

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**MINA TADRUS and
TADRUS CAPITAL LLC,**

Defendants.

No. 23 Civ. 5708 (FB)

CONSENT OF DEFENDANT MINA TADRUS

1. Defendant Mina Tadrus (“Defendant”) acknowledges having been served with the complaint in this action, enters a general appearance, and admits the Court’s jurisdiction over Defendant and over the subject matter of this action.

2. Defendant has entered into a written agreement to plead guilty to criminal conduct relating to certain matters alleged in the complaint in this action (the “Plea Agreement”). Specifically, in *United States v. Tadrus*, 23 Cr. 393 (E.D.N.Y), Defendant agreed to plead guilty to one violation of Sections 206 and 217 of the Investment Advisers Act of 1940 [15 U.S.C. §§ 80b-6 and 80b-17]. In connection with the Plea Agreement, Defendant admitted the facts set out in the transcript of his plea allocution that is attached as Exhibit A to this Consent. This Consent shall remain in full force and effect regardless of the existence or outcome of any further proceedings in *United States v. Tadrus*.

3 Defendant hereby consents to the entry of the Judgment in the form attached hereto (the “Judgment”) and incorporated by reference herein, which, among other things:

- (a) permanently restrains and enjoins Defendant from violation of Section 17(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. § 77e(a)], Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)], Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and Sections 206(1), (2), and (4) of the Investment Advisers Act of 1940 (“Advisers Act”) [15 U.S.C. §§ 80b-6(1), (2), and (4)], and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8(a)(2)];
- (b) permanently prohibits Defendants from acting as an officer or director of any issuer that has a class of securities registered pursuant to Exchange Act Section 12 [15 U.S.C. § 78l] or that is required to file reports pursuant to Exchange Act Section 15(d) [15 U.S.C. § 78o(d)], pursuant to Securities Act Section 20(e) [15 U.S.C. § 77t(e)] and Exchange Act Section 21(d)(2) [15 U.S.C. § 78u(d)(2)]; and
- (c) permanently restrains and enjoins Defendant from directly or indirectly, including, but not limited to, through any entity owned or controlled by Defendant, participating in the issuance, purchase, offer, or sale of any security, provided however, that such injunction shall not prevent Defendant from purchasing or selling securities for his own personal account.

4. Defendant agrees that, upon motion of the Commission, the Court shall determine whether it is appropriate to order disgorgement of ill-gotten gains and/or a civil penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], and Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)] and, if

so, the amount(s) of the disgorgement and/or civil penalty. The Defendant further understands that, if disgorgement is ordered, Defendant shall pay prejudgment interest thereon, calculated from June 1, 2023, based on the rate of interest used by the Internal Revenue Service for the underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2). Defendant further agrees that in connection with the Commission's motion for disgorgement and/or civil penalties, and at any hearing held on such a motion: (a) Defendant will be precluded from arguing that he did not violate the federal securities laws as alleged in the Complaint; (b) Defendant may not challenge the validity of this Consent or the Final Judgment; (c) solely for the purposes of such motion, the allegations of the Complaint shall be accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in the motion on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence, without regard to the standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with the Commission's motion for disgorgement and/or civil penalties, the parties may take discovery, including discovery from appropriate non-parties.

5. Defendant agrees that he shall not seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made pursuant to any insurance policy, with regard to any civil penalty amounts that Defendant pays pursuant to the Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors. Defendant further agrees that he shall not claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state, or local tax for any penalty amounts that Defendant pays pursuant to the Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors.

6. Defendant waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

7. Defendant waives the right, if any, to a jury trial and to appeal from the entry of the Judgment.

8. Defendant enters into this Consent voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the Commission or any member, officer, employee, agent, or representative of the Commission to induce Defendant to enter into this Consent.

9. Defendant agrees that this Consent shall be incorporated into the Judgment with the same force and effect as if fully set forth therein.

10. Defendant will not oppose the enforcement of the Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.

11. Defendant waives service of the Judgment and agrees that entry of the Judgment by the Court and filing with the Clerk of the Court will constitute notice to Defendant of its terms and conditions. Defendant further agrees to provide counsel for the Commission, within thirty days after the Judgment is filed with the Clerk of the Court, with an affidavit or declaration stating that Defendant has received and read a copy of the Judgment.

12. Consistent with 17 C.F.R. § 202.5(f), this Consent resolves only the claims asserted against Defendant in this civil proceeding. Defendant acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability.

Defendant waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Defendant further acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, Defendant understands that he shall not be permitted to contest the factual allegations of the complaint in this action.

13. Defendant understands and agrees to comply with the terms of 17 C.F.R. § 202.5(e), which provides in part that it is the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings." As part of Defendant's agreement to comply with the terms of Section 202.5(e), Defendant acknowledges the written agreement to plead guilty described in paragraph 2 above and: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in the complaint or creating the impression that the complaint is without factual basis; (ii) will not make or permit to be made any public statement to the effect that Defendant does not admit the allegations of the complaint, or that this Consent contains no admission of the allegations; (iii) upon the filing of this Consent, Defendant hereby withdraws any papers filed in this action to the extent that they deny any allegation in the complaint; and (iv) stipulates for purposes of exceptions to discharge

set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, that the allegations in the complaint are true, and further, that any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant under the Judgment or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Defendant of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19). If Defendant breaches this agreement, the Commission may petition the Court to vacate the Judgment and restore this action to its active docket. Nothing in this paragraph affects Defendant's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

14. Defendant hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs expended by Defendant to defend against this action. For these purposes, Defendant agrees that Defendant is not the prevailing party in this action since the parties have reached a good faith settlement.

