

Presented to the Court by the foreman of the
Grand Jury in open Court, in the presence of
the Grand Jury and FILED in the U.S.
DISTRICT COURT at Seattle, Washington.

November 29 2018
WILLIAM M. McCOOL, Clerk
By [Signature] Deputy

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

VOLODIMYR PIGIDA,
(a/k/a Vladimir Pigida), and
MARINA BONDARENKO,
(a/k/a Marina Ixora),

Defendants.

NO **CR18-294** RSM

INDICTMENT

The Grand Jury charges that:

COUNT 1

(Conspiracy to Commit Mail Fraud, Wire Fraud, and Bankruptcy Fraud)

1. Beginning on a date unknown, but no later than January 2012, and continuing until in or about December 2017, at Bellevue, within the Western District of Washington, and elsewhere, VOLODIMYR PIGIDA and MARINA BONDARENKO did knowingly and willfully combine, conspire, and agree among themselves and with other persons both known and unknown to the Grand Jury to commit offenses against the United States, to wit: wire fraud, in violation of Title 18, United States Code, Section 1343, mail fraud, in violation of Title 18, United States Code, Section 1341, and bankruptcy fraud, in violation of Title 18, United States Code, Section 157.

I. THE AGREEMENT

2. VOLODIMYR PIGIDA and MARINA BONDARENKO (collectively “Defendants”) agreed to create and operate Trend Sound Promoter AMG, Corporation (Trend Sound Promoter) as a work-at-home internet-marketing scheme, which promised significant returns with minimal training or effort. Throughout the company’s existence, the Defendants claimed Trend Sound Promoter was a legitimate, investor-backed, online advertising and marketing company, created to promote music and other goods and services on the Internet. In fact, Trend Sound Promoter was a Ponzi scheme without a commercially viable product or investors, premised on a purported email marketing system, through which Defendants solicited and obtained in excess of \$22 million from approximately 6,750 individuals located throughout the world in slightly over one year of operation.

3. VOLODIMYR PIGIDA and MARINA BONDARENKO further agreed to undertake a variety of means to transfer money paid into Trend Sound Promoter out of the company for their own personal use and benefit, and to conceal these transfers from purchasers of Trend Sound Promoter’s work-at-home marketing packages (known as Independent Promoter Distributors (IPDs)). These unauthorized and fraudulent transfers included but were not limited to, real estate purchases, transfers of funds to wholly-owned related companies, the direct payment of personal expenses with Trend Sound Promoter funds, and the placement of assets into legal trusts to disguise VOLODIMYR PIGIDA and MARINA BONDARENKO’s theft of Trend Sound Promoter funds to purchase the assets.

4. Finally, VOLODIMYR PIGIDA and MARINA BONDARENKO further agreed to defraud creditors of Trend Sound Promoter, including thousands of IPDs, as well as the Bankruptcy Court for the Western District of Washington, and the Chapter 7 Bankruptcy Trustee, in connection with, and in relation to, the company’s bankruptcy proceeding. In anticipation of, during, and in relation to, this proceeding, VOLODIMYR PIGIDA and MARINA BONDARENKO fraudulently failed to disclose and affirmatively concealed transfers of Trend Sound Promoter funds for their personal benefit,

1 and made and caused to be made false and fraudulent representations related to the operation
2 of Trend Sound Promoter, and their misappropriation of money and property from Trend
3 Sound Promoter, all to prevent their misappropriation of these assets from being discovered
4 and adjudicated as part of the bankruptcy estate of Trend Sound Promoter and liquidated on
5 behalf of unsecured creditors.

6 **II. BACKGROUND**

7 **A. Defendants and Trend Sound Promoter.**

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9 5. Trend Sound Promoter was a Washington corporation established by
10 VOLODIMYR PIGIDA and MARINA BONDARENKO on November 28, 2012. Trend
11 Sound Promoter was also incorporated as a Florida corporation on December 6, 2012. Trend
12 Sound Promoter's primary place of business was Bellevue, Washington.

13 6. VOLODIMYR PIGIDA resided in the Western District of Washington and
14 elsewhere. He was the president and founder of Trend Sound Promoter and oversaw the
15 company's business activities. VOLODIMYR PIGIDA owned 80% of Trend Sound
16 Promoter's stock until approximately March 1, 2014, after which he owned 100% of the
17 company.

18 7. MARINA BONDARENKO resided in the Western District of Washington and
19 elsewhere. She was the Vice President of Trend Sound Promoter from its founding until
20 approximately March 1, 2014. MARINA BONDARENKO owned 20% of the shares of
21 Trend Sound Promoter from its inception until March 1, 2014, when
22 MARINA BONDARENKO transferred her shares to VOLODIMYR PIGIDA. In
23 conjunction with VOLODIMYR PIGIDA, MARINA BONDARENKO oversaw Trend
24 Sound Promoter's business activities and the company's day-to-day operations.

25 **B. Related Companies.**

26 8. Between 2010 and April 2014, VOLODIMYR PIGIDA and
27 MARINA BONDARENKO formed at least five corporate entities, which Defendants used to
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1 fraudulently siphon money from Trend Sound Promoter to themselves, including the
2 following:

3 a. SoundTrack Studio LLC ("Sound Track") was a Washington limited
4 liability company established by VOLODIMYR PIGIDA and MARINA BONDARENKO
5 on or about September 28, 2012. Sound Track was also established as a Florida limited
6 liability company by VOLODIMYR PIGIDA and MARINA BONDARENKO on or about
7 December 6, 2012. VOLODIMYR PIGIDA owned 50% of Sound Track, and
8 MARINA BONDARENKO owned 50% of Sound Track.

9 b. On or about December 18, 2013, VOLODIMYR PIGIDA filed an
10 Amended Certificate of Formation/Registration with the Washington Secretary of State
11 changing the name of Sound Track to SoundT Studios LLC ("SoundT"). On or about
12 September 28, 2015, VOLODIMYR PIGIDA filed an amendment with the Florida Secretary
13 of State changing the name of Sound Track Studios LLC to SoundT Studios LLC.
14 VOLODIMYR PIGIDA owned 50% of SoundT, and MARINA BONDARENKO owned
15 50% of SoundT.

16 c. Interway LLC ("Interway") was a Washington limited liability company
17 established by VOLODIMYR PIGIDA and MARINA BONDARENKO on or about
18 January 8, 2010.

19 d. GSVP LLC ("GSVP") was a Washington limited liability company
20 established by VOLODIMYR PIGIDA on or about March 27, 2012.
21 MARINA BONDARENKO became a member of GSVP no later than March 5, 2014.

22 e. Advertisement Promoters Marketing LLC ("Advertisement Promoters")
23 was a Washington limited liability company established by MARINA BONDARENKO on
24 or about September 17, 2012. On or about August 12, 2014, MARINA BONDARENKO
25 filed an Amended Certificate of Formation/Registration with the Washington Secretary of
26 State changing the name of Advertisement Promoters to Advertisement PR and Management
27 LLC.
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1 f. Admarket & Admarket List Inc. ("Admarket") was a Washington
2 corporation established by VOLODIMYR PIGIDA and MARINA BONDARENKO on or
3 about July 16, 2013. VOLODIMYR PIGIDA filed articles of amendment changing the
4 name of the corporation to Avo AdMarket & Admarket List Inc. on or about December 12,
5 2013.

6 **C. Related Trusts.**

7 9. Between on or about January 8, 2014 and February 25, 2014,
8 VOLODIMYR PIGIDA and MARINA BONDARNKO formed approximately ten trusts for
9 the purpose of concealing their purchase and ownership of properties and other assets bought
10 with money misappropriated from Trend Sound Promoter, including the following:

11 a. Lakeshore Enterprises Trust was a Washington trust formed on or about
12 January 10, 2014. VOLODIMYR PIGIDA and MARINA BONDARENKO each owned
13 50% of the trust and were the sole trustees of Lakeshore Enterprises Trust.

14 b. Villa Property Company Trust was a Washington trust formed on or
15 about January 10, 2014. VOLODIMYR PIGIDA and MARINA BONDARENKO each
16 owned 50% of the trust and were the sole trustees of Villa Property Company Trust.

17 c. BelRed Property Trust was a Washington trust formed on or about
18 January 30, 2014. VOLODIMYR PIGIDA and MARINA BONDARENKNO each owned
19 50% of the trust. At the time of the formation of the trust, T.V. was the sole trustee of
20 BelRed Property Trust.

21 d. Beach Palace Enterprises was a Washington trust formed on or about
22 January 15, 2014. VOLODIMYR PIGIDA and MARINA BONDARENKO each owned
23 50% of the trust and were the sole trustees of Beach Palace Enterprises.

24 e. Deep Water Motor Trust was a Washington trust formed on or about
25 January 17, 2014. VOLODIMYR PIGIDA and MARINA BONDARENKO each owned
26 50% of the trust. MARINA BONDARENKO was the sole trustee of Deep Water Motor
27 Trust.
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1 f. Fast Sports Ride Enterprises Trust was a Washington trust formed on or
2 about January 16, 2014. VOLODIMYR PIGIDA and MARINA BONDARENKO each
3 owned 50% of the trust. VOLODIMYR PIGIDA was the sole trustee of Fast Sports Ride
4 Enterprises Trust.

