

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

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ANDREW TARGUM, an individual;  
ERIKA TARGUM, an individual;  
ANDREW S. TARGUM, P.C., a New York corporation;  
ANDREW SCOTT TARGUM, P.C., a New York  
corporation;  
TARGUM, BRITTON & TOLUD, LLP, a New York limited  
liability partnership and IRWIN SEEMAN, an individual,

Plaintiffs,

Index No.

v.

**SUMMONS**

CITRIN COPPERMAN & COMPANY, LLP, a New York  
limited liability partnership; MATTHEW G. WEBER, an  
individual; and LORRAINE WEBER, an individual,

Defendants.

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To the Above-Named Defendants:

**YOU ARE HEREBY SUMMONED** to appear in this action by serving a notice of appearance upon Plaintiffs' attorney within twenty days after the service of this summons, exclusive of the day of service, or within thirty days after service is complete if this summons is not personally delivered to you within the State of New York.

Take notice that the nature of this action and the relief sought is to recover damages for breach of contract, and that in case of your failure to appear, judgment will be taken against you by default for the sum in an amount to be determined at trial plus the costs and disbursements of this action, legal fees, and interest from the earliest applicable date.

The basis of the venue designated is the county where at least one of the parties resides in New York County.



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COUNTY OF NEW YORK

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ANDREW TARGUM, an individual;  
ERIKA TARGUM, an individual;  
ANDREW S. TARGUM, P.C., a New York corporation;  
ANDREW SCOTT TARGUM, P.C., a New York corporation;  
TARGUM, BRITTON & TOLUD, LLP, a New York limited liability partnership;  
and IRWIN SEEMAN, an individual,

Index No.: \_\_\_\_\_

Plaintiffs,

v.

CITRIN COOPERMAN & COMPANY, LLP, a New York limited liability partnership;  
MATTHEW G. WEBER, an individual; and  
LORRAINE WEBER, an individual,

Defendants.

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**COMPLAINT FOR DAMAGES**

Plaintiffs **Andrew Targum**, an individual; **Erika Targum**, an individual; **Andrew S. Targum, P.C.**, a New York corporation; **Andrew Scott Targum, P.C.**, a New York corporation; and **Targum, Britton & Tolud, LLP**, a New York limited liability partnership; and **Irwin Seeman**, an individual (collectively, “Plaintiffs” or “The Clients”), bring the following Complaint against defendants **Citrin Cooperman & Company, LLP** (“CITRIN”), a New York limited liability partnership; **Matthew G. Weber**, an individual (“WEBER”); and **Lorraine Weber**, an individual. As grounds therefor, Plaintiffs allege the following:

**PRELIMINARY STATEMENT**

1. This litigation arises from the accountant-client relationship that existed between The Clients, on the one hand; and CITRIN and WEBER, on the other. WEBER -- with the assistance, support, and complicity of other unnamed and yet-unidentified accomplices -- defrauded The Clients, which resulted in The Clients being put in grave economic and legal danger.

2. As WEBER carried out his long-running fraud upon The Clients, CITRIN -- the professional partnership of which WEBER was a member and which he represented -- stood by silently and allowed the fraud to continue despite a multitude of warning signs flashing directly in front of CITRIN. WEBER's actions were evident within CITRIN's collective consciousness (including its Partners, employees, and electronically recorded and internally stored metadata), yet CITRIN did nothing to slow or halt the damage being heaped upon The Clients.

3. With each act undertaken by WEBER, each misrepresentation put forth by WEBER, each "red flag" intentionally or negligently overlooked by CITRIN, and each dollar stolen from The Clients over the years, it became easier and easier for CITRIN and WEBER to continue their wrongful ways and heap additional harm upon The Clients.

## **PARTIES, JURISDICTION AND VENUE**

### **THE PARTIES**

4. Plaintiff Andrew Targum is an individual domiciled in New York, New York. At all times material hereto, Andrew Targum was a principal of Andrew S. Targum, P.C., a New York corporation; Andrew Scott Targum, P.C., a New York corporation; and Targum, Britton & Tolud, LLP ("TBTLIP"), a New York limited liability partnership.

5. Plaintiff Erika Targum is an individual domiciled in New York, NY. At all times material hereto, Erika Targum was the wife of Andrew Targum.

6. Plaintiff Andrew S. Targum, P.C. is a New York corporation with its principal place of business in New York, NY.

7. Plaintiff Andrew Scott Targum, P.C. is a New York corporation with its principal place of business in New York, NY.

8. Plaintiff TBTLLP is a New York limited liability partnership with its principal place of business in New York, NY.

9. Andrew Targum, Erika Targum, Andrew S. Targum, P.C., Andrew Scott Targum, P.C., and TBTLLP are hereinafter collectively referred to as “TARGUM.”

10. Plaintiff Irwin Seeman (“SEEMAN”) is an individual domiciled in Wheatley Heights, New York. SEEMAN is a former employee of Andrew S. Targum, P.C.

11. Defendant CITRIN is a New York limited liability partnership with its principal place of business at 529 Fifth Avenue, New York, NY 10017.

12. Defendant WEBER is an individual domiciled in the State of New York. WEBER is currently incarcerated at the Watertown Correctional Facility in Watertown, New York, after having pleaded guilty to several crimes including, *inter alia*, stealing more than \$828,000 from TARGUM and failing to file income taxes. At all times material hereto, WEBER was a practicing certified public accountant and a Partner and an agent of CITRIN. In addition, at all times material hereto, WEBER has been married to Defendant Lorraine Weber.

13. Defendant Lorraine Weber is an individual domiciled in Oceanside, New York. Lorraine Weber is the wife of Matthew G. Weber.

**NON-PARTY, MATERIAL WITNESSES**

14. Non-party Salvatore Camileri (“CAMILERI”) was an individual domiciled in Oceanside, New York until his death in October 2011. A few months thereafter, Vincent Camileri was appointed by the Surrogate’s Court of the County of Nassau, New York, as the administrator of CAMILERI’s estate. At all times material hereto, CAMILERI was a CPA at the accounting firm of Stokes & Hoyt Company, was the father of Lorraine Weber, and was the father-in-law of Matthew G. Weber.

