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11 Attorneys for Plaintiff  
 United States of America

12 UNITED STATES DISTRICT COURT  
 13 FOR THE CENTRAL DISTRICT OF CALIFORNIA  
 14

15	UNITED STATES OF AMERICA,	)	No. CR 06-776(A)-JFW
		)	
16	Plaintiff,	)	<b>FACTUAL STATEMENT RE: GUILTY PLEA</b>
		)	<b>OF STEVEN G. COOPERMAN</b>
17	v.	)	
		)	Hearing Date: July 10, 2007
18	STEVEN G. COOPERMAN,	)	Hearing Time: 9:00 a.m.
		)	Hearing Place: Courtroom of the
19	Defendant.	)	Hon. John F. Walter
		)	

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1 Plaintiff, the United States of America, hereby files with  
2 the Court the attached statement of facts that the government  
3 intends to proffer as the factual basis for the expected guilty  
4 plea of defendant Steven G. Cooperman to the one-count  
5 information filed in this matter on January 31, 2007.

6  
7 DATED: July 9, 2007

Respectfully submitted,

8 GEORGE S. CARDONA  
9 United States Attorney

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12 Chief, Criminal Division

13           /s/ Douglas A. Axel            
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20 UNITED STATES OF AMERICA  
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1 United States v. Steven G. Cooperman, CR 06-776(A)-JFW

2 **FACTUAL BASIS FOR GUILTY PLEA**

3  
4 Between in or about 1988 and continuing until at least 1999,  
5 defendant Steven G. Cooperman ("COOPERMAN") and certain of his  
6 relatives and associates served as named plaintiffs in  
7 approximately seventy class actions and shareholder derivative  
8 actions brought by the Milberg Weiss law firm in federal and  
9 state courts throughout the United States, including in the  
10 Central District of California. Among COOPERMAN's associates who  
11 served as named plaintiffs for Milberg Weiss were the individuals  
12 referred to in the Information in this case as "Cooperman  
13 Plaintiff 1" and "Cooperman Plaintiff 2."

14  
15 Beginning in or about 1988, and continuing through  
16 approximately 1997, COOPERMAN had an arrangement with  
17 Milberg Weiss and certain of its lawyers, including David J.  
18 Bershad ("Bershad") and those referred to in the Information in  
19 this case as "Partner A" and "Partner B," by which Milberg Weiss  
20 would pay to COOPERMAN a substantial amount of the attorneys'  
21 fees Milberg Weiss obtained in the lawsuits in which COOPERMAN or  
22 one of his associates or relatives served as a named plaintiff,  
23 as well as other lawsuits in which COOPERMAN provided information  
24 for use by Milberg Weiss. Based on his numerous communications  
25 with Steven Schulman, Cooperman believed that Schulman also was  
26 aware of this arrangement.

27

28

1 COOPERMAN shared with Cooperman Plaintiff 1 and Cooperman  
2 Plaintiff 2 payments he received in connection with lawsuits in  
3 which these individuals served as a named plaintiff. Pursuant to  
4 this arrangement, Milberg Weiss made a total of more than  
5 approximately \$6.1 million in payments for the benefit of  
6 COOPERMAN, Cooperman Plaintiff 1, and Cooperman Plaintiff 2.

7  
8 COOPERMAN understood that his payment arrangement with  
9 Milberg Weiss, and the payments themselves, had to be kept secret  
10 from the courts presiding over the lawsuits in which COOPERMAN  
11 and his relatives and associates served as named plaintiffs.  
12 COOPERMAN understood that Bershada, Partner A, Partner B, and  
13 others at Milberg Weiss also intended that COOPERMAN's payment  
14 arrangement with Milberg Weiss be kept secret from the courts.  
15 COOPERMAN understood that, if a court learned about his payment  
16 arrangement with Milberg Weiss, it could affect the court's  
17 decisions: to certify the case as a class action and/or  
18 shareholder derivative action; to approve COOPERMAN as a  
19 representative plaintiff; to approve Milberg Weiss as class  
20 counsel; and concerning the award of attorneys' fees to  
21 Milberg Weiss.

22  
23 Milberg Weiss, Bershada, Partner A, and Partner B concealed  
24 the payments to Cooperman in several ways:

25  
26 Between in or about January 1989 and February 1991,  
27 Milberg Weiss made payments paid to COOPERMAN and Cooperman  
28 Plaintiff 1 of at least \$175,000 for serving as named plaintiffs

1 in the shareholder derivative action brought by Milberg Weiss  
2 referred to as Newhall Land. These payments were made to  
3 COOPERMAN through a combination of a phony art option payment by  
4 Partner A to COOPERMAN and phony "retainer" payments by  
5 Milberg Weiss that Bershada provided to COOPERMAN's then brother-  
6 in-law (referred to in the Information as "Cooperman Brother-in-  
7 Law B").

8  
9 Milberg Weiss also made payments to COOPERMAN and Cooperman  
10 Plaintiff 1 valued at \$86,000 in connection with five additional  
11 Milberg Weiss cases that settled prior to 1991, which were paid  
12 to COOPERMAN through a combination of a \$16,000 cash payment  
13 delivered by Partner B directly to COOPERMAN; a bogus  
14 "consultation" fee that Partner B and Bershada caused  
15 Milberg Weiss to pay to James Tierney, a lawyer selected by  
16 Cooperman; and bogus "retainer" payments by Milberg Weiss that  
17 Bershada provided to Cooperman Brother-in-Law B.

