

EOC:KMB:JGP
F.#2000R0263

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
- - - - - X

UNITED STATES OF AMERICA

I N D I C T M E N T

- against -

JONATHAN WINSTON,
JASON COHEN,
HUNTER ADAMS,
MICHAEL REITER,
GREGG ADAMS,
JAMES BILA,
CHRISTIAN BLAKE,
STEVEN COHEN,
LOUIS FACCHINI, JR.,
JOHN GREMMO,
DAVID HIRSCH,
ROBERTO MANGIARANO,
JOSEPH MANNINO,
DAVID MARGULES,
JAMES PELLIZZI,
DAVID PESSO,
MICHAEL PUGLIESE,
CHRIS RUSSO,
HOWARD WEINSTEIN and
ROBERT WINSTON,

Cr. No. _____
(T. 15, U.S.C.,
§§ 78j(b) and 78ff;
T. 21, U.S.C., § 853;
T. 18, U.S.C., §§ 371,
982, 1341, 1343, 1346,
1956(a)(1)(A)(i),
1956(a)(1)(B)(i),
1956(a)(2)(B)(i),
1956(h),
1957(a)(1)(A)(i),
2 and 3551 et seq.)

Defendants.

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THE GRAND JURY CHARGES:

At all times relevant to this Indictment:

INTRODUCTION

The Brokerage Firms

_____1. From approximately February 1994 through March 1998, First United Equities Corporation ("First United") was a broker-dealer of securities registered with the United States

Securities and Exchange Commission ("SEC") and the National Association of Securities Dealers, Inc. ("NASD"). First United's principal office was located at 200 Garden City Plaza, Suite 518, Garden City, New York. First United's other offices were located in New York, New York and in Woodbridge, New Jersey. First United underwrote initial public offerings of securities ("IPOs"), was a "market maker" in various securities, and offered a variety of brokerage services to retail customers. First United employed traders, who purchased and sold securities for First United's own accounts. First United also employed stock brokers, sometimes referred to as "registered representatives," who sold securities to First United's clients. At various times relevant to this Indictment, First United employed as many as approximately 40 brokers.

2. In or about October 1996, a group of individuals associated with First United formed AGS Financial Group, a broker-dealer of securities registered with the SEC and the NASD. AGS Financial Group's principal office was located at 208 South LaSalle Street, Suite 2059, Chicago, Illinois. AGS Financial Group also had an office located at 541 Lexington Avenue, New York, New York. AGS Financial Group was a "market maker" in various securities and offered a variety of brokerage services to retail customers. AGS Financial Group employed traders, who purchased and sold securities for AGS Financial Group's own

accounts, and stock brokers who sold securities to AGS Financial Group's clients.

3. On or about April 11, 1997, a group of individuals associated with First United formed Lexington Capital, a broker-dealer of securities registered with the SEC and the NASD. Lexington Capital's principal office was located at 1300 Veterans Memorial Highway, Hauppauge, New York. Lexington Capital was a "market maker" in various securities and offered a variety of brokerage services to retail customers. Lexington Capital employed traders, who purchased and sold securities for Lexington Capital's own accounts, and stock brokers who sold securities to Lexington Capital's clients.

The Management of the Brokerage Firms

_____4. From approximately February 1994 through March 1998, the defendants JONATHAN WINSTON and JASON COHEN were registered with the NASD as principals of First United. In this capacity, JONATHAN WINSTON and JASON COHEN were authorized to manage and supervise First United's brokers. The defendant HUNTER ADAMS was an undisclosed and unregistered principal of First United. JONATHAN WINSTON, JASON COHEN and HUNTER ADAMS were responsible for the overall management of First United, including the management and supervision of First United's brokers.

_____5. From approximately April 1997 through August 1998, the defendants HUNTER ADAMS, GREGG ADAMS and ROBERTO MANGIARANO, as undisclosed and unregistered principals of Lexington Capital, managed and supervised Lexington Capital's brokers without being licensed by the NASD to do so and were responsible for its overall management.

_____6. From approximately October 1996 through March 1998, the defendants JONATHAN WINSTON and HUNTER ADAMS, as undisclosed and unregistered principals of AGS Financial Group, managed and supervised AGS Financial Group's brokers without being licensed by the NASD to do so and were responsible, along with others, for its overall management.

The Defendants

7. The defendant JONATHAN WINSTON, in addition to being a registered principal and owner of record of First United and an undisclosed principal of AGS Financial Group, was a registered representative of First United from approximately February 1994 through December 1997. JONATHAN WINSTON was identified as Vice Chairman of First United.

8. The defendant JASON COHEN, in addition to being a registered principal and owner of record of First United, was a registered representative of First United from approximately February 1994 through December 1997. JASON COHEN was identified as Chairman of the Board at First United.

9. The defendant HUNTER ADAMS, in addition to being an undisclosed principal of First United, Lexington Capital and AGS Financial Group, was a registered representative of First United from approximately June 1995 through December 1996. HUNTER ADAMS was an associate of the Gambino Organized Crime Family.

10. The defendant MICHAEL REITER was an associate of the Gambino Organized Crime Family and a promoter of several stocks of which First United was a market maker.

11. The defendant GREGG ADAMS is the brother of the defendant HUNTER ADAMS and was a registered representative of First United from approximately April 1995 through April 1997, and a registered representative of Lexington Capital from approximately April 1997 through August 1998. While employed by First United, GREGG ADAMS was identified as its Senior Vice President.

12. The defendant CHRISTIAN BLAKE was a registered representative of First United from approximately May 1995 through May 1997 and a registered representative of Lexington Capital from approximately August 1997 through August 1998.

13. The defendant JAMES BILA was a registered representative of First United from approximately June 1995 through April 1997 and a registered representative of Lexington Capital from approximately April 1997 through August 1998.

14. The defendant STEVEN COHEN is the brother of the defendant JASON COHEN and was a registered representative of First United from approximately March 1995 through March 1998.

15. The defendant LOUIS FACCHINI, JR. was a registered representative of First United from approximately September 1995 through July 1996.

16. The defendant JOHN GREMMO was employed by First United as its Head Trader from approximately January 1995 through December 1997.

17. The defendant DAVID HIRSCH was a registered representative of First United from approximately January 1995 through March 1998. While employed by First United, HIRSCH was identified as its Sales Manager.

18. The defendant ROBERTO MANGIARANO, in addition to being a undisclosed principal of Lexington Capital, was a registered representative of First United from approximately March 1995 through April 1997 and a registered representative of Lexington Capital from approximately June 1997 through March 1998. While employed by First United and later by Lexington Capital, MANGIARANO was identified as the firms' Senior Vice President.

