

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

THE PEOPLE OF THE STATE OF NEW YORK

-against-

HENRY "HANK" MORRIS and
DAVID LOGLISCI,

Defendants.

INDICTMENT No. 25/2009

COUNT ONE

ENTERPRISE CORRUPTION

THE GRAND JURY OF THE COUNTY OF NEW YORK, by this Indictment, accuses the defendants HENRY "HANK" MORRIS and DAVID LOGLISCI of the crime of **ENTERPRISE CORRUPTION, in violation of Penal Law §460.20(1)(a)**, as follows:

The defendants, in the County of New York and elsewhere, from in or about November 2002 through in or about July 2008, having knowledge of the existence of a criminal enterprise (hereinafter, the "MORRIS GROUP"), and the nature of its activities, and being employed by and associated with the MORRIS GROUP, intentionally conducted and participated in the affairs of the MORRIS GROUP by participating in a pattern of criminal activity.

The MORRIS GROUP was a group of individuals, including defendants HENRY "HANK" MORRIS, DAVID LOGLISCI, and others known and unknown to the grand jury, sharing a common purpose of engaging in criminal conduct, associated in an ascertainable structure distinct from a pattern of criminal activity, and with a continuity of existence, structure and criminal purpose beyond the scope of individual criminal incidents.

INTRODUCTION

The New York State Comptroller (“the Comptroller”) is a statewide elected official and is the State’s chief fiscal officer. Among other things, the Comptroller is charged by the New York State Constitution with operating the Common Retirement Fund (“CRF”), the statewide retirement system, valued at over 140 billion dollars as of March 31, 2006. This system provides services to over 340,000 retirees and their beneficiaries, over 650,000 members, and 3,000 employers, and is one of the world’s largest public pension funds. The Comptroller is sole trustee of the CRF but typically appoints a Chief Investment Officer and other investment staff members who are vested with authority to make investment decisions. At all times, the Comptroller and his appointees owe fiduciary duties to the CRF and its members and beneficiaries, and are required to make investment decisions solely in the best interests of the CRF and its members and beneficiaries.

In November 2002, Alan Hevesi was elected to serve as Comptroller, and he took office on January 1, 2003. Prior to and after the 2002 election, defendant HENRY “HANK” MORRIS served as Mr. Hevesi’s chief political consultant and advisor. Upon Mr. Hevesi’s taking office in 2003, MORRIS began to exercise control over certain aspects of the CRF, including the alternative investment portfolio (valued at approximately 9.8 billion dollars). MORRIS was instrumental in removing and promoting certain members of the CRF executive staff. In particular, in or about April 2004, MORRIS participated in the decision to remove the Chief Investment Officer of the CRF and replace him with defendant DAVID LOGLISCI. The promotion of LOGLISCI was motivated in part by a view that LOGLISCI would accommodate the personal and business interests of MORRIS and his associates.

Over the next four years, defendants MORRIS and LOGLISCI and others engaged in a series of investment transactions involving the CRF in which they placed their interests above the interests of the CRF and its members and beneficiaries. In effectuating these investments, defendants MORRIS and LOGLISCI made materially false and misleading representations and material omissions, and concealed material information, including their actual and potential conflicts of interest.

Defendants MORRIS and LOGLISCI favored deals for the CRF for which MORRIS and his associates would earn fees. In certain transactions, MORRIS acted as a placement agent on behalf of funds seeking investments from the CRF, and then earned fees when, with LOGLISCI's approval, the CRF made the investments. On these investments, defendants MORRIS and LOGLISCI concealed MORRIS's involvement, including the fact that he was earning fees, from CRF investment staff and others.

In yet other transactions, defendant MORRIS inserted his associates as placement agents as a reward for political favors. Other times, defendant MORRIS inserted associates who then shared the fees with MORRIS. As with the other transactions, defendants MORRIS and LOGLISCI concealed MORRIS's involvement from CRF investment staff and others, and at times even from the funds seeking investments from the CRF.

Defendant LOGLISCI also solicited from defendant Morris and others doing business with the CRF, investments and other contributions to a film, "Chooch," produced by LOGLISCI's brother in which LOGLISCI had a financial interest. These benefits were not disclosed to the CRF executive staff, ethics officers, or members.

Over the time at issue, the CRF invested over four billion dollars in transactions in which MORRIS and his associates benefited. MORRIS profited from these investments, earning tens of millions of dollars for himself and his associates.

DEFENDANTS' COMMON CRIMINAL PURPOSE

The MORRIS GROUP consisted of the following:

- 1) defendant HENRY “HANK” MORRIS, (a) the paid political advisor, consultant and principal fundraiser for the Comptroller in office from 2003 through 2006; (b) a de facto gatekeeper for alternative investment transactions with the CRF of the Office of the State Comptroller (“OSC”); and (c) a placement agent and finder with respect to certain alternative investment transactions with the CRF;
- 2) defendant DAVID LOGLISCI, the Deputy Comptroller for Pension Investment and Cash Management (the “Chief Investment Officer”) for the CRF from April 2004 through May 2007, and formerly the Director of Alternative Investments for the CRF;
- 3) John Doe 1, (a) an asset manager and family friend of LOGLISCI; and (b) a placement agent, finder and principal with respect to certain alternative investment transactions with the CRF, sometimes in partnership with MORRIS;
- 4) John Doe 2, a high-ranking official within OSC and an advisor to the Comptroller; and
- 5) others known and unknown to the grand jury.

Through the corruption of the OSC and the CRF, and the use of the OSC and the CRF as instrumentalities of the enterprise, the MORRIS GROUP committed crimes relating to transactions involving the CRF for the common criminal purpose of profiting through fees, payments to third parties, professional advantage, and other benefits.

Pursuant to this common criminal purpose, the defendants:

- (1) paid, brokered, solicited, steered, and received payments, campaign contributions, investments in securities and other benefits in exchange and as a reward for favorable treatment by OSC officials, and access to information and fees relating to CRF investment transactions;
- (2) defrauded New York State, CRF staff, consultants and investment advisers to the CRF, CRF members, pensioners and beneficiaries, and private equity funds, hedge funds and funds-of-funds seeking investments from the CRF, by making materially false and misleading representations and material omissions, and concealing from the foregoing persons or entities material facts (including concealing material information regarding the defendants' corruption of the process by which alternative investments in securities were screened and selected by the CRF), and concealing actual and potential conflicts of interest, in violation of the defendants' fiduciary duties, and, where applicable, duties under the Public Officers Law; and
- (3) created offshore entities and accounts, structured financial transactions, falsified business records, and controlled information and records to conceal these violations.

STRUCTURE OF THE CRIMINAL ENTERPRISE

At all times relevant to this Indictment:

The Comptroller was a New York statewide elected official and the state's chief fiscal officer in charge of the OSC. The primary functions of the OSC were to perform audits of

state government operations and to manage the CRF, which is the retirement system for New York State and many local government employees and one of the largest pension funds in the United States. The Comptroller was the sole trustee of the pension fund and, through the CRF investment staff, was charged with investing the assets of the pension fund. The Comptroller, the Chief Investment Officer and investment staff with discretionary authority over the pension fund owed fiduciary and other duties to the pension fund members and were required to make investment decisions concerning pension funds solely in the best interests of the CRF and its members.

Defendant HENRY “HANK” MORRIS

Defendant MORRIS was a close associate of and the chief political consultant to Alan Hevesi, the Comptroller in office from 2003 through 2006. MORRIS played a role in many of Hevesi’s political campaigns, starting with earlier campaigns for elected office in the 1970’s and 1980’s, and up to and including the campaigns for Comptroller in 2002 and 2006.

Defendant MORRIS was paid for his political consulting work by the Comptroller’s campaign from 2003 through 2007. Defendant MORRIS did his political consulting work through his company, Morris & Carrick, located in New York County. The Comptroller, defendant LOGLISCI, John Doe 2 and certain other OSC staff met periodically with defendant MORRIS at the offices of Morris & Carrick to discuss CRF investments.

Defendant MORRIS also served as a de facto gatekeeper for alternative investment transactions with the CRF, and as a placement agent and finder with respect to certain alternative investment transactions with the CRF.

Defendant DAVID LOGLISCI

Defendant LOGLISCI joined the OSC Division of Pension Investment and Cash Management in 2003 as Director of Alternative Investments. In or about April 2004, LOGLISCI was promoted to the position of Deputy Comptroller for Pension Investment and Cash Management, which was the Chief Investment Officer position for the CRF. Defendant LOGLISCI remained in that position until he left OSC in May 2007.

As Chief Investment Officer, defendant LOGLISCI supervised the various CRF divisions, including the alternative investments division, and was responsible for overseeing and approving investment decisions relating to CRF investments. Pursuant to his position as Chief Investment Officer, defendant LOGLISCI owed fiduciary duties to the CRF and its members and beneficiaries, and as a public officer, he owed duties to the public under the Public Officers Law. These duties required, among other things, that LOGLISCI exercise his discretion with respect to investment decisions solely in the best interests of the CRF and its members and beneficiaries, and that he avoid and disclose conflicts of interests and the appearance of conflicts of interest. Defendant LOGLISCI breached these duties in order to benefit himself and other MORRIS GROUP members and associates.

JOHN DOE 1

John Doe 1 was a financier, investor and businessman with both business and personal ties to defendant LOGLISCI and members of LOGLISCI's family.

During the relevant time period, John Doe 1 controlled or had an interest in a variety of entities that did business with the CRF; received fees and proceeds from certain alternative investment transactions involving the CRF; and did business and shared proceeds relating to the CRF with defendant MORRIS and MORRIS's entities.

JOHN DOE 2

John Doe 2 was a high-ranking official within OSC and an advisor to the Comptroller from January 2003 through December 2006. John Doe 2 had a long-standing professional and personal relationship with the Comptroller and defendant MORRIS predating the Comptroller's tenure.

John Doe 2 assisted MORRIS GROUP members and associates by facilitating certain alternative investment transactions, and by helping to conceal defendant MORRIS's role with respect to those transactions. John Doe 2 solicited and received money and other benefits from defendant MORRIS as a reward and in exchange for furthering the MORRIS GROUP's schemes.

The Alternative Investment Process

The CRF invested in specific types of assets as set forth by statute. The statute's basket provision allowed a percentage of the CRF portfolio's investments to be held in assets not otherwise specifically delineated in the statute. The CRF made investments that fell into this "basket" through its Division of Alternative Investments. This Division was primarily comprised of staff members or investment officers who reported through the Director of Alternative Investments to the Chief Investment Officer, who reported to the Comptroller with respect to investment decisions.

The CRF invested the majority of its alternative investment portfolio in private equity funds. Beginning in approximately 2005, the CRF also began to invest in hedge funds. The CRF generally invested in private equity funds as one of various limited partners. The fund through which the CRF invested was the general partner, which managed the day-to-day investment. The alternative investment portfolio also

included investments in fund-of-funds, which are investments in a portfolio of private equity or hedge funds. The CRF invested as a limited partner in funds of funds.

The CRF was a large and desirable source of investment funds. Gaining access to and investments from the CRF was a competitive process, and frequently funds retained third parties known as “placement agents” or “finders” (hereinafter, “placement agents”) to introduce and market them to the CRF. If a fund paid a fee to a placement agent in connection with an investment made by the CRF, the CRF required that the fund make a written disclosure of the fee and the identity of the placement agent to the Chief Investment Officer or the manager of the fund-of-funds.

Once the CRF was introduced to and interested in a fund, the fund was referred to one of the CRF’s outside consultants for due diligence. At the same time, a CRF investment officer was assigned to review and analyze the transaction. If the outside consultant found the transaction suitable, the investment officer then determined whether to recommend the investment to the Director of Alternative Investments.

If the investment officer recommended a proposed private equity investment, and the Director of Alternative Investments concurred, then the recommendation was forwarded to the Chief Investment Officer for approval. If the Chief Investment Officer approved, he recommended the investment to the Comptroller, whose approval was required before direct CRF investments could be made. For hedge fund investments, a similar process was in place, requiring the recommendation of the senior investment officer to the Chief Investment Officer and the Chief Investment Officer’s approval and recommendation to the Comptroller. Given this process, the CRF could not make an investment unless the proposed investment had been vetted by an outside consultant and recommended by multiple levels of investment staff,

including the investment officer, Director of Alternative Investments, the Chief Investment Officer and the Comptroller.

Broker/Dealer Requirements

Placement agents who were engaged in the business of effecting a securities transaction and who received a commission or compensation in connection with that transaction were required to be licensed and affiliated with broker-dealers regulated by an entity now known as the Financial Industry Regulatory Authority (“FINRA”). To obtain such licenses, the agents were required to pass a “Series 7” or equivalent examination administered by FINRA.

Defendants’ Registration

Defendant MORRIS began marketing himself and working as a placement agent soon after the Comptroller’s term began, and before obtaining the affiliation and licensing required of general securities representatives. In May 2003, MORRIS affiliated himself with a small Connecticut-based broker-dealer, Searle & Co. (“Searle”). In July 2003, MORRIS took and passed the Series 7 and Series 63 exams, which are required of general securities representatives. MORRIS registered with FINRA as a general securities representative affiliated with Searle and was approved as such on July 4, 2003. On most of the transactions for which MORRIS acted as a placement agent, Searle kept only five percent of fees generated by MORRIS, and Searle paid the remaining ninety-five percent of the fees to MORRIS-controlled entities.

John Doe 1 never registered with FINRA.

