

UNITED STATES DISTRICT COURT

for the

Middle District of Florida

United States of America )

v. )

Anthony J. Klatch II )

Case No. )

8:17 MJ 1053 AEP

Defendant(s)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of June 2015 - September 2015 in the county of Hillsborough in the Middle District of Florida, the defendant(s) violated:

Code Section 18 U.S.C. § 1343 Offense Description Wire fraud

This criminal complaint is based on these facts:

See attached affidavit.

Continued on the attached sheet.

Complainant's signature

Maritza Conde-Vazquez, Special Agent FBI Printed name and title

Sworn to before me and signed in my presence.

Date: 1/27/16

Judge's signature

City and state: Tampa, Florida ANTHONY E. PORCELLI, U.S. Magistrate Judge Printed name and title

Handwritten signatures and stamps at the bottom of the page.

UNITED STATES DISTRICT COURT

COPY

for the

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v.

Anthony J. Klatch II

Case No

8:17 MJ 1053 AEP

Defendant

ARREST WARRANT

To: Any authorized law enforcement officer

YOU ARE COMMANDED to arrest and bring before a United States magistrate judge without unnecessary delay

(name of person to be arrested) Anthony J. Klatch II

who is accused of an offense or violation based on the following document filed with the court:

- Indictment, Superseding Indictment, Information, Superseding Information, Complaint, Probation Violation Petition, Supervised Release Violation Petition, Violation Notice, Order of the Court

This offense is briefly described as follows:

Wire fraud, in violation of 18 U.S.C. § 1343.

Date: 1/26/17

Handwritten signature of Anthony E. Porcelli

Issuing officer's signature

City and state: Tampa, Florida

Anthony E. Porcelli, U.S. Magistrate Judge

Printed name and title

Return section with fields for date received, date arrested, date, and signatures of arresting officer.

## AFFIDAVIT IN SUPPORT OF SEARCH WARRANT

### I. Introduction and Background

I, Maritza Conde-Vazquez, Special Agent, Federal Bureau of Investigation, being duly sworn, states as follows:

1. I am a Special Agent with the Federal Bureau of Investigation (FBI), and have served in that capacity since March 2005. I am currently assigned to the Tampa Field Office, which directs and coordinates federal investigations within the west central portion of Florida including Hillsborough County, Pinellas County, and the City of Tampa.

2. During my employment with the FBI, I have investigated various violations of federal criminal law, including but not limited to human trafficking, public corruption, and money laundering. I have also led, conducted, or participated in criminal investigations involving bank fraud and wire fraud. I have communicated with other federal and state law enforcement officers who also specialize in these areas.

3. The facts set forth in this affidavit are based on my personal knowledge, information and documents provided to me in my official capacity, information obtained from other individuals, including probation officers from the U.S. Probation Offices in Tampa, FL and Alabama (USPO), and representatives from the U.S. Commodity Futures Trading Commission

(CFTC), my review of documents and records related to this investigation, and information gained through my training and experience. The information contained in this affidavit is true and correct, to the best of my knowledge and belief.

4. I am submitting this affidavit in support of an application for a warrant to arrest Anthony J. Klatch II for wire fraud, in violation of 18 U.S.C. § 1343. There is probable cause to believe that Klatch engaged in wire fraud and violations of other federal laws by soliciting investors to participate in a stock futures trading scheme. This affidavit is intended to demonstrate only that there exists probable cause to support the request for an arrest warrant and does not purport to set forth all of my knowledge of, or investigation into, this matter. Unless specifically indicated otherwise, all conversations and statements described in this affidavit are related in substance and in part only.

## II. Probable Cause

### **A. Introduction**

5. In an effort to aid in the review of this affidavit and provide an overall understanding of the scheme, I will summarize the nature of the fraudulent activities identified during this investigation to date. Attribution of these facts will follow. In or around 2011, Anthony J. Klatch II was prosecuted and pleaded guilty to federal charges of conspiracy, securities

fraud, wire fraud, and money laundering in the Southern District of Alabama in case number 1:11CR00202-001. Once released from federal prison, Klatch began serving a term of supervised release in or around December 2014, in Tampa in the Middle District of Florida.

7. It was part of Klatch's scheme that the defendant controlled a company called Assurance Capital Management, LLC ("ACM") and maintained a bank account at Chase Bank opened in the name of ACM, all in the Middle District of Florida. From in or around June 2015, through and including September 2015, Klatch used ACM to represent to investors and potential investors that ACM was a company with over \$18 million in client assets under management and that ACM and those working for ACM engaged in profitable online stock trading on behalf of its investors. In truth and in fact, ACM was a shell company used by the defendant to induce and defraud investors.