15. Defendant agrees that the Commission may present the Judgment to the Court for signature and entry without further notice.

16. Defendant agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Judgment.

Dated: 07/28/2025

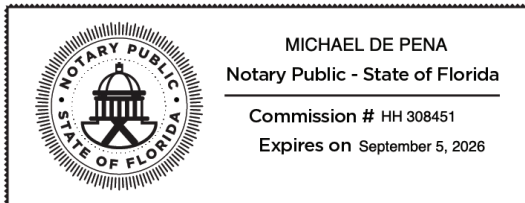
Mina Tadrus

Mina Tadrus

Mina Tadrus

STATE OF FLORIDA, COUNTY OF BROWARD

On JULY 28, ^{MDP}~~2024~~²⁰²⁵, Mina Tadrus, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.



[Signature]

Notary Public

Commission expires: 09/05/2026

Notarized remotely online using communication technology via Proof.

Approved as to form:

Attorney for Defendant

Exhibit A

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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23-CR-00393 (HG)

UNITED STATES OF AMERICA,

Plaintiff,

United States Courthouse
Brooklyn, New York

-against-

February 13, 2025
11:00 a.m.

MINA TADRUS,

Defendant.

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TRANSCRIPT OF CRIMINAL CAUSE FOR PLEADING
BEFORE THE HONORABLE HECTOR GONZALEZ
UNITED STATES DISTRICT JUDGE

APPEARANCES

For the Government: JOHN J. DURHAM, ESQ.
INTERIM UNITED STATES ATTORNEY
Eastern District of New York
271 Cadman Plaza East
Brooklyn, New York 11201
BY: JOHN O'DONNELL ENRIGHT, ESQ.
MARTIN SULLIVAN, ESQ.
Assistant United States Attorney

For the Defendant: FEDERAL DEFENDERS OF NEW YORK
One Pierrepont Plaza
Brooklyn, New York 11201
BY: JEFFREY STEVEN DAHLBERG, ESQ.

Also Present: MINA TADRUS, DEFENDANT
SPECIAL AGENT BOWDEN, FBI

Court Reporter: AVERY N. ARMSTRONG, RPR, NYRCR
Phone: 718-613-2419
Fax: 718-613-2639
Email: Aarm.edny@gmail.com

Proceedings recorded by mechanical stenography. Transcript
produced by computer-aided transcription.

1 (In open court.)

2 THE COURTROOM DEPUTY: This is criminal cause for a
3 change of plea, docket number 23-CR-393, *United States of*
4 *America versus Tadrus*.

5 Parties, please state your appearances for the
6 record, starting with the Government.

7 MR. ENRIGHT: Good morning, Your Honor.

8 AUSA John Enright, together with FBI Special Agent
9 Catherine Bowden and Special Agent Martin Sullivan from the
10 U.S. Attorney's Office, for the Government.

11 THE COURT: All right. Good morning.

12 MR. DAHLBERG: Good morning, Your Honor.

13 Jeff Dahlberg, Federal Defenders of New York, here
14 alongside Mr. Tadrus.

15 THE COURT: All right. Good morning. Please be
16 seated.

17 All right. So Mr. Dahlberg, I understand that your
18 client intends to change his previously entered plea of not
19 guilty and enter a plea of guilty to Count Three of the
20 indictment; is that correct?

21 MR. DAHLBERG: That's correct, Your Honor.

22 THE COURT: All right. Mr. Tadrus, like your
23 attorney indicated, obviously, this is a very serious decision
24 for you to enter a plea of guilty, so I need to go through a
25 number of steps and questions to make sure that I'm satisfied

1 that your plea of guilty is both knowing and voluntary. So
2 I'm going to be explaining a number of rights to you that
3 you'll be giving up as a result of changing your plea, and I
4 need to make sure that you understand that you'll be giving up
5 those rights.

6 If at any time I say anything that isn't clear or
7 that you don't understand, let me know, and I'll try to be
8 more clear. Likewise, if at any time, you need to take a
9 moment to discuss anything with your attorney, we'll take as
10 much time as you need.

11 Do you understand that?

12 THE DEFENDANT: Yes, sir.

13 THE COURT: All right. So at this point, if I could
14 just ask you to stand because I need you to be sworn in.

15 THE COURTROOM DEPUTY: Raise your right hand.

16 (The witness was sworn and/or affirmed in by the
17 courtroom deputy.)

18 THE DEFENDANT: Yes.

19 THE COURT: All right. So now that you're under
20 oath, you also should understand that if you answer any of my
21 questions falsely -- you can be seated. If you answer any of
22 my questions falsely, that could subject you to additional
23 criminal liability for answering questions in court under oath
24 falsely.

25 Do you understand that?

1 THE DEFENDANT: Yes, sir.

2 THE COURT: All right. If you -- is the mic -- if
3 you can just move that closer. I'm going to ask you a number
4 of questions now.

5 Can you tell us, what is your full name?

6 THE DEFENDANT: Mina Tadrus.

7 THE COURT: And how old are you?

8 THE DEFENDANT: Thirty-eight, Your Honor.

9 THE COURT: And what is the highest level of
10 education that you have?

11 THE DEFENDANT: A master's and a law degree.

12 THE COURT: A master's degree?

13 THE DEFENDANT: And a law degree.

14 THE COURT: And what is the master's in?

15 THE DEFENDANT: Intelligence studies.

16 THE COURT: In what?

17 THE DEFENDANT: Intelligence studies.

18 THE COURT: Intelligence studies?

19 THE DEFENDANT: Yes, Your Honor.

20 THE COURT: And obviously, you're able to speak and
21 understand English; is that correct?

22 THE DEFENDANT: Yes, Your Honor.

23 THE COURT: Have you ever been treated or
24 hospitalized for any sort of mental illness?

25 THE DEFENDANT: I had ADHD at one point in

1 undergrad. No hospitalization whatsoever or anything like
2 that. Just a prescription. That's it.

