IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF FLORIDA
TALLAHASSEE DIVISION

UNITED STATES OF AMERICA

v. Case No: 4:22cr43-AW-MAL

PHILLIP TIMOTHY HOWARD
______________________________/

STATEMENT OF FACTS

The parties agree with the truthfulness of the following factual basis for the Defendant's guilty plea. The undersigned parties further agree that not all of the facts known from this investigation are contained in this brief summary. Both parties agree that additional facts may be presented at sentencing for the Court's consideration. Defendant admits that, if this case were to proceed to trial, the Government could prove the following facts, which if believed by the jury, would result in a conviction:

(1) THE ENTERPRISE

Howard & Associates, Attorneys at Law, P.A. (a/k/a "Howard & Associates, P.A.") (hereinafter "Howard & Associates") was a law firm in Tallahassee, Florida practicing class action and personal injury litigation. Phillip Timothy Howard (hereinafter "the Defendant"), was the founder and President of Howard & Associates, and its Senior Partner. Howard & Associates had bank accounts at

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CLERK, U.S. DISTRICT
COURT, NORTH. DIST. FLA.

Regions Bank, which used servers located in Alabama to process financial transactions of its customers.

Cambridge Capital Group, LLC; Cambridge Capital Wealth Advisors, LLC; Cambridge Capital Advisors, LLC; Cambridge Capital Group Advisors, LLC; Cambridge Capital Funding, Inc.; Cambridge Capital Group Equity Option Opportunities, L.P.; and Cambridge Capital Partners, L.P. (collectively, "The Cambridge Entities)" were entities controlled by the Defendant. The Cambridge Entities had bank accounts at Bank of America, N.A., which used computer servers located in North Carolina to process all financial transactions of its customers. The Cambridge Entities were an investment company, which solicited investors to whom it offered and sold securities, in the form of interests in the private funds. The Defendant hired D.W.R. to serve as the investment manager of The Cambridge Entities, and D.W.R. served in that role until February 28, 2017. The Defendant was aware of D.W.R.'s activities and decisions with respect to The Cambridge Entities, and the Defendant continued to exercise control over The Cambridge Entities at all times.

Howard & Associates and The Cambridge Entities—along with some of the employees and independent contractors thereof—constituted a RICO Enterprise. The RICO Enterprise shared office space and staff, and were interdependent on each other. Many of The Cambridge Entities' investors were also clients of

Howard & Associates. Such investors were former football players in the National Football League ("NFL") and hired the Defendant and Howard & Associates to represent them in a pending class action litigation settlement program. Many of the clients who retained Howard & Associates did so based on a package of offerings provided by the Defendant, which included investment and financial advisory opportunities with The Cambridge Entities, along with promises of settlement advance loans.

(2) RACKETEERING ACTS 1-6c: WIRE FRAUD (THE SCHEME)

Beginning in or about December 2015, in the Northern District of Florida and elsewhere, the Defendant knowingly and willfully participated in a scheme to defraud the former NFL player clients of Howard & Associates and a scheme for obtaining money and property from the former NFL player clients of Howard & Associates by means of materially false and fraudulent pretenses, representations, and promises. For the purpose of executing such scheme, the Defendant caused multiple wire communications to be transmitted in interstate commerce (as outlined below).

Based on the terms of the NFL's settlement agreement, former NFL players who met pre-requisites and showed neurological impairment above a certain level (as diagnosed by multiple, independent medical professionals with the proper neurological certifications), were eligible for a settlement payout from the NFL.

The Defendant offered advance loans on potential settlement payouts to entice the former NFL players to agree to legal representation of Howard & Associates, and ultimately approximately 226 NFL players retained Howard & Associates. In truth, the Defendant did not have the money needed to fund loans to the players, yet those loans were essential to convincing the former NFL players to retain the Defendant as their attorney. Thus, the Defendant and D.W.R participated in a scheme to (1) solicit players to invest their retirement savings with The Cambridge Entities, and (2) subsequently use the money to provide high-interest, non-recourse,[1] loans to the same, or other, NFL players.

Investments in The Cambridge Entities were solicited by the Defendant and D.W.R. in a variety of ways. In some instances, the Defendant and/or D.W.R would solicit former NFL players over the phone. Most often, however, former NFL players who expressed potential interest in the legal services and advances that the Defendant offered were flown to the joint offices of Howard & Associates and The Cambridge Entities in Tallahassee, Florida. There the former NFL players would receive a medical screening that would purportedly determine whether they qualified for a class action settlement payout from the NFL. Following their medical evaluations, the former NFL players would meet with the Defendant and

[1] The "non-recourse" nature of the loans meant that loan recipients were under no obligation to repay the loan unless and until their NFL settlement claims were paid. Because the loans were ultimately funded by The Cambridge Entities' investors, this meant that investors could not be repaid unless and until NFL settlement payments were issued to the former NFL players.

