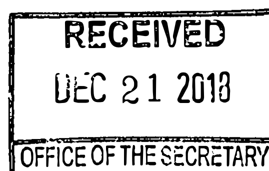
UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-18481

In the Matter of

ANGELA RUBBO
BECKCOM MONACO,

Respondent.



DIVISION OF ENFORCEMENT'S MOTION FOR SUMMARY DISPOSITION AGAINST RESPONDENT ANGELA RUBBO BECKCOM MONACO AND SUPPORTING MEMORANDUM OF LAW

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I. Introduction

Pursuant to Rule 250 of the Commission's Rules of Practice, 17 C.F.R. § 201.250 the Division of Enforcement (the "Division") respectfully moves for summary disposition and the imposition of an industry bar from association and a penny stock bar against Respondent Angela Rubbo Beckcom Monaco ("Respondent") pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934 ("Exchange Act"). The Division sets forth its grounds below.

II. History of the Case

The Commission issued the Order Instituting Proceedings ("OIP") on May 15, 2018, pursuant to Section 15(b) of the Exchange Act. In summary, the OIP alleges that Respondent offered and sold investments and/or issued restricted shares of stock in VIP TV, LLC, VIP Television Inc., and The Spongebuddy, LLC which are penny stocks. More specifically, beginning in 2012, Respondent or a co-conspirator contacted investors and made false statements about specific business opportunities for VIP Television and/or Spongebuddy, LLC. Respondent or a co-conspirator then directly solicited money from the investors and directed that investments be mailed or wired. Stock certificates in VIP Television were typically signed by Respondent and a co-conspirator. For her role in the fraudulent scheme, the Respondent received more than $600,000. These facts, among others, led to Respondent's guilty plea in the criminal case against her.

On June 15, 2018 Respondent was personally served with the OIP. Thereafter, on June 21, 2018, the Commission stayed all pending administrative proceedings. On October 31, 2018, Respondent submitted a handwritten letter which the Law Judge has determined to accept as Respondent's Answer. On December 12, 2018, a telephonic pre-hearing conference was held, and

and the Law Judge set a briefing schedule, including a filing deadline of December 21, 2018 for the Division's motion for summary disposition.

III. Memorandum of Law

A. Respondent's Criminal Case

On November 7, 2018, a federal grand jury returned an indictment against Respondent, (D.E. 1, Indictment, *United States v. Monaco, et al.*, Case No. 1:17-cr-00417 (D. Col.) (attached as Exhibit 1)) charging her with:

- conspiracy to commit mail and wire fraud in violation of 18 U.S.C. §1341 and §1343, by among other things luring potential and actual investors with material false pretenses and representations about various businesses and purported business opportunities arising from those businesses. (Exhibit 1, Indictment counts 1-9).
- a scheme to sell securities in violation of 15 U.S.C. §77q(a). (Exhibit 1, Indictment counts 10-11).
- engaging in a monetary transaction in property derived from specified unlawful activity, specifically mail and securities fraud in violation of 18 U.S.C. §1957. (Exhibit 1, Indictment counts 12-18).

On May 1, 2018, Respondent pleaded guilty to one count of conspiracy to commit mail and wire fraud in violation of 18 U.S.C. §1349, and one count of engaging in a monetary transaction in property derived from specified unlawful activity in violation of 18 U.S.C. § 1957. (D.E. 78, Plea Agreement (attached as Exhibit 2)). On August 16, 2018, the district court judge sentenced Respondent to 74 months imprisonment followed by a three-year term of supervised release, restitution in the amount of $6,011,900 and forfeiture of $603,765.00 (D.E. 147, Judgment (attached as Exhibit 3)).

B. Facts Determined Against Respondent

As an initial matter, Respondent's conviction estops her from disputing the facts relevant to this matter. *Eric S. Butler*, Exchange Act Release No. 65204, at 7 n.23, 2011 WL 3792730 (Aug. 26, 2011); *see also Elliott v. SEC*, 36 F.3d 86, 87 (11th Cir. 1994) (per curiam) (refusing in a follow-on proceeding to "entertain the collateral attack on the criminal conviction"). When, as here, the conviction results from a guilty plea, the respondent is bound by the facts admitted in the plea agreement. *See Don Warner Reinhard*, 100 S.E.C. Docket 731, 2011 WL 121451, *7 (Jan. 14, 2011) (respondent who pleaded guilty "cannot now dispute the accuracy of the findings set out in the Factual basis for Plea Agreement); *Gary M. Kornman,* Securities Exchange Act Release No. 59403 (Feb. 13, 2009), 95 SEC Docket 14246, 14257 (criminal conviction based on guilty plea precludes litigation of issues in Commission proceedings). The Law Judge may also consider the indictment as part of "the factual framework for [an] analysis of the conviction[]." *Butler*, Exchange Act Release No. 65204, at 7 n.23, 2011 WL 3792730 (Aug. 26, 2011).

Here, the indictment and plea agreement establish the following: between 2012 to the date of the plea, Respondent, her siblings and another individual each acted as part of a broader scheme to (1) use the mails to defraud multiple investors of millions of dollars, (2) commit securities fraud; and (3) engage in money laundering. Exhibit 2, Plea Agr., p.10; Exhibit 1, Indictment. Respondent along with other family members and associates, were involved in a number of businesses registered in Florida. Exhibit 2, Plea Agr., p.9. The facts here involve three businesses owned, operated, controlled by or otherwise affiliated with Respondent and her siblings. *Id.* The first entity is VIP Television, LLC ("VIP"). VIP purportedly created and produced entertainment and celebrity-focused television content primarily in the Southern

Florida market. *Id.* Respondent is the President of VIP. *Id.* The second entity is The Spongebuddy, LLC, which, through Respondent, owns the patent to a glove also named Spongebuddy. *Id.* The third entity is ANJ Productions, LLC ("ANJ"). *Id.* VIP and Spongebuddy are both affiliated with ANJ. *Id.* Respondent has served as managing Member of ANJ. *Id.* at p.9-10.

The plea agreement provides extensive factual background at pages 9-22. Relevant highlights of Respondent's conduct are below:

- Respondent or a co-conspirator contacted investors and made false statements about specific business opportunities for VIP and/or Spongebuddy, LLC. Exhibit 2, Plea Agr., p.10.
- Respondent and/or a co-conspirator then directly solicited money from the investors and directed that investments be mailed via Fed Ex or U.S. Mail and/or wired to accounts of Spongebuddy, ANJ, and VIP. *Id.*
- Respondent then sent or caused to be sent to investors via U.S. Mail and/or Fed Ex investment contracts or revised addenda to existing investment contracts with those investors. The addenda memorialized the investors' investments, and were sometimes accompanied by stock certificates in VIP. Stock certificates were typically signed by Respondent or her brother. *Id.* at p.10-11.
- Respondent and her co-conspirators were persistent in soliciting investments. *Id.* at p.11.
- Respondent financially benefitted from these schemes. *Id.*

- Between 2012 and 2017, $603,765 in proceeds from the scheme were distributed from the accounts of ANJ, VIP, and/or Spongebuddy to Respondent or to third parties for her benefit. *Id.* at p.22.
- Respondent ultimately defrauded at least thirty investors of over $6 million. *Id.* at p.21.

Respondent also admitted to certain significant omissions in connection with the conduct described in the plea agreement such as:

- Failing to disclose to investors that in 2013 and 2014 the Respondent and others were subjects of a civil investigation and resulting consent order by the State of Illinois in connection with the offering of securities related to ANJ, VIP, and Spongebuddy. The State of Illinois has not permanently prohibited Respondent from issuing, offering, or selling securities in Illinois. Exhibit 2, Plea Agr., p.17-18.
- Failing to disclose that in 2002 Respondent and two of her siblings were charged by the Commission with violations of the antifraud and registration provisions of the federal securities laws. *Id.* at p.18.
- Failing to disclose the co-conspirators' criminal histories. *Id.*

C. Summary Disposition is Appropriate

1. Because of Respondent's Conviction, There are No Disputed Facts

The Law Judge should grant a motion for summary disposition if there is "no genuine issue with regard to any material fact and the party making the motion is entitled to summary disposition as a matter of law." 17 C.F.R. § 201.250(b). Here, since "[a]ll material facts that concern the activities for which [Respondent] was convicted were decided against him in the criminal case," summary disposition is appropriate. *Adam Harrington*, Initial Decision Release

No. 484, at 1, 2013 WL 1655690 (Apr. 17, 2013), *review dismissed*, Exchange Act Release No. 70149, 2013 WL 4027264 (Aug. 8, 2013); *Alan Brian Baiocchi*, Initial Decision Release No. 382, at 1, 2009 WL 2030524 (July 14, 2009).

2. The Undisputed Facts Entitle the Division to Summary Disposition as a Matter of Law

The facts determined in Respondent's criminal case entitle the Division to summary disposition as a matter of law. The Division seeks relief under Section 15(b)(6)(A) of the Exchange Act, which provides in relevant part:

> With respect to any person . . . at the time of the alleged misconduct, who was associated with a broker . . . the Commission, by order, shall censure, place limitations on the activities or functions of such person, or suspend for a period not exceeding 12 months, or bar any such person from being associated with a broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, or from participating in an offering of penny stock, if the Commission finds, on the record after notice and opportunity for a hearing, that such censure, placing of limitations, suspension, or bar is in the public interest and that such person—
>
> * * * *
>
> (ii) has been convicted of any offense specified in [Exchange Act Section 15(b)(4)(B)] within 10 years of the commencement of the proceedings under this paragraph . . . .

15 U.S.C. § 78o(b)(6)(A). Each of the requirements of Section 15(b)(6)(A)—timely issuance of the OIP, conviction under a qualifying statute, and misconduct committed while Respondent was associated with a broker or dealer—is satisfied here.

a. The Division Timely Filed this Action

The Division must commence a proceeding under Section 15(b)(6)(A)(ii) within "10 years" of the criminal conviction. *See Joseph Contorinis*, Exchange Act Release No. 72031, at 4-6, 2014 WL 1665995 (Apr. 25, 2014) (10-year limitations period governs Section 15(b)(6)(A)(ii) proceeding; limitations period runs from date of conviction, not underlying

conduct). Here, the OIP was issued days after Respondent entered her guilty plea. Therefore, this matter was timely filed.

b. Respondent Was Convicted of a Qualifying Offense

Respondent's conviction triggers the Commission's ability to sanction her under Section 15(b)(6)(A)(ii), which permits the Commission to seek the relief requested here if a person has been convicted of an offense set forth in Exchange Act Section 15(b)(4)(B). *See* 15 U.S.C. §§ 78o(b)(4)(B), 78o(b)(6)(A)(ii). To meet this factor, the Division need only show that the Respondent has been convicted of an offense that, among other things, "involves" among other things "the purchase or sale of any security," 15 U.S.C. § 78o(b)(4)(B)(i), or misappropriation of funds, 15 U.S.C. § 78o(b)(4)(B)(iii), or the violation of 18 U.S.C. §§ 1341, 1342, or 1343. 15 U.S.C. § 78o(b)(4)(B)(iv). The term "involves" applies broadly and encompasses Respondent's conviction for conspiracy to commit mail and wire fraud. *Jordan McCarty*, Initial Decision Release No. 820, at 5, 2015 WL 3813303 (June 19, 2015). In addition, the conduct underlying her conviction involves the sale of securities and her misappropriation of more than $600,000 in proceeds from the scheme. Exhibit 2, Plea Agr., p.10 and 22. Therefore, the conviction falls squarely within the requirements of Exchange Act Section 15(b)(4)(B)(i)-(iv).

c. Respondent Was Associated with a Broker at the Time of the Misconduct

Section 15(b)(6)(A) requires that Respondent have been a "person . . . associated with a broker" at the time of the misconduct. The broker in question need not have been a registered broker. *See Jenny E. Coplan*, Initial Decision Release No. 595, at 2 n.3, 2014 WL 1713067 (May 1, 2014). Moreover, if Respondent was a broker at the time of the misconduct, she will also be a "person controlling . . . such broker," thus satisfying the requirement that she have been a person associated with a broker. 15 U.S.C. § 78c(a)(18); *Allen M. Perres*, Admin. Proc. File

No. 3-17013, 2017 WL 280080, *3 (Jan. 23, 2017) (Commission Opinion) (respondent met definition of a person associated with a broker notwithstanding his failure to register where he was in effect, the owner and manager of a sole proprietorship and he thus occupied a similar status and performed similar functions as a general partner within a partnership or an officer or director within a corporation.).

