



IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

Criminal Action No. 1:23-cr-00418-CNS-1

UNITED STATES OF AMERICA,

Plaintiff,

v.

JERROLD MAURER,

Defendant.

PLEA AGREEMENT

The United States of America, by and through Trial Attorneys Brandon Burkart and Andrew Jaco of the United States Department of Justice, Fraud Section, and the defendant, Jerrold Maurer, personally and by counsel, Rhett Conlon Parker, submit the following Plea Agreement pursuant to D.C.COLO.LCrR 11.1. This agreement binds only the Fraud Section of the United States Department of Justice (hereinafter, the "government") and the defendant.

I. AGREEMENT

A. Defendant's Plea of Guilty:

The defendant agrees:

- (1) to waive indictment and plead guilty to an Information charging a violation of 18 U.S.C. § 371;
- (2) to waive certain appellate and collateral attack rights, as explained in detail below;
- (3) be liable for restitution to the victims that were recruited into the scheme in the amount to be determined by the Court at sentencing, which could

include joint and several liability for some or all of the amount with other as yet uncharged co-conspirators;

- (4) not to contest forfeiture as more fully described below.

B. Government's Obligations:

This agreement is made pursuant to Fed.R.Crim.P.11(c)(1)(A) and (B). The government agrees to recommend the specific calculation under the United States Sentencing Guidelines (hereinafter "USSG") as detailed further below, with the exception that the loss enhancement under USSG § 2B1.1(b)(1) will be determined by the Court at sentencing. The government further agrees not to bring other charges against the defendant based on information currently known to the government concerning the wire fraud scheme charged in the Information from in or around January 2017 to in or around June 2019. Should the plea of guilty be vacated on the motion of the defendant, the government may, in its sole discretion, move to reinstate and proceed with prosecution on any other charges arising from the matters referred to in the Information. The parties understand that this agreement is not binding on the Court.

Provided the defendant does not engage in prohibited conduct or otherwise implicate USSG §§ 3C1.1 and 3E1.1, cmt. n.4, between the guilty plea and sentencing in this case, the government agrees that the defendant should receive a two-level reduction for acceptance of responsibility pursuant to USSG § 3E1.1(a) and agrees to file a motion requesting that the defendant receive a one-level reduction for acceptance of responsibility pursuant to USSG § 3E1.1(b).

The parties agree to recommend a sentence at the low-end of the applicable guideline range for the criminal history and total offense level calculated by the Court at sentencing. The parties agree to waive all potential motions or arguments for departure

under the guidelines, aside from the departures noted in this agreement, and any supplements, but the parties are permitted to make motions or raise arguments for a variance under 18 U.S.C. § 3553(a).

C. Defendant's Waiver of Appeal:

The defendant is aware that 18 U.S.C. § 3742 affords the right to appeal the sentence, including the manner in which that sentence is determined. Understanding this, and in exchange for the concessions made by the government in this agreement, the defendant knowingly and voluntarily waives the right to appeal any matter in connection with this prosecution, conviction, or sentence (including the restitution order), unless it meets one of the following criteria:

- (1) the sentence exceeds the maximum sentence provided in the statute of conviction, 18 U.S.C. § 371;
- (2) the sentence exceeds the top end of the advisory guideline range from the Sentencing Guidelines that applies for the defendant's criminal history (as determined by the district court) at a total offense level determined at the time of sentencing; or
- (3) the government appeals the sentence imposed.

If the first criterion applies, the defendant may appeal only the issue of how his sentence exceeds the statutory maximum sentence. But if one of the latter two criteria apply, the defendant may appeal on any ground that is properly available in an appeal that follows a guilty plea.

The defendant also knowingly and voluntarily waives the right to challenge this prosecution, conviction, or sentence (including the restitution order) in any collateral attack (including, but not limited to, a motion brought under 28 U.S.C. § 2255). This waiver provision does not prevent the defendant from seeking relief otherwise available in a collateral attack on any of the following grounds:

- (1) the defendant should receive the benefit of an explicitly retroactive change in the sentencing guidelines or sentencing statute;
- (2) the defendant was deprived of the effective assistance of counsel; or
- (3) the defendant was prejudiced by prosecutorial misconduct.

The defendant also waives the right to appeal any sentence imposed below or within the Guideline range upon a revocation of supervised release in this case number, except where the defendant unsuccessfully objects to the grade of violation applied by the court during the district court revocation proceedings. In that event, this waiver does not apply, and the defendant may appeal the sentence imposed upon a revocation of supervised release, even if that sentence falls below or within the guideline range calculated by the court.

