

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF FLORIDA**

Case No.: \_\_\_\_\_

\_\_\_\_\_,

Plaintiffs,

v.

PHILLIP TIMOTHY HOWARD,

Defendants.

**JURY TRIAL DEMANDED**

**COMPLAINT**

COMES NOW Plaintiff \_\_\_\_\_ (“Plaintiff” or “  
\_\_\_\_\_”), who brings this Complaint against Defendant, PHILLIP TIMOTHY  
HOWARD (“Defendant” or “Howard”), on the following grounds:

**JURISDICTION AND VENUE**

1. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1331 and 18 U.S.C. § 1964 based on federal question jurisdiction and the Civil Racketeering Influenced and Corrupt Organizations Act (“RICO”).

2. This Court has supplemental jurisdiction over Plaintiff’s common law claims pursuant to 28 U.S.C. § 1367 because those claims are interrelated with

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Plaintiff's RICO claim and arise from a common nucleus of operative facts such that adjudication of all claims furthers the interest of judicial economy.

3. Venue is proper in this Court pursuant to 28 U.S.C. § 1391 and 18 U.S.C. § 1965 because all or a substantial part of the events or omissions giving rise to Plaintiff's claims occurred in Tallahassee, Florida.

### **THE PARTIES**

4. Plaintiff, [REDACTED], is an elderly retiree, over the age of 65, who was a professor at Florida State University for many years. Plaintiff resides in Leon County, Florida.

5. Defendant, Howard, is an individual *sui juris* and a licensed lawyer practicing law in the State of Florida. Howard, on information and belief, resides in Tallahassee, Florida.

### **FACTUAL ALLEGATIONS**

6. In December 2015, Howard established Cambridge Capital Group, LLC ("CCG") and Cambridge Capital Partners, LLC ("CCP") as private investment funds.

7. Howard was the registered principal and president of both entities, and, at all material times, maintained sole operational control over those entities and owned all or a portion of those entities.

8. On information and belief, Howard was the sole signatory on the bank accounts for CCG and CCP in 2017 and 2018.

9. At all material times, Howard used Gail Milon (“Milon”), a registered financial advisor, and Don Warner Reinhard (“Reinhard”), a former investment advisor who is now serving time in jail, as his agents and as agents of CCP and CCG.

10. The principal place of business for CCG and CCP was located at the same location as Howard’s law firm, Howard & Associates.

11. Around the same time that Howard established CCG and CCP, he also established, and held an ownership interest in, other entities belonging to the “Cambridge” family, including but not limited to: Cambridge Capital Advisors LLC; Cambridge Capital Holdings, LP; Cambridge Capital Group Equity Option Opportunities, LP; Cambridge Capital Wealth Advisors, LLC; Cambridge Capital Group Advisors, LLC; Cambridge Sports and Entertainment, LLC; Cambridge Graduate University, Inc.; and Your Case, LLC (collectively, the “Other Cambridge Entities”).

12. As set forth in detail in the SEC Complaint filed against, *inter alia*, Howard, attached as Exhibit 1, Howard, in association with Reinhard and others, perpetrated an investment fraud scheme against former NFL players (“NFL Victims”), some or many of whom were cognitively impaired, using CCG and

CCP as corporate vehicles for the fraud. The details of that fraudulent scheme, as set forth in Exhibit 1, are incorporated herein.

13. To summarize the scheme, Howard and his associates, including Reinhard, committed to “advancing” payments to the NFL Victims in exchange for an assignment of their anticipated awards under the enormous NFL concussion settlement managed through the multi-district litigation pending in the Eastern District of Pennsylvania. *See generally, In re: National Football League Concussion Injury Litigation* (MDL), Case No. 2:12-md-02323-AB (“Concussion MDL”).

14. To pay for those advances, Howard and his associates convinced the same NFL Victims to assign their 401k retirement accounts and other funds to CCG and/or CCP, and then used those funds to pay the advances back to the NFL Victims. In other words, Howard used the NFL Victims’ own retirement and other money to advance cash to the NFL Victims in exchange for an assignment of NFL Victim’s claims in the Concussion MDL. *See* SEC Complaint and Exhibits 2 - 4. It was a classic Ponzi scheme that required additional money to continue the fraud until money – if any – was returned on the Concussion MDL.

15. Meanwhile, Howard paid himself and his associates, including Reinhard, large “fees” from the retirement funds of the NFL Victims, which, when

coupled with the advances, consumed most or all of the NFL Victims’ retirement funds “invested” in CCG and CCP. *See* SEC Complaint.

