

ACMS

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THOMAS W. CAVANAGH, P.L.Ch.

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SUPERIOR COURT OF NEW JERSEY
MONMOUTH COUNTY
CHANCERY DIVISION: GENERAL EQUITY

DOCKET NO. C-42-08

ANNE MILGRAM,)	
Attorney General of New Jersey,)	Civil Action
on behalf of AMY KOPLETON,)	
Acting Chief of the New Jersey)	FINAL JUDGMENT AND
Bureau of Securities, ¹)	CONSENT ORDER AS TO
)	DEFENDANT
Plaintiff,)	MICHAEL D'ANGELO
)	
v.)	
)	
MICHAEL D'ANGELO, Individually)	
and as a Member of CMR MNGT.)	
GROUP LLC;)	
DIANA D'ANGELO, Individually and)	
as Vice President of CMR)	
MNGT. GROUP LLC;)	
RICHARD SLADEK, Individually and)	
as a Member of CMR MNGT.)	
GROUP LLC;)	
CHARLES T. BARBERO, Individually)	
and as a Member of CMR MNGT.)	
GROUP LLC;)	
CMR MNGT. GROUP, LLC, a New)	
Jersey limited liability company;)	
)	
Defendants.)	

¹ This action was commenced on behalf of former Chief of the New Jersey Bureau of Securities, Vincent J. Oliva. In accordance with R. 4:34-4, the caption has been revised to reflect the current Acting Chief of the New Jersey Bureau of Securities.

ENTERED ON ACMS

This matter was presented to the Court by Anne Milgram, Attorney General of New Jersey, on behalf of Vincent J. Oliva, the former Chief of the New Jersey Bureau of Securities ("Bureau"), (Deputy Attorney General Victoria A. Manning, appearing), pursuant to N.J.S.A. 49:3-69(a), R. 4:52-1 and R. 4:67 for violations of the New Jersey Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq., ("Securities Law"). Defendant Michael D'Angelo ("D'Angelo"), represented by Howard Masia, Esq., and Plaintiff have agreed to resolve any and all issues in controversy in this action, on the terms set forth in this Final Judgment and Consent Order, which terms have, with the consent of Amy Kopleton, Acting Bureau Chief, and D'Angelo, been reviewed and approved by the Honorable Thomas J. Cavanagh, P.J. Ch., as confirmed by the entering of this Final Judgment and Consent Order, as the voluntary acts of the parties. The Court has made no findings in this matter other than that the parties entered into this settlement freely, voluntarily and knowingly.

Amy Kopleton, the Acting Bureau Chief, makes the following findings of fact and conclusions of law, which D'Angelo neither admits nor denies:

1. Defendant D'Angelo was a member and President of CMR, a New Jersey limited liability company, since the time of its formation on or about November 18, 2004, to date.
2. At all relevant times, Diana D'Angelo was married to D'Angelo.

They currently reside at 3 Emory Court, Perrineville, New Jersey.

3. At the time of the formation of CMR, D'Angelo, Richard Sladek ("Sladek") and Charles Barbero ("Barbero") held equal interests as members of CMR. The membership interests changed on August 5, 2005 pursuant to an arrangement where D'Angelo held a 95% interest in CMR and Sladek and Barbero each owned a 2-1/2% interest.
4. From approximately January 27, 2004 through January 2006, defendants, D'Angelo, Sladek, Barbero, and CMR offered and sold securities in the form of investment contracts from and within New Jersey to 26 investors. The securities were referred to by D'Angelo, Sladek and Barbero as the "Capital Enhancement Program" (the "Program"). They collectively raised \$3.2 million from the sale of the securities. D'Angelo, Sladek and/or Barbero falsely represented to investors that the Program guaranteed a return of between 5% and 12% interest per month on the principal investment (depending on the investor) and return of the principal at the end of twelve (12) months. A second investment program was offered to investors that guaranteed a higher monthly interest rate of 15% and return of the principal at the end of twelve (12) months. D'Angelo, Sladek and/or Barbero falsely represented to investors that the second investment program guaranteed a

return of 15% per month and return of the principal at the end of twelve (12) months.