The defendant also waives the right to appeal the denial of any motion filed under 18 U.S.C. § 3582(c)(1)(A) where such denial rests in any part upon the court's determination that a sentence reduction is not warranted under the factors set forth in 18 U.S.C. § 3553(a). This waiver does not apply to an appeal of a denied § 3582(c)(1)(A)(i) motion where the district court, in denying the motion on § 3553(a) grounds, failed to consider the facts allegedly establishing extraordinary and compelling circumstances as part of its § 3553(a) analysis.

D. Forfeiture and Restitution:

The defendant admits the forfeiture allegations. The defendant further agrees to forfeit to the United States immediately and voluntarily any and all assets and property, or portions thereof, subject to forfeiture, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), whether in the possession or control of the United States, the defendant, the defendant's nominees, or elsewhere. The assets to be forfeited

specifically include, but are not limited to, a money judgement in the amount determined by the Court at the time of sentencing. This order will be joint and several with the order of restitution. The defendant agrees and consents to the forfeiture of these assets pursuant to any federal criminal, civil, and/or administrative forfeiture action. The defendant understands that pursuant to 18 U.S.C. § 983, the seizing agency is required to send notice in non-judicial civil forfeiture matters. Having been advised of said rights regarding notice, the defendant hereby knowingly and voluntarily waives his/her rights to notice being sent within the time frames in 18 U.S.C. § 983 and to having the property returned to him/her if notice is not sent within the prescribed time frames. The defendant further agrees to the forfeiture of any substitute assets up to the value of any property described above pursuant to 21 U.S.C. § 853(p) and Federal Rules of Criminal Procedure 32.2(e).

Forfeiture of the defendant's assets shall not be treated as satisfaction of any fine, restitution, cost of imprisonment, or any other penalty this Court may impose upon the defendant in addition to forfeiture.

The government will recommend to the Attorney General that any net proceeds derived from the sale of judicially forfeited assets be remitted or restored to eligible victims of the offense for which the defendant has pleaded guilty, pursuant to 18 U.S.C. § 981(e), 28 C.F.R. pt. 9, and any other applicable laws, if the legal requirements for recommendation are met. The defendant understands that the government has authority only to recommend such relief and that the final decision of whether to grant relief rests solely with the Attorney General, who will make his decision in accordance with applicable law.

II. ELEMENTS OF THE OFFENSE

The parties agree that the elements of Conspiracy, in violation of 18 U.S.C. § 371 are as follows:

- a. First: the Defendant agreed with at least one other person to violate the law;
- b. Second: one of the conspirators engaged in at least one overt act furthering the conspiracy's objective;
- c. Third: the Defendant knew the essential objective of the conspiracy;
- d. Fourth: the Defendant knowingly and voluntarily participated in the conspiracy; and
- e. Fifth: there was interdependence among the members of the conspiracy; that is, the members, in some way or manner, intended to act together for their shared mutual benefit within the scope of the conspiracy charged.

Tenth Circuit Pattern Jury Instructions (Criminal Cases), 2011, § 2.19 (updated 2021).

The parties agree that the elements of Wire Fraud, in 18 U.S.C. § 1343, are as follows:

- a. First: the Defendant devised or intended to devise a scheme to defraud, as alleged in the Information;
- b. Second: the Defendant acted with specific intent to defraud;
- c. Third: the Defendant used or caused another person to use interstate wire communications facilities for the purpose of carrying out the scheme; and
- d. Fourth: the scheme employed false or fraudulent pretenses, representations, or promises that were material.

Tenth Circuit Pattern Jury Instructions (Criminal Cases), 2011, § 2.57 (updated 2021).

III. STATUTORY MAXIMUM SENTENCE

The maximum imprisonment that may be imposed for a violation of 18 U.S.C. § 371 is five years, with a maximum fine of \$250,000. The defendant is also required to

pay a special assessment of \$100. The Court may impose a term of supervised release of not more than 3 years.

IV. COLLATERAL CONSEQUENCES

The conviction may cause the loss of civil rights, including, but not limited to, the rights to possess firearms, vote, hold elected office, and sit on a jury.

V. STIPULATION OF FACTS

The factual basis for this plea is set forth below. Because the Court must, as part of its sentencing methodology, compute the advisory guideline range for the offense of conviction, consider relevant conduct, and consider the other factors set forth in 18 U.S.C. § 3553, additional facts may be included below which are pertinent to those considerations and computations. To the extent the parties disagree about the facts set forth below, the stipulation of facts identifies which facts are known to be in dispute at the time of the execution of the plea agreement.