19. The defendant JOSEPH MANNINO was a registered representative of First United from approximately March 1995

through April 1997 and a registered representative of Lexington Capital from approximately May 1997 through August 1998.

20. The defendant DAVID MARGULES was a registered representative of First United from approximately June 1997 through October 1997.

21. The defendant JAMES PELLIZZI was a registered representative of First United from approximately May 1995 through April 1997.

22. The defendant DAVID PESSO was a registered representative of First United from approximately May 1995 through September 1996.

23. The defendant MICHAEL PUGLIESE was a registered representative of First United from approximately July 1995 through April 1997 and a registered representative of Lexington Capital from approximately April 1997 through August 1998.

24. The defendant CHRIS RUSSO was a registered representative of First United from approximately September 1995 through April 1997 and a registered representative of Lexington Capital from approximately April 1997 through August 1998.

25. The defendant HOWARD WEINSTEIN was a registered representative of First United from approximately January 1995 through March 1998.

26. The defendant ROBERT WINSTON is the brother of the defendant JONATHAN WINSTON and was a registered representative of First United from approximately April 1996 through November 1997.

The Fraud Scheme

27. From approximately February 1994 through March 1998, the defendants JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS, MICHAEL REITER, GREGG ADAMS, JAMES BILA, CHRISTIAN BLAKE, STEVEN COHEN, LOUIS FACCHINI, JR., JOHN GREMMO, DAVID HIRSCH, ROBERTO MANGIARANO, JOSEPH MANNINO, DAVID MARGULES, JAMES PELLIZZI, DAVID PESSO, MICHAEL PUGLIESE, CHRIS RUSSO, HOWARD WEINSTEIN and ROBERT WINSTON, together with others, participated a scheme to manipulate the market price of stock and stock warrants that traded on the NASDAQ National Market System ("NASDAQ"), the NASDAQ Small Capitalization stock market, the Over-the-Counter Bulletin Board stock market and the Philadelphia Stock Exchange, and engaged in other deceptive sales practices with respect to public consumers.

28. From approximately August 1995 through August 1998, the defendants JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS, MICHAEL REITER, GREGG ADAMS, ROBERTO MANGIARANO, together with others, arranged for First United and Lexington Capital to acquire control over large blocks of stock and stock warrants of various thinly capitalized, start-up companies (hereinafter referred to as "House Stocks"). JONATHAN WINSTON, JASON COHEN

and HUNTER ADAMS, together with others, acquired shares of the House Stocks for little or no consideration, usually by paying kickbacks or prearranging trades with those who controlled the House Stocks. JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS, REITER, GREGG ADAMS and MANGIARANO, together with others, owned and controlled their shares of House Stocks in accounts in names other than their own (referred to herein as "nominee" accounts).

29. The House Stocks, each followed by the abbreviation used in connection with public trading of the stock, included, among others, the following:

- a. Ashton Technology Group, Inc., "ASTN" (hereinafter referred to as "Ashton");
- b. EquiMed, Inc., "EQMD" (hereinafter referred to as "EquiMed");
- c. IRT Industries, Inc., "IRTG" (hereinafter referred to as "IRT");
- d. Mama Tish's Italian Specialties, Inc., "MAMA" (hereinafter referred to as "Mama Tish's"); and
- e. National Medical Financial Services Corporation, "NMFS" (hereinafter referred to as "National Medical").

30. After acquiring control of the House Stocks, the defendants JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS, MICHAEL REITER, GREGG ADAMS, JAMES BILA, CHRISTIAN BLAKE, STEVEN COHEN,

LOUIS FACCHINI, JR., JOHN GREMMO, DAVID HIRSCH, ROBERTO MANGIARANO, JOSEPH MANNINO, DAVID MARGULES, JAMES PELLIZZI, DAVID PESSO, MICHAEL PUGLIESE, CHRIS RUSSO, HOWARD WEINSTEIN and ROBERT WINSTON, together with others, created artificial market demand for the purpose of inflating the price of House Stocks. Among other manipulative means, the defendants, together with others: (i) made and caused to be made materially false and fraudulent representations to retail customers in order to induce those customers to purchase House Stocks; (ii) used and caused to be used high pressure and deceptive sales tactics in order to induce retail customers to purchase House Stocks; (iii) paid and accepted excessive, undisclosed commissions and sales credits to sell House Stocks, including allotments of Ashton stock warrants; (iv) made and caused to be made unauthorized trades in retail customer accounts; (v) operated an unregistered branch office in Woodbridge, New Jersey; and (vi) authorized unregistered brokers and cold callers routinely to misrepresent to customers that they were registered brokers when selling House Stocks.

31. The high pressure and deceptive sales tactics used by brokers at First United and Lexington Capital included, among others, the following: (a) recommending a better-known and more established non-House Stocks to potential new customers to lure them to open an account and then inducing them to purchase House Stocks; (b) forecasting enormous returns on investments without a

reasonable basis for doing so; (c) luring customers to buy or hold House Stocks by promising that the customer would be allowed to participate in future lucrative private placements, bridge loans and initial public offerings; and (d) verbally abusing customers who resisted advice to buy or hold House Stocks.

32. When the price of the House Stocks rose as a result of these unlawful techniques, the defendants JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS, MICHAEL REITER, GREGG ADAMS, ROBERTO MANGIARANO, together with others, sold their shares of House Stocks from nominee accounts to First United's and Lexington Capital's customers at a substantial profit. First United and Lexington Capital also obtained a percentage of the proceeds of these sales of House Stocks and used this money to further the fraudulent sale of House Stocks.

33. The defendants and other participants in the scheme sought to maintain the price of the House Stocks held by First United's and Lexington Capital's customers so that the scheme would go undetected and a large reservoir of First United's and Lexington Capital's customers could be solicited again in the future to purchase artificially inflated House Stocks.

34. The defendants JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS, MICHAEL REITER, GREGG ADAMS, JAMES BILA, CHRISTIAN BLAKE, STEVEN COHEN, LOUIS FACCHINI, JR., JOHN GREMMO, DAVID

HIRSCH, ROBERTO MANGIARANO, JOSEPH MANNINO, DAVID MARGULES, JAMES PELLIZZI, DAVID PESSO, MICHAEL PUGLIESE, CHRIS RUSSO, HOWARD WEINSTEIN and ROBERT WINSTON, together with others, artificially maintained the price of the House Stocks by a variety of techniques designed to insulate the House Stocks from the adverse pressure of a lack of genuine market demand, which would cause the stock price to collapse. These techniques included, among others, the following: (a) using high-pressure tactics and materially false and misleading statements to persuade customers not to sell House Stocks; (b) failing to take and execute customer orders to sell House Stocks; (c) executing a sale of House Stocks only if it could be "crossed" or matched with a purchase of the same stock by another customer; (d) manipulating the order and timing of the execution of trades in the House Stocks; and (e) threatening individuals with bodily harm unless they ceased engaging in transactions that had the effect of causing the price of the House Stocks to decrease, such as short-selling the House Stocks. Short-selling is a means for selling stock that a seller does not yet own, but will purchase in the future, at a price at which the stock trades on that future date.