5. D'Angelo controlled and maintained the books, records and accounts of CMR and, as such, issued the interest checks to investors on behalf of CMR and responded to investor inquiries about the status of their investments in the Program.
6. D'Angelo used investor funds to:
 - a. make payments to existing investors;
 - b. pay D'Angelo and Diana D'Angelo's personal expenses;
 - c. purchase luxury items; and
 - d. transfer funds to JTA Enterprises for transfer to the other Ponzi scheme.
7. In or about December 2005, D'Angelo learned about the other Ponzi scheme. D'Angelo, continued the CMR investment scheme.
8. D'Angelo, Sladek and/or Barbero made false representations to investors in connection with the purchase and sale of the securities, and omitted material information, including:
 - a. their money was safe - that it would be placed in a "non-depletion account" from which it could not be withdrawn - and that while deposited in the "non-depletion account," the investors' money would serve as a guarantee of capital behind the profit-making activity;
 - b. at the end of a 12-month period, or sooner in some cases, the principal would be repaid to the investor or rolled

over into a new investment program;

- c. The manner in which CMR would generate the profit to pay the monthly interest rate included foreign currency trading or currency swaps, unspecified activity involving Switzerland, U.S. federal government money manipulation, and trading in large blocks of bank notes.
9. The securities offered for sale by CMR, D'Angelo, Sladek and Barbero were not registered with the Bureau, exempt from registration or federally covered securities.
10. Neither CMR, D'Angelo, Sladek nor Barbero were registered with the Bureau in any capacity.
11. D'Angelo and others employed a scheme to defraud investors which included, but was not limited to:
 - a. misrepresenting the nature and risks of the investments to investors;
 - b. offering a purported investment that was guaranteed;
 - c. failing to return investor funds;
 - d. misappropriating investor funds for personal benefit and use; and
 - e. misappropriating investor funds to and in a Ponzi scheme, all in violation of N.J.S.A. 49:3-52(a).
12. Defendants CMR, D'Angelo and others made materially false and misleading statements and/or omitted material facts to investors in connection with the offer and sale of securities.

Among the false and misleading statements were:

- a. the Program guaranteed a return of between 5% and 12% interest per month on the principal investment (depending on the investor) and return of the principal at the end of twelve (12) months;
- b. the second investment Program guaranteed a return of 15% per month and return of the principal at the end of twelve (12) months;
- c. the investors' money was safe;
- d. the investors' money would be placed in a "non-depletion account" from which it could not be withdrawn - and that while deposited in the "non-depletion account," the investors' money would serve as a guarantee of capital behind the profit-making activity;
- e. at the end of a 12-month period or sooner, the principal would be repaid to the investor or rolled over into a new investment program;
- f. that CMR would generate the profit to pay the monthly interest rate through foreign currency trading or currency swaps, unspecified activity involving Switzerland, U.S. federal government money manipulation, and trading in large blocks of bank notes;
- g. D'Angelo was paying \$5,000 a day to an attorney in Switzerland who engaged in an unexplained profit-making

- trading that was only being performed by four traders in the world;
- h. the profit making end of the investment was secretive and involved the government doing something with the investment money which generated a great return;
 - i. the profit-making activity was from secret U.S. federal bond programs, and that the bonds were to be sold and resold, with the money eventually ending up in Switzerland;
 - j. CMR invested in large-volume blocks of bank notes (\$50,000 minimum) which guaranteed a 5% return per month, CMR made money by investing overseas, and their money would not be invested directly, but placed into secure "non-depletion bank accounts" and used as collateral by individuals who traded large blocks of bank notes;
 - k. the CMR investment money would be placed in a pool of money to function as a bank, and CMR would use that money to access U.S. federal funds and create financial leverage to swap currencies overseas, reaping large profits in the process, and that D'Angelo was involved with large dollar investors, through the access provided by Bill Clark's father;
 - l. the monthly payments could not be made or the principal returned, because:

- i. the CMR money was invested in JTA was frozen by litigation commenced by the SEC in the Correll Litigation;
- ii. the State of New Jersey had frozen D'Angelo's assets, making investor money unavailable;
- iii. the CMR money was sent to Singapore where it was invested in a solar panel business;
- iv. the "Securities Commission" seized the money;
- v. a man in Switzerland broke his leg going to the bank;
- vi. the program had not yet started;
- vii. the program will not start until a later date;
- viii. the next check will arrive before Christmas;
- ix. a guy in New Zealand was causing the delay;
- x. the package was accidentally sent to Swaziland instead of Switzerland;
- xi. the banks are closed;
- xii. there was a waiting period for the program to start;
- xiii. the New Jersey Attorney General froze the money;
- xiv. Bill Clark had taken the money;
- xv. the money had been seized;
- xvi. the money had financed a failed project;