Corruption of the Alternative Investment Process

The MORRIS GROUP corrupted the OSC and the CRF and used the OSC and the CRF as instrumentalities of the criminal enterprise.

Control Over Alternative Investment Process

Once the Comptroller took office in January 2003, defendant MORRIS began to exercise control over the CRF's alternative investment portfolio by recommending, approving, securing or blocking alternative investment transactions. Defendant MORRIS also influenced the CRF to invest for the first time in hedge funds, an asset class that was perceived to be riskier than private equity funds, so that MORRIS could reap fees from hedge fund transactions involving the CRF.

Defendant MORRIS also participated in decisions to remove and promote certain executive staff at the CRF. In or about April 2004, MORRIS, John Doe 2, and certain other high-ranking OSC officials determined that the original Chief Investment Officer of the CRF was not sufficiently accommodating to the MORRIS Group and its associates. Defendant MORRIS participated in the decision to remove the original Chief Investment Officer and promote defendant LOGLISCI to that position.

At the same time that defendant MORRIS was profiting through investment transactions involving the CRF, defendant MORRIS participated with defendant LOGLISCI in making decisions about alternative investments. Defendant MORRIS's multiple roles generated conflicts of interest, which defendant LOGLISCI knew and failed to disclose. Defendant LOGLISCI ceded decision-making authority to MORRIS regarding particular investments and investment strategies to be pursued and approved by the CRF. During this time, defendant LOGLISCI was also aware that defendant MORRIS had an ongoing

relationship with the Comptroller as a paid political consultant. Defendant LOGLISCI was also aware that MORRIS GROUP members and associates had financial interests in the securities transactions they steered to the CRF in their roles as placement agents. In violation of his fiduciary duties and duties under the Public Officers Law, defendant LOGLISCI did not disclose these multiple conflicting roles played by defendant MORRIS to CRF investment staff, CRF ethics officers, CRF members or beneficiaries, or the public.

Defendant MORRIS used his influence over the alternative investment portfolio to direct CRF investments and other benefits to MORRIS GROUP members and associates, including to reward past political favors to the Comptroller. Defendant MORRIS also used his influence over the alternative investment process to solicit and obtain contributions to the Comptroller's campaign from individuals engaged in alternative investment transactions with CRF.

Defendant MORRIS became a de facto and functional fiduciary to the CRF and its members and beneficiaries, and owed a fiduciary duty to act in the best interests of the CRF and its members and beneficiaries. However, defendant MORRIS breached this duty and used his influence over the CRF investment process to enrich himself and other MORRIS GROUP members and associates.

Defendant MORRIS exploited his access to information and influence over the CRF investment process to identify business opportunities for himself and other MORRIS GROUP members and associates. Defendant MORRIS, with defendant LOGLISCI's knowledge and assistance, selected and approved CRF investment transactions on which MORRIS and other MORRIS GROUP members and associates stood to benefit. As a result of the control and influence exercised by MORRIS GROUP members, from 2003 through 2008, MORRIS

GROUP members and associates obtained millions of dollars in proceeds on more than twenty alternative investment transactions. The MORRIS GROUP transactions represented more than four billion dollars in commitments to private equity funds, hedge funds, and funds of funds during the Comptroller's administration. These deals generated tens of millions of dollars in fees to the MORRIS GROUP.

Favoring MORRIS GROUP

During the Comptroller's tenure at OSC, defendants MORRIS and LOGLISCI corrupted the alternative investment selection process by making investment decisions influenced by the goal of rewarding MORRIS GROUP members and associates, rather than based exclusively on the best interests of the CRF and its members and beneficiaries. In doing so, defendant LOGLISCI advanced his own interests and those of MORRIS GROUP members and associates over those of the CRF and its members and beneficiaries. Defendants MORRIS and LOGLISCI favored deals for which MORRIS GROUP members and associates acted as placement agents, or had other financial interests, which interests were often concealed from or undisclosed to investment staff and others.

Defendants LOGLISCI and MORRIS also blocked proposed CRF investments where the private equity fund or hedge fund would not pay MORRIS GROUP members or associates.

In other transactions, defendant LOGLISCI inserted MORRIS GROUP members and associates as placement agents and principals into investment transactions that were already under consideration by the CRF, and then approved these transactions in his role as Chief Investment Officer. In some transactions, the MORRIS GROUP inserted placement agents into proposed transactions as a reward for political favors.

In other instances, MORRIS inserted associates as placement agents, who then shared the fees with MORRIS.

On certain alternative investment transactions, MORRIS was the placement agent through Searle or another MORRIS-controlled entity, which then shared the fee with John Doe 1 through a John Doe 1-controlled entity. On certain other alternative investment transactions, the structure was reversed, so that John Doe 1 was the placement agent through one of his companies, which then shared the fee with MORRIS through one of his companies. These fee-sharing arrangements ordinarily were not disclosed to fund managers and were not disclosed to the CRF investment staff other than defendant LOGLISCI. In yet another transaction, John Doe 1 was the principal of an investment in which Morris served as a placement agent.

In addition, defendant LOGLISCI helped to conceal the MORRIS GROUP's scheme by maintaining exclusive custody of letters to the CRF that disclosed the use of placement agents and fees paid relating to certain CRF investment transactions.

Concealment

Defendant MORRIS concealed his conflicting roles as political consultant, CRF gatekeeper, and CRF placement agent from CRF alternative investment staff and others. MORRIS also concealed financial relationships he had with LOGLISCI and John Doe 2. At times, MORRIS also concealed his role as CRF investment gatekeeper from funds that hired him as a placement agent. In addition, MORRIS sometimes obtained placement agreements and fees for himself and others from certain fund managers known to the grand jury through false and misleading representations and material omissions, including claims that Searle was the official placement agent for the CRF.

To further conceal the nature and extent of the MORRIS GROUP's schemes and the fees generated by those schemes, defendant MORRIS structured financial transactions through numerous corporate entities through which he received placement fees on CRF-related investments. These entities included Searle, PB Placement LLC, Pantigo Emerging LLC, Nosemote LLC, Athena Capital Advisors Ltd., and Purpose LLC.

Additional False Statements and Material Omissions

To further the existence and success of the MORRIS GROUP's schemes, defendant LOGLISCI did not disclose these conflicts of interest or potential conflicts of interest, and made materially false and misleading representations and omissions in annual reports distributed each year to CRF members and beneficiaries and the public through the OSC website. In these 2004 through 2006 annual reports, defendant LOGLISCI stated that the CRF invested in private equity funds because of the potential for high returns and that the CRF investment staff employed strategies to minimize the higher risks inherent in such investments. For example, in the 2004 and 2006 Annual Reports, LOGLISCI stated:

The Fund's private equity portfolio is designed to provide returns that exceed those of public equities. The added return is accompanied by increased risk and illiquidity. . . . [Thus] private equity makes up a relatively small portion of the Fund's total investments. . . . The Fund employs a broadly diversified strategy for its private equity portfolio to *reduce risk*. Investments are made in a variety of strategies, with a number of different private equity managers and in funds that were initiated at different points in time. This approach *reduces the risk* to the Fund.

(Emphasis added.)

These statements were materially false and misleading and had material omissions. Rather than reducing risk to the CRF (referred to above as "the Fund"), defendant LOGLISCI increased risk to the CRF by structuring and approving alternative investment transactions that benefited MORRIS GROUP members and

associates, who had undisclosed actual and potential conflicts of interest. Moreover, in the annual reports, defendant LOGLISCI failed to disclose that many of these transactions were structured and approved not solely because they were in the best interests of the CRF, but rather at least in part because they would benefit MORRIS GROUP members and associates. A further undisclosed risk was LOGLISCI's own conflict of interest stemming from MORRIS's and others' payments with respect to "Chooch," a film produced by LOGLISCI's brother.

Payments and Other Benefits to MORRIS GROUP Members

MORRIS GROUP members and associates together reaped tens of millions of dollars in placement agent and other fees relating to alternative investment transactions with the CRF.

Defendant MORRIS solidified his influence over investment decisions at the CRF and furthered the goals of the MORRIS GROUP by providing certain financial benefits for defendant LOGLISCI and John Doe 2. With respect to defendant LOGLISCI, defendant MORRIS gave \$100,000 to "Chooch," a movie produced by LOGLISCI's brother. With respect to John Doe 2, defendant MORRIS made periodic cash payments and issued personal checks for the benefit of a third party known to the grand jury, which MORRIS concealed through a sham loan transaction. These payments rewarded LOGLISCI and John Doe 2 for fraudulent and deceptive acts and concealments in violation of their fiduciary and other duties, and encouraged LOGLISCI and John Doe 2 to continue to breach their fiduciary and other duties so as not to disclose MORRIS's conflicted dealings with the CRF or the MORRIS GROUP's schemes.

While engaged in business dealings with defendant LOGLISCI and the CRF, defendant MORRIS made a financial contribution to LOGLISCI's brother's film "Chooch,"

with which defendant LOGLISCI was also involved. Defendant LOGLISCI also caused certain fund managers doing business with the CRF to make contributions to the film, and caused one fund manager doing business with the CRF to arrange a DVD distribution deal for the film. In all, defendant LOGLISCI directed in excess of \$250,000 worth of contributions and other benefits to his brother's movie from individuals or entities doing business with the CRF, but did not disclose this fact to CRF investment staff, CRF counsel, CRF ethics officers, or CRF members and beneficiaries.

While engaged in business dealings with defendant LOGLISCI and CRF, defendant MORRIS solicited and directed others to solicit certain fund managers doing business with CRF to make contributions to the Comptroller's re-election campaign. MORRIS targeted and pressured these fund managers to make these contributions by exploiting his inside knowledge of and influence over CRF alternative investment transactions and his position as placement agent for some of the fund managers. This benefited defendant MORRIS in his position at Morris & Carrick as a paid political consultant to the Comptroller.

Pattern of Criminal Activity

During the period of this offense, each of the defendants, as specified below, participated in a pattern of criminal activity with intent to participate in and advance the affairs of the MORRIS GROUP as follows:

FS EQUITY PARTNERS V

Criminal Act 1

The defendants HENRY "HANK" MORRIS and DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about November 2002 through on or about February 2, 2004, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: FS Equity Partners V, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: a Consulting Agreement and fees related to the CRF investment in FS Equity Partners V.

Criminal Act 2

The defendant HENRY “HANK” MORRIS committed the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE, in violation of Penal Law §470.05(1)(a)(i)(A)**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, in or about February 2004, knowing that the property, namely check #3777 from Wetherly Capital Group, LLC for \$200,000 dated February 2, 2004 and check #1325 to PB Placement LLC for \$200,000 dated February 5, 2004, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, with intent to promote the carrying on of criminal conduct, and the total value of the property involved in such financial transactions exceeded five thousand dollars.

Criminal Act 3

The defendant HENRY “HANK” MORRIS committed the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE in violation of Penal Law §470.05(1)(a)(ii)(A)**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, in or about February 2004, knowing that the property, namely check #3777 from Wetherly Capital Group, LLC for \$200,000 dated February 2, 2004 and check #1325 to PB Placement LLC for \$200,000 dated February 5, 2004, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, knowing that the transaction and transactions in whole and in part are designed to conceal and disguise the nature, the location, the source, the ownership and control of the proceeds of criminal conduct; and the total value of the property involved in such financial transaction and transactions exceeded five thousand dollars.

ARES CORPORATE OPPORTUNITIES FUND

Criminal Act 4

The defendants HENRY “HANK” MORRIS and DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about November 2002 through in or about January 2006, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the

exchange, sale, negotiation and purchase within and from New York of securities, to wit: Ares Corporate Opportunities Fund, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: consulting services agreement and fees related to the CRF investment in Ares Corporate Opportunities Fund.

Criminal Act 5

The defendant HENRY “HANK” MORRIS committed the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE, in violation of Penal Law**

§470.05(1)(a)(i)(A), as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about April 2004 through in or about May 2004, knowing that the property, namely check #1105 from DAV-Wetherly Financial, L.P. for \$113,750 dated April 14, 2004, and check #1406 to PB Placement LLC for \$113,000 dated May 3, 2004, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, with intent to promote the carrying on of criminal conduct, and the total value of the property involved in such financial transactions exceeded five thousand dollars.

Criminal Act 6

The defendant HENRY “HANK” MORRIS committed the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE in violation of Penal Law §**

470.05(1)(a)(ii)(A), as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, in or about April 2004 through in or about May 2004, knowing that the

property, namely check #1105 from DAV-Wetherly Financial, L.P. for \$113,750 dated April 14, 2004, and check #1406 to PB Placement LLC for \$113,000 dated May 3, 2004, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, knowing that the transaction and transactions in whole and in part are designed to conceal and disguise the nature, the location, the source, the ownership and control of the proceeds of criminal conduct; and the total value of the property involved in such financial transaction and transactions exceeded five thousand dollars.

ALDUS/NY EMERGING FUND

Criminal Act 7

The defendants HENRY “HANK” MORRIS AND DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about May 2004 through in or about April 2006, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Aldus/NY Emerging Fund, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: a Letter Agreement between Pantigo Emerging LLC, and Aldus Equity Partners, LP, and management fees and carried interest related to the CRF investment in Aldus/NY Emerging Fund.

Criminal Act 8

The defendant HENRY “HANK” MORRIS committed the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE, in violation of Penal Law § 470.05(1)(a)(i)(A)**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about August 29, 2005, knowing that the property, namely check #1001 from Pantigo Emerging LLC. for \$27,500 dated August 29, 2005, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, with intent to promote the carrying on of criminal conduct, and the total value of the property involved in such financial transactions exceeded five thousand dollars.