15. Non-party Sheila Weber is an individual domiciled in Long Beach, New York. Sheila Weber is the mother of Matthew G. Weber.

16. Defendant Lorraine Weber and non-parties CAMILERI, Sheila Weber, and Adam Weber (WEBER and Lorraine Weber's adult son) are, at times herein, collectively referred to as the "Weber Family Members."

17. In addition to those persons and entities set forth as Defendants and relevant non-parties herein, there are other parties who interacted with TARGUM's and SEEMAN's files at CITRIN. As of the date of filing this pleading, the following CITRIN Partners, employees, and agents are among those who interacted with TARGUM's and SEEMAN's files at CITRIN:

NAME	ROLE/TITLE AT CITRIN
WEBER	Partner
Michael J. Lester	Partner
David Kells	Chief Operating Officer
Gary M. Karlitz	Partner
Thomas Grohs	Valuation and Forensic Services
Elda Solla	Administrative Assistant
Vera Fici	Administrative Assistant
JOHN DOE NO. 1	<<unknown>>

**JURISDICTION AND VENUE**

18. This is an action for damages in excess of Twenty Five Thousand Dollars (\$25,000.00), exclusive of interest, costs and attorneys' fees; and in all respects exceeds the jurisdiction of all lower courts which would otherwise have jurisdiction.

19. This Court has jurisdiction over this action pursuant to C.P.L.R. § 301 because the parties are all residents of New York and the events or omissions giving rise to the claims asserted in this action occurred within the State of New York and the County of New York.

20. Venue is proper in this Court pursuant to C.P.L.R. § 503(a) because at least one of the parties resides in New York County.

### **GENERAL FACTUAL ALLEGATIONS**

#### **WEBER'S PROFESSIONAL CREDENTIALS**

21. On or about August 1, 2004, WEBER, a practicing CPA, became a Partner at CITRIN.

22. WEBER became an Equity Partner of CITRIN, having contributed more than One Hundred Thousand Dollars (\$100,000.00) upon admission to the partnership.

23. The tortious and criminal conduct set forth in this Complaint occurred after WEBER became a Partner at CITRIN.

#### **CITRIN'S PROFESSIONAL PROFILE**

24. According to its own marketing materials, CITRIN is an independent accounting, tax, and consulting firm with offices in New York, New Jersey, Connecticut, Pennsylvania, and the Cayman Islands.

25. CITRIN has approximately 300 professionals, 450 total employees, and has an annual revenue of approximately \$115,000,000.

26. Among those with whom WEBER worked at CITRIN was Gary M. Karlitz ("Karlitz"), a certified public accountant who, at all times material hereto, was the practice leader of the Valuation Services, Forensic Services, and Forensic Accounting Group at CITRIN and was responsible for overseeing WEBER as his direct, but not only, supervisor.

**THE PROFESSIONAL RELATIONSHIP BETWEEN CITRIN, WEBER, AND TARGUM**

27. An accountant-client relationship existed between CITRIN and TARGUM pursuant to the agreements, understandings, and actions of TARGUM, WEBER, and CITRIN.

28. WEBER, as a Partner on behalf of CITRIN, represented and advised TARGUM in connection with, *inter alia*, the following personal and complex business matters: (a) state tax filings, (b) federal tax filings, (c) corporate formations, and (d) local business/tax filings.

29. Based on WEBER's representations, TARGUM believed that TARGUM and CITRIN maintained a continuous and wide-ranging accountant-client relationship in connection with their tax and corporate activities at all times material hereto. WEBER, in his capacity as a Partner at CITRIN, confirmed that representation orally, through his actions, and in writing on numerous occasions.

30. Over the years, TARGUM and WEBER had meetings at CITRIN's Manhattan office, and WEBER introduced TARGUM to other CITRIN Partners, identifying TARGUM as a client of the firm.

31. WEBER and CITRIN regularly communicated with TARGUM using CITRIN letterhead, CITRIN's e-mail server, CITRIN's telephone systems, and facsimile lines, and instructed TARGUM to wire funds to bank accounts TARGUM was told were CITRIN bank accounts.

32. Additionally, WEBER provided TARGUM copies of correspondence on CITRIN letterhead that WEBER had provided to third parties, such as the IRS, confirming the CITRIN-TARGUM professional relationship.

33. From TARGUM's perspective, he had a typical relationship with his accountants. Everything appeared to be within the normal course of business, and TARGUM had no reason to

believe that WEBER and CITRIN were, and had been, *inter alia*, altering and submitting under-reported tax returns for TARGUM, failing to file necessary tax returns for TARGUM, creating fraudulent documents, and/or converting TARGUM's funds.

**TARGUM'S WIRE TRANSFERS TO CITRIN-IDENTIFIED BANK ACCOUNTS**

34. As early as March 31, 2005, TARGUM made numerous wire transfers at WEBER's request to bank accounts bearing CITRIN's name and address and which WEBER told TARGUM were CITRIN bank accounts.

35. On April 5, 2005, while a Partner at CITRIN, WEBER, using his CITRIN e-mail account, sent TARGUM an e-mail instructing TARGUM to wire funds needed to pay TARGUM's New York State and New York City taxes to a bank account at Sterling National Bank, stating:

***We have to send NYS/NYC \$ for you for 1st quarter 2005 \$9,500. We will make a wire payment like the IRS payment. It's the best way. I will let you know what to do tomorrow. [It's] ok to use my Citrin Cooperman a/c. They are ok now. I will set this up for your PC for future payments. You just have to register. Saves a lot of paperwork.***

(emphasis added).

36. The account to which TARGUM was instructed to wire the funds bore CITRIN's name and business address.

37. The dozens of wire transfers that TARGUM made at WEBER's behest all had the same key common characteristics, including CITRIN's name and business address.

38. While WEBER initially instructed TARGUM to wire funds to an account at Sterling National Bank, a September 19, 2006 e-mail to TARGUM from WEBER on his CITRIN e-mail instructed TARGUM that he was to wire funds to a different account at Signature Bank.

39. WEBER instructed TARGUM, both via his CITRIN e-mail and orally, that the above-referenced bank accounts were CITRIN accounts utilized for clients to pay their taxes.

