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F.# 2012R00410

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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GLEASON, J.
2012 JUL -5 PM 3:23
U.S. DISTRICT COURT
EASTERN DISTRICT
OF NEW YORK

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UNITED STATES OF AMERICA

- against -

ROLAND KAUFMANN and
JEAN-PIERRE NEUHAUS,

Defendants.

INDICTMENT
DOHOURELSKY, M.J.

CR 12-0439
(T. 18, U.S.C., §§ 371,
981(a) (1) (C), 982(a),
982(b) (1), 1343, 1348,
1952(a) (3) (A), 1956(a) (2) (A),
1956(h), 2 and 3551 et seq.; T.
21, U.S.C., § 853(p)
U.S.C., § 2461(c))

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THE GRAND JURY CHARGES:

INTRODUCTION

At all times relevant to this Indictment, unless otherwise indicated:

1. Axius, Inc. ("Axius") was a company incorporated in Nevada with its principal offices in Dubai, United Arab Emirates. Axius was a "Holding Company and Business Incubator" that purportedly developed promising businesses. Axius's shares were publicly traded under the ticker "AXIU" on the Over-the-Counter Bulletin Board and were securities registered under Section 12 of the Securities Exchange Act of 1934. Axius lost approximately \$624,459 in 2011 on revenues of approximately \$7,837, and its auditors expressed concern that Axius would go bankrupt.

2. The defendant ROLAND KAUFMANN was a foreign citizen residing abroad and the CEO of Axius. KAUFMANN controlled substantially all of the shares of Axius.

3. The defendant JEAN-PIERRE NEUHAUS was a finance professional residing abroad who arranged stock transactions.

THE FRAUDULENT SCHEME

4. The defendants ROLAND KAUFMANN and JEAN-PIERRE NEUHAUS agreed to defraud investors in Axius stock by bribing brokers and manipulating the share price of Axius common stock. As part of that scheme they enlisted John Doe, an undercover law enforcement agent, to assist them. KAUFMANN and NEUHAUS believed that John Doe controlled a network of stockbrokers in the United States who had discretionary authority to trade stocks on behalf of their clients and that these brokers would purchase shares of Axius that were owned or controlled by KAUFMANN in return for a secret kickback of approximately 26 to 28 percent of the share price. KAUFMANN and NEUHAUS instructed John Doe as to what price the brokers should pay for the stock, and KAUFMANN specifically instructed John Doe that brokers should pay gradually higher prices for the shares they were buying. KAUFMANN and NEUHAUS directed John Doe that the brokers must refrain from selling the Axius shares they purchased on behalf of their clients for a one-year period. By preventing sales of Axius

stock, KAUFMANN and NEUHAUS intended to maintain the fraudulently inflated share price for Axius stock.

5. During telephone conversations with John Doe in February 2012, the defendants ROLAND KAUFMANN and JEAN-PIERRE NEUHAUS agreed to sell Axius shares that would be purchased by John Doe's brokers using their clients' money. KAUFMANN and NEUHAUS agreed that they would sell a total of \$3.5 million to \$5 million of Axius shares over three months in this manner, at an initial price of \$3.50 per share. KAUFMANN, NEUHAUS and John Doe also agreed that the brokers' clients would not be informed of the large payments the brokers would be receiving, and KAUFMANN and NEUHAUS agreed to help conceal the payments. KAUFMANN and NEUHAUS also agreed to execute smaller test transactions with John Doe to iron out the logistics of the stock sales.

6. On or about February 16, 2012, pursuant to the fraudulent plan, the defendant ROLAND KAUFMANN sold 7,000 shares of Axius stock at \$3.50 per share, for a total that day of \$24,500. John Doe caused those 7,000 shares of stock to be purchased for \$3.50 per share and then emailed KAUFMANN and the defendant JEAN-PIERRE NEUHAUS stating, "Done. Speak with you tomorrow." KAUFMANN responded to that email message stating, "My pleasure and have a nice evening."

7. On or about February 17, 2012, pursuant to the fraudulent plan, the defendant ROLAND KAUFMANN again sold, and John

Doe again caused to be purchased, 7,000 shares of Axius stock at \$3.50 per share, for a total that day of \$24,500 and a total for both of the test transactions of \$49,000. John Doe then emailed KAUFMANN and the defendant JEAN-PIERRE NEUHAUS stating, "Done again. Good evening." KAUFMANN responded thanking John Doe.

8. On or about February 19, 2012, the defendant ROLAND KAUFMANN caused his bank to wire the agreed-upon payment for the stock purchases to John Doe. On February 27, 2012, John Doe received \$13,700, approximately 28 percent of the total purchase price, by wire from KAUFMANN into an account at a bank in the Eastern District of New York.

9. On or about March 8, 2012, the defendants JEAN-PIERRE NEUHAUS and ROLAND KAUFMANN met John Doe at a restaurant in New York City. During that meeting, KAUFMANN stated that he wanted to inflate artificially the price of Axius's shares by having his sell orders and the brokers' buy orders placed at gradually higher prices, with the aim of reaching \$5.00 per share. NEUHAUS agreed on this aspect of the plan.