This stipulation of facts does not preclude either party from presenting non-contradictory additional facts which are relevant to the Court's guideline computation, to other 18 U.S.C. § 3553 factors, or to the Court's overall sentencing decision.

The parties stipulate that the following facts are true and accurate, and that the government would be able to prove the following facts at trial.

From in or around January 2017 through in or around June 2019, the defendant, a resident of North Bellmore, New York, along with co-conspirator 1 ("CC-1"), co-conspirator 2 ("CC-2"), and co-conspirator 3 ("CC-3"), and others (collectively, the "co-conspirators"), founded and operated 8 Figure Dream Lifestyle ("8FDL"), a Wyoming limited liability company that operated as an illegal pyramid scheme. Prior to starting

8FDL, the defendant and the other co-conspirators were members of another illegal pyramid scheme called TiDOM, which was operated by CC-3 starting in or around 2015. TiDOM was an online marketing business with a tiered membership structure in which consumers paid anywhere from \$2,000 to \$22,000 for the right to recruit and sell memberships to others. Members paid their sponsor—the person who had recruited them—directly. The sponsor, in turn, was required to “pass up” their first sale to their own sponsor and pass up any subsequent sale profits that exceeded their own membership tier to their sponsor (e.g., someone who joined at the \$6,000 level and recruited another member to join at the \$15,000 level would retain \$6,000 and pass up the remaining \$11,000 to their sponsor).

In early 2017, CC-1, suggested starting a new company, based on the TiDOM model, but incorporating step-by-step instructions for new recruits that would make the program “automated” and “fool proof,” thereby generating more successful sales into the scheme and more profits for those at the top. The defendant, along with CC-1 and the other co-conspirators, agreed with each other to create 8FDL based on the scheme devised by CC-1.

The defendant, along with his co-conspirators, advertised that 8FDL was an online marketing business that allowed members of the business to easily earn millions of dollars by selling memberships into 8FDL. 8FDL purportedly allowed its members to access various digital videos, mostly related to online marketing and self-help lessons, but the videos had nominal value and served merely as a vehicle for the company to appear legitimate. The main purpose of the company was to allow members to make money by

recruiting new members, not by the sale of digital videos. Once an individual purchased a membership, they were allowed to sell 8FDL memberships to new customers.

Like TiDOM, the company employed a tiered membership structure, ranging from \$2,000 to \$21,000, allowing individuals to join at various fee levels. While the increase in membership level, or purchase price, allowed the member to access additional digital videos, it, more importantly, allowed the member to receive more fees from new members he or she recruited. If a member successfully recruited a new member, they were called a sponsor. A sponsor was entitled to keep the entirety of the new member's fees up to the sponsor's membership level. Any additional fees over the sponsor's level would pass up to the sponsor in the chain above him or her that joined at the higher level. For example, if the defendant was the sponsor, he received all of the fees from any member he recruited. However, if the defendant recruited member X at the \$6,000 level, any membership fees that member X recruited above the \$6,000 level would go to the defendant, and this was referred to as a "pass up." Member X was only entitled to receive up to \$6,000 from members he or she recruited. This encouraged all members to join at the highest level—the \$21,000 level.

The defendant and the co-conspirators designed and structured 8FDL so that consumers could make money only by recruiting and selling memberships to other consumers. The defendant and the co-conspirators marketed 8FDL to consumers as an automated system for making passive income. The defendant and the co-conspirators knew that the digital videos they included with memberships to 8FDL had minimal value and could not be resold apart from a membership to 8FDL. The defendant and the co-conspirators told consumers, via email and other digital marketing materials, that 8FDL

was a legitimate online business opportunity and expressly stated that it was not an illegal pyramid scheme despite defendant's concerns about the legality of 8FDL's business model.

The defendant and the co-conspirators also made and caused others to make materially false statements about the profits consumers would make if they joined 8FDL and the income existing members had generated through the company. For instance, the defendant sent and caused others to send marketing emails and text messages, which were coordinated between MAURER and his co-conspirators, claiming that typical consumers with no prior skills or experience would earn between \$5,000 and \$10,000 in 10 to 14 days after joining the company, and they could consistently earn more than \$10,000 within 60-90 days. The defendant and the co-conspirators also sent marketing emails claiming that the majority of members were averaging two to three sales within their first 30-45 days. The defendant and the co-co-conspirators knew that these statements were false and that, in fact, the vast majority of consumers who joined 8FDL never made a single sale. The defendant and the co-conspirators made these false statements to induce others to join 8FDL so that the defendant and the co-conspirators could enrich themselves.