5 g. Reliable Tracks Trust was a Washington trust formed on or about
6 January 16, 2014. VOLODIMYR PIGIDA and MARINA BONDARENKO each owned
7 50% of the trust. MARINA BONDARENKO was the sole trustee of Reliable Tracks Trust.

8 **D. Bankruptcy Process.**

9 10. Bankruptcy is a process by which debtors obtain relief from creditors. The
10 bankruptcy process is designed to achieve the orderly distribution to creditors of available
11 assets of the debtor that are truthfully disclosed. The process is conducted in the United
12 States Bankruptcy Court and is governed by the Bankruptcy Code, which is found in Title 11
13 of the United States Code.

14 11. A bankruptcy case begins by the filing of a petition in bankruptcy by the debtor
15 or, in the case of involuntary bankruptcy, by creditors, under Title 11 of the United States
16 Code.

17 12. There are several different types of bankruptcy, each of which is governed by a
18 different Chapter of the Bankruptcy Code. Chapter 11 bankruptcy provisions enable the
19 owners of a business to work with its creditors and the courts to restructure their business
20 and its debt obligations. Usually, the intent is to resurrect the business as a viable enterprise
21 with long-term prospects. Under Chapter 7 of the Bankruptcy Code, a trustee is appointed
22 by the Bankruptcy Court to administer the bankruptcy by liquidating the debtor's
23 non-exempt assets, or bankruptcy estate, in order to maximize recovery for, and create an
24 orderly distribution to, creditors. Chapter 7 Trustees generally act on behalf of unsecured
25 creditors. Secured creditors (those holding liens or mortgages) are typically represented by
26 the creditors' own attorneys.
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1 13. Upon the filing of the petition, a “bankruptcy estate” is created. A bankruptcy
2 estate is a collective reference to all of the debtor’s assets and interests in assets. The
3 bankruptcy estate includes any legal, equitable, or beneficial interest of the debtor in
4 property on the date the bankruptcy petition is filed.

5 14. A debtor has a duty to cooperate with the court-appointed Chapter 7 Trustee as
6 necessary to enable the trustee to perform the trustee’s duties. In particular, a debtor also has
7 a duty to turn over to the trustee all property of the estate. The ultimate goal of a Chapter 7
8 bankruptcy is to liquidate the debtor’s non-exempt assets and pay the proceeds from the
9 liquidation to the debtor’s eligible creditors. The debtor may then be entitled to a discharge
10 of the debtor’s remaining debts to creditors.

11 15. The disclosure of all assets and liabilities of the debtor is necessary in order to
12 allow the Chapter 7 Trustee to liquidate the available assets and pay the outstanding
13 creditors. Upon the filing of a bankruptcy petition, a debtor is required by law to disclose the
14 debtor’s interests in all assets, whether in the form of real or personal property, tangible or
15 intangible property, and payments out of the estate other than those in the ordinary course of
16 business, and distributions from the estate during the year prior to the filing of the petition.
17 The debtor is also required to disclose all liabilities and debts owed to creditors. To meet
18 these obligations, the debtor, or in the case of a corporate debtor, the president or other
19 authorized agent of the debtor, must file with the Bankruptcy Court schedules of assets and
20 liabilities and a Statement of Financial Affairs, under penalty of perjury, declaring that the
21 information in the documents is true and correct to the best of the signor’s knowledge
22 information and belief.

23 16. A debtor, or in the case of a corporate bankruptcy, an officer or other
24 controlling person of the debtor, is also required to attend a Section 341(a) Meeting of
25 Creditors. A 341(a) Meeting of Creditors allows the trustee and creditors to examine the
26 debtor or its representative under penalty of perjury as to the debtor’s financial affairs.

27 17. After a petition in Bankruptcy Court is filed, the Chapter 7 Trustee may file an
28 “adversary proceeding” within the bankruptcy proceeding to litigate in the Bankruptcy Court

1 contested issues related to the bankruptcy estate and the availability of assets for creditors.
2 Within such adversary proceedings, parties may subpoena records from third parties; compel
3 the production of documents from the adversary defendants; require responses from the
4 adversary defendants to interrogatories and requests for admissions in writing under penalty
5 of perjury; and subpoena individuals to testify in sworn depositions. Ultimately, to resolve
6 factual issues in the adversary proceeding, a trial may be held in the United States
7 Bankruptcy Court.

8 **E. Trend Sound Promoter Bankruptcy.**

9 18. Trend Sound Promoter filed a voluntary bankruptcy petition under Chapter 11
10 of the United States Bankruptcy Code on or about April 25, 2014.

11 19. On or about June 2, 2014, the United States Bankruptcy Court converted Trend
12 Sound Promoter's Chapter 11 filing for bankruptcy protection to Chapter 7. At that time,
13 Nancy L. James was appointed Chapter 7 Trustee of the bankruptcy estate of Trend Sound
14 Promoter ("Chapter 7 Trustee").

15 20. On or about June 9, 2014, the Chapter 7 Trustee filed two adversary
16 proceedings in Bankruptcy Court for the Western District of Washington to recover
17 fraudulent conveyances related to the purchase of two real properties for the benefit of
18 VOLODIMYR PIGIDA and MARINA BONDARENKO with Trend Sound Promoter funds
19 in the months leading up to the bankruptcy ("Adversary Proceedings").

20 21. The Bankruptcy Court approved the settlement of the Adversary Proceedings
21 on or about August 28, 2015.

22 22. The Bankruptcy Court approved the final disbursements from the bankruptcy
23 estate of Trend Sound Promoter on or about December 12, 2017.

24 **III. MANNER AND MEANS OF THE CONSPIRACY**

25 **A. Trend Sound Promoter Offering.**

26 23. VOLODIMYR PIGIDA and MARINA BONDARENKO, acting through
27 Trend Sound Promoter, sold a supposed work-at-home internet-marketing program,
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1 primarily to the Slavic community, both inside and outside of the United States, in exchange
2 for up-front payments. Relying on statements of VOLODIMYR PIGIDA and
3 MARINA BONDARENKO, IPDs sought a return on their investments by marketing Trend
4 Sound Promoter. From its inception in November 2012 until its bankruptcy on April 25,
5 2014, Trend Sound Promoter recruited more than 6,750 IPDs.

6 24. To become an IPD, one had to purchase one or more Ad-Promoting Packages.
7 Ad-Promoting Packages required up-front payment of the package purchase price, which
8 ranged from \$150 to \$12,350 depending on the package, plus a \$120 "administration fee,"
9 and contained a certain number of musical recordings and promotional daily email marketing
10 messages, depending on the price-point of the package. The Ad-Promoting Packages had a
11 duration of one year, with the possibility of renewal at the end of the year. Most IPDs
12 bought Ad-Promoting Packages for at least \$1,000, with many buying over \$10,000 of
13 Ad-Promoting Packages.

14 25. Most IPDs had no sales or internet marketing experience. IPDs were given no
15 guidance by VOLODIMYR PIGIDA, MARINA BONDARENKO, or any other Trend
16 Sound Promoter employee, on the marketing and/or distribution of music or other Trend
17 Sound Promoter products or services.

18 **B. Misrepresentations to Induce Purchases of Ad-Promoting Packages.**

19 26. The Ad-Promoting Packages allotted the purchasing IPD a specified number of
20 e-mail addresses each weekday, based on the value of the package purchased. The IPD
21 could then click on each email address provided by Trend Sound Promoter purportedly to
22 send an email-marketing message. For each email address clicked, Trend Sound Promoter
23 would credit the IPD's online account \$.40.

24 27. Until approximately February 2014, the overwhelming majority of marketing
25 or sales activities undertaken by IPDs consisted solely of clicking email addresses, which
26 purportedly enabled IPDs to make significant returns with very little effort. In fact,
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1 VOLODIMYR PIGIDA represented to IPDs that they could obtain a return of nearly 5 times
2 their initial Ad-Promoting Package price in one year simply by sending email distributions.

3 28. VOLODIMYR PIGIDA falsely represented to numerous IPDs that Trend
4 Sound Promoter had numerous wealthy "investors" or "sponsors," and that these investments
5 funded the payments to IPDs for email distribution activities. This was false. Trend Sound
6 Promoter had no significant investors or sponsors, and during its entire operation, at least
7 94% of its incoming funds derived solely from the sale of Ad-Promoting Packages.

8 VOLODIMYR PIGIDA and MARINA BONDARENKO knew the payments made to IPDs
9 for their email distributions were, in fact, payments made from new Ad-Promoting Package
10 sales. VOLODIMYR PIGIDA and MARINA BONDARENKO did not disclose to existing
11 or prospective IPDs that the payments for email marketing distributions were generated
12 almost entirely from new Ad-Promoting Package sales.