35. None of these manipulation techniques and unlawful sales practices were disclosed to customers at the time of their purchase of the House Stocks or thereafter because disclosure

would have revealed the undesirability of the House Stocks and would have jeopardized the success of the fraudulent scheme.

_____36. As a result of the above-described fraudulent scheme, the defendants and other participants in the fraud scheme obtained tens of millions of dollars in profits.

The Stocks Involved in the Fraud Scheme

37. National Medical was a House Stock issued pursuant to an initial public offering on or about August 3, 1995 underwritten by First United and other securities firms (the "National Medical IPO"). The defendants JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS and others structured the National Medical IPO so that their undisclosed allocation of the company's shares were sold to their own nominees, to the nominees of favored First United brokers and to other individuals affiliated with First United for free or at a nominal cost.

38. Ashton was a House Stock issued pursuant to an initial public offering on or about May 5, 1996 underwritten by First United and other securities firms (the "Ashton IPO"). The defendants JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS and others structured the Ashton IPO so that their undisclosed allocation of the company's shares were sold to their own nominees, to the nominees of favored First United brokers and to other individuals affiliated with First United for free or at a nominal cost.

39. Mama Tish's was a House Stock issued pursuant to an initial public offering on or about November 8, 1996 underwritten by First United, AGS Financial Group and other securities firms (the "Mama Tish's IPO"). The defendants JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS and others structured the Mama Tish's IPO so that their undisclosed allocation of the company's shares were sold to their own nominees, to the nominees of favored First United brokers and AGS brokers and to other individuals affiliated with First United for free or at a nominal cost. A short while after the Mama Tish's IPO, the NASD halted trading in Mama Tish's stock and reversed all trades made in the stock. Trading was never resumed in Mama Tish's stock.

40. In or about January 1997, the defendants JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS and others acquired EQMD stock for free or at a nominal cost. EQMD's President, Chief Executive Officer and majority shareholder was also the founder and majority shareholder of National Medical.

41. In or about February 1997, the defendant MICHAEL REITER, together with others, provided IRT stock for free or at a nominal cost to the defendants JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS, GREGG ADAMS, ROBERTO MANGIARANO and others so that First United and Lexington Capital would manipulate the price of the stock through the unlawful techniques described above. In exchange for the IRT stock, JONATHAN WINSTON, JASON COHEN, HUNTER

ADAMS, GREGG ADAMS, MANGIARANO and others agreed to pay REITER and others a portion of the profits that were received from the sale of IRT stock. JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS and others paid REITER and others their portion of the profits through pre-arranged trades in IRT stock in the account of a company called Apollo Equities Trading Corporation ("Apollo") and others. REITER received his portion of the profits by check from the Apollo account.

Laundering of Fraud Proceeds

42. The defendants JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS, MICHAEL REITER, GREGG ADAMS, ROBERTO MANGIARANO, together with others, laundered tens of millions of dollars of proceeds of securities, mail and wire fraud with the intent to promote their fraudulent scheme and to conceal and disguise the nature, location, source, ownership and control of such proceeds.

43. One of the techniques the defendants JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS and others used to launder money was to accumulate profits from the fraudulent scheme in a nominee account at First United in the name of Antebe Investment Group Ltd., and then to transfer the funds in this account to overseas bank accounts.

44. The defendants JONATHAN WINSTON, JASON COHEN and others also employed the technique of laundering money by accumulating profits from the fraudulent scheme in JONATHAN

WINSTON'S and JASON COHEN'S brokerage account at Smith Barney, account number 359-22655-10, and then transferring the funds in this account to themselves and others involved in the scheme, including the defendant HUNTER ADAMS, and to First United's trading, collateral and bank accounts to fund First United's brokerage activities.

45. Another technique the defendant JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS, ROBERTO MANGIARANO and others used to launder money was to establish nominee accounts at First United, such as in the names of E.M.R.A Investment Group Ltd.

("E.M.R.A."), Univest Group Ltd. ("Univest") and Avalon Financial LLC ("Avalon"), in order to disguise their ownership of certain Ashton securities and other House Stocks, sell the secretly owned Ashton securities and House Stocks to customers and then transfer the funds in these accounts from sales of these securities to themselves and to accounts that they controlled.

46. The defendants JONATHAN WINSTON, JASON COHEN and HUNTER ADAMS, together with others, also laundered money by entering into undisclosed pre-arranged transactions with Apollo, relating to National Medical, EquiMed, Ashton and IRT securities, in order to generate profits in Apollo's First United account for payment to the defendant MICHAEL REITER and others. These transactions were undertaken in order to compensate REITER and others for aiding in the fraud scheme by, among other things,

facilitating the transfer of clients from A.R. Baron & Co, Inc. ("A.R. Baron") to First United and providing IRT stock for free or at a nominal cost.

COUNT ONE

(Conspiracy to Commit Securities, Mail and Wire Fraud)

47. The allegations contained in paragraphs 1 through 46 are realleged and incorporated herein.

48. In or about and between February 1994 and March 1998, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS, MICHAEL REITER, GREGG ADAMS, JAMES BILA, CHRISTIAN BLAKE, STEVEN COHEN, LOUIS FACCHINI, JR., JOHN GREMMO, DAVID HIRSCH, ROBERTO MANGIARANO, JOSEPH MANNINO, DAVID MARGULES, JAMES PELLIZZI, DAVID PESSO, MICHAEL PUGLIESE, CHRIS RUSSO, HOWARD WEINSTEIN and ROBERT WINSTON, together with others, did knowingly and willfully conspire:

a. directly and indirectly, to use and employ manipulative and deceptive devices and contrivances in violation of Rule 10b-5 of the Rules and Regulations of the SEC (Title 17, Code of Federal Regulations, Section 240.10b-5), in that the defendants, together with others, did knowingly and willfully conspire, directly and indirectly, to (1) employ devices, schemes, and artifices to defraud; (2) make untrue statements of material fact

and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (3) engaging in acts, practices, and courses of business which would and did operate as a fraud and deceit upon members of the investing public, in connection with purchases and sales of the securities, and by use of the means and instrumentalities of interstate commerce and the mails, in violation of Title 15, United States Code, Sections 78j(b) and 78ff;

b. to devise a scheme and artifice to defraud and deprive others of the intangible right of honest services, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice and attempting to do so, to cause to be sent and delivered by private or commercial interstate carrier, and take and receive therefrom, such matter and thing, according to the directions thereon, and cause to be delivered by such carrier according to the direction thereon, and at the place at which it is directed to be delivered, certain matters and things, in violation of Sections 1341 and 1346 of Title 18, United States Code;

c. to devise a scheme and artifice to defraud and deprive others of the intangible right of honest services, and to obtain money and property by means of materially false and fraudulent

pretenses, representations and promises, and for the purpose of executing such scheme and artifice and attempting to do so, to transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, signs, signals, and sounds, in violation of Sections 1343 and 1346 of Title 18, United States Code.