8. In executing his scheme, Klatch would often tell investors that his name was "Larry Heim," ACM's fund manager, in order to solicit and communicate with certain investors and potential investors, while disguising his true identity.

9. Klatch, often posing as "Larry Heim," provided to investors and potential investors false and fraudulent financial statements and other

investment materials showing that ACM was profitable and had more than \$18 million in online trading accounts, which funds were profitably traded. In truth and in fact, ACM had few if any funds “under management,” and what funds ACM did have were either lost by the defendant trading or used by the defendant for personal expenditures. Klatch solicited investors via online trading chat rooms from computers and/or devices at the defendant’s residence in the Middle District of Florida. In doing so, the defendant sent and caused to be sent interstate wire communications from the Middle District of Florida to the servers of the online trading chat rooms located outside the State of Florida. Klatch also solicited and communicated with investors and potential investors by sending false and fraudulent statements via email from computers and/or devices located at the defendant’s residence in the Middle District of Florida. The defendant sent and caused to be sent interstate wire communications from the Middle District of Florida to the servers and computers of these investors and their ISP’s, respectively, which were located outside the State of Florida.

10. Klatch obtained funds from investors in two primary ways. First, Klatch directed investors to wire funds to the ACM account at Chase Bank so those funds could supposedly be invested and/or traded. In doing so, the defendant caused to be sent interstate wire transmissions from outside the

State of Florida to the ACM Chase Bank account, which was opened and maintained in the Middle District of Florida. Alternatively, Klatch directed investors to provide the defendant with their online trading accounts' access information, such as user name and password, so that the defendant, often posing as "Larry Heim," could trade those accounts on behalf of the investors. Klatch would then access the investors' online trading accounts at Interactive Brokers ("I.B.") from the defendant's computers and/or devices at his residence in the Middle District of Florida, in order to make trades and/or divert funds to his personal use. When the defendant traded and accessed these accounts, he sent and caused to be sent interstate wire communications from the Middle District of Florida to the servers and computers of I.B., which were located outside the State of Florida.

11. At no time during the instant scheme did Klatch tell his investors and potential investors that he had prior federal criminal convictions for conspiracy, securities fraud, wire fraud, and money laundering and/or that he was banned by the Commodities Futures Trading Commission and the Securities Exchange Commission from trading in these markets.

## **B. Details of the Investigation**

12. According to information provided by CFTC, between June 2015 and September 2015, Klatch contacted and communicated with existing and potential investors and made false and fraudulent representations to said individuals in order to convince them to let Klatch manage their trading accounts serviced on-line by I.B. Among other things, Klatch made false and fraudulent representations to the recruited individuals to induce them to wire investment funds to a non-existent I.B. account for ACM.

13. ACM was a Florida limited liability company, with its principal place of business in Tampa. Although registered in the name of Klatch's then-girlfriend, L.H., investigators independently corroborated Klatch set up the company and Klatch managed the account. According to L.H., Klatch chose the name for the company, managed most of the financial activity in ACM's bank account, and provided the funds used to open the ACM bank account.

14. In or around July or August 2015, a holder of an individual I.B. account (herein P.L.) "met" an individual holding himself out as "Larry Heim" in an Internet chat room where "Larry Heim" stated he had an I.B. account and managed trading activities for ACM. "Heim" also provided P.L. with a falsified account statement for a non-existent I.B. trading account maintained in the name of ACM purportedly showing "Larry Heim"



managed \$18,321,320.82 at I.B. Through independent corroboration with I.B., P.L. later learned that the statement was false as ACM had never maintained an account at I.B. By the time P.L. realized the “Larry Heim” ACM account was not legitimate, P.L. had already provided Klatch, posing as “Larry Heim,” with his (P.L.’s) username and password to have “Heim” conduct trading on P.L.’s behalf. As a result, P.L. lost approximately \$367,613 in the course of three days.