13 29. The trendsoundpromoter.com website contained icons for various retailers,
14 including, for example, Costco and Nordstrom. By clicking on the icon the visitor to the
15 website would be re-directed to the website for the retailer. Defendants identified these
16 companies as Trend Sound Promoter's "advertising partners," and further told IPDs the
17 advertising revenue was used to pay the IPDs for email distribution activities. This was
18 false. In fact, Trend Sound Promoter had no direct advertising partnership with the
19 companies whose icons appeared on its website. Throughout its operation, Trend Sound
20 Promoter generated essentially no revenue from advertising posted on its website or from
21 IPDs or other visitors clicking links on its website.

22 30. In sum, VOLODIMYR PIGIDA and MARINA BONDARENKO both falsely
23 represented that the \$.40/email commissions were paid from revenue obtained from other
24 sources, such as the sales of products, services, advertising, or from funds paid to Trend
25 Sound Promoter by investors, when they were not.

26 31. For example, on September 4, 2013, MARINA BONDARENKO falsely
27 testified in the matter of *Trend Sound Promoter, AMG v. Alex Malinov et al.*, 13-2-28370-1
28 (King Cty. Sup. Ct.), that the \$.40/email payment was devised through TSP's review of

1 advertising revenue it received. MARINA BONDARENKO further falsely testified that the
2 majority of TSP's revenue derived from advertising partners and the distribution of music,
3 not from the sale of Ad-Promoting Packages.

4 **C. Illusory Music Sale Opportunity and Sham Email Marketing.**

5 32. Trend Sound Promoter promised various types of payments to IPDs in
6 connection with their Ad-Promoting Packages. For example, Trend Sound Promoter
7 promised incentives to IPDs for referring others to buy Ad-Promoting Packages, and revenue
8 for selling music contained in the Ad-Promoting Packages. The music was an illusory
9 product. As Defendants knew, through at least February 2014, all of the songs contained in
10 the Ad-Promoting Packages were composed and performed by VOLODIMYR PIGIDA.
11 Each of the Ad-Promoting Packages sold at a particular price contained the same songs. For
12 example, all of the \$550 packages contained the same list of songs. In addition, the lists of
13 songs in the various price levels of Ad-Promoting Package overlapped considerably. Not
14 surprisingly, until February 2014, the vast majority of IPDs did no marketing or sales work
15 on behalf of Trend Sound Promoter, other than the daily email distributions and the referral
16 of new IPDs.

17 33. To take part in Trend Sound Promoter's email marketing component, IPDs
18 logged onto Trend Sound Promoter's website, where, each weekday, IPDs were provided
19 with a list of redacted email addresses. VOLODIMYR PIGIDA and MARINA
20 BONDARENKO caused the email addresses and content of any email message purportedly
21 sent to be masked from viewing by the IPD. Therefore, IPDs were unable to see the full
22 email address or contents of the email message, edit the contents, or confirm the email
23 message was, in fact, sent.

24 34. The IPD then had to click to load the email address and click again to
25 purportedly send the email. Each "two-click" email distribution credited the IPD's online
26 account \$.40. IPDs could request payouts from Trend Sound Promoter for a given month's
27 email distributions after the 20th of the following month (for instance, on December 20,
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1 2013 for emails sent out during November 2013). Trend Sound Promoter took a 5%
2 “processing fee” from each IPD’s monthly total payout. The email commissions could also
3 be used to purchase additional Ad-Promoting Packages – thereby entitling the purchasing
4 IPD to a greater number of daily email addresses. Many IPDs did this.

5 35. As a result of the sale of Ad-Promoting Packages, by January 2014, Trend
6 Sound Promoter required more than 800,000 unique email addresses *per weekday* to fill its
7 outstanding Ad-Promoting Packages. This daily number had increased to approximately
8 1.2 million email addresses, by the time of Trend Sound Promoter’s bankruptcy on
9 April 25, 2014.

10 36. In truth and fact, during the entire period of its operation, Trend Sound
11 Promoter purchased approximately 150,000 unique email addresses from U.S. Data
12 Corporation for approximately \$11,500. Trend Sound Promoter paid another company,
13 customlists.net, \$559.20 for a large database of email addresses, the vast majority of which
14 MARINA BONDARENKO learned were obsolete no later than March 2, 2013. The vast
15 majority of the email addresses loaded by Trend Sound Promoter into IPD’s online platforms
16 were obsolete and could be found on the internet free of charge.

17 **D. Defendants’ Strategy to Maximize their Personal Gain While the Trend Sound**
18 **Promoter Ponzi Scheme Collapsed.**

19 37. Between January 2013 and April 2014, the Defendants misappropriated
20 substantial amounts of funds paid to Trend Sound Promoter, primarily for the sale of
21 Ad-Promoting Packages, for their own personal purposes, by a variety of means and without
22 disclosure to IPDs.

23 38. Defendants devised and executed a plan to extricate themselves from Trend
24 Sound Promoter while maximizing their personal gain. This scheme involved a push to
25 recruit a high volume of new IPDs in November and December 2013, only to unilaterally
26 change the terms of the IPD agreement in January 2014 to make withdrawal of email
27 commissions and the recovery of IPD’s initial up-front fees, near impossible.
28

Changing Sales Requirements

39. Trend Sound Promoter posted various terms and conditions related to IPDs and Ad-Promoting Packages on trendsoundpromoter.com. Prior to November 2013, the terms and conditions did not contain any specific music or other sales requirements for IPDs to receive the email commission payments.

40. On or about November 7, 2013, Trend Sound Promoter unilaterally amended the terms and conditions to add several new expectations for IPDs to receive their payments for sending email distributions. Most notably, the terms and conditions contained an "expectation[] [of] a minimum of 3% music resale from the IPD's Mini Music Store and/or other methods of resale, which are calculated based on the total price of purchased Ad Promoting Package(s)." For instance, an IPD who had purchased a package for \$220 would have to sell \$6.60 of music, while an IPD who had purchased the \$12,350 package would have to sell \$370.50 of music. Several IPDs inquired how long they had to resell the music. At the direction of VOLODIMYR PIGIDA and MARINA BONDARENKO, Trend Sound Promoter customer support representatives told these IPDs that they had a year from the date of their package purchase to meet the requirements.

41. After the change, Trend Sound Promoter did not initially enforce the 3% sales requirement and continued to pay IPDs based on their accrued email commissions earned in November and December 2013. As a result, the Defendants (through Trend Sound Promoter) signed up a significant number of new IPDs between November 2013 and January 2014.

42. On or about January 22, 2014, VOLODIMYR PIGIDA and MARINA BONDARENKO caused the terms and conditions to be updated, and IPDs were required to accept the changes to access their online IPD accounts. The newly imposed terms and conditions required IPDs to sell 3% of their package value per month in music and a minimum of 3% of their package value per month in services, with an expectation of 25% of the package value per month in services. The services sales requirement could include

1 package sales to new IPDs or other services offered by Trend Sound Promoter, such as Trend
2 Sound Promoter's advertising service for businesses.

3 43. This version of the contract also stated that Trend Sound Promoter "in its sole
4 discretion can decide to stop providing optional marketing distributions in IPD's accounts if
5 it no longer makes good business sense for the company or if [sic] IPD does not meet each
6 performance expectation . . . each month."

7 44. Trend Sound Promoter posted the contract changes to its website, but did not
8 otherwise inform IPDs of these changes to the IPD contract until late February 2014. Trend
9 Sound Promoter enforced these revisions retroactively, precluding most IPDs from
10 withdrawing the earnings they had generated prior to February 2014, even though they had
11 earned the money before the notification of the contract change.

12 45. Beginning no later than February 2014, VOLODIMYR PIGIDA,
13 MARINA BONDARENKO, and, at their direction, Trend Sound Promoter customer support
14 representatives, told certain IPDs they could spend their own money to meet the new music
15 re-sale requirements and use pre-paid debit cards to purchase music. In order to obtain their
16 earned email commissions, which greatly exceeded the sales requirement, many IPDs did so.

17 46. Approximately 4% of the approximately \$22.6 million of incoming funds to
18 Trend Sound Promoter came from sales of music and other services by IPDs between
19 February and April 2014 after the company had imposed sales requirements on the IPDs.
20 These payments provided another source of funds to Trend Sound Promoter, as many IPDs
21 bought the music in their own packages or services, or asked friends and family members to
22 do so, in an attempt to access their email distribution commission payments.

23 *Lulling Conduct*

24 47. Beginning in January 2014, Trend Sound Promoter's payments to IPDs
25 slowed. Even where IPDs qualified retroactively to receive payments, Trend Sound
26 Promoter generally did not pay them. By March 2014, Trend Sound Promoter had
27 essentially stopped paying IPD email commissions entirely.
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1 48. IPDs began to complain. In response, VOLODIMYR PIGIDA and
2 MARINA BONDARENKO lulled IPDs, and prolonged the existence of the company, by
3 falsely stating, and causing Trend Sound Promoter customer service representatives to
4 falsely state, that (a) the turn-around time on payments to IPDs had increased; (b) checks
5 would be forthcoming; or (c) that the checks were in the mail. The communications did not
6 disclose that the true reason the payments had ceased was because Trend Sound Promoter
7 had run out of sufficient new IPDs to continue the Ponzi scheme, and that
8 VOLODIMYR PIGIDA and MARINA BONDARENKO had misappropriated funds paid by
9 IPDs to Trend Sound Promoter for their personal benefit.