D.W.R. either jointly or separately. Those who met jointly with the Defendant and D.W.R were pitched on the all the services that Howard & Associates had to offer, which included investments and financial advisement through The Cambridge Entities. Other players would first meet with the Defendant to discuss legal representation and their NFL class action settlement claim, and then were “soft pitched” on the security and positive returns of The Cambridge Entities’ investment vehicles prior to being escorted across the hall to speak with D.W.R in more detail on the matter. The Defendant, either personally or jointly with D.W.R., fraudulently convinced more than 10 former NFL players, including L.W., W.W., C.F., D.A., B.C., and J.H., to invest more than $4 million with The Cambridge Entities as a result of the scheme described herein. On several occasions, the Defendant advised former NFL players that he was personally invested in The Cambridge Entities, and personally guaranteed players’ investments.

Subsequently, and throughout various points in the investment process, the Defendant and D.W.R. failed to disclose, misrepresented, or actively lied to the former NFL player investors about:

(1) the structure, conflicts of interest, and criminal background of The Cambridge Entities’ management;

(2) the true nature of The Cambridge Entities’ funds and their investments;

(3) the manipulation of the NFL medical claims process (upon which the vast majority of investors' money actually relied) by and at the direction of the Defendant;

(4) the status and earnings of former investors' portfolios; and

(5) the Defendant and D.W.R.'s use of investors' money for personal enrichment and to continue the scheme to defraud.

(a) Misrepresentations and Omissions Regarding The Cambridge Entities' Management

The Defendant and D.W.R. failed to disclose to the former NFL player investors that D.W.R. was a convicted felon and that D.W.R. was also barred by the Securities & Exchange Commission (SEC) from association with any broker, dealer, or investment adviser.

Beyond failing to disclose the full extent of D.W.R.'s criminal history, the Defendant also took steps to actively hide D.W.R.'s criminal history from potential investors and the public. Beginning in approximately May 2016, a member of the Defendant's staff engaged the services of InternetReputation.com and ReputationDefender.com to systematically remove negative news articles about D.W.R. from the first page of Google search results by constructing fake narratives about D.W.R that would take the place of pre-existing negative news stories that would appear on the first page when searching for D.W.R.'s name. By January 2017, the Defendant's employee reported to the Defendant that the constructed

information about D.W.R. was moving the negative stories off the front page of Google.

The Defendant failed to disclose to investors that Florida Bar rules forbade him from managing assets maintained by clients of his law firm. In or about August 2017, the Defendant sought an ethics opinion from the Florida Bar about this. In response, the Bar provided Howard with references to rules and regulations that unequivocally indicated an attorney could not loan to, or manage money for, a client, or have any interest in a third-party entity that did. In the course of his ethics inquiry, the Defendant falsely told the Florida Bar that he would disassociate from The Cambridge Entities entirely. In reality, the Defendant had already disassociated from The Cambridge Entities on paper only, and in doing so, took steps to fraudulently make it appear as though he had actually disassociated.

Following D.W.R.'s arrest and subsequent incarceration (on unrelated charges) in and around February 2017, the Defendant installed a new Manager of The Cambridge Entities, G.M., and soon began telling investors that as of March 2017 he no longer had any control or ownership over The Cambridge Entities. In reality, the Defendant never relinquished ownership or control of The Cambridge Entities, which included the entities' bank accounts.

Beyond misrepresenting to investors about maintaining his ownership and control of Cambridge, the Defendant took active steps to obfuscate the fact. In

approximately May 2017, the Defendant dissolved The Cambridge Entities' Florida component and re-registered them in Nevada under the names of nominee individuals (without those individuals' knowledge or permission).

(b) Misrepresentations and Omissions Regarding Cambridge Investments

The Defendant and D.W.R. created and provided investors with Private Placement Memorandums ("PPMs") for each of two investment funds. The "Investment Objectives and Approach" sections of the PPMs represented the following:

- The objective of the Fund is to focus on individual equity and broad market index opportunities using various option strategies. While the Fund will consider strategies on individual domestic equities, its primary focus will be opportunities derived from the broad market indexes such as the S&P 500, Dow Jones Industrial Average, NASDAQ Composite, NASDAQ 100, and the Russell 1000. The Investment may also allocate up to 25% of the Fund's net assets (determined at the time of investment) to other investment managers, including investment managers which may be affiliated with the Investment Manager.

- The objective of the Fund will be to generate capital gains and interest income primarily from investment and trading in mortgage backed securities ("MBS") and derivatives, asset backed securities ("ABS") and derivatives, as well as US and International distressed private and public debt securities ("USI") and derivatives. The Fund may also invest in and trade in other securities, derivatives, and financial contracts, both for hedging and for speculative purposes. The Investment may also allocate up to 25% of the Fund's net assets (determined at the time of investment) to other investment managers, including

> investment managers which may be affiliated with the Investment Manager.