18  
19 The remaining payments were made by Milberg Weiss checks to  
20 Tierney and to the lawyer Richard Purtich or one of his  
21 associated law firms, who was also selected by COOPERMAN to  
22 receive these Milberg Weiss payments. These payments were  
23 disguised as fees to these lawyers, purportedly for referring  
24 COOPERMAN to Milberg Weiss or for work and responsibility Purtich  
25 and Tierney assumed in the class action and/or shareholder  
26 derivative lawsuits. In fact, Purtich and Tierney neither  
27 referred COOPERMAN to Milberg Weiss nor assumed any work or  
28 responsibility in the Milberg Weiss lawsuits. Using Milberg

1 Weiss moneys, Purtich and Tierney made several payments directly  
2 to Cooperman. Additionally, Purtich used Milberg Weiss moneys to  
3 satisfy legal fees or expenses that COOPERMAN owed or would owe  
4 to Purtich and his associated law firms. COOPERMAN also agreed  
5 with Tierney that Tierney could keep some of the Milberg Weiss  
6 moneys to compensate Tierney for staging a phony "theft" of two  
7 paintings then owned by COOPERMAN.

8  
9 Pursuant to his arrangement with Milberg Weiss, COOPERMAN  
10 knowingly made several false statements under oath in connection  
11 with the class actions and/or shareholder derivative actions in  
12 which he served as a named plaintiff. These false statements  
13 were designed to conceal: COOPERMAN's payment arrangement with  
14 Milberg Weiss; the fact that COOPERMAN had received payments from  
15 Milberg Weiss in the past; and that COOPERMAN at times purchased  
16 stock in the company being sued in order to position himself and  
17 Milberg Weiss to file a lawsuit against the company. Among the  
18 false statements made by COOPERMAN in furtherance of his  
19 arrangement with Milberg Weiss and certain of its lawyers were  
20 the following:

21  
22 1. On or about February 28, 1990, COOPERMAN subscribed  
23 under penalty of perjury to interrogatory responses in Columbia  
24 Savings & Loan, No. CV 89-6538 (United States District Court,  
25 Central District of California), in which, among other things, he  
26 falsely stated in response to a question whether he had any  
27 "agreement, arrangement, expectation, intention, or understanding  
28 . . . with respect to receiving any payment or consideration

1 different from the payment or consideration that may be received  
2 by other members of the putative class as a result of this  
3 litigation" the following: "I will not be treated differently  
4 than any other class member regarding any recovery."

5  
6 2. On or about July 17, 1990, in an under oath deposition  
7 in Fairfield Communities, No. C-90-464 (United States District  
8 Court, Eastern District of Arkansas), COOPERMAN falsely denied  
9 that he had received any benefit in connection with Newhall Land  
10 other than those paid to all shareholders.

11  
12  
13 3. On or about September 13, 1990, COOPERMAN subscribed,  
14 under penalty of perjury, to an affidavit in the lawsuit One  
15 Bancorp, Civil No. 89-0315 (United States District Court,  
16 District of Maine), in which he falsely stated that: (a) he did  
17 not recall the exact circumstances of his purchase of One Bancorp  
18 stock but he believed at the time of his purchase that it  
19 represented a good value; and (b) he decided to contact  
20 Milberg Weiss after the price of One Bancorp stock dropped  
21 precipitously and adverse information was disclosed. In fact,  
22 COOPERMAN purchased 50 shares of One Bancorp stock on or about  
23 August 22, 1989, believing that its price would drop and hoping  
24 to position himself and Milberg Weiss to file a lawsuit  
25 concerning One Bancorp. On or about that same day, COOPERMAN sent  
26 a letter to Partner B and Milberg Weiss partner Steven Schulman  
27 that referenced One Bancorp, stating, "I believe this company  
28 will be bankrupt within a few months. They just suspended

1 dividend, and announced \$10M quarterly loss. Let's watch for a  
2 few weeks before filing, as the stock is selling for  
3 approximately what I paid (\$5+) but will be a lot less soon.  
4 Clearly poor management Steve."

5  
6 4. On or about November 16, 1990, in his under oath  
7 deposition as a plaintiff in Valley National, No. Civ. 89-1733  
8 (United States District Court, District of Arizona), COOPERMAN  
9 falsely denied that he had received any payment for serving as a  
10 plaintiff in the Newhall Land action, and concealed his  
11 expectation that Milberg Weiss would pay him for being a class  
12 representative in Valley National.

13  
14 5. On or about November 29, 1990, COOPERMAN subscribed  
15 under penalty of perjury to Answers to Interrogatories in  
16 Fairfield Communities, falsely stating, among other things, that  
17 COOPERMAN had "at no time received any bonus or incentive payment  
18 as a result of being named as a plaintiff in any class or  
19 derivative actions."

20  
21 6. On or about March 22, 1991, in an under oath deposition  
22 in Jan Bell Marketing, No. CV 90-6183 (United States District  
23 Court, Southern District of Florida), defendant COOPERMAN falsely  
24 testified, among other things, that in other lawsuits in which he  
25 had been a named plaintiff for Milberg Weiss he had never  
26 received any money other than his shareholder portion of the  
27 settlements, and that "whatever the court awards as compensation  
28 or a judgment," he would "collect [his] share based on how much



1 stock [he] bought.”

2  
3 7. On or about November 6, 1996, COOPERMAN signed under  
4 penalty of perjury a certification to be filed with the district  
5 court in the Lawsuit Steven Cooperman v. Individual, Inc., et  
6 al., 96-CV-12272, (United States District Court, District of  
7 Maine), in which COOPERMAN falsely stated that he would “not  
8 accept any payment for serving as a representative party on  
9 behalf of a class beyond plaintiff’s pro rata share of any  
10 recovery, except such reasonable costs and expenses (including  
11 lost wages) directly relating to the representation of the Class  
12 as ordered or approved by the Court.”