

FILED

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

2020 JUN 23 PM 3:51
CLERK, US DISTRICT COURT
MIDDLE DISTRICT FLORIDA
TAMPA, FLORIDA

UNITED STATES OF AMERICA

v.

CASE NO. 8:20-cr-207-T-36JSS

PHILLIP ROY WASSERMAN
KENNETH MURRY ROSSMAN

18 U.S.C. § 1349
18 U.S.C. § 1343
18 U.S.C. § 1341

INDICTMENT

SEALED

The Grand Jury charges:

COUNT ONE
(Conspiracy to Commit Wire Fraud and Mail Fraud)

A. Introduction

At times material to this Indictment:

1. PHILLIP ROY WASSERMAN, a resident of Sarasota, Florida, a former lawyer, and a licensed insurance agent, sold insurance and annuity products through his entity PHILLIP ROY FINANCIAL CONSULTANTS, LLC. WASSERMAN created and controlled other entities, including FASTLIFE, LLC; PHILLIP ROY HEDGE FUND ADVISORS, LLC; FLORIDA REAL ESTATE FUND 1, LP; and FABULOUS WEEKENDS, LLC. WASSERMAN also opened bank accounts, promoted an insurance business venture called "FastLife," solicited and caused the solicitation of funds

from victim-investors in said venture, and used victim-investors' funds to perpetuate the scheme, to make supposed interest and other payments to victim-investors, and otherwise for his personal enrichment.

2. KENNETH MURRY ROSSMAN, a resident of Bradenton, Florida, a Florida certified public accountant, and a licensed insurance agent, promoted an insurance business venture called "FastLife" and solicited funds from victim-investors in said venture. In particular, ROSSMAN persuaded some victim-investors to liquidate traditional investments, such as annuities, and/or to borrow funds against existing life insurance policies in order to generate cash to invest in the venture, concealed from said victim-investors the surrender fees and other costs associated with such liquidations and loans, and prepared income tax returns for said victim-investors in a manner designed to conceal the negative personal tax consequences of such liquidations and loans. Further, ROSSMAN received a percentage of the victim-investors' funds for his role in the conspiracy, and used the funds for his personal enrichment.

3. PHILLIP ROY FINANCIAL CONSULTANTS, LLC, a Florida limited liability company, was created and controlled by WASSERMAN, who used the entity to open a bank account and to operate an insurance and annuity business. Later, WASSERMAN used the entity to register "doing business as" fictitious names, such as FastLife. WASSERMAN, who did not utilize personal

bank accounts held in his own name, also used this entity's bank account to pool victim-investors' funds, commingle said victim-investors' funds with both the insurance business funds and his personal funds, and to finance his lifestyle.

4. FASTLIFE, LLC, formerly known as PHILLIP ROY FINANCIAL SERVICES, LLC, was a Delaware limited liability company, registered to conduct business in Florida and created and controlled by WASSERMAN. WASSERMAN never utilized a bank account in the name of FASTLIFE, LLC.

5. A "Ponzi" scheme was a fraudulent investment program in which funds paid in by later investors are used to pay out non-existent, phantom "profits" to earlier investors, thus creating the illusion that the fraudulent investment program is a successful, profit-generating enterprise which, in turn, attracts new investment funds that are used to sustain the fraudulent program.

6. PHILLIP ROY HEDGE FUND ADVISORS, LLC, formerly known as PHILLIP ROY FINANCIAL, LLC, was a Florida limited liability company, created and controlled by WASSERMAN. WASSERMAN, who had utilized this entity to solicit and receive investments in various securities held in a purported hedge fund, used "FastLife" victim-investors' funds to make Ponzi-style payments to earlier hedge fund investors.

7. FLORIDA REAL ESTATE FUND 1, LP was a Delaware limited partnership created and controlled by WASSERMAN. WASSERMAN used this

entity to open a bank account, to solicit and receive investments held in a purported real estate investment fund, and to purchase real property.