Criminal Act 9

The defendant HENRY “HANK” MORRIS committed the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE in violation of Penal Law § 470.05(1)(a)(ii)(A)**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about August 29, 2005, knowing that the property, namely check #1001 from Pantigo Emerging LLC for \$27,500 dated August 29, 2005, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, knowing that the transaction and transactions in whole and in part are designed to conceal and disguise the nature, the location, the source, the ownership and control of the

proceeds of criminal conduct; and the total value of the property involved in such financial transaction and transactions exceeded five thousand dollars.

LEVINE LEICHTMAN CAPITAL PARTNERS III

Criminal Act 10

The defendant HENRY “HANK” MORRIS committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about March 2005 through in or about February 2007, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Levine Leichtman Capital Partners III, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: Placement Services Agreement dated March 1, 2005 related to Levine Leichtman Capital Partners III and fees related to the investment of CRF funds by Aldus/NY Emerging Fund in Levine Leichtman Capital Partners III.

ODYSSEY INVESTMENT PARTNERS III

Criminal Act 11

The defendant HENRY “HANK” MORRIS, committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2003 through in or about December 2006, intentionally engaged in fraud, deception, concealment, suppression, false pretense and

fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Odyssey Investment Partners III, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: a placement agent agreement related to Odyssey Investment Partners III and fees related to the CRF investment in Odyssey Investment Partners III.

Criminal Act 12

The defendant HENRY “HANK” MORRIS committed the crime of **GRAND LARCENY IN THE SECOND DEGREE in violation of Penal Law §155.40**, as follows:

Said defendant, his agents, accomplices, and coconspirators from in or about July 2003 through in or about December 2006, in the County of New York and elsewhere, stole property, to wit: fees related to the CRF investment in Odyssey Investment Fund III, and the property had a value in excess of fifty thousand dollars.

CARLYLE / CARLYLE/RIVERSTONE

Criminal Act 13

The defendants HENRY “HANK” MORRIS and DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2004 through in or about April 2006, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale,

negotiation and purchase within and from New York of securities, to wit: Carlyle Realty Partners IV-A, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: a placement agent agreement related to Carlyle Realty Partners IV-A and fees related to the CRF investment in Carlyle Realty Partners IV-A.

Criminal Act 14

The defendants HENRY “HANK” MORRIS and DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2005 through in or about September 2006, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Carlyle Europe Real Estate Partners II, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: a placement agent agreement related to Carlyle Europe Real Estate Partners II and fees related to the CRF investment in Carlyle Europe Real Estate Partners II.

Criminal Act 15

The defendants HENRY “HANK” MORRIS and DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2003 through in or about July 2005, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and

pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Carlyle/Riverstone Global Energy & Power Fund II, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: placement agent agreement related to Carlyle/Riverstone Global Energy & Power Fund II, and fees related to the CRF investment in Carlyle/Riverstone Global Energy & Power Fund II.

Criminal Act 16

The defendants HENRY “HANK” MORRIS and DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2003 through in or about May 2007, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Carlyle/Riverstone Global Energy & Power Fund III, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: placement agent agreement related to Carlyle/Riverstone Global Energy & Power Fund III, and fees related to the CRF investment in Carlyle/Riverstone Global Energy & Power Fund III.

Criminal Act 17

The defendants HENRY “HANK” MORRIS and DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2003 through in or about May 2007, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Carlyle/Riverstone Renewable Energy Infrastructure Fund I, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: placement agent agreement related to Carlyle/Riverstone Renewable Energy Infrastructure Fund I, and fees related to the CRF investment in Carlyle/Riverstone Renewable Energy Infrastructure Fund I.

Criminal Act 18

The defendant HENRY “HANK” MORRIS committed the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE** in violation of Penal Law §175.10, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about December 1, 2003, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: letter from Carlyle to the CRF dated December 1, 2003 related to Carlyle/Riverstone Global Energy & Power Fund II.

Criminal Act 19

The defendant HENRY “HANK” MORRIS committed the crime of **OFFERING A FALSE INSTRUMENT FOR FILING IN THE FIRST DEGREE** in violation of **Penal Law §175.35**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about December 1, 2003, knowing that a written instrument contained a false statement and false information, and with intent to defraud the State of New York, and any political subdivision, public authority and public benefit corporation of the state, offered and presented to a public office and a public servant with the knowledge and belief that it would be filed with, registered and recorded in, and otherwise become part of the records of such public office and public servant, to wit: letter from Carlyle to the CRF dated December 1, 2003 related to Carlyle/Riverstone Global Energy & Power Fund II.

Criminal Act 20

The defendant HENRY “HANK” MORRIS committed the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE** in violation of **Penal Law §175.10**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about November 3, 2005, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: a disclosure letter from Carlyle to the CRF dated November 3, 2005 related to Carlyle/Riverstone Global Energy & Power Fund III.

Criminal Act 21

The defendant HENRY “HANK” MORRIS committed the crime of **OFFERING A FALSE INSTRUMENT FOR FILING IN THE FIRST DEGREE in violation of Penal Law §175.35**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about November 3, 2005, knowing that a written instrument contained a false statement and false information, and with intent to defraud the State of New York, and any political subdivision, public authority and public benefit corporation of the state, offered and presented to a public office and a public servant with the knowledge and belief that it would be filed with, registered and recorded in, and otherwise become part of the records of such public office and public servant, to wit: a disclosure letter from Carlyle to the CRF dated November 3, 2005 related to Carlyle/Riverstone Global Energy & Power Fund III.

Criminal Act 22

The defendant HENRY “HANK” MORRIS committed the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about January 26, 2006, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: a disclosure letter from Carlyle to the CRF dated January 26, 2006 related to Carlyle/Riverstone Renewable Energy Infrastructure Fund I.

Criminal Act 23

The defendant HENRY “HANK” MORRIS committed the crime of **OFFERING A FALSE INSTRUMENT FOR FILING IN THE FIRST DEGREE** in violation of **Penal Law §175.35**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about January 26, 2006, knowing that a written instrument contained a false statement and false information, and with intent to defraud the State of New York, and any political subdivision, public authority and public benefit corporation of the state, offered and presented to a public office and a public servant with the knowledge and belief that it would be filed with, registered and recorded in, and otherwise become part of the records of such public office and public servant, to wit: a disclosure letter from Carlyle to the CRF dated January 26, 2006 related to Carlyle/Riverstone Renewable Energy Infrastructure Fund I.

Criminal Act 24

The defendant HENRY “HANK” MORRIS committed the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE**, in violation of **Penal Law §470.05(1)(a)(i)(A)**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about February 2004, through in or about May 2007, knowing that the property, namely check #3003 from Searle to PB Placements LLC for \$365,250, dated February 12, 2004, check #3201 from Searle to PB Placements LLC for \$365,250, dated July 20, 2004, check #3497 from Searle to PB Placements LLC for \$365,250, dated February 28, 2005, check #3691 from Searle to PB Placements LLC for \$365,250, dated August 8, 2005,

check # 1019 from PB Placement LLC to JDS Advisors for \$31,250, dated June 15, 2006, check # 1020 from PB Placement LLC to JDS Advisors for \$3,750, dated June 15, 2006, check # 1024 from PB Placement LLC to JDS Advisors for \$43,750, dated June 15, 2006, check #3966 from Searle to PB Placements LLC for \$902,500, dated March 9, 2006, check #4079 from Searle to PB Placements LLC for \$831,250, dated June 12, 2006, check #4077 from Searle to PB Placements LLC for \$71,250, dated June 12, 2006, check #4301 from Searle to PB Placements LLC for \$902,250, dated November 24, 2006, check #4545 from Searle to PB Placements LLC for \$902,500, dated May 14, 2007, and wire transfers from Searle & Co. to HFV Investments LLC, dated July 22, 2004 for \$375,000, February 28, 2005 for \$375,000, August 5, 2005 for \$375,000, March 7, 2006 for \$950,000, June 14, 2006 for \$950,000, and November 27, 2006 for \$950,000, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, with intent to promote the carrying on of criminal conduct, and the total value of the property involved in such financial transactions exceeded five thousand dollars.

Criminal Act 25

The defendant HENRY "HANK" MORRIS committed the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE in violation of Penal Law § 470.05(1)(a)(ii)(A)**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about February 2004 through in or about May 2007, knowing that the property, namely check #3003 from Searle to PB Placements LLC for \$365,250, dated February 12, 2004, check #3201 from Searle to PB Placements LLC for \$365,250, dated July

20, 2004, check #3497 from Searle to PB Placements LLC for \$365,250, dated February 28, 2005, check #3691 from Searle to PB Placements LLC for \$365,250, dated August 8, 2005, check # 1019 from PB Placement LLC to JDS Advisors for \$31,250, dated June 15, 2006, check # 1020 from PB Placement LLC to JDS Advisors for \$3,750, dated June 15, 2006, check # 1024 from PB Placement LLC to JDS Advisors for \$43,750, dated June 15, 2006, check #3966 from Searle to PB Placements LLC for \$902,500, dated March 9, 2006, check #4079 from Searle to PB Placements LLC for \$831,250, dated June 12, 2006, check #4077 from Searle to PB Placements LLC for \$71,250, dated June 12, 2006, check #4301 from Searle to PB Placements LLC for \$902,250, dated November 24, 2006, check #4545 from Searle to PB Placements LLC for \$902,500, dated May 14, 2007, and wire transfers from Searle to HFV Investments LLC, dated July 22, 2004 for \$375,000, February 28, 2005 for \$375,000, August 5, 2005 for \$375,000, March 7, 2006 for \$950,000, June 14, 2006 for \$950,000, and November 27, 2006 for \$950,000, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, knowing that the transaction and transactions in whole and in part are designed to conceal and disguise the nature, the location, the source, the ownership and control of the proceeds of criminal conduct; and the total value of the property involved in such financial transaction and transactions exceeded five thousand dollars.

QUADRANGLE CAPITAL PARTNERS II

Criminal Act 26

The defendants HENRY “HANK” MORRIS and DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about April 2003 through in or about November 2007, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Quadrangle Capital Partners II, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: a placement agent agreement related to Quadrangle Capital Partners II, and fees related to the CRF investment in Quadrangle Capital Partners II.

PALADIN HOMELAND SECURITY FUND (NY)

Criminal Act 27

The defendants HENRY “HANK” MORRIS and DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about June 2003 through on or about December 21, 2005, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Paladin Homeland Security Investment Fund (NY), and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: Letter Agreement related to

Paladin Homeland Security Holdings, LLC, dated June 26, 2003, and fees related to the CRF investment in Paladin Homeland Security Investment Fund (NY).

PEQUOT PRIVATE EQUITY IV

Criminal Act 28

The defendants HENRY “HANK” MORRIS and DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2005 through in or about July 2008, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Pequot Private Equity IV, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: consulting services agreements related to Pequot Private Equity IV, and fees, management fees and carried interest with respect to the CRF investments in Pequot Private Equity IV.

PEQUOT DIVERSIFIED OFFSHORE

Criminal Act 29

The defendants HENRY “HANK” MORRIS and DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2005 through in or about July 2008, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and

pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Pequot Diversified Offshore, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: consulting services agreements related to Pequot Diversified Offshore Fund, and fees, management fees and carried interest with respect to the CRF investments in Pequot Diversified Offshore.

Criminal Act 30

The defendant HENRY “HANK” MORRIS committed the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about July 9, 2007, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: a disclosure letter from Pequot to the CRF dated July 9, 2007 related to Pequot Diversified Offshore.

Criminal Act 31

The defendant HENRY “HANK” MORRIS committed the crime of **OFFERING A FALSE INSTRUMENT FOR FILING IN THE FIRST DEGREE in violation of Penal Law §175.35**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about July 9, 2007, knowing that a written instrument contained a

false statement and false information, and with intent to defraud the State of New York, and any political subdivision, public authority and public benefit corporation of the state, offered and presented to a public office and a public servant with the knowledge and belief that it would be filed with, registered and recorded in, and otherwise become part of the records of such public office and public servant, to wit: a disclosure letter from Pequot to the CRF dated July 9, 2007, related to Pequot Diversified Offshore.

GKM/NY VENTURE CAPITAL FUND

Criminal Act 32

The defendants HENRY “HANK” MORRIS and DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about November 2003 through in or about July 2007, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: GKM/NY Venture Capital Fund, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: Letter Agreement dated August 10, 2004, with respect to GKM/NY Venture Capital Fund, and management fees and carried interest with respect to the CRF investment in GKM/NY Venture Capital Fund.

Criminal Act 33

The defendant HENRY “HANK” MORRIS committed the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE, in violation of Penal Law**

§470.05(1)(a)(i)(A), as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about January 2005 through in or about July 2007, knowing that the property, namely wire transfers from Purpose, LLC to Merriweather & Williams, Ltd, dated March 9, 2005 for \$60,000, April 7, 2005 for \$37,500, July 19, 2005 for \$37,500, October 18, 2005 for \$51,737, January 10, 2006, for \$50,000, April 24, 2006 for \$68,000, July 13, 2006, for \$28,092.50, for October 11, 2006 for \$39,897, January 18, 2007 for \$25,032, April 27, 2007 for \$41,459.50, and July 11, 2007 for \$38,646.50, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, with intent to promote the carrying on of criminal conduct, and the total value of the property involved in such financial transactions exceeded five thousand dollars.