Based on WEBER's instructions, TARGUM sent a minimum of eighty (80) bank wire transfers to the referenced bank account(s).

40. TARGUM was confident that he was transacting business with CITRIN, as a client, in the normal course of business and had no reason to believe that the accounts into which he was wiring funds were not genuine CITRIN bank accounts.

**THE PROFESSIONAL RELATIONSHIP BETWEEN CITRIN, WEBER, AND SEEMAN**

41. Just as an accountant-client relationship existed between CITRIN and TARGUM, so too did an accountant-client relationship exist between CITRIN and SEEMAN pursuant to the agreements, understandings, and actions of SEEMAN, WEBER, and CITRIN.

42. CITRIN represented and advised SEEMAN in connection with, *inter alia*, the following personal matters: (a) state tax filings, (b) federal tax filings, and (c) applications for an increased return in payments from the U.S. Social Security Administration.

43. SEEMAN and CITRIN maintained a continuous and wide-ranging accountant-client relationship in connection with his tax and other activities at all times material hereto. WEBER, in his capacity as a Partner at CITRIN, confirmed that representation orally, through his actions, and in writing on numerous occasions.

44. SEEMAN met WEBER at CITRIN's Manhattan office and was known by several people working at CITRIN as a client of the firm.

45. WEBER and CITRIN regularly communicated with SEEMAN using CITRIN letterhead, CITRIN's telephone systems, and facsimile lines.

46. In addition, SEEMAN received more than two dozen invoices from CITRIN that reflect SEEMAN's "Client No." and demands for payment to CITRIN for services rendered on his behalf.

47. In or about December 2011, CITRIN prepared an internal Credit Memorandum and applied to SEEMAN's account two client credits in the amounts of \$1,262.50 and \$1,237.50, respectively.

48. From SEEMAN's perspective, he had a typical relationship with his accountants. Everything appeared to be within the normal course of business, and SEEMAN had no idea at that time that WEBER and CITRIN were, and had been, altering and submitting under-reported tax returns for SEEMAN, failing to file necessary tax returns for SEEMAN, and failing to properly protect the interests he had entrusted to WEBER and CITRIN.

#### **THE TAX FRAUD SCHEME**

49. Contrary to what was represented to TARGUM, the funds TARGUM had wired to the purported CITRIN bank accounts were not being used to pay taxes; rather, a fraud (the "Tax Fraud Scheme") was being perpetrated upon TARGUM and SEEMAN (as well as others) by WEBER.

50. To implement the Tax Fraud Scheme, WEBER relied upon his fellow Partners and employees at CITRIN (including Vera Fici, Elda Solla, Thomas Grohs, Michael J. Lester, CPA and/or JOHN DOE NO. 1), CAMILERI, and others -- all of whom were complicit in one form or another.

51. In enacting the Tax Fraud Scheme, WEBER, as a CITRIN Partner, and his cohorts engaged in the following activity -- the misleading nature or outright falsity of which was concealed from TARGUM and SEEMAN:

- (a) Grossly underreported to the governmental taxing authorities TARGUM and SEEMAN's taxable income -- sometimes by as much as 90% -- and provided TARGUM and SEEMAN false documentation under the CITRIN logo to mislead and outright defraud them;

- (b) Prepared two sets of tax filings: one that was provided to TARGUM and SEEMAN, and a very different one that was filed with the appropriate governmental taxing authority utilizing CITRIN's Employer Identification Number ("EIN"), the unique nine digit number assigned to CITRIN by the IRS to track and identify all filings made by CITRIN. The copy that was provided to TARGUM and SEEMAN, which showed it was prepared by WEBER as a representative of CITRIN, contained the proper factual information provided by TARGUM and SEEMAN, which they were told was the information that had been provided by CITRIN to the taxing authority. Meanwhile, the copy CITRIN actually filed with the appropriate governmental taxing authorities (if one was filed at all) grossly underreported TARGUM and SEEMAN's taxable income and contained other material factual misrepresentations of which TARGUM and SEEMAN were unaware;
- (c) Routinely failed to file tax returns on behalf of TARGUM and SEEMAN when required to do so while telling TARGUM and SEEMAN that the necessary paperwork had been filed;
- (d) Misappropriated and stole funds wired by TARGUM intended to satisfy TARGUM's tax liability in connection with the tax filings;
- (e) Communicated with the taxing authorities on behalf of TARGUM and SEEMAN and represented to the taxing authorities that CITRIN represented TARGUM and SEEMAN in connection with their tax matters;
- (f) Forged and falsified documents submitted to the taxing authorities. For example, in August 2008, at least three individuals working at CITRIN prepared on CITRIN's behalf a false Power of Attorney that was signed by WEBER and two CITRIN employees (Thomas Grohs and Elda Solla) and which bore forged signatures purporting to be those of Andrew Targum and Erika Targum. By operating under the forged and fraudulent Power of Attorney, WEBER and his CITRIN colleagues were able to file documents in Andrew Targum's and Erika Targum's names without ever revealing to Mr. and Mrs. Targum what WEBER and his CITRIN colleagues were doing, when they were doing it, with whom they were communicating, and how they were purportedly handling their affairs; and
- (g) Used CITRIN's EIN to file TARGUM and SEEMAN's tax returns with the Internal Revenue Service and New York State taxing authorities, for which CITRIN bears the responsibility for the truthfulness and accuracy of its employees' preparation of those filings.

52. As a result of the Tax Fraud Scheme, TARGUM and SEEMAN are now facing in excess of \$2,000,000 in fees and penalties being assessed by the Internal Revenue Service, the New York State Department of Taxation and Finance, the New York State Workers' Compensation Board, and the New York City Department of Finance, as well as mounting professional fees as they deal with the turmoil this has caused them.

53. In addition to the foregoing, WEBER, as a CITRIN Partner, failed to file with the U.S. Social Security Administration certain applications to allow SEEMAN to receive a greater return on his Social Security payments -- a benefit from which SEEMAN is now time barred -- despite having represented to SEEMAN that the necessary papers had been filed and that he had adequately taken care of SEEMAN's interests in that regard.