WASSERMAN used a vacant parcel of land held in the name of this fund as collateral for a mortgage loan, and used loan proceeds to make purported interest payments to “FastLife” victim-investors, make payments toward the purchase of a waterfront beach house, and otherwise for his personal enrichment—all without the real estate fund investors’ knowledge or consent. Further, WASSERMAN used “FastLife” victim-investors’ funds to make Ponzi-style payments to earlier real estate fund investors and to make property tax payments on the vacant parcel of land used to secure the mortgage loan.

8. FABULOUS WEEKENDS, LLC was a Florida limited liability company created and controlled by WASSERMAN. WASSERMAN assigned a purchase contract to acquire a waterfront beach house in Nokomis, Florida to this entity.

9. KEN NICHOLAS AND ASSOCIATES, INC. was a Florida corporation created and controlled by ROSSMAN, who used the entity to open bank accounts.

B. The Conspiracy

10. Beginning on an unknown date, but at least as early as in or about August 2016, and continuing through the date of this indictment, in the Middle District of Florida, and elsewhere, the defendants,

PHILLIP ROY WASSERMAN, and
KENNETH MURRY ROSSMAN,

did knowingly and intentionally combine, conspire, confederate, and agree with others, both known and unknown to the Grand Jury:

a. To devise and intend to devise a scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, utilizing transmissions by means of wire and radio communication in interstate and foreign commerce of any writings, signs, signals, and sounds, in violation of 18 U.S.C. § 1343; and

b. To devise and intend to devise a scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, utilizing the United States mail and private and commercial interstate carriers, in violation of 18 U.S.C. § 1341.

C. Manner and Means of the Conspiracy

11. The manner and means by which the defendants sought to accomplish the objects of the conspiracy included, among others, the following:

a. It was a part of the conspiracy that conspirators would and did identify long-term clients of a conspirator's insurance business, most of whom were senior citizens and/or retired, to solicit to invest in a new insurance business venture (hereinafter, the "fraudulent insurance venture").

b. It was a further part of the conspiracy that conspirators would and did promote the fraudulent insurance venture in an effort to convince a conspirator's long-term clients to make investments, memorialized in one-year promissory notes, in the venture.

c. It was a further part of the conspiracy that one or both conspirators would and did persuade some victim-investors to liquidate traditional investments, such as annuities, and/or to borrow funds against existing life insurance policies in order to generate cash to invest in the fraudulent insurance venture.

d. It was a further part of the conspiracy that conspirators would and did make false and fraudulent representations to victim-investors and potential investors about the fraudulent insurance venture, including that: (i) investors were guaranteed an annual return of 10 percent or 12 percent per year—a substantially greater return than they were receiving on their existing investments; (ii) investors would receive monthly interest payments or, if they reinvested earned interest into their investments, full payment of principal and interest at

maturity; (iii) a conspirator had invested his own money in the fraudulent insurance venture; and (iv) investment funds would be used to pay for expenses incurred in starting up and growing the venture.

e. It was a further part of the conspiracy that conspirators would and did make material omissions and conceal from victim-investors and potential investors about the fraudulent insurance venture that: (i) victim-investors' funds were deposited and commingled in an account used by a conspirator to pay for venture expenses as well as personal and other expenses; (ii) there was no contemporaneous bookkeeping, tracking, or accounting of the commingled victim-investors' funds, venture revenue, and personal funds; (iii) there were surrender fees and other costs, as well as negative personal tax consequences, associated with some victim-investors' liquidation of traditional investments, such as annuities, and loans taken out against existing life insurance policies in order to generate cash to invest in the venture; (iv) the conspirators each had federal tax liens in substantial amounts filed against them; (v) a conspirator had numerous outstanding civil judgments filed against him related to earlier investment programs he operated, unpaid private loans, unpaid advertising expenses, foreclosures, evictions for unpaid rent, and other civil actions; (vi) the new fraudulent insurance venture had accumulated large, unpaid business debts; (vii) a conspirator used investors' funds to make Ponzi-style payments to some victim-

investors in the fraudulent insurance venture as well as other payments to victim-investors in earlier hedge fund and real estate fund investment schemes; and (viii) a conspirator paid his coconspirator a percentage of victim-investors' funds as compensation and paid himself an extravagant amount of compensation.