Criminal Act 34

The defendant HENRY “HANK” MORRIS committed the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE in violation of Penal Law**

§470.05(1)(a)(ii)(A), as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, in or about January 2005 through in or about July 2007, knowing that the property, namely wire transfers from Purpose, LLC to Merriweather & Williams, Ltd, dated March 9, 2005 for \$60,000, April 7, 2005 for \$37,500, July 19, 2005 for \$37,500, October 18,

2005 for \$51,737, January 10, 2006, for \$50,000, April 24, 2006 for \$68,000, July 13, 2006, for \$28,092.50, for October 11, 2006 for \$39,897, January 18, 2007 for \$25,032, April 27, 2007 for \$41,459.50, and July 11, 2007 for \$38,646.50, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, knowing that the transaction and transactions in whole and in part are designed to conceal and disguise the nature, the location, the source, the ownership and control of the proceeds of criminal conduct; and the total value of the property involved in such financial transaction and transactions exceeded five thousand dollars.

HICKS, MUSE, TATE & FURST EUROPEAN FUND II / LION CAPITAL FUND I

Criminal Act 35

The defendants HENRY “HANK” MORRIS and DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about September 2004 through in or about June 2006, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Hicks, Muse, Tate & Furst European Fund II / Lion Capital Fund I, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: Letter Agreement dated September 21, 2004 related to Hicks, Muse, Tate & Furst European Fund II

/ Lion Capital Fund I, and fees related to the CRF investment in Hicks, Muse, Tate & Furst European Fund II / Lion Capital Fund I.

Criminal Act 36

The defendant HENRY “HANK” MORRIS committed the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, in or about October 2004, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: a disclosure letter from Hicks, Muse, Tate & Furst European Fund II / Lion Capital Fund I to the CRF dated October 2004.

Criminal Act 37

The defendant HENRY “HANK” MORRIS committed the crime of **OFFERING A FALSE INSTRUMENT FOR FILING IN THE FIRST DEGREE in violation of Penal Law §175.35**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, in or about October 2004, knowing that a written instrument contained a false statement and false information, and with intent to defraud the State of New York, and any political subdivision, public authority and public benefit corporation of the state, offered and presented to a public office and a public servant with the knowledge and belief that it would be filed with, registered and recorded in, and otherwise become part of the records of

such public office and public servant, to wit: a disclosure letter from Hicks, Muse, Tate & Furst European Fund II / Lion Capital Fund I to the CRF dated October 2004.

Criminal Act 38

The defendant HENRY “HANK” MORRIS committed the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE, in violation of Penal Law §470.05(1)(a)(i)(A)**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about November 2004 through in or about September 2006, knowing that the property, namely check #3365 from Searle & Co. to PB Placements LLC, dated November 22, 2004, for \$153,552, deposit of check #3365 for \$153,552 from Searle & Co. by PB Placement LLC on November 29, 2004, check #3536 from Searle & Co. to PB Placements LLC, for \$25,870, transfer from Searle & Co. to HFV, dated March 17, 2005, for \$27,231, check #3577 from Searle & Co. to PB Placements LLC, dated May 4, 2005, for \$378,330, deposit of check # 3577 for \$378,330 from Searle & Co. by PB Placement LLC on May 9, 2005, transfer from PB Placement LLC to Flandana dated May 20, 2005, for \$194,000, check #3818 from Searle & Co. to PB Placements LLC, dated November 8, 2005, for \$271,565, deposit of check #3818 for \$271,565 from Searle & Co. by PB Placement LLC on November 14, 2005, transfer from PB Placement LLC to Flandana, dated November 15, 2005, for \$139,265, check #4078 from Searle & Co. to PB Placements LLC, dated June 12, 2005, for \$290,671, deposit of check # 4078 for \$290,671 from Searle & Co. by PB Placement LLC on June 14, 2006, transfer from PB Placement LLC to Flandana, dated September 11, 2006, for \$149,000, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial

transactions which in fact involved the proceeds of specified criminal conduct, with intent to promote the carrying on of criminal conduct, and the total value of the property involved in such financial transactions exceeded five thousand dollars.

Criminal Act 39

The defendant HENRY “HANK” MORRIS committed the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE in violation of Penal Law**

§470.05(1)(a)(ii)(A), as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, in or about November 2004 through in or about September 2006, knowing that the property, namely check #3365 from Searle & Co. to PB Placements LLC, dated November 22, 2004, for \$153,552, deposit of check #3365 for \$153,552 from Searle & Co. by PB Placement LLC on November 29, 2004, check #3536 from Searle & Co. to PB Placements LLC, for \$25,870, transfer from Searle & Co. to HFV, dated March 17, 2005, for \$27,231, check #3577 from Searle & Co. to PB Placements LLC, dated May 4, 2005, for \$378,330, deposit of check # 3577 for \$378,330 from Searle & Co. by PB Placement LLC on May 9, 2005, transfer from PB Placement LLC to Flandana dated May 20, 2005, for \$194,000, check #3818 from Searle & Co. to PB Placements LLC, dated November 8, 2005, for \$271,565, deposit of check #3818 for \$271,565 from Searle & Co. by PB Placement LLC on November 14, 2005, transfer from PB Placement LLC to Flandana, dated November 15, 2005, for \$139,265, check #4078 from Searle & Co. to PB Placements LLC, dated June 12, 2005, for \$290,671, deposit of check # 4078 for \$290,671 from Searle & Co. by PB Placement LLC on June 14, 2006, transfer from PB Placement LLC to Flandana, dated September 11, 2006, for \$149,000, involved in one and more financial transactions

represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, knowing that the transaction and transactions in whole and in part are designed to conceal and disguise the nature, the location, the source, the ownership and control of the proceeds of criminal conduct; and the total value of the property involved in such financial transaction and transactions exceeded five thousand dollars.

SECTOR PERFORMANCE FUND

Criminal Act 40

The defendants HENRY “HANK” MORRIS and DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about April 2006 through in or about August 2007, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Sector Performance Fund, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: Letter Agreement, dated April 17, 2006, related to Sector Performance Fund, and fees related to the CRF investment in Sector Performance Fund.

STRATEGIC CO-INVESTMENT FUND

Criminal Act 41

The defendants HENRY “HANK” MORRIS and DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about November 2005 through on or about September 20, 2007, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, Strategic Co-Investment Fund, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: Limited Liability Company Agreement of Strategic Co-investment Partners Management, LLC and management fees related to CRF investment in Strategic Co-Investment Fund.

FALCONHEAD CAPITAL PARTNERS II

Criminal Act 42

The defendants HENRY “HANK” MORRIS and DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about April 2006 through in or about December 2006, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the

exchange, sale, negotiation and purchase within and from New York of securities, to wit: Falconhead Capital Partners II, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: placement agent agreement related to Falconhead Capital Partners II, and fees related to the CRF investment in Falconhead Capital Partners II.

ACCESS/NY EUROPEAN FUND

Criminal Act 43

The defendants HENRY “HANK” MORRIS and DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2004 through in or about August 2007, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Access/NY European Fund, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: Introduction and Limited Partnership agreements related to Access U.S. General Partners, L.P. dated March 24, 2005, and management fees and carried interest related to the CRF investment in Access/NY European Fund.

Criminal Act 44

The defendant HENRY “HANK” MORRIS committed the crime of **GRAND LARCENY IN THE FIRST DEGREE in violation of Penal Law §155.42**, as follows:

Said defendant, his agents, accomplices, and coconspirators from in or about July 2004 through in or about August 2007, in the County of New York and elsewhere, stole property, to wit: management fees and carried interest related to the CRF investment in Access/NY European Fund, and the property had a value in excess of one million dollars.

Criminal Act 45

The defendant HENRY “HANK” MORRIS committed the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about March 24, 2005, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: disclosure letter to the CRF with respect to Access/NY European, dated March 24, 2005.

Criminal Act 46

The defendant HENRY “HANK” MORRIS committed the crime of **OFFERING A FALSE INSTRUMENT FOR FILING IN THE FIRST DEGREE in violation of Penal Law §175.35**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about March 24, 2005, knowing that a written instrument contained a false statement and false information, and with intent to defraud the State of New York, and any political subdivision, public authority and public benefit corporation of the state, offered and presented to a public office and a public servant with the knowledge and belief that it

would be filed with, registered and recorded in, and otherwise become part of the records of such public office and public servant, to wit: disclosure letter to the CRF with respect to Access/NY European, dated March 24, 2005.

Criminal Act 47

The defendant HENRY “HANK” MORRIS committed the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE, in violation of Penal Law**

§470.05(1)(a)(i)(A), as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 12, 2005, through in or about September 11, 2007, knowing that the property, namely wire transfers from Flandana Holdings Ltd. to Nosemote LLC dated on or about July 12, 2005 for \$41,769, October 18, 2005 for \$55,752, February 15, 2006 for \$59,765, April 27, 2006 for \$60,395, August 7, 2006 for \$62,447, and November 10, 2006 for \$100,780.98, wire transfers from Flandana Holdings Ltd. to Searle & Co., dated on or about February 9, 2007 for \$125,511, May 16, 2007 for \$132,571.28, and August 21, 2007 for \$80,582.13, and checks #4408 from Searle & Co. to Nosemote LLC on February 21, 2007 for \$119,235, checks #4568 from Searle & Co. to Nosemote LLC on May 23, 2007 for \$125,943, and checks #4723 from Searle & Co. to Nosemote LLC on September 11, 2007 for \$76,553, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, with intent to promote the carrying on of criminal conduct, and the total value of the property involved in such financial transactions exceeded five thousand dollars.

Criminal Act 48

The defendant HENRY “HANK” MORRIS committed the crime of **MONEY**

LAUNDERING IN THE FOURTH DEGREE in violation of Penal Law

§470.05(1)(a)(ii)(A), as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, in or about July 12, 2005, through in or about September 11, 2007, knowing that the property, namely wire transfers from Flandana Holdings Ltd. to Nosemote LLC dated on or about July 12, 2005 for \$41,769, October 18, 2005 for \$55,752, February 15, 2006 for \$59,765, April 27, 2006 for \$60,395, August 7, 2006 for \$62,447, and November 10, 2006 for \$100,780.98, wire transfers from Flandana Holdings Ltd. to Searle & Co., dated on or about February 9, 2007 for \$125,511, May 16, 2007 for \$132,571.28, and August 21, 2007 for \$80,582.13, and checks #4408 from Searle & Co. to Nosemote LLC on February 21, 2007 for \$119,235, checks #4568 from Searle & Co. to Nosemote LLC on May 23, 2007 for \$125,943, and checks #4723 from Searle & Co. to Nosemote LLC on September 11, 2007 for \$76,553, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, knowing that the transaction and transactions in whole and in part are designed to conceal and disguise the nature, the location, the source, the ownership and control of the proceeds of criminal conduct; and the total value of the property involved in such financial transaction and transactions exceeded five thousand dollars.

LIBERTY OAK CAPITAL FUND / CSG

Criminal Act 49

The defendants HENRY “HANK” MORRIS and DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about June 2005 through in or about June 2007, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Liberty Oak Capital Fund / CSG, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: a placement agent agreement with Consulting Services Group, and fees related to the CRF investment in Liberty Oak Capital Fund / CSG.

HFV MULTI-STRATEGY, LTD.

Criminal Act 50

The defendants HENRY “HANK” MORRIS and DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about June 2003 through in or about January 2008, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit:

HFV Multi-Strategy, Ltd., and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: a consulting agreement with HFV Management, L.P. dated November 29, 2004, and fees related to the CRF investment in HFV Multi-Strategy, Ltd.

OLYMPIA JOHN STREET FUND

Criminal Act 51

The defendants HENRY “HANK” MORRIS and DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about June 2003 through in or about July 2007, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Olympia John Street Fund, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: a consulting agreement with Olympia Capital Management S.A., dated July 26, 2004, and fees related to the CRF investment in Olympia John Street Fund.

ANNUAL REPORTS

Criminal Act 52

The defendant DAVID LOGLISCI committed the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE** in violation of Penal Law §175.10, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about March 31, 2004, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: Office of the New York State Comptroller New York State and Local Retirement System 2004 Comprehensive Annual Financial Report, dated March 31, 2004.

Criminal Act 53

The defendant DAVID LOGLISCI committed the crime of **OFFERING A FALSE INSTRUMENT FOR FILING IN THE FIRST DEGREE in violation of Penal Law §175.35**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about March 31, 2004, knowing that a written instrument contained a false statement and false information, and with intent to defraud the State of New York, and any political subdivision, public authority and public benefit corporation of the state, offered and presented to a public office and a public servant with the knowledge and belief that it would be filed with, registered and recorded in, and otherwise become part of the records of such public office and public servant, to wit: Office of the New York State Comptroller New York State and Local Retirement System 2004 Comprehensive Annual Financial Report, dated March 31, 2004.

Criminal Act 54

The defendant DAVID LOGLISCI committed the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about March 31, 2005, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: Office of the New York State Comptroller New York State and Local Retirement System 2005 Comprehensive Annual Financial Report, dated March 31, 2005.

Criminal Act 55

The defendant DAVID LOGLISCI committed the crime of **OFFERING A FALSE INSTRUMENT FOR FILING IN THE FIRST DEGREE in violation of Penal Law §175.35**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about March 31, 2005, knowing that a written instrument contained a false statement and false information, and with intent to defraud the State of New York, and any political subdivision, public authority and public benefit corporation of the state, offered and presented to a public office and a public servant with the knowledge and belief that it would be filed with, registered and recorded in, and otherwise become part of the records of such public office and public servant, to wit: Office of the New York State Comptroller New

York State and Local Retirement System 2005 Comprehensive Annual Financial Report, dated March 31, 2005.