COUNT ONE

(Conspiracy to Commit Securities Fraud and
to Violate the Travel Act)

10. The allegations contained in paragraphs 1 through 9 are realleged and incorporated as if fully set forth in this paragraph.

11. In or about and between July 2011 and March 2012, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants ROLAND KAUFMANN and JEAN-PIERRE NEUHAUS, together with others, knowingly and intentionally conspired:

(a) to execute a scheme and artifice to defraud one or more persons in connection with Axius common stock and to obtain, by means of materially false and fraudulent pretenses, representations and promises, money and property in connection with purchases and sales of Axius common stock, contrary to Title 18, United States Code, Section 1348; and

(b) to travel in interstate and foreign commerce and use facilities in interstate and foreign commerce, with intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of unlawful activity, specifically, commercial bribery, in violation of New York Penal Law Sections 180.00, 180.05 and 20.00, and thereafter perform acts to promote, manage, establish, carry on and facilitate the promotion, management, establishment and carrying on of such unlawful activity, contrary to Title 18, United States Code, Section 1952(a)(3)(A).

12. In furtherance of the conspiracy and to effect its objects, within the Eastern District of New York and elsewhere, the defendants ROLAND KAUFMANN and JEAN-PIERRE NEUHAUS, together with others, committed and caused to be committed, among others, the following:

OVERT ACTS

(a) On or about February 1, 2012, NEUHAUS sent an email message to John Doe in the Eastern District of New York

containing information about Axius and stating that NEUHAUS had discussed the possible Axius transaction with KAUFMANN.

(b) On or about February 8, 2012, KAUFMANN and NEUHAUS discussed the fraudulent plan with John Doe by telephone. John Doe participated in the call from within the Eastern District of New York.

(c) On or about February 16, 2012, KAUFMANN and NEUHAUS again discussed the fraudulent plan with John Doe by telephone. John Doe again participated in the call from within the Eastern District of New York.

(d) On or about February 16, 2012, KAUFMANN sold 7,000 shares of Axius stock at the pre-arranged price of \$3.50 per share.

(e) On or about February 17, 2012, KAUFMANN again sold 7,000 shares of Axius stock at the pre-arranged price of \$3.50 per share.

(f) On or about February 17, 2012, NEUHAUS emailed John Doe seeking a bank address to enable KAUFMANN to wire John Doe his fee for the initial test transactions.

(g) On or about February 19, 2012, KAUFMANN wired John Doe's fee of \$13,700 to John Doe at a bank in the Eastern District of New York.

(h) On or about March 7, 2012, KAUFMANN and NEUHAUS flew to the United States to discuss the plan with John Doe in person. KAUFMANN and NEUHAUS arrived at an airport in the Eastern District of New York.

(i) During an in-person meeting on March 8, 2012, KAUFMANN and NEUHAUS further discussed details of the plan with John Doe, including KAUFMANN's plan that they gradually increase the price of Axius's shares until it reached \$5.00 per share.

(Title 18, United States Code, Sections 371 and 3551 et seq.)

COUNT TWO
(Securities Fraud)

13. The allegations contained in paragraphs 1 through 9 are realleged and incorporated as if fully set forth in this paragraph.

14. In or about and between July 2011 and March 2012, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants ROLAND KAUFMANN and JEAN-PIERRE NEUHAUS, together with others, did knowingly and intentionally execute and attempt to execute a scheme and artifice to defraud one or more persons in connection with Axius common stock and to obtain, by means of materially false and fraudulent pretenses,

representations and promises, money and property in connection with purchases and sales of Axius common stock.

(Title 18, United States Code, Sections 1348, 2 and 3551 et seq.)

COUNT THREE
(Wire Fraud)

15. The allegations contained in paragraphs 1 through 9 are realleged and incorporated as if fully set forth in this paragraph.

16. In or about and between July 2011 and March 2012, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants ROLAND KAUFMANN and JEAN-PIERRE NEUHAUS, together with others, did knowingly and intentionally devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises.

17. On or about February 19, 2012, for the purpose of executing the scheme and artifice, and attempting to do so, the defendants ROLAND KAUFMANN and JEAN-PIERRE NEUHAUS, together with others, transmitted and caused to be transmitted, by means of wire communications in interstate and foreign commerce, writings, signs, signals, pictures and sounds, specifically a wire transfer of \$13,700

from outside the United States to John Doe's bank account in the Eastern District of New York.

(Title 18, United States Code, Sections 1343, 2 and 3551 et seq.)

COUNT FOUR
(Travel Act Violation)

18. The allegations contained in paragraphs 1 through 9 are realleged and incorporated as if fully set forth in this paragraph.