49. In furtherance of the conspiracy and to effect the objects there of, within the Eastern District of New York and elsewhere, the defendants named herein, together with others, did commit and cause to be committed the following overt acts, among others:

OVERT ACTS

a. In or about and between and June 1995 and May 2, 1996, the defendants JONATHAN WINSTON, JASON COHEN and HUNTER ADAMS, together with others, arranged for Ashton warrants to be placed in nominee accounts at First United for First United brokers as undisclosed compensation for participating in the Ashton IPO.

b. On or about March 6, 1996, the defendant LOUIS FACCHINI made a telephone call from First United's Garden City, New York office to a First United customer ("Customer No. 1") in Florida and induced that customer to purchase approximately 5,500 shares of National Medical stock at a price of approximately \$10.25 per share.

c. On or about March 6, 1996, the defendant LOUIS FACCHINI made a telephone call from First United's Garden City, New York office to Customer No. 1 in Florida and induced that customer to purchase approximately 4,000 shares of National Medical stock at a price of approximately \$10.25 per share.

d. On or about March 7, 1996, the defendant LOUIS FACCHINI made a telephone call from First United's Garden City, New York office to Customer No. 1 in Florida and induced that customer to purchase approximately 10,000 shares of National Medical stock at a price of approximately \$10.25 per share.

e. On or about May 2, 1996, the defendants JONATHAN WINSTON, JASON COHEN and HUNTER ADAMS, together with others, caused First United to underwrite the Ashton IPO.

f. On or about May 7, 1996, the defendants JONATHAN WINSTON, JASON COHEN and HUNTER ADAMS, together with others, caused Antebe to purchase 45,000 Ashton Units at a price of approximately \$4.75 per unit. A unit is comprised of one share of stock and one warrant.

g. On or about May 8, 1996, the defendants JONATHAN WINSTON, JASON COHEN and HUNTER ADAMS, together with others, caused Antebe to sell 45,000 shares of Ashton stock at a price of approximately \$7.625 per share.

h. On or about May 8, 1996, the defendant STEVEN COHEN caused to be mailed to a First United customer ("Customer

No. 2") a confirmation regarding that customer's purchase of approximately 10,000 shares of Ashton stock.

i. On or about May 29, 1996, the defendants JONATHAN WINSTON, JASON COHEN and HUNTER ADAMS, together with others, caused Antebe to sell 45,000 Ashton warrants at a price of approximately \$8.375 per warrant.

j. On or about June 28, 1996, the defendants JONATHAN WINSTON, JASON COHEN and HUNTER ADAMS, together with others, caused Antebe to purchase 350,000 shares of Ashton restricted stock at a price of approximately \$1.50 per share.

k. On or about July 16, 1996, the defendant STEVEN COHEN caused to be mailed to Customer No. 2 a confirmation regarding that customer's purchase of approximately 12,000 shares of Ashton stock.

l. On or about August 2, 1996, the defendants JONATHAN WINSTON, JASON COHEN and HUNTER ADAMS, together with others, caused Antebe's shares of 350,000 Ashton restricted stock to be released from a lock-up agreement.

m. On or about August 26, 1996, the defendants HOWARD WEINSTEIN and STEVEN COHEN caused to be made in the account of a First United customer ("Customer No. 3") a purchase of approximately 10,000 shares of National Medical stock at a price of approximately \$10.625 per share.

n. In or about September 1996, the defendant ROBERTO MANGIARANO refused to sell shares of National Medical as instructed by a First United customer ("Customer No. 4").

o. On or about November 11, 1996, the defendants JAMES BILA and STEVEN COHEN caused to be mailed to a First United customer ("Customer No. 5") a confirmation regarding that customer's purchase of approximately 25,000 of Ashton stock.

p. On or about November 12, 1996, the defendants JONATHAN WINSTON, JASON COHEN and HUNTER ADAMS, together with others, caused Antebe to enter into an agreement to purchase 200,000 shares of Mama Tish's stock at a price of approximately \$1.95 per share.

q. On or about November 14, 1996, the defendants JONATHAN WINSTON, JASON COHEN and HUNTER ADAMS, together with others, caused 200,000 Mama Tish's units to be deposited into Antebe's First United account.

r. On or about November 27, 1996, the defendant STEVEN COHEN caused an unauthorized purchase to be made in Customer No. 3's account of approximately 63,000 shares of National Medical stock at a price of approximately \$7.375 per share.

s. On or about November 29, 1996, the defendants JONATHAN WINSTON, JASON COHEN and HUNTER ADAMS, together with

others, caused Antebe to wire transfer \$54,000 to a co-conspirator to fund AGS Financial.

t. In or about January 1997, the defendant STEVEN COHEN caused an unauthorized purchase to be made in First United Customer No. 2's account of approximately 13,200 shares of National Medical stock at a price of approximately \$7.625 per share.

u. On or about January 28, 1997, the defendants JAMES BILA and STEVEN COHEN made a telephone call from First United's Garden City, New York office to Customer No. 5 in Georgia and induced that customer to purchase approximately 25,000 shares of National Medical stock.

v. On or about February 6, 1997, the defendants JAMES BILA and STEVEN COHEN made a telephone call from First United's Garden City, New York office to Customer No. 5 in Georgia and induced that customer to purchase approximately 25,000 shares of National Medical stock.

w. On or about February 25, 1997, the defendants JAMES BILA and STEVEN COHEN made a telephone call from First United's Garden City, New York office to Customer No. 5 in Georgia and induced that customer to purchase approximately 30,000 shares of Ashton stock.

x. On or about February 28, 1997, the defendant ROBERTO MANGIARANO caused an unauthorized purchase to be made in

Customer No. 4's account of approximately 6,000 shares of Ashton stock at a price of approximately \$7.375 per share.