3 THE COURT: And are you currently under the care or
4 treatment of a doctor or psychiatrist for any condition?

5 THE DEFENDANT: No, Your Honor. I do -- I do have a
6 therapist. I don't believe she's a psychiatrist or
7 psychologist. I'm not sure. But she's not a psychiatrist.

8 THE COURT: All right. And have you ever been
9 treated or hospitalized for any type of addiction for alcohol
10 or any other substance?

11 THE DEFENDANT: No, Your Honor.

12 THE COURT: And during the last 24 hours, have you
13 taken any sort of medication, whether over-the-counter or
14 prescription, or drank any alcohol or any other substance that
15 would affect your ability to understand what's happening here
16 today?

17 THE DEFENDANT: No, Your Honor. I may have taken
18 Advil yesterday, but no --

19 THE COURT: Advil?

20 THE DEFENDANT: Yes.

21 THE COURT: And do you feel that your mind is clear
22 today?

23 THE DEFENDANT: Absolutely. Yes.

24 THE COURT: And do you understand what is going to
25 happen today?

1 THE DEFENDANT: Yes, Your Honor.

2 THE COURT: If you can try to keep your voice up --

3 THE DEFENDANT: Sure.

4 THE COURT: -- so that the reporter doesn't have to
5 struggle.

6 Mr. Dahlberg, based on your interactions with
7 Mr. Tadrus, do you believe he has any physical or mental
8 condition that would impair his ability to participate and
9 understand today's proceedings?

10 MR. DAHLBERG: No, Your Honor.

11 THE COURT: And have you had enough of an
12 opportunity to discuss the matter with him?

13 MR. DAHLBERG: Yes, I have.

14 THE COURT: And based on your discussions with him,
15 do you believe that he understands the rights that he'll be
16 waiving by pleading guilty today?

17 MR. DAHLBERG: Yes, I do, Judge.

18 THE COURT: And also based on your interactions with
19 him, is it your opinion that he is capable of understanding
20 the nature of today's proceedings?

21 MR. DAHLBERG: Yes, Your Honor.

22 THE COURT: And do you have any doubt as to his
23 competence to enter a plea of guilty today?

24 MR. DAHLBERG: I do not.

25 THE COURT: All right. And have you had an

1 opportunity to advise him of the possible exposure and
2 consequences in terms of sentence as a result of his plea of
3 guilty?

4 MR. DAHLBERG: Yes, Your Honor.

5 THE COURT: And have you also had an opportunity to
6 discuss with him the effect of the advisory sentencing
7 guidelines?

8 MR. DAHLBERG: Yes, I have.

9 THE COURT: Mr. Tadrus, do you feel that you've had
10 enough of an opportunity to discuss today's proceedings and
11 the consequences of today's proceedings with your attorney and
12 that you understand what will happen today?

13 THE DEFENDANT: Yes, Your Honor.

14 THE COURT: All right. And over all, are you
15 satisfied with the representations that you received from
16 counsel?

17 THE DEFENDANT: Yes, Your Honor.

18 THE COURT: Now, have you been given -- I assume
19 you've been given a copy of the indictment. That's the
20 instrument that has the charges against you.

21 THE DEFENDANT: Yes, Your Honor.

22 THE COURT: And you've had an opportunity to review
23 that?

24 THE DEFENDANT: Yes, Your Honor.

25 THE COURT: Now, Mr. Enright, I understand from

1 reading the plea agreement and also from Mr. Dahlberg's
2 representation that the defendant will be pleading guilty to
3 just Count Three of the indictment.

4 Can you just briefly summarize what Count Three is.
5 And Mr. Tadrus, I want you to pay close attention to what
6 Mr. Enright will summarize, because after that, I'm going to
7 ask you if that's also your understanding of what you intend
8 to plead guilty to today, okay?

9 THE DEFENDANT: Yes, Your Honor.

10 MR. ENRIGHT: Yes, Your Honor.

11 Count Three of the indictment charges investment
12 advisor fraud, the elements of which are, first, that the
13 defendant was acting as an investment advisor; second, that
14 the defendant either employed a device, scheme, or artifice to
15 defraud an actual or prospective investor client, engaged in a
16 transaction, practice, or course of business which operated as
17 a fraud and -- engaged in a transaction, practice, or course
18 of business which operated as a fraud and deceit upon those
19 investors or prospective investors. Or engaged in an act,
20 practice, or course of business that was fraudulent,
21 deceptive, and manipulative; the third element is that the
22 defendant advised or participated in such alleged device,
23 scheme, or artifice to defraud or engaged in such alleged
24 transaction, practice, or course of business knowingly,
25 willfully, and with the intent to defraud; And the fourth

1 element is that the defendant employed such alleged device,
2 scheme, or artifice to defraud or engage in such alleged
3 transaction, practice, or course of business by use of the
4 mails or any instrumentality of its interstate commerce.

5 Those are the elements of the charged crime, Your
6 Honor. I'm happy to give the factual proffer as to how the
7 Government believes those elements are met or if you just
8 prefer to have the --

9 THE COURT: We could do that during the defendant's
10 allocution.

11 Mr. Tadrus, is that your understanding, broadly, of
12 what the criminal charges against you in Count Three of the
13 indictment are and that that is the count that you will be
14 pleading guilty to?