15. P.L. made a complaint to the CFTC and was interviewed by CFTC investigators. P.L. resides in California. He reported that he “met” Klatch through a website called stocktwits.com. On that website, Klatch identified himself as “Larry Heim.” P.L. and “Heim” spoke and “Heim” tried to convince P.L. to invest in “Heim’s” ACM hedge fund. During conversations and interstate emails between P.L. in California and Klatch in Tampa posing as “Heim,” Klatch claimed that ACM had positive trading results dating back to 2013 (even though the company was a mere shell company formed by Klatch in 2015). Klatch also told P.L. that the ACM hedge fund was designed to trade securities, futures, and options. P.L. decided not to invest in the ACM hedge fund. But based on Klatch’s statements, P.L. agreed to provide “Heim” i.e. Klatch, with his (P.L.’s) unique user name, password, and security token to allow Klatch to trade P.L.’s online

securities and derivatives trading account at I.B. Klatch never told P.L. his true identity, that he was a convicted felon, or that he was banned by the CFTC and SEC from trading in these markets.

16. As part of the execution of the scheme, on or about June 26, 2015, from the Middle District of Florida, Klatch sent and caused to be sent an email purportedly from “Larry Heim” at ACM, to victim P.L., who was located in California, offering to manage P.L.’s online stock trading account and requesting that P.L. invest \$250,000 in ACM and with “Larry Heim.”

17. The CFTC obtained P.L.’s trading account records from I.B. that showed Klatch traded and lost nearly all of P.L.’s money over \$367,000 – within three days. The CFTC obtained the IP address from which these trades were made from I.B. and subpoenaed the IP address provider, BrightHouse, which linked it to Klatch’s residence at 2914 Gandy Blvd. Unit E, Tampa, FL 33611. In addition, the account at BrightHouse was in Klatch’s name.

18. Investigators conducted basic database checks and public records to determine that “Larry Heim” was linked to Anthony J. Klatch. According to the Florida Department of State, Assurance Capital Management, LLC or ACM had a female named L.H. as the registered agent and listed the company’s address as 2914 Gandy Blvd. Unit E, Tampa, FL 33611, Klatch’s

residence. ACM's address was the same as that provided by Klatch to U.S. Probation as his home address.

19. On or about August 28, 2015, the SDAL notified the Middle District of Florida of potential new criminal activity by Klatch in Tampa. Klatch's Probation Officer stated that during several routine visits to the subject's residence conducted in or around June or July of 2015, the probation officer encountered a female at his apartment, later identified as L.H., the same female public records showed as ACM's registered agent.

20. L.H. agreed to be interviewed by your affiant and others on several occasions in the fall and winter of 2015. She reported to investigators that over the course of three months of dating and after she moved in with Klatch, L.H. heard Klatch refer to himself as "Larry" when discussing business with associates and other individuals on the telephone. Further, she saw Klatch send a fax to another individual referencing ACM with her name on it. When L.H. questioned Klatch about it, Klatch changed the name on the document to "Larry Heim."

21. According to information provided to your affiant by the CFTC, from in or around July 2015, through in or around early August 2015, an independent analysis conducted by I.B. revealed the IP address used for trading purposes on P.L.'s I.B. account, which was traced to Klatch's

residence, was also used to access five other I.B. accounts to include Kapa Management Corp (Kapa Management), Proffitt Financial Group, LLC (Proffitt Financial), Raj Rangarai (Rangarai), Kregs Group LLC (Kregs) and CHAP Venture Capital Corp (CHAP Venture). I.B. officials stated that at least with respect to CHAP Venture and Proffitt Financial, Klatch added or attempted to add himself as an account user with the usernames “klatch123” and “klatch 124.”

22. Your affiant also interviewed U.S. Probation Officer E.W., who supervised Klatch in the MDFL as part of his supervised release. E.W. related that after his release from prison and as part of his financial disclosures, Klatch revealed that he had purchased luxury items such as a smart television, electronic equipment, luxury furniture, and expensive clothing. Klatch’s self-reported income did not match his expenses, however, and Klatch was warned by the Probation Officer of the need to truthfully disclose his financial situation and provide supporting documentation.

23. In or around August 2015, U.S. Probation Officer E.W. corroborated the purchase of two BMW’s by Klatch and L.H. and discovered additional bank accounts held by Klatch that were not included in his financial self-disclosures to Probation. These self-disclosures also failed to account for Klatch’s gambling at the Hard Rock Hotel and Casino, his \$2,000

monthly rent, and other luxury items as reported by witnesses in this investigation.

