UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

Holding a Criminal Term
Grand Jury Sworn in on May 5, 2015

UNITED STATES OF AMERICA	:	
	:	**CRIMINAL NO.**
v.	:	
BRYNEE BAYLOR	:	**VIOLATIONS:**
Defendant.	:	**18 U.S.C. § 371 (Conspiracy)**
	:	**15 U.S.C. §§ 78j(b) and 78ff(a) and 17 C.F.R. § 240.10b-5 (Securities Fraud) and 18 U.S.C. § 2 (Aiding and Abetting)**
	:	**22 D.C. Code §§ 3221(a), 3222(a) (First Degree Fraud) and 1805 (Advising, Inciting, and Conniving)**
Case: 1:16-cr-00180 Assigned To : Huvelle, Ellen S. Assign. Date : 10/6/2016 Description: INDICTMENT (B)	:	**18 U.S.C § 1503 (Obstruction of Justice)**
	:	**26 U.S.C. § 7203 (Failure to File Tax Return and Pay Tax)**

INDICTMENT

FILED IN OPEN COURT

OCT 06 2016

CLERK, U.S. DISTRICT COURT
DISTRICT OF COLUMBIA

The Grand Jury charges that:

14463147.1

INTRODUCTION

At all relevant times, unless otherwise indicated:

1. Defendant **BRYNEE BAYLOR** was an attorney licensed to practice law in the District of Columbia and other jurisdictions. Defendant **BRYNEE BAYLOR**, who lived in Silver Spring, Maryland, was a founder and partner of the District of Columbia law firm of Baylor & Jackson, P.L.L.C. ("Baylor & Jackson").

2. As part of the practice of law, Baylor & Jackson maintained an IOLTA (Interest on Lawyer's Trust Account) account to separately hold in trust the funds of clients or third parties that were in the possession of the firm.

3. Defendant **BRYNEE BAYLOR** had authority over the disposition of funds into and out of the Baylor & Jackson IOLTA account.

4. There were specific rules of professional conduct which governed attorneys in the operation of IOLTA accounts in the District of Columbia, which, among other things, required defendant **BRYNEE BAYLOR** and Baylor & Jackson to keep complete records of funds held in trust, to promptly deliver to the client or third party any funds that the client or third party was entitled to receive and, upon request by the client or third party, to promptly render a full accounting regarding those funds.

5. The Milan Group, Inc. ("Milan Group") was a Pennsylvania corporation with its principal place of business in Clarks Summit, Pennsylvania.

6. F.P., who used the false name Frank Lorenzo, was the chief executive officer and

president of Milan Group. F.P. was a resident of Clarks Summit, Pennsylvania.

7. The Securities and Exchange Commission ("SEC") is an agency of the United States government with a mission to, among other things, protect investors.

8. The Internal Revenue Service is an agency of the U.S. Department of the Treasury responsible for administering the internal revenue laws of the United States, including the ascertainment, computation, and assessment of taxes, including federal income taxes.

COUNT ONE
(Conspiracy and Aiding and Abetting Conspiracy to Commit Securities Fraud)

9. Paragraphs 1 through 7 of this Indictment are re-alleged and incorporated as if fully set forth herein.

10. From at least in or about July 2010 and continuing thereafter until in or about September 18, 2012, in the District of Columbia and elsewhere, defendant **BRYNEE BAYLOR** did knowingly and willfully combine, conspire, confederate, and agree with Milan Group, F.P. and with individuals known and unknown to the Grand Jury to commit certain offenses against the United States, namely, to knowingly, willfully, and unlawfully, by the use of means and instrumentalities of interstate commerce, and the mails, directly and indirectly, use and employ manipulative and deceptive devices and contrivances, in connection with the purchase and sale of securities, that is, investments in a purported trading program through Milan Group, and did (a) employ a device, scheme and artifice to defraud; (b) make untrue statements of material facts and omit to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engage in acts, practices and

courses of business which would and did operate as a fraud and deceit upon others, in connection with the purchase and sale of said securities, in violation of Title 15, United States Code, Sections 78j(b) and 78ff(a), and Title 17, Code of Federal Regulations, Section 240.10b-5.

OBJECTS OF THE CONSPIRACY

11