15 THE DEFENDANT: Yes, Your Honor.

16 THE COURT: All right. And have you fully discussed
17 that charge, as well as the case in general, with your
18 attorney?

19 THE DEFENDANT: Yes, Your Honor.

20 THE COURT: And do you feel that you have an
21 understanding of what the charges are against you?

22 THE DEFENDANT: Yes, sir.

23 THE COURT: And Mr. Dahlberg, do you believe that
24 Mr. Tadrus understands the charges and the nature of the
25 charges against him?

1 MR. DAHLBERG: I do, Your Honor.

2 THE COURT: Mr. Enright, were any alleged victims
3 notified with respect to today's proceedings and the intent of
4 the defendant to plead guilty?

5 MR. ENRIGHT: Yes.

6 Our victim witness coordinator gave notice to all
7 known victims, and I understand and believe that at least one
8 victim is in the gallery today, Your Honor.

9 THE COURT: And do you have an understanding of
10 whether that victim intends to make any statement at this
11 point?

12 MR. ENRIGHT: I do not believe.

13 THE COURT: Mr. Tadrus, what I'm going to do now is
14 go through a series of rights that all criminal defendants
15 have, but that you'll be giving up as a result of changing
16 your plea to a plea of guilty. And I'm going to ask you if
17 you understand that you have those rights and also that you'll
18 be giving them up.

19 You have a right to continue to plead not guilty.
20 No one can be forced to plead guilty.

21 Do you understand that?

22 THE DEFENDANT: Yes, Your Honor.

23 THE COURT: You would have a right, under the
24 Constitution and the laws of the United States, to both a
25 speedy and a public trial by a jury.

1 Do you understand that?

2 THE DEFENDANT: Yes, Your Honor.

3 THE COURT: At that trial, you would be presumed
4 innocent and the Government would have to prove your guilt
5 beyond a reasonable doubt.

6 Do you understand that?

7 THE DEFENDANT: Yes, Your Honor.

8 THE COURT: You would have the right to the
9 assistance of counsel for your defense who would represent you
10 at trial and at every other stage of the proceeding.

11 Do you understand that?

12 THE DEFENDANT: Yes, Your Honor.

13 THE COURT: At that trial, you would have the right
14 to see and hear all witnesses and have them cross-examined in
15 your defense.

16 Do you understand that?

17 THE DEFENDANT: Yes, Your Honor.

18 THE COURT: You would have the right, on your own
19 part, to decline to testify unless you voluntarily elected to
20 do so in your own defense.

21 Do you understand?

22 THE DEFENDANT: Yes. Your Honor.

23 THE COURT: You would have the right to compel the
24 attendance of witnesses to testify in your defense at that
25 trial.

1 Do you understand that?

2 THE DEFENDANT: Yes, Your Honor.

3 THE COURT: If you were to decide not to testify or
4 to put on any evidence at trial, I would instruct the jury
5 that those facts could not be used against you.

6 Do you understand that?

7 THE DEFENDANT: Yes, Your Honor.

8 THE COURT: By entering a plea of guilty today, if I
9 accept your plea, there will be no trial, and you will have
10 waived or given up your right to a trial, as well as those
11 other rights associated with the trial that I just described.

12 Do you understand that?

13 THE DEFENDANT: Yes, Your Honor.

14 THE COURT: So there will be no further trial of any
15 kind and no right of appeal from the judgment of guilty. I
16 will simply enter a judgment of guilty on the basis of your
17 guilty plea.

18 Do you understand that?

19 THE DEFENDANT: Yes, Your Honor.

20 THE COURT: Now, if you plead guilty, I'm going to
21 ask you questions about what it is you did that makes you
22 guilty of the offense in order to satisfy myself of your
23 guilt, so you will effectively be giving answers that
24 incriminate yourself.

25 Do you understand that?

1 THE DEFENDANT: Yes, Your Honor.

2 THE COURT: Do you understand each and every one of
3 the rights, Mr. Tadrus, that I've just gone over with you?

4 THE DEFENDANT: Yes, Your Honor.

5 THE COURT: And are you willing to give up your
6 right for a trial and those other rights as part of entering
7 your plea of guilty today?

8 THE DEFENDANT: Yes, Your Honor.

9 THE COURT: I also understand that you will be
10 pleading guilty pursuant to what's known as a plea agreement
11 with the Government; is that correct?

12 THE DEFENDANT: Yes, Your Honor.

13 THE COURT: We have a signed --

14 MR. ENRIGHT: I handed up a copy to Mr. Neptune
15 earlier, Your Honor.

16 THE COURT: All right. Mr. Tadrus, I'm going to
17 have the plea agreement, the original, marked as Court's
18 Exhibit 1, and ask that the original be kept in the custody of
19 the Government.

20 Is that your signature that I saw on the last page
21 of the plea agreement?

22 THE DEFENDANT: Yes, Your Honor.

23 THE COURT: And did you have an opportunity to read
24 and discuss that plea agreement with your attorney before you
25 signed it?

1 THE DEFENDANT: Yes, Your Honor.

2 THE COURT: And do you feel that you had sufficient
3 time to review it with your attorney?

4 THE DEFENDANT: Yes, Your Honor.

5 THE COURT: And to the extent you had any questions
6 about that agreement, were those questions answered to your
7 satisfaction?

8 THE DEFENDANT: Yes, Your Honor.

9 THE COURT: Mr. Dahlberg, did you have, in your
10 opinion, sufficient time to review the agreement with your
11 client?

12 MR. DAHLBERG: Yes, we did, Your Honor.

13 THE COURT: Mr. Tadrus, do you have any questions
14 for me about the agreement?

15 THE DEFENDANT: No, Your Honor.

16 THE COURT: And does that agreement, the plea
17 agreement that I marked as Court's Exhibit 1, represent in its
18 entirety, any understanding that you have with the Government?

