UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

UNITED STATES OF AMERICA CRIMINAL NO. 3:17CR 177 (JAM)

v. VIOLATIONS:

BRIAN FERRAIOLI

18 U.S.C. Section 1349
(Conspiracy to Commit Mail and Wire Fraud)

26 U.S.C. Section 7201
(Tax Evasion)

United States District Court
District of Connecticut
FILED AT NEW HAVEN
8.9 2017
Roberta D. Tabora, Clerk
By [signature]
Deputy Clerk

INFORMATION

The United States Attorney charges:

COUNT ONE
(Conspiracy to Commit Mail and Wire Fraud)

1. From in or about January 2009 until in or about July 2016, in the District of Connecticut and elsewhere, the defendant, BRIAN FERRAIOLI, willfully and knowingly did combine, conspire, confederate, and agree with others known to the United States Attorney to commit mail and wire fraud, in violation of Title 18, United States Code, Sections 1341 and 1343.

2. The object and purpose of the conspiracy was for FERRAIOLI and his co-conspirators to enrich themselves by knowingly and willfully devising and intending to devise a scheme to defraud investors and to obtain money from these investors by means of materially false and fraudulent pretenses, representations, and promises, and to use the mails and interstate wires in execution of that scheme.

3. The manner and means by which FERRAIOLI and his co-conspirators executed the conspiracy and scheme to defraud included: (a) inducing investors to

purchase securities by making false and misleading representations concerning the securities and the issuing companies; (b) causing the price of those securities to become falsely inflated; (c) causing to be sold the positions in those securities of conspirators and their designees at those falsely inflated prices, thereby enriching the members of the conspiracy; and (d) thereafter allowing the price of the securities to fall, leaving investors with worthless and unsalable stock.

All in violation of Title 18, United States Code, Section 1349.

COUNT TWO
(Tax Evasion)

4. At all relevant times, FERRAIOLI was a resident of New York.

5. Substantially all of FERRAIOLI's income was the proceeds of criminal activity, namely the conspiracy to commit mail and wire fraud described in Count One of this Information.

6. FERRAIOLI willfully attempted to evade federal income taxes he owed the United States of America for calendar year 2015 by, among other means, (a) diverting his share of the scheme's proceeds into bank accounts in the names of various shell entities controlled by FERRAIOLI; (b) withdrawing cash from those accounts; (c) paying personal expenses from those accounts; and (d) dramatically underreporting his income on the U.S. Individual Income Tax Return, Form 1040, that he filed with the Internal Revenue Service for calendar year 2015. As a result of these affirmative steps, FERRAIOLI reported only $19,000 in income and paid $3,109 in federal income taxes in calendar year 2015. In fact, as FERRAIOLI then

and there knew, in 2015 his total taxable income was $271,040, and he owed the United States of America an additional $80,874 in federal income taxes.

All in violation of Title 26, United States Code, Section 7201.

UNITED STATES OF AMERICA

DEIRDRE M. DALY
UNITED STATES ATTORNEY

AVI M. PERRY
ASSISTANT UNITED STATES ATTORNEY