- xvii. all the money had gone to "Steve";
- xviii. after the September 11, 2001 attacks, it became increasingly difficult to move money into the United States from overseas, and the heightened scrutiny was holding up their payment;
- xix. the Swiss banks involved had not received the money to be used for the currency swaps due to difficulties in moving large amounts of money from the United States to Switzerland; and
- xx. the first CMR investment program had been liquidated and all the investment money rolled into a second program.

13. Among the omitted facts to investors were:

- a. that their investment monies would be used to pay personal expenses from Diana D'Angelo's account;
- b. that their investment monies would be used to pay existing investors;
- c. that their investment monies would be transferred to a third party who was purportedly operating a Ponzi scheme;
- d. that the securities offered for sale by CMR were not registered with the Bureau; and
- e. that D'Angelo and others were not registered with the Bureau to sell securities

14. Each omission or materially false or misleading statement violated N.J.S.A. 49:3-52(b).
15. Defendant CMR's course of business, as engaged in by D'Angelo, Sladek and Barbero, including, among other things, misrepresenting the nature and risks of the investments, failing to return investor funds while misappropriating investor funds for personal expenses and use, using new investor money to pay old investors, operated as a fraud and/or deceit upon the investors and others, in violation of N.J.S.A. 49:3-52(c).
16. D'Angelo acted as an unregistered agent in effecting or attempting to effect transactions in securities from, in or within New Jersey in violation of N.J.S.A. 49:3-56(a).
17. CMR acted as an unregistered broker dealer by effecting or attempting to effect transactions in securities from, in or within New Jersey in violation of N.J.S.A. 49:3-56(a).
18. CMR employed or engaged unregistered agents in effecting or attempting to effect transactions in securities from, in or within New Jersey, in violation of N.J.S.A. 49:3-56(h).
19. CMR and D'Angelo sold unregistered securities in violation of N.J.S.A. 49:3-60.

IT IS on this 29 day of April, 2009,

ORDERED AND AGREED:

PERMANENT INJUNCTIVE RELIEF

1. Defendant D'Angelo, individually and by or through any corporation, business entity, agent, employee, broker, partner, officer, director, attorney, stockholder and/or any other person who is directly or indirectly under his control or direction, is permanently restrained and enjoined from directly or indirectly violating the Securities Law and, specifically, from:
 - a. engaging in the securities business in New Jersey in any capacity, including, but not limited to, acting as a broker-dealer, agent, investment adviser, investment adviser representative or otherwise;
 - b. issuing, offering the sale or selling, offering to purchase or purchasing, distributing, promoting, advertising, soliciting, negotiating, advancing the sale of and/or promoting securities, or advising regarding the sale of any securities, in any manner to, from, or within the State of New Jersey; and
 - c. engaging in the conduct described in Plaintiff's Verified Complaint filed in this matter.

DISGORGEMENT/RESTITUTION

2. Defendant D'Angelo is jointly and severally liable with

defendant CMR Mngt. Group LLC. to pay restitution to investors in the amount of \$220,177.00, pursuant to N.J.S.A. 49:3-69(a), and to disgorge the sum of \$150,000.00. The investors to whom restitution is owed are set forth in the Stipulation of Restitution List, which is incorporated by reference.

CIVIL MONETARY PENALTY

3. Defendant D'Angelo is assessed a civil monetary penalty, pursuant to N.J.S.A. 49:3-70.1, in the amount of \$300,000.00. However, if Defendant D'Angelo pays the restitution amount of \$220,177.00 to the Bureau, in full within ninety (90) days of entry of this Consent Order and Final Judgment by the Court or otherwise credited as per ¶ 14 below, with proof that the source of such funds was not obtained from fraudulent or illegal activity, then the \$300,000.00 civil monetary penalty due to the Bureau will be suspended/~~vacated~~.

RELEASES

4. The Release and Settlement Agreements listed below inuring to the benefit of Body Solid Transportation, Inc., CMR Management Group, LLC and/or Michael D'Angelo, Sr., are reformed as to Releasees Body Solid Transportation, Inc. and/or D'Angelo, to delete the language:

"3. Indeed, I expressly state that you have not engaged in wrongdoing of any kind in regard to any matter involving me."

