



1 California. Defendant resided for portions of the year in Granite  
2 Bay, California, and for portions of the year in Florida.

3 2. From in or around 2006, through at least 2007, defendant  
4 STRATOS operated Next Level Media, which had its place of business  
5 in Granite Bay, California.

6 3. From in or around 2006, through at least 2007, defendant  
7 STRATOS maintained a bank account in the name of Troy Stratos  
8 Enterprises at Bank of America as well as a personal bank account at  
9 Bank of America.

10 4. At all times relevant to this indictment, N.M. was the  
11 ex-wife of E.M. N.M. and E.M. filed for divorce in approximately  
12 August 2005. N.M. resided in the State of California and had  
13 property located in the Eastern District of California.  
14

15 II. SCHEME TO DEFRAUD

16 5. Beginning on a date unknown to the Grand Jury, but not  
17 later than approximately August 2005, and continuing up to at least  
18 September 2007, in the State and Eastern District of California and  
19 elsewhere, defendant STRATOS did devise and intend to devise a  
20 material scheme and artifice to defraud N.M., and to obtain money  
21 from her by means of materially false and fraudulent pretenses,  
22 representations and promises. As a result of the scheme, defendant  
23 STRATOS misappropriated at least approximately \$7,000,000 in funds  
24 from N.M.

25 III. WAYS AND MEANS

26 6. As part of the scheme to defraud, defendant utilized the  
27 following ways and means, among others:  
28

1           7. Defendant STRATOS claimed to be involved in the  
2 entertainment industry as a movie/video director and producer, and  
3 as a developer and promoter of entertainment talent, all under the  
4 names of various entities. Defendant STRATOS represented to N.M.,  
5 in general, that he was wealthy and successful, and that, among  
6 other things, he had made substantial money from oil investments.

7           8. Defendant STRATOS promised N.M. that he would help manage  
8 N.M.'s portion of the proceeds of her recent divorce, including real  
9 property in her name and cash assets. Defendant STRATOS represented  
10 to N.M. that she needed to create a trust allowing defendant STRATOS  
11 to have access and control over N.M.'s assets and that the trust  
12 would help defendant to manage and protect N.M.'s assets. At  
13 defendant STRATOS's request and direction, the Granite TN Revocable  
14 Trust ("Granite TN Trust") was executed in Fair Oaks, California, by  
15 defendant STRATOS and N.M. Defendant STRATOS also caused a bank  
16 account to be opened in the name of the Granite TN Revocable Trust  
17 in Fort Lauderdale, Florida.

18           9. Defendant STRATOS falsely represented to N.M. that he  
19 would invest the divorce proceeds overseas, including in Dubai in  
20 the United Arab Emirates, where the proceeds would earn a high rate  
21 of return.

22           10. Defendant STRATOS falsely represented to N.M. that he  
23 would pay for her expenses from his own money because her money was  
24 purportedly invested overseas.

25           11. At defendant STRATOS'S request and instruction, N.M.  
26 transferred cash in excess of \$8,000,000 into the Granite TN Trust.  
27  
28

1 N.M. placed the assets in the Granite TN Trust so that defendant  
2 STRATOS would manage the assets, including investment of the same as  
3 defendant STRATOS had promised.

4 12. After the assets were transferred into the Granite TN  
5 Trust, defendant STRATOS falsely represented to N.M. that he had  
6 invested her money overseas, including in the Middle East.  
7 Defendant STRATOS further represented to N.M. and others that N.M.'s  
8 assets were held in an account in Switzerland.

9 13. In truth and in fact, defendant STRATOS did not invest any  
10 of N.M.'s money overseas. Instead, defendant STRATOS caused money  
11 to be transferred by wire from the Granite TN Trust account to his  
12 own personal accounts, including the Troy Stratos Enterprises  
13 Account and his personal bank account, and used substantial portions  
14 of N.M.'s money for defendant STRATOS's own personal expenditures.  
15

16 14. In truth and in fact, defendant STRATOS did not pay for  
17 N.M.'s expenses with his own money, but rather used N.M.'s own money  
18 to pay her expenses by withdrawing or transferring money from the  
19 Granite TN Trust account.