With respect to Respondent's broker status, Exchange Act Section 3(a)(4)(A) defines a "broker" as "any person engaged in the business of effecting transactions in securities for the account of others." 15 U.S.C. § 78c(a)(4)(A). The definition connotes "a certain regularity of participation in securities transactions at key points in the chain of distribution." *Mass. Fin. Serv., Inc. v. Sec. Investor Prot. Corp.*, 411 F. Supp. 411, 415 (D. Mass.), *aff'd*, 545 F.2d 754 (1st Cir. 1976); *see also SEC v. Martino*, 255 F. Supp. 2d 268, 283 (S.D.N.Y. 2003) (citing, among other cases, *SEC v. Margolin*, No. 92-Civ-6307 (PKL), 1992 WL 279735, at *5 (S.D.N.Y. Sept. 30, 1992) ("'brokerage' conduct may include receiving transaction-based income, advertising for clients, and possessing client funds and securities")). "The phrase 'engaged in the business' means a level of participation in purchasing and selling securities involving more than a few isolated transactions; there is no requirement that such activity be a person's principal business or the principal source of income." *Anthony Fields*, AP File No. 3-14684, 2015 WL 728005, *18 (Feb. 20, 2015) (Commission Opinion) (quotations and alterations omitted). Indications of broker activity "include holding oneself out as a broker-dealer, recruiting or soliciting potential investors, handling client funds and securities, negotiating with issuers, and receiving transaction-based compensation." *Id.* It is not necessary for the respondent to have successfully obtained any investor funds. *See id* at *4 (noting that "[n]o purchases or sales . . . were ever actually carried out, and Fields never obtained any funds from potential investors"); *see also id* at

*18 (finding Fields to be a broker because he "attempted to induce transactions in" nonexistent "prime bank" securities) (emphasis added).

Because neither of the phrases "engaged in the business" or "effecting transactions" is defined in the Exchange Act, courts and the Commission have examined a variety of factors considered in determining whether a person acted as a broker. For example, the Southern District of Florida listed the following factors: "[W]hether the person: 1) actively solicited investors; 2) advised investors as to the merits of an investment; 3) acted with a 'certain regularity of participation in securities transactions'; 4) received commissions or transaction-based remuneration; 5) is an employee of the issuer; 6) is selling, or previously sold, the securities of other issuers; 7) is involved in negotiations between the issuer and the investor; 8) analyzes the financial needs of an issue; 9) recommends or designs financing methods; 10) discusses the details of securities transactions; and 11) makes investment recommendations." *SEC v. U.S. Pension Trust Corp* 2010 WL 3894082, at *21 (S.D. Fla. Sept. 30, 2010) (citations omitted). The factors listed above are not exclusive, and not all of them, or any particular number of them, must be satisfied for a person to be a broker. *See SEC v. Benger*, 697 F. Supp. 2d 932, 945 (N.D. Ill. 2010) (explaining that six factors listed in *SEC v. Hansen*, 1984 WL 2413, at *10 (S.D.N.Y. Apr. 6, 1984) as relevant to determinations of whether a person acted as a broker "were not designed to be exclusive").

The Commission has looked at solicitation as "one of the most relevant factors in determining whether a person is effecting transactions." *Definition of Terms in and Specific Exemptions for Banks, Savings Associations, and Savings Banks Under Sections 3(a)(4) and 3(a)(5) of the Securities Exchange Act of 1934*, Interim Final Rule Release No. 34-44291, 2001 WL 1590253, at *20 n.124. The Sixth Circuit similarly held that a defendant's involvement in

communications with and recruitment of investors for the purchase of securities was strongly indicative of broker conduct. *SEC v. George*, 426 F.3d 786, 793 (6th Cir. 2005). Courts and the Commission have also looked at the receipt of transaction-based compensation as a strong indicator of broker-dealer activity. *See, e.g., Cornhusker Energy Lexington, LLC v. Prospect St. Ventures*, 2006 WL 2620985 at *6; *see also SEC v. Margolin*, 1992 WL 279735; *Persons Deemed Not To Be Brokers*, (SEC Adopting Release for Rule 3a4-1 of the Exchange Act) Rel. No. 34-22172 (June 27, 1985). Although a person need not receive transaction-related compensation to be a broker, transaction-based compensation can include investor funds misappropriated by a person regularly involved in the active solicitation of investors. *See George*, 426 F.3d at 793; *see also SEC v. Vestron Fin. Corp.* Case No. 01-4269-CIV-SEITZ (S.D. Fla. Oct. 16, 2001) (defendant acted as an unregistered broker and received transaction-related compensation in the form of misappropriated offering proceeds); *United States v. Elliott*, 62 F.3d 1304, 1310-11 (11th Cir. 1995) (two managers of a Ponzi scheme "received 'transaction-based compensation' whenever a customer implemented their advice by purchasing" one of the investment products they offered: one received a commission, and the other "received the investment principal, which he commingled with his personal funds").

Here, Respondent pled guilty to conspiring to commit mail and wire fraud and engaging in a monetary transaction in property derived from specified unlawful activity, namely, defrauding at least thirty investors of over $6 million, committing securities fraud, and engaging in money laundering. Respondent solicited investors, and received compensation as a result. Exhibit 2, Plea Agr., p.10-11, 22. As detailed in the plea agreement, Respondent contacted investors and made false statements about specific business opportunities. *Id.* at p.10. Respondent also directly solicited money from investors and sent or caused to be sent to

investors investment contracts. *Id.* at p.10-11. Further, Respondent signed stock certificates provided to investors and more than $600,000 in compensation. *Id.* at p.11 and 22. Therefore, Respondent was a broker and a person associated with a broker during the time of the misconduct.

d. Industry and Penny Stock Bars Are Appropriate Sanctions

In determining whether an administrative sanction is in the public interest, the Commission considers: (1) the egregiousness of a respondent's actions; (2) the isolated or recurrent nature of the violations; (3) the degree of scienter involved; (4) the respondent's assurances against future violations; (5) the respondent's recognition of the wrongful nature of his conduct; and (6) the likelihood the respondent's occupation will present opportunities for future violations. *See Steadman v. SEC*, 603 F.2d 1126, 1140 (5th Cir. 1979); *Patrick G. Rooney*, Initial Decision Release No. 638, at 5, 2014 WL 3588060 (July 22, 2014). "Absent 'extraordinary mitigating circumstances,' an individual who has been convicted cannot be permitted to remain in the securities industry." *Frederick W. Wall*, Exchange Act Release No. 52467 at 8 (Sept. 19, 2005) (citing *John S. Brownson*, 77 SEC Docket 3636, 3640 (July 3, 2002)).

Here, these factors weigh in favor of industry and penny stock bars. First, Respondent's actions were egregious. Her conviction establishes that she acted as part of a scheme to defraud investors of millions of dollars, commit securities fraud, and engage in money laundering. In short, Respondent ran an egregious scam that harmed at least thirty investors.

Second, this was not a one-time lapse in judgment. Respondent's actions extended over a matter of several years and Respondent had been previously barred by consent by the state of Illinois from issuing, offering, or selling securities in Illinois. She was also previously charged

by the Commission with violations of the antifraud and registration provisions of the federal securities laws. Third, Respondent's level of scienter was extremely high. She knew she was not investing the money in business opportunities, but rather and was defrauding investors, committing securities fraud, and engaging in money laundering. Her scienter was so substantial it gave rise to a criminal conviction.

With respect to the fourth and fifth factors, notwithstanding her guilty plea, Respondent has provided no assurances that she will avoid *future* violations of the law. Although "[c]ourts have held that the existence of a past violation, without more, is not a sufficient basis for imposing a bar[,] . . . 'the existence of a violation raises an inference that it will be repeated.'" *Tzemach David Netzer Korem*, Exchange Act Release No. 70044, 2013 SEC LEXIS 2155, at *23 n.50 (July 26, 2013) (quoting *Geiger v. SEC*, 363 F.3d 481, 489 (D.C. Cir. 2004)). Respondent has offered no evidence to rebut that inference.

Sixth, although Respondent is serving a 74 month sentence, she will eventually be released, and unless she is barred from the securities industry she will have the chance to again harm investors.

Finally, it serves the public interest to collaterally bar Respondent from all association with the securities industry. The Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted on July 21, 2010, added collateral bars as sanctions under Exchange Act Section 15(b)(6). The Commission has held that Dodd-Frank's collateral bars "are prospective remedies whose purpose is to protect the investing public from future harm." *John W. Lawton*, Advisers Act Release No. 3513, at 16, 2012 WL 6208750 (Dec. 13, 2012). Here, the Law Judge should bar Respondent from the securities industry, in an effort to protect the investing public from future harm.

IV. Conclusion

For the reasons discussed above, the Division asks the Law Judge to sanction Respondent by issuing a penny stock bar and barring her from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent or NRSRO.

December 20, 2018

Respectfully submitted,

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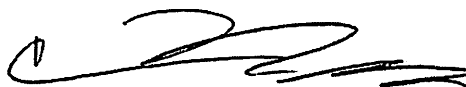
CERTIFICATE OF SERVICE

I hereby certify that an original and three copies of the foregoing were filed with the Securities and Exchange Commission, Office of the Secretary, 100 F Street, N.E., Washington, D.C. 20549-9303, and that a true and correct copy of the foregoing has been served by overnight, on this 20th day of December, 2018, on the following persons entitled to notice:

The Honorable Brenda P. Murray
Chief Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Ms. Angela Rubbo Beckcom Monaco
Register Nbr [redacted]
[redacted]
P.O. Box [redacted]
Sumterville, FL [redacted]
Via Certified Mail



Christine Nestor
Senior Trial Counsel

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

Criminal Action No.: 17-CR-0417-PAB

UNITED STATES OF AMERICA,

Plaintiff,

v.

1. ANGELA NICOLE MONACO,
   a/k/a Angela Rubbo Beckcom
   a/k/a Angela Rubbo
   a/k/a Angela Beckcom

2. STEVEN DYKES,
   a/k/a Steve Dykes
   a/k/a Steven Day

3. PASQUALE RUBBO,
   a/k/a Patsy Rubbo
   a/k/a Anthony Rubbo,

Defendants.

INDICTMENT

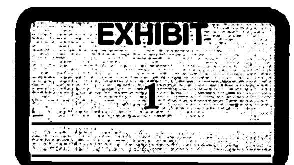
18 U.S.C. § 1349
18 U.S.C. § 1341
15 U.S.C. § 77q(a)
18 U.S.C. § 1957

The grand jury charges that:

COUNT 1
18 U.S.C. § 1349

The Conspiracy

1. Beginning in or about December 2012, and continuing thereafter until about October 2017,



in the State and District of Colorado, and elsewhere,

ANGELA MONACO,
STEVEN DYKES, and
PASQUALE RUBBO

(collectively, "the defendants"), and others known to the grand jury, including J.R. and N.R., did knowingly combine, conspire, confederate and agree together with other persons to commit the following offenses:

a. mail fraud, in violation of Title 18, United States Code, Section 1341; and

b. wire fraud, in violation of Title 18, United States Code, Section 1343.