"5. I agree that I will not disclose to anyone, in any way, and will keep and maintain as confidential, the

terms and conditions of this Agreement, the terms of any and all negotiations leading to the execution of this Agreement, the amount of consideration paid, and the allegations, transactions, and relations of the parties upon which the claims asserted were based except as reasonably necessary to comply with (a) applicable regulations or law; (b) by order of a court of competent jurisdiction; (c) as necessary to the Releasing Parties' accountants, legal advisors or tax advisors who will be informed of the confidential nature of the information and who will agree to maintain such confidentiality; or (d) as necessary for family or estate planning purposes to immediate family members who will be advised of the confidential nature of the information and who will agree to maintain such confidentiality. I understand that confidentiality is a significant, material and substantial part of this Agreement. Any Breach of this provision will subject me to a valid claim from you for full return of any amounts paid hereunder and any other available relief."

Investor(s)	Date Signed	Amount
Alice Caliguiri Dominic Caliguiri	March 20, 2007	\$120,000
Estrellita Caliguiri Anthony Caliguiri	March 20, 2007	\$ 30,000
Freya Cenno Franklin Cenno	March 22, 2007	\$ 21,000
Margie Faulkner Richard Faulkner	March 20, 2007	\$ 64,000
Joanne Felicetti Richard Felicetti	March 19, 2007	\$ 86,000
Denise Geraghty	March 20, 2007	\$110,000
Saverio Iosue Elizabeth Iosue	March 22, 2007	\$ 82,000
Karen Laible James Murray	March 20, 2007	\$ 62,000
Stanley Lee		

Julia Lee	March 20, 2007	\$ 48,000
Barbara Lopiccolo John Lopiccolo	March 20, 2007	\$130,000
Laura Lorenzo Thomas Bubryckie	March 20, 2007	\$ 85,000
Joseph Mirasola	March 20, 2007	\$ 30,000

The remaining language in said provision shall remain in full force and effect.

5. The Release and Settlement Agreements listed below inuring to the benefit of Body Solid, Transportation, Inc., and/or Michael D'Angelo, Sr. are reformed as to Releasees to delete the language:

"3. Indeed, I expressly state that you have not engaged in fraud, misrepresentation or wrongdoing of any kind in regard to any matter involving me. Also, you have not acted or held yourself out as a broker, solicitor, dealer, investment adviser or adviser representative. You and I have not had any dealings whatsoever in securities, stocks, mutual funds or unit investment trusts."

"5. I agree that I will not disclose to anyone, in any way, and will keep and maintain as confidential, the terms and conditions of this Agreement, the terms of any and all negotiations leading to the execution of this Agreement, the amount of consideration paid, and the allegations, transactions, and relations of the parties upon which the claims asserted were based except as reasonably necessary to comply with (a) applicable regulations or law; (b) by order of a court of competent jurisdiction; (c) as necessary to the Releasing Parties' accountants, legal advisors or tax advisors who will be informed of the confidential nature of the information and who will agree to maintain such confidentiality; or (d) as necessary for family or estate planning purposes to immediate family members who will be advised of the confidential nature of the information and who will agree to maintain such confidentiality. I understand that confidentiality is a significant, material and

substantial part of this Agreement. Any Breach of this provision will subject me to a valid claim from you for full return of any amounts paid hereunder and any other available relief."

Investor(s)	Date Signed	Amount
Malek Battal Siham Battal	April 5, 2007	\$65,000
Christopher D'Angelo	April 2, 2007	\$10,000
Roxanne DuBois	April 4, 2007	\$55,000
Debra Emanuel	April 2, 2007	\$23,100
Philip Iosue Antoinette Iosue	April 2, 2007	\$45,000
Emanuele Iosue	March 31, 2007	\$55,000
Saverio Iosue Elizabeth Iosue	April 2, 2008	\$45,000
Patti Ann Shea	April 4, 2008	\$45,000

The remaining language in said provision shall remain in full force and effect.