20 15. Defendant STRATOS represented to N.M. that he would  
21 facilitate the sale of N.M.'s Granite Bay home. Defendant STRATOS  
22 represented at various times to N.M. that he had friends in the  
23 Middle East who were members of Middle Eastern royal families, and  
24 that they would purchase her house located in Granite Bay.  
25 Defendant STRATOS falsely represented to N.M. that he was arranging  
26 to sell her Granite Bay house to these Middle Eastern individuals.  
27  
28

1           16. In truth and in fact, defendant STRATOS had not made  
2 arrangements for any members of Middle Eastern royalty to purchase  
3 N.M.'s Granite Bay house. While purportedly attempting to sell  
4 N.M.'s home, defendant STRATOS resided for portions of 2006 and 2007  
5 at the house without paying rent. While staying at N.M.'s house,  
6 defendant STRATOS also used portions of money misappropriated from  
7 N.M. to pay for his personal expenses as well as maintenance on the  
8 property.

9  
10           17. Defendant STRATOS represented to N.M. that home purchasers  
11 would expect to see luxury automobiles at the house when visiting  
12 the home during the marketing process and that purchasers would want  
13 to purchase the vehicles along with the house as part of a package  
14 deal. Based on these claims, defendant STRATOS caused several  
15 luxury automobiles to be leased in the name of N.M. for use at the  
16 Granite Bay house. Thereafter, defendant STRATOS made personal use  
17 of the leased vehicles.

18           18. In October 2006, defendant STRATOS moved his staff for his  
19 Next Level Media company into N.M.'s Granite Bay house. Defendant  
20 STRATOS then paid his staff with money that he misappropriated from  
21 N.M.

22           19. Defendant STRATOS falsely represented to N.M. that,  
23 because her money was invested overseas, it was necessary to  
24 refinance N.M.'s houses (including N.M.'s houses in Granite Bay, and  
25 her mother's house located in Sacramento, California, held in N.M.'s  
26 name), to obtain equity to pay for N.M.'s expenses. Acting upon the  
27 advice and instruction of defendant STRATOS, N.M. refinanced her  
28

1 houses. Money from refinancing N.M.'s Granite Bay house in December  
 2 2006 was transferred by wire from U.S. Bank to N.M.'s Bank of  
 3 America account in Florida. Thereafter, at defendant STRATOS's  
 4 request and instruction, some of this money was transferred into the  
 5 Granite TN Trust account.

6 20. In truth and in fact, defendant STRATOS had not invested  
 7 N.M.'s money overseas, and refinancing of N.M.'s houses was required  
 8 to pay defendant STRATOS'S expenses. Moreover, after money from  
 9 refinancing N.M.'s houses was transferred into the Granite TN Trust  
 10 account, defendant STRATOS caused portions of this money to be  
 11 transferred to his own personal accounts or to be withdrawn for his  
 12 own personal use.

14 IV. THE MAILINGS

15 21. On or about the dates set forth below, in the State and  
 16 Eastern District of California and elsewhere, for the purpose of  
 17 executing and attempting to execute the aforementioned scheme and  
 18 artifice to defraud, defendant STRATOS did knowingly cause to be  
 19 sent or delivered by the Postal Service, or delivered by common  
 20 carrier, to the locations set forth below, the documents and items  
 21 specified below:

22  
23  
24

Count	Date	From	To	Content
1	1/3/07	Granite Bay, CA	Dublin, CA	\$1,214.36 check to Rolls-Royce Motor Cars for lease of vehicle

25  
26  
27  
28

2	1/9/07	Granite Bay, CA	Phoenix, AZ	\$2,220.20 check to BMW Financial Service for lease of vehicle
3	1/16/07	Granite Bay, CA	Dublin, CA	\$5,996.77 check to Rolls-Royce Motor Cars for lease of vehicle

All in violation of Title 18, United States Code, Sections 2 and 1341.