**CITRIN'S COMPUTER SOFTWARE AND DATABASES  
ARE DESIGNED TO PREVENT A FRAUD LIKE THIS**

54. WEBER informed TARGUM and SEEMAN that all documents created on behalf of TARGUM and SEEMAN were created on CITRIN computers. This was confirmed to TARGUM and SEEMAN on several occasions, such as when documents e-mailed by WEBER were originated and labeled from other employees of CITRIN.

55. CITRIN's computer database contains numerous documents and electronic data demonstrating that WEBER and others at CITRIN prepared tax returns for TARGUM and SEEMAN, and used CITRIN's EIN to do so, during the time period referenced above.

56. For example, CITRIN's computer system contains electronic data showing that WEBER -- or other CITRIN Partners, employees, or agents under his control and/or with his authorization -- accessed the CITRIN computer database to prepare tax documents for TARGUM under the client identifier "WEBTARG - Targum, Andrew."

57. In operating and maintaining its computer databases and systems, CITRIN had the means to -- and had an obligation to -- review the usage of CITRIN computers and CITRIN's EIN to monitor and prevent fraud and other crimes of dishonesty from being perpetrated with its electronic systems.

58. Failure to satisfy its obligation in this regard would allow CITRIN Partners, employees, agents, and representatives with access to the computer databases and systems the ability to engage in wrongful conduct that could fraudulently, maliciously, intentionally, recklessly, or criminally harm the rights and interests of others, including TARGUM and SEEMAN.

59. At all times material hereto, CITRIN had a duty and the ability to supervise and control WEBER as a Partner of the firm.

60. CITRIN was aware that WEBER and other CITRIN Partners and employees were utilizing CITRIN computers and EIN to review, prepare, and send false and altered documents that were fraudulently given to TARGUM and SEEMAN and governmental authorities; and CITRIN recklessly ignored that information and did nothing to halt or address that practice.

**CITRIN THREATENED SEEMAN OVER ALLEGED UNPAID CLIENT RECEIVABLES**

61. On or about February 28, 2012, CITRIN sent to TARGUM, SEEMAN, and presumably other victims of the Tax Fraud Scheme a generic, mass mailed letter addressed to "Dear Sir or Madam" in which CITRIN conceded, in relevant part, "*[WEBER] may have failed to file certain of your tax returns and may have failed to make related payments to taxing authorities.*"

62. In the February 28, 2012 letter, CITRIN also denied that SEEMAN had "*ever been a client of [Citrin's]*" and denied that the "*services concerning [his] taxes, tax payments, or possibly other matters*" were rendered to him by WEBER as a CITRIN client.

63. The hypocrisy of CITRIN's February 28, 2012 letter became readily apparent a week later, when David Kells, CITRIN's Chief Operating Officer, sent SEEMAN a March 9, 2012 letter threatening to refer him to CITRIN's collections attorney and demanding payment of "an outstanding balance due to [CITRIN] of \$2,500.00 for services rendered at [SEEMAN's] request" for work performed by CITRIN in "[SEEMAN's] account."

64. Despite all of its bluster and unfounded threats against SEEMAN, CITRIN knew SEEMAN was a client of the firm and that the professional obligations undertaken for him were undertaken in the normal course of CITRIN's business.

**WEBER CRIMINALLY CONVICTED FOR, AND PLEADED GUILTY TO,  
GRAND LARCENY AND FAILING TO FILE INCOME TAX RETURNS**

65. In February 2013, WEBER pleaded guilty to, among other crimes, three counts of grand larceny in the second degree for, *inter alia*, the theft of funds from TARGUM.

66. In his plea allocation, WEBER admitted that, *inter alia*, by and through his position as a Partner at CITRIN, he stole from TARGUM property in an amount exceeding Eight Hundred Twenty Eight Thousand Dollars (\$828,000.00).

67. WEBER's criminal case was captioned *People of the State of New York against Matthew Weber*, New York Supreme Court, New York County, Case No. 03020-2012, Criminal Justice Tracking Number 65553575Z.

**CITRIN IS VICARIOUSLY LIABLE FOR WEBER'S CRIMES AND MISDEEDS**

68. At all relevant times, WEBER held himself out as a CITRIN Partner in providing accounting services to TARGUM and SEEMAN, which is inherently within the scope of CITRIN's accounting business.

69. At all relevant times, WEBER was acting within the scope of his authority as a CITRIN Partner; and TARGUM and SEEMAN were not aware and had no reason to be aware of any limitation on WEBER's authority to act on CITRIN's behalf.

70. The number of people working at CITRIN who knew about WEBER's wrongdoings clearly demonstrates CITRIN knew about the long-standing fraud being perpetrated upon TARGUM and SEEMAN. Specifically:

- People in CITRIN's Accounts Receivable Department knew that CITRIN was providing professional services to SEEMAN, as shown by the monthly billing statements CITRIN sent to SEEMAN and CITRIN's deliberate December 2011 decision to write-down a portion of the outstanding amount owed on CITRIN's account;
- People on CITRIN's management team knew WEBER was preparing and filing -- using CITRIN's EIN, using CITRIN's computers/licensed tax software, and using the assistance of CITRIN support staff -- tax returns for as many as 150 individuals and business entities (a number cited by CITRIN in its civil suit against TARGUM), even though those individuals and business entities were purportedly not clients of CITRIN. The time spent on this effort was evident to CITRIN management by the Activity Reports which record the usage of CITRIN's proprietary software and computer systems.
- WEBER made several payments to Karlitz, his direct supervisor, out of the bank accounts from which TARGUM's money was misappropriated. To the extent there was nothing untoward about the payments made by WEBER to Karlitz, other members of CITRIN's management team should have been, and likely were, informed of the payments, which they should have investigated -- a failure of which would have been reckless.

71. CITRIN affirmed and ratified the actions undertaken in the course of the Tax Fraud Scheme, whether explicitly or by implication, each year WEBER was permitted to use CITRIN's resources in the manner described herein.

72. TARGUM and SEEMAN have duly performed all of their duties and obligations, and any conditions precedent to TARGUM and SEEMAN bringing this action have occurred, have been performed, or else have been excused or waived.

73. To enforce their rights, TARGUM and SEEMAN have retained undersigned counsel and are obligated to pay counsel a reasonable fee for its services, for which Defendants are liable as a result of their bad faith and otherwise.