y. On or about April 4, 1997, the defendants JAMES BILA and STEVEN COHEN made a telephone call from First United's Garden City, New York office to Customer No. 5 in Georgia and induced that customer to purchase approximately 100,000 shares of National Medical stock.

z. On or about May 21, 1997, the defendants JAMES BILA and STEVEN COHEN caused to be mailed to Customer No. 5 a confirmation regarding that customer's purchase of approximately 34,500 shares of IRT stock.

aa. On or about May 23, 1997, the defendants JAMES BILA and STEVEN COHEN caused to be mailed to Customer No. 5 a confirmation regarding that customer's purchase of approximately 4,900 shares of IRT stock.

bb. On or about June 19, 1997, the defendant CHRISTIAN BLAKE caused to be made in the account of a Lexington Capital customer ("Customer No. 6") a purchase of approximately 3,000 shares of IRT stock at a price of approximately \$5.75 per share.

cc. On or about June 20, 1997, the defendant JAMES BILA caused to be mailed to a Lexington Capital customer ("Customer No. 7") a confirmation regarding that customer's

purchase of approximately 5,000 shares of IRT stock at a price of approximately \$5.875 per share.

dd. On or about June 20, 1997, a co-conspirator caused to be made in the account of a Lexington Capital customer ("Customer 8") a purchase of approximately 2,800 shares of IRT stock at a price of approximately \$5.75 per share.

_____ee. On or about June 25, 1997, the defendant JOSEPH MANNINNO caused to be made in the account of a Lexington Capital customer ("Customer No. 9") a purchase of approximately 10,000 shares of IRT stock at a price of approximately \$5.75 per share.

_____ff. On or about July 7, 1997, the defendant ROBERTO MANGIARANO made a telephone call from Lexington's Hauppauge, New York office to a Lexington Capital customer ("Customer No. 10") in Ohio and induced that customer to purchase approximately 40,000 shares of IRT stock at a price of approximately \$5 per share.

_____gg. On or about July 7, 1997, the defendant JAMES BILA caused to be made in the account of a Lexington Capital customer ("Customer No. 11") a purchase of approximately 1,000 shares of IRT stock at a price of approximately \$5.50 per share.

hh. On or about July 28, 1997, the defendants DAVID MARGULES and STEVEN COHEN made a telephone call from First United's Garden City, New York office to a First United customer

("Customer No. 12") in South Carolina and induced that customer to purchase approximately 31,260 shares of IRT stock.

ii. On or about July 28, 1997, the defendants DAVID MARGULES and STEVEN COHEN caused to be mailed to a First United customer ("Customer No. 13") a confirmation regarding that customer's purchase of approximately 23,500 shares of IRT stock at a price of approximately \$4.375 per share.

jj. On or about July 31, 1997, the defendants DAVID MARGULES and STEVEN COHEN caused to be mailed to a First United customer ("Customer No. 14") a confirmation regarding that customer's purchase approximately 11,000 shares of IRT stock.

kk. On or about July 31, 1997, the defendants DAVID MARGULES and STEVEN COHEN made a telephone call from First United's Garden City, New York office to Customer No. 12 and induced that customer to purchase approximately 14,000 shares of IRT stock.

ll. On or about July 31, 1997, the defendants DAVID MARGULES and DAVID HIRSCH caused to be mailed to a First United customer ("Customer No. 15") a confirmation regarding that customer's purchase of approximately 13,500 shares of IRT stock.

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

COUNT TWO

(Securities Fraud - Ashton)

50. The allegations contained in paragraphs 1 through 46 are realleged and incorporated as if fully set forth herein.

51. In or about and between May 1996 and March 1998, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS, MICHAEL REITER, GREGG ADAMS, JAMES BILA, CHRISTIAN BLAKE, STEVEN COHEN, LOUIS FACCHINI, JR., JOHN GREMMO, DAVID HIRSCH, ROBERTO MANGIARANO, JOSEPH MANNINO, DAVID MARGULES, JAMES PELLIZZI, DAVID PESSO, MICHAEL PUGLIESE, CHRIS RUSSO, HOWARD WEINSTEIN and ROBERT WINSTON, together with others, did knowingly and willfully, directly and indirectly, use and employ manipulative and deceptive devices and contrivances in violation of Rule 10b-5 of the Rules and Regulations of the SEC (Title 17, Code of Federal Regulations, Section 240.10b-5), in that the defendants and others did knowingly and willfully, directly and indirectly, (a) employ devices, schemes, and artifices to defraud; (b) make untrue statements of material fact and omit to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engage in acts, practices, and courses of business which would and did operate as a fraud and deceit upon members of the investing public, in connection with purchases and sales of the securities of Ashton, and by use of means and instrumentalities of interstate commerce and the mails.

(Title 15, United States Code, Sections 78j(b) and 78ff; Title 18, United States Code, Sections 2 and 3551 et seq.)

COUNT THREE

(Securities Fraud - EquiMed)

52. The allegations contained in paragraphs 1 through 46 are realleged and incorporated as if fully set forth herein.

53. In or about and between August 1995 and April 1997, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS, MICHAEL REITER, GREGG ADAMS, JAMES BILA, CHRISTIAN BLAKE, STEVEN COHEN, LOUIS FACCHINI, JR., JOHN GREMMO, DAVID HIRSCH, ROBERTO MANGIARANO, JOSEPH MANNINO, DAVID MARGULES, JAMES PELLIZZI, DAVID PESSO, MICHAEL PUGLIESE, CHRIS RUSSO, HOWARD WEINSTEIN and ROBERT WINSTON, together with others, did knowingly and willfully, directly and indirectly, use and employ manipulative and deceptive devices and contrivances in violation of Rule 10b-5 of the Rules and Regulations of the SEC (Title 17, Code of Federal Regulations, Section 240.10b-5), in that the defendants and others did knowingly and willfully, directly and indirectly, (a) employ devices, schemes, and artifices to defraud; (b) make untrue statements of material fact and omit to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and

(c) engage in acts, practices, and courses of business which would and did operate as a fraud and deceit upon members of the investing public, in connection with purchases and sales of the securities of EquiMed, and by use of means and instrumentalities of interstate commerce and the mails.

(Title 15, United States Code, Sections 78j(b) and 78ff; Title 18, United States Code, Sections 2 and 3551 et seq.)