COUNTS FOUR THROUGH ELEVEN: [18 U.S.C. § 1343 - Wire Fraud]

The Grand Jury further charges:

TROY STRATOS,

defendant herein, as follows:

1. Paragraphs 1 through 20 of Counts One through Three of this Indictment are re-alleged and fully incorporated herein by reference.

THE INTERSTATE WIRE COMMUNICATIONS

2. On or about the dates set forth below, in the State and Eastern District of California, and elsewhere, for the purpose of executing and attempting to execute the aforementioned scheme and artifice to defraud, defendant STRATOS did knowingly transmit and cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, to wit, interstate wire transmissions further described below:

/ / /

/ / /

/ / /

Count	Date	Wire From	Wire To	Contents of Wire
4	12/26/06	U.S. Bank, Nevada	N.M.'s account at Bank of America, Florida	\$793,211.60 wire transfer
5	12/27/06	U.S. Bank, Nevada	N.M.'s account at Bank of America, Florida	\$375,278.63 wire transfer
6	1/2/07	Granite TN Trust account at Nevada Bank, Fort Lauderdale, FL	Troy Stratos Enterprises account at Bank of America, Granite Bay, CA	\$50,000.00 wire transfer
7	1/5/07	Granite TN Trust account at Nevada Bank, Fort Lauderdale, FL	Troy Stratos Enterprises account at Bank of America, Granite Bay, CA	\$25,000.00 wire transfer
8	1/18/07	Granite TN Trust account at Nevada Bank, Fort Lauderdale, FL	Troy Stratos Enterprises account at Bank of America, Granite Bay, CA	\$100,000.00 wire transfer
9	1/26/07	Granite TN Trust account at Nevada Bank, Fort Lauderdale, FL	Troy Stratos Enterprises account at Bank of America, Granite Bay, CA	\$10,000.00 wire transfer
10	2/1/07	Granite TN Trust account at Nevada Bank, Fort Lauderdale, FL	Troy Stratos Enterprises account at Bank of America, Granite Bay, CA	\$10,000.00 wire transfer



11	2/5/07	Granite TN Trust account at Nevada Bank, Fort Lauderdale, FL	Troy Stratos Enterprises account at Bank of America, Granite Bay, CA	\$75,000.00 wire transfer
----	--------	--	--	---------------------------

All in violation of Title 18, United States Code, Sections 2 and 1343.

COUNTS TWELVE AND THIRTEEN: [18 U.S.C. § 1957 - Monetary Transaction in Property Derived from Specified Unlawful Activity]

The Grand Jury further charges:

TROY STRATOS,

defendant herein, as follows:

1. The allegations of Counts One through Eleven of this Indictment are re-alleged and fully incorporated herein by reference.

2. Defendant STRATOS, on or about the dates set forth below, in the State and Eastern District of California and elsewhere, did knowingly engage and attempt to engage in monetary transactions affecting interstate commerce, in criminally derived property of a value greater than \$10,000, such funds having been derived from specified unlawful activity, that is, wire fraud in violation of Title 18, United States Code, Section 1343, and mail fraud in violation of Title 18, United States Code, Section 1341, as charged in Counts One through Eleven above,

/ / /

/ / /

Count	Date	Amount	Monetary Transaction
12	1/2/07	\$25,000	Cash withdrawal from Bank of America, Granite Bay, California
13	1/26/07	\$25,000	Cash withdrawal from Bank of America, Granite Bay, California

All in violation of Title 18, United States Code, Section 1957.

COUNT FOURTEEN: [18 U.S.C. § 1503 - Obstruction of Justice]

The Grand Jury further charges:

TROY STRATOS,

defendant herein, between on or about February 21, 2007, and at least April 2007, in the Eastern District of California and elsewhere, did corruptly obstruct, influence, impede, and endeavor to obstruct, influence, and impede the due administration of justice by a federal grand jury in the Eastern District of California, to wit, he instructed his bookkeeper to conceal and withhold from production documents that were responsive to a grand jury subpoena issued to defendant's bookkeeper, requiring production of documents relating to defendant TROY STRATOS, all in violation of Title 18, United States Code, Section 1503.