19 In other words, other than that agreement, there are
20 no other, either written or oral side agreements; is that
21 correct?

22 THE DEFENDANT: Yes, Your Honor.

23 THE COURT: Has anyone made any promise or assurance
24 to you that is not in the agreement to persuade you to accept
25 the agreement?

1 THE DEFENDANT: No, Your Honor.

2 THE COURT: And has anyone threatened you in any way
3 to persuade you to accept the agreement?

4 THE DEFENDANT: No, Your Honor.

5 THE COURT: Mr. Dahlberg, were all formal plea
6 offers from the Government conveyed to your client?

7 MR. DAHLBERG: Yes, Your Honor.

8 THE COURT: All right.

9 Mr. Tadrus, I'm now going to tell you about some of
10 the possible penalties for the crime to which you'll be
11 pleading guilty to.

12 So the charge you intend to plead guilty to in Count
13 Three which has been referred to as investment advisor fraud,
14 has no minimum, mandatory minimum term of imprisonment.
15 Likewise, has no mandatory sentence whatsoever, but does have
16 a maximum possible term of imprisonment of five years.

17 Do you understand that?

18 THE DEFENDANT: Yes, Your Honor.

19 THE COURT: And any term of imprisonment related to
20 the charge to which you intend to plead guilty may be followed
21 by a term of supervised release.

22 Do you understand that?

23 THE DEFENDANT: Yes, Your Honor.

24 THE COURT: And the maximum term of supervised
25 release for Count Three is one year.

1 Do you understand that?

2 THE DEFENDANT: Yes, Your Honor.

3 THE COURT: Now, what "supervised release" means is
4 that you'll be under the supervision of the probation
5 department which means you'll have to follow certain
6 conditions of supervision and if you violate those conditions
7 of supervision, and if I find that you did violate those
8 conditions, that could result in additional prison time for
9 you, in addition to any other prison time that you got as a
10 result of the crime that you're pleading guilty to.

11 Do you understand that?

12 THE DEFENDANT: Yes, Your Honor.

13 THE COURT: Now, for Count Three, you also face a
14 possible fine of \$250,000 or twice the gross gain or loss from
15 the offense.

16 Do you understand that?

17 THE DEFENDANT: Yes, Your Honor.

18 THE COURT: And in addition, because you're pleading
19 guilty to one count, I'm obligated to impose what's known as a
20 special assessment of \$100.

21 Do you understand that?

22 THE DEFENDANT: Yes, Your Honor.

23 THE COURT: You will also be required to pay
24 restitution in the full amount of each victim's losses as
25 those are determined by me.

1 Do you understand that?

2 THE DEFENDANT: Yes, Your Honor.

3 THE COURT: Let me ask the parties.

4 Is there any agreement on restitution that is not
5 covered in the -- because I didn't see any in the plea
6 agreement.

7 MR. ENRIGHT: Nothing other than what's set forth in
8 paragraph six, Your Honor, which speaks to, as Your Honor
9 knows, the parallel SEC case before Judge Block. The SEC
10 wanted -- got a TRO, froze investment funds of approximately
11 \$3.2 million, and what paragraph six states is that those
12 funds, once the SEC's case is resolved, will be used to, at
13 least partially satisfy the defendant's restitution
14 obligations.

15 THE COURT: Mr. Tadrus, do you understand that the
16 plea agreement has that provision as Mr. Enright just
17 described?

18 THE DEFENDANT: Yes, Your Honor.

19 THE COURT: I also see from the plea agreement, that
20 in addition to the possible sentence that I could impose that
21 you're also subject to potential debarment and other issues.

22 Mr. Enright, if you could explain the other
23 potential penalties that the defendant may face from -- with
24 respect to any SEC action.

25 MR. ENRIGHT: Yes, Your Honor.

1 Upon final judgment in the SEC action, the SEC has
2 administrative abilities to bar Mr. Tadrus from acting as a
3 registered representative of a broker dealer or as a
4 representative of an investment advisor, participation in a
5 penny stock offering. Those are the sorts of collateral
6 consequences that the SEC refers to as an industry bar. And
7 that's something that they can seek administratively upon
8 either conviction here or the entry of the final judgment in
9 their case.

10 THE COURT: Mr. Tadrus, do you understand that as a
11 result of the conviction in this case, you could face these
12 other civil penalties, including some form of debarment, as
13 well as monetary penalties such as disgorgement and civil
14 penalties?

15 Do you understand that?

16 THE DEFENDANT: Yes, Your Honor.

17 THE COURT: Now, I mentioned briefly at the
18 beginning of today's proceeding and asked your attorney
19 whether you had had an opportunity to discuss with him the
20 advisory sentencing guidelines, and I'm going to go through
21 that now.

22 So under the various sentencing statutes, when I
23 impose a sentence on you, I will have to consider the
24 sentencing guidelines. Now, while those sentencing guidelines
25 are not mandatory, they are -- in other words, they're

1 advisory. They are one of the factors that I do need to
2 consider in determining what the appropriate sentence for you
3 is under the federal sentencing statute, which is known as
4 Section 3553(a).

5 Have you and your attorney discussed how the
6 advisory sentencing guidelines might affect your sentence in
7 this case and how they might apply to you?

8 THE DEFENDANT: Yes, your Honor.

9 THE COURT: Now, Mr. Enright, based on my review of
10 the plea agreement, I understand that the Government believes
11 that the applicable guideline range for this charge is 97 to
12 121 months after adjustments; is that correct?

