

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

:
: SEALED INDICTMENT

- v. -

JAMES ROBINSON and
DAVID KENNEDY,

: 21 Cr. ____

Defendants.

: **21 CRIM 344**

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COUNT ONE
(Conspiracy to Commit Wire Fraud)

The Grand Jury charges:

RELEVANT INDIVIDUALS AND ENTITIES

1. At all times relevant to this Indictment, JAMES ROBINSON and DAVID KENNEDY, the defendants, were citizens of the United Kingdom.

2. At all times relevant to this Indictment, Renwick Haddow ("Haddow") was a citizen of the United Kingdom who principally resided in New York from at least in or about October 2014 through in or about June 2017.

3. At all times relevant to this Indictment, James Moore ("Moore") was a citizen of the United Kingdom.

4. United Property Group and related entities (collectively, "UPG") was a company based in Spain that was, at all times relevant to this Indictment, controlled in part by JAMES ROBINSON and DAVID KENNEDY, the defendants. UPG served as

a brokerage that sold real estate and investing opportunities to potential investors.

5. Bar Works, Inc. and related entities (collectively, "Bar Works") was a private co-working space company controlled by Haddow. Between in or about 2015 through in or about 2017, Bar Works operated locations in New York City and elsewhere and, as described below, accepted millions of dollars in investments from investors.

BACKGROUND

6. In or about November 2008, the Companies Investigation Branch of the Insolvency Service of the United Kingdom ("CIB"), an agency responsible for investigating serious corporate abuse in the United Kingdom (the "U.K."), disqualified Haddow from serving as a director for a period of eight years, through in or about November 2016. This disqualification was premised on Haddow's conduct as a director of a company whose investors lost all or substantially all of their investments. As part of Haddow's disqualification, Haddow consented to a schedule of unfit conduct that stated, in part and substance, that Haddow caused or allowed the now-insolvent company to make various misleading statements about its financial position and prospects. The U.K. government published an online press release

with respect to Haddow's disqualification, including the schedule of his unfit conduct.

7. In or about July 2013, the U.K.'s Financial Conduct Authority ("FCA") brought a civil action against Haddow and others for allegedly running various unauthorized collective investment schemes, including a scheme involving African land ventures, that raised £16.9 million in funds through, among other things, misleading statements to investors.

8. In or about February 2014, the High Court of Justice, Chancery Division, ruled, in substance, that the schemes at issue were in fact unauthorized collective investment schemes. The ruling was publicized in the British press, including online.

9. In or about March 2015, the British Court of Appeal dismissed the appeals filed by Haddow and others. The ruling was publicized online.

10. At all times relevant to this Indictment, Bar Works, Inc. was a Delaware corporation that was principally owned and controlled by Haddow. Bar Works, Inc.'s principal place of business was in New York, New York. Bar Works, Inc. was incorporated on or about July 24, 2015. On or about July 29, 2015, Haddow bought all 20 million shares of Bar Works, Inc. for \$2,000.

11. At all times relevant to this Indictment, Haddow operated as the principal executive of Bar Works. Among other things, Haddow controlled the finances of Bar Works, including revenue generated by Bar Works's operations and money raised from Bar Works investors, and was responsible for the operations and growth of Bar Works throughout New York and the world.

12. At all times relevant to this Indictment, JAMES ROBINSON and DAVID KENNEDY, the defendants, using material misrepresentations, promoted sales of investments in Bar Works through UPG. In exchange, ROBINSON and KENNEDY received commissions from Bar Works.

13. According to Bar Works offering materials, Bar Works purported to be a company that adapted former restaurant, bar premises, and other locations into co-working spaces with "workspaces" for rent to the public in exchange for a membership fee.

14. In or about 2015 and 2016, Haddow opened at least four bank accounts in Bar Works's name, designating Haddow as the sole authorized signatory on each account through account opening forms or resolutions. The opening forms for one such account represented that Haddow owned 100% of Bar Works, Inc.

15. In or about February 2016, Haddow signed Bar Works, Inc.'s annual Delaware franchise tax report, listing

Haddow as president of Bar Works, Inc. and its only stated officer and director.

16. From approximately in or about October 2015 through at least in or about April 2017, Bar Works raised funds from investors, among other ways, by selling "leases" coupled with "sub-leases" on individual workspaces in different Bar Works locations, including at least six locations in New York City.