6. The Release and Settlement Agreements listed below inuring to the benefit of Body Solid, Inc. and/or D'Angelo are reformed as to Releasees to delete the language:

"3. Indeed, I expressly state that you have not engaged in fraud, misrepresentation or wrongdoing of any kind in regard to any matter involving me. Also, you have not acted or held yourself out as a broker, solicitor, dealer, investment adviser or adviser representative. You and I have not had any dealings whatsoever in securities, stocks, mutual funds or unit investment trusts. I specifically acknowledge that this Release includes a loan made to D'Angelo and/or CMR - over which loan monies D'Angelo had complete discretion, control and authority."

"5. I agree that I will not disclose to anyone, in any way, and will keep and maintain as confidential, the terms and conditions of this Agreement, the terms of any and all negotiations leading to the execution of this Agreement, the amount of consideration paid, and the allegations, transactions, and relations of the parties upon which the claims asserted were based except as reasonably necessary to comply with (a) applicable regulations or law; (b) by order of a court of competent jurisdiction; (c) as necessary to the Releasing Parties' accountants, legal advisors or tax advisors who will be informed of the confidential nature of the information and who will agree to maintain such confidentiality; or (d) as necessary for family or estate planning purposes to immediate family members who will be advised of the confidential nature of the information and who will agree to maintain such confidentiality. I understand that confidentiality is a significant, material and substantial part of this Agreement. Any Breach of this provision will subject me to a valid claim from you for full return of any amounts paid hereunder and any other available relief."

Investor (s)	Date Signed	Amount
Dominic Caliguiri Alice Caliguiri	June 9, 2007	\$115,000
Franklin Cenno Freya Cenno	June 9, 2007	\$ 50,000
Paul Floyd	June 26, 2007	\$ 80,000
John Lopiccolo Barbara Lopiccolo	June 9, 2007	\$295,000
Jeffrey Oesterle	June 9, 2007	\$100,000

The remaining language in said provision shall remain in full force and effect.

7. The Release and Settlement Agreements listed below inuring to the benefit of Body Solid, Inc. and/or D'Angelo are reformed

as to Releasees to delete the language:

"3. Indeed, I expressly state that you have not engaged in fraud, misrepresentation or wrongdoing of any kind in regard to any matter involving me. Also, you have not acted or held yourself out as a broker, solicitor, dealer, investment adviser or adviser representative. You and I have not had any dealings whatsoever in securities, stocks, mutual funds or unit investment trusts. I never indicated that Mr. and/or Mrs. LoPiccolo's loan of \$300,000 was an investment of any type. In fact, I have no knowledge of the financial dealings between the Releasees (you) and John or Barbara LoPiccolo."

"5. I agree that I will not disclose to anyone, in any way, and will keep and maintain as confidential, the terms and conditions of this Agreement, the terms of any and all negotiations leading to the execution of this Agreement, the amount of consideration paid, and the allegations, transactions, and relations of the parties upon which the claims asserted were based except as reasonably necessary to comply with (a) applicable regulations or law; (b) by order of a court of competent jurisdiction; (c) as necessary to the Releasing Parties' accountants, legal advisors or tax advisors who will be informed of the confidential nature of the information and who will agree to maintain such confidentiality; or (d) as necessary for family or estate planning purposes to immediate family members who will be advised of the confidential nature of the information and who will agree to maintain such confidentiality. I understand that confidentiality is a significant, material and substantial part of this Agreement. Any Breach of this provision will subject me to a valid claim from you for full return of any amounts paid hereunder and any other available relief."

Name of Investor(s)	Date Signed	Amount
George Flynn		
Donna Flynn	June 3, 2007	\$ 95,000

The remaining language in said provision shall remain in full force and effect.

FINAL JUDGMENT

8. As such, final judgment in the amount of \$670,177.00 is entered against defendant Michael D'Angelo, residing at 3 Emory Court, Perrineville, New Jersey, representing \$220,177.00 in restitution, \$150,000.00 in disgorgement, pursuant to N.J.S.A. 49:3-69(a)(2) and \$300,000.00 as a civil monetary penalty pursuant to N.J.S.A. 49:3-70.1, subject to the above provisions.