It was part of the conspiracy that:

2. The defendants and others lured potential and actual investors with material false pretenses and representations about the defendants' various businesses and purported business opportunities arising from those businesses.

3. These business opportunities related to three businesses owned, operated, controlled by, or otherwise associated with **MONACO, PASQUALE RUBBO,** and **DYKES**. **MONACO** and **PASQUALE RUBBO** have two additional siblings, N.R. and J.R., also associated with these business opportunities and this conspiracy. One set of business opportunities related to VIP Television, Inc. ("VIP"), a Florida corporation. **MONACO** is president of VIP. The second set of business opportunities related to The Spongebuddy LLC ("Spongebuddy"), a Florida corporation. Spongebuddy purports to produce a glove, also named Spongebuddy. **MONACO** patented the glove's design and served as the company's manager. In November 2016, the Spongebuddy glove was rebranded as the ScrubbieGlove, and the name of the company also changed from Spongebuddy to The ScrubbieGlove LLC ("Scrubbieglove"). Both VIP and Spongebuddy (now, Scrubbieglove)

are affiliated with ANJ Productions LLC ("ANJ"), a Florida corporation. **MONACO** serves as Managing Member of ANJ.

4. It was part of the conspiracy that one or more of the defendants would place telephone calls to investors. During those calls, the defendants made or caused to be made false statements and representations relating to securities offered and sold through ANJ, VIP, and Spongebuddy/Scrubbieglove. These false statements included suggestions of unrealistically high returns from investments, proposed mergers for VIP, and/or the need for unreasonably large productions of the Spongebuddy glove for distribution by a number of large retailers and renowned investors.

5. After one or more of these telephone calls, investors sent, via U.S. Mail or another interstate mail carrier, money to one or more of the defendants and/or ANJ, VIP, or Spongebuddy to invest in the business opportunities described by the defendants.

6. It was further part of the conspiracy that beginning in or around January 2017 and continuing until or about October 2017 that some investors sent, via wire transfer, money to one or more of the defendants and/or ANJ, VIP, or Spongebuddy/Scrubbieglove to invest in the business opportunities described by the defendants. Other investors solicited after or about January 2017 until or about October 2017 continued to send investments via U.S. mail or another interstate mail carrier.

7. It was part of the conspiracy that after receipt of the investors' money, one or more of the conspirators sent or caused to be sent to Colorado and elsewhere, via U.S. Mail or another interstate mail carrier, an agreement or an addendum to an existing agreement between the investors and ANJ, VIP, or Spongebuddy. These addenda reflected the amounts of the investors' investments and any additional stock grants or increased ownership interest in

ANJ, VIP, and/or Spongebuddy resulting from those investments. Sometimes the addenda were accompanied by stock certificates signed by **MONACO** and N.R.

8. After January 2017, it was part of the conspiracy that in addition to sending an addendum to an investment agreement after receipt of an investment, the conspirators sent or caused to be sent, via U.S. Mail or another interstate mail carrier, promissory notes that characterized the investments as "loans." The promissory notes stated that "loans" were secured by purported assets to include limousines, studio equipment, and Scrubbieglove inventory. These promissory notes were signed by a representative of Scrubbieglove, usually **MONACO**.

9. It was also part of the conspiracy that on some occasions, one or more of the defendants, along with others, sent or caused to be sent small amounts of money back to investors in Colorado from the business accounts of ANJ, VIP, and/or Spongebuddy. These amounts purportedly reflected distributions or dividends under the Colorado investors' agreements with ANJ, VIP, and/or Spongebuddy. But these distributions were funded by the Colorado investors' own investments in ANJ, VIP, and/or Spongebuddy.

10. The defendants made or caused to be made false statements and representations to solicit these investments. The false statements and representations included, but are not limited to, the following:

    a. The defendants falsely represented or caused to be represented to investors that invested funds were deposited into an "escrow" account and money from that account had not be spent; and

    b. The defendants falsely represented or caused to be represented to investors that their investments were pooled with investments from the conspirators.

c. The defendants falsely represented or caused to be represented to investors that companies like Starz, Wisdom Tree, Pandora, and others sought to or were actively in the process of merging with VIP.

d. The defendants falsely represented or caused to be represented to investors that investments were necessary to fund large productions of the Spongebuddy gloves. These false representations also included statements that there were deals with retailers like QVC, Wal-Mart, Walgreens, or other retailers to distribute large numbers of Spongebuddy gloves.

e. The defendants falsely represented or caused to be represented to investors that a specific celebrity spokesperson, L.G., had not only agreed to market the Spongebuddy, but had also invested in Spongebuddy herself.

11. It was also part of the conspiracy that money was transferred from the accounts of ANJ, VIP, and/or Spongebuddy to a bank account opened in the name of Grandstand Entertainment LLC ("Grandstand"), which **DYKES** registered with the State of Florida in or around December 2014. Money would then be transferred out of Grandstand's account into **DYKES** and **PASQUALE RUBBO**'s respective personal accounts.

12. The defendants used and caused others to use the United States mail, commercial interstate carriers, interstate wire and communication facilities, and interstate banking systems in connection with the purchase and sale of the securities.

<u>COUNTS 2-9</u>
18 U.S.C. § 1341

13. The allegations contained in paragraphs 1 through 12 are realleged and incorporated as if fully set forth in this paragraph.

14. Beginning in or around December 2012, and continuing thereafter until about October

2017, in the State and District of Colorado, and elsewhere,

ANGELA MONACO,
STEVEN DYKES, and
PASQUALE RUBBO

knowingly devised and intended to devise a scheme to defraud and to obtain money and property from investors by means of materially false and fraudulent pretenses, representations, and promises by seeking and obtaining investments from investors premised on business opportunities the defendants knew were fictitious.

15. It was part of the scheme to use the same manner and means for the conspiracy alleged in Count 1 and described in paragraphs 2 through 12.

16. For purposes of executing the scheme described in paragraphs 2 through 12 above, on or about the dates listed below, defendants **MONACO, DYKES,** and **PASQUALE RUBBO**, along with others, having devised and intending to devise the scheme and attempting to do so, caused to be deposited matter as described below for transmission or delivery by private or commercial interstate carrier:

Count	Date	Description of Matter Deposited for Transmission or Delivery
2	2/20/2014	Investment check from M.D.F.1 and M.D.F.2 in the amount of $300,000.
3	3/21/2014	Investment check from M.D.F.1 and M.D.F.2 in the amount of $250,000.
4	11/21/2014	Investment check from M.D.F.1 and M.D.F.2 in the amount of $800,000.
5	7/27/2015	Investment check from M.D.F.1 and M.D.F.2 in the amount of $700,000.
6	10/21/2015	Investment check from M.D.F.1 and M.D.F.2 in the amount of $175,000.

Count	Date	Description of Matter Deposited for Transmission or Delivery
7	1/13/2016	Two investment checks from M.D.F.1 and M.D.F.2 in the amounts of $175,000 and $50,000.
8	2/18/2016	Investment check from M.D.F.1 and M.D.F.2 in the amount of $275,000.
9	4/11/2016	Two investment checks from M.D.F.1 and M.D.F.2 each in the amount of $150,000.

All in violation of Title 18, United States Code, Section 1341.

COUNTS 10-11
15 U.S.C. § 77q(a)

17. The Grand Jury re-alleges and incorporates paragraphs 1 through 13 and 14 through 16.

18. **MONACO**, **DYKES**, and **PASQUALE RUBBO** devised, participated in, employed and executed a scheme to sell securities, as described in paragraphs 1 through 16.

19. It was part of the scheme to use the same manner and means for the conspiracy alleged in Count 1 and described in paragraphs 2 through 12.

20. As part of that scheme, defendants also concealed from and omitted to state to investors material facts including, but not limited to, the following:

    a. That the defendants were each the subject of a civil investigation, and resulting consent order, by the State of Illinois in connection the offering of securities related to ANJ, VIP, and Spongebuddy.

    b. That in 2002, **MONACO** was charged by the Securities and Exchange Commission (SEC) with violations of the antifraud and registration provisions of the federal securities laws.

    c. The fact that **DYKES** had prior convictions for Larceny and Grand Theft Larceny.

d. The fact that **PASQUALE RUBBO** had a prior conviction for conspiracy to commit racketeering, in violation of Title 18 United States Code, Section 1962.

e. The fact that beyond the production of a few samples, no Spongebuddy units were manufactured between 2012 and 2016;

f. The fact that the conspirators used investor funds for purposes other than those represented to investors, including, but not limited to, payments to themselves and other investors, including one investor who was repaid after the State of Illinois commenced an investigation into the defendants' conduct with respect to ANJ, VIP, and Spongebuddy.

21. On or about the dates listed below for each count, in the District of Colorado and elsewhere, in the offer and sale of securities by communication in interstate commerce or by use of the mails, **MONACO**, **DYKES**, and **PASQUALE RUBBO,** directly and indirectly, obtained money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary to make the statements made, in light of the circumstances in which they were made, not misleading, as set forth below:

Count	Date	Description
10	1/27/2014	Investment check from M.D.F.1 and M.D.F.2 in the amount of $600,000.
11	2/19/2014	Investment check in the amount of $650,000.

All in violation of Title 15, United States Code, Section 77q(a)(2).

COUNTS 12-18
18 U.S.C. § 1957

22. The Grand Jury re-alleges and incorporates paragraphs 1 through 13, 14 through 16, and 18 through 21.

23. On or about the dates identified below, within the District of Colorado and elsewhere, the defendants named in each count below did knowingly engage in and attempt to engage in monetary transactions, specifically deposits, withdrawals, and transfers of funds and monetary instruments, in and affecting interstate commerce, by, through and to one or more financial institutions, in criminally derived property that was of a value greater than $10,000 and that was derived from specified unlawful activity, specifically, mail and securities fraud, in violation of Title 18 United States Code, Section 1341 as well as Title 15 United States Code, Section 77q(a), knowing that the property involved in such monetary transactions represented the proceeds of some form of unlawful activity, as follows:

Count	Defendant(s)	Approx. Date	Approx. Amount	Transaction
12	**MONACO**	2/6/2014	$25,000	Wire transfer from Tropical Federal Credit Union account number *6189, held in the name of ANJ Production, LLC to Tropical Federal Credit Union account number *6016 held in the name of **ANGELA N. RUBBO BECKCOM.**
13	**MONACO**	3/7/2014	$20,000	Wire transfer from Tropical Federal Credit Union account number *6189, held in the name of ANJ Production, LLC to Tropical Federal Credit Union account number *6016 held in the name of **ANGELA N. RUBBO BECKCOM.**
14	**MONACO** **DYKES**	8/28/2015	$52,500	Deposit of check number 2078 for $52,500 signed by **ANGELA BECKCOM**, payable to **STEVE DYKES**, and drawn on BB&T bank account number *6500, held in the name of ANJ Productions, LLC.
15	**MONACO** **DYKES**	2/10/2014	$72,000	Deposit of cashier's check no. 809775, purchased by **ANGELA BECKCOM**, and payable to **STEVEN DYKES** and

Count	Defendant(s)	Approx. Date	Approx. Amount	Transaction
				drawn on Tropical Federal Credit Union account number *6189 held in the name of ANJ Productions LLC.
16	**MONACO** **DYKES**	3/7/2014	$39,800	Wire transfer authorized by **ANGELA BECKCOM** from Tropical Federal Credit Union account number *6189, held in the name of ANJ Production, LLC's, to Wells Fargo Bank N.A., account number *5623, held in the name of **STEVEN DYKES**.
17	**DYKES**	12/23/2014	$120,000	Wire transfer from BB&T account number *7485, held in the name of Spongebuddy LLC, to Regent Bank account number *8506 held in the name of Grandstand Entertainment LLC.
18	**DYKES** **PASQUALE RUBBO**	1/30/2015	$15,000	Negotiation of check number 1084 signed by **STEVEN DYKES,** payable to **PASQUALE RUBBO,** and drawn on Regent Bank account number *8506, held in the name of Grandstand Entertainment LLC.