**COUNT I – BREACH OF FIDUCIARY DUTIES**  
**[TARGUM AGAINST CITRIN AND WEBER]**

74. Plaintiffs re-allege, and adopt by reference herein, Paragraphs 1 - 73 above.

75. Pursuant to the course of conduct and understandings identified in detail above, an accountant-client relationship existed between CITRIN and TARGUM.

76. The relationship between TARGUM and both CITRIN and WEBER constituted a relationship in which deep trust, dependence, confidence, counsel and reliance was placed in and existed with CITRIN and WEBER by TARGUM, such that a fiduciary relationship was established.

77. During the tenure of their professional relationship, TARGUM grew accustomed to relying upon WEBER's judgment as a Partner at CITRIN with regard to TARGUM's tax and business matters.

78. WEBER was aware of TARGUM's reliance, dependence upon, and trust of WEBER as a Partner at CITRIN.

79. In addition, the fact that WEBER, as a CITRIN Partner, provided such a wide array of professional services to TARGUM (*e.g.*, tax preparation services, business formation, business recommendations) during such an extensive period of time served to deepen TARGUM's trust and reliance upon CITRIN and WEBER.

80. CITRIN and WEBER breached their fiduciary duties to TARGUM by concealing material information about the manner in which CITRIN and WEBER handled TARGUM's tax and corporate matters, including:

- (a) grossly underreporting TARGUM's taxable income in documents CITRIN and WEBER prepared and filed for TARGUM with governmental tax authorities under CITRIN's EIN;
- (b) providing TARGUM false documentation to mislead and outright defraud TARGUM;
- (c) failing to file any tax returns at all for TARGUM while assuring TARGUM that the returns TARGUM had signed for filing and/or authorized CITRIN to file had indeed been filed and that TARGUM's interests were protected; and
- (d) taking funds provided by TARGUM earmarked for paying TARGUM's tax liabilities and converting those funds for personal use.

81. As a result of the foregoing breaches of fiduciary duty committed against TARGUM by CITRIN and WEBER, TARGUM has suffered actual and special damages.

82. TARGUM seeks an award of damages, including punitive damages, against CITRIN and WEBER based on CITRIN and WEBER's willful and malicious conduct against TARGUM, orchestrated for a period of several years.

83. CITRIN and WEBER's intentional course of conduct comprised not just a single instance of willful and malicious conduct, but as stated above, constituted an ongoing and systematic pattern of acts, any one of which would independently support an award of punitive damages and the cumulative effect of which demonstrates egregious and outrageous behavior.

84. This action falls within exceptions to Article 16 of the C.P.L.R.

**COUNT II – BREACH OF FIDUCIARY DUTIES**  
**[SEEMAN AGAINST CITRIN AND WEBER]**

85. Plaintiffs re-allege, and adopt by reference herein, Paragraphs 1 - 84 above.

86. Pursuant to the course of conduct and understandings identified in detail above, an accountant-client relationship existed between CITRIN and SEEMAN.

87. The relationship between SEEMAN and both CITRIN and WEBER constituted a relationship in which deep trust, dependence, confidence, counsel and reliance was placed in and existed with CITRIN and WEBER by SEEMAN, such that a fiduciary relationship was established.

88. During the tenure of their professional relationship, SEEMAN grew accustomed to relying upon WEBER's judgment as a Partner at CITRIN with regard to SEEMAN's tax and business matters.

89. WEBER was aware of SEEMAN's reliance, dependence upon, and trust of WEBER as a Partner at CITRIN.

90. In addition, the fact that WEBER, as a CITRIN Partner, provided such a wide array of professional services to TARGUM (*e.g.*, tax preparation services, business formation, business recommendations), including the law firm for which SEEMAN worked, during such an extensive period of time served to deepen SEEMAN's trust and reliance upon CITRIN and WEBER.

91. CITRIN and WEBER breached their fiduciary duty to SEEMAN by concealing material information about the manner in which CITRIN and WEBER handled SEEMAN's tax matters, including:

- (a) grossly underreporting SEEMAN's taxable income in documents CITRIN and WEBER prepared and filed for SEEMAN with governmental tax authorities under CITRIN's EIN;
- (b) providing SEEMAN false documentation to mislead and outright defraud him; and

- (c) failing to file any tax returns at all for SEEMAN while assuring SEEMAN that the returns SEEMAN had signed for filing and/or authorized CITRIN to file had indeed been filed and that SEEMAN's interests were protected.

92. As a result of the foregoing breaches of fiduciary duty committed against SEEMAN by CITRIN and WEBER, SEEMAN has suffered actual and special damages.

93. SEEMAN seeks an award of damages, including punitive damages, against CITRIN and WEBER based on CITRIN and WEBER's willful and malicious conduct against SEEMAN, orchestrated for a period of several years.

94. CITRIN and WEBER's intentional course of conduct comprised not just a single instance of willful and malicious conduct, but as stated above, constituted an ongoing and systematic pattern of acts, any one of which would independently support an award of punitive damages and the cumulative effect of which demonstrates egregious and outrageous behavior.

95. This action falls within exceptions to Article 16 of the C.P.L.R.

**COUNT III – PROFESSIONAL NEGLIGENCE**  
**[TARGUM AGAINST CITRIN AND WEBER]**

96. Plaintiffs re-allege, and adopt by reference herein, Paragraphs 1 - 95 above.

97. TARGUM retained WEBER, as a Partner at CITRIN, to perform professional tax accounting services related to TARGUM's tax liabilities to various governmental authorities and render corporate assistance in connection with those tax accounting services.

98. All of the acts and omissions performed by WEBER were done within the scope of his employment as a Partner of, and CPA at, CITRIN.

99. CITRIN, based on its Partner WEBER's actions, owed a duty to TARGUM to provide TARGUM sound, reliable advice and to refrain from making to TARGUM any false representations of fact in the course of handling TARGUM's tax filings and all professional services related thereto.