16. Howard’s fraudulent investment scheme started falling apart when the Honorable Judge Anita B. Brody, Eastern District of Pennsylvania, issued an order on December 8, 2017 – in response to class counsel’s briefing – that cancelled out the assignment scheme that Howard (and others) had concocted and had managed through various Cambridge entities, including CCG and CCP, and his law firm, Howard & Associates. *See Exhibits 2 and 3*, hereto (initial briefing and Order).<sup>1</sup>

17. Thereafter, class counsel in the Concussion MDL learned that Howard and his associates were misrepresenting the Court’s December 8 Order to the NFL Victims in an attempt to collect the money advanced to those victims (from the Victim’s own 401Ks) — as Howard’s personal use of the NFL Victim’s retirement funds, “management fees,” and advances, had consumed large portions of the NFL Victim’s retirement funds. *See Exhibit 4; see also, Exhibit 1*.

18. While the fraud had, in part, been exposed through the work of class counsel in the Concussion MDL cases, and the money was running out in Howard’s scheme, Howard devised another scheme to raise capital and keep the

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<sup>1</sup> The Order was challenged on interlocutory appeal and affirmed, with some limitations, by the Third Circuit Court of Appeal. *See In re Nat’l Football League Players’ Concussion Injury Litigation*, Case No. 12-MD-02323, 2019 WL 1868828 (3d Cir. April 26, 2019) (slip copy).

charade going. Specifically, Howard used his agent and associate, Gail Milon (“Milon”), a registered financial advisor, to induce additional “investments” from her clients into CCG and/or CCP.

19. Prior to working with Howard, Milon was a Metropolitan Life Insurance representative assigned to service FSU employees’ accounts, including Plaintiff’s account. In 2017, Milon switched companies but continued to provide Plaintiff with financial advice.

20. In that capacity, Milon served as Plaintiff’s financial advisor and fiduciary since approximately 2006.

21. Through that relationship, Milon established a close, trusted relationship with Plaintiff with respect to the management of Plaintiff’s personal finances. At all time material hereto, Milon was acting as Plaintiff’s financial advisor.

22. In August 2017, Milon, on behalf of Howard – who was desperate to raise capital because his NFL fundraising had dried up earlier in the year – solicited Plaintiff by phone for an investment in CCG.<sup>2</sup> Specifically, on that first telephone call on August 15, 2017, at 2:11 p.m., Milon called Plaintiff and told her

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<sup>2</sup> Howard’s lack of funds are also outlined in a bar complaint filed against him, which alleges, among other things, that he regularly missed payroll around this time due to lack of funds.

that CCG needed an investment for a real estate project in Jacksonville, Florida (the “Jacksonville Project”) that would generate a substantial short-term return.

23. Over the next few weeks, Milon, acting on behalf of Howard and as Plaintiff’s financial advisor, assisted Plaintiff in the liquidation of her investment accounts and the gathering of funds from other sources to place the “investment.” *See* Exhibit 7 (texts from Milon asking about the liquidation of Plaintiff’s accounts on August 16, 2017 at 6:27 pm and other times).

24. On August 24, 2017, Plaintiff visited Howard & Associates to make an “investment” of \$500,236.22 in CCG for the Jacksonville Project. At that meeting, Howard acknowledged and thanked Plaintiff for the “investment.”

25. At the meeting, Milon, on behalf of Howard, repeated the statements to Plaintiff that Plaintiff’s money was going to be used toward the Jacksonville Project and would be returned within several months.

26. Those statements were false. On information, Howard co-mingled Plaintiff’s money with the NFL Victim’s remaining retirement funds and then used those funds for personal use, to support his law firm, and for other debts and investments.

27. At the meeting, Plaintiff was presented with a contract that, on information and belief, was prepared by Howard. Instead of being an investment

contract, as had been discussed by Milon, the contract appeared, on its face, to be a high-interest loan.

28. Plaintiff, who is not sophisticated with money, trusted that her financial advisor, Milon, was acting in her best interest when Milon recommended the deal.

29. On information and belief, Howard structured the deal as a usurious loan in order to steal the money from Plaintiff and avoid having to repay it under Florida's usury laws, which Howard has attempted to use in other lawsuits as a shield to deny returning or owing money to lenders. *See, e.g., BWCi Pension Trustees Ltd. v. Cambridge Capital Group, LLC*, Case No. 2018-CA-004464, in the Circuit Court of the 15<sup>th</sup> Judicial Circuit in and for Palm Beach County, Florida (counter-suing for declaratory relief that the invested money sought by plaintiff constituted a usurious loan); *see also, Howard et al. v. GDB Capital Group, LLC et al.*, Case No. 19-cv-00049 (N.D. Fla) (Howard *et al.* suing a former lender for usury).

