

County Court, City and County of Denver, Colorado Lindsey-Flanigan Courthouse, Room 160 520 W. Colfax Ave. Denver, CO 80204	Filed in the County Court City & County of Denver, Colorado OCT 18 2021 CLERK OF COURT ▲ COURT USE ONLY ▲
Plaintiff: The People of the State of Colorado Defendant: Steven Charles Bachar 10/13/1965	Case Number: 21CR06185 Div: Criminal Ctrm 2300
SUPPORTING AFFIDAVIT FOR AT LARGE ARREST WARRANT	

I, JOSHUA MOHLMAN of lawful age do swear upon my oath to the facts set forth below and on 5 continuation page(s):

Your affiant, JOSHUA MOHLMAN, an Investigator for the Denver District Attorney's Office, Economic Crime Unit was assigned to investigate allegations of SECURITIES FRAUD - UNTRUE STATEMENT OR OMISSION, in violation of 11-51-501(1)(b) THEFT, in violation of 18-4-401(1),(2)(i) by **Steven Charles Bachar** against [REDACTED], on DA Case Number **2021ECU00087**.

On or about September 8, 2021, the Denver District Attorney's Office received a referral from the Colorado Department of Regulatory Agencies, Division of Securities. The referral concerned allegations of securities fraud and theft against Steven Bachar. The case file was prepared and submitted by Division of Securities Investigator John Lahner.

Steven Bachar is a licensed attorney and entrepreneur whose last known residential address is [REDACTED] in the City and County of Denver. Mr. Bachar's relevant business activities in Colorado include, but are not necessarily limited to, the following:

- Empowerment Capital LLC was incorporated by Mr. Bachar in March 2014, with a principal address of 717 17th Street, Suite 2800, Denver, Colorado.
- Empowerment Law LLC was incorporated by Mr. Bachar in September 2017, with a principal address of 201 Milwaukee Street, Suite 200, Denver, Colorado.
- Empowerment Acquisition LLC was incorporated by Mr. Bachar in October 2017, with a principal address of 201 Milwaukee Street, Suite 200, Denver, Colorado.

██████████ is currently a resident of North Carolina. Investigator Lahner interviewed ██████████ on at least two occasions in 2020. During the interviews, ██████████ said he met Mr. Bachar in 1992 when they both worked on a presidential campaign and subsequent administration. Over the years, ██████████ and Mr. Bachar developed a strong working relationship and friendship.

In October 2017, Mr. Bachar called ██████████ to discuss personal and professional matters. Mr. Bachar said he was having trouble making child support payments but otherwise things were going well. Mr. Bachar said he had founded a company called Empowerment Capital with his business partner, ██████████. Mr. Bachar stated ██████████ was “making a ton of money” in New York City while Mr. Bachar was helping women-owned businesses in Denver. Mr. Bachar represented that he and ██████████ were doing well financially. ██████████ disclosed he was in a difficult financial situation due to various issues.

Shortly after the conversation ended, Mr. Bachar called ██████████ back and offered him the opportunity to become involved in helping women-owned businesses through Empowerment Capital. Mr. Bachar said he was pursuing an opportunity to invest in a company called Revolar that produced wearable safety devices that allowed the user to send an emergency notification at the push of a button. Mr. Bachar expressed his belief that an investment in Revolar had strong potential for high returns.

Mr. Bachar offered ██████████ a 10% interest in Empowerment Capital’s profits in exchange for a \$75,000.00 investment. Mr. Bachar confirmed ██████████ had approved the arrangement. Mr. Bachar did not offer any documents to evidence the investment. Mr. Bachar said he needed the money quickly and would provide ██████████ paperwork sometime after the investment. Mr. Bachar did not represent how he intended to use ██████████ investment funds. Although ██████████ expected to receive a return on his investment through all of Empowerment Capital’s profits, he understood the company would receive a portion of its revenue through the potential investment in Revolar. Mr. Bachar told ██████████ that an investment in Revolar was “as close to a sure thing that you can find.”

When considering the investment, ██████████ did not contemplate having any active role in Empowerment Capital or Revolar. At the request of Mr. Bachar, ██████████ did later work for Revolar.

