

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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:
UNITED STATES OF AMERICA :
:
- v. - :
:
CHETAN KAPUR, :
:
Defendant. :
----- X

SEALED
INDICTMENT

12 Cr. ____

12 CRIM 535

COUNT ONE

(Securities Fraud)

The Grand Jury charges:

Relevant Persons and Entities

1. At all times relevant to this Indictment, Lilaboc, LLC d/b/a ThinkStrategy Capital Management, LLC ("ThinkStrategy"), was a Delaware limited liability company formed in November 2002, with its principal place of business in New York, New York.

2. CHETAN KAPUR, the defendant, was the sole managing principal of ThinkStrategy. At all times relevant to this Indictment, KAPUR resided and maintained a business office in New York, New York.

3. ThinkStrategy and CHETAN KAPUR, the defendant, managed and advised two hedge funds, each utilizing two share classes, an A class and a B class: (i) ThinkStrategy Capital Fund-A and ThinkStrategy Capital Fund-B (collectively, the

UNITED STATES MAGISTRATE
FOR THE SOUTHERN DISTRICT OF N.Y.
[Signature]
DEPUTY CLERK

"ThinkStrategy Capital Fund") and (ii) TS Multi-Strategy Fund-A and TS Multi-Strategy Fund-B (collectively, the "ThinkStrategy Multi-Strategy Fund").

4. In connection with the marketing and management of the ThinkStrategy Capital Fund and the ThinkStrategy Multi-Strategy Fund, CHETAN KAPUR, the defendant, and ThinkStrategy deceived investors through false and misleading statements and material omissions made to investors, as well as by disseminating false and misleading information to investors. The false and misleading information included, among other things, misrepresentations about the prior and current performance, longevity, assets, personnel, and due diligence of their managed funds.

Statutory Allegation

5. From at least in or about 2002 through at least in or about 2010, in the Southern District of New York and elsewhere, CHETAN KAPUR, the defendant, willfully and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce and of the mails, did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by (a) employing devices, schemes, and artifices to defraud, (b) making untrue statements of material facts and

omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, and (c) engaging in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon persons, to wit, KAPUR deceived ThinkStrategy investors into purchasing shares in the ThinkStrategy Capital Fund and ThinkStrategy Multi-Strategy Fund through false and misleading statements and material omissions.

(Title 15, United States Code, Sections 78j(b) and 78ff;
Title 17, Code of Federal Regulations, Section 240.10b-5;
Title 18, United States Code, Section 2.)

COUNT TWO

(Investment Adviser Fraud)

The Grand Jury further charges:

6. The allegations contained in paragraphs 1 through 4, above, are hereby repeated, realleged, and incorporated by reference as if fully set forth herein.

7. From at least in or about 2002 through at least in or about 2010, in the Southern District of New York and elsewhere, CHETAN KAPUR, the defendant, acting as an investment adviser with respect to investors and potential investors in the ThinkStrategy Capital Fund and the ThinkStrategy Multi-Strategy Fund, willfully and knowingly, by use of the mails and means and instrumentalities of interstate commerce, directly and indirectly, did (a) employ devices, schemes, and artifices to defraud clients and prospective clients; (b) engaged in

transactions, practices, and courses of business which operated as a fraud and deceit upon clients and prospective clients; and (c) engaged in acts, practices, and courses of business that were fraudulent, deceptive, and manipulative.

(Title 15, United States Codes, Sections 80b-6, 80b-17; Title 18, United States Code, Section 2.)

COUNTS THREE THROUGH SEVEN

(Wire Fraud)

The Grand Jury further charges:

8. The allegations contained in paragraphs 1 through 4, above, are hereby repeated, realleged, and incorporated by reference as if fully set forth herein.

9. From at least in or about 2002 through at least in or about 2010, in the Southern District of New York and elsewhere, CHETAN KAPUR, the defendant, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to wit, KAPUR executed or caused to be executed the following wire transfers, which passed in interstate commerce through New York, New York, on or about the dates listed below, in furtherance of his scheme to defraud investors in ThinkStrategy, including ThinkStrategy

Capital Fund and ThinkStrategy Multi-Strategy Fund:

COUNT	APPROXIMATE DATE OF WIRE	NATURE OF WIRE
THREE	August 21, 2007	ThinkStrategy email to Victim-1
FOUR	December 21, 2007	Victim-1 e-mail
FIVE	July 11, 2007	ThinkStrategy email to Victim-2
SIX	April 22, 2008	Victim-3 and Victim-4 investment
SEVEN	April 23, 2008	Victim-5 investment

(Title 18, United States Code, Sections 1343 and 2.)

FORFEITURE ALLEGATION

10. As a result of committing one or more of the offenses charged in Counts One through Seven of this Indictment, to wit, securities fraud, in violation of Title 15, United States Code, Sections 78j(b) and 78ff, Title 17, Code of Federal Regulations, Section 240.10b-5 (Count One), investment adviser fraud, in violation of Title 15, United States Codes, Sections 80b-6, 80b-17 (Count Two), and wire fraud, in violation of Title 18, United States Code, Section 1343 (Counts Three through Seven), CHETAN KAPUR, the defendant, 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 property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the said offenses.

Substitute Asset Provision

11. If any of the above-described forfeitable property, 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 person;

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

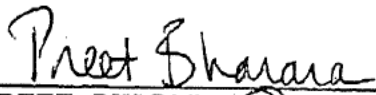
d. has been substantially diminished in value; or

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

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b), and Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property.

(Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).)


FOREPERSON


PREET BHARARA (APB)
United States Attorney

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- v -

CHETAN KAPUR,
Defendant.

INDICTMENT

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15 U.S.C. §§ 78j(b), 78ff, 80b-6 and 80b-
17; Title 17, Code of Federal
Regulations, Sections 240.10b-5;
18 U.S.C. §§ 1343 and 2;

PREET BHARARA
United States Attorney.