30. Not knowing any better, and relying on Milon as her trusted advisor, Plaintiff executed the document and, per Milon's and Howard's instructions, wired and paid by check nearly all of her life savings, totaling \$500,236.22, to another entity affiliated with Howard, CCP and CCG: Cambridge Capital Advisors.



Attached as Exhibit 5 is the fraudulently induced loan document that caused Plaintiff to wire her life savings.

31. On the face of the loan document, it lists CCG, CCP, and Howard & Associates, as the borrowers, although it appears to be signed only on behalf of CCG and CCP. Neither Howard nor Milon explained why they had the funds sent to Cambridge Capital Advisors (another entity not listed on the purported loan document).

32. On December 12, 2017, at 4:21 p.m., Milon called Plaintiff and told her that an additional \$20,000 was required to close the purported Jacksonville Project and return her money.

33. On that same day, Plaintiff visited Howard & Associates' office, where Milon, on behalf of Howard, repeated the solicitation to Plaintiff for a loan of an additional \$20,000 to allow the Jacksonville Project to close, at which time all of Plaintiff's money could be returned.

34. Howard used the same usurious loan scheme that he had employed in connection with the prior loan documentation. Exhibit 6 is a copy of the additional loan document for \$20,000.00. The purpose of placing usurious interest on the face of the loan document was to avoid repayment, and was induced by Howard's ongoing fraud.

35. At the time of the additional \$20,000 loan, Howard had already assigned all rights in the Jacksonville Project from CCG to another entity that was controlled by Howard: A&T Development, LLC. That assignment was never disclosed to Plaintiff. Her money was not being used for that project and the representations by Howard and Milon to that effect were false.

36. Indeed, according to the testimony cited in the BWCI case, Howard and his law firm were out of money in late 2017 and were badly in need of money for his law practice, among other things. *See* Mot. for Leave ¶ 7, filed June 19, 2019, *BWCI Pension Trustees Ltd. v. Cambridge Capital Group, LLC*, Case No. 2018-CA-004464, filed in the Circuit Court of the 15<sup>th</sup> Judicial Circuit in and for Palm Beach County, Florida (“BWCI Case”).<sup>3</sup>

37. Upon receiving Plaintiff’s money in August and December 2017, as discussed herein, Howard co-mingled Plaintiff’s funds with the NFL Victims’ funds and diverted some or all those for his personal benefit, advanced money to the NFL Victims in support of his ongoing Ponzi scheme, and/or used Plaintiff’s money to support his law firm.

38. Howard’s business model and sham corporate entities were used to enrich himself.

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<sup>3</sup> The allegations in the Motion for Leave related to Howard’s need for cash are incorporated by reference.

39. Howard, through Milon as his agent, misappropriated Plaintiff's money in furtherance of funding his plush lifestyle, including his purchase and/or ownership of multiple homes, as set forth in the SEC Complaint.

40. No money was returned to Plaintiff.

41. Howard, through Milon as his agent, then continued the fraud against Plaintiff for many more months.

42. On January 19, 2018, in response to Plaintiff's inquiry about repayment, Milon texted Plaintiff:

. . . The Jacksonville Project closing is scheduled for Wednesday, January 24th. My apologies for the delay. You will continue to earn interest during this time.

*See Exhibit 7*, hereto (compiled text and e-mail communications between Milon and Plaintiff).

43. On January 25, 2018, when Plaintiff asked about the purported January 24th closing, Milon texted Plaintiff:

. . . We didn't close yesterday. We worked into the night to get the "last minute" things they requested. I'm back on it this morning. My apology for the delay. I will keep you abreast. We will get it done!

*See id.*

44. Those statements were false.

45. Following that, Milon, on behalf of Howard, made a series of false statements to string along Plaintiff into believing the Jacksonville Project was proceeding and she would have her entire life savings returned. *Id.*

46. On May 31, 2018, Howard personally met with Plaintiff and assured Plaintiff that her money would be returned to her. The statements made by Howard at that meeting were false.

47. This charade continued through the month of June. On June 29th, 2018, Milon sent an email responding to Plaintiff, copying Howard, stating:

. . . I have not received the funds I was expecting as of yet. Upon receipt, I will contact you. In addition, I had informed you of our standing on the Jacksonville project. That information will not be known until sometime in August. Once again, my apologies for this inconvenience. The fact, however, is that your funds are not lost, they're just illiquid at this time. You will receive your funds.