Criminal Act 56

The defendant DAVID LOGLISCI committed the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about March 31, 2006, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: Office of the New York State Comptroller New York State and Local Retirement System 2006 Comprehensive Annual Financial Report, dated March 31, 2006.

Criminal Act 57

The defendant DAVID LOGLISCI committed the crime of **OFFERING A FALSE INSTRUMENT FOR FILING IN THE FIRST DEGREE in violation of Penal Law §175.35**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about March 31, 2006, knowing that a written instrument contained a false statement and false information, and with intent to defraud the State of New York, and any political subdivision, public authority and public benefit corporation of the state, offered and presented to a public office and a public servant with the knowledge and belief that it would be filed with, registered and recorded in, and otherwise become part of the records of

such public office and public servant, to wit: Office of the New York State Comptroller New York State and Local Retirement System 2006 Comprehensive Annual Financial Report, dated March 31, 2006.

“CHOOCH” INVESTMENT

Criminal Act 58

The defendant DAVID LOGLISCI, committed the crime of **RECEIVING REWARD FOR OFFICIAL MISCONDUCT IN THE SECOND DEGREE** in violation of Penal Law §200.25, as follows:

Said defendant, on or about February 14, 2004, being a public servant, solicited, accepted and agreed to accept a benefit from another person for having violated his duty as a public servant.

Criminal Act 59

The defendant HENRY “HANK” MORRIS, committed the crime of **REWARDING OFFICIAL MISCONDUCT IN THE SECOND DEGREE** in violation of Penal Law §200.20, as follows:

Said defendant, on or about February 14, 2004, knowingly conferred, and offered and agreed to confer, a benefit upon a public servant for having violated his duty as a public servant.

PAYMENTS FROM HANK MORRIS

Criminal Act 60

The defendant HENRY “HANK” MORRIS, committed the crime of **BRIBERY IN THE SECOND DEGREE** in violation of Penal Law §200.03, as follows:

Said defendant, in or about May 2004 through in or about January 2005, conferred, and offered and agreed to confer, a benefit valued in excess of ten thousand dollars upon a public servant, to wit: John Doe 2, upon an agreement and understanding that such public servant's vote, opinion, judgment, action, decision and exercise of discretion as a public servant will thereby be influence.

Criminal Act 61

The defendant HENRY "HANK" MORRIS, committed the crime of **REWARDING OFFICIAL MISCONDUCT IN THE SECOND DEGREE in violation of Penal Law §200.20**, as follows:

Said defendant, in or about May 2004 through in or about January 2005, knowingly conferred, and offered and agreed to confer, a benefit upon a public servant, to wit: John Doe 2, for having violated his duty as a public servant.

Criminal Act 62

The defendant HENRY "HANK" MORRIS committed the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about December 1, 2004, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: check #1351, from MORRIS for \$20,000, dated December 1, 2004.

Criminal Act 63

The defendant HENRY “HANK” MORRIS committed the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about June 1, 2004, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: Promissory Note, dated June 1, 2004.

Criminal Act 64

The defendant HENRY “HANK” MORRIS committed the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about June 1, 2004, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: Promissory Note, dated August 1, 2004.

Criminal Act 65

The defendant HENRY “HANK” MORRIS committed the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about June 1, 2004, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: Promissory Note, dated October 1, 2004.

Criminal Act 66

The defendant HENRY “HANK” MORRIS committed the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about June 1, 2004, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: Promissory Note, dated November 1, 2004.

Criminal Act 67

The defendant HENRY “HANK” MORRIS committed the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about June 1, 2004, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: Promissory Note, dated December 1, 2004.

Criminal Act 68

The defendant HENRY “HANK” MORRIS committed the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE, in violation of Penal Law**

§470.05(1)(a)(i)(A), as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about April 14, 2005, through in or about August 7, 2006, knowing that the property, namely check # 5952 to Hank Morris for \$3,000, dated April 14, 2005, check #6225 to Hank Morris for \$3,000, dated July 23, 2006, \$3,000 cash payment from MORRIS to John Doe 2 in 2005, check #6285 from John Doe 2 for \$3,000, dated June 28, 2005, and check # 6509 from John Doe 2 for \$3,000, dated August 7, 2006, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, with intent to promote the carrying on of criminal conduct, and the total value of the property involved in such financial transactions exceeded five thousand dollars.

Criminal Act 69

The defendant HENRY “HANK” MORRIS committed the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE in violation of Penal Law**

§470.05(1)(a)(ii)(A), as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about April 14, 2005, through in or about August 7, 2006, knowing that the property, namely check # 5952 to Hank Morris for \$3,000, dated April 14, 2005, check #6225 to Hank Morris for \$3,000, dated July 23, 2006, \$3,000 cash payment from MORRIS to John Doe 2 in 2005, check #6285 from John Doe 2 for \$3,000, dated June

28, 2005, and check # 6509 from John Doe 2 for \$3,000, dated August 7, 2006, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, knowing that the transaction and transactions in whole and in part are designed to conceal and disguise the nature, the location, the source, the ownership and control of the proceeds of criminal conduct; and the total value of the property involved in such financial transaction and transactions exceeded five thousand dollars.

SCHEME TO DEFRAUD

Criminal Act 70

The defendants HENRY “HANK” MORRIS AND DAVID LOGLISCI committed the crime of **SCHEME TO DEFRAUD IN THE FIRST DEGREE, in violation of Penal Law §190.65(1)(b)**, as follows:

Said defendants, their agents, accomplices, and coconspirators from in or about November 2002 through in or about July 2008, in the County of New York and elsewhere, engaged in a scheme constituting a systematic ongoing course of conduct with intent to defraud more than one person and to obtain property from more than one person by false and fraudulent pretenses, representations and promises and so obtained property with a value in excess of one thousand dollars from one or more such persons, including the State of New York, the CRF, CRF staff, CRF members, CRF pensioners and beneficiaries, and private equity funds, hedge funds and fund-of-funds seeking investments from the CRF.

FS EQUITY PARTNERS V

COUNT TWO

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §352-c(6)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about November 2002 through on or about February 2, 2004, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: FS Equity Partners V, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: a Consulting Agreement and fees related to the CRF investment in FS Equity Partners V.

COUNT THREE

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about November 2002 through on or about February 2, 2004, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future which are beyond reasonable expectation and unwarranted by existing circumstances, and (c)

representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance, distribution, exchange, sale, negotiation and purchase within or from New York of securities, to wit: FS Equity Partners V, regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT FOUR

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about November 2002 through on or about February 2, 2004, relating to FS Equity Partners V, engaged in artifice, agreement, device and scheme to obtain money, profit and property, by means prohibited by General Business Law §352-c.

COUNT FIVE

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE, in violation of Penal Law § 470.05(1)(a)(i)(A)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, in or about February 2004, knowing that the property, namely check #3777 from Wetherly for \$200,000 dated February 2, 2004 and check #1325 to “PB Placement LLC” for \$200,000 dated February 5, 2004, involved in one and more financial

transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, with intent to promote the carrying on of criminal conduct, and the total value of the property involved in such financial transactions exceeded five thousand dollars.

COUNT SIX

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE in violation of Penal Law § 470.05(1)(a)(ii)(A)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, in or about February 2004, knowing that the property, namely check #3777 from Wetherly for \$200,000 dated February 2, 2004 and check #1325 to PB Placement LLC for \$200,000 dated February 5, 2004, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, knowing that the transaction and transactions in whole and in part are designed to conceal and disguise the nature, the location, the source, the ownership and control of the proceeds of criminal conduct; and the total value of the property involved in such financial transaction and transactions exceeded five thousand dollars.

ARES CORPORATE OPPORTUNITIES FUND

COUNT SEVEN

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS AND DAVID LOGLISCI of the crime of **violation of General Business Law §352-c(6)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about November 2002 through in or about January 2006, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Ares Corporate Opportunities Fund, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: consulting services agreement and fees related to the CRF investment in Ares Corporate Opportunities Fund.

COUNT EIGHT

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about November 2002 through in or about January 2006, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future which are beyond reasonable expectation and unwarranted by existing circumstances, and (c) representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance, distribution, exchange, sale, negotiation and purchase within or from New York of securities,

to wit: Ares Corporate Opportunities Fund, regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT NINE

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about November 2002 through in or about January 2006, relating to Ares Corporate Opportunities Fund, engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

COUNT TEN

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE, in violation of Penal Law §470.05(1)(a)(i)(A)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about April 2004 through in or about May 2004, knowing that the property, namely check #1105 from DAV-Wetherly Financial, L.P. for \$113,750 dated April 14, 2004, and check #1406 to PB Placement LLC for \$113,000 dated May 3, 2004, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, with intent to promote the carrying on of criminal conduct, and the

total value of the property involved in such financial transactions exceeded five thousand dollars.

COUNT ELEVEN

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE in violation of Penal Law § 470.05(1)(a)(ii)(A)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, in or about April 2004 through in or about May 2004, knowing that the property, namely check #1105 from DAV-Wetherly Financial, L.P. for \$113,750 dated April 14, 2004, and check #1406 to PB Placement LLC for \$113,000 dated May 3, 2004, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, knowing that the transaction and transactions in whole and in part are designed to conceal and disguise the nature, the location, the source, the ownership and control of the proceeds of criminal conduct; and the total value of the property involved in such financial transaction and transactions exceeded five thousand dollars.

PHAROS CAPITAL GROUP

COUNT TWELVE

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2003 through in or about June 2004, used and

employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future which are beyond reasonable expectation and unwarranted by existing circumstances, and (c) representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance, distribution, exchange, sale, negotiation and purchase within or from New York of securities, to wit: Pharos Capital Group, regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT THIRTEEN

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2003 through in or about June 2004, relating to Pharos Capital Group, engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

ALDUS/NY EMERGING FUND

COUNT FOURTEEN

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §352-c(6)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about May 2004 through in or about April 2006, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Aldus/NY Emerging Fund, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: a Letter Agreement between Pantigo Emerging LLC, and Aldus Equity Partners, LP, and management fees and carried interest related to Aldus/NY Emerging Fund.

COUNT FIFTEEN

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about May 2004 through in or about April 2006, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future which are beyond reasonable expectation and unwarranted by existing circumstances, and (c) representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance,

distribution, exchange, sale, negotiation and purchase within or from New York of securities, to wit: Aldus/NY Emerging Fund, regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT SIXTEEN

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about May 2004 through in or about April 2006, relating to Aldus/NY Emerging Fund, engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

COUNT SEVENTEEN

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE, in violation of Penal Law § 470.05(1)(a)(i)(A)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about August 29, 2005, knowing that the property, namely check #1001 from Pantigo Emerging LLC for \$27,500 dated August 29, 2005, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, with intent to promote the carrying on of criminal conduct, and the total value of the property involved in such financial transactions exceeded five thousand dollars.

COUNT EIGHTEEN

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE in violation of Penal Law § 470.05(1)(a)(ii)(A)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about August 29, 2005, knowing that the property, namely check #1001 from Pantigo Emerging LLC for \$27,500 dated August 29, 2005, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, knowing that the transaction and transactions in whole and in part are designed to conceal and disguise the nature, the location, the source, the ownership and control of the proceeds of criminal conduct; and the total value of the property involved in such financial transaction and transactions exceeded five thousand dollars.

LEVINE LEICHTMAN CAPITAL PARTNERS III

COUNT NINETEEN

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **violation of General Business Law §352-c(6)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about March 2005 through in or about February 2007, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the

exchange, sale, negotiation and purchase within and from New York of securities, to wit: Levine Leichtman Capital Partner's Fund III, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: Placement Services Agreement dated March 1, 2005, related to Levine Leichtman Capital Partners III and fees related to the investment of CRF funds by Aldus/NY Emerging Fund in Levine Leichtman Capital Partners III.

COUNT TWENTY

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY "HANK" MORRIS of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about March 2005 through in or about February 2007, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future which are beyond reasonable expectation and unwarranted by existing circumstances, and (c) representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance, distribution, exchange, sale, negotiation and purchase within or from New York of securities, to wit: Levine Leichtman Capital Partners Fund, regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT TWENTY-ONE

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about March 2005 through in or about February 2007, relating to Levine Leichtman Capital Partners III, engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

ODYSSEY INVESTMENT PARTNERS III

COUNT TWENTY-TWO

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS, of the crime of **violation of General Business Law §352-c(6)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2003 through in or about December 2006, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Odyssey Investment Partners III, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: a placement agent agreement related to Odyssey Investment Partners III and fees related to the CRF investment in Odyssey Investment Partners III.

COUNT TWENTY-THREE

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **GRAND LARCENY IN THE SECOND DEGREE in violation of Penal Law §155.40**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators from in or about July 2003 through in or about December 2006, in the County of New York and elsewhere, stole property, to wit: fees related to the CRF investment in Odyssey Investment Partners III, and the property had a value in excess of fifty thousand dollars.

CARLYLE / CARLYLE/RIVERSTONE

COUNT TWENTY-FOUR

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §352-c(6)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2004 through in or about April 2006, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Carlyle Realty Partners IV-A, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: a placement agent agreement related to Carlyle Realty Partners IV-A and fees related to the CRF investment in Carlyle Realty Partners IV-A.