Furthermore, when the Defendant and D.W.R. verbally solicited investments from former NFL players, the players were led to believe that their money would be invested in an array of traditional equities such as stocks and mortgage-backed securities.

In reality, the former NFL player investors' funds were invested almost exclusively in non-recourse, high-interest loans to NFL players who were awaiting potential settlement payouts from the NFL—virtually all of whom were also clients of Howard & Associates. Furthermore, many of the former NFL investors received advanced loans themselves, meaning that they were being loaned money (at high interest rates, often over 30%) from the very pool of money they believed they were investing with The Cambridge Entities. Because of this, any profits that they made would invariably be offset by the interest being charged on their advance loans—meaning investors' profits would be coming out of their own pockets. The Defendant never disclosed any of this to the former NFL player investors.

The Defendant failed to disclose that The Cambridge Entities' investment in "technology" was solely in a company called Omnipad, an undeveloped virtual reality device that was jointly owned by the Defendant and a staff member of Howard & Associates. The Defendant did not disclose to investors that he owned a 51% share in the company and had direct access to the Omnipad bank account,

which was used, at least in part, for transactions and purchases unrelated to the Omnipad business. The Defendant also failed to disclose to investors that Omnipad ran out of money in early 2018, which resulted in the layoff of all engineers working on the project and closure of the Omnipad office prior to development of a prototype.

The Defendant failed to disclose to investors that The Cambridge Entities' investments in "real estate" were actually non-revenue generating properties that were purchased in the Defendant's name and for his personal/professional use. For example, the Defendant used investor funds to purchase a condominium in Cambridge, Massachusetts that was used by the Defendant and his son. The Defendant also used investors' funds to help pay off a beach front property the Defendant owned.

(c) Misrepresentations and Omissions Regarding Investment Returns

Quarterly and year-end investment statements that were provided to The Cambridge Entities' investors were inaccurate. These investment statements indicated that investor funds were allocated into two separate investment funds, including a fund designed specifically to invest in equities. In reality, there were no separated, dedicated investment funds. Instead, all of the investors' funds were commingled into The Cambridge Entities' Bank of America accounts. Further, the returns alleged on the investment statements were based on highly speculative

projections, not on actual performance. The former NFL player investors were never told this and were led to believe that their investments were earning money for them. The performance statements, which could only be based upon returns associated with (1) NFL settlement advances, (2) Omnipad, and (3) the Defendant's personal real estate holdings, showed aggressive returns of 30% per year or higher. In truth, at the time these statements were generated, (1) the Defendant had not submitted any claims to the NFL class action settlement program and was actively manipulating the applications he was working on, (2) Omnipad had yielded no returns, and (3) the Defendant's real estate holdings, which were actually his personal mortgages, were either released or had yielded no tangible returns. Most notably, The Cambridge Entities' bank accounts had little or no money. Despite these realities, the Defendant and his associates consistently led investors to believe their investments were secure and earning good returns.

(d) Misrepresentations and Omissions Regarding the Use of Investors' Money:

Investors were never notified that the Defendant and D.W.R. commingled the Cambridge investor's funds with those used to operate The Cambridge Entities and Howard & Associates, issue payroll to Howard & Associates staff, pay the Defendant's mortgages, and fund numerous other facets of their personal and professional lives.

The racketeering acts alleged in Racketeering Acts 1-6c of the Indictment were all interrelated and connected by a common scheme. The process that former NFL players were taken through prior to signing with Howard & Associates as clients and investing with The Cambridge Entities demonstrates how the acts and entities involved were connected. Players were initially evaluated at Howard & Associates' office by a doctor who was chosen by the Defendant. Following their evaluation, the former NFL players met with the Defendant and D.W.R., or both together, to discuss the joint offerings of Howard & Associates and The Cambridge Entities. This was easy to do because Howard & Associates and The Cambridge Entities shared the same office space, despite strict Bar rules forbidding attorneys from being involved with, and certainly profiting from, their clients' investments.

Thus, the establishment of The Cambridge Entities alongside Howard & Associates, with the promise to former NFL players of big investment returns, financial advisory services, and advanced settlement loans helped lure the former NFL players as settlement clients to Howard & Associates and investors of The Cambridge Entities. Once the former NFL players invested their money in The Cambridge Entities, some of their money was used as settlement advance loans to the same former NFL players or others, and some of the money was used for purposes that benefited the Defendant.