*Id.*

48. That statement, like the others, was false.

49. Based on the records in *Cambridge Capital Group, LLC et al. v. 500 East Bay, LLC*, Case No 2018-CA-005103, in the Circuit Court of the 4th Judicial Circuit, in and for Duval County, Florida, Howard and his entities resolved a dispute where he claimed to be owed money in connection with the Jacksonville Project in December, 2018, but returned no money to Plaintiff.

50. To-date, Plaintiff has not been repaid any money from Howard or his corporate entities. Plaintiff was injured by loss of her property by reason of Howard's tortious conduct, as set forth herein.

51. Even though Plaintiff believed she would be repaid in January, 2018, she only realized that she had been defrauded out of her money in the summer of 2018.

52. In addition, Plaintiff learned that the entire scheme was a fraud designed, in part, to benefit Howard, personally, only after the most recent disclosures in the SEC Complaint identifying use of CCG and/or CCP funds for her personal mortgages, among other things. *See Exhibit 1.*

**CLAIM I**  
**(Federal Civil RICO, 18. U.S.C. § 1962(c))**

53. Plaintiff incorporates by reference paragraphs 1 through 52 of this Complaint as if fully set forth herein.

54. Howard is an individual capable of holding legal or beneficial interest in property within the meaning of 18 U.S.C. § 1961(3).

55. Howard, Milon, Reinhard, Howard & Associates, CCG, and CCP, and the Other Cambridge Entities, formed an enterprise within the meaning of 18 U.S.C. 1961(4) that effected interstate commerce. The common purpose of the enterprise was to make money through its various fraudulent schemes, including

the scheme to take assignments from the NFL Victims solicited in multiple jurisdictions, and to make money on the Jacksonville Project in Florida, among other things.

56. The enterprise was formed in or around October 2015, as discussed in the SEC Complaint, and as evidenced by the formation of the Cambridge entities by Howard, and continued through March 2019, if not later.

57. The predicate acts, discussed herein, are related and extend over a substantial period of time and affect interstate commerce as, among other things, the enterprise involves the solicitation of victims from multiple states, purchases of homes by Howard in multiple states, the NFL Concussion litigation in Pennsylvania, and purported property investment(s) in Florida.

58. The enterprise targeted its activities toward many victims, including Plaintiff, the NFL Victims, and the Plaintiff in the BWCI case.

59. Howard managed the affairs of the enterprise through, among other things, his ownership and control of CCP, CCG, Howard and Associates, Cambridge Capital Advisors, as well as the Other Cambridge Entities, and through his use of Milon as his agent and agent of CCP, CCG, Cambridge Capital Advisors, and the other Cambridge Entities.

60. Pursuant to and in furtherance of their fraudulent scheme, Howard committed multiple related acts of wire fraud that violate 18 U.S.C. § 1343. As set

forth herein, Howard, on multiple occasions, including in August, 2017 and on December 12, 2017, voluntarily and intentionally devised and participated in a scheme to defraud Plaintiff out of money by inducing her to transfer funds, on two different occasions, under a high-interest loan document, with intent to defraud Plaintiff, as set forth herein. Under that scheme, it was reasonably foreseeable that interstate wire communications would be used and, in fact, interstate wire communications, including text messages, emails (as reflected in Exhibit 7) and telephone calls, were employed and used in connection with the scheme.<sup>4</sup>

61. Howard directly conducted and participated in the conduct of the enterprise's affairs through a pattern of racketeering activity described herein, in violation of 18 U.S.C. § 1962(c).

62. The unlawful actions of Howard has directly and proximately caused and continues to cause injuries to Plaintiff by inducing Plaintiff, in reliance on the false statements, to transfer her entire life savings to the enterprise, which was then used to benefit Howard and the enterprise's schemes to the detriment of Plaintiff.

WHEREFORE, Plaintiff seeks a judgment against Howard awarding actual and treble damages, the recovery of reasonable attorneys' fees and costs incurred

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<sup>4</sup> Other instances of fraud that constitute wire and mail fraud are set forth in the SEC Complaint and alleged conduct in the BWCI Case, the allegations of which are incorporated herein.

in the investigation and litigation, and any other relief as authorized by 18 U.S.C. § 1964 and other applicable law.

**CLAIM II**  
**(Fraud in the Inducement)**

63. Plaintiff incorporates by reference paragraphs 1 through 52 as if fully set forth herein.

64. Howard, directly and through his agent Milon, intentionally made false statements or omitted material facts regarding the “investment” of Plaintiff’s funds in the Jacksonville Project, as set forth herein. Among other things, Howard made false statements about the intended use of the funds and return of those funds through Milon.

