

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
 :
 v. : Crim. No. 13-
 :
 RALPH A. SAVIANO : 18 U.S.C. § 1343 and § 2

INFORMATION

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

1. At all times relevant to this Information:

a. Defendant SAVIANO resided in Somerset, New Jersey. Defendant SAVIANO held Series 7, 24, and 63 securities licenses and worked in the financial industry for more than forty years.

b. Centaurus Financial, Inc. ("Centaurus") is a dually registered investment advisor and broker-dealer with its principal place of business in Anaheim, California. Centaurus provides a broker-dealer platform for over 600 independent financial advisors across the United States.

The Scheme to Defraud

2. From at least as early as May 2012 through in or about October 2012, in Somerset County, in the District of New Jersey, and elsewhere, defendant

RALPH A. SAVIANO

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, and,

for the purpose of executing and attempting to execute such scheme and artifice, did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds, as set forth below.

Object of the Fraud

3. The object of the fraud was for defendant SAVIANO to contrive to misappropriate monies that investors gave to him to invest, and instead to use the monies to support his lavish lifestyle.

Manner and Means of the Fraud

4. From as early as July 2007 through in or about June 2012, defendant SAVIANO worked in Somerset, New Jersey as an independent contractor, financial advisor, registered broker-dealer, and unregistered investment advisor associated with Centaurus. During this time, defendant SAVIANO had approximately 300 clients, many of whom were unsophisticated investors between the ages of 60-85, whom defendant SAVIANO had known for many years and who trusted defendant SAVIANO's financial experience and advice. Since at least July 2012, including after his termination from Centaurus, defendant SAVIANO conducted business under the name Saviano Financial Group ("SFG"), an unincorporated d/b/a, where he provided financial advice to his clients and solicited investments from them.

5. In furtherance of his fraud, defendant SAVIANO targeted

clients with whom he had developed close personal relationships and who defendant SAVIANO knew were about to receive significant amounts of cash, such as maturing certificates of deposit ("CDs").

6. Defendant SAVIANO would propose to his clients that they invest the funds from their maturing CDs into interest bearing low-risk investments or into SFG via "business loans," which defendant SAVIANO said he would use solely for business expenses, such as SFG's advertising and payroll. Defendant SAVIANO would tell his clients that their funds were as secure as their CDs, and he sometimes referred to their funds as "private CDs."

7. Instead of investing his clients' funds or using the funds solely for SFG, however, defendant SAVIANO also used the proceeds to repay prior "loans" from other clients, in Ponzi scheme fashion, and to pay for various personal expenses, such as:

- a. granite countertops and other home improvements (at least approximately \$33,400);
- b. cash payments to himself and other family members (at least approximately \$18,100);
- c. home mortgage and personal rent payments (at least approximately \$10,600)
- d. a family vacation to Aruba and a theater donation (at least approximately \$6,300); and
- e. jewelry and clothing (at least approximately \$2,800).

Client L.B.

8. In or about May 2012, defendant SAVIANO's client, L.B., who was approximately 85 years old, gave him approximately \$63,000 that she recently had received from a mature CD. Defendant SAVIANO

accompanied L.B. to her bank to redeem the CD and instructed L.B. to make the proceeds from the CD payable to him. L.B. provided this money to defendant SAVIANO to invest in two investment funds. Instead of investing L.B.'s money, however, defendant SAVIANO misappropriated it for his personal use.

9. On or about June 28, 2012, an individual contacted defendant SAVIANO on behalf of L.B. to inquire about the status of, and return on, L.B.'s investment. During this consensually recorded phone call, defendant SAVIANO told the individual that L.B.'s money had been invested in the two investment funds when, in fact, none of L.B.'s money had been invested. To date, defendant SAVIANO has not returned to L.B. the approximately \$63,000 principal of her investment; nor has L.B. received any interest payments on those funds.

10. It was further part of defendant SAVIANO's scheme and artifice to defraud L.B. that, in or about May 2012, as a result of L.B. investing with defendant SAVIANO, an interstate electronic wire transfer of approximately \$63,000 was transmitted from a Magyar Bank account located in New Brunswick, New Jersey to a TD Bank account located in Philadelphia, Pennsylvania.

Client C.Y.

11. In or about June 2012, defendant SAVIANO's client, Y.C., who was approximately 80 years old and suffering from cancer, provided defendant SAVIANO with approximately \$75,000 -- an inheritance from her recently deceased sister-in-law -- via a check

made out to cash with the words "Financial Investment" in the memo field.

12. From in or about late September 2012 through in or about early October 2012, C.Y. called defendant SAVIANO at SFG in Somerset, New Jersey, from C.Y.'s residence in Virginia, to inquire about the status of, and return on, her investment. According to C.Y., in furtherance of defendant SAVIANO's scheme to defraud C.Y., he informed her that "he was working on it," that he forgot C.Y. wanted monthly disbursements of \$400-\$500, and that he needed to file additional paperwork in order to process these disbursements. C.Y. called defendant SAVIANO at SFG in New Jersey several more times from her residence in Virginia with no success and, to date, he has not returned to C.Y. the approximately \$75,000 principal of her investment; nor has C.Y. received any interest payments on those funds. Instead of investing C.Y.'s money, defendant SAVIANO misappropriated it for his personal use.

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

FORFEITURE ALLEGATION

1. The allegations contained in this Information are incorporated by reference as though set forth in full herein for the purpose of noticing forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

2. The United States hereby gives notice to defendant SAVIANO that, upon conviction of the offense charged in this Information, 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 requires any person convicted of such offense to forfeit any property constituting or derived from proceeds obtained directly or indirectly as a result of such offense.

3. If any of the above-described forfeitable property, as a result of any act or omission of the defendant SAVIANO:

(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 the defendant up to the value of the forfeitable property described in paragraph 2.



PAUL J. FISHMAN
UNITED STATES ATTORNEY

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INFORMATION FOR

18 U.S.C. §§ 1343 and 2

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