All in violation of Title 18, United States Code, Section 1957.

FORFEITURE ALLEGATION

24. The allegations contained in Paragraphs 1 through 23 of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeiture pursuant to the provisions of 18 U.S.C. §§ 981(a)(1)(C), 982(a)(1), and 28 U.S.C. § 2461(c).

25. Upon conviction of the violations alleged in Count One of this Indictment involving violations of Title 18, United States Code, Sections 1349, defendants **ANGELA MONACO, STEVEN DYKES,** and **PASQUALE RUBBO** shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28,

United States Code, Section 2461(c) any and all of the defendants' right, title and interest in all property constituting and derived from any proceeds the defendants obtained, directly and indirectly, as a result of such offense, including, but not limited to, the entry of a money judgment in the amount of proceeds obtained by the scheme and by the defendants.

26. Upon conviction of the violations alleged in Counts Two through Ten of this Indictment involving violations of Title 18 United States Code, Sections 1341, defendants **ANGELA MONACO, STEVEN DYKES,** and **PASQUALE RUBBO** shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c) any and all of the defendants' right, title and interest in all property constituting and derived from any proceeds the defendants obtained, directly and indirectly, as a result of such offense, including, but not limited to, the entry of a money judgment in the amount of proceeds obtained by the scheme and by the defendants.

27. Upon conviction of the violations alleged in Counts Eleven and Twelve of this Indictment involving a violation of Title 15, United States Code, Section 77q(a)(2), defendants **ANGELA MONACO, STEVEN DYKES,** and **PASQUALE RUBBO** shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c) any and all of the defendants' right, title and interest in all property constituting and derived from any proceeds the defendants obtained, directly and indirectly, as a result of such offense, including, but not limited to, the entry of a money judgment in the amount of proceeds obtained by the scheme and by the defendants.

28. Upon conviction of the violations alleged in Counts Thirteen to Nineteen of this Indictment involving of this Information involving violations of 18 U.S.C. § 1957, defendants **ANGELA MONACO, STEVEN DYKES,** and **PASQUALE RUBBO** shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1) any and all of the defendants' right, title and interest in all property, real or personal, involved in such offense, or all property traceable to such property, including, but not limited to, the entry of a money judgment in the amount of proceeds obtained by the defendants.

29. If any of the property described above, as a result of any act or omission of the defendant:

a) cannot be located upon the exercise of due diligence;

b) has been transferred or sold to, or deposited with, a third party;

c) has been placed beyond the jurisdiction of the Court;

d) has been substantially diminished in value; or

e) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property.

A TRUE BILL:

"Ink signature on file in Clerk's Office"
FOREPERSON

ROBERT C. TROYER
Acting United States Attorney

s/ Hetal J. Doshi

Hetal J. Doshi
Matthew T. Kirsch
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Attorneys for the United States

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

Criminal Case No. 17-cr-417-RBJ

UNITED STATES OF AMERICA,

Plaintiff,

v.

1. **ANGELA NICOLE MONACO,**
   a/k/a Angela Rubbo Beckcom
   a/k/a Angela Rubbo
   a/k/a Angela Beckcom

Defendant.

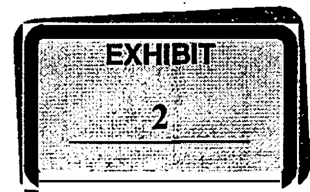
PLEA AGREEMENT

The United States of America (the government), through Assistant United States Attorneys Hetal J. Doshi and Matthew T. Kirsch, and the defendant, Angela Nicole Monaco, personally and by counsel, Paul Petruzzi, hereby submit the following Plea Agreement pursuant to D.C.COLO.LCrR 11.1.

I. AGREEMENT

A. Defendant's Obligations

The defendant agrees to (1) plead guilty to Counts One and Twelve of the Indictment, charging a violation of 18 U.S.C. § 1349, conspiracy to commit fraud, and a violation of 18 U.S.C. § 1957, engaging in a monetary transaction in property derived from specified unlawful activity; (2) waive her appeal rights, as detailed below; and (3) be liable for restitution in an amount not to exceed $6,011,900, which could include joint and several liability for some or all of the amount of restitution if co-defendants or defendants in case



number 17-cr-00411-RBJ are convicted of one or more crimes that include restitution for some of or all of the same transactions.

B. Government's Obligations

In exchange for the defendant's plea of guilty and her waiver of appeal rights, the government agrees to the following: (1) to dismiss Counts Two through Eleven and Thirteen through Sixteen as against the defendant in the Indictment at or before the time of sentencing, and file no other federal criminal charges against the defendant based on matters currently known to the government or offenses based upon information provided by the defendant, except under the circumstances described below in Section 1.D.; (2) recommend a term of imprisonment no greater than the high end of the applicable guideline range; and (2) to recommend a three-level reduction for acceptance of eresponsibility pursuant to U.S.S.G. § 3E1.1, provided that the defendant does not doe anything that is inconsistent with accepting responsibility between and including the datee of her guilty plea and the date of sentencing.e

C. Defendant's Waiver of Appeal

The defendant is aware that 18 U.S.C. § 3742 affords the right to appeal the sentence, including the manner in which that sentence is determined. Understanding this, and in exchange for the concessions made by the government in this agreement, the defendant knowingly and voluntarily waives the right to appeal any matter in connection with this prosecution, conviction, or sentence unless it meets one of the following criteria: (1)ethe sentence exceeds the maximum penalty provided in the statute of conviction; (2)e the sentence exceeds the advisory guideline range that applies to a total offense level of 27; or (3) the government appeals the sentence imposed. If any of these three criteria

apply, the defendant may appeal on any ground that is properly available in an appeal that follows a guilty plea.

The defendant also knowingly and voluntarily waives the right to challenge this prosecution, conviction, or sentence in any collateral attack (including, but not limited to, a motion brought under 28 U.S.C. § 2255). This waiver provision does not prevent the defendant from seeking relief otherwise available in a collateral attack on any of the following grounds: (1) the defendant should receive the benefit of an explicitly retroactive change in the sentencing guidelines or sentencing statute; (2) the defendant was deprived of the effective assistance of counsel; or (3) the defendant was prejudiced by prosecutorial misconduct.

D. Defendant's Cooperation

The defendant agrees to cooperate fully, honestly, without reservation, and affirmatively with the government relating to any matter being investigated by the government about which the defendant may possess knowledge, information, or materials.

The defendant agrees that her continuing cooperation with the government described above includes, but is not limited to, the following:

1. Completely and truthfully disclosing all information and materials in her possession to the government that the government may request;
2. Affirmatively and immediately providing to the government any information and materials that come to the defendant's attention that may be relevant to any governmental investigation;
3. Assembling, organizing, translating, and providing, in a responsive and

prompt fashion, all information and materials in her possession, custody, or control as may be requested by the government; and

4. Providing information and materials and testifying as requested by the United States, including sworn testimony before a grand jury or in any judicial proceeding and interviews with the government.

The government agrees that any information and testimony given by the defendant pursuant to this agreement will not be used against her, either directly or indirectly, in any criminal case except for prosecutions for perjury, making a false statement, obstruction of justice, or for impeachment. Information and testimony will not be used against the defendant pursuant to Section 1B1.8 of the Sentencing Guidelines. Any information and testimony relating to the defendant's involvement in crimes of violence, as defined in Title 18, United States Code, Section 16, is excluded from this agreement.

The defendant agrees that if the government can show that she lied or attempted to mislead the government or law enforcement authorities, or if she does not fulfill the terms of or does not complete his cooperation under this agreement, then any information or testimony which she has given in connection with this case can be used in any prosecution against her, notwithstanding the provisions above. If the government alleges such conduct, it will have the burden of establishing the alleged conduct at a separate hearing by a preponderance of the evidence.

Provided that the defendant continues to fully and truthfully cooperate with the government as described above, as determined in the government's sole discretion, the government agrees that it will file, before or at the time of the defendant's sentencing, a motion for downward departure, pursuant to Section 5K1.1 of the Sentencing Guidelines

and Title 18, United States Code, Section 3553(e). Based on the facts known to the government as of the date of the Plea Agreement, the government expects to file a motion for downward departure pursuant to Section 5K1.1 recommending a departure of fifteen percent to be calculated from the high-end of the applicable guideline range.

E. Forfeiture of Assets

The defendant agrees to forfeit to the United States immediately and voluntarily any and all assets and property, or portions thereof, subject to forfeiture, pursuant to 18 U.S.C. §§ 981(a)(1)(C), 982(a)(1) and 28 U.S.C. § 2461(c), whether in the possession or control of the United States or in the possession or control of the defendant or defendant's nominees, or elsewhere. The assets to be forfeited specifically include, but are not limited, to: a money judgment in the amount of $603,765, the proceeds obtained by the defendant from the scheme. The defendant agrees and consents to forfeiture pursuant to any federal criminal, civil, and/or administrative forfeiture action. The defendant also hereby agrees that the forfeiture described herein is not excessive and, in any event, the defendant waives any constitutional claims that the defendant may have.

The defendant admits and agrees that the conduct described in the Stipulation of Facts below provides a sufficient factual and statutory basis to establish that the requisite nexus exists between the specific property subject to forfeiture and the offenses to which defendant is pleading guilty. Pursuant to the provisions of Rule 32.2(b)(1), the United States and the defendant request that at the time of accepting this plea agreement, the Court find that the government has established the requisite nexus and enter a preliminary order of forfeiture. The defendant agrees to make a full and complete disclosure of all assets over which defendant exercises control and those which are held

or controlled by a nominee.

The defendant agrees that the United States is not limited to forfeiture of the property described above. If the United States determines that property of the defendant identified for forfeiture cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty; then the United States shall be entitled to forfeiture of any other property (substitute assets) of the defendant up to the value of any property described above pursuant to 21 U.S.C. § 853(p) and Federal Rules of Criminal Procedure 32.2(e). This Court shall retain jurisdiction to settle any disputes arising from application of this clause. The defendant agrees that forfeiture of substitute assets as authorized herein shall not be deemed an alteration of the defendant's sentence.

Forfeiture of the defendant's assets shall not be treated as satisfaction of any fine, restitution, cost of imprisonment, or any other penalty this Court may impose upon the defendant in addition to forfeiture. However, the United States Attorney's Office for the District of Colorado will recommend to the Attorney General that any net proceeds derived from the sale of the judicially forfeited assets be remitted or restored to eligible victims of the offenses, for which the defendant has pleaded guilty, pursuant to 18 U.S.C. § 981(e), 28 C.F.R. pt. 9, and any other applicable laws. The defendant understands that the United States Attorney's Office has authority only to recommend such relief and that the final decision of whether to grant relief rests solely with the Department of Justice, which will make its decision in accordance with applicable law.

F. Government's Reservation of Rights to Withdraw from the Plea Agreement

The government may withdraw from the Plea Agreement up to the date of sentencing if all of the following four conditions are met: (1) the government receives information not known to the government as of the date of the Plea Agreement; (2) that new information concerns either (a) conduct engaged in by the defendant before the date of the Plea Agreement and related to the charges in the Indictment or (b) any conduct after the date of the Plea Agreement; (3) such conduct violates state or federal criminal law; and (4) the government can corroborate the new information with two or more sources of testimony or other evidence.