10 49. While Trend Sound Promoter was refusing or unable to make the email
11 distribution payments to its existing IPDs, from at least February 2014 until Trend Sound
12 Promoter's bankruptcy on April 25, 2014, it continued to sell Ad-Promoting Packages to
13 new IPDs. During this time, VOLODIMYR PIGIDA and MARINA BONDARENKO failed
14 to disclose to potential new IPDs that Trend Sound Promoter was refusing or unable to pay
15 its current IPDs.

16 50. Ultimately, more than 3,300 IPDs lost all or some of the money paid to Trend
17 Sound Promoter to purchase Ad-Promoting Packages. Total losses for these victims were
18 approximately \$11.5 million.

19 **E. Misappropriation of Trend Sound Promoter Funds for the Personal Use and**
20 **Benefit of VOLODIMYR PIGIDA and MARINA BONDARENKO.**

21 51. In all, during the company's existence, VOLODIMYR PIGIDA and MARINA
22 BONDARENKO fraudulently obtained in excess of \$3.4 million in Trend Sound Promoter
23 funds for their personal use and benefit through a variety of means, including but not limited
24 to: related company payments; real estate purchases; payment of personal rent and other
25 personal expenses directly from Trend Sound Promoter bank accounts; teller and ATM cash
26 withdrawals from Trend Sound Promoter bank accounts; international wire transfers for the
27 benefit of VOLODIMYR PIGIDA, and the payment of salary to VOLODIMYR PIGIDA
28 and MARINA BONDARENKO. Two of these means are discussed in more detail below.

Related Company Payments and Real Estate Purchases

52. During the existence of Trend Sound Promoter, VOLODIMYR PIGIDA and MARINA BONDARENKO misappropriated funds by transferring the following amounts from Trend Sound Promoter directly to the below companies they controlled, among others:

Company	Cumulative Payments
Sound Track/Sound T	\$520,058
Interway	\$85,400
GSVP	\$51,200
Advertisement Promoters	\$314,950
Admarket	\$52,500

53. The Trend Sound Promoter funds fraudulently transferred to related companies were then used by VOLODIMYR PIGIDA and MARINA BONDARENKO to purchase assets for their personal benefit, including, among others: condominiums located at 1605 South Ocean Blvd., Unit 1907, Myrtle Beach, South Carolina (South Carolina Condominium), and 9030 Seward Pk. S., Unit 201, Seattle, Washington (Seattle Condominium), a Bayliner boat, a Porsche Panamera car, and a Toyota Tundra truck.

54. VOLODIMYR PIGIDA and MARINA BONDARENKO also transferred Trend Sound Promoter funds directly to escrow companies for the purchase of additional properties, including a \$1.5 million residence located at 3713 Lake Washington Blvd. N., Renton, Washington ("Renton Residence"), and a condominium located at 14620 NE 31st St., Unit G307, Bellevue, Washington ("Bellevue Condominium").

55. VOLODIMYR PIGIDA and MARINA BONDARENKO did not disclose their misappropriation of IPD funds to purchase these properties, cars, and a boat listed in Paragraphs 53 and 54 to IPDs.

Creation of Trusts and Ownership of Property by Trusts to Conceal Misappropriation

56. Between on or about January 8, 2014 and January 30, 2014, VOLODIMYR PIGIDA and MARINA BONDARENKO created trusts, including the trusts listed in

1 Paragraph 9, to assume ownership of assets purchased with proceeds of Trend Sound
2 Promoter, to conceal these assets from discovery by potential creditors of Trend Sound
3 Promoter, including but not limited to IPDs, and for the purpose of avoiding the inclusion of
4 those assets in the bankruptcy estate of Trend Sound Promoter. Neither the creation nor use
5 of these trusts to hold property purchased with Trend Sound Promoter funds was disclosed to
6 IPDs.

7 57. In the months leading up to Trend Sound Promoter's bankruptcy filing on
8 April 25, 2014, VOLODIMYR PIGIDA and MARINA BONDARENKO took various
9 actions to purchase properties in the names of trusts and to transfer previously-purchased
10 properties held in the names of related business entities to trusts, including as follows:

11 a. On or about January 17, 2014, VOLODIMYR PIGIDA and
12 MARINA BONDARENKO purchased the Seattle Condominium in the name of Villa
13 Property Company Trust.

14 b. On or about January 29, 2014, VOLODIMYR PIGIDA and
15 MARINA BONDARENKO purchased the Renton Residence in the name of the Lakeshore
16 Enterprises Trust.

17 c. On or about February 26, 2014, VOLODIMYR PIGIDA and
18 MARINA BONDARENKO transferred the title of the South Carolina Condominium into the
19 Beach Palace Enterprises Trust.

20 d. On or about February 28, 2014, VOLODIMYR PIGIDA and
21 MARINA BONDARENKO purchased the Bellevue Condominium in the name of the
22 BelRed Property Trust.

23 e. On or about April 21, 2014, just days before VOLODIMYR PIGIDA
24 voluntarily filed Trend Sound Promoter's bankruptcy petition, VOLODIMYR PIGIDA and
25 MARINA BONDARENKO transferred the titles of the Porsche Panamera and Toyota
26 Tundra, among other vehicles, into trusts, including the Fast Sports Ride Enterprises Trust
27 and Reliable Tracks Trust, respectively.
28

1 f. On or about April 21, 2014, just days before VOLODIMYR PIGIDA
2 voluntarily filed Trend Sound Promoter's bankruptcy petition, VOLODIMYR PIGIDA and
3 MARINA BONDARENKO transferred the title of the Bayliner boat into the Deep Water
4 Motor Trust.

5 **F. Defendants' Bankruptcy Fraud.**

6 58. VOLODIMYR PIGIDA and MARINA BONDARENKO defrauded the
7 Bankruptcy Court for the Western District of Washington, the Chapter 7 Trustee, and Trend
8 Sound Promoter's creditors, in connection with Trend Sound Promoter's bankruptcy
9 proceeding, by concealing assets in anticipation of bankruptcy, filing false statements in the
10 bankruptcy proceeding under penalty of perjury, making false oaths in, and in relation to, the
11 bankruptcy proceeding, and creating sham contracts, sham loan documents, sham invoices,
12 and other sham corporate records, all in an effort to conceal assets, and to falsely portray
13 transfers of money out of Trend Sound Promoter as legitimate business transactions and/or
14 loan repayments, when, in fact, the fraudulent transfers were nothing more than proceeds of
15 a Ponzi scheme taken for the sole benefit of VOLODIMYR PIGIDA and
16 MARINA BONDARENKO.

17 ***Initial Bankruptcy Filing***

18
19 59. Pursuant to Trend Sound Promoter's bankruptcy filing,
20 VOLODIMYR PIGIDA signed a Statement of Financial Affairs (SOFA), under penalty of
21 perjury, on April 24, 2014, which was filed with the Bankruptcy Court for the Western
22 District of Washington the next day. None of the real estate or personal property purchases
23 described above, nor any of the transfers of funds out of Trend Sound Promoter to purchase
24 those assets, were disclosed in the SOFA.

25 60. The SOFA, signed by VOLODIMYR PIGIDA, contained the following
26 questions and answers:

27 a. Question 10(a) required VOLODIMYR PIGIDA to list "other
28 transfers." The question read:

List all property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within two years immediately preceding the commencement of this case.

The answer listed was None.

b. Question 23 related to withdrawals from a partnership or distribution by a corporation, and asked:

If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during one year immediately preceding the commencement of this case.

Answer:

Name/Address/Relationship to Debtor	Date and Purpose of Withdrawal	Amount of money or description and value of Property
Marina Bondarenko/Former VP	3/1/14	\$47,612.18 for 12 months
Volodymyr Pigida	Salary	\$58,250.01

Adversary Proceedings and 341(a) Hearing

61. On or about May 29, 2014, the United States Trustee argued that Trend Sound Promoter should be dissolved through Chapter 7 bankruptcy proceedings because “the debtor (Trend Sound Promoter) and its President, Mr. Pigida, and Director, Ms. Bondarenko, have engaged in a continuing pattern of conduct constituting dishonesty, incompetence, or gross mismanagement both prepetition and post-petition, as evidenced by the Debtor’s lack of accurate books and records and undisclosed diversion of at least \$2,000,000 of corporate assets in the months leading up to the bankruptcy.” *See In re Trend Sound Promoter AMG Corp.*, Case No. 14-13193 (Bkr. W.D. Wash.), United States Trustee’s Motion to Convert Chapter 11 Cases (Dkt. No. 53). The Bankruptcy Court converted the bankruptcy to Chapter 7 on or about June 2, 2014.

