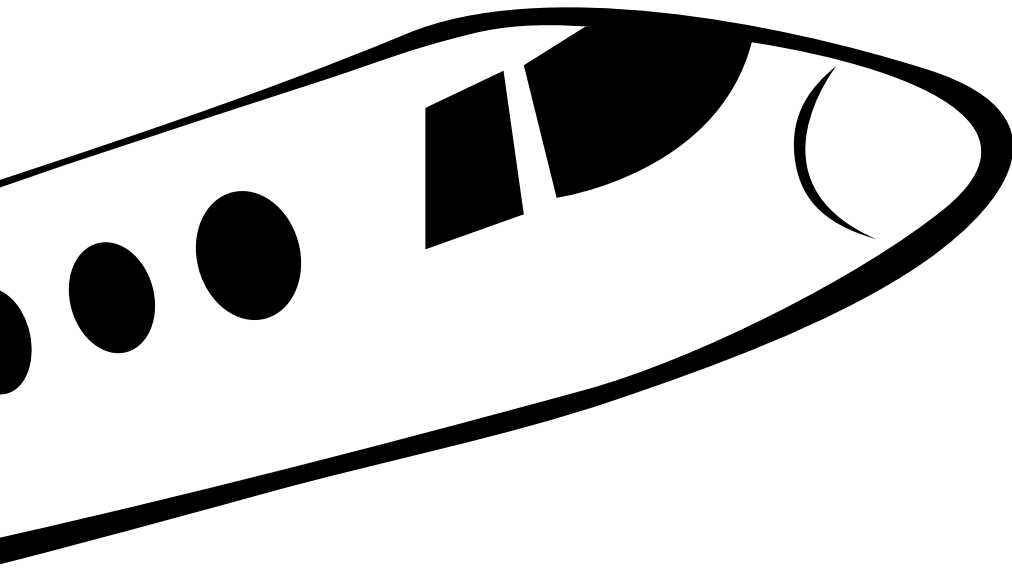


# ***ALL THE TRAPPINGS OF SUCCESS***

Brian Willingham



Samuel “Mouli” Cohen had all the trappings of success — a personal chef, a chauffeur, bodyguards, vast wealth, an Aston Martin and a Rolls Royce, a multimillion-dollar mansion overlooking San Francisco Bay, and private jets.

He reportedly had generated more than “\$3 billion in shareholder value” and was awarded the first-ever “millionaire residency” with full citizenship status by President George Bush. Cohen boasted about his vast collection of art by Matisse, Calder, and other famous artists. Some of the collection, he told investors, was in the National Gallery of Art.

All of this projected an image of prosperity and respectability. Cohen’s golden ticket, however, was “inside” information about a deal that could make a select few enormously wealthy. He convinced more than 60 investors, including his father-in-law and the person Cohen called the “brother [I] never had,” to invest more than \$30 million in a “once in a lifetime” opportunity. Cohen claimed that his company Ecast was about to be acquired by Microsoft and that once the deal was completed, Ecast shares would be exchanged 1-for-1 for Microsoft shares of stock, netting investors huge gains.

But it was all a lie.

The vast wealth, the private jets, Ecast’s acquisition by Microsoft, the “millionaire residency” status, the art collection, the automobiles, Cohen successful business ventures — all of it was a lie.

In November 2011, after a three-week trial, a jury found Cohen guilty on 29 of 35 counts, including 15 counts of wire fraud, 11 counts of money laundering, and three counts of tax evasion. Cohen had stolen at least \$30 million from investors and was sentenced to 22 years in prison.

How did he do it?

The government contends that Cohen created an “elaborate charade.” He seduced investors into giving him tens of millions of dollars, with which he proceeded to live a life of opulence.

Cohen perpetrated the charade for years. To bankers, he presented documents showing that he had \$100 million in assets. Investors were told that he had sold one of his companies to Teva Pharmaceuticals and another to Johnson & Johnson. Still others were told that he had sold a fabric company. None of it was true.

He boasted that he owned at least two jets, one of which he loaned to Hollywood stars such as Simon Cowell. He even lied to his wife about owning a jet, reportedly going “to absurd lengths” to hide the fact that the plane was rented by “having the private jet rental crew clean out all evidence of it being a rented jet and filling the cabin with ‘Cohen’ china and ‘M&S’ decals before every flight.” The government contends that, in total, he spent \$6 million of investors’ money just on private jet rentals.

Not only did he steal from investors and lie to his wife, he “callously stole the life savings of his father-in-law.” Cohen’s father-in-law, who had given Cohen millions of dollars, wrote in a holiday card to his daughter, “All I want for Christmas is for Mouli to replace my IRAs.”

Cohen wine and dined investors at a \$10 million home in Belvedere, California, which overlooks the San Francisco Bay in Marin County, that he claimed was his. But it wasn’t. He had rented the house from the founder of Desktop.com — first at \$15,000 per month and then at \$35,000 per month. He later moved to a 9,000-square-foot home in Bel Air, California, for which he paid \$50,000 a month. He told the owners that he was remodeling his own mansion in Beverly Hills (yet another lie, according to the government). In total, Cohen spent more than \$1.4 million in rent.

