

COURT OF GENERAL SESSIONS

STATE OF NEW YORK

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THE PEOPLE OF THE STATE OF NEW YORK,

-against-

CONSTANTINO VINCENT RICCARDI, alias
C. VINCENT RICCARDI and ANDREW
JACKSON DOUGHERTY,

Defendants.

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THE GRAND JURY OF THE COUNTY OF NEW YORK by this indictment, accuse the defendants Constantino Vincent Riccardi and Andrew Jackson Dougherty, of the crime of Grand Larceny in the first degree, committed as follows:

The defendants Constantino Vincent Riccardi and Andrew Jackson Dougherty, each aiding and abetting the other, in and from the County of New York and divers other places, commencing with on or about the beginning of October, 1946 to on or about October 25, 1946, with intent to deprive and defraud the owner of his property and of the use and benefit thereof, and to appropriate the same to the use of said defendants and of some other person, obtained from Albert F. Grilli certain property owned by him, having an aggregate value of One thousand (\$1,000) Dollars, to wit, \$1,000 in lawful currency of the United States, by color and aid of the following fraudulent and false representations and pretenses made to him by said defendants, namely:

That the stock of the Southwestern Mines, Inc., a corporation organized under the laws of the State of Arizona,

was in the process of being listed on the New York Curb Exchange; that George F. Brewer, a former Vice President of Price Waterhouse & Co., was going to become President of Southwestern Mines, Inc.; that a price of 50¢ a share for the capital stock of Southwestern Mines, Inc., was an "insider's" price and below the regular sale price; that the stock was a very safe investment in a producing mine; that the Southwestern Mines, Inc., were operating the Leadville Mining property and that the only stock available at the "insider's" price of 50¢ was stock held by various stockholders and that the defendants agreed to sell their individual stock to said Grilli; that the said Albert F. Grilli, relying upon said representations and the truth thereof, paid to the defendants the sum of One thousand (\$1,000) Dollars in consideration of his receiving 2,000 shares of the capital stock of Southwestern Mines, Inc.

That the said representations and pretenses were fraudulent and false and were known by the defendants to be fraudulent and false at the time they were made, in that arrangements had not been made to list the stock of Southwestern Mines, Inc., on the New York Curb Exchange; nor was George F. Brewer a Vice President of Price Waterhouse & Co.; nor was the price of 50¢ a share for the stock an "insider's" price, but in truth and in fact the stock at no time sold for more than 30¢ a share and the corporation was limited to a price of 30¢ a share by the laws of the State of Arizona where they had filed to sell said stock; nor was the corporation operating or working the Leadville properties; and that the said stock was not a safe investment, and in fact treasury stock was available.

SECOND COUNT

AND THE GRAND JURY OF THE COUNTY OF NEW YORK by this indictment, further accuse the defendants, Constantino Vincent Riccardi and Andrew Jackson Dougherty, of the crime of Grand Larceny in the first degree, committed as follows:

The defendants, Constantino Vincent Riccardi and Andrew Jackson Dougherty, each aiding and abetting the other, in and from the County of New York and divers other places, on or about the 25th day of October, 1946, stole and took from Albert F. Grilli certain property owned by said Albert F. Grilli, having an aggregate value of One thousand (\$1,000) Dollars, to wit, \$1,000 in lawful currency of the United States, with intent to deprive and defraud the owner of said property and of the use and benefit thereof, and to appropriate the same to the use of said defendants.

THIRD COUNT

THE GRAND JURY OF THE COUNTY OF NEW YORK by this indictment, further accuse the defendants, Constantino Vincent Riccardi and Andrew Jackson Dougherty, of the crime of Grand Larceny in the first degree, committed as follows:

That the defendants, Constantino Vincent Riccardi and Andrew Jackson Dougherty, each aiding and abetting the other, in and from the County of New York and divers other places, commencing with on or about the beginning of October, 1946, to on or about January 31, 1947, with intent to deprive and defraud the owner of his property and of the use and benefit thereof, and to appropriate the same to the use of said defendants and of some other person, obtained from Albert F. Grilli certain

property owned by him, having an aggregate value of Fifteen thousand (\$15,000) Dollars, to wit, \$15,000 in lawful currency of the United States, by color and aid of the following fraudulent and false representations and pretenses made to him by said defendants, namely:

That the stock of the Southwestern Mines, Inc., a corporation organized under the laws of the State of Arizona, was registered with the Securities and Exchange Commission, and that said stock had been submitted to the New York Curb Exchange for listing and had been approved for listing; that Elyth & Co. and Lehman Brothers, brokerage houses in New York, had agreed to handle the sale of said stock to the public; that said stock would open on the New York Curb Exchange at from \$3 to \$5 a share; that the President and Treasurer of said Southwestern Mines, Inc., was formerly a Vice President of Price Waterhouse & Co.; that the price of 50¢ a share for said stock was an "insider's" price and below the actual sale price; that the stock was a safe investment and would be worth a tremendous amount of money in a short length of time and would provide for the said Grilli's child's college education; that the corporation was working the Leadville properties and was mining valuable copper ore; and that the only stock available was stock owned by the defendants which the defendants agreed to sell said Grilli. That the said Albert F. Grilli, relying upon said representations and the truth thereof, paid to the defendants the sum of Fifteen thousand (\$15,000) Dollars in payment of 30,000 shares of the capital stock of Southwestern Mines, Inc.

That the said representations and pretenses were fraudulent and false and were known by the defendants to be fraudulent and false at the time they were made, in that the stock of said Southwestern Mines, Inc., had not been registered

with the Securities and Exchange Commission, nor had it been submitted to the New York Curb Exchange for listing; nor had Blyth & Co. and Lehman Brothers agreed to handle the sale of the stock in New York or elsewhere; nor was said stock opening on the New York Curb Exchange at any price; that the President and Treasurer was not a former Vice President of Price Waterhouse & Co.; that the price of 50¢ a share was not an "insider's" price and below the actual selling price; nor was the stock a safe investment; nor was the corporation the Leadville properties or mining valuable copper ore; and in truth and in fact there were large amounts of treasury stock available for sale to the said Grilli.

FOURTH COUNT

AND THE GRAND JURY OF THE COUNTY OF NEW YORK by this indictment, further accuse the defendants, Constantino Vincent Riccardi and Andrew Jackson Dougherty, of the crime of Grand Larceny in the first degree, committed as follows:

The defendants, Constantino Vincent Riccardi and Andrew Jackson Dougherty, each aiding and abetting the other, in and from the County of New York and divers other places, on or about the beginning of October, 1946 to on or about January 31, 1947, stole and took from Albert F. Grilli certain property owned by said Albert F. Grilli, having an aggregate value of Fifteen thousand (\$15,000) Dollars, to wit, \$15,000 in lawful currency of the United States, with intent to deprive and defraud the owner of said property and of the use and benefit thereof, and to appropriate the same to the use of said defendants.

FIFTH COUNT

THE GRAND JURY OF THE COUNTY OF NEW YORK by this indictment, accuse the defendant Constantino Vincent Riccardi, of the crime of violating the judgment of injunction of the Supreme Court of the State of New York, in violation of Section 359-g of the General Business Law, a misdemeanor committed as follows:

That on the 2d day of April, 1937, the Hon. Alfred Frankenthaler, Justice of the Supreme Court of the State of New York, sitting at a Special Term, Part II of the Supreme Court of the State of New York, held in and for the County of New York, duly signed a judgment of injunction in the case of the People of the State of New York, Plaintiffs, against Constantino Vincent Riccardi, et al. which judgment was duly entered in the office of the Clerk of the County of New York on the 23d day of April, 1937, and a certified copy of said judgment was duly served upon the said Constantino Vincent Riccardi, defendant herein, on the 23d day of April, 1937. That said judgment permanently enjoined and restrained the said Constantino Vincent Riccardi from selling or offering for sale, or negotiating securities within and from the State of New York. That Constantino Vincent Riccardi, defendant herein, did contumaceously and wilfully violate and disregard said judgment in that commencing with on or about the beginning of October 1946 and to on or about January 31, 1947, offered for sale, sold, negotiated and distributed securities of the Southwestern Mines, Inc., in and from the State of New York, County of New York, to one Albert F. Grilli, and the defendant, Constantino Vincent Riccardi, did sell 32,000 shares of the stock of Southwestern Mines, Inc., to the said Albert F.

Grilli in and from the County of New York, and did receive therefor in payment, the sum of Sixteen thousand (\$16,000) Dollars, all in violation of said judgment of injunction.

NATHANIEL L. GOLDSTEIN
Attorney General of the
State of New York