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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,) CR 05-587(C)-JFW
)
Plaintiff,) S E C O N D
) S U P E R S E D I N G
v.) I N F O R M A T I O N
)
STEVEN G. SCHULMAN,) [18 U.S.C. § 1962(d):
) Racketeering Conspiracy]
Defendant.)

The United States Attorney charges:

COUNT ONE

[18 U.S.C. § 1962]

[Racketeering Conspiracy]

1. At all times relevant to this Information, the New York law firm partnership Milberg Weiss LLP, formerly known as "Milberg Weiss Bershad & Schulman LLP," "Milberg Weiss Bershad Hynes & Lerach LLP," and "Milberg Weiss Bershad Specthrie & Lerach," ("Milberg Weiss"), constituted an "enterprise" as defined by Title 18, United States Code, Section 1961(4), which was engaged in, and the activities of which affected, interstate commerce.

2. Defendant STEVEN G. SCHULMAN ("SCHULMAN") and others were employed by and associated with the enterprise.

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3. SCHULMAN, together with other Milberg Weiss attorneys whom SCHULMAN supervised, worked with Howard Vogel ("Vogel") to prepare and file numerous class actions in which Vogel, his relatives, and entities that Vogel controlled served as named plaintiffs for Milberg Weiss.

4. By no later than early 2003, SCHULMAN knew that there was a secret payment arrangement pursuant to which Milberg Weiss paid Vogel a portion of the attorneys' fees that Milberg Weiss obtained in class actions in which Vogel served, or caused his relatives or entities that he controlled to serve, as named plaintiffs. By no later than March 2003 and continuing through 2005, SCHULMAN participated in negotiating with Vogel the amounts paid by Milberg Weiss to Vogel pursuant to the secret payment arrangement.

5. The individuals who agreed with SCHULMAN secretly to pay Vogel included Melvyn I. Weiss ("Weiss") and others.

6. At all relevant times herein, SCHULMAN, Weiss and others knew that their payment arrangement with Vogel had to be concealed from the federal and state courts presiding over their class actions. SCHULMAN, Weiss, and others also understood that, to the extent necessary, they would make or cause to be made false and/or misleading statements in documents filed in federal and state class actions (including complaints, motions, and under-oath certifications) and in under-oath testimony and other discovery in such actions in order to conceal the existence of their secret payment arrangement.

7. The purposes of the racketeering conspiracy included the following:

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a. to provide Milberg Weiss and its partners, including SCHULMAN, with a stable of persons who were ready, willing, and able to serve, and whom the courts would likely approve to serve, as named plaintiffs representing absent class members in class actions;

b. to enable Milberg Weiss and its partners, including SCHULMAN, to file and maintain class actions;

c. to assist Milberg Weiss and its partners, including SCHULMAN, in securing lead counsel status in class actions; and


d. to enrich SCHULMAN and the other members and associates of the enterprise.

8. Beginning in or before 2003, and continuing through at least in or about 2005, within the Central District of California and elsewhere, defendant SCHULMAN, together with Weiss and other persons known and unknown, being persons employed by and associated with Milberg Weiss, which was engaged in, and the activities of which affected, interstate and foreign commerce, knowingly and intentionally conspired to violate 18 U.S.C. § 1962(c), that is, to conduct and participate, directly and indirectly, in the conduct of the affairs of Milberg Weiss through a pattern of racketeering activity, as that term is defined in Sections 1961(1) and 1961(5) of Title 18, United States Code, consisting of multiple acts indictable under the Title 18, United States Code, Section 1503 (Obstruction of Justice).

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9. It was a further part of the conspiracy that SCHULMAN agreed that a conspirator would commit at least two acts of racketeering activity in the conduct of the affairs of the enterprise.


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