Cohen’s “millionaire residency” status? A complete figment of Cohen’s imagination. One telling sign about his fake “millionaire residency” status was that Cohen reportedly received the designation from “George H. Bush”. We all know about President George H. W. Bush and his son, President George W. Bush, but who exactly is George H. Bush?



**Paul Moore**

Samuel "Mouli" Cohen in his Californian home, 2005

For those investors who might decide to Google him, Cohen posted various photographs of himself living the good life on yachts, beautiful beaches, and ski vacations, all to project an image meant to ensnare potential investors. He posted YouTube videos sharing his thoughts on philanthropy, the importance of art, and his "Secret Sauce" for success to support this elaborate portrayal of himself as a successful, wealthy, and philanthropic entrepreneur.

What about the \$3 billion in shareholder wealth that he supposedly created? It certainly didn't come from his previous venture, Playnet Technologies, which filed for bankruptcy in June 1998 (after generating less than \$1 million in revenue over seven years).

And Cohen's vast art collection? He paid "a few thousand dollars" to "reproduce" the paintings that he told investors were "worth hundreds of thousands or millions of dollars."

Including the \$6 million he spent on private jets, the government asserts that Cohen spent \$2.1 million on jewelry (including a 25-carat diamond ring for his wife), \$580,000 on a Rolls Royce and an Aston Martin, \$350,000 for his personal chef, \$150,000 on a personal driver.

In April 2012, U.S. District Judge Charles Breyer sentenced Cohen to 22 years in prison, describing him as "nearly sociopathic" and ordering him to pay more than \$30 million to investors.

The American justice system has put Cohen away, but that is hardly justice. Cohen left a train wreck that devastated many. The Vanguard Public Foundation, a 30-year-old nonprofit that had made \$30 million in grants over the years, had invested with Cohen and had to shut its doors because of the losses. Investors were forced to sell their homes. Cohen's father-in-law lost everything and then passed away.

Even if the government manages to collect whatever may be left of the fortune that Cohen stole, investors might receive only a fraction of what they gave him.

Has justice really been served? According to the legal system, yes it has. But putting Cohen behind bars for the next 22 years will never be enough to ease the anger and despair of those he swindled or to atone for the millions wasted to support Cohen's lavish lifestyle and phenomenal greed.

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**DINING WITH THE DEVIL**

A few years ago, I was asked by a friend of mine to the weirdest dinner ever. He explained that he was working under contract for a billionaire, Mouli Cohen, on an unusual assignment in San Francisco. Mouli had paid a hefty amount of money as well as return business-class tickets from Italy to the US. The mission was to photograph his wife, Stacy Cohen, in a variety of extremely luxurious contexts to illustrate her book – *Kosher Billionaire's Secret Recipe* (check on Amazon...). As, after a few days, the whole team had established a certain familiarity with Stacy and Mouli, they often dined at his mansion. As I was in US also, he had suggested I be invited. The villa was spectacular, with a swimming pool overlooking San Francisco Bay and paintings by famous artists hanging on the walls. We were offered an aperitif – champagne, canapés and appetizers – served by his two personal waiters, in livery. We exchanged some small talk, then we all moved to the dining room. There was a long table, well over 10 feet, and Mouli sat at the head. Stacy, wearing a sexy evening dress and jewels, joined us and sat at the other end. A blonde in her forties, somewhat improved by a boob job and some retouching, she looked stunning. Considering the informality of the dinner, I was surprised to notice that she had worked hard on her make up, as if she had to appear on TV. But most shocking was their stiffness, devoid of any intimacy and complicity; courteous to each other, but from a distance. Mouli's personal chef came in and announced the first dish, an appetizer, while a few words were spent on the wine. The formality of a restaurant at home! Stacy was clearly not used to talking much, at least in the presence of her husband, and I was trying to find a subject that could start a decent conversation. It was a weird situation, at the same time embarrassing and amusing. It was as though everybody was on stage, acting, but we were missing a script. Mouli was a decent host, but he couldn't establish any empathetic relationship with any of us – least of all with Stacy. I not only felt sorry for her loneliness, I was puzzled by the purpose of this way of life as, apparently, such vast wealth was not making anybody happy or at ease. Being rich was a job in itself that would have deserved a salary! The same feeling that I have in Las Vegas watching the bored players cranking the levers, or pushing the buttons, of slot machines – odd workers toiling on an old assembly line. Then, a few months ago, my friend told me that Mouli had been arrested, I discovered his true story and I read of his 22 years' prison sentence. I wondered if the Rolls, the private jets and the villas could have been worth this dire finale. Then, I remembered that strange evening and I felt that, in the end, his life will not change much.

**Fosco Bianchetti**