COUNT FOUR

(Securities Fraud - National Medical)

54. The allegations contained in paragraphs 1 through 46 are realleged and incorporated as if fully set forth herein.

55. In or about and between August 1995 and April 1997, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS, MICHAEL REITER, GREGG ADAMS, JAMES BILA, CHRISTIAN BLAKE, STEVEN COHEN, LOUIS FACCHINI, JR., JOHN GREMMO, DAVID HIRSCH, ROBERTO MANGIARANO, JOSEPH MANNINO, DAVID MARGULES, JAMES PELLIZZI, DAVID PESSO, MICHAEL PUGLIESE, CHRIS RUSSO, HOWARD WEINSTEIN and ROBERT WINSTON, together with others, did knowingly and willfully, directly and indirectly, use and employ manipulative and deceptive devices and contrivances in violation of Rule 10b-5 of the Rules and Regulations of the SEC (Title 17, Code of Federal Regulations, Section 240.10b-5), in that the defendants and

others did knowingly and willfully, directly and indirectly, (a) employ devices, schemes, and artifices to defraud; (b) make untrue statements of material fact and omit to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engage in acts, practices, and courses of business which would and did operate as a fraud and deceit upon members of the investing public, in connection with purchases and sales of the securities of National Medical, and by use of means and instrumentalities of interstate commerce and the mails.

(Title 15, United States Code, Sections 78j(b) and 78ff; Title 18, United States Code, Sections 2 and 3551 et seq.)

COUNT FIVE

(Securities Fraud - IRT Industries)

56. The allegations contained in paragraphs 1 through 46 are realleged and incorporated as if fully set forth herein.

57. In or about and between February 1997 and August 1997, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS, MICHAEL REITER, GREGG ADAMS, JAMES BILA, CHRISTIAN BLAKE, STEVEN COHEN, LOUIS FACCHINI, JR., JOHN GREMMO, DAVID HIRSCH, ROBERTO MANGIARANO, JOSEPH MANNINO, DAVID MARGULES, JAMES PELLIZZI, DAVID PESSO, MICHAEL PUGLIESE, CHRIS RUSSO, HOWARD WEINSTEIN and ROBERT

WINSTON, together with others, did knowingly and willfully, directly and indirectly, use and employ manipulative and deceptive devices and contrivances in violation of Rule 10b-5 of the Rules and Regulations of the SEC (Title 17, Code of Federal Regulations, Section 240.10b-5), in that the defendants and others did knowingly and willfully, directly and indirectly, (a) employ devices, schemes, and artifices to defraud; (b) make untrue statements of material fact and omit to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engage in acts, practices, and courses of business which would and did operate as a fraud and deceit upon members of the investing public, in connection with purchases and sales of the securities of IRT Industries, and by use of means and instrumentalities of interstate commerce and the mails.

(Title 15, United States Code, Section 78j(b) and 78ff; Title 18, United States Code, Sections 2 and 3551 et seq.)

COUNT SIX

(Mail Fraud - Ashton)

58. The allegations contained in paragraphs 1 through 46 are realleged and incorporated as if fully set forth herein.

59. In or about and between May 1996 and March 1998, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants JONATHAN

WINSTON, JASON COHEN, HUNTER ADAMS, JAMES BILA and STEVEN COHEN, together with others, did knowingly and intentionally devise a scheme and artifice to defraud purchasers of Ashton stock and deprive such purchasers of the intangible right of honest services, and to obtain money and property from such purchasers by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice and attempting to do so, caused a matter or thing to be deposited to be sent and delivered by private or commercial interstate carrier, and caused such matter or thing to be delivered by such carrier according to the direction thereon, and at the place at which it is directed to be delivered, to wit, a November 11, 1996 confirmation regarding a First United customer's purchase of approximately 25,000 shares of Ashton stock.

(Title 18, United States Code, Sections 1341, 1346, 2 and 3551 et seq.)

COUNT SEVEN
(Mail Fraud - IRT)

60. The allegations contained in paragraphs 1 through 46 are realleged and incorporated as if fully set forth herein.

61. On or about and between February 1997 and August 1997, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants

JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS, MICHAEL REITER, GREGG ADAMS, JAMES BILA and ROBERTO MANGIARANO, together with others, did knowingly and intentionally devise a scheme and artifice to defraud purchasers of IRT stock and deprive such purchasers of the intangible right of honest services, and to obtain money and property from such purchasers by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice and attempting to do so, caused a matter or thing to be deposited to be sent and delivered by private or commercial interstate carrier, and caused such matter or thing to be delivered by such carrier according to the direction thereon, and at the place at which it is directed to be delivered, to wit, a June 20, 1997 confirmation regarding a Lexington Capital customer's purchase of approximately 5,000 shares of IRT stock.

(Title 18, United States Code, Sections 1341, 1346, 2 and 3551 et seq.)

COUNT EIGHT
(Mail Fraud - IRT)

62. The allegations contained in paragraphs 1 through 46 are realleged and incorporated as if fully set forth herein.

63. On or about and between February 1997 and August 1997, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants

JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS, MICHAEL REITER, STEVEN COHEN and DAVID MARGULES, together with others, did knowingly and intentionally devise a scheme and artifice to defraud purchasers of IRT stock and deprive such purchasers of the intangible right of honest services, and to obtain money and property from such purchasers by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice and attempting to do so, caused a matter or thing to be deposited to be sent and delivered by private or commercial interstate carrier, and caused such matter or thing to be delivered by such carrier according to the direction thereon, and at the place at which it is directed to be delivered, to wit, a July 31, 1997 confirmation regarding a First United customer's purchase of approximately 11,000 shares of IRT stock.

(Title 18, United States Code, Sections 1341, 1346, 2 and 3551 et seq.)

COUNT NINE

(Wire Fraud - Ashton)

64. The allegations contained in paragraphs 1 through 46 are realleged and incorporated as if fully set forth herein.

65. In or about and between May 1996 and March 1998, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants JONATHAN

WINSTON, JASON COHEN, HUNTER ADAMS, JAMES BILA and STEVEN COHEN, together with others, did knowingly and intentionally devise a scheme and artifice to defraud purchasers of Ashton stock and deprive such purchasers of the intangible right of honest services, and to obtain money and property from such purchasers by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice and attempting to do so, transmitted and caused to be transmitted by means of wire communication in interstate and foreign commerce signs, signals, and sounds, to wit, a November 11, 1996 telephone call regarding the purchase of 25,000 shares of Ashton stock from First United's Garden City, New York office to a First United customer in Georgia.

(Title 18, United States Code, Sections 1343, 1346, 2 and 3551 et seq.)

COUNT TEN
(Wire Fraud - IRT)

66. The allegations contained in paragraphs 1 through 46 are realleged and incorporated as if fully set forth herein.

67. In or about and between February 1997 through August 1997, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS, MICHAEL REITER, GREGG ADAMS, and ROBERTO MANGIARANO, together with others, did

knowingly and intentionally devise a scheme and artifice to defraud purchasers of Ashton stock and deprive such purchasers of the intangible right of honest services, and to obtain money and property from such purchasers by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice and attempting to do so, transmitted and caused to be transmitted by means of wire communication in interstate and foreign commerce signs, signals, and sounds, to wit, a July 7, 1997 telephone call regarding the purchase of 40,000 shares of IRT stock from Lexington Capital's Hauppauge, New York office to a Lexington Capital customer in Ohio.

