ROTHMAN** or his recruit defrauded, Kadish and Green, in turn, paid **ROTHMAN** a cut of the commission amounting to up to thirty-five percent of the victim's funds.

m. From the remaining victim funds that they did not pay as sales commission to **ROTHMAN**, and other co-conspirators, Comu, Price, and Barnes paid themselves salaries (including in 2014, 2015, and 2016), and used the funds for their own personal benefit, either directly or by transferring the funds to bank accounts controlled by them.

6. **ROTHMAN** and his co-conspirators used invested victim funds for their personal benefit, not to develop and operate EarthWater as represented in the Private Placement Memorandum and other promotional materials they drafted and distributed to victim investors.

7. **ROTHMAN** and his co-conspirators targeted persons over the age of 55 for solicitation.

8. The scheme perpetrated by **ROTHMAN** and his co-conspirators caused substantial financial hardship to at least 5 victims by causing each of them to suffer substantial loss of a retirement, education, and other savings and investment fund by fraudulently inducing them to purchase EarthWater stock.

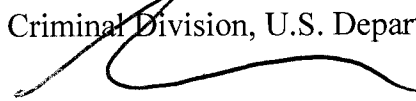
All in violation of Title 18, United States Code, Sections 1349 and 2326.

NOTICE OF FORFEITURE

Notice is hereby given of 18 U.S.C. § 982 and 28 U.S.C. § 2461(c). Under Section 2461(c), criminal forfeiture is applicable to any offenses for which forfeiture is authorized by any other statute, including but not limited to 18 U.S.C. § 981 and all specified unlawful activities listed or referenced in 18 U.S.C. § 1956(c)(7), which are incorporated as to proceeds by Section 981(a)(1)(C). The following property is subject to forfeiture in accordance with Section 982 and/or 2461(c):

- a. All property which constitutes or is derived from proceeds of the violations set forth in this Information;
- b. All property involved in such violations or traceable to property involved in such violations; and
- c. If, as set forth in 21 U.S.C. § 853(p), any property described in (a) or (b) cannot be located upon the exercise of due diligence, has been transferred or sold to, or deposited with, a third party, has been placed beyond the jurisdiction of the court, has been substantially diminished in value, or has been commingled with other property which cannot be divided without difficulty, all other property of the defendants to the extent of the value of the property described in (a) and (b).

ROBERT ZINK
CHIEF, FRAUD SECTION
Criminal Division, U.S. Department of Justice



CHRISTOPHER FENTON
Trial Attorney
christopher.fenton@usdoj.gov

WILLIAM H. BOWNE
Trial Attorney
william.bowne2@usdoj.gov
Fraud Section, Criminal Division
United States Department of Justice
1400 New York Avenue, NW
Washington, D.C. 20005
Telephone: (202) 514-0561
Fax: (202) 514-0152

ERIN NEALY COX
UNITED STATES ATTORNEY



Mary Walters
Assistant United States Attorney
Texas State Bar No. 24003138
1100 Commerce Street, Third Floor
Dallas, Texas 75242-1699
Telephone: 214-659-8600
Facsimile: 214-659-8812
Email: mary.walters@usdoj.gov