FORFEITURE ALLEGATION: [18 U.S.C. § 981(a)(1)(C), 28 U.S.C. § 2461(C), Fed. R. Crim. P. 32.2(a) - Criminal Forfeiture]

1. Upon conviction of one or more of the offenses alleged in Counts One through Thirteen of this Indictment, defendant Troy Stratos, also known as Troy David Stafford, shall forfeit to the United States, pursuant to Title 18, United States Code, Sections 981(a)(1)(c) and 982(a)(2)(A), and Title 28, United States Code,

1 Section 2461(c), any property, real or personal, constituting or  
2 derived from proceeds traceable to said violation(s).

3 2. If any property subject to forfeiture, as a result of the  
4 offenses alleged in Counts One through Thirteen of this Indictment:


- 5 (a) cannot be located upon the exercise of due diligence;  
6 (b) has been transferred or sold to, or deposited with, a  
7 third person;  
8 (c) has been placed beyond the jurisdiction of the Court;  
9 (d) has been substantially diminished in value; or  
10 (e) has been commingled with other property which cannot be  
11 subdivided without difficulty;

12 it is the intent of the United States, pursuant to Title 18, United  
13 States Code, Section 982(b)(1), incorporating Title 21, United  
14 States Code, Section 853(p), to seek forfeiture of any other  
15 property of said defendant, up to the value of the property subject  
16 to forfeiture.  
17

18  
19 A TRUE BILL.

20 /s/ Signature on file w/AUSA

21 FOREPERSON

22   
23 BENJAMIN B. WAGNER  
24 United States Attorney  
25  
26  
27  
28

**UNITED STATES DISTRICT COURT**

*Eastern District of California*

*Criminal Division*

---

THE UNITED STATES OF AMERICA

vs.

TROY STRATOS,

---

INDICTMENT

**VIOLATIONS:** 18 U.S.C. § 1341 - Mail Fraud (3 counts); 18 U.S.C. § 1343 - Wire Fraud (8 counts); 18 U.S.C. § 1957 - Money Laundering (2 counts); 18 U.S.C. § 1503 - Obstruction of Justice; 18 U.S.C. § 982(A)(1) - Criminal Forfeiture

---

*A true bill,*

*/s/*

-----  
*Foreman.*

---

Filed in open court this 16 day

of DECEMBER, A.D. 20 11

-----  
*[Signature]*  
*Clerk.*

---

Bail, \$ NO BAIL WARRANT PENDING HEARING

*[Signature]*

---

PENALTY SLIP

TROY STRATOS

COUNTS 1-3:

Violation: 18 U.S.C. § 1341 - Mail Fraud

Penalty: 20 Years Imprisonment,  
\$250,000 Fine, or both;  
3 Years TSR

COUNTS 4-11:

Violation: 18 U.S.C. § 1343 - Wire Fraud

Penalty: 20 Years Imprisonment,  
\$250,000 Fine or both;  
3 Years TSR

COUNTS 12 & 13:

Violation: 18 U.S.C. § 1957 - Monetary Transaction in Property Derived from Specified Unlawful Activity

Penalty: 10 Years Imprisonment,  
\$250,000 Fine, or both;  
3 Years TSR

COUNT 14:

Violation: 18 U.S.C. § 1503 - Obstruction of Justice

Penalty: 10 Years Imprisonment,  
\$250,000 Fine, or both;  
3 Years TSR

FORFEITURE

ALLEGATIONS:

Violation: 18 U.S.C. § 982(a)(1)(C) 981(a)(1)(C) and 28 U.S.C. § 2461(C)

Penalty: As stated in the Indictment

COURT ASSESSMENT: \$100 each count