1 62. On or about June 9, 2014, The Chapter 7 Trustee filed two adversary
2 proceedings, in which the Trustee asserted, among other things, that the payment of
3 \$1,454,448.11 to purchase the Renton Residence, as well as a \$90,000 transfer from Trend
4 Sound Promoter for the purchase of the Seattle Condominium, constituted fraudulent
5 conveyances in violation of the terms of the bankruptcy code. *See generally Nancy James v.*
6 *Volodymyr Pigida, et al.*, Case Nos. 14-01248; 14-01249 (W.D. Wash. Bkr. Adv. P. 2014)
7 (“Adversary Proceedings”).

8 63. In connection with the Adversary Proceedings, VOLDIMYR PIGIDA and
9 MARINA BONDARENKO continued their concerted and deceptive effort to portray the
10 transfers of Trend Sound Promoter funds to their benefit as either: (1) payments pursuant to a
11 license agreement between Trend Sound Promoter and Sound Track, many of which were
12 then assigned to purported third-party creditors of Sound Track; or (2) loan repayments made
13 to companies that had purportedly loaned money to Trend Sound Promoter, and to
14 VOLODIMYR PIGIDA himself, another purported lender. VOLODIMYR PIGIDA and
15 MARINA BONDARENKO sought to achieve this aspect of the conspiracy through a variety
16 of manners and means.

17 64. VOLODIMYR PIGIDA signed a second SOFA on June 16, 2014, which was
18 filed with the Bankruptcy Court the same day. The second SOFA was identical to the first in
19 all material respects.

20 65. On or about July 8, 2014, VOLODIMYR PIGIDA testified as the
21 representative of Trend Sound Promoter at the 341(a) hearing. During the 341(a) hearing,
22 VOLODIMYR PIGIDA falsely testified to the following (among other things):

23 a. VOLODIMYR PIGIDA confirmed the answers to the SOFA, including
24 those listed above, were true and correct.

25 b. VOLODIMYR PIGIDA testified that there were six investors in Trend
26 Sound Promoter who provided the initial money to start the business: three corporations and
27 three individuals. In truth, none of the company’s incoming funds came from outside
28 investors, sponsors, or lenders. As described above, at least 94% of the incoming funds to

1 Trend Sound Promoter came from Ad-Promoting Package sales. An additional 4% of the
2 incoming funds came from sales of music and services by IPDs between January-April 2014
3 after the company had imposed sales requirements on the IPDs. Most of these purchases
4 were made by IPDs purchasing music from their own packages, or sales to friends and
5 family members of IPDs, in the hope of accessing their email commissions.

6 c. VOLODIMYR PIGIDA testified that the loans made to start Trend
7 Sound Promoter were documented by loan agreements and promissory notes, and that almost
8 every one of the loans had been repaid. In fact, no money had been loaned to Trend Sound
9 Promoter to start its operation, and no money had been repaid pursuant to any loan
10 agreements.

11 66. On various dates between June 17, 2014, and December 9, 2014,
12 VOLODIMYR PIGIDA and MARINA BONDARENKO provided Trend Sound Promoter
13 corporate records to the Chapter 7 Trustee or produced documents to the Chapter 7 Trustee
14 in response to requests for document production in the Adversary Proceedings, including the
15 following false, fraudulent, and back-dated documents:

16 a. A license agreement between Sound Track and Trend Sound Promoter,
17 signed by MARINA BONDARENO on behalf of Sound Track, purportedly showing that on
18 December 5, 2012, Sound Track and Trend Sound Promoter entered into an agreement to
19 license the rights to certain musical works to Trend Sound Promoter for a period of two years
20 ("License Agreement"). According to the terms of the agreement, Sound Track was entitled
21 to a quarterly licensing fee of 20% of Trend Sound Promoter's sales of Ad-Promoting
22 Packages to IPDs.

23 b. A purported Amendment to the License Agreement ("Amendment"),
24 signed by VOLODIMYR PIGIDA (on behalf of Trend Sound Promoter) and
25 MARINA BONDARENKO (on behalf of Sound Track), dated April 17, 2013, allowing
26 Sound Track and Trend Sound Promoter to "adjust the date and the earned license fee
27 amount Trend Sound Promoter pays Sound Track based on Trend Sound Promoter and
28 Sound Track Studio cash flow needs at the time."

c. Five quarterly invoices, dated between March 30, 2013 and March 31, 2014, showing accrual of \$5,366,380 in licensing fees purportedly due from Trend Sound Promoter to Sound Track, and approximately thirty-five Sound T payment invoices reflecting payments of \$2,200,081.78 from Trend Sound Promoter to Sound Track or one of its assignees (collectively "Invoices").

d. Approximately twenty-three assignment letters signed by MARINA BONDARENKO on behalf of Sound Track, dated between January 2013 and April 2014, assigning to various third parties, including but not limited to, escrow companies, boat marinas, VOLODIMYR PIGIDA's relatives, and VOLODIMYR PIGIDA himself, licensing fees in the amount of \$2,018,585.78, purportedly owed by Trend Sound Promoter to Sound Track ("Assignment Letters").

e. Purported loan agreements (all signed by VOLODIMYR PIGIDA as both lender and borrower), promissory notes (signed by VOLODIMYR PIGIDA), and payment invoices showing supposed loan repayments, related to loans purportedly made from third parties to Trend Sound Promoter, as described below:

Lender	Amount of Purported Loan Agreement	Date of Purported Loan Agreement	Total Amount of Invoices (number of invoices)
Sound Track	\$200,000	November 15, 2012	\$65,750 (six)
VOLODIMYR PIGIDA	\$40,000	December 20, 2012	\$40,000 (seven)
GSVP	\$90,000	December 20, 2012	\$23,200 (five)
Interway (1 st loan agreement)	\$50,000	December 15, 2012	\$43,400 (nine)
Interway (2 nd loan agreement)	\$67,900	December 15, 2012	-----
Total	\$447,900		\$172,350

f. Supposed Trend Sound Promoter Board Minutes, including minutes for the joint annual meeting of Trend Sound Promoter, which purportedly took place on

1 November 8, 2013, at which time the board of Trend Sound Promoter, purportedly ratified
2 and approved the Licensing Agreement between Trend Sound Promoter and Sound Track.
3 The November 8, 2013 board minutes referenced numerous events, which had not yet
4 occurred as of November 8, 2013, evidencing the fact that the minutes were back-dated.

5 67. On or about August 26, 2014, MARINA BONDARENKO and
6 VOLODIMYR PIGIDA provided false identical answers to the below interrogatory in the
7 Adversary Proceeding related to the Renton Residence ("Renton Residence Adversary
8 Proceeding") under penalty of perjury.

9 Interrogatory 5: "Describe all knowledge you hold regarding the allegation . . .
10 that on or about January 27, 2014, the debtor transferred by wire \$1,454,448.11
11 to Ticor Title Company for the purchase of real property."

12 Answer: "Trend Sound Promoter AMG, Corp. entered into a distribution
13 agreement with Soundtrack Studio in 2012. The distribution agreement
14 granted Trend Sound Promoter the right to license music owned by Soundtrack
15 Studio, LLC for resale. As part of that distribution agreement, Trend Sound
16 Promoter was to pay Soundtrack a quarterly licensing fee. The fee was
17 calculated quarterly based upon a certain percentage of revenue Trend Sound
18 Promoter generated from the sale of licensing agreements. Additionally, the
19 distribution agreement authorized SoundTrack Studio both to assign the
20 licensing fee to whomever it chose and to delay payment of the quarterly fee if
21 it chose to. The funds that were transferred were licensing fees owned to
22 Soundtrack Studio, LLC from quarterly licensing fees that had accrued during
23 2013."

24 68. On or about December 8, 2014, MARINA BONDARENKO and
25 VOLODIMYR PIGIDA provided identical answers to the below interrogatory in the Renton
26 Residence Adversary Proceeding.

27 Interrogatory 2: "Identify each transaction since its inception wherein the
28 debtor transferred money or property to Sound Track Studio, LLC."

29 Response: Lists documents produced, including, specifically, letters assigning
30 payment due to Sound Track to third parties, invoices for license fees due from
31 Trend Sound Promoter to Sound Track, loan agreement dated November 15,
32 2012, showing \$200,000 loan from Sound Track to Trend Sound Promoter, and
33 loan invoices showing partial repayment of that loan.

1 69. On or about May 19, 2015, in support of an opposition to the Trustee's Motion
2 for Partial Summary Judgment in the Renton Residence Adversary Proceeding,
3 VOLODIMYR PIGIDA signed a false declaration stating the following:

4 a. Sound T owned licensing rights to a catalogue of works. Trend Sound
5 Promoter entered into a "distribution agreement" with Sound T in December 2012; these
6 works were then licensed by Trend Sound Promoter to the IPDs for promotion and
7 distribution. This agreement provided for the payment of 20% of IPD package sales from
8 Trend Sound Promoter to Sound T.

9 b. The companies amended the License Agreement in April 2013 "in order
10 to allow Trend Sound Promoter flexibility in its obligation to pay licensing fees while it grew
11 its promoter network, its cash flow, its cash flow reserves, and while Trend Sound
12 Promoter's affiliated marketing projects were being developed."

