

United States Department of Justice

For Immediate Release

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Northern District of California

**Founder of San Francisco-Based Entertainment Company Charged
in \$30 Million Investment Fraud Scheme - Claimed Company
Would be Acquired by Microsoft**

SAN FRANCISCO—A federal grand jury in San Francisco indicted Samuel Cohen (a/k/a Mouli Cohen), previously of Belvedere, Calif., on 19 counts of wire fraud and 13 counts of money laundering, United States Attorney Joseph P. Russoniello announced.

According to the Indictment, in late 2002, Cohen advised Hari Dillon, the President of Vanguard Public Foundation (Vanguard), that Microsoft was going to acquire Cohen's company, Ecast. Ecast was a company based in San Francisco and in the business of providing digital music, games, entertainment, and information to bars and nightclubs. In order to obtain money from investors and lenders, Cohen represented that upon completion of the acquisition, Cohen's Ecast shares would be exchanged on a 1-for-1 basis for Microsoft shares of stock, which were valued at several times the value of Ecast shares. Cohen further represented that Microsoft's acquisition of Ecast would be finalized within months of late 2002 and offered to sell his Ecast shares to Dillon and other investors associated with Vanguard at prices ranging from \$2 to \$3.50 per share. Cohen advised Dillon and other investors that Microsoft's acquisition of Ecast required approval of governmental regulatory entities in the United States and the European Union (EU). Cohen told Dillon and other investors that they needed to pay Cohen millions of dollars in order to cover costs associated with the government approval of Microsoft's acquisition of Ecast, and that if Cohen did not receive the money from the investors to cover the costs, they would lose their investments. According to the Indictment, Cohen's scheme began in 2002 and lasted through 2008.

Federal agents arrested Cohen on August 5. He made his initial appearance in federal court on Aug. 6, in Los Angeles. The grand jury returned the Indictment against Cohen on July 15, 2010. The indictment was unsealed the day of Cohen's arrest. According to court documents, Cohen defrauded more than 55 victims out of more than \$30 million as a result of his scheme.

The maximum statutory penalty for each count of wire fraud, in violation of Title 18, United States Code, Section 1343, is 20 years in prison, a fine of \$250,000, and restitution. The maximum statutory penalty for each count of money laundering, in violation of Title 18, United States Code, Section 1957, is 10 years in prison and a fine of \$250,000. However, any sentence following conviction would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Jeffrey Finigan is the Assistant U.S. Attorney who is prosecuting the case with the assistance of legal tech Rayneisha Booth. The prosecution is the result of an investigation by the Federal Bureau of Investigation and the Internal Revenue Service – Criminal Investigation.