COUNT TWENTY-FIVE

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2004 through in or about April 2006, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future which are beyond reasonable expectation and unwarranted by existing circumstances, and (c) representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance, distribution, exchange, sale, negotiation and purchase within or from New York of securities, to wit: Carlyle Realty Partners IV-A, regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT TWENTY-SIX

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2004 through in or about April 2006, relating to

Carlyle Realty Partners IV-A, engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

COUNT TWENTY-SEVEN

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §352-c(6)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2005 through in or about September 2006, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Carlyle Europe Real Estate Partners II, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: a placement agent agreement related to Carlyle Europe Real Estate Partners II and fees related to the CRF investment in Carlyle Europe Real Estate Partners II.

COUNT TWENTY-EIGHT

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2005 through in or about September 2006, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and

pretended purchase and sale, and (b) promise and representation as to the future which are beyond reasonable expectation and unwarranted by existing circumstances, and (c) representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance, distribution, exchange, sale, negotiation and purchase within or from New York of securities, to wit: Carlyle Europe Real Estate Partners II, regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT TWENTY-NINE

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2005 through in or about September 2006, relating to Carlyle Europe Real Estate Partners II, engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

COUNT THIRTY

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §352-c(6)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2003 through in or about July 2005, intentionally

engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Carlyle/Riverstone Global Energy & Power Fund II, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: placement agent agreement related to Carlyle/Riverstone Global Energy & Power Fund II, and fees related to the CRF investment in Carlyle/Riverstone Global Energy & Power Fund II.

COUNT THIRTY-ONE

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2003 through in or about May 2007, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future which are beyond reasonable expectation and unwarranted by existing circumstances, and (c) representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance, distribution, exchange, sale, negotiation and purchase within or from New York of securities,

to wit: Carlyle/Riverstone Global Energy & Power Fund II, regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT THIRTY-TWO

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2003 through in or about May 2007, relating to Carlyle/Riverstone Global Energy & Power Fund II, engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

COUNT THIRTY-THREE

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §352-c(6)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2003 through in or about May 2007, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Carlyle/Riverstone Global Energy & Power Fund III, and thereby wrongfully obtained property with a value in

excess of two hundred and fifty dollars, to wit: placement agent agreements related to Carlyle/Riverstone Global Energy & Power Fund III, and fees related to the CRF investment in Carlyle/Riverstone Global Energy & Power Fund III.

COUNT THIRTY-FOUR

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2003 through in or about May 2007, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future which are beyond reasonable expectation and unwarranted by existing circumstances, and (c) representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance, distribution, exchange, sale, negotiation and purchase within or from New York of securities, to wit: Carlyle/Riverstone Global Energy & Power Fund III, regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT THIRTY-FIVE

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS AND DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2003 through in or about May 2007, relating to Carlyle/Riverstone Global Energy & Power Fund III, engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

COUNT THIRTY-SIX

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §352-c(6)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2003, through in or about May 2007, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Carlyle/Riverstone Renewable Energy Infrastructure Fund I, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: placement agent agreement related to Carlyle/Riverstone Renewable Energy Infrastructure Fund I, and fees related to the CRF investment in Carlyle/Riverstone Renewable Energy Infrastructure Fund I.

COUNT THIRTY-SEVEN

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2003 through in or about May 2007, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future which are beyond reasonable expectation and unwarranted by existing circumstances, and (c) representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance, distribution, exchange, sale, negotiation and purchase within or from New York of securities, to wit: Carlyle/Riverstone Renewable Energy Infrastructure Fund I, regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT THIRTY-EIGHT

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2003 through in or about May 2007, relating to Carlyle/Riverstone Renewable Energy Infrastructure Fund I, engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

COUNT THIRTY-NINE

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about November 3, 2005, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: disclosure letter from Carlyle to the CRF dated November 3, 2005 related to Carlyle/Riverstone Global Energy & Power Fund III.

COUNT FORTY

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **OFFERING A FALSE INSTRUMENT FOR FILING IN THE FIRST DEGREE in violation of Penal Law §175.35**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about November 3, 2005 knowing that a written instrument contained a false statement and false information, and with intent to defraud the State of New York, and any political subdivision, public authority and public benefit corporation of the state, offered and presented to a public office and a public servant with the knowledge and belief that it would be filed with, registered and recorded in, and otherwise become part of the records of such public office and public servant, to wit: disclosure letter from Carlyle to the CRF dated November 3, 2005 related to Carlyle/Riverstone Global Energy & Power Fund III.

COUNT FORTY-ONE

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about January 26, 2006, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: disclosure letter from Carlyle to the CRF dated January 26, 2006 related to Carlyle/Riverstone Renewable Energy Infrastructure Fund I.

COUNT FORTY-TWO

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **OFFERING A FALSE INSTRUMENT FOR FILING IN THE FIRST DEGREE in violation of Penal Law §175.35**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about January 26, 2006, knowing that a written instrument contained a false statement and false information, and with intent to defraud the State of New York, and any political subdivision, public authority and public benefit corporation of the state, offered and presented to a public office and a public servant with the knowledge and belief that it would be filed with, registered and recorded in, and otherwise become part of the records of such public office and public servant, to wit: disclosure letter from Carlyle to the CRF dated January 26, 2006 related to Carlyle/Riverstone Renewable Energy Infrastructure Fund I.

COUNT FORTY-THREE

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE, in violation of Penal Law §470.05(1)(a)(i)(A)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about February 2004 through in or about May 2007, knowing that the property, namely check #3003 from Searle to PB Placements LLC for \$365,250, dated February 12, 2004, check #3201 from Searle to PB Placements LLC for \$365,250, dated July 20, 2004, check #3497 from Searle to PB Placements LLC for \$365,250, dated February 28, 2005, check #3691 from Searle to PB Placements LLC for \$365,250, dated August 8, 2005, check # 1019 from PB Placement LLC to JDS Advisors for \$31,250, dated June 15, 2006, check # 1020 from PB Placement LLC to JDS Advisors for \$3,750, dated June 15, 2006, check # 1024 from PB Placement LLC to JDS Advisors for \$43,750, dated June 15, 2006, check #3966 from Searle to PB Placements LLC for \$902,500, dated March 9, 2006, check #4079 from Searle to PB Placements LLC for \$831,250, dated June 12, 2006, check #4077 from Searle to PB Placements LLC for \$71,250, dated June 12, 2006, check #4301 from Searle to PB Placements LLC for \$902,250, dated November 24, 2006, check #4545 from Searle to PB Placements LLC for \$902,500, dated May 14, 2007, and wire transfers from Searle & Co. to HFV Investments LLC, dated July 22, 2004 for \$375,000, February 28, 2005 for \$375,000, August 5, 2005 for \$375,000, March 7, 2006 for \$950,000, June 14, 2006 for \$950,000, and November 27, 2006 for \$950,000, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, with

intent to promote the carrying on of criminal conduct, and the total value of the property involved in such financial transactions exceeded five thousand dollars.

COUNT FORTY-FOUR

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE** in violation of Penal Law §470.05(1)(a)(ii)(A), committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about February 2004 through in or about May 2007, knowing that the property, namely check #3003 from Searle to PB Placements LLC for \$365,250, dated February 12, 2004, check #3201 from Searle to PB Placements LLC for \$365,250, dated July 20, 2004, check #3497 from Searle to PB Placements LLC for \$365,250, dated February 28, 2005, check #3691 from Searle to PB Placements LLC for \$365,250, dated August 8, 2005, check # 1019 from PB Placement LLC to JDS Advisors for \$31,250, dated June 15, 2006, check # 1020 from PB Placement LLC to JDS Advisors for \$3,750, dated June 15, 2006, check # 1024 from PB Placement LLC to JDS Advisors for \$43,750, dated June 15, 2006, check #3966 from Searle to PB Placements LLC for \$902,500, dated March 9, 2006, check #4079 from Searle to PB Placements LLC for \$831,250, dated June 12, 2006, check #4077 from Searle to PB Placements LLC for \$71,250, dated June 12, 2006, check #4301 from Searle to PB Placements LLC for \$902,250, dated November 24, 2006, check #4545 from Searle to PB Placements LLC for \$902,500, dated May 14, 2007, and wire transfers from Searle & Co. to HFV Investments LLC, dated July 22, 2004 for \$375,000, February 28, 2005 for \$375,000, August 5, 2005 for \$375,000, March 7, 2006 for \$950,000, June 14, 2006 for \$950,000, and November 27, 2006 for \$950,000, involved in one and more financial

transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, knowing that the transaction and transactions in whole and in part are designed to conceal and disguise the nature, the location, the source, the ownership and control of the proceeds of criminal conduct; and the total value of the property involved in such financial transaction and transactions exceeded five thousand dollars.

QUADRANGLE CAPITAL PARTNERS II

COUNT FORTY-FIVE

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §352-c(6)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about April 2003 through in or about November 2007, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Quadrangle Capital Partners II, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: a placement agent agreement related to Quadrangle Capital Partners II, and fees related to the CRF investment in Quadrangle Capital Partners II.

COUNT FORTY-SIX

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about April 2003 through in or about November 2007, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future which are beyond reasonable expectation and unwarranted by existing circumstances, and (c) representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance, distribution, exchange, sale, negotiation and purchase within or from New York of securities, to wit: Quadrangle Capital Partners II, regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT FORTY-SEVEN

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about April 2003 through in or about November 2007, relating

to Quadrangle Capital Partners II, engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

COUNT FORTY-EIGHT

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **OFFICIAL MISCONDUCT, in violation of Penal Law §195.00(1)**, committed as follows:

Said defendant from in or about April 2003 through on or about March 17, 2005, in the County of New York and elsewhere, with intent to obtain a benefit and deprive another person of a benefit, committed an act relating to his office but constituting an unauthorized exercise of his official functions, knowing such act is unauthorized.

COUNT FORTY-NINE

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **OFFICIAL MISCONDUCT, in violation of Penal Law §195.00(2)**, committed as follows:

Said defendant from in or about April 2003 through on or about March 17, 2005, in the County of New York and elsewhere, with intent to obtain a benefit and deprive another person of a benefit, knowingly refrained from performing a duty which is imposed upon him by law and is clearly inherent in the nature of his office.

IVY ASSET MANAGEMENT

COUNT FIFTY

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about February 2003 through in or about September 2004, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future which are beyond reasonable expectation and unwarranted by existing circumstances, and (c) representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance, distribution, exchange, sale, negotiation and purchase within or from New York of securities, to wit: Ivy Asset Management, regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT FIFTY-ONE

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about February 2003 through in or about September 2004, relating to Ivy Asset Management, engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

PALADIN HOMELAND SECURITY FUND (NY)

COUNT FIFTY-TWO

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §352-c(6)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about June 2003 through on or about December 21, 2005, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Paladin Homeland Security Investment Fund (NY), and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: Letter Agreement related to Paladin Homeland Security Holdings, LLC, dated June 26, 2003, and fees related to the CRF investment in Paladin Homeland Security Investment Fund (NY).

COUNT FIFTY-THREE

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about June 2003 through on or about December 21, 2005, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future

which are beyond reasonable expectation and unwarranted by existing circumstances, and (c) representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance, distribution, exchange, sale, negotiation and purchase within or from New York of securities, to wit: Paladin Homeland Security Investment Fund (NY), regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT FIFTY-FOUR

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about June 2003 through on or about December 21, 2005, relating to Paladin Homeland Security Investment Fund (NY), engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

PEQUOT PRIVATE EQUITY IV

COUNT FIFTY-FIVE

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §352-c(6)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2005 through in or about July 2008, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Pequot Private Equity IV, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: consulting services agreements related to Pequot Private Equity IV, and fees, management fees and carried interest with respect to the CRF investments in Pequot Private Equity IV.

COUNT FIFTY-SIX

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2005 through in or about July 2008, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future which are beyond reasonable expectation and unwarranted by existing circumstances, and (c) representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance,

distribution, exchange, sale, negotiation and purchase within or from New York of securities, to wit: Pequot Private Equity IV, regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT FIFTY-SEVEN

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2005 through in or about July 2008, relating to Pequot Private Equity IV, engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

PEQUOT DIVERSIFIED OFFSHORE

COUNT FIFTY-EIGHT

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §352-c(6)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2005 through in or about July 2008, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Pequot Diversified Offshore, and thereby wrongfully obtained property with a value in excess of two hundred and

fifty dollars, to wit: consulting services agreements related to Pequot Diversified Offshore, and fees, management fees and carried interest with respect to the CRF investments in Pequot Diversified Offshore.

COUNT FIFTY-NINE

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2005 through in or about July 2008, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future which are beyond reasonable expectation and unwarranted by existing circumstances, and (c) representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance, distribution, exchange, sale, negotiation and purchase within or from New York of securities, to wit: Pequot Diversified Offshore, regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT SIXTY

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2005 through in or about July 2008, relating to Pequot Diversified Offshore, engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

COUNT SIXTY-ONE

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about July 9, 2007, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: disclosure letter from Pequot to the CRF dated July 9, 2007, related to Pequot Diversified Offshore.

COUNT SIXTY-TWO

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **OFFERING A FALSE INSTRUMENT FOR FILING IN THE FIRST DEGREE in violation of Penal Law §175.35**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about July 9, 2007, knowing that a written instrument contained a false statement and false information, and with intent to defraud the State of New York, and any political subdivision, public authority and public benefit corporation of the state, offered and presented to a public office and a public servant with the knowledge and belief that it

would be filed with, registered and recorded in, and otherwise become part of the records of such public office and public servant, to wit: disclosure letter from Pequot to the CRF dated July 9, 2007, related to Pequot Diversified Offshore.