13 c. "After SoundT and Trend Sound Promoter executed the April 17, 2013
14 amendment, SoundT only requested that funds be distributed to it in order to meet its
15 obligations and to help to grow SoundT's business."

16 d. "In order to receive a payment for licensing fees, SoundT would remit
17 an invoice to Trend Sound Promoter and, on occasion, also remit an assignment letter
18 whereby SoundT assigned payments of its licensing fees to one of its creditors SoundT
19 would issue quarterly statements that were not due upon receipt but rather issued to maintain
20 a tally of total licensing fees that would be due at the end of the two-year licensing
21 agreement."

22 e. "It is my position that each transfer made to Trend Sound Promoter (sic)
23 or one of its creditors was made for business purposes."

24 70. VOLODIMYR PIGIDA and MARINA BONDARENKO never disclosed to
25 IPDs the purported license fee arrangement with Sound Track, which they presented to the
26 Bankruptcy Court, or, more particularly, that 20% of all Ad-Promoting Packages sales would
27 be paid to Sound Track. The arrangement was never disclosed to IPDs, in part, because it
28 was a bogus, after-the-fact explanation created by VOLODIMYR PIGIDA and

1 MARINA BONDARENKO to disguise their misappropriation of Trend Sound Promoter
2 funds for their own personal benefit as legitimate business expenses.

3 71. At no time as part of the Bankruptcy Proceeding or related Adversary
4 Proceedings, did VOLDIMYR PIGIDA or MARINA BONDARENKO disclose to the
5 Bankruptcy Court or the Chapter 7 Trustee any of the following assets (among others), all of
6 which were purchased wholly with funds from Trend Sound Promoter and within one year of
7 the commencement of the Bankruptcy Proceeding: the Bellevue Condominium, the South
8 Carolina Condominium, the Porsche Panamera, the Toyota Truck, or the Bayliner Boat.

9 IV. OVERT ACTS

10 72. In furtherance of the conspiracy, and to accomplish one or more of the objects
11 of the conspiracy, VOLODIMYR PIGIDA and MARINA BONDARENKO committed and
12 caused to be committed one or more of the following overt acts in the Western District of
13 Washington:

14 a. On or about December 26, 2013, VOLODIMYR PIGIDA and
15 MARINA BONDARENKO transferred \$39,000 from the Trend Sound Promoter Bank of
16 America Acct. No. xxxx-3743 to Interway Bank of America Acct. No. xxxx-2514 for
17 purchase of the Toyota Truck.

18 b. On or about December 26, 2013, VOLODIMYR PIGIDA and
19 MARINA BONDARENKO transferred \$68,000 from Trend Sound Promoter Bank of
20 America Acct. No. xxxx-3743 to Advertising Promoters Bank of America Acct. No.
21 xxxx-6164 for purchase of the Porsche Panamera.

22 c. On or about January 22, 2014, VOLODIMYR PIGIDA and
23 MARINA BONDARENKO unilaterally amended the terms and conditions of the IPD
24 agreement to require specific percentages of monthly music and service sales prior to
25 allowing IPDs to withdraw commissions earned for email marketing distributions.

26 d. Between January 2014 and April 25, 2014, VOLODIMYR PIGIDA and
27 MARINA BONDARENKO informed IPDs, and directed Trend Sound Promoter customer
28

1 service representatives to inform IPDs, that IPDs could use pre-paid debit cards to meet the
2 music and services re-sale requirements.

3 e. On or about January 27, 2014, VOLODIMYR PIGIDA and
4 MARINA BONDARENKO caused a wire transfer in the amount of \$1,454,448.11 from the
5 Trend Sound Promoter Bank of America savings account (xxxx-3743) to Ticor Title to
6 purchase the Renton Residence.

7 f. On or about January 29, 2014, the King County Recorder's Office in
8 Seattle, Washington mailed the Statutory Warranty Deed for the Renton Residence to
9 Lakeshore Enterprises, 227 Bellevue Way NE #82, Bellevue, WA 98004.

10 g. Between February 2014 and April 25, 2014, VOLODIMYR PIGIDA
11 and MARINA BONDARENKO caused Trend Sound Promoter support staff to advise IPDs
12 that (a) the processing period for checks to IPDs had been extended; (b) IPDs checks were in
13 processing; or (c) had been mailed, when in fact they well knew such checks had not been
14 mailed and were not in processing.

15 h. On or about March 20, 2014, Trend Sound Promoter mailed a check in
16 the amount of \$9,861 for earned monthly email commissions (less processing fee) to IPD,
17 O.S.

18 i. On or about April 21, 2014, MARINA BONDARENKO and
19 VOLODIMYR PIGIDA transferred title to the Porsche Panamera from Advertisement
20 Promoters to Fast Sports Ride Enterprises Trust.

21 j. On or about April 24, 2014, VOLODIMYR PIGIDA signed the
22 Statement of Financial Affairs for Trend Sound Promoter under penalty of perjury, which
23 omitted the transfer of \$1,454,448.11 in Trend Sound Promoter funds for the purchase of the
24 Renton Residence, among other items.

25 k. On or about April 24, 2014, VOLODIMYR PIGIDA and
26 MARINA BONDARENKO caused approximately 12,025 Ad-Promoting Packages to be
27 filled with approximately 1,217,240 email addresses for distribution by IPDs.
28

1 1. On or about May 19, 2015, VOLDOYMIR PIGIDA signed a
2 declaration in support of the Opposition to the Trustee's Motion for Partial Summary
3 Judgment in Renton Residence Adversary Proceeding.

4 All in violation of Title 18, United States Code, Section 371.

5 **COUNTS 2-17**
6 **(Wire Fraud)**

7 73. The Grand Jury realleges and incorporates, as if fully set forth herein,
8 paragraphs 1 through 72 of the Indictment.

9 74. Beginning in or about January 2012, and continuing until on or about
10 May 20, 2015, at Bellevue and elsewhere, in the Western District of Washington,
11 VOLODIMYR PIGIDA and MARINA BONDARENKO devised and intended to devise,
12 and aided and abetted in devising, a scheme and artifice to defraud IPDs, and to obtain
13 money and property from IPDs by means of materially false and fraudulent pretenses,
14 representations, and promises, and the concealment of material facts.

15 75. The Grand Jury realleges and incorporates, as if fully set forth herein,
16 Paragraphs 23 through 57 of this Indictment as setting forth the scheme and artifice to
17 defraud and to obtain money and property from IPDs, transfer that money and property out
18 of Trend Sound Promoter to Defendants' personal use and benefit, and conceal it from
19 creditors, including but not limited to IPDs. It was part of the scheme and artifice that
20 VOLODIMYR PIGIDA and MARINA BONDARENKO knowingly made and caused to be
21 made the material misrepresentations, and concealed the material facts, set forth in those
22 Paragraphs. It was further part of the scheme and artifice that VOLODIMYR PIGIDA and
23 MARINA BONDARENKO intended by their actions to defraud IPDs.

24 76. On or about the dates set forth below, at Bellevue and elsewhere, within the
25 Western District of Washington, having devised the above-described scheme and artifice,
26 VOLODIMYR PIGIDA and MARINA BONDARENKO, for the purpose of executing this
27 scheme and artifice, did knowingly cause to be transmitted by wire communication in
28

interstate and foreign commerce writings, signs, signals, pictures, and sounds, each transmission of which constitutes a separate Count of this Indictment.

Count	Date	Sender	Recipient	Wire Transmission
2	12/10/13	H.K.'s Manufacturers & Traders Trust Co. Bank Acct. No. xxxx-1000.	Trend Sound Promoter Bank of America Acct. No. xxxx-6300.	Wire transfer of \$5,050 via Fedwire from New York to Washington for purchase of H.K.'s Ad-Promoting Package.
3	12/26/13	Advertisement Promoters Bank of America Acct. No. xxxx- 6164.	Bellevue Auto House Umpqua bank account.	Wire transfer of \$67,570 from Washington to California for collection of Bank of America cashier's check no. 755603972 for purchase of the Porsche Panamera.
4	12/27/13	Interway Bank of America Acct. No. xxxx- 2514.	Toyota of Kirkland Wells Fargo bank account.	Wire transfer of \$38,000 from Washington to Oregon for collection of Bank of America cashier's check no. 1116502757 for purchase of a Toyota Tundra.
5	1/10/14	U.S. Bank	Trend Sound Promoter Bank of America Acct. No. xxxx-6300.	Wire transfer of \$5,140 from outside of Washington to Washington for purchase of G.D.'s Ad-Promoting Package.
6	1/16/14	Sound Track Bank of America Acct. No. xxxx-6258.	Escrow Source KeyBank Acct. No. xxxx-5444.	Wire transfer of \$90,994.08 via Fedwire from Washington to New York for purchase the Seattle Condominium.
7	1/27/14	Trend Sound Promoter Bank of America Acct. No. xxxx- 3743.	Ticor Title U.S. Bank Acct. No. xxxx-4770.	Wire transfer of \$1,454,448.11 via Fedwire from Washington to California for purchase of Renton Residence.
8	2/20/14	S.A.	Trend Sound Promoter Server.	Wire Transmission from Washington State to Germany requesting withdrawal of \$6,792 in earned funds.