(3) RACKETEERING ACTS 1-6c: WIRE FRAUD (INTERSTATE WIRE TRANSACTIONS)

On or about the following dates, for the purpose of executing and attempting to execute the scheme to defraud, the Defendant knowingly caused the following wire communications to be transmitted in interstate commerce:

	DATE	WIRE COMMUNICATION
Racketeering Act 1	December 23, 2015	Deposit of check number 0000368332 and resulting transfer of $336,453.14 (belonging to L.W.) from The Bank of New York Mellon account number ending in 0261 (using servers located in Tennessee) to BOA account ending in 6604 (using servers located in North Carolina)
Racketeering Act 2	April 8, 2016	Transfer of $286,000 (belonging to W.W.) from MB Financial Bank (using servers located in Illinois) to BOA account number ending in 6604 (using servers located in North Carolina)
Racketeering Act 3a	May 10, 2016	Deposit and Transfer of $619,111.95 (belonging to C.F.) from Bank of New York Mellon account number ending in HH0A8 (using servers located in Tennessee) into MB Financial Bank (using servers located in Illinois)
Racketeering Act 3b	May 19, 2016	Transfer of $66,461.95 (belonging to C.F.) from MB Financial Bank (using servers located in Illinois) to BOA account number ending in 8059 (using servers located in North Carolina)
Racketeering Act 3c	May 19, 2016	Transfer of $552,600.00 (belonging to C.F.) from MB Financial Bank (using servers located in Illinois) to BOA account number ending in 6617 ((using servers located in North Carolina)
Racketeering Act 4a	June 15, 2016	Transfer of $200,000 (belonging to D.A.) from U.S. Bank (using servers located in Kansas and Minnesota) to MB Financial Bank (using servers located in Illinois)

Racketeering Act 4b	June 16, 2016	Transfer of $170,000 (belonging to D.A.) from MB Financial Bank (using servers located in Illinois) to BOA account ending in 6617 ((using servers located in North Carolina)
Racketeering Act 4c	June 16, 2016	Transfer of $29,950 (belonging to D.A.) from MB Financial Bank (using servers located in Illinois) to BOA account ending in 8059(using servers located in North Carolina)
Racketeering Act 5	June 29, 2016	Transfer of $320,000 (belonging to B.C.) from MB Financial Bank (using servers located in Illinois) into BOA account number ending in 6617 ((using servers located in North Carolina)
Racketeering Act 6a	January 31, 2017	Transfer of $497,886 (belonging to J.H.) from MB Financial Bank (using servers located in Illinois) to BOA account number ending in 6617 (using servers located in North Carolina)
Racketeering Act 6b	January 31, 2017	Transfer of $165,000 (belonging to J.H.) from MB Financial Bank (using servers located in Illinois) to BOA account number ending in 8059 (using servers located in North Carolina)
Racketeering Act 6c	October 15, 2017	Email from the Defendant (while located in Tallahassee, Florida) to J.H. (while located in Mississippi) regarding J.H.'s investment funds

* * *

The Defendant does not admit to the facts and conduct alleged in Racketeering Acts 7-15 of the indictment. However, the Government is not precluded from presenting evidence of such acts for the Court's consideration as relevant conduct for sentencing, including for restitution purposes.

ELEMENTS OF THE OFFENSE

i. RICO - 18 U.S.C. § 1962(c) (Count 1)

Elements to be proven beyond a reasonable doubt:

(1) the Defendant was associated with an enterprise;

(2) the Defendant knowingly committed, or aided and abetted in committing, at least two acts of racketeering activity;

(3) the two acts of racketeering activity were connected by a common scheme, plan, or motive constituting a pattern of criminal activity, and not just a series of separate, isolated, or disconnected acts;

(4) by committing the two or more connected acts, the Defendant participated in conducting the enterprise's affairs; and

(5) the enterprise was involved in or affected interstate commerce.

11th Circuit Pattern Jury Instructions § O51.

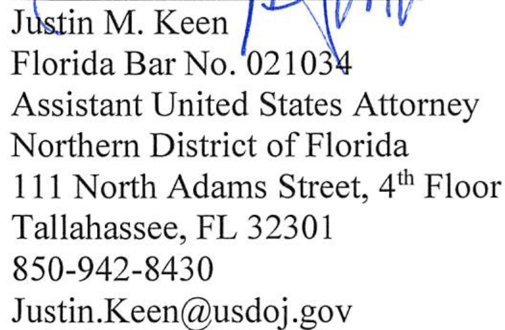
Janese Caruthers, Esq.
Attorney for Defendant

8/3/2023
Date

Phillip Timothy Howard
Defendant

8/3/2023
Date

JASON R. COODY
United States Attorney



Justin M. Keen
Florida Bar No. 021034
Assistant United States Attorney
Northern District of Florida
111 North Adams Street, 4th Floor
Tallahassee, FL 32301
850-942-8430
Justin.Keen@usdoj.gov

8/3/2023
Date