GKM/NY VENTURE CAPITAL FUND

COUNT SIXTY-THREE

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §352-c(6)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about November 2003 through in or about July 2007, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: GKM/NY Venture Capital Fund, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: Letter Agreement dated August 10, 2004 with respect to GKM/NY Venture Capital Fund, and management fees and carried interest with respect to the CRF investment in GKM/NY Venture Capital Fund.

COUNT SIXTY-FOUR

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about November 2003 through in or about July 2007, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future which are beyond reasonable expectation and unwarranted by existing circumstances, and (c) representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance, distribution, exchange, sale, negotiation and purchase within or from New York of securities, to wit: GKM/NY Venture Capital Fund, regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT SIXTY-FIVE

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about November 2003 through in or about July 2007, relating to GKM/NY Venture Capital Fund, engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

COUNT SIXTY-SIX

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE, in violation of Penal Law §470.05(1)(a)(i)(A)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about January 2005 through in or about July 2007, knowing that the property, namely wire transfers from Purpose, LLC to Merriweather & Williams, Ltd, dated March 9, 2005 for \$60,000, April 7, 2005 for \$37,500, July 19, 2005 for \$37,500, October 18, 2005 for \$51,737, January 10, 2006, for \$50,000, April 24, 2006 for \$68,000, July 13, 2006, for \$28,092.50, for October 11, 2006 for \$39,897, January 18, 2007 for \$25,032, April 27, 2007 for \$41,459.50, and July 11, 2007 for \$38,646.50, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, with intent to promote the carrying on of criminal conduct, and the total value of the property involved in such financial transactions exceeded five thousand dollars.

COUNT SIXTY-SEVEN

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE in violation of Penal Law §470.05(1)(a)(ii)(A)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, in or about January 2005 through in or about July 2007, knowing that the property, namely wire transfers from Purpose, LLC to Merriweather & Williams, Ltd, dated March 9, 2005 for \$60,000, April 7, 2005 for \$37,500, July 19, 2005 for \$37,500, October 18,

2005 for \$51,737, January 10, 2006, for \$50,000, April 24, 2006 for \$68,000, July 13, 2006, for \$28,092.50, for October 11, 2006 for \$39,897, January 18, 2007 for \$25,032, April 27, 2007 for \$41,459.50, and July 11, 2007 for \$38,646.50, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, knowing that the transaction and transactions in whole and in part are designed to conceal and disguise the nature, the location, the source, the ownership and control of the proceeds of criminal conduct; and the total value of the property involved in such financial transaction and transactions exceeded five thousand dollars.

HICKS, MUSE, TATE & FURST EUROPEAN FUND II / LION CAPITAL FUND I

COUNT SIXTY-EIGHT

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY "HANK" MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §352-c(6)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about September 2004 through in or about June 2006, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Hicks, Muse, Tate & Furst European Fund II / Lion Capital Fund I, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: Letter Agreement dated September 21, 2004 related to Hicks, Muse, Tate & Furst European Fund II/

Lion Capital Fund I, and fees related to the CRF investment in Hicks, Muse, Tate & Furst European Fund II / Lion Capital Fund I.

COUNT SIXTY-NINE

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about September 2004 through in or about June 2006, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future which are beyond reasonable expectation and unwarranted by existing circumstances, and (c) representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance, distribution, exchange, sale, negotiation and purchase within or from New York of securities, to wit: Hicks, Muse, Tate & Furst European Fund II / Lion Capital Fund I, regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT SEVENTY

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about September 2004 through in or about June 2006, relating to Hicks, Muse, Tate & Furst European Fund II / Lion Capital Fund I, engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

COUNT SEVENTY-ONE

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, in or about October 2004, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: disclosure letter from Hicks, Muse, Tate & Furst European Fund II / Lion Capital Fund I to the CRF dated October 2004.

COUNT SEVENTY-TWO

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **OFFERING A FALSE INSTRUMENT FOR FILING IN THE FIRST DEGREE in violation of Penal Law §175.35**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, in or about October 2004, knowing that a written instrument contained a false statement and false information, and with intent to defraud the State of New York, and any political subdivision, public authority and public benefit corporation of the state, offered

and presented to a public office and a public servant with the knowledge and belief that it would be filed with, registered and recorded in, and otherwise become part of the records of such public office and public servant, to wit: disclosure letter from Hicks, Muse, Tate & Furst European Fund II / Lion Capital Fund I to the CRF dated October 2004.

COUNT SEVENTY-THREE

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE**, in violation of Penal Law §470.05(1)(a)(i)(A), committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about November 2004 through in or about September 2006, knowing that the property, namely check #3365 from Searle & Co. to PB Placements LLC, dated November 22, 2004, for \$153,552, deposit of check #3365 for \$153,552 from Searle & Co. by PB Placement LLC on November 29, 2004, check #3536 from Searle & Co. to PB Placements LLC, for \$25,870, transfer from Searle & Co. to HFV, dated March 17, 2005, for \$27,231, check #3577 from Searle & Co. to PB Placements LLC, dated May 4, 2005, for \$378,330, deposit of check # 3577 for \$378,330 from Searle & Co. by PB Placement LLC on May 9, 2005, transfer from PB Placement LLC to Flandana dated May 20, 2005, for \$194,000, check #3818 from Searle & Co. to PB Placements LLC, dated November 8, 2005, for \$271,565, deposit of check #3818 for \$271,565 from Searle & Co. by PB Placement LLC on November 14, 2005, transfer from PB Placement LLC to Flandana, dated November 15, 2005, for \$139,265, check #4078 from Searle & Co. to PB Placements LLC, dated June 12, 2005, for \$290,671, deposit of check # 4078 for \$290,671 from Searle & Co. by PB Placement LLC on June 14, 2006, transfer from PB Placement LLC to Flandana, dated

September 11, 2006, for \$149,000, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, with intent to promote the carrying on of criminal conduct, and the total value of the property involved in such financial transactions exceeded five thousand dollars.

COUNT SEVENTY-FOUR

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE** in violation of Penal Law § 470.05(1)(a)(ii)(A), committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, in or about November 2004 through in or about September 2006, knowing that the property, namely check #3365 from Searle & Co. to PB Placements LLC, dated November 22, 2004, for \$153,552, deposit of check #3365 for \$153,552 from Searle & Co. by PB Placement LLC on November 29, 2004, check #3536 from Searle & Co. to PB Placements LLC, for \$25,870, transfer from Searle & Co. to HFV, dated March 17, 2005, for \$27,231, check #3577 from Searle & Co. to PB Placements LLC, dated May 4, 2005, for \$378,330, deposit of check # 3577 for \$378,330 from Searle & Co. by PB Placement LLC on May 9, 2005, transfer from PB Placement LLC to Flandana dated May 20, 2005, for \$194,000, check #3818 from Searle & Co. to PB Placements LLC, dated November 8, 2005, for \$271,565, deposit of check #3818 for \$271,565 from Searle & Co. by PB Placement LLC on November 14, 2005, transfer from PB Placement LLC to Flandana, dated November 15, 2005, for \$139,265, check #4078 from Searle & Co. to PB Placements LLC, dated June 12, 2005, for \$290,671, deposit of check # 4078 for \$290,671 from Searle & Co. by PB

Placement LLC on June 14, 2006, transfer from PB Placement LLC to Flandana, dated September 11, 2006, for \$149,000, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, knowing that the transaction and transactions in whole and in part are designed to conceal and disguise the nature, the location, the source, the ownership and control of the proceeds of criminal conduct; and the total value of the property involved in such financial transaction and transactions exceeded five thousand dollars.

SECTOR PERFORMANCE FUND

COUNT SEVENTY-FIVE

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY "HANK" MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §352-c(6)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about April 2006 through in or about August 2007, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Sector Performance Fund, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: Letter Agreement, dated April 17, 2006, related to Sector Performance Fund, and fees related to the CRF investment in Sector Performance Fund.

COUNT SEVENTY-SIX

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about April 2006 through in or about August 2007, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future which are beyond reasonable expectation and unwarranted by existing circumstances, and (c) representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance, distribution, exchange, sale, negotiation and purchase within or from New York of securities, to wit: Sector Performance Fund, regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT SEVENTY-SEVEN

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about April 2006 through in or about August 2007, relating

Sector Performance Fund, engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

STRATEGIC CO-INVESTMENT FUND

COUNT SEVENTY-EIGHT

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about November 2005 through on or about September 20, 2007, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Strategic Co-Investment Fund, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: Limited Liability Company Agreement of Strategic Co-Investment Partners Management and management fees related to the CRF investment in Strategic Co-Investment Fund.

COUNT SEVENTY-NINE

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about November 2005 through on or about September 20,

2007, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future which are beyond reasonable expectation and unwarranted by existing circumstances, and (c) representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance, distribution, exchange, sale, negotiation and purchase within or from New York of securities, to wit: Strategic Co-Investment Fund, regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT EIGHTY

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about November 2005 through in or about September 20, 2007, relating to Strategic Co-Investment Fund, engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

FALCONHEAD CAPITAL PARTNERS II

COUNT EIGHTY-ONE

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI committed the crime of **violation of General Business Law §352-c(6)**, as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about April 2006 through in or about December 2006, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Falconhead Capital Partners II, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: placement agent agreement related to Falconhead Capital Partners II, and fees related to the CRF investment in Falconhead Capital Partners II.

COUNT EIGHTY-TWO

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about April 2006 through in or about December 2006, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future which are

beyond reasonable expectation and unwarranted by existing circumstances, and (c) representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance, distribution, exchange, sale, negotiation and purchase within or from New York of securities, to wit: Falconhead Capital Partners II, regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT EIGHTY-THREE

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about April 2006 through in or about December 2006, relating to Falconhead Capital Partners II, engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

ACCESS/NY EUROPEAN FUND

COUNT EIGHTY-FOUR

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §352-c(6)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2004 through in or about August 2007,

intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Access/NY European Fund, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: Introduction and Limited Partnership agreements related to Access U.S. General Partners, L.P. dated March 24, 2005, and management fees and carried interest related to the CRF investment in Access/NY European Fund.

COUNT EIGHTY-FIVE

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of violation of **General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2004 through in or about August 2007, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future which are beyond reasonable expectation and unwarranted by existing circumstances, and (c) representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance, distribution, exchange, sale, negotiation and purchase within or from New York of securities,

to wit: Access/NY European Fund, regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT EIGHTY-SIX

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 2004 through in or about August 2007, relating to Access/NY European Fund, engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

COUNT EIGHTY-SEVEN

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **GRAND LARCENY IN THE FIRST DEGREE in violation of Penal Law §155.42**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators from in or about July 2004 through in or about August 2007, in the County of New York and elsewhere, stole property, to wit: management fees and carried interest related to the CRF investment in Access/NY European Fund, and the property had a value in excess of one million dollars.

COUNT EIGHTY-EIGHT

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law § 175.10**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from on or about March 24, 2005, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: disclosure letter to the CRF with respect to Access/NY European Middle Market Buyout Fund, dated March 24, 2005.

COUNT EIGHTY-NINE

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **OFFERING A FALSE INSTRUMENT FOR FILING IN THE FIRST DEGREE in violation of Penal Law § 175.35**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from on or about March 24, 2005, knowing that a written instrument contained a false statement and false information, and with intent to defraud the State of New York, and any political subdivision, public authority and public benefit corporation of the state, offered and presented to a public office and a public servant with the knowledge and belief that it would be filed with, registered and recorded in, and otherwise become part of the records of such public office and public servant, to wit: disclosure letter to the CRF with respect to Access/NY European Middle Market Buyout Fund, dated March 24, 2005.

COUNT NINETY

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE, in violation of Penal Law §470.05(1)(a)(i)(A)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about July 12, 2005, through in or about September 11, 2007, knowing that the property, namely wire transfers from Flandana Holdings Ltd. to Nosemote LLC dated on or about July 12, 2005 for \$41,769, October 18, 2005 for \$55,752, February 15, 2006 for \$59,765, April 27, 2006 for \$60,395, August 7, 2006 for \$62,447, and November 10, 2006 for \$100,780.98, wire transfers from Flandana Holdings Ltd. to Searle & Co., dated on or about February 9, 2007 for \$125,511, May 16, 2007 for \$132,571.28, and August 21, 2007 for \$80,582.13, and checks #4408 from Searle & Co. to Nosemote LLC on February 21, 2007 for \$119,235, checks #4568 from Searle & Co. to Nosemote LLC on May 23, 2007 for \$125,943, and checks #4723 from Searle & Co. to Nosemote LLC on September 11, 2007 for \$76,553, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, with intent to promote the carrying on of criminal conduct, and the total value of the property involved in such financial transactions exceeded five thousand dollars.

COUNT NINETY-ONE

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE in violation of Penal Law § 470.05(1)(a)(ii)(A)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, in or about July 12, 2005, through in or about September 11, 2007, knowing that the property, namely wire transfers from Flandana Holdings Ltd. to Nosemote LLC dated on or about July 12, 2005 for \$41,769, October 18, 2005 for \$55,752, February 15,

2006 for \$59,765, April 27, 2006 for \$60,395, August 7, 2006 for \$62,447, and November 10, 2006 for \$100,780.98, wire transfers from Flandana Holdings Ltd. to Searle & Co., dated on or about February 9, 2007 for \$125,511, May 16, 2007 for \$132,571.28, and August 21, 2007 for \$80,582.13, and checks #4408 from Searle & Co. to Nosemote LLC on February 21, 2007 for \$119,235, checks #4568 from Searle & Co. to Nosemote LLC on May 23, 2007 for \$125,943, and checks #4723 from Searle & Co. to Nosemote LLC on September 11, 2007 for \$76,553, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, knowing that the transaction and transactions in whole and in part are designed to conceal and disguise the nature, the location, the source, the ownership and control of the proceeds of criminal conduct; and the total value of the property involved in such financial transaction and transactions exceeded five thousand dollars.