9	2/26/14	Trend Sound Promoter CitiBank Acct. No. xxxx-4860.	Ticor Title U.S. Bank Acct. No. xxxx-4770.	Wire transfer of \$128,778.67 via Fedwire from Florida to California for purchase of Bellevue Condominium.
10	3/10/14	Y.L.'s Wells Fargo Acct. No. xxxx-8616.	Trend Sound Promoter Bank of America Acct. No. xxxx-6300.	Wire transfer of \$5,650 from California to Washington to purchase Y.L.'s Ad-Promoting Package.
11	3/21/14	Trend Sound Promoter Bellevue Office.	Trend Sound Promoter Server (located in Germany).	Wire transmission from Trend Sound Promoter customer service representative in Bellevue Washington, via Trend Sound Promoter Server, to IPD H.K., explaining newly imposed requirement of minimum of 3% music sale requirement to qualify for withdrawal of email commissions.
12	3/25/14	Trend Sound Promoter Server.	P.K.	Wire transmission from Germany to Washington crediting IPD P.K. with online music sales of \$51.25 (Invoice No. 20032598).
13	4/1/14	Trend Sound Promoter Server.	Y.C.	Wire transmission from Germany to Washington crediting IPD Y.C. with \$.40 for clicking the 50th email address on April 1, 2014.
14	4/3/14	Trend Sound Promoter Server.	P.K.	Wire transmission from Germany to Washington crediting IPD P.K. with \$.40 for clicking the 500th email address on April 3, 2014.
15	4/10/14	Trend Sound Promoter Server.	Y.L.	Wire transmission from Germany to Washington crediting IPD Y.L. with \$.40 for clicking the 250th email address on April 10, 2014.
16	4/10/14	Trend Sound Promoter Server.	Y.C.	Wire transmission from Germany to Washington crediting IPD Y.C. with online

				music sales of \$26.25 (Invoice No. 20072872).
17	4/20/14	Trend Sound Promoter Server	Y.L.	Wire transmission from Germany to Washington crediting IPD Y.L. with online music sales of \$31.25 (Invoice No. 200268535).

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

COUNTS 18-21
(Mail Fraud)

77. The Grand Jury realleges and incorporates, as if fully set forth herein, paragraphs 1 through 72 of the Indictment.

78. Beginning in or about January 2012, and continuing until on or about May 20, 2015, at Bellevue and elsewhere, in the Western District of Washington, VOLODIMYR PIGIDA and MARINA BONDARENKO devised and intended to devise, and aided and abetted in devising, a scheme and artifice to defraud IPDs, and to obtain money and property from IPDs by means of materially false and fraudulent pretenses, representations, and promises, and the concealment of material facts.

79. The Grand Jury realleges and incorporates, as if fully set forth herein, Paragraphs 23 through 57 of this Indictment as setting forth the scheme and artifice to defraud and to obtain money and property from IPDs, transfer that money and property out of Trend Sound Promoter to Defendants' personal use and benefit, and conceal it from creditors, including but not limited to IPDs. It was part of the scheme and artifice that VOLODIMYR PIGIDA and MARINA BONDARENKO knowingly made and caused to be made the material misrepresentations, and concealed the material facts, set forth in those Paragraphs. It was further part of the scheme and artifice that VOLDIMYR PIGIDA and MARINA BONDARENKO intended by their actions to defraud IPDs.

80. On or about the dates set forth below, at Bellevue and elsewhere, within the Western District of Washington, having devised the above-described scheme and artifice,

VOLODIMYR PIGIDA and MARINA BONDARENKO for the purpose of executing the scheme and artifice to defraud, did knowingly cause to be delivered by mail by the United States Postal Service and private and commercial carriers, according to directions thereon, the following mail matter, each delivery of which constitutes a separate Count of this Indictment.

Count	Date	Sender	Addressee	Item Mailed
18	1/17/14	King County Recorder's Office.	VOLODIMYR PIGIDA, 227 Bellevue Way NE #82, Bellevue, WA 98004.	Statutory Warranty Deed for Seattle Condominium.
19	1/18/14	Trend Sound Promoter.	P.K.	Check for \$380.00 for earned commissions less processing fee.
20	1/29/14	King County Recorder's Office.	Lakeshore Enterprises, 227 Bellevue Way NE #82, Bellevue, WA 98004.	Statutory Warranty Deed for Renton Residence.
21	2/28/14	King County Recorder's Office.	T.V., BelRed Property Trust, 14620 NE 31st St., #G-307, Bellevue, WA 98007.	Statutory Warranty Deed for Bellevue Condominium.

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

COUNT 22
(Bankruptcy Fraud)

81. The Grand Jury realleges and incorporates, as if fully set forth herein, Paragraphs 1 through 72 of this Indictment.

82. Beginning no later than January 2014, and continuing through December 12, 2017, at Bellevue, within the Western District of Washington, and elsewhere, VOLODIMYR PIGIDA and MARINA BONDARENKO, and others known and unknown to the Grand Jury, devised and intended to devise, and executed and attempted to execute, a scheme and artifice to defraud the Bankruptcy Court for the Western District of Washington, the Chapter 7 Trustee, and creditors in connection with a voluntary bankruptcy proceeding filed on or about April 25, 2014, under Title 11, United States Code, *In re: Trend Sound Promoter AMG, Corp.*, Case No. 14-13193 (the "Bankruptcy Proceeding"), by knowingly engaging in the following material concealments, misrepresentations, and omissions: concealing assets in anticipation of bankruptcy, filing false statements in the Bankruptcy Proceeding under penalty of perjury, making false oaths in, and in relation to, the Bankruptcy Proceeding, and creating and producing sham contracts, sham loan documents, and sham invoices, and other sham corporate records, in an effort to falsely portray the transfers of money out of Trend Sound Promoter to various shell companies, to creditors of VOLODIMYR PIGIDA and MARINA BONDARENKO, and to VOLODIMYR PIGIDA and MARINA BONDARENKO, as legitimate business transactions and loan repayments, when in fact they were transfers of proceeds of a Ponzi scheme for the sole benefit of VOLODIMYR PIGIDA and MARINA BONDARENKO.

83. VOLODIMYR PIGIDA and MARINA BONDARENKO executed the scheme and artifice to defraud in the following ways, among others:

a. On or about April 21, 2014, in anticipation of filing for bankruptcy, MARINA BONDARENKO and VOLODIMYR PIGIDA transferred the titles of the Porsche Panamera, Toyota Tundra, and other vehicles, as well as the Bayliner Boat, into trusts.

1 b. On or about April 24, 2014, VOLODIMYR PIGIDA signed a statement
2 of financial affairs, under penalty of perjury, in which VOLODIMYR PIGIDA fraudulently
3 omitted to disclose \$1,454,448.11 of Trend Sound Promoter funds that had been wired to
4 Ticor Title for the purchase of the Renton Residence, among other withdrawals and
5 distributions from Trend Sound Promoter to his and MARINA BONDARENKO's benefit, in
6 response to Questions 10(a) and 23 requiring disclosure of transfers from Trend Sound
7 Promoter during the two years prior to the filing of bankruptcy, and withdrawals or
8 distributions credited or given to an insider of Trend Sound Promoter during the year prior to
9 the filing of bankruptcy.

10 c. On or about June 17, 2014, VOLODIMYR PIGIDA and
11 MARINA BONDARENKO produced false and back-dated records to the Chapter 7 Trustee,
12 including but not limited to, back-dated Trend Sound Promoter Board of Director Meeting
13 Minutes, dated November 8, 2013, and false and back-dated loan agreements, promissory
14 notes and repayment invoices, purporting to show various loans to Trend Sound Promoter
15 and repayment of those loans.

16 d. On or about July 8, 2014, VOLODIMYR PIGIDA falsely testified
17 under penalty of perjury at the 341(a) hearing that the initial funding for Trend Sound
18 Promoter had been loaned by three companies and three individuals.

19 e. On or about May 20, 2015, VOLODIMYR PIGIDA filed a false
20 declaration in Opposition to Trustee's Motion for Partial Summary Judgment in Renton
21 Residence Adversary Proceeding, which attached the purported License Agreement,
22 purported Amendment to License Agreement, and Assignment Letters and Invoices showing
23 payment of funds from Trend Sound Promoter to various third parties.

24 All in violation of Title 18, United States Code, Sections 157 and 2.
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COUNT 23

(Bankruptcy Fraud – Pre-Petition Concealment of Property)

84. Paragraphs 1-72 above are incorporated herein by reference as if set forth in full.

85. On or about April 21, 2014, at Bellevue, within the Western District of Washington, MARINA BONDARENKO and VOLODIMYR PIGIDA, individually and as officers and agents of Trend Sound Promoter, debtor, In re: *Trend Sound Promoter, AMG*, Case No. 14-13193, and in contemplation of the filing of bankruptcy proceedings against Trend Sound Promoter, knowingly and fraudulently, and with intent to defeat the provisions of Title 11, transferred and concealed, and aided and abetted the transfer and concealment of, certain property, specifically, a Porsche Panamera, Toyota Tundra, and Bayliner Boat, by transferring the titles to such vehicles and boat into various trusts.