13 MR. ENRIGHT: That's correct, Your Honor.

14 THE COURT: All right. And Mr. Dahlberg, do you
15 have any different view of what the guidelines are?

16 MR. DAHLBERG: We do, Your Honor.

17 We intend to make arguments that a lower guidelines
18 range applies, and for that reason, we did not -- the plea
19 agreement does not contain a stipulation as to the appropriate
20 guideline range.

21 THE COURT: All right. So I do have -- so I just
22 want to make sure. So there is no -- you're not stipulating
23 to any of the various adjustments in the plea agreement? I
24 just want to make sure I understand what the agreement is.

25 MR. DAHLBERG: No. We're not stipulating to any

1 part of the guideline calculation. I don't expect that we're
2 going to contest every single adjustment. But I do, for
3 example, expect we may contest the amount of the loss, and,
4 potentially, as well the sophisticated means enhancement.

5 THE COURT: All right. And the one thing I did
6 notice, Mr. Enright, is that the base offense level was set at
7 seven. And just looking at 2B1.1, given that the maximum
8 penalty here is a five -- I mean, the maximum term of
9 imprisonment here is five years, wouldn't the base offense
10 level of six be the appropriate base offense level here?

11 MR. ENRIGHT: You're correct, Your Honor. That's an
12 error.

13 MR. DAHLBERG: That's correct, Your Honor.

14 THE COURT: All right. So that'll be one less thing
15 we have to deal with at sentencing.

16 So for example, I just want to be clear, there's
17 been no agreement with respect to whether the defendant is
18 eligible for the Zero-Point Offender?

19 MR. DAHLBERG: No. I don't believe we have an
20 agreement on that. No, your Honor.

21 THE COURT: So again, to be clear, there are no
22 stipulations about whether the defendant's offense resulted in
23 substantial financial hardship to any of the individual
24 victims which would be one of the carve-outs for the
25 Zero-Point Offender?

1 MR. DAHLBERG: That's correct. We don't have an
2 agreement as to whether he qualifies for Zero-Point Offender.
3 There is one -- I think the reason is he may receive one
4 criminal history point, as it is. I think we're waiting for
5 the presentence report to tell us for sure.

6 THE COURT: Okay. Very good. All right. So we'll
7 deal with that, obviously, at the time of sentencing.

8 Regardless of what the ultimate sentencing guideline
9 calculation is, I determine at the time of your sentencing, at
10 least from the plea agreement, the plea agreement has a
11 calculation that now, with at least that one adjustment that
12 the Government agreed to, your offense level, after acceptance
13 of responsibility instead of being level 30, 97 to 121, is now
14 level 29, or 87 to 108 months, at least as the Government has
15 indicated in the agreement.

16 If that was the ultimate sentence, sentencing
17 guideline that I concluded was appropriate, the effective or
18 the restricted guideline for you would actually be just
19 60 months, and that's because your sentence, the maximum
20 sentence on your offense is five years.

21 Do you understand that?

22 THE DEFENDANT: Yes, Your Honor.

23 THE COURT: Anything else about the guideline
24 calculation and how the maximum sentence, if the guidelines
25 turn out to be higher than 60 months, would be affected in

1 this case, Mr. Enright?

2 MR. ENRIGHT: No. The Government agrees with Your
3 Honor that it would be capped at 60 months.

4 THE COURT: All right. Anything else in terms of
5 guideline calculations? And I understand, Mr. Dahlberg,
6 you're keeping it all open for sentencing.

7 MR. DAHLBERG: Just that we would ask that at the
8 end of the proceeding, if we can mark the change, the
9 correction that Your Honor caught about the base offense level
10 and the resulting total offense level and the Government's
11 calculation. If we could --

12 THE COURT: I'll allow -- sorry to interrupt you.
13 I'll allow -- obviously, we have it on the record. But the
14 parties can initial and make that correction. And unless
15 there's an issue, since the Government is keeping custody of
16 Court Exhibit 1, I don't need to see that again.

17 MR. ENRIGHT: The Government doesn't have any
18 objection to doing that, Judge.

19 THE COURT: Okay. All right. So Mr. Tadrus, what
20 you should understand is that any estimate of the guidelines
21 could be wrong. I won't be able to determine the advisory
22 guideline range for your case until after the presentence
23 report has been prepared by the probation department and both
24 you, your attorney, and the Government, have had an
25 opportunity to read that and make whatever comment or

1 objection they have to the probation department's calculation.

2 Do you understand that?

3 THE DEFENDANT: Yes, Your Honor.

4 THE COURT: Do you understand that the sentence I
5 impose may be different from any estimate that either you or
6 the Government may have given -- either that your attorney or
7 the Government may have given you?

8 Do you understand that?

9 THE DEFENDANT: Yes, Your Honor.

10 THE COURT: So as a general matter, I have the
11 authority in some circumstances to either depart upward or
12 downward from the advisory guideline range and that could
13 result in a sentence that is either greater or lesser than the
14 advisory guidelines, and obviously cabined by whatever the
15 maximum sentence is that you pled guilty to.

16 As you sit here today, therefore, what you need to
17 understand is that there's no guarantee to a particular
18 sentencing guideline range.

19 Do you understand that?

20 THE DEFENDANT: Yes, Your Honor.

21 THE COURT: And do you understand that if the
22 advisory guideline range in the presentence report is
23 different from the guideline range that either your attorney
24 may have advised you about or that you might expect, that you
25 will not be able to take back your plea?

1 THE DEFENDANT: Yes, Your Honor.

2 THE COURT: So if the ultimate sentence I impose is
3 different than what you hope for or expect, you will not be
4 able to take back your plea, and as you sit here today,
5 there's no way for you to know what your ultimate sentence
6 will be because I have not begun to analyze what the proper
7 sentence in your case is.