(Title 18, United States Code, Sections 1343, 1346, 2 and 3551 et seq.)

COUNT ELEVEN

(Conspiracy to Commit Money Laundering)

68. The allegations contained in paragraphs 1 through 46 are realleged and incorporated as if fully set forth herein.

69. In or about and between February 1994 and March 1998, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS, MICHAEL REITER, GREGG ADAMS, ROBERTO MANGIARANO, together with others, did knowingly and intentionally conspire to conduct and attempt to

conduct financial transactions affecting interstate and foreign commerce which in fact involved the proceeds of specified unlawful activity, to wit, securities, mail and wire fraud, knowing that the property involved in such financial transactions represented proceeds of some form of unlawful activity, (a) with the intent to promote the carrying on of the specified unlawful activity, and (b) knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership and control of such proceeds, in violation of Title 18, United States Code, Sections 1956(a)(1)(A)(i) and 1956(a)(1)(B)(i).

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

COUNT TWELVE

(Conspiracy to Engage in Unlawful Monetary Transactions)

70. The allegations contained in paragraphs 1 through 46 are realleged and incorporated as if fully set forth herein.

71. In or about and between February 1994 and March 1998, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants JONATHAN WINSTON, JASON COHEN, HUNTER ADAMS, MICHAEL REITER, GREGG ADAMS and ROBERTO MANGIARANO, together with others, did knowingly and intentionally conspire to engage in monetary transactions, in and affecting interstate and foreign commerce,

in criminally derived property that was of a value of greater than \$10,000 and was derived from specified unlawful activity, to wit, securities, mail and wire fraud, knowing that the property involved in such financial transactions represented the proceeds

of some form of unlawful activity, in violation of Title 18, United States Code, Section 1957.

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

COUNTS THIRTEEN THROUGH SIXTEEN
(Money Laundering)

72. The allegations contained in paragraphs 1 through 46 are realleged and incorporated as if fully set forth herein.

73. On or about the dates set forth below, within the Eastern District of New York and elsewhere, the defendants JONATHAN WINSTON, JASON COHEN and HUNTER ADAMS, together with others, knowing that the property involved in financial transactions represented the proceeds of some form of unlawful activity, did knowingly and intentionally conduct and attempt to conduct financial transactions affecting interstate and foreign commerce which in fact involved the proceeds of specified unlawful activity, to wit, securities, mail and wire fraud, (a) with the intent to promote the carrying on of the specified unlawful activity and (b) knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership and control of such proceeds, in that the defendants transferred and caused to be transferred funds by wire and check in the approximate amounts listed below from

JONATHAN WINSTON'S and JASON COHEN'S brokerage account at Smith Barney, account number 359-22655-10, into the banks listed below.

COUNT	DATE	RECIPIENT BANK	CHECK/TRANSFER WIRE AMOUNT
THIRTEEN	3/3/97	EAB	\$25,000
FOURTEEN	3/7/97	EAB	\$65,000
FIFTEEN	3/21/97	Bank of NY	\$2,000,000
SIXTEEN	4/11/97	Chase Manhattan	\$850,000

(Title 18, United States Code, Sections 1956(a)(1)(A)(i), 1956(a)(1)(B)(i), 2 and 3551 et seq.)

COUNTS SEVENTEEN THROUGH THIRTY-FIVE
(Unlawful Monetary Transactions)

74. The allegations contained in paragraphs 1 through 46 are realleged and incorporated as if fully set forth herein.

75. On or about the dates set forth below, within the Eastern District of New York and elsewhere, the defendants JONATHAN WINSTON, JASON COHEN and HUNTER ADAMS, together with others, knowingly and intentionally engaged in monetary transactions in and affecting interstate and foreign commerce in criminally derived property that was of a value of greater than \$10,000 and was derived from specified unlawful activity, to wit, securities, mail and wire fraud, in that the defendants transferred and caused to be transferred funds by wire and check

in the approximate amounts listed below from JONATHAN WINSTON'S and JASON COHEN'S brokerage account at Smith Barney, account number 359-22655-10, into the banks listed below.

COUNT	DATE	RECIPIENT BANK	WIRE/CHECK AMOUNT
SEVENTEEN	1/31/97	Chase Manhattan	\$100,000
EIGHTEEN	2/11/97	Chase Manhattan	\$50,000
NINETEEN	2/13/97	Chase Manhattan	\$25,000
TWENTY	2/13/97	Chase Manhattan	\$50,000
TWENTY-ONE	2/14/97	Chase Manhattan	\$100,000
TWENTY-TWO	3/3/97	EAB	\$25,000
TWENTY-THREE	3/7/97	Chase Manhattan	\$60,000
TWENTY-FOUR	3/7/97	EAB	\$65,000
TWENTY-FIVE	3/19/97	Greenpoint Bank	\$75,000
TWENTY-SIX	3/25/97	Chase Manhattan	\$200,000
TWENTY-SEVEN	3/25/97	Chase Manhattan	\$25,000
TWENTY-EIGHT	3/25/97	Chase Manhattan	\$40,000
TWENTY-NINE	3/27/97	Chase Manhattan	\$150,000
THIRTY	3/27/97	Chase Manhattan	\$150,000

COUNT	DATE	RECIPIENT BANK	WIRE/CHECK AMOUNT
THIRTY-ONE	3/27/97	Chase Manhattan	\$25,000
THIRTY-TWO	4/10/97	Chase Manhattan	\$67,000
THIRTY-THREE	4/10/97	Chase Manhattan	\$67,000
THIRTY-FOUR	4/10/97	EAB	\$75,000
THIRTY-FIVE	4/10/97	Greenpoint Bank	\$500,000

(Title 18, United States Code, Sections 1957, 2 and 3551 et seq.)

COUNTS THIRTY-SIX THROUGH FORTY
(Unlawful Monetary Transactions)

76. The allegations contained in paragraphs 1 through 46 are realleged and incorporated as if fully set forth herein.

77. On or about the dates set forth below, within the Eastern District of New York and elsewhere, the defendants JONATHAN WINSTON, JASON COHEN and HUNTER ADAMS, together with others, knowingly and intentionally engaged in monetary transactions in and affecting interstate and foreign commerce in criminally derived property that was of a value of greater than \$10,000 and was derived from specified unlawful activity, to wit, securities, mail and wire fraud, in that the defendants transferred and caused to be transferred funds by wire and check

in the approximate amounts listed below from the Avalon account at First United into the bank listed below.