17. To purchase a lease on a single workspace, investors paid a purchase price generally ranging from \$22,000 to \$30,000. Investors would then generally "sub-lease" their workspaces to a Bar Works affiliate.

18. Bar Works or its affiliate typically agreed to pay each investor at least a designated monthly "rental" fee for the lease's duration, generally between 14% and 16% of the investor's investment, regardless of whether a paying customer could be obtained for the investor's workspaces - that is, whether Bar Works received some or no revenue on the relevant workspaces.

19. From at least in or about October 2015 through in or about June 2017, Bar Works raised over \$57 million from investors.

20. At least some investors wired money from outside of the state of New York into a Bar Works bank account in New York, New York.

21. As of in or about April 2017, Bar Works systematically stopped making payments to investors.

THE SCHEME TO DEFRAUD BAR WORKS INVESTORS

22. From in or about 2015 through at least in or about 2017 JAMES ROBINSON and DAVID KENNEDY, the defendants, solicited, and assisted Moore and Haddow in soliciting, investments in Bar Works leases through the use of material misrepresentations about, among other things, the management and operations of Bar Works.

23. Bar Works provided potential investors with various offering documents, the content and dissemination of which Haddow controlled, with input from Moore and JAMES ROBINSON and DAVID KENNEDY, the defendants.

24. The Bar Works offering materials omitted Haddow's name entirely.

25. Instead, various Bar Works offering materials and leases distributed between at least in or about September 2015 and in or about January 2017 identified Bar Works's CEO as "Jonathan Black."

26. As JAMES ROBINSON and DAVID KENNEDY, the defendants, well knew, "Jonathan Black" was a fictitious identity adopted by Haddow to conceal his involvement in Bar Works as its incorporator and president.

27. As JAMES ROBINSON and DAVID KENNEDY, the defendants, well knew, knowledge of Haddow's control over Bar Works would be material to investors in Bar Works.

28. JAMES ROBINSON and DAVID KENNEDY, the defendants, recruited agents to sell workspace leases in Bar Works and provided them with offering documents and other information that, as ROBINSON and KENNEDY well knew, concealed Haddow's control over and ownership interests in Bar Works, and affirmatively misrepresented that the non-existent individual named "Jonathan Black" was the CEO of Bar Works.

29. An account controlled in whole or in part by JAMES ROBINSON and DAVID KENNEDY, the defendants, received over \$2 million in commissions from Bar Works in exchange for soliciting victims to invest at least approximately \$7.5 million in this scheme.

STATUTORY ALLEGATIONS

30. From at least in or about 2015 through at least in or about 2017, in the Southern District of New York and elsewhere, JAMES ROBINSON and DAVID KENNEDY, the defendants, and

others known and unknown, willfully and knowingly, did combine, conspire, confederate, and agree together and with each other to commit wire fraud, in violation of Title 18, United States Code, Section 1343.

31. It was a part and object of the conspiracy that JAMES ROBINSON and DAVID KENNEDY, the defendants, and others known and unknown, 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, in violation of Title 18, United States Code, Section 1343.

(Title 18, United States Code, Section 1349.)

COUNT TWO
(Wire Fraud)

The Grand Jury further charges:

32. The allegations contained in paragraphs 1 through 29 of this Indictment are repeated and realleged as if fully set forth herein.

33. From at least in or about 2015 through at least in or about 2017, in the Southern District of New York and elsewhere, JAMES ROBINSON and DAVID KENNEDY, the defendants, 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, transmitted and caused 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, ROBINSON and KENNEDY engaged in a scheme to defraud investors by soliciting funds for investments in a company called Bar Works Inc. and related entities through material misrepresentations, which scheme involved the use of wires, including interstate wires into the Southern District of New York.

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

FORFEITURE ALLEGATION

34. As a result of committing one or both of the offenses alleged in Count One and Count Two of this Indictment, JAMES ROBINSON and DAVID KENNEDY, the defendants, 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 or personal, which constitutes or is derived from, proceeds traceable to the commission of said offenses, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offenses.

Substitute Assets Provision

35. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

- 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 21 U.S.C. § 853 and 28 U.S.C. § 2461, to seek forfeiture of any other property of said defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Section 981, Title 21, United States Code, Section 853, and Title 28, United States Code, Section 2461.)



Audrey Strauss IJE
AUDREY STRAUSS
United States Attorney

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(18 U.S.C. §§ 1343, 1349, & 2.)

AUDREY STRAUSS

United States Attorney.

A TRUE BILL