II. ELEMENTS OF THE OFFENSE

The parties agree that the elements of the offenses to which this plea is being tendered are as follows:

Count One: 18 U.S.C. § 1349

First: Two or more persons agreed to commit mail or wire fraud;

Second: The defendant knew the essential objectives of the conspiracy;

Third: The defendant knowingly and voluntarily participated in the conspiracy; and

Fourth: There was interdependence among the members of the conspiracy.

United States v. Fishman, 645 F.3d 1175, 1186 (10th Cir. 2011) (citing *United States v. Baldridge*, 559 F.3d 1126, 1136 (10th Cir. 2009)).

Count ~~Two~~ Twelve: 18 U.S.C. § 1957

First: The defendant engaged in a monetary transaction;

Second: The defendant knew the transaction involved property or funds that were the proceeds of some criminal activity;

Third: The property had a value of more than $10,000;

Fourth: The property was in fact proceeds of mail fraud and securities fraud; and

Fifth: The transaction took place in the United States.

See United States v. Huff, 641 F.3d 1228, 1231 (10th Cir. 2011) (internal citations omitted).

III. STATUTORY PENALTIES

The maximum statutory penalties for a violation of 18 U.S.C. § 1349 are not more than 20 years' imprisonment; not more than a $250,000 fine or two times the amount of gain or loss, whichever is greater; or both imprisonment and a fine; not more than 5 years' supervised release; and a $100 special assessment fee.

The maximum statutory penalties for a violation of 18 U.S.C. § 1957 are not more than 10 years' imprisonment; not more than a $250,000 fine or two times the amount of money laundered, whichever is greater; or both imprisonment and a fine; not more than 3 years' supervised release; and a $100 special assessment fee.

If a term of probation or supervised release is imposed, any violation of the terms and/or conditions of supervision may result in an additional term of imprisonment.

IV. COLLATERAL CONSEQUENCES

This felony conviction may cause the loss of civil rights including, but not limited to, the rights to possess firearms, vote, hold elected office, and sit on a jury.

V. STIPULATION OF FACTS

The parties agree that there is a factual basis for the guilty plea that the defendant

will tender pursuant to this plea agreement. That basis is set forth below. Because the Court must, as part of its sentencing methodology, compute the advisory guideline range for the offense of conviction, consider relevant conduct, and consider the other factors set forth in 18 U.S.C. § 3553, additional facts may be included below which are pertinent to those considerations and computations. To the extent the parties disagree about the facts set forth below, the stipulation of facts identifies which facts are known to be in dispute at the time of the execution of the plea agreement.

This stipulation of facts does not preclude either party from hereafter presenting the Court with additional facts which do not contradict facts to which the parties have stipulated and which are relevant to the Court's guideline computations, to other 18 U.S.C. § 3553 factors, or to the Court's overall sentencing decision.

The parties agree as follows:

Joseph Rubbo, Nicholas Rubbo, Pasquale Rubbo, and Angela Monaco are siblings who live in South Florida. They, along with other family members and associates, are involved in a number of businesses registered in Florida. The facts here involve three businesses owned, operated, controlled by or otherwise affiliated with these four siblings. The first entity is VIP Television, LLC ("VIP"). VIP creates and produces entertainment and celebrity-focused television content primarily in the South Florida market. Monaco is the President of VIP. The second entity is The Spongebuddy, LLC ("Spongebuddy"), which, through Angela Monaco, owns the patent to a glove also named Spongebuddy. In late 2016 or early 2017, the name of this company changed to The Scrubbieglove, LLC ("Scrubbieglove"). The third entity is ANJ Productions, LLC ("ANJ"). VIP and Spongebuddy (later, Scrubbieglove) are both affiliated with ANJ. Monaco has

served as Managing Member of ANJ.

In or around late 2012, Dykes was hired to work for VIP. Dykes was tasked, in part, with finding a financial backer for VIP. Dykes received a commission for investments he successfully solicited. Dykes began looking for investors by using a lead sheet. As a result of that lead sheet, Dykes contacted M.D.F.1 and M.D.F.2, two eighty-four years old brothers who reside in Colorado. M.D.F.1 and M.D.F.2 are referred to collectively as "the Colorado investors."

The Fraud: A Repeating Pattern of Lies, Investments, and Agreements

Between 2012 and present, the four siblings and Dykes each acted as part of a broader scheme to (1) use the mails to defraud multiple investors of millions of dollars, (2) commit securities fraud; and (3) engage in money laundering. The four siblings and Dykes accomplished their objectives by engaging in the following pattern of conduct:

- Someone, usually Dykes, Pasquale Rubbo, or Monaco, contacted investors and made false statements about specific business opportunities for VIP and/or Spongebuddy.
- Dykes, Pasquale Rubbo, and/or Monaco then directly solicited money from the investors and directed that investments be mailed via Federal Express or U.S. Mail and/or wired to Spongebuddy/Scrubbieglove's accounts. In 2017, some investors also began wiring investments. Investors sent money via mail or wire to ANJ, VIP, and/or Spongebuddy/Scrubbieglove.
- Monaco then sent or caused to be sent to investors via U.S. Mail and/or Federal Express investment contracts or revised addenda to existing investment contracts

with those investors. The addenda memorialized the investors' investments, and were sometimes accompanied by stock certificates in VIP. Stock certificates were typically signed by Monaco and Nicholas Rubbo.

These tactics were discussed at meetings where the four siblings and Dykes were present. Sometimes they were all present, and other times, a subset of the siblings and/or Dykes were present. Some of those tactics included, for example, Pasquale Rubbo providing the name "Anthony Rubbo" when he spoke with M.D.F.1 and M.D.F.2. This was done to obscure Pasquale Rubbo's criminal history and background.

The siblings and Dykes were persistent in soliciting investments. As noted in further detail below, each sibling, including Pasquale Rubbo, and Dykes financially benefitted from these schemes.

Leveraging a Business Contact

At various times between 2014 and present, Monaco consulted E.M., the president and CEO of a marketing and product development sales agency. E.M.'s company helps companies develop products for retail sale, and has significant relationships with companies like QVC, Bosch, Home Depot, and Staples. Monaco, along with her brothers and Dykes, leveraged her contact with E.M. to generate additional investment in Spongebuddy. As described in greater detail below, E.M. has never procured a contract with QVC or anyone else on behalf of Spongebuddy or Scrubbieglove.

The Pattern in Action: A Timeline

In January 2014, Dykes falsely represented to the Colorado investors that Walgreens would soon sell Spongebuddy gloves at its stores, but that gloves needed to be produced to complete the deal. The Colorado investors mailed via Federal Express

a check for $600,000 payable to ANJ. The memo line of the check stated that the $600,000 investment was offered in exchange for 800,000 shares of VIP and a $0.50 royalty for every Spongebuddy glove sold. Monaco sent or caused to be sent via U.S. Mail or Federal Express an addendum to an existing investment agreement; the addendum was signed by Monaco on behalf of ANJ. The addendum was accompanied by a stock certificate signed by Monaco and Nicholas Rubbo.

In February 2014, Dykes falsely represented to the Colorado investors that a company named Wisdom Tree was interested in a stock merger with VIP. Dykes described this as a merger with extremely lucrative terms; these terms would have generated nearly $19M in revenue for the Colorado investors. Dykes stated that to complete this merger, VIP needed to show Wisdom Tree that VIP had sufficient available cash. The Colorado investors sent via Federal Express a check for $650,000. Monaco sent or caused to be sent via U.S. Mail or Federal Express an addendum to an existing investment agreement; the addendum was signed by Monaco on behalf of Spongebuddy. The addendum was accompanied by a stock certificate signed by Monaco and Nicholas Rubbo.

Between February and March 2014, Dykes falsely represented to the Colorado investors that Wal-Mart would soon sell Spongebuddy gloves at its stores, but that additional gloves needed to be produced to complete the deal. The Colorado investors mailed via Federal Express two checks that totaled $550,000. The memo lines of each check indicated that the investments were made in exchange for additional stock grants in VIP as well as an increased percentage stake in Spongebuddy.

In or around April 2014, Monaco, Nicholas Rubbo, and their mother traveled to

Colorado to meet the Colorado investors.

In or around July 2014, Monaco met with E.M. for the first time at the VIP office in Florida. Monaco described the Spongebuddy product during this meeting and showed E.M. a low-quality prototype of the product. Soon after the meeting, E.M. introduced Monaco to a company that could properly manufacture the glove for her. E.M. also gave Monaco specific tasks that needed to be accomplished before he could market her product. Those tasks included, for example, establishing a website, manufacturing a proper prototype, completing a video of the product, and finalizing packaging for the product. E.M. also introduced Monaco to a number of vendors to complete these tasks. E.M. told Monaco that he estimated it would take approximately $50,000 to launch the Spongebuddy product. This amount included the cost for the tasks identified above.

In November 2014, Dykes falsely represented to the Colorado investors that additional funds were needed to manufacture two million units of Spongebuddy gloves for imminent sale on QVC. The Colorado investors mailed via Federal Express a check for $800,000 payable to Spongebuddy. The memo line of this check reflected that the investment was made in exchange for a stock grant in VIP in addition to an increased percentage stake in Spongebuddy. Monaco sent or caused to be sent via U.S. Mail or Federal Express an addendum to an existing investment agreement; the addendum was signed by Monaco on behalf of ANJ, VIP, and Spongebuddy. This solicitation was made despite the fact that E.M. had already told Monaco that she only needed approximately 3,500, not two million, gloves to launch her business.

In April 2015, Monaco, Nicholas Rubbo, and an associate, E.W., traveled to Colorado to solicit additional funds from the Colorado investors. This meeting occurred

at the Colorado investors' home. During this meeting, the Colorado investors were solicited for an additional $1.4M investment based on a proposed plan to take VIP public. When the Colorado investors refused, Monaco, Nicholas Rubbo, and E.W. privately discussed the matter outside the Colorado investors' home. They then came back into the home and asked the Colorado investors for a reduced investment of $600,000. The Colorado investors again refused. Monaco, Nicholas Rubbo, and E.W. then left the Colorado investors' home.

In May 2015, Dykes falsely represented to the Colorado investors that another company, Starz, was interested in a merger with VIP. Initially, Dykes told the Colorado investors that Starz needed to see $1,000,000 of cash on VIP's books before it would complete the deal. Dykes falsely claimed that he had another investor willing to invest $500,000, but he still needed additional investors for the remaining $500,000. The Colorado investors mailed via Federal Express a check for $300,000 payable to ANJ. In June 2015, Dykes again contacted the Colorado investors and falsely stated that Starz now needed to see $1,500,000 of cash on VIP's books. Dykes then stated that an additional $700,000 was necessary to complete the merger. The Colorado investors mailed via Federal Express a check for $700,000 made payable to ANJ.

In October 2015, Dykes falsely represented that production of an additional 400,000 units of the Spongebuddy gloves was necessary for an opportunity with QVC. The Colorado investors mailed via Federal Express a check for $175,000 payable to ANJ. Monaco sent or caused to be sent via U.S. Mail or Federal Express an addendum to an existing investment agreement; the addendum was signed by Monaco on behalf of Spongebuddy.

In January 2016, Dykes falsely represented to the Colorado investors that another company, Pandora, was interested in a merger with VIP, but that Pandora needed to see $1,000,000 of cash on VIP's books before they would agree to the merger. Dykes further represented to the Colorado investors that if they sent him one million shares of their VIP stock, he would exchange those VIP shares for 500,000 shares of Pandora stock. The Colorado investors sent via Federal Express two checks totaling $225,000 along with one million shares of VIP. Monaco sent or caused to be sent via U.S. Mail or Federal Express an addendum to an existing investment agreement; the addendum was signed by Monaco on behalf of ANJ. The Colorado investors never received the promised 500,000 shares of Pandora stock. There was no deal with Pandora.