65. Howard knew that the representations were false and intended for Plaintiff to rely on those false representations in wiring money to one of Howard’s Cambridge Entities for use as he required to sustain his Ponzi scheme and/or enrich himself.

66. Plaintiff reasonably relied on those false representations to her detriment. Specifically, the representations and omissions caused Plaintiff to transfer her entire life savings of \$520,236.22 to Howard and/or his entities, CCG CCP, or Cambridge Capital Advisors, and to delay seeking enforcement of her rights while she was lead on by the ongoing fraud.



67. As a result of the false statements, material omissions, and fraudulent conduct by Howard, Plaintiff suffered financial damages in the form of loss of her life savings.

WHEREFORE, Plaintiff prays that this Court enter judgment in her favor against Howard, awarding compensatory and punitive damages, costs of the lawsuit, and such other relief as the Court deems just and appropriate.

**CLAIM III**  
**(Breach of Fiduciary Duty)**

68. Plaintiff incorporates by reference paragraphs 1 through 52 of this Complaint as if fully set forth herein.

69. Howard, by employing Milon in her role as trusted financial advisor to Plaintiff, adopted and owed a fiduciary duty to Plaintiff.

70. Howard breached that fiduciary duty by employing a scheme to induce Plaintiff to transfer money for his own personal benefit, or to benefit his ongoing Ponzi scheme with the NFL Victims or to sustain his law practice.

71. As a result, Plaintiff has suffered financial damages in the form of loss of her life savings.

WHEREFORE, Plaintiff prays that this Court enter judgment in her favor against Howard, awarding compensatory and punitive damages in an amount to be

determined at trial, costs of the lawsuit, and such other relief as the Court deems just and appropriate.

**CLAIM IV**  
**(Negligent Misrepresentation)**

72. Plaintiff incorporates by reference paragraphs 1 through 52 of this Complaint as if fully set forth herein.

73. Howard, directly and through his agent Milon, intentionally made false statements or omitted material facts regarding the “investment” of Plaintiff’s funds in the Jacksonville Project, as set forth herein.

74. Howard should have known that the statements made to Plaintiff were false, and would lead to Plaintiffs reliance thereon.

75. Howard intended for Plaintiff to rely on the false representations that, among other things, her funds would be used for the Jacksonville Project and returned quickly upon closing the deal.

76. Plaintiff reasonably and justifiably relied on the false statements to Plaintiff’s detriment, including but not limited to transferring her life savings and delaying enforcement of her rights based on the false statements.

77. Howard’s conduct constituted gross negligence as his conduct was so reckless or wanting in care, as set forth herein, that it constituted a conscious disregard for the rights of Plaintiff. Among other things, Howard knew he

intended to misappropriate Plaintiff's money once it was transferred and devised a scheme to attempt to avoid having to repay it by drafting the loan documents to attempt to claim that the "loans" were usurious and unenforceable.

78. As a direct and proximate result of this conduct, Plaintiff suffered financial damages in the form of loss of her life savings.

WHEREFORE, Plaintiff prays that this Court enter judgment in her favor against Howard, awarding compensatory and punitive damages in an amount to be determined at trial, costs of the lawsuit, and such other relief as the Court deems just and appropriate.

**CLAIM V**  
**(Unjust Enrichment)**

79. Plaintiff incorporates by reference paragraphs 1 through 52 of this Complaint as if fully set forth herein.

80. Plaintiff has conferred a benefit on Howard by transferring her entire life savings to him or one of his entities for his personal benefit.

81. Howard voluntarily accepted and retained the benefits conferred.

82. Howard's acceptance and retention of the benefits under these circumstances makes it inequitable for Howard to retain such benefits without returning the amount paid.

83. Howard has been unjustly enriched by Plaintiff's transfer of her life's savings to him or to one of his entities for his benefit.

WHEREFORE, Plaintiff prays that this Court enter judgment in her favor against Howard, award Plaintiff the amount that Howard has been unjustly enriched, award costs of the lawsuit, and grant such other relief as the Court deems just and appropriate.

**PLAINTIFF'S DEMAND FOR JURY TRIAL**

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiff demands a trial by jury in this action of all issues so triable.

Respectfully submitted this 12th day of November, 2019.

**WEINBERG WHEELER  
HUDGINS GUNN & DIAL, LLC**

**SILVER LAW GROUP**

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