GENERAL PROVISIONS

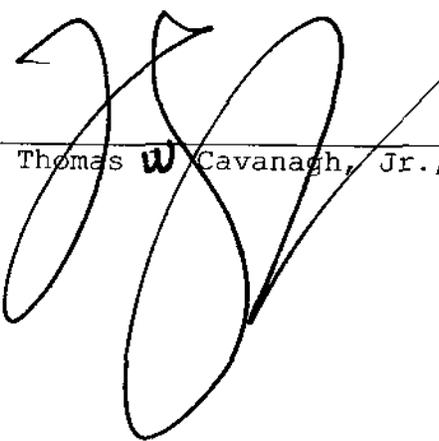
9. Payment of the disgorgement/restitution and civil monetary penalty, unless suspended pursuant to the provisions set forth above, is due and payable within ninety (90) days and shall be made by attorney trust fund account check, certified check or other guaranteed funds, made payable to the "State of New Jersey, Bureau of Securities" and delivered to the attention of the Bureau Chief, at the following address: Bureau of Securities, 153 Halsey Street, 6th Floor, Newark, New Jersey 07102.
10. To the extent that restitution is paid, in whole or in part, by any defendant, then D'Angelo shall be entitled to credit toward his disgorgement/restitution obligation herein in equal amount.
11. D'Angelo shall fully and promptly cooperate with the Bureau in its investigation, depositions, court proceedings,

administrative proceedings, preparation for court and/or administrative proceedings, etc., regarding the subject matter of the Verified Complaint or any subsequent amendments filed, in this matter or any other proceedings. Such cooperation shall include without limitation and without subpoena:

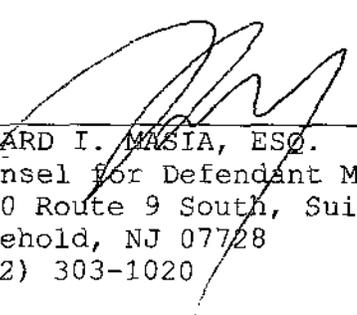
- a. Voluntary production of all documents or other tangible evidence requested, and any compilations or summaries of information or data that the Bureau requests which has not already been produced to the Bureau;
 - b. Voluntary and prompt attendance at all proceedings at which the presence and/or testimony of D'Angelo is requested by the Bureau;
 - c. Voluntary forthright and complete responses to all inquiries from the Bureau directed to D'Angelo; and
 - d. Voluntary and prompt attendance at any court proceedings or OAL hearings, where D'Angelo shall give voluntary forthright and complete testimony.
12. This Final Judgment and Consent Order is immediately enforceable as to defendant D'Angelo.
13. The parties represent that an authorized representative of each has signed this Final Judgment and Consent Order with full knowledge, understanding and acceptance of its terms and that this person has done so with authority to legally bind the respective party.

14. Nothing in this Final Judgment and Consent Order shall in any manner be construed to limit or affect the rights of any persons who may have a claim against defendant D'Angelo. The amount of any such claim shall be reduced by any amounts paid to such persons from other sources, including any restitution paid pursuant to this Final Judgment and Consent Order. Amounts paid after the date of entry of this Final Judgment and Consent Order to the Bureau for restitution to investors, as set forth in the Stipulation of Restitution Due, incorporated herein by reference, or waived by investors listed in the Stipulation of Restitution due, shall be credited against the amount of restitution due as set forth in paragraph 2 herein.
15. As used in this Final Judgment and Consent Order, the plural shall include the singular and the singular shall include the plural. In addition, "or" and "and" shall be interpreted conjunctively.
16. Nothing herein shall be construed to limit the authority of the Attorney General to protect the interests of the State or the people of the State.
17. Unless otherwise prohibited by law, any signatures by the parties required for entry of this Final Judgment and Consent Order may be executed in counterparts, each of which shall be deemed an original, but all of which shall together be one and

the same Final Judgment and Consent Order.


Honorable Thomas **W** Cavanagh, Jr., P.J. Ch.

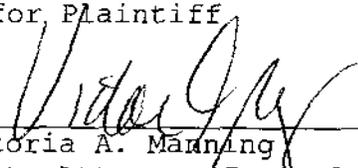
Consent to the Form, Content
and Entry of this Final Judgment and Consent Order:



HOWARD I. MASIA, ESQ.
Counsel for Defendant Michael D'Angelo
4400 Route 9 South, Suite 1000
Freehold, NJ 07728
(732) 303-1020

Dated: 3/31, 2009

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Counsel for Plaintiff

By: 

Victoria A. Manning
Deputy Attorney General

Dated: 4/1, 2009