In February 2016, Dykes falsely represented to the Colorado investors that additional funds were necessary to manufacture five million units of Spongebuddy gloves for QVC. The Colorado investors sent via Federal Express a check for $275,000 payable to ANJ. Monaco sent or caused to be sent via U.S. Mail or Federal Express an addendum to an existing investment agreement; the addendum was signed by Monaco on behalf of ANJ.

In May 2016, Dykes falsely represented to the Colorado investors that their investments had been held in escrow.

At some point during the summer of 2016, the defendants became aware of this investigation. Also during the summer of 2016, Monaco resumed regular contact with E.M. No gloves had been manufactured between when they first met in 2014 to summer 2016, but Monaco appeared to be more motivated to launch the glove. Based on Monaco's renewed commitment to completing the tasks that E.M. had identified in 2014,

E.M.'s company entered a marketing contract with Spongebuddy in August 2016. This contract was valid from August 1, 2016 through August 1, 2017, and authorized a commission for E.M.'s company in the event the Spongebuddy glove was sold and shipped.

Throughout May and June 2016, Dykes and Pasquale Rubbo repeatedly contacted the Colorado investors and falsely represented that L.G., from a popular television show about inventions and investments, was investing $250,000 of her own money to market the Spongebuddy gloves on QVC. Dykes then solicited an additional investment of $250,000 from the Colorado investors and falsely stated that he had invested $25,000 of his own money in this opportunity. Dykes also falsely stated that the four siblings had also put in $50,000 of their own money toward this opportunity. Dykes stated that if the Colorado investors did not invest an additional $175,000 to $225,000 in Spongebuddy, the L.G. deal would dissolve. In fact, there was no investment from L.G., nor did she agree to market the Spongebuddy glove on QVC.

In May 2016, Pasquale Rubbo assured the Colorado investors that both the manufacturer for the Spongebuddy gloves and L.G.'s involvement were confirmed. When asked whether there was a contract with L.G., Pasquale Rubbo responded affirmatively. In fact, there has never been any contact, much less a contract, between Spongebuddy, E.M. acting on Spongebuddy's behalf, and L.G.

In July 2016, and as part of a solicitation for additional funds, Pasquale Rubbo threatened to sue the Colorado investors and take away their business after the Colorado investors spoke with law enforcement officers regarding their investments in ANJ, VIP, and Spongebuddy.

In August 2016, Monaco received an email from E.M. regarding the Spongebuddy glove and QVC. She then forwarded via U.S. Mail or Federal Express to the Colorado investors an altered version of that email. The altered email falsely suggested that QVC was interested in the Spongebuddy glove. In a follow up phone call with the Colorado investors, Monaco referred to this altered email in the context of discussing the Colorado investors' investments. E.M. confirmed that the email purportedly from him to Monaco, later forwarded by Monaco to the Colorado investors, is fake. This altered email was then forwarded or otherwise provided to Dykes, who continues to provide it to new investors solicited in 2017. The altered email as used by Dykes in 2017 has been redacted to remove QVC's name and the identity of the purported author of the email, but the QVC logo remains in the email. The purported author of the email, an executive with QVC, denies that he wrote the altered email.

Also in August 2016, Pasquale Rubbo, posing as his brother Nicholas Rubbo, repeatedly contacted the Colorado investors and falsely stated that accountants were working on the Pandora deal. Pasquale Rubbo also lied to the Colorado investors when he said that 2 million units of the Spongebuddy glove had already been produced, but that it would take 10 million units to complete the QVC deal. When asked by the Colorado investors whether he had a criminal history, Pasquale Rubbo lied and said he did not.

The Defendants' Omissions

There were also significant omissions in connection with the conduct described above. The conspirators did not disclose that in 2013 and 2014, Angela Rubbo, along with Joseph Rubbo, Nicholas Rubbo, and Dykes, were the subjects of a civil investigation,

and resulting consent order, by the State of Illinois in connection with the offering of securities related to ANJ, VIP, and Spongebuddy. The State of Illinois has now permanently prohibited Monaco, Dykes, Joseph Rubbo, and Nicholas Rubbo from issuing, offering, or selling securities in Illinois. The conspirators also did not disclose that in 2002, Monaco, Nicholas Rubbo, and Joseph Rubbo, were charged by the Securities and Exchange Commission (SEC) with violations of the antifraud and registration provisions of the federal securities laws. They also failed to disclose their criminal histories, specifically Dykes' prior convictions for Larceny and Grand Theft Larceny as well as Joseph Rubbo, Nicholas Rubbo, and Pasquale Rubbo's prior convictions for conspiracy to commit racketeering, in violation of Title 18, United States Code, Section 1962. Finally, the conspirators did not disclose that as of October 2017, other than the production of some prototypes, no other units of Spongebuddy, or Scrubbieglove, have been manufactured. These facts would have been material to investors.

Thirty Victims and More than $6M in Investments

Since 2012, the Colorado investors invested approximately $5.195M in Spongebuddy, VIP, and ANJ. Between 2012 and 2016, the Colorado investors received checks from ANJ, VIP, and/or Spongebuddy as purported distributions or earnings. They received ten such payments; these payments total $56,244.47. Some of these checks were signed by Nicholas Rubbo.

The Colorado investors were the largest investors in this scheme. The Colorado investors were initially selected because of their advanced age.

Prior to 2017, there were at least five other investors in addition to the Colorado

investors. Some of these investors were, like the Colorado investors, of advanced age. The defendants selected these investors because of their advanced age, and the defendants' belief that these investors would make easier targets for their scheme. One of those investors, W.B., is from Illinois and had his $100,000 investment refunded in early 2014, after the State of Illinois had commenced its investigation. Nicholas Rubbo signed the checks for the $100,000 refunded to W.B. Two other investors, W.H. and M.N., each had their respective investments of $25,000 and $5,000 returned. Nicholas Rubbo signed the check for the refund to W.H. One investor, R.M., died after making his investment of $13,000, and another investor, R.T., made a single investment of $10,000, of which $3,000 has been returned.

In January 2017, after the Colorado investors ceased investing and with knowledge of the ongoing criminal investigation, the defendants continued to make false representations to generate investments from new, mostly elderly victims. Between January 2017 and July 2017, the defendants solicited and received more than $400,000 in investments from seventeen new investors. The scheme largely follows the same pattern as with the Colorado investors but with evolved in 2017 to include one additional step. In 2017, addenda to the investment agreements were sent to investors with a promissory note that purported to secure victims' investments with $1.5M of Scrubbieglove inventory. This inventory does not exist. Additionally, the marketing agreement between E.M.'s company and A.M. has been altered. The agreement was altered to suggest that the parties to the agreement are E.M.'s company and Scrubbieglove rather than Spongebuddy. There was, in fact, no update to the agreement between Spongebuddy and E.M.'s company. This altered agreement was

distributed to new investors solicited in 2017.

As an example of the continuation of the scheme, in July 2017, Dykes falsely advised an investor, V.M., that QVC was deferring a segment to sell Scrubbiegloves until there are 500,000 units of the glove available for sale.

Creation of New Legal Entities to Evade Detection and Continue the Scheme

Because the defendants knew that law enforcement was aware of the corporate entities and associated bank accounts for Spongebuddy, Scrubbieglove, ANJ, and VIP, they created new corporate entities with new associated bank accounts to continue their scheme and evade detection.

For example, on July 11, 2017, a new company named Magic Wand Brands LLC ("Magic Wand") was incorporated in the State of Florida. This was a new corporate entity associated with the Spongebuddy/Scrubbieglove. Monaco served as the registered agent and her husband was listed as the manager. At the instruction of Joseph Rubbo and Pasquale Rubbo, on October 4, 2017, Monaco's husband opened a new bank account for Magic Wand, an account that would be unknown to law enforcement until late 2017/early 2018. Investments from continuing and new victims were deposited into the Magic Wand bank account through November 2017, including a $60,000 wire deposited on or around November 1, 2017. The defendants also incorporated at least one other new legal entity for VIP, and opened a new bank account for that new legal entity in 2017.[1]

[1] VIP TV Promotions LLC was incorporated in Florida on March 21, 2017; Monaco is its registered agent, and her husband serves as the manager. A bank account for VIP TV Promotions LLC was opened in April 2017, and some of the proceeds of the scheme were routed through this account and ultimately distributed to Joseph Rubbo, Nicholas Rubbo, Pasquale Rubbo and Dykes.

Some victim investments were also routed through the new bank account for VIP in the summer and fall of 2017.

Between August 1, 2017, and September 30, 2017, the defendants solicited two additional victims who invested more than $200,000 in this scheme. Despite the defendants' ongoing contact with law enforcement, the fundraising continued beyond September 2017. Between October 1, 2017, and November 2017, the pattern described above continued and three new investors were solicited. Dykes contacted new and existing investors of an advanced age to continue to solicit investments based on false statements about Scrubbieglove and VIP, false contracts were mailed, and the proceeds of the scheme were distributed to the defendants. On at least one occasion, Joseph Rubbo directed how much he and the other conspirators would receive in distributions.

In addition to the investments from existing victims, the three new investors solicited between October 1, 2017, and November 2017 invested approximately $115,000 in this scheme, and the proceeds continued to be distributed directly to the defendants or to third parties for the defendants' benefit. Because Dykes primarily interacted with investors, they would often contact him to check in on their investments, or inquire, for example, about why the Spongebuddy/Scrubbieglove had not, in fact, been featured on QVC as promised. In November 2017, Dykes advised investors that he was in the hospital purportedly suffering from pancreatic cancer, and that the investors should contact one or more of the siblings about their investments. Some investors then offered their support to Dykes, and checked in on his health.

In total, there were at least thirty victims who invested $6,011,900 in this scheme.

Financial Benefit to the Defendant

Between 2012 and 2017, $603,765 in proceeds from this scheme were distributed from the accounts of ANJ, VIP, and/or Spongebuddy/Scrubbieglove to Monaco or to third parties for her benefit. The other conspirators also received hundreds of thousands of dollars.

Some of the $603,765 received by the defendant was transferred from ANJ, VIP, and/or Spongebuddy's accounts in amounts in excess of $10,000. For example, in February 2014, Monaco transferred $25,000 of proceeds from ANJ's account to her personal account. In March 2014, Monaco transferred an additional $20,000 of proceeds from ANJ's account to her personal account.

VI. ADVISORY GUIDELINE COMPUTATION AND 3553 ADVISEMENT

The parties understand that the imposition of a sentence in this matter is governed by 18 U.S.C. § 3553. In determining the particular sentence to be imposed, the Court is required to consider seven factors. One of those factors is the sentencing range computed by the Court under advisory guidelines issued by the United States Sentencing Commission. In order to aid the Court in this regard, the parties set forth below their estimate of the advisory guideline range called for by the United States Sentencing Guidelines. To the extent that the parties disagree about the guideline computations, the recitation below identifies the matters which are in dispute.

A. The base guideline is U.S.S.G. § 2B1.1(a)(2), with a base offense level of 6.

B. The following specific offense characteristics apply: there is an 18-level increase pursuant to § 2B1.1(b)(1)(J) because the amount of loss exceeded $3.5 million, but is less than $9.5 million. There is also a 2-level increase pursuant to § 2B1.1(b)(2)(A)

because there are more than ten victims, and an additional 2-level increase pursuant to § 2B1.1(b)(10)(C) because the offense involved sophisticated means and the defendant intentionally engaged in or cause the sophisticated means to be undertaken..