COUNT	DATE	RECIPIENT BANK	WIRE/CHECK AMOUNT
THIRTY-SIX	2/6/97	EAB	\$25,000
THIRTY-SEVEN	3/19/97	EAB	\$50,000
THIRTY-EIGHT	6/19/97	EAB	\$30,000
THIRTY-NINE	7/24/97	EAB	\$20,000
FORTY	9/11/97	EAB	\$176,000

(Title 18, United States Code, Sections 1957, 2 and 3551 et seq.)

COUNTS FORTY-ONE AND FORTY-TWO
(Money Laundering)

78. The allegations contained in paragraphs 1 through 46 are realleged and incorporated as if fully set forth herein.

79. On or about the dates set forth below, within the Eastern District of New York and elsewhere, the defendants JONATHAN WINSTON, JASON COHEN and HUNTER ADAMS, together with others, did knowingly and intentionally transmit and transfer and attempt to transmit and transfer funds from a place in the United States to and through a place outside the United States, knowing that the funds involved in the transmission and transfer represented the proceeds of some form of unlawful activity, and knowing that such transmission and transfer was designed in whole or in part to conceal or disguise the nature, the location, the

source, the ownership, and the control of the proceeds of specified unlawful activity, in that the defendants transferred and caused to be transferred funds by wire and check in the approximate amounts listed below from the E.M.R.A. account at First United into the banks listed below.

COUNT	DATE	RECIPIENT BANK	CHECK/WIRE AMOUNT
FORTY-ONE	7/23/97	Lloyd's Bank PLC	\$550,000
FORTY-TWO	8/27/97	Israel Discount	\$158,576.64

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

COUNTS FORTY-THREE AND FORTY-FOUR
(Money Laundering)

80. The allegations contained in paragraphs 1 through 46 are realleged and incorporated as if fully set forth herein.

81. On or about the dates set forth below, within the Eastern District of New York and elsewhere, the defendants JONATHAN WINSTON, JASON COHEN and HUNTER ADAMS, together with others, together with others, did knowingly and intentionally transmit and transfer and attempt to transmit and transfer funds from a place in the United States to and through a place outside the United States, knowing that the funds involved in the transmission and transfer represented the proceeds of some form

of unlawful activity, and knowing that such transmission and transfer was designed in whole or in part to conceal or disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity, in that the defendants transferred and caused to be transferred funds by wire and check in the approximate amounts listed below from the Univest account at First United into the bank listed below.

COUNT	DATE	RECIPIENT BANK	CHECK/WIRE AMOUNT
FORTY-THREE	7/10/97	Lloyds Bank PLC	\$602,000
FORTY-FOUR	9/23/97	Lloyds Bank PLC	\$98,038.26

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

COUNTS FORTY-FIVE THROUGH FORTY-EIGHT
(Money Laundering)

82. The allegations contained in paragraphs 1 through 46 are realleged and incorporated as if fully set forth herein.

83. On or about the dates set forth below, within the Eastern District of New York and elsewhere, the defendant MICHAEL REITER, together with others, knowing that the property involved in financial transactions represented the proceeds of some form of unlawful activity, did knowingly and intentionally conduct and attempt to conduct financial transactions affecting interstate

and foreign commerce which in fact involved the proceeds of specified unlawful activity, to wit, securities, mail and wire fraud, (a) with the intent to promote the carrying on of the specified unlawful activity and (b) knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership and control of such proceeds, in that the defendants transferred and caused to be transferred funds by wire and check in the approximate amounts listed below from Apollo's account at Citibank into the bank listed below.

COUNT	DATE	RECIPIENT BANK	CHECK/WIRE AMOUNT
FORTY-FIVE	8/7/97	Chase Manhattan	\$150,000
FORTY-SIX	9/3/97	Chase Manhattan	\$250,000
FORTY-SEVEN	11/6/97	Chase Manhattan	\$300,000
FORTY-EIGHT	12/22/97	Chase Manhattan	\$250,000

(Title 18, United States Code, Sections 1956(a)(1)(A)(i), 1956(a)(1)(B)(i), 2 and 3551 et seq.)

COUNT FORTY-NINE
(Money Laundering)

84. The allegations contained in paragraphs 1 through 46 are realleged and incorporated as if fully set forth herein.

85. On or about September 17, 1996, within the Eastern District of New York and elsewhere, the defendant ROBERTO MANGIARANO, together with others, knowing that the property involved in a financial transaction represented the proceeds of some form of unlawful activity, did knowingly and intentionally conduct and attempt to conduct financial transactions affecting interstate and foreign commerce which in fact involved the proceeds of specified unlawful activity, to wit, securities, mail and wire fraud, (a) with the intent to promote the carrying on of the specified unlawful activity and (b) knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership and control of such proceeds, in that the defendant transferred and caused to be transferred \$25,000 in funds by wire from a nominee's account into the defendant's bank account at Bank of New York.

(Title 18, United States Code, Sections
1956(a)(1)(A)(i), 1956(a)(1)(B)(i), 2 and 3551 et seq.)

FORFEITURE FOR COUNTS ELEVEN THROUGH FORTY-NINE

86. The allegations contained in Counts Eleven through Forty-Nine are hereby realleged and incorporated as if fully set forth herein for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Section 982.

87. Pursuant to Title 18, United States Code, Section 982(a)(1), each defendant who is convicted of the offenses set forth in Counts Eleven through Forty-Nine of this Indictment shall forfeit to the United States the following property: All right, title, and interest in any and all property, real and personal, involved in the money laundering and money laundering conspiracy offenses described in each of the counts for which the defendant is convicted, in violation of Title 18, United States Code, Sections 1956 and 1957, and all property traceable to such property, including, but not limited to, the following: (a) all money and other property that was the subject of each financial transaction that the defendants conducted in violation of Title 18, United States Code, Sections 1956 and 1957; (b) all commissions, fees and other property obtained as a result of those violations; and (c) all property used in any manner or part to commit or to facilitate the commission of those violations. The property subject to forfeiture includes, but is not limited to, an amount not less than \$50,000,000.

88. If more than one defendant is convicted of the offenses, the defendants so convicted are jointly and severally liable for the value of all property involved in such offense.

89. If, by any act or omission of any of the defendants, any of the property described in paragraph 87 or any portion thereof;

- 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;

the defendant shall forfeit substitute property, up to the value of the property described in paragraphs (a) through (e) above, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b).

(Title 18, United States Code, Section 982)

A TRUE BILL

FOREPERSON

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