19. In or about and between January 2012 and March 2012, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants ROLAND KAUFMANN and JEAN-PIERRE NEUHAUS, together with others, did knowingly and intentionally use facilities in interstate and foreign commerce, with intent to promote, manage, establish, carry on and facilitate the promotion, management, establishment, and carrying on of unlawful activity, specifically, commercial bribery, in violation of New York Penal Law Sections 180.00, 180.05 and 20.00, and thereafter did perform and attempt to perform acts to promote, manage, establish, carry on and facilitate commercial bribery.

(Title 18, United States Code, Sections 1952(a)(3)(A), 2 and 3551 et seq.)

COUNT FIVE
(Money Laundering Conspiracy)

20. The allegations contained in paragraphs 1 through 9 are realleged and incorporated as if fully set forth in this paragraph.

21. In or about and between July 2011 and March 2012, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants ROLAND KAUFMANN and JEAN-PIERRE NEUHAUS, together with others, did knowingly and intentionally conspire to transport, transmit, and transfer monetary instruments and funds to a place in the United States from and through a place outside the United States with the intent to promote the carrying on of fraud in the sale of securities, a specified unlawful activity, contrary to Title 18, United States Code, Section 1956(a)(2)(A).

(Title 18, United States Code, Sections 1956(h) and 3551 et seq.)

COUNT SIX
(Money Laundering)

22. The allegations contained in paragraphs 1 through 9 are realleged and incorporated as if fully set forth in this paragraph.

23. On or about February 19, 2012, within the Eastern District of New York and elsewhere, the defendants ROLAND KAUFMANN

and JEAN-PIERRE NEUHAUS, together with others, did knowingly and intentionally transport, transmit and transfer monetary instruments and funds to a place in the United States from and through a place outside the United States with the intent to promote the carrying on of specified unlawful activity, specifically, fraud in the sale of securities.

(Title 18, United States Code, Sections 1956(a)(2)(A), 2 and 3551 et seq.)

CRIMINAL FORFEITURE ALLEGATION
AS TO COUNTS ONE THROUGH FOUR

24. The United States hereby gives notice to the defendants charged in Counts One through Four that, upon their conviction of any such offenses, the government will seek forfeiture in accordance with Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), which require any person convicted of such offenses to forfeit any property constituting or derived from proceeds obtained directly or indirectly as a result of such offenses, including but not limited to the following:

MONEY JUDGMENT

(a) A sum of money equal to all proceeds traceable to such offenses, for which the defendants are jointly and severally liable;

SPECIFIC PROPERTY

(b) \$49,000 in United States currency, representing the proceeds of sales of Axius common stock on or about February 16, 2012 and February 17, 2012, and all proceeds traceable thereto.

25. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

(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 divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of such defendants up to the value of the forfeitable property described in this forfeiture allegation.

(Title 28, United States Code, Section 2461(c); Title 18, United States Code, Section 981(a)(1)(C); Title 21, United States Code, Section 853(p))

CRIMINAL FORFEITURE ALLEGATION
AS TO COUNTS FIVE AND SIX

26. The United States hereby gives notice to the defendants charged in Counts Five and Six that, upon their conviction of either offense, the government will seek forfeiture in accordance with Title 18, United States Code, Section 982(a), of all property involved in each offense of conviction in violation of Title 18, United States Code, Section 1956, or conspiracy to commit such offenses, and all property traceable to such property, including but not limited to, the following:

MONEY JUDGMENT

(a) A sum of money equal to all property involved in such offenses, for which the defendants are jointly and severally liable;

SPECIFIC PROPERTY

(b) \$49,000 in United States currency, representing the proceeds of sales of Axius common stock on or about February 16, 2012 and February 17, 2012, and all proceeds traceable thereto.

27. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

(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 divided without difficulty;


it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b), to seek forfeiture of any other property of such defendants up to the value of the forfeitable property described in this forfeiture allegation.

(Title 18, United States Code, Sections 982(a) and 982(b)(1))

A TRUE BILL


FOREPERSON


LORETTA E. LYNCH
UNITED STATES ATTORNEY
EASTERN DISTRICT OF NEW YORK


DENIS J. MCINERNEY
CHIEF
FRAUD SECTION, CRIMINAL DIVISION
UNITED STATES DEPARTMENT OF JUSTICE

No. _____ Action: _____

UNITED STATES DISTRICT COURT

EASTERN District of NEW YORK

CRIMINAL Division

THE UNITED STATES OF AMERICA

vs.

ROLAND KAUFMANN and JEAN-PIERRE NEUHUS,

Defendant.

INDICTMENT

(T. 18, U.S.C., §§ 371, 981(a)(1)(C), 982(a), 982(b)(1), 1343, 1348, 1952(a)(3)(A), 1956(a)(2)(A), 1956(h), 2 and 3551 et seq.; T. 21, U.S.C., § 853(p); T. 28, U.S.C., § 2461(c))

A true bill.

Robert Laprus

Foreman

Filed in open court this _____ day,

of _____ A.D. 20 _____

Clerk

Bail, \$ _____

Shannon C. Jones, Assistant U.S. Attorney (718) 254-6379