100. Moreover, as the tax accountants for TARGUM -- and in accordance with the standards set forth by the American Institute of Certified Public Accountants (“AICPA”) -- CITRIN and WEBER owed a duty of due diligence to TARGUM. This duty required CITRIN and WEBER, prior to signing tax returns, to investigate any “red flags” and either: (i) determine that they were innocuous, or (ii) resolve the issue presented.

101. CITRIN and WEBER were also required to promptly correct any known errors in the immediate or prior returns.

102. As set forth above, CITRIN and WEBER breached the duties they owed to TARGUM.

103. As a direct and proximate result of CITRIN and WEBER’s breach of duty, TARGUM has suffered damages.

104. This action falls within exceptions to Article 16 of the C.P.L.R.

**COUNT IV – PROFESSIONAL NEGLIGENCE**  
**[SEEMAN AGAINST CITRIN AND WEBER]**

105. Plaintiffs re-allege, and adopt by reference herein, Paragraphs 1 - 104 above.

106. SEEMAN retained WEBER, as a Partner at CITRIN, to perform professional tax accounting services related to SEEMAN’s tax liabilities to various governmental authorities and render additional professional assistance in connection with those tax accounting services.

107. All of the acts and omissions performed by WEBER were done within the scope of his employment as a Partner of, and CPA at, CITRIN.

108. CITRIN, based on its Partner WEBER’s actions, owed a duty to SEEMAN to provide him sound, reliable advice and to refrain from making to him any false representations of fact in the course of handling his tax filings and all professional services related thereto.

109. Moreover, as the tax accountants for SEEMAN -- and in accordance with the standards set forth by the American Institute of Certified Public Accountants (“AICPA”) -- CITRIN and WEBER owed a duty of due diligence to SEEMAN. This duty required CITRIN and WEBER, prior to signing tax returns, to investigate any “red flags” and either: (i) determine that they were innocuous, or (ii) resolve the issue presented.

110. CITRIN and WEBER were also required to promptly correct any known errors in the immediate or prior returns.

111. As set forth above, CITRIN and WEBER breached the duties they owed to SEEMAN.

112. As a direct and proximate result of CITRIN and WEBER’s breach of duty, SEEMAN has suffered damages.

113. This action falls within exceptions to Article 16 of the C.P.L.R.

**COUNT V – COMMON LAW FRAUD**  
**[TARGUM AGAINST WEBER]**

114. Plaintiffs re-allege, and adopt by reference herein, Paragraphs 1 - 113 above.

115. WEBER, by acts of both omission and commission, made false statements to TARGUM concerning material facts about TARGUM’s tax returns, TARGUM’s tax liabilities, and the use of the funds TARGUM wired to pay for anticipated tax liabilities.

116. These fraudulent statements include, but are not limited to:

- (a) Following TARGUM’s transmittal of funds to the bank account(s) identified by WEBER, CITRIN would forward those funds to federal, state, and local taxing authorities to pay for TARGUM’s tax liabilities;
- (b) The copies of the tax returns provided to TARGUM were submitted by CITRIN and WEBER to the appropriate governmental authorities on TARGUM’s behalf; and

- (c) The information provided by TARGUM to WEBER, relating to TARGUM's reportable income and tax liabilities, was accurately and timely submitted by CITRIN to the appropriate governmental authorities on TARGUM's behalf.

117. WEBER knew at the time the statements were made that the statements were false.

118. WEBER intended to induce TARGUM into action by relying upon the statements of fact he made to TARGUM.

119. In the course of entrusting CITRIN and WEBER to properly handle their tax matters, TARGUM reasonably and justifiably relied on the statements of fact made to TARGUM by WEBER.

120. As a direct and proximate result of TARGUM's reliance on the statements made to him/them by WEBER, TARGUM has suffered damages.

**COUNT VI – COMMON LAW FRAUD**  
**[SEEMAN AGAINST WEBER]**

121. Plaintiffs re-allege, and adopt by reference herein, Paragraphs 1 - 120 above.

122. WEBER, by acts of both omission and commission, made false statements to SEEMAN concerning material facts about SEEMAN's tax returns and SEEMAN's tax liabilities.

123. These fraudulent statements include, but are not limited to:

- (a) The copies of the tax returns provided to SEEMAN were submitted by CITRIN and WEBER to the appropriate governmental authorities on SEEMAN's behalf; and
- (b) The information provided by SEEMAN to WEBER, relating to SEEMAN's reportable income and tax liabilities, was accurately and timely submitted by CITRIN to the appropriate governmental authorities on SEEMAN's behalf.

124. WEBER knew at the time the statements were made that the statements were false.

125. WEBER intended to induce SEEMAN into action by relying upon the statements of fact he made to SEEMAN.

126. In the course of entrusting CITRIN and WEBER to properly handle his tax matters, SEEMAN reasonably and justifiably relied on the statements of fact made to SEEMAN by WEBER.

127. As a direct and proximate result of SEEMAN's reliance on the statements made to him by WEBER, SEEMAN has suffered damages.

**COUNT VII – NEGLIGENCE**  
**[TARGUM AGAINST CITRIN AND WEBER]**

128. Plaintiffs re-allege, and adopt by reference herein, Paragraphs 1 - 127 above.

129. Pursuant to the course of conduct and understandings identified in detail above, an accountant-client relationship existed between CITRIN/WEBER and TARGUM.

130. As TARGUM's professional accountants, CITRIN and WEBER collectively owed a duty to TARGUM to provide TARGUM sound, reliable advice and to refrain from making to TARGUM any false representations of fact in the course of handling TARGUM's tax filings and rendering corporate advice in connection therewith.

131. As explained in greater detail above, CITRIN and WEBER breached the duty they owed to TARGUM.

132. As a direct and proximate result of CITRIN and WEBER's breach of duty, TARGUM has/have suffered damage.

133. This action falls within exceptions to Article 16 of the C.P.L.R.

**COUNT VIII – NEGLIGENCE**  
**[SEEMAN against CITRIN and WEBER]**

134. Plaintiffs re-allege, and adopt by reference herein, Paragraphs 1 - 133 above.

135. Pursuant to the course of conduct and understandings identified in detail above, an accountant-client relationship existed between CITRIN/WEBER and SEEMAN.