24. In or around October 2015, your affiant received additional information from the CFTC related to Klatch's involvement in this investment scheme prior to his release from federal custody. Specifically, prior to May 2014, Klatch met inmate D.F., who was incarcerated at FCI Talladega, Alabama with Klatch. D.F. told the CFTC that while in prison, Klatch gave one or more informal, non-sanctioned "classes" on topics such as investments, stocks, and how to trade. D.F. said he knew nothing about investing prior to meeting Klatch and relied heavily on the things Klatch said during the "class." According to D.F., Klatch did not say anything about being barred from giving investment advice or his prohibition against trading as part of his punishment.

25. Also while in prison, Klatch offered to provide D.F. with an investment "tip" after they were both released and the two inmates exchanged contact information. D.F. was released to a halfway house in Atlanta in or around May 2014, and Klatch was released to a halfway house in Florida at some point a few months before. D.F. reported to CFTC investigators that in or around July 2014, Klatch contacted D.F. to ask him to invest in a company called Kapa Management. According to D.F., Klatch told him that Kapa was

an investment fund that invested in other kinds of things, but Klatch provided no specifics. Klatch represented to D.F. that he (Klatch) was part of Kapa's senior management and that D.F.'s investment would pay dividends of approximately 5% per month. Klatch also told D.F. that he would receive dividend checks monthly. Based on these representations, D.F. followed Klatch's wiring instructions and, on or about August 29, 2014, wired \$50,000 to Klatch from D.F.'s account in Alabama to Kapa's JP Morgan Chase account. D.F. never received any dividend checks.

26. D.F. stated that Klatch was his sole point of contact at Kapa. D.F. spoke to Klatch on one or two occasions after he invested, in approximately January or February 2015. According to D.F., during a call, Klatch told D.F. that Kapa was a scam, that "another guy" was running the scam, and that D.F. should expect a call from a federal agency to inquire about his investment. Klatch provided D.F. with no further details.

27. Subsequent investigation revealed that there was an account maintained at I.B., the futures commission broker described above and used by Klatch, in the name of Kapa. That account had a user profile featuring the name "Anthony Calaci," which is believed to be a pseudonym for Anthony Klatch.

28. Investigators obtained the articles of incorporation for Kapa Management, Corp., which were filed on or about June 25, 2014, with the Florida Department of State. The articles list the incorporator, president, and registered agent as “Roger Roger” of Miami, FL.

29. As described above, Klatch, used the fake name “Larry Heim” to trade victim P.L.’s account on the online trading platform, I.B. A review of IP addresses associated with Klatch’s trading of P.L.’s account shows that the same IP address was also used to access a brokerage account in the name of Kapa Management. In addition, initial tracing of that IP address indicates that it was assigned to Klatch’s residence in Tampa, FL during the relevant period. Finally, the CFTC reported that Klatch’s bank records show that he made purchases of electronic equipment in or around June 2014, shortly before his solicitation of D.F.

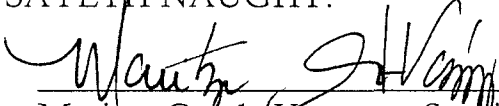
30. Based on this other information, Klatch was arrested in the Middle District of Florida on or about September 9, 2015, for violating his supervised release. On or about October 1, 2015, Klatch was sentenced in the Middle District of Florida to nine months in federal prison for his violation of supervised release in case number 8:15-cr-359-T-23MAP. (The Alabama case no. 1:11CR00202-001, had been transferred to the Middle District of Florida by that time and renumbered.) In early 2016, Klatch was assigned to a

halfway house located in the Northern District of Florida. With L.H.'s assistance, Klatch absconded from custody. Klatch and Heim were rearrested in the Southern District of Florida and indicted for access device fraud and identity theft charges in case no. 1:16-cr-20541-UU. These new charges in the Southern District of Florida were based entirely on conduct by Klatch and L.H. between the time that Klatch absconded from the halfway house and his rearrest and were not related in any way to the fraudulent investment activities described above. Klatch pleaded guilty and was sentenced on December 12, 2016, to a total term of imprisonment of 39 months.

### III. Conclusion

31. Based upon the foregoing, your affiant probable cause that Anthony J. Klatch II committed wire fraud, in violation of 18 U.S.C. § 1343, and respectfully requests that a warrant be issued for his arrest.

FURTHER AFFIANT SAYETH NAUGHT.

  
\_\_\_\_\_  
Maritza Conde-Vazquez, Special Agent  
FBI, Tampa Division

Sworn and subscribed in my presence this 26<sup>th</sup> day of January,  
2016.

  
\_\_\_\_\_  
ANTHONY E. PORCELLI  
United States Magistrate Judge