f. It was a further part of the conspiracy that conspirators would and did cause victim-investors to transmit funds via interstate wire transmissions, the United States mail, and private and commercial interstate carriers, as well as to deliver funds during in-person meetings, to PHILLIP ROY FINANCIAL CONSULTANTS, LLC and/or FastLife for investment in the fraudulent insurance venture.

g. It was a further part of the conspiracy that conspirators would and did use funds transmitted by victim-investors for the fraudulent insurance venture to: (i) create the illusion that the venture was established, growing, and profitable; (ii) make Ponzi-style payments to some victim-investors in the fraudulent insurance venture; (iii) make other Ponzi-style payments to victim-investors in earlier hedge fund and real estate fund investment schemes; and (iv) finance their lifestyles and otherwise for their personal enrichment.

h. It was a further part of the conspiracy that a conspirator would and did engage and attempt to engage the services of television, radio, and print media outlets, marketing businesses, a sports franchise, an athlete, and

entertainers/celebrities in an effort to promote the fraudulent insurance venture, but would not and did not pay, in whole or in part, for the costs of such services.

i. It was a further part of the conspiracy that a conspirator would and did enter into contracts, among other things, with or for office space, business software, insurance sales agents, administrative staff members, and other employees and independent contractors, and would not and did not pay, in whole or in part, for the costs of same.

j. It was a further part of the conspiracy that a conspirator would and did fabricate false and fraudulent excuses and explanations for the conspirator's delinquent Ponzi-style payments and non-payments in order to convince victim-investors that their investments were safe and secure.

k. It was a further part of the conspiracy that a conspirator would and did use victim-investors' funds to finance a lavish lifestyle that included luxury residences, high-end vehicles, jet skis, jewelry, including a diamond ring, personal celebrity entertainment, gambling, retail shopping, home improvements, personal insurance, and a host of other expenses for his personal benefit and the benefit of family members.

l. It was a further part of the conspiracy that a conspirator would and did prepare victim-investor statements, which falsely and fraudulently reflected account balances and earnings resulting from investment in the

fraudulent insurance venture, and would and did deliver, and cause to be delivered, said fraudulent statements to some victim-investors and to third-party administrators of self-directed individual retirement accounts (IRAs) held by other victim-investors.

m. It was a further part of the conspiracy that a conspirator would and did prepare false and fraudulent income tax returns for some victim-investors to conceal from the victim-investors and the Internal Revenue Service the negative personal tax consequences of the victim-investors having liquidated traditional investments and/or borrowed funds against existing life insurance policies to generate cash to invest in the fraudulent insurance venture.

n. It was a further part of the conspiracy that a conspirator would and did cause to be created false and fraudulent bookkeeping and expense records.

o. It was a further part of the conspiracy that a conspirator would and did respond to a government inquiry by directing and causing changes to be made to the false and fraudulent bookkeeping and expense records in an effort to conceal his use of victim-investors' funds for his personal enrichment.

p. It was a further part of the conspiracy that, in response to a government inquiry, a conspirator would and did prepare or caused to be prepared a so-called "compensation agreement"—outlining his purported

entitlement to \$30,000 to \$45,000 per month, plus a percentage of commissions received, as compensation for his work as chief executive officer and president of the fraudulent insurance venture—in an effort to conceal his use of victim-investors' funds for his personal enrichment.

q. It was a further part of the conspiracy that a conspirator would and did make statements and take actions, including making Ponzi-style payments, to lull some victim-investors into a false sense of security concerning their investments, dissuade other victim-investors from contacting regulators or law enforcement and/or instituting civil lawsuits concerning their investments, and cause others, including victim-investors, to make false or otherwise misleading statements to government investigators.

r. It was a further part of the conspiracy that conspirators would and did misrepresent, hide, and conceal, and cause to be misrepresented, hidden, and concealed, acts performed in furtherance of the conspiracy.