C. There is also a 2-level enhancement pursuant to § 3A1.1(b) because the defendant targeted vulnerable victims.

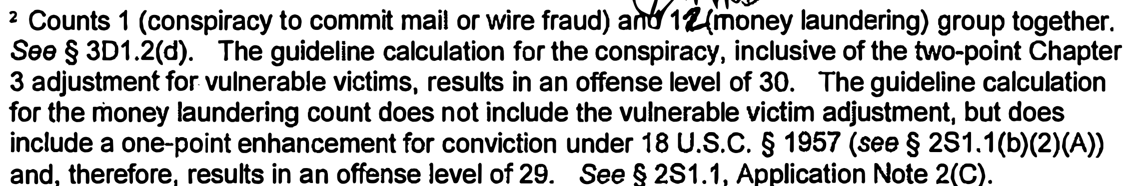
D. The adjusted offense level is therefore **30**.[2]

E. <u>Acceptance of Responsibility:</u> The parties agree that the defendant should receive a **3**-level adjustment for acceptance of responsibility. The resulting offense level therefore is **27**.

F. <u>Criminal History Category:</u> The parties understand that the defendant's criminal history computation is tentative. The criminal history category is determined by the Court based on the defendant's prior convictions. Based on information currently available to the parties, it is estimated that the defendant's criminal history category would be **I**.

G. Assuming the criminal history facts known to the parties are correct, the career offender/criminal livelihood/armed career criminal adjustments would not apply.

H. <u>Imprisonment:</u> The advisory guideline range resulting from these calculations is **70-87 months** for criminal history category **I**. However, in order to be as accurate as possible, with the criminal history category undetermined at this time, the



[2] Counts 1 (conspiracy to commit mail or wire fraud) and 12 (money laundering) group together. *See* § 3D1.2(d). The guideline calculation for the conspiracy, inclusive of the two-point Chapter 3 adjustment for vulnerable victims, results in an offense level of 30. The guideline calculation for the money laundering count does not include the vulnerable victim adjustment, but does include a one-point enhancement for conviction under 18 U.S.C. § 1957 (*see* § 2S1.1(b)(2)(A)) and, therefore, results in an offense level of 29. *See* § 2S1.1, Application Note 2(C).

offense level estimated above could conceivably result in a range from 70 months (bottom of Category I) to 162 months (top of Category VI).

In any case, the guideline range would not exceed the cumulative statutory maximums applicable to the counts of conviction.

I. Fine: Pursuant to guideline § 5E1.2, under the estimated offense level calculated above, the fine range for this offense would be **$25,000 to $250,000**, plus applicable interest and penalties.

J. Supervised Release: Pursuant to guideline § 5D1.2, if the Court imposes a term of supervised release, that term is at least two years and not more than five years.

K. Restitution: The defendant agrees that she is jointly and severally liable with her co-defendants for restitution in an amount up to $6,011,900, and agrees to pay restitution in an amount as calculated and ordered by the Court.

The parties understand that although the Court will consider the parties' estimate, the Court must make its own determination of the guideline range. In doing so, the Court is not bound by the position of any party.

No estimate by the parties regarding the guideline range precludes either party from asking the Court, within the overall context of the guidelines, to depart from that range at sentencing if that party believes that a departure is specifically authorized by the guidelines or that there exists an aggravating or mitigating circumstance of a kind, or to a degree, not adequately taken into consideration by the United States Sentencing Commission in formulating the advisory guidelines. Similarly, no estimate by the parties regarding the guideline range precludes either party from asking the Court to vary entirely from the advisory guidelines and to impose a non-guideline sentence based on other 18

U.S.C. § 3553 factors.

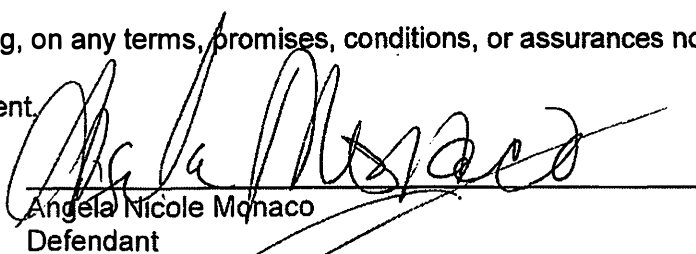
The parties understand that the Court is free, upon consideration and proper application of all 18 U.S.C. § 3553 factors, to impose that reasonable sentence which it deems appropriate in the exercise of its discretion and that such sentence may be less than that called for by the advisory guidelines (in length or form), within the advisory guideline range, or above the advisory guideline range up to and including imprisonment for the statutory maximum term, regardless of any computation or position of any party on any 18 U.S.C. § 3553 factor.

[continued on next page]

VII. **ENTIRE AGREEMENT**

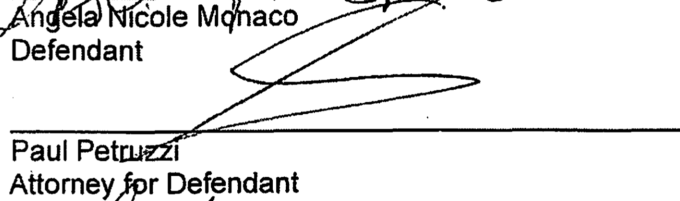
This document states the parties' entire agreement. There are no other promises, agreements (or "side agreements"), terms, conditions, understandings, or assurances, express or implied. In entering this agreement, neither the government nor the defendant has relied, or is relying, on any terms, promises, conditions, or assurances not expressly stated in this agreement.

Date: 3/2/2018



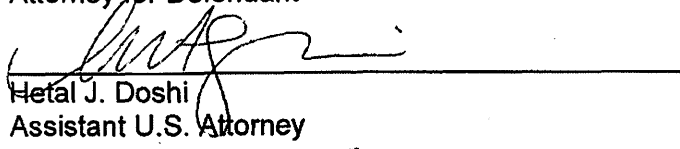
Angela Nicole Monaco
Defendant

Date: 3/2/18



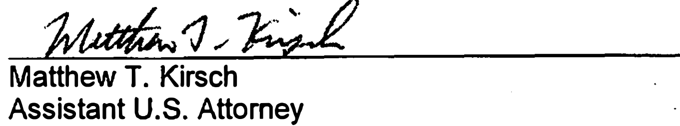
Paul Petruzzi
Attorney for Defendant

Date: 3/13/18



Hetal J. Doshi
Assistant U.S. Attorney

Date: 3/14/18



Matthew T. Kirsch
Assistant U.S. Attorney

AO 245B (Rev. 02/18) Judgment in a Criminal Case

UNITED STATES DISTRICT COURT

District of Colorado

UNITED STATES OF AMERICA
v.

ANGELA NICOLE MONACO
a/k/a Angela Rubbo Beckcom
a/k/a Angela Rubbo
a/k/a Angela Beckcom

JUDGMENT IN A CRIMINAL CASE

Case Number: 1:17-cr-00417-RBJ-01
USM Number: [redacted]

Paul Domenic Petruzzi
Defendant's Attorney

THE DEFENDANT:

☒ pleaded guilty to counts 1 and 12 of the Indictment.

☐ pleaded nolo contendere to count(s) ______ which was accepted by the court.

☐ was found guilty on count(s) ______ after a plea of not guilty.

The defendant is adjudicated guilty of these offenses:

Title & Section	Nature of Offense	Offense Ended	Count
18 U.S.C. § 1349	Attempt and Conspiracy (Conspiracy to Commit Fraud)	10/30/2017	1
18 U.S.C. § 1957	Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity	02/06/2014	12

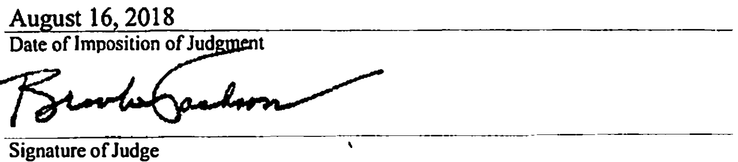
The defendant is sentenced as provided in pages 2 through 8 of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

☐ The defendant has been found not guilty on count(s) ______

☒ Counts 2-11 and 13-16 of the Indictment ☐ is ☒ are dismissed as to this defendant on the motion of the United States.

It is ordered that the defendant must notify the United States attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant must notify the court and United States attorney of material changes in economic circumstances.

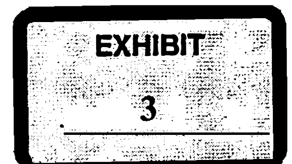
August 16, 2018
Date of Imposition of Judgment



Signature of Judge

R. Brooke Jackson, United States District Judge
Name and Title of Judge

August 27, 2018
Date



DEFENDANT: ANGELA NICOLE MONACO
CASE NUMBER: 1:17-cr-00417-RBJ-01

IMPRISONMENT

The defendant is hereby committed to the custody of the Federal Bureau of Prisons to be imprisoned for a total term of: **seventy-four (74) months** as to each count, to run concurrent.

☒ The court makes the following recommendations to the Bureau of Prisons:
The court recommends the defendant be designated to a facility where she can participate in RDAP and receive a mental health evaluation and treatment.

☒ The defendant is remanded to the custody of the United States Marshal.

☐ The defendant shall surrender to the United States Marshal for this district:

- ☐ at ______________ ☐ a.m. ☐ p.m. on ______________ .
- ☐ as notified by the United States Marshal.

☐ The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons:

- ☐ before 2 p.m. on ______________ .
- ☐ as notified by the United States Marshal.
- ☐ as notified by the Probation or Pretrial Services Office.

RETURN

I have executed this judgment as follows:

Defendant delivered on ______________ to ______________

at ______________ , with a certified copy of this judgment.

____
UNITED STATES MARSHAL

By ______________
DEPUTY UNITED STATES MARSHAL

DEFENDANT: ANGELA NICOLE MONACO
CASE NUMBER: 1:17-cr-00417-RBJ-01

SUPERVISED RELEASE

Upon release from imprisonment, you will be on supervised release for a term of: **three (3) years** as to each count, to run concurrent.

MANDATORY CONDITIONS

1. You must not commit another federal, state or local crime.
2. You must not unlawfully possess a controlled substance.
3. You must refrain from any unlawful use of a controlled substance. You must submit to one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter, as determined by the court.
   ☐ The above drug testing condition is suspended, based on the court's determination that you pose a low risk of future substance abuse. *(check if applicable)*
4. ☒ You must make restitution in accordance with 18 U.S.C. §§ 3663 and 3663A or any other statute authorizing a sentence of restitution. *(check if applicable)*
5. ☒ You must cooperate in the collection of DNA as directed by the probation officer. *(check if applicable)*
6. ☐ You must comply with the requirements of the Sex Offender Registration and Notification Act (34 U.S.C. § 20901, *et seq.*) as directed by the probation officer, the Bureau of Prisons, or any state sex offender registration agency in the location where you reside, work, are a student, or were convicted of a qualifying offense. *(check if applicable)*
7. ☐ You must participate in an approved program for domestic violence. *(check if applicable)*

You must comply with the standard conditions that have been adopted by this court as well as with any other conditions on the attached page.

DEFENDANT: ANGELA NICOLE MONACO
CASE NUMBER: 1:17-cr-00417-RBJ-01

STANDARD CONDITIONS OF SUPERVISION

As part of your supervised release, you must comply with the following standard conditions of supervision. These conditions are imposed because they establish the basic expectations for your behavior while on supervision and identify the minimum tools needed by probation officers to keep informed, report to the court about, and bring about improvements in your conduct and condition.