136. As SEEMAN's professional accountants, CITRIN and WEBER collectively owed a duty to SEEMAN to provide him sound, reliable advice and to refrain from making to him any

false representations of fact in the course of handling his tax filings and rendering additional professional advice in connection therewith.

137. As explained in greater detail above, CITRIN and WEBER breached the duty they owed to SEEMAN.

138. As a direct and proximate result of CITRIN and WEBER's breach of duty, SEEMAN has suffered damage.

139. This action falls within exceptions to Article 16 of the C.P.L.R.

**COUNT IX – NEGLIGENT SUPERVISION**  
**[TARGUM AGAINST CITRIN]**

140. Plaintiffs re-allege, and adopt by reference herein, Paragraphs 1 - 139 above.

141. This is an action seeking damages based upon CITRIN's negligent supervision of its management and/or employees, including but not limited to, those employees and agents of CITRIN who were responsible for, *inter alia*, preparing and filing all of TARGUM's city, state, and federal income taxes.

142. At all times material hereto, CITRIN knew or should have known that its employees and agents -- including WEBER, Vera Fici, Elda Solla, Thomas Grohs, Michael Lester, Karlitz and/or JOHN DOE NO. 1 and others -- were engaging in activities that were improper and illegal, including but not limited to:

- (a) ignoring CITRIN's own internal policies and procedures;
- (b) violating regulations within the accounting industry and other prudent and sound practices and procedures within the accounting industry, including those regulations and best practices promulgated by the AICPA; and
- (c) utilizing company resources (both human and non-human), including trackable computers, telephones, photocopiers, electronic mail servers, mailing accounts, and office space to service people who CITRIN now claims were never clients of the firm.

143. Upon information and belief, WEBER -- during his tenure with CITRIN -- informed Karlitz, his direct supervisor, that WEBER was in great financial distress.

144. As CITRIN Partner Brian J. Hoffman wrote in a published article titled *Breaking the Fraud Triangle: Keys to Deterrence: "Employees subjected to outside financial pressures are more likely to look for illegal ways to maintain their existing lifestyle."*

145. WEBER paid Karlitz several thousand dollars from the bank accounts to which WEBER had instructed TARGUM to wire his/their funds. Even if there were nothing untoward about the payments made by WEBER to Karlitz, other members of CITRIN's management team should have been, and likely were, informed of the payments, which they should have investigated -- a failure of which would have been negligent and reckless.

146. CITRIN had an obligation to investigate and monitor its Partners' and employees' activities; and, had it conducted even a reasonably diligent investigation, CITRIN would have discovered that its Partners and employees, including WEBER, were, in fact, defrauding TARGUM and the governmental taxing authorities to whom TARGUM's false tax filings were submitted by CITRIN, WEBER, and its Partners and employees.

147. CITRIN had a duty to take steps to prevent or rectify the improper activities and conduct of their Partners and employees and agents and to safeguard TARGUM's funds and legal interests. Such steps should have included:

- (a) expelling from the CITRIN partnership, at an earlier date, WEBER and those CITRIN Partners who contributed to and/or assisted in preparing and filing factually incorrect tax returns for TARGUM and converting the money provided by TARGUM to pay anticipated tax liabilities;
- (b) suspending or terminating, at an earlier date, the employment of WEBER and those officers, employees and agents who contributed to and/or assisted in preparing and filing factually incorrect tax returns for TARGUM and

converting the money provided by TARGUM to pay anticipated tax liabilities;

- (c) increasing supervision of those officers, employees and agents tasked with establishing, monitoring and maintaining CITRIN's computer databases and systems; and
- (d) suspending or terminating the employment of those officers, employees and agents tasked with establishing, monitoring and maintaining CITRIN's computer databases and systems.

148. Rather than discharge its duties to TARGUM, CITRIN turned a blind eye to, and failed to exercise reasonable means to discover and correct, the active misconduct and negligence on the part of its Partners, employees, agents, and others and instead permitted them to:

- (a) file factually incorrect tax returns for TARGUM;
- (b) defraud TARGUM by telling TARGUM that tax returns had been filed on TARGUM's behalf when no returns had actually been filed;
- (c) convert the money provided by TARGUM to pay anticipated tax liabilities;
- (d) overlook the fact that CITRIN's computer databases were being misused and that "red flags" were waving in response to that wrongful conduct; and
- (e) substantially assist WEBER and his co-workers in their fraudulent scheme.

149. As a direct and proximate result of the negligent supervision of its Partners and employees, agents, and others by CITRIN, TARGUM suffered damages for which CITRIN is liable.

**COUNT X – NEGLIGENT SUPERVISION**  
**[SEEMAN AGAINST CITRIN]**

150. Plaintiffs re-allege, and adopt by reference herein, Paragraphs 1 - 149 above.

151. This is an action seeking damages based upon CITRIN's negligent supervision of its management and/or employees, including but not limited to, those employees and agents of CITRIN who were responsible for, *inter alia*, preparing and filing all of SEEMAN's city, state,

and federal income taxes.

152. At all times material hereto, CITRIN knew or should have known that its employees and agents -- including WEBER, Vera Fici, Elda Solla, Thomas Grohs, Michael Lester, Karlitz and/or JOHN DOE NO. 1 and others -- were engaging in activities that were improper and illegal, including but not limited to:

- (a) ignoring CITRIN's own internal policies and procedures;
- (b) violating regulations within the accounting industry and other prudent and sound practices and procedures within the accounting industry, including those regulations and best practices promulgated by the AICPA; and
- (c) utilizing company resources (both human and non-human), including trackable computers, telephones, photocopiers, electronic mail servers, mailing accounts, and office space to service people who CITRIN now claims were never clients of the firm.

153. Upon information and belief, WEBER -- during his tenure with CITRIN -- informed Karlitz, his direct supervisor, that WEBER was in great financial distress.

154. CITRIN had an obligation to investigate and monitor its Partners' and employees' activities; and, had it conducted even a reasonably diligent investigation, CITRIN would have discovered that its Partners and employees, including WEBER, were, in fact, defrauding SEEMAN and the governmental taxing authorities to whom SEEMAN's false tax filings were submitted by CITRIN, WEBER, and its Partners and employees.