All in violation of 18 U.S.C. § 1349.

COUNTS TWO THROUGH FOUR
(Wire Fraud)

A. Introduction

1. The Grand Jury hereby realleges Section A of Count One of this Indictment and incorporates such section by this reference as though fully set forth herein.

B. The Scheme and Artifice

2. Beginning on an unknown date, but at least as early as in or about August 2016, and continuing through the date of this indictment, in the Middle District of Florida, and elsewhere, the defendants,

PHILLIP ROY WASSERMAN, and
KENNETH MURRY ROSSMAN,

did knowingly and intentionally devise and intend to devise a scheme and artifice to defraud, and for obtaining money and property by means of material false and fraudulent pretenses, representations, and promises.

C. Manner and Means of the Scheme and Artifice

3. The substance of the manner and means of the scheme and artifice is described in Section C of Count One of this Indictment, and the Grand Jury hereby realleges and incorporates by reference such section as though fully set forth herein.

D. Execution of the Scheme and Artifice

4. On or about the date set forth below in each count, in the Middle District of Florida, and elsewhere, the defendants,

PHILLIP ROY WASSERMAN, and
KENNETH MURRY ROSSMAN,

knowingly and intentionally executed the aforesaid scheme and artifice, by transmitting and causing to be transmitted by means of wire and radio

communication in interstate and foreign commerce, any writings, signs, signals, pictures, and sounds, as detailed below:

COUNT	DATE	NATURE OF WIRE
TWO	May 2, 2017	Defendants WASSERMAN and ROSSMAN caused victim-investor A.R. to transmit, via wire, \$150,000 from a bank account belonging to Cama Self-Directed IRA, LLC at Meridian Bank in Malvern, Pennsylvania, to the bank account ending in #7512 in the name of Phillip Roy Financial Consultants, LLC at SunTrust Bank, Sarasota, Florida.
THREE	August 7, 2017	Defendant WASSERMAN caused to be transmitted, via wire, \$29,000 from the bank account ending in #7512 in the name of Phillip Roy Financial Consultants, LLC at SunTrust Bank, Sarasota, Florida, to an account belonging to The Kinkead Entertainment Agency at SunTrust Bank in Nashville, Tennessee.
FOUR	March 30, 2018	Defendants WASSERMAN and ROSSMAN caused victim-investor J.L. to transmit, via wire, \$109,371 from a bank account belonging to Cama Self-Directed IRA, LLC at Meridian Bank in Malvern, Pennsylvania, to the bank account ending in #7512 in the name of Phillip Roy Financial Consultants, LLC at SunTrust Bank, Sarasota, Florida.

In violation of 18 U.S.C. § 1343.

COUNTS FIVE THROUGH SEVEN
(Mail Fraud)

A. Introduction

1. The Grand Jury hereby realleges Section A of Count One of this Indictment and incorporates such section by this reference as though fully set forth herein.

B. The Scheme and Artifice

2. Beginning on an unknown date, but at least as early as in or about August 2016, and continuing through the date of this indictment, in the Middle District of Florida, and elsewhere, the defendants,

PHILLIP ROY WASSERMAN, and
KENNETH MURRY ROSSMAN,

did knowingly and intentionally devise and intend to devise a scheme and artifice to defraud, and for obtaining money and property by means of material false and fraudulent pretenses, representations, and promises.

C. Manner and Means of the Scheme and Artifice

3. The substance of the manner and means of the scheme and artifice is described in Section C of Count One of this Indictment, and the Grand Jury hereby realleges and incorporates by reference such section as though fully set forth herein.