██████████ decided to invest with Mr. Bachar. On October 13, 2017, ██████████ wire transferred \$75,000.00 to a bank account assigned to Empowerment Law. ██████████ understood Empowerment Law to be a subsidiary of Empowerment Capital. According to ██████████, Mr. Bachar directed him to send the funds to Empowerment Law for bookkeeping

purposes.

Soon after [REDACTED] initial investment, Mr. Bachar offered him an additional 6% or 10% interest in Empowerment Capital's profits in exchange for \$50,000.00. Mr. Bachar did not represent how he intended use the additional investment funds. After engaging several potential Revolar customers, [REDACTED] believed the company had the potential to be highly profitable. Therefore, he accepted Mr. Bachar's offer and invested an additional \$50,000.00 in Empowerment Capital. At the direction of Mr. Bachar, [REDACTED] wire transferred the funds to an account assigned to Empowerment Acquisition on December 8, 2017. Like Empowerment Law, [REDACTED] understood Empowerment Acquisition was a subsidiary of Empowerment Capital.

After the investments, Mr. Bachar began to ask [REDACTED] for personal loans. Mr. Bachar said he needed the money for business expenses and personal expenses such as tuition, child support, and real estate. Between January 31, 2018 and August 1, 2018 [REDACTED] sent eight wire transfers totaling \$142,500.00 to Mr. Bachar. Mr. Bachar failed to repay any of the money loaned by [REDACTED].

Sometime in 2018, [REDACTED] contacted [REDACTED], Mr. Bachar's business partner in Empowerment Capital. [REDACTED] stated per the corporate governance documents, Mr. Bachar was not authorized to sell an interest in Empowerment Capital without [REDACTED] approval. [REDACTED] said he was unaware of the transaction involving [REDACTED], and he did not approve it.

Mr. Bachar never provided [REDACTED] with any documents evidencing his two investments in Empowerment Capital. [REDACTED] did not receive any return on his investments, nor did he receive any repayment of the principal. As of June 2020, Mr. Bachar stopped communicating with [REDACTED].

In October 2020 and August 2021, Investigator Lahner interviewed [REDACTED] by telephone. [REDACTED] said he and Mr. Bachar formed Empowerment Capital in 2014 as a 50/50 partnership for the purpose of provided consulting services to businesses focused on impact investing.

At some point in 2017, Mr. Bachar began doing consulting work for Revolar through Empowerment Capital. Mr. Bachar told [REDACTED] that Revolar was in bankruptcy and needed to raise capital to continue operations. Mr. Bachar said he was going to consult with Revolar regarding the effort.

In 2018, ██████ learned Mr. Bachar's girlfriend at the time, ██████, had provided a significant amount of capital for the purchase of Revolar's assets. This information caused ██████ to become concerned about Bachar's potential personal and professional conflicts of interest. ██████ also discovered Mr. Bachar formed Empowerment Acquisition for the purpose of raising capital and purchasing Revolar's assets out of bankruptcy. ██████ expressed concern to Mr. Bachar regarding potential liabilities this could cause for Empowerment Capital. After becoming uncomfortable with Mr. Bachar, ██████ stepped away from Empowerment Capital in May 2018.

Pursuant to Empowerment Capital's operating agreement, neither ██████ nor Mr. Bachar could sell equity interests in the company without the other's approval. Mr. Bachar never asked ██████ for his consent to admit any new members to Empowerment Capital. ██████ first learned about ██████ investment in Empowerment Capital when ██████ reached out to discuss the situation with him in 2018.

During his investigation, Investigator Lahner subpoenaed records from Mr. Bachar related to Empowerment Capital, Empowerment Acquisition, and Revolar. Mr. Bachar complied and produced several business records that included an unexecuted agreement between Empowerment Capital and ██████ dated January 1, 2018. The computer file information for this document indicates it was created on June 21, 2018, several months after ██████ last investment. The agreement states "██████ has invested \$100,000 into Company (Empowerment Capital). In return for the Investment ██████ is entitled to a 16% profits interest in company (Empowerment Capital)."