All in violation of Title 18, United States Code, Sections 152(7) and 2.

COUNT 24

(Bankruptcy Fraud – False Declaration)

86. Paragraphs 1 through 72 above are incorporated herein by reference as if set forth in full.

87. On or about April 24, 2014, at Seattle, within the Western District of Washington, VOLODIMYR PIGIDA knowingly and fraudulently made and caused to be made a materially false declaration, certification, verification, and statement under penalty of perjury pursuant to Title 28, United States Code, Section 1746, in and in relation to a bankruptcy case under Title 11, United States Code, in the Bankruptcy Court for the Western District of Washington, that is, In re: *Trend Sound Promoter, AMG*, Case No. 14-13193, in that VOLODIMYR PIGIDA signed a Statement of Financial Affairs that he declared to be true and correct to the best of his knowledge, information and belief, in which, in response to Question 23 requiring disclosure of all withdrawals or distributions given or credited to insiders of Trend Sound Promoter in the year preceding the filing of bankruptcy, VOLODIMYR PIGIDA fraudulently omitted to disclose \$1,454,448.11 of Trend Sound

1 Promoter funds that had been wired to Ticor Title for the purchase of the Renton Residence
2 for the benefit of MARINA BONDARENKO and VOLODIMYR PIGIDA, on or about
3 January 27, 2014.

4 All in violation of Title 18, United States Code, Section 152(3).

5 **COUNT 25**

6 **(Bankruptcy Fraud - False Oath and Account)**

7 88. Paragraphs 1-72 above are incorporated herein by reference as if set forth in
8 full.

9 89. On or about July 8, 2014, at Seattle, within the Western District of
10 Washington, VOLODIMYR PIGIDA knowingly and fraudulently made a materially false
11 oath and account in and in relation to a bankruptcy case under Title 11, United States Code,
12 in the Bankruptcy Court for the Western District of Washington, that is, *In re: Trend Sound*
13 *Promoter, AMG*, Case No. 14-13193, in that, during a Section 341(a) Meeting of Creditors in
14 the bankruptcy proceeding, VOLODIMYR PIGIDA stated under oath that the initial money
15 to start Trend Sound Promoter was loaned from three individuals and three companies, when
16 in truth and fact, as VOLODIMYR PIGIDA then well knew, Trend Sound Promoter was
17 initially wholly funded by the sale of Ad-Promoting packages.

18 All in violation of Title 18, United States Code, Section 152(2).

19 **COUNT 26**

20 **(Bankruptcy Fraud - False Oath and Account)**

21 90. Paragraphs 1-72 above are incorporated herein by reference as if set forth in
22 full.

23 91. On or about July 8, 2014, at Seattle, within the Western District of
24 Washington, VOLODIMYR PIGIDA knowingly and fraudulently made a materially false
25 oath and account in and in relation to a bankruptcy case under Title 11, United States Code,
26 in the Bankruptcy Court for the Western District of Washington, that is, *In re: Trend Sound*
27 *Promoter, AMG*, Case No. 14-13193, in that, during a Section 341(a) Meeting of Creditors in
28 the bankruptcy proceeding, VOLODIMYR PIGIDA stated under oath that Trend Sound

1 Promoter purchased more than a million email addresses per month at a price of \$.10/address
2 from U.S. Data Corporation, when in truth and fact, as VOLODIMYR PIGIDA then well
3 knew, Trend Sound Promoter purchased fewer than 150,000 email addresses from U.S. Data
4 Corporation for a purchase price of approximately \$11,500, during Trend Sound Promoter's
5 existence.

6 All in violation of Title 18, United States Code, Section 152(2).

7 **COUNT 27**

8 **(Falsification of Records in Bankruptcy Case)**

9 92. Paragraphs 1-72 above are incorporated herein by reference as if set forth in
10 full.

11 93. Beginning at time unknown, but no later than April 24, 2014, and continuing
12 until May 20, 2015, at Seattle, within the Western District of Washington, and elsewhere,
13 Defendants VOLODIMYR PIGIDA and MARINA BONDARENKO did knowingly
14 conceal, omit material facts from, cover up, and falsify a record and document with the intent
15 to impede, obstruct, and influence the investigation and proper administration of a case filed
16 under Title 11, and in relation to and contemplation of any such case, namely, *In re: Trend*
17 *Sound Promoter, AMG*, Case No. 14-13193. Specifically, Defendants presented and caused
18 to be presented to the Chapter 7 Trustee and Bankruptcy Court, the following false records
19 and documents:

20 a. Statement of Financial Affairs dated April 24, 2014, omitting any
21 reference to the purchase of the Renton Residence with Trend Sound Promoter funds.

22 b. False loan agreements, promissory notes and invoices, documenting
23 purported loan re-payments made by Trend Sound Promoter to Sound Track, Interway,
24 GSVP, and VOLODIMYR PIGIDA.

25 c. False License Agreement between Sound Track and Trend Sound
26 Promoter, dated December 5, 2012, and Amendment to License Agreement, dated April 17,
27 2013.

d. Invoices and Assignment Letters documenting purported payments made pursuant to the License Agreement, and assignment of those payments to various third parties.

e. False and back-dated Board of Director Meeting Minutes for Trend Sound Promoter, dated November 8, 2013, purporting to ratify the License Agreement.

f. Declaration of VOLODIMYR PIGIDA dated May 20, 2015, attesting that the transfers of funds from Trend Sound Promoter to Ticor Title for the purchase of the Renton Residence, among others, were ordinary business expenses owed as licensing fees to Sound Track and then assigned to third parties.

All in violation of Title 18, United States Code, Sections 1519 and 2.

FORFEITURE ALLEGATIONS

94. The Grand Jury re-alleges the allegations contained in this Indictment and incorporates them by reference for the purpose of alleging the following forfeitures pursuant to Title 18, United States Code, Sections 982(a)(2)(A) and Title 28, United States Code, Section 2461(c).

95. Upon conviction of any of the offenses charged in Counts 1 through 21 (Conspiracy, Wire Fraud, Mail Fraud) of this Indictment, the Defendant shall forfeit to the United States of America any property constituting, or derived from, proceeds obtained, directly or indirectly, as a result of such offenses, including, but not limited to:

A sum of money of \$3,400,000 representing the proceeds that the Defendants obtained as a result of the offenses charged in Counts 1-21.

96. If any of the property described above, as a result of any act or omission of the Defendants:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or

1 e. has been commingled with other property which cannot be divided
2 without difficulty,
3 then it is the intent of the United States, pursuant to Title 21, United States Code, Section
4 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1) and Title 28,
5 United States Code, Section 2461(c), to seek the forfeiture of any other property of the
6 Defendant, up to the value of the above-described forfeitable property.

7 All pursuant to Title 18, United States Code, Section 982(a)(2)(A) and Title 28,
8 United States Code, Section 2461(c).

9 A TRUE BILL:

10 DATED: 11-29-2018

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12 *[Signature of Foreperson redacted pursuant to*
13 *the policy of the Judicial Conference of the*
14 *United States]*

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United States Attorney

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ANDREW C. FRIEDMAN
Assistant United States Attorney

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MATTHEW D. DIGGS
Assistant United States Attorney

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JUSTIN W. ARNOLD
Assistant United States Attorney

DEFENDANT STATUS SHEET

(One for each defendant)

I. CASE STATUS

Name of Defendant: Volodymyr Pigida

Has defendant had initial appearance in this case? ☐ Yes ☒ No

MJ

CR

II. CUSTODIAL STATUS

If defendant had initial appearance, please check one of the following:

- ☐ Continue Conditions of Release
- ☐ Continue Detention
- ☐ Temporary Detention, a detention hearing has been scheduled for

III. ARRAIGNMENT

☒ Warrant to Issue (If so, please complete *Defendant Arrest Warrant Info Sheet*)

☐ Summons to be Issued for Appearance on

Defendant's Address:

☐ Letter to Defense Counsel for Appearance on

Defense Attorney's Name and address:

The estimated trial time is 15 days.

(Revised March 2018)

DEFENDANT STATUS SHEET

(One for each defendant)

I. CASE STATUS

Name of Defendant: Marina Bondarenko

Has defendant had initial appearance in this case? ☐ Yes ☒ No

MJ

CR

II. CUSTODIAL STATUS

If defendant had initial appearance, please check one of the following:

- ☐ Continue Conditions of Release
- ☐ Continue Detention
- ☐ Temporary Detention, a detention hearing has been scheduled for

III. ARRAIGNMENT

☒ Warrant to Issue (If so, please complete *Defendant Arrest Warrant Info Sheet*)

☐ Summons to be Issued for Appearance on

Defendant's Address:

☐ Letter to Defense Counsel for Appearance on

Defense Attorney's Name and address:

The estimated trial time is 15 days.

(Revised March 2018)