In addition to the membership fees for individuals he recruited and those he received as pass ups, the defendant and the co-conspirators received administrative fees from all new members. Members that bought into the company were required to pay their membership fee, according to the tier that they purchased, as well as an administrative fee that ranged from \$395 to \$1,495 per membership. These fees were passed directly to CC-3 who divided the fees among the defendant and the co-conspirators.

The defendant sent emails and text messages and used robocalls to recruit members from across the country. The defendant personally sent and caused others to send electronic wires in furtherance of the scheme from outside the District of Colorado to CC-2 and others within the District of Colorado. The defendant also received payments in the form of checks and wire transfers to his bank account in New York from an account in Colorado.

In or around November 2018, CC-1 suggested forming a new company, Online Entrepreneurial Academy ("OEA"), because CC-1 was concerned about the legal risk in continuing to operate under the 8FDL name and the lack of financial success for the vast majority of members who had joined 8FDL. The defendant, along with CC-2, agreed to work with CC-1 to rebrand and restructure their business as OEA and solicit 8FDL members and other consumers to join OEA. From in or around November 2018 through at least in or around March 2019, the defendant drafted written materials and produced videos for the purpose of marketing OEA to current 8FDL members as well as other consumers. Ultimately, even after migrating to OEA, the defendant never abandoned the conspiracy, which was ongoing until 8FDL and OEA were closed by federal regulators in or around June 2019.

VI. ADVISORY GUIDELINE CALCULATION

The parties understand that the imposition of a sentence in this matter is governed by 18 U.S.C. § 3553. In determining the particular sentence to be imposed, the Court is required to consider seven factors. One of those factors is the sentencing range computed by the Court under advisory guidelines issued by the United States Sentencing Commission. In order to aid the Court in this regard, the parties set forth below their

general framework of the advisory guideline range called for by the USSG, with the exception that the enhancement under USSG § 2B.1(b)(1) will be determined by the Court at the time of sentencing. To the extent that the parties disagree about the guideline computations, the recitation below identifies the matters which are in dispute.

The calculation below is the good-faith estimate of the parties, but it is only an estimate. The parties understand that the government has an independent obligation to assist the Court in making an accurate determination of the correct guideline range. To that end, the government may argue that facts identified in the presentence report, or otherwise identified during the sentencing process, affect the estimate below.

- a) Under USSG § 2B1.1(a), the base offense level is 6.
- b) Under USSG § 2B1.1(b)(1), the loss will be determined by the Court at sentencing.
- c) Under USSG § 2B1.1(b)(2)(A), there were more than ten victims, increasing the offense level by 2.
- d) The parties agree the defendant should receive a 3-level reduction for acceptance of responsibility pursuant to USSG § 3E1.1
- e) The parties understand that the defendant's criminal history computation is tentative and based on the defendant's prior convictions. The parties believe the defendant is in criminal history category I.
- f) The career offender/criminal livelihood/armed career criminal adjustments do not apply.
- g) Pursuant to guideline § 5E1.2, a fine for this offense, plus applicable interest and penalties, will be applied based on the total offense level calculated by the Court.
- h) Pursuant to guideline § 5D1.2, if the Court imposes a term of supervised release, that term should be at least 1 years, but not more than 3 years.


- i) The government will seek restitution and forfeiture in the amount determined by the Court at the time of sentencing.

The parties understand that the Court is free, upon consideration and proper application of all 18 U.S.C. § 3553 factors, to impose that reasonable sentence which it deems appropriate in the exercise of its discretion and that such sentence may be less than that called for by the advisory guidelines (in length or form), within the advisory guideline range, or above the advisory guideline range up to and including imprisonment for the statutory maximum term, regardless of any computation or position of any party on any 18 U.S.C. § 3553 factor.

VII. ENTIRE AGREEMENT

The agreement disclosed to the Court, which includes any supplements, is the entire agreement. There are no other promises, agreements or "side agreements," terms, conditions, understandings, or assurances, express or implied. In entering this agreement, neither the government nor the defendant has relied, or is relying, on any other terms, promises, conditions or assurances.


Date: 11/20/23


Jerrold Maurer
Defendant

Date: 11/17/23


Rhett Conlon Parker
Attorney for Defendant

Date: 11/10/2023


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