D. Execution of the Scheme and Artifice

4. On or about the date set forth below in each count, in the Middle District of Florida, and elsewhere, the defendants,

PHILLIP ROY WASSERMAN, and
KENNETH MURRY ROSSMAN,

knowingly and intentionally executed and attempted to execute the aforesaid scheme and artifice, by placing in any post office and authorized depository for mail matter any matter and thing whatever to be sent and delivered by the Postal Service, and depositing and causing to be deposited any matter and thing whatever to be sent and delivered by any private and commercial interstate carrier, or taking and receiving therefrom any such matter and thing, and knowingly causing to be delivered by mail and such carrier according to the directions thereon any such matter and thing, as detailed below:

COUNT	DATE	NATURE OF MAILING
FIVE	December 19, 2016	Defendants WASSERMAN and ROSSMAN caused Fidelity & Guarantee Life Insurance Company in Des Moines, Iowa, to send, via FedEx, a check in the amount of \$275,000, which represented the full surrender value of victim-investor J.V.'s life insurance policy, to victim-investor J.V., who endorsed said check over to Phillip Roy Financial Consultants, LLC for investment in FastLife.

COUNT	DATE	NATURE OF MAILING
SIX	January 23, 2018	Defendants WASSERMAN and ROSSMAN caused Fidelity & Guarantee Life Insurance Company in Des Moines, Iowa, to send, via FedEx, a check in the amount of \$79,408.04, which represented the full surrender value of victim-investor R.C.'s annuity, to victim-investor R.C., who endorsed said check over to Phillip Roy Financial Consultants, LLC for investment in FastLife.
SEVEN	December 27, 2018	Defendant ROSSMAN caused to be sent, via mail, to Cama Self-Directed IRA, LLC in Malvern, Pennsylvania, a memorandum purporting to report the FastLife promissory note values of victim-investors K.K., P.T., A.R., and J.V.

In violation of 18 U.S.C. § 1341.

FORFEITURES

1. The allegations contained in Counts One through Seven of this Indictment are incorporated by reference for the purpose of alleging forfeitures pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c).

2. Upon conviction of a violation of 18 U.S.C. §§ 1341 and/or 1343 or a conspiracy to violate 18 U.S.C. §§ 1341 and/or 1343 (18 U.S.C. § 1349), the defendants,

PHILLIP ROY WASSERMAN, and
KENNETH MURRY ROSSMAN,

shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offense.

3. The property to be forfeited includes, but is not limited to, an order of forfeiture in the amount of at least \$6,300,000, which represents proceeds the defendants personally obtained from the offenses.

4. If any of the property described above, 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;

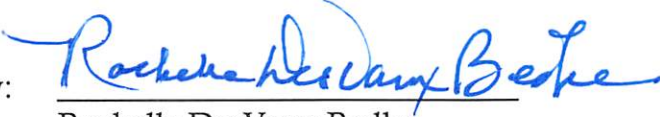
the United States of America shall be entitled to forfeiture of substitute property under the provisions of 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c).

A TRUE BILL,

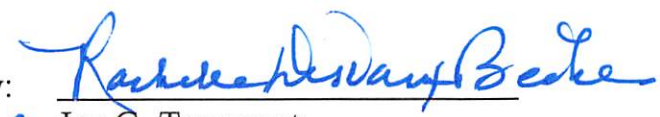


Foreperson

MARIA CHAPA LOPEZ
United States Attorney

By: 

Rachelle DesVaux Bedke
Assistant United States Attorney
Deputy Chief, Economic Crimes Section

By: 

for Jay G. Trezevant
Assistant United States Attorney
Chief, Economic Crimes Section

June 20

No.

UNITED STATES DISTRICT COURT
Middle District of Florida
Tampa Division

THE UNITED STATES OF AMERICA

vs.

PHILLIP ROY WASSERMAN and
KENNETH MURRY ROSSMAN

INDICTMENT

Violations: 18 U.S.C. §§ 1349, 1343, 1341

A true bill,



 Foreperson

Filed in open court this 23rd day
of June 2020.

 Clerk

Bail \$ _____