8 Do you understand that?

9 THE DEFENDANT: Yes, Your Honor.

10 THE COURT: You should also understand that there's
11 no longer parole in the federal system, which means that
12 whatever sentence of imprisonment, if you get a sentence of
13 imprisonment, will not be terminated early as a result of
14 parole.

15 Do you understand that?

16 THE DEFENDANT: Yes, Your Honor.

17 THE COURT: You should also understand that under
18 some circumstances, you or the Government may have the right
19 to appeal any sentence that I impose. But I see in paragraph
20 four of your plea agreement that you've agreed to what's known
21 as an appeal waiver.

22 So what I need you to understand is that by entering
23 into this plea agreement and entering a plea of guilty, you
24 will have waived or given up your right to appeal or
25 collaterally attack, which means to challenge in a way other

1 than through an appeal, any part of your sentence or
2 conviction, so long as I sentence you to a period of
3 imprisonment of 60 months or less.

4 Do you understand that you've agreed to that appeal
5 waiver?

6 THE DEFENDANT: Yes, Your Honor.

7 THE COURT: Do you have any questions for me about
8 the rights you're giving up, the punishments you might face,
9 the plea agreement, the nature of the charges, or anything
10 else related to this matter?

11 THE DEFENDANT: No, Your Honor.

12 THE COURT: And are you ready to plead guilty at
13 this time, Mr. Tadrus?

14 THE DEFENDANT: Yes, Your Honor.

15 THE COURT: And Mr. Dahlberg, do you know of any
16 reason why your client should not plead guilty at this time?

17 MR. DAHLBERG: No, Your Honor.

18 THE COURT: And Mr. Tadrus, what is your plea to
19 Count Three of the indictment, the investment advisor fraud
20 count; guilty or not guilty?

21 THE DEFENDANT: Guilty, Your Honor.

22 THE COURT: And are you making the plea of guilty
23 voluntarily and of your own free will?

24 THE DEFENDANT: Yes, Your Honor.

25 THE COURT: And has anyone threatened or forced you

1 to plead guilty?

2 THE DEFENDANT: No, Your Honor.

3 THE COURT: And other than the plea agreement with
4 the Government, has anyone made any promise that caused you to
5 plead guilty?

6 THE DEFENDANT: No, Your Honor.

7 THE COURT: Has anyone made any promise to you as to
8 what your sentence will be?

9 THE DEFENDANT: No, Your Honor.

10 THE COURT: All right. So at this time, what I need
11 is for you to tell me, in your own words, what it is that you
12 did that makes you guilty of the charges in Count Three.

13 And before you begin am I correct that I see that
14 you'll be reading a prepared statement?

15 THE DEFENDANT: Yes, Your Honor.

16 THE COURT: And did you have an opportunity to
17 discuss that statement with your attorney?

18 THE DEFENDANT: Yes, Your Honor.

19 THE COURT: And regardless of who had the main role
20 in drafting or preparing this statement, are you adopting that
21 prepared statement as if you had written it all on your own?

22 THE DEFENDANT: Yes, Your Honor.

23 THE COURT: And to the extent, you had any questions
24 about that statement, did your attorney answer those questions
25 to your satisfaction?

1 THE DEFENDANT: Yes, Your Honor.

2 THE COURT: All right. So at this time, if you can
3 read that statement, but read it slowly because we all have a
4 tendency to speak more quickly when we read, and I want to
5 make sure that the reporter gets down exactly what you stated.

6 THE DEFENDANT: Yes, Your Honor.

7 Between September 2020 and July 2023, I was an
8 investment advisor at Tadrus Capital, LLC. To attract and
9 retain investors --

10 THE COURT: Can you slow down. Just go back.

11 So you were an investment advisor at Tadrus.

12 THE DEFENDANT: I was an investment advisor at
13 Tadrus Capital, LLC. To attract and retain investors, I took
14 actions that were deceptive. I did so willingly and with
15 intent to defraud. I did so using the internet.

16 THE COURT: You did so using?

17 THE DEFENDANT: Using the internet.

18 (Whereupon, a portion of the proceedings was read
19 back.)

20 THE COURT: When you say you took actions that were
21 deceptive, what kind of actions did you take? Just give me an
22 example.

23 MR. DAHLBERG: Just a moment, Your Honor.

24 THE COURT: Yup.

25 MR. DAHLBERG: Thank you.

1 (Pause in the proceedings.)

2 THE DEFENDANT: I shared information with investors
3 that my funds had certain performances that weren't true.

4 THE COURT: Certain economic performance or
5 financial performance that wasn't true?

6 THE DEFENDANT: Yes, Your Honor.

7 THE COURT: All right. Mr. Enright, do you believe
8 that there is any additional element or an element that the
9 defendant needs to allocute to satisfy the elements of Count
10 Three?

11 MR. ENRIGHT: I would make a proffer to Your Honor
12 as to venue.

13 When the defendant created Tadrus Capital, LLC, he
14 resided in the Eastern District of New York in Brooklyn. From
15 there, he solicited investments from individuals who also
16 lived in the Eastern District of New York, some in Staten
17 Island, some in Brooklyn.

18 THE COURT: All right. Mr. Tadrus, you've heard
19 Mr. Enright describe what lawyers refer to as venue.

20 Is it correct that at least some portion of the
21 fraud that you engaged in occurred while either you were
22 residing in Brooklyn or some of the individuals, clients that
23 you were contacting were residing in Brooklyn; is that true?