Mr. Bachar produced an executed operating agreement for Empowerment Capital. The document identifies Mr. Bachar and ██████ as the founding members of the company. According to the operating agreement, additional members could be admitted to the company only with consent of both founding members.

Investigator Lahner also subpoenaed and received bank records for accounts related to Empowerment Capital, Empowerment Law, Empowerment Acquisition, and Steven Bachar. A Division of Securities auditor reviewed the records and provided an analysis to Investigator Lahner.

In September 2017, Mr. Bachar opened an Interest on Lawyers Trust Account/Colorado Lawyer Trust Account Foundation account for Empowerment Law at BBVA Compass bank. The account was opened with a \$100.00 initial deposit. There were no other funds deposited into the account prior to ██████ \$75,000.00 investment in October 2017. Following ██████ \$75,000 wire transfer, Mr. Bachar transferred \$68,900 to a personal bank account. Mr. Bachar

primarily used the funds for personal use. Also, on the same day as [REDACTED] investment, Mr. Bachar paid his ex-wife \$5,982.50 directly from the Empowerment Law account.

Prior to [REDACTED] second investment of \$50,000.00 in December 2017, the account for Empowerment Acquisition had a balance of \$50,032.59. Following [REDACTED] second investment, Mr. Bachar transferred \$50,000 to a personal bank account. Mr. Bachar then used most of the funds for personal use.

The analysis showed between October 13, 2017 and January 16, 2018, Mr. Bachar's personal account received a total of \$144,514.17 in deposits, including \$115,000 from [REDACTED] investment funds. During this time period, the expenses from Bachar's personal account included the following:

- \$61,396.88 paid to American Express credit card. The charges included \$15,066.02 in business expenses. The remaining charges were for personal expenses, meals, and travel.
- \$31,789.63 paid to Mr. Bachar's ex-wife.
- \$14,928.01 for additional debt service payments on various credit cards and loans.
- \$11,681.50 in business expenses in the form of payments to Revolar's co-founder.
- \$10,375.52 for other various personal expenses.

Based on the above information, it is believed Mr. Bachar made untrue statements of material facts in connection with the offer and sale of securities in violation of § 11-51-501(1)(b) C.R.S. Specifically, Mr. Bachar misrepresented the risks associated with an investment in Empowerment Capital, he misrepresented [REDACTED] awareness and approval of the offer and sale of Empowerment Capital's securities to [REDACTED], and he misrepresented that he would provide [REDACTED] evidence of his investments.

Mr. Bachar omitted material facts in connection with the offer and sale of securities in violation of § 11-51-501(1)(b) C.R.S. Specifically, Mr. Bachar omitted the fact he intended to use [REDACTED] investment funds primarily for personal use. Mr. Bachar omitted the fact that [REDACTED] was unaware of, and had not consented to, [REDACTED] investment in Empowerment Capital. Mr. Bachar also omitted the fact that Empowerment Law and Empowerment Acquisition were not subsidiaries of Empowerment Capital and Empowerment Capital did not have a direct financial interest in Revolar. Therefore, it was not guaranteed that Empowerment Capital would financially benefit if Revolar became profitable.

Based on the foregoing, your affiant respectfully requests that an At Large Warrant be issued for the arrest of Steven Charles Bachar, DOB: 10/13/1965 for: SECURITIES FRAUD - UNTRUE STATEMENT OR OMISSION, in violation of 11-51-501(1)(b) THEFT, in violation of 18-4-401(1),(2)(i)

I swear and affirm under oath, by administration of the oath over the telephone by the undersigned judge, that the below electronic signature is my own and that the contents of this Affidavit are true and accurate.

Affiant: Joshua Mohlman
INVESTIGATOR

Dated this 18th day of October, 2021, at ~~8:11~~ 9:35 AM.

In accordance with § 16-1-106 and § 16-3-108, the above-named Affiant swore and affirmed under oath over the telephone to the undersigned judge that the electronic signature is that of the named Affiant and that the contents of this Affidavit are true and accurate.

[Handwritten Signature]
Signature of Judge

LOMBARDI

Printed name of Judge