1. You must report to the probation office in the federal judicial district where you are authorized to reside within 72 hours of your release from imprisonment, unless the probation officer instructs you to report to a different probation office or within a different time frame.
2. After initially reporting to the probation office, you will receive instructions from the court or the probation officer about how and when you must report to the probation officer, and you must report to the probation officer as instructed.
3. You must not knowingly leave the federal judicial district where you are authorized to reside without first getting permission from the court or the probation officer.
4. You must answer truthfully the questions asked by your probation officer.
5. You must live at a place approved by the probation officer. If you plan to change where you live or anything about your living arrangements (such as the people you live with), you must notify the probation officer at least 10 days before the change. If notifying the probation officer in advance is not possible due to unanticipated circumstances, you must notify the probation officer within 72 hours of becoming aware of a change or expected change.
6. You must allow the probation officer to visit you at any time at your home or elsewhere, and you must permit the probation officer to take any items prohibited by the conditions of your supervision that he or she observes in plain view.
7. You must work full time (at least 30 hours per week) at a lawful type of employment, unless the probation officer excuses you from doing so. If you do not have full-time employment you must try to find full-time employment, unless the probation officer excuses you from doing so. If you plan to change where you work or anything about your work (such as your position or your job responsibilities), you must notify the probation officer at least 10 days before the change. If notifying the probation officer at least 10 days in advance is not possible due to unanticipated circumstances, you must notify the probation officer within 72 hours of becoming aware of a change or expected change.
8. You must not communicate or interact with someone you know is engaged in criminal activity. If you know someone has been convicted of a felony, you must not knowingly communicate or interact with that person without first getting the permission of the probation officer.
9. If you are arrested or questioned by a law enforcement officer, you must notify the probation officer within 72 hours.
10. You must not own, possess, or have access to a firearm, ammunition, destructive device, or dangerous weapon (i.e., anything that was designed, or was modified for, the specific purpose of causing bodily injury or death to another person such as nunchakus or tasers).
11. You must not act or make any agreement with a law enforcement agency to act as a confidential human source or informant without first getting the permission of the court.
12. If the probation officer determines that you pose a risk to another person (including an organization), the probation officer may require you to notify the person about the risk and you must comply with that instruction. The probation officer may contact the person and confirm that you have notified the person about the risk.
13. You must follow the instructions of the probation officer related to the conditions of supervision.

U.S. Probation Office Use Only

A U.S. probation officer has instructed me on the conditions specified by the court and has provided me with a written copy of this judgment containing these conditions. For further information regarding these conditions, see *Overview of Probation and Supervised Release Conditions*, available at: www.uscourts.gov.

Defendant's Signature ______________________________ Date ______________

DEFENDANT: ANGELA NICOLE MONACO
CASE NUMBER: 1:17-cr-00417-RBJ-01

SPECIAL CONDITIONS OF SUPERVISION

1. You must participate in and successfully complete a program of testing and/or treatment for substance abuse, as approved by the probation officer, until such time as you are released from the program by the probation officer. You must abstain from the use of alcohol or other intoxicants during the course of treatment and must pay the cost of treatment as directed by the probation officer.
2. You must participate in and successfully complete a program of mental health treatment, as approved by the probation officer, until such time as you are released from the program by the probation officer. You must pay the cost of treatment as directed by the probation officer.
3. You must remain medication compliant and must take all medications that are prescribed by your treating psychiatrist. You must cooperate with random blood tests as requested by your treating psychiatrist and/or supervising probation officer to ensure that a therapeutic level of your prescribed medications is maintained.
4. You must not incur new credit charges or open additional lines of credit without the approval of the probation officer, unless you are in compliance with the periodic payment obligations imposed pursuant to the Court's judgment and sentence.
5. You must provide the probation officer access to any requested financial information and authorize the release of any financial information until all financial obligations imposed by the court are paid in full.
6. As directed by the probation officer, you must apply any monies received from income tax refunds, lottery winnings, inheritances, judgments, and any anticipated or unexpected financial gains to the outstanding court-ordered financial obligation in this case.
7. If the judgment imposes restitution, you must pay the restitution in accordance with the Schedule of Payments sheet of this judgment. You must also notify the court of any changes in economic circumstances that might affect your ability to pay the restitution.
8. If you have an outstanding financial obligation, the probation office may share any financial or employment documentation relevant to you with the Asset Recovery Division of the United States to assist in the collection of the obligation.
9. You must document all income and compensation generated or received from any source and must provide that information to the probation officer requested.
10. You must not be employed by work or work with any family member or known associate without permission of the probation officer.
11. You must not engage in any business activity unless it is approved by the probation officer. All approved business activity must operate under a formal, registered entity, and you must provide the probation officer with the names of the business entities and their registered agents. You must maintain business records for any approved business activity and provide all documentation and records as requested by the probation officer.
12. All employment for you must be approved in advance by the supervising probation officer. You must not engage in any business activity unless the activity is approved by the probation officer. Any approved business activity must operate under a formal, registered entity. For any approved business activity, you must provide the probation officer with the names of all business entities and their registered agents. You must not register any new business entity, foreign or domestic, without the approval of the probation officer. You must not cause or induce others to register business entities on your behalf. For any approved business activity, you must maintain business records. You must provide all requested documentation and records to the probation officer regarding any of your business activities as requested by the probation officer.
13. You must not engage in an occupation, business, profession, employment or volunteer activity in which you would solicit funds for investment or employment that would permit you to have custody and/or control over investor funds, and you must not be the signatory on any accounts possessing investor funds.
14. You must maintain separate personal and business finances and must not co-mingle personal and business funds or income in any financial accounts, including but not limited to bank accounts and lines of credit.
15. You must submit your person, property, house, residence, vehicle, papers, computers (as defined in 18 U.S.C. § 1030(e)(1)), other electronic communications or data storage devices or media, or office, to a search conducted by a United States probation officer. Failure to submit to search may be grounds for revocation of release. You must warn any other occupants that the premises may be subject to searches pursuant to this condition. An officer may conduct a search pursuant to this condition only when reasonable suspicion exists that you have violated a condition of your supervision and that the areas to be searched contain evidence of this violation. Any search must be conducted at a reasonable time and in a reasonable manner.
16. You must comply with all legal obligations associated with the Florida Department of Revenue and the Internal Revenue Service regarding federal and state income taxes. This includes resolution of any tax arrearages as well as continued compliance with federal and state laws regarding the filing of taxes.

DEFENDANT: ANGELA NICOLE MONACO
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CRIMINAL MONETARY PENALTIES

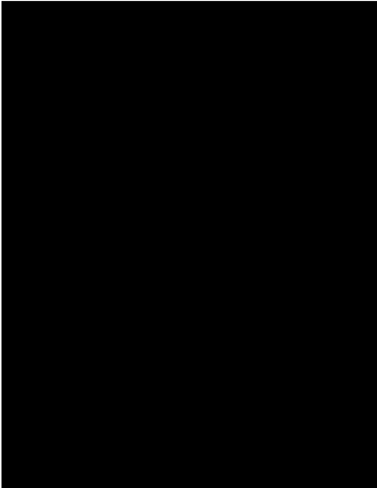
The defendant must pay the total criminal monetary penalties under the schedule of payments on the following page.

	Assessment	JVTA Assessment*	Fine	Restitution
TOTALS	$ 200.00	$ 0.00	$ 0.00	$ 6,011,900.00

☐ The determination of restitution is deferred until __________ . An *Amended Judgment in a Criminal Case (AO 245C)* will be entered after such determination.

☒ The defendant must make restitution (including community restitution) to the following payees in the amount listed below.

If the defendant makes a partial payment, each payee shall receive an approximately proportioned payment, unless specified otherwise in the priority order or percentage payment column below. However, pursuant to 18 U.S.C. § 3664(i), all nonfederal victims must be paid before the United States is paid.



Total Loss**	Restitution Ordered	Priority or Percentage
$25,000	$25,000	
$57,500	$57,500	
$10,000	$10,000	
$5,000	$5,000	
$5,195,000	$5,195,000	
$20,000	$20,000	
$7,000	$7,000	
$25,000	$25,000	
$5,000	$5,000	
$67,500	$67,500	
$18,750	$18,750	
$84,000	$84,000	
$47,500	$47,500	

SEE NEXT PAGE FOR ADDITIONAL PAYEES

☒ Restitution amount ordered pursuant to plea agreement $ 6,011,900.00

☐ The defendant must pay interest on restitution and a fine of more than $2,500, unless the restitution or fine is paid in full before the fifteenth day after the date of the judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on the following page may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. § 3612(g).

☒ The court determined that the defendant does not have the ability to pay interest and it is ordered that:

☒ the interest requirement is waived for the ☐ fine ☒ restitution.

☐ the interest requirement for the ☐ fine ☐ restitution is modified as follows:

* Justice for Victims of Trafficking Act of 2015, Pub. L. No. 114-22.
** Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994, but before April 23, 1996.

DEFENDANT: ANGELA NICOLE MONACO
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ADDITIONAL PAYEES

	Total Loss**	Restitution Ordered	Priority or Percentage
	$11,000	$11,000	
	$150,000	$150,000	
	$11,150	$11,150	
	$52,000	$52,000	
	$47,500	$47,500	
	$42,500	$42,500	
	$13,000	$13,000	
	$55,000	$55,000	
	$25,000	$25,000	
	$7,000	$7,000	
	$8,000	$8,000	
	$10,000	$10,000	
	$12,500	$12,500	
TOTAL	**$6,011,900.00**	**$6,011,900.00**	

DEFENDANT: ANGELA NICOLE MONACO
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SCHEDULE OF PAYMENTS

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties is due as follows:

A ☐ Lump sum payment of $__________ due immediately, balance due

☐ not later than __________, or
☐ in accordance with ☐ C, ☐ D, ☐ E, or ☐ F below; or

B ☒ Payment to begin immediately (may be combined with ☐ C, ☐ D, or ☒ F below); or

C ☐ Payment in equal ________ *(e.g., weekly, monthly, quarterly)* installments of $ __________ over a period of ________ *(e.g., months or years)*, to commence ________ *(e.g., 30 or 60 days)* after the date of this judgment; or

D ☐ Payment in equal ________ *(e.g., weekly, monthly, quarterly)* installments of $ __________ over a period of ________ *(e.g., months or years)*, to commence ________ *(e.g., 30 or 60 days)* after release from imprisonment to a term of supervision; or

E ☐ Payment during the term of supervised release will commence within ________ *(e.g., 30 or 60 days)* after release from imprisonment. The court will set the payment plan based on an assessment of the defendant's ability to pay at that time; or

F ☒ Special instructions regarding the payment of criminal monetary penalties:

The special assessment and restitution obligation are due immediately. Any unpaid monetary obligations upon release from incarceration shall be paid in monthly installment payments during the term of supervised release. The monthly installment payment will be calculated as at least 10 percent of the defendant's gross monthly income.

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during the period of imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the clerk of the court.

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

☒ Joint and Several

Defendant and Co-Defendant Names and Case Numbers *(including defendant number)*, Total Amount, Joint and Several Amount, and corresponding payee, if appropriate.

Angela Nicole Monaco, Docket No. 1:17CR00417-1, Total Amount $6,011,900, Joint and Several Amount $6,011,900
Joseph Anthony Rubbo, Docket No. 1:17CR00411-1, Total Amount $6,011,900, Joint and Several Amount $6,011,900,
Nicholas Rubbo, Docket No. 1:17CR00411-2, Total Amount $6,011,900, Joint and Several Amount $6,011,900,
Pasquale Rubbo, Docket No. 1:17CR00417-3, Total Amount $6,011,900, Joint and Several Amount $6,011,900 and
Steven Dykes, Docket No. 1:17CR00417-2, Total Amount $6,011,900, Joint and Several Amount $6,011,900.

☐ The defendant shall pay the cost of prosecution.

☐ The defendant shall pay the following court cost(s):

☒ The defendant shall forfeit the defendant's interest in the following property to the United States:
A money judgment of $603,765.00, the proceeds obtained by the defendant from the scheme.

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) fine interest, (6) community restitution, (7) JVTA assessment, (8) penalties, and (9) costs, including cost of prosecution and court costs.