24 THE DEFENDANT: Yes, Your Honor.

25 THE COURT: Anything else with respect to his

1 allocation? because then I'll ask you what else the Government
2 would be able to proffer.

3 MR. ENRIGHT: I don't think so, Your Honor.

4 THE COURT: All right. So what else would the
5 Government be able to demonstrate, if necessary, at trial,
6 Mr. Enright?

7 MR. ENRIGHT: The Government would prove beyond a
8 reasonable doubt, Your Honor, that the defendant not as a
9 registered investment advisor with the SEC but as an
10 unregistered investment advisor, that is for consideration, he
11 advised his prospective investors and actual investors as to
12 the merits of investing in Tadrus Capital, LLC, his trading
13 strategies, et cetera.

14 As to the second element of the fraud that he
15 perpetrated on his investors, among other things, he
16 misrepresented to investors how the proceeds of their
17 investments would be used, he misrepresented the fact that he
18 was employing various trading strategies when in reality, he
19 was not trading investor's money at all, that he did so with
20 intent and he did so willfully, as evidenced by the absence of
21 trading, the use of investor funds to pay himself and
22 employees, his failure to open up brokerage accounts, to do
23 trading of any kind.

24 And as to interstate means, Judge, we would enter
25 into evidence voluminous records showing that he communicated

1 with investors by phone, by e-mail, by various text messaging
2 applications, that he received moneys that were wired into
3 bank accounts that you controlled, and that traveled across
4 state lines.

5 THE COURT: All right. Mr. Dahlberg, do you have
6 any -- do you believe that any additional allocution from your
7 client is required to satisfy the elements of Count Three?

8 MR. DAHLBERG: No, Your Honor.

9 THE COURT: All right. Anything else, Mr. Enright,
10 that you believe is necessary?

11 MR. ENRIGHT: No, Your Honor.

12 THE COURT: All right. So based on the information
13 given to me, as well as my observations of Mr. Tadrus here in
14 court today, and his demeanor and the representations of
15 counsel, I find that Mr. Tadrus is first fully competent and
16 capable of entering an informed plea, that he is aware of the
17 nature of the charges and the consequences of his guilty plea,
18 and that his plea of guilty is a knowing and voluntary plea,
19 and is supported by an independent basis in fact containing
20 the essential elements of the offense. I therefore accept the
21 defendant's plea of guilty to Count Three of the indictment.

22 Now, Mr. Tadrus, what will happen next is that a
23 written presentence report will be prepared by the probation
24 department. As part of that report, probation will ask to
25 interview you. You have the right to decline to be

1 interviewed. But if you do decide to be interviewed by the
2 probation department, obviously, your attorney will be present
3 for that interview.

4 Once the probation department prepares its
5 presentence report, you'll have an opportunity, with your
6 attorney, to review that presentence report and to lodge any
7 objections to any portion of that presentence report, as will
8 the Government. You will also have a right, in addition to
9 lodging any objections to the presentence report, with the
10 help of your attorney to submit whatever sentencing materials
11 you believe are relevant to my decision in terms of
12 determining your sentence, but that is all something that you
13 will go through with your attorney once the probation
14 department prepares its report.

15 Mr. Neptune, do we have a date?

16 THE COURTROOM DEPUTY: Yes. May 14th.

17 THE COURT: All right. So at this time, I'm not
18 setting a sentencing date. What I'm going to do is set a date
19 by which the probation department will release its presentence
20 report. After that, the report is issued, then Mr. Neptune
21 will reach out to the parties to schedule the sentencing date
22 and we'll work off of that sentencing date in terms of the
23 date for the submission of any sentencing materials.

24 What I do ask the parties, though, because I want to
25 sort of nip it in the bud, is I've just been seeing issues

1 with scheduling interviews causing delay and not by either of
2 the attorneys here, but just in general, causing a delay of
3 the issuance of the presentence report as well as delay on the
4 part of the Government in submitting necessary information to
5 the probation department.

6 So what I'm going to ask the parties is, if 30 days
7 from today -- so by March 13th, if the parties could just
8 submit a brief joint letter just indicating to me, one, from
9 the defendant's side, whether the defendant's interview has
10 either occurred already or has been scheduled, and if it
11 hasn't been scheduled, why it hasn't been scheduled; and from
12 the Government, just a very brief statement about whether the
13 Government has shared all necessary evidence and information
14 that they believe probation should have for preparation of its
15 report. So that if the parties can just submit that jointly,
16 by March 13th.

17 Any questions about that?

18 MR. ENRIGHT: No, Your Honor.

19 THE COURT: All right. Mr. Dahlberg?

20 MR. DAHLBERG: No, Your Honor.

21 THE COURT: All right.

22 Mr. Tadrus, I remind you that pending your sentence,
23 you're still under the same bond conditions as you've been.
24 So you need to continue, obviously, to comply with those. I
25 haven't heard any reports of your violating those terms, but I

1 just want to remind you it's critical that you continue to
2 comply with those because if there are any violations of those
3 terms, that certainly will play a role in how I view what an
4 appropriate sentence for you will be. All right.

5 Anything else while you have me, Mr. Enright?

6 MR. ENRIGHT: No, Your Honor.

7 THE COURT: Mr. Dahlberg?

8 MR. DAHLBERG: No, Your Honor.

9 THE COURT: All right. Thank you, everyone. We're
10 adjourned. Thank you.

11
12 (Whereupon, the matter was concluded.)

13 * * * * *

14
15
16 I certify that the foregoing is a correct transcript from the
17 record of proceedings in the above-entitled matter.

18 s/ Avery N. Armstrong

July 31, 2025

19 AVERY N. ARMSTRONG

DATE