LIBERTY OAK CAPITAL FUND / CSG

COUNT NINETY-TWO

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §352-c(6)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about June 2005 through in or about June 2007, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Liberty Oak Capital

Fund / CSG, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: a placement agent agreement with Consulting Services Group, and fees related to the CRF investment in Liberty Oak Capital Fund / CSG.

COUNT NINETY-THREE

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about June 2005 through in or about June 2007, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future which are beyond reasonable expectation and unwarranted by existing circumstances, and (c) representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance, distribution, exchange, sale, negotiation and purchase within or from New York of securities, to wit: Liberty Oak Capital Fund / CSG, regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT NINETY-FOUR

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about June 2005 through in or about June 2007, relating to Liberty Oak Capital Fund / CSG, engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

HFV MULTI-STRATEGY, LTD.

COUNT NINETY-FIVE

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §352-c(6)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about June 2003 through in or about January 2008, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: HFV Multi-Strategy, Ltd., and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: a consulting agreement with HFV Management L.P., dated November 29, 2004, and fees related to the CRF investment in HFV Multi-Strategy, Ltd.

COUNT NINETY-SIX

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about June 2003 through in or about January 2008, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future which are beyond reasonable expectation and unwarranted by existing circumstances, and (c) representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance, distribution, exchange, sale, negotiation and purchase within or from New York of securities, to wit: HFV Multi-Strategy, Ltd., regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT NINETY-SEVEN

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about June 2003 through in or about January 2008, relating to HFV Multi-Strategy, Ltd., engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

OLYMPIA JOHN STREET FUND

COUNT NINETY-EIGHT

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §352-c(6)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about June 2003 through in or about July 2007, intentionally engaged in fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and made material false representations and statements with intent to deceive and defraud, while engaged in inducing and promoting the exchange, sale, negotiation and purchase within and from New York of securities, to wit: Olympia John Street Fund, and thereby wrongfully obtained property with a value in excess of two hundred and fifty dollars, to wit: a consulting agreement with Olympia Capital Management S.A., dated July 26, 2004, and fees related to the CRF investment in Olympia John Street Fund.

COUNT NINETY-NINE

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS AND DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(1) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about June 2003 through in or about July 2007, used and employed (a) fraud, deception, concealment, suppression, false pretense and fictitious and pretended purchase and sale, and (b) promise and representation as to the future which are beyond reasonable expectation and unwarranted by existing circumstances, and (c)

representation and statement which are false, where the person who made such representation and statement knew the truth, and with reasonable effort could have known the truth, and made no reasonable effort to ascertain the truth, and did not have knowledge concerning the representation and statement made, where engaged in to induce and promote the issuance, distribution, exchange, sale, negotiation and purchase within or from New York of securities, to wit: Olympia John Street Fund, regardless of whether issuance, distribution, exchange, sale, negotiation and purchase resulted.

COUNT ONE HUNDRED

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of **violation of General Business Law §§352-c(2) and c(4)**, committed as follows:

Said defendants, their agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about June 2003 through in or about July 2007, relating to Olympia John Street Fund, engaged in artifice, agreement, device and scheme to obtain money, profit and property by means prohibited by General Business Law §352-c.

ANNUAL REPORTS

COUNT ONE HUNDRED ONE

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about March 31, 2004, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an

enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: Office of the New York State Comptroller New York State and Local Retirement System 2004 Comprehensive Annual Financial Report, dated March 31, 2004.

COUNT ONE HUNDRED TWO

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **OFFERING A FALSE INSTRUMENT FOR FILING IN THE FIRST DEGREE in violation of Penal Law §175.35**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about March 31, 2004, knowing that a written instrument contained a false statement and false information, and with intent to defraud the State of New York, and any political subdivision, public authority and public benefit corporation of the state, offered and presented to a public office and a public servant with the knowledge and belief that it would be filed with, registered and recorded in, and otherwise become part of the records of such public office and public servant, to wit: Office of the New York State Comptroller New York State and Local Retirement System 2004 Comprehensive Annual Financial Report, dated March 31, 2004.

COUNT ONE HUNDRED THREE

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about March 31, 2005, with intent to defraud, prevented the

making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: Office of the New York State Comptroller New York State and Local Retirement System 2005 Comprehensive Annual Financial Report, dated March 31, 2005.

COUNT ONE HUNDRED FOUR

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **OFFERING A FALSE INSTRUMENT FOR FILING IN THE FIRST DEGREE in violation of Penal Law §175.35**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about March 31, 2005, knowing that a written instrument contained a false statement and false information, and with intent to defraud the State of New York, and any political subdivision, public authority and public benefit corporation of the state, offered and presented to a public office and a public servant with the knowledge and belief that it would be filed with, registered and recorded in, and otherwise become part of the records of such public office and public servant, to wit: Office of the New York State Comptroller New York State and Local Retirement System 2005 Comprehensive Annual Financial Report, dated March 31, 2005.

COUNT ONE HUNDRED FIVE

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about March 31, 2006, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: Office of the New York State Comptroller New York State and Local Retirement System 2006 Comprehensive Annual Financial Report, dated March 31, 2006.

COUNT ONE HUNDRED SIX

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI of the crime of **OFFERING A FALSE INSTRUMENT FOR FILING IN THE FIRST DEGREE in violation of Penal Law §175.35**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about March 31, 2006, knowing that a written instrument contained a false statement and false information, and with intent to defraud the State of New York, and any political subdivision, public authority and public benefit corporation of the state, offered and presented to a public office and a public servant with the knowledge and belief that it would be filed with, registered and recorded in, and otherwise become part of the records of such public office and public servant, to wit: Office of the New York State Comptroller New York State and Local Retirement System 2006 Comprehensive Annual Financial Report, dated March 31, 2006.

“CHOOCH”

COUNT ONE HUNDRED SEVEN

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI, of the crime of **OFFICIAL MISCONDUCT in violation of Penal Law §195.00(1)**, committed as follows:

Said defendant, from in or about February 2004 through in or about August 2007, being a public servant, with intent to obtain a benefit and deprive another person of a benefit, committed an act relating to his office but constituting an unauthorized exercise of his official functions, knowing that such act was unauthorized

COUNT ONE HUNDRED EIGHT

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI, of the crime of **OFFICIAL MISCONDUCT in violation of Penal Law §195.00(2)**, committed as follows:

Said defendant, from in or about February 2004 through in or about August 2007, being a public servant, with intent to obtain a benefit and deprive another person of a benefit, knowingly refrained from performing a duty which was imposed upon him by law and was clearly inherent in the nature of his office.

COUNT ONE HUNDRED NINE

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI, of the crime of **RECEIVING REWARD FOR OFFICIAL MISCONDUCT IN THE SECOND DEGREE in violation of Penal Law §200.25**, committed as follows:

Said defendant, on or about February 14, 2004, being a public servant, solicited, accepted and agreed to accept a benefit from another person for having violated his duty as a public servant.

COUNT ONE HUNDRED TEN

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS, of the crime of **REWARDING OFFICIAL MISCONDUCT IN THE SECOND DEGREE in violation of Penal Law §200.20**, committed as follows:

Said defendant, on or about February 14, 2004, knowingly conferred, and offered and agreed to confer, a benefit, to wit: an investment of \$100,000 in “Chooch,” upon a public servant for having violated his duty as a public servant.

COUNT ONE HUNDRED ELEVEN

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI, of the crime of **OFFICIAL MISCONDUCT in violation of Penal Law §195.00(1)**, committed as follows:

Said defendant, from in or about February 2004 through in or about March 2004, being a public servant, with intent to obtain a benefit and deprive another person of a benefit, committed an act relating to his office but constituting an unauthorized exercise of his official functions, knowing that such act was unauthorized.

COUNT ONE HUNDRED TWELVE

AND THE GRAND JURY, by this Indictment, further accuses the defendant DAVID LOGLISCI, of the crime of **OFFICIAL MISCONDUCT in violation of Penal Law §195.00(2)**, committed as follows:

Said defendant, from in or about February 2004 through in or about March 2004, being a public servant, with intent to obtain a benefit and deprive another person of a benefit, he knowingly refrained from performing a duty which was imposed upon him by law and was clearly inherent in the nature of his office.

PAYMENTS FROM HANK MORRIS

COUNT ONE HUNDRED THIRTEEN

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS, of the crime of **BRIBERY IN THE SECOND DEGREE in violation of Penal Law §200.03**, committed as follows:

Said defendant, in or about May 2004 through in or about January 2005, conferred, and offered and agreed to confer, a benefit valued in excess of ten thousand dollars upon a public servant upon an agreement and understanding that such public servant’s vote, opinion, judgment, action, decision and exercise of discretion as a public servant will thereby be influenced.

COUNT ONE HUNDRED FOURTEEN

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS, of the crime of **REWARDING OFFICIAL MISCONDUCT IN THE SECOND DEGREE in violation of Penal Law §200.20**, committed as follows:

Said defendant, in or about May 2004 through in or about January 2005, knowingly conferred, and offered and agreed to confer, a benefit upon a public servant for having violated his duty as a public servant.

COUNT ONE HUNDRED FIFTEEN

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about December 1, 2004, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: check #1351, from MORRIS for \$20,000, dated December 1, 2004.

COUNT ONE HUNDRED SIXTEEN

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about June 1, 2004, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: Promissory Note, dated June 1, 2004.

COUNT ONE HUNDRED SEVENTEEN

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about June 1, 2004, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: Promissory Note, dated August 1, 2004.

COUNT ONE HUNDRED EIGHTEEN

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about June 1, 2004, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: Promissory Note, dated October 1, 2004.

COUNT ONE HUNDRED NINETEEN

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about June 1, 2004, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: Promissory Note, dated November 1, 2004.

COUNT ONE HUNDRED TWENTY

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **FALSIFYING BUSINESS RECORDS IN THE FIRST DEGREE in violation of Penal Law §175.10**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, on or about June 1, 2004, with intent to defraud, prevented the making of a true entry and caused the omission thereof in the business records of an enterprise, and their intent to defraud included an intent to commit another crime and to aid or conceal the commission thereof, to wit: Promissory Note, dated December 1, 2004.

COUNT ONE HUNDRED TWENTY-ONE

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE, in violation of Penal Law §470.05(1)(a)(i)(A)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about April 14, 2005, through in or about August 7, 2006, knowing that the property, namely check # 5952 to Hank Morris for \$3,000, dated April 14, 2005, check #6225 to Hank Morris for \$3,000, dated July 23, 2006, \$3,000 cash payment from MORRIS to John Doe 2 in 2005, check #6285 from John Doe 2 for \$3,000, dated June 28, 2005, and check # 6509 from John Doe 2 for \$3,000, dated August 7, 2006, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, with intent to promote the carrying on of criminal conduct, and the total value of the property involved in such financial transactions exceeded five thousand dollars.

COUNT ONE HUNDRED TWENTY-TWO

AND THE GRAND JURY, by this Indictment, further accuses the defendant HENRY “HANK” MORRIS of the crime of **MONEY LAUNDERING IN THE FOURTH DEGREE in violation of Penal Law §470.05(1)(a)(ii)(A)**, committed as follows:

Said defendant, his agents, accomplices, and coconspirators in the County of New York and elsewhere, from in or about April 14, 2005, through in or about August 7, 2006, knowing that the property, namely check # 5952 to Hank Morris for \$3,000, dated April 14, 2005, check #6225 to Hank Morris for \$3,000, dated July 23, 2006, \$3,000 cash payment from MORRIS to John Doe 2 in 2005, check #6285 from John Doe 2 for \$3,000, dated June 28, 2005, and check # 6509 from John Doe 2 for \$3,000, dated August 7, 2006, involved in one and more financial transactions represented the proceeds of criminal conduct, conducted one and more such financial transactions which in fact involved the proceeds of specified criminal conduct, knowing that the transaction and transactions in whole and in part are designed to conceal and disguise the nature, the location, the source, the ownership and control of the proceeds of criminal conduct; and the total value of the property involved in such financial transaction and transactions exceeded five thousand dollars.

SCHEME TO DEFRAUD

COUNT ONE HUNDRED TWENTY-THREE

AND THE GRAND JURY, by this Indictment, further accuses the defendants HENRY “HANK” MORRIS and DAVID LOGLISCI of the crime of SCHEME TO DEFRAUD IN THE FIRST DEGREE, in violation of Penal Law §190.65(1)(b), committed as follows:

Said defendants, their agents, accomplices, and coconspirators from in or about November 2002 through in or about July 2008, in the County of New York and elsewhere, engaged in a scheme constituting a systematic ongoing course of conduct with intent to defraud more than one person and to obtain property from more than one person by false and fraudulent pretenses, representations and promises and so obtained property with a value in excess of one thousand dollars from one or more such persons, including the State of New York, the CRF, CRF staff, CRF members, CRF pensioners and beneficiaries, and private equity funds, hedge funds and fund-of-funds seeking investments from the CRF.

ANDREW M. CUOMO
NEW YORK STATE
ATTORNEY GENERAL