155. CITRIN had a duty to take steps to prevent or rectify the improper activities and conduct of their Partners and employees and agents and to safeguard SEEMAN's funds and legal interests. Such steps should have included:

- (a) expelling from the CITRIN partnership, at an earlier date, WEBER and those CITRIN Partners who contributed to and/or assisted in preparing and filing factually incorrect tax returns for SEEMAN;

- (b) suspending or terminating, at an earlier date, the employment of WEBER and those officers, employees, and agents who contributed to and/or assisted in preparing and filing factually incorrect tax returns for SEEMAN;
- (c) increasing supervision of those officers, employees and agents tasked with establishing, monitoring and maintaining CITRIN's computer databases and systems; and
- (d) suspending or terminating the employment of those officers, employees and agents tasked with establishing, monitoring and maintaining CITRIN's computer databases and systems.

156. Rather than discharge its duties to SEEMAN, CITRIN turned a blind eye to, and failed to exercise reasonable means to discover and correct, the active misconduct and negligence on the part of its Partners, employees, agents, and others and instead permitted them to:

- (a) file factually incorrect tax returns for SEEMAN;
- (b) defraud SEEMAN by telling him that tax returns had been filed on his behalf when no returns had actually been filed;
- (c) overlook the fact that CITRIN's computer databases were being misused and that "red flags" were waving in response to that wrongful conduct; and
- (d) substantially assist WEBER and his co-workers in their fraudulent scheme.

157. As a direct and proximate result of the negligent supervision of its Partners and employees, agents, and others by CITRIN, SEEMAN suffered damages for which CITRIN is liable.

**COUNT XI – FRAUDULENT CONVEYANCE OF FUNDS**  
**[TARGUM AGAINST WEBER AND LORRAINE WEBER]**

158. Plaintiffs re-allege, and adopt by reference herein, Paragraphs 1 - 157 above.

159. WEBER transferred a portion of the monies TARGUM wire transferred to the CITRIN-identified bank accounts, and other assets that WEBER owned or in which he had interests, to the Weber Family Members (the "Weber Family Members Fraudulent Transfers"), with the actual intent to hinder, delay, or defraud TARGUM. Attached hereto as **Exhibit "A"** is

a chart delineating payments made by WEBER to Weber Family Members from the bank account TARGUM was told was CITRIN bank accounts to which TARGUM had transferred funds at WEBER's instruction.

160. Among the Weber Family Members Fraudulent Transfers were funds transfers made from WEBER to Lorraine Weber with the express purpose and intent of hindering, delaying, or defrauding TARGUM. Lorraine Weber accepted those funds, knowing that they had been illegally obtained by WEBER; and she remained purposefully silent in the face of the fraudulent activity.

161. Additionally, other members of WEBER and Lorraine Weber's family -- including CAMILERI and Sheila Weber -- accepted from WEBER and Lorraine Weber funds that they knew were illegally obtained.

162. WEBER, Lorraine Weber, CAMILERI, and Sheila Weber are beneficiaries of the proceeds that were wrongly misappropriated, converted, and stolen from TARGUM.

163. The payments noted in Exhibit "A" are a small representative sample of the illegally obtained funds transferred from WEBER to Weber Family Members.

164. Upon information and belief, additional transfers were made between 2006-2014 from WEBER to Weber Family Members for their benefit, including payments to WEBER and Lorraine Weber's son, Adam Weber.

165. The Weber Family Members Fraudulent Transfers constitute fraudulent transfers which should be avoided pursuant to Debtor & Creditor Law § 270, *et seq.* and are recoverable from the Weber Family Members with interest and attorneys' fees.

166. Any and all monies being held by, or for, WEBER or Weber Family Members must be held in trust for the benefit of TARGUM, as WEBER and the Weber Family Members are not

entitled to the benefit of wrongfully misappropriated, converted, and stolen funds.

167. This action falls within exceptions to Article 16 of the C.P.L.R.

**COUNT XII – CONVERSION**  
**[TARGUM AGAINST WEBER]**

168. Plaintiffs re-allege, and adopt by reference herein, Paragraphs 1 - 167 above.

169. At all times relevant hereto, TARGUM lawfully owned the funds that were wired to WEBER to pay TARGUM's tax liabilities.

170. WEBER has interfered with TARGUM's ownership and interest in that money.

171. WEBER has assumed and wrongfully exercised ownership rights, to the exclusion of TARGUM's rights, over monies that rightfully belonged to TARGUM.

172. WEBER has converted TARGUM's money to his own personal use, thereby causing TARGUM damage.

**WHEREFORE**, Plaintiffs respectfully request that the Court enter judgment in their favor against Defendants as follows:

- (a) On the First Cause of Action in an amount to be determined, together with punitive damages, costs, interest, and attorneys' fees;
- (b) On the Second Cause of Action in an amount to be determined, together with punitive damages, costs, interest, and attorneys' fees;
- (c) On the Third Cause of Action in an amount to be determined, together with costs, interest, and attorneys' fees;
- (d) On the Fourth Cause of Action in an amount to be determined, together with costs, interest, and attorneys' fees;
- (e) On the Fifth Cause of Action in an amount to be determined, together with costs, interest, and attorneys' fees;
- (f) On the Sixth Cause of Action in the amount to be determined, together with costs, interest, and attorneys' fees;
- (g) On the Seventh Cause of Action in the amount to be determined, together with costs, interest, and attorneys' fees;
- (h) On the Eighth Cause of Action in the amount to be determined, together with costs, interest, and attorneys' fees;

- (i) On the Ninth Cause of Action in an amount to be determined, together with punitive damages, costs, interest, and attorneys' fees;
- (j) On the Tenth Cause of Action in an amount to be determined, together with punitive damages, costs, interest, and attorneys' fees;
- (k) On the Eleventh Cause of Action in an amount to be determined, together with costs, interest, and attorneys' fees;
- (l) On the Twelfth Cause of Action in an amount to be determined, together with punitive damages, costs, interest, and attorneys' fees;
- (m) For such other and further relief as this Court deems just and proper.

**PLAINTIFFS' DEMAND FOR JURY TRIAL**

Plaintiffs demand trial by jury in this action of all issues so triable.

Respectfully submitted,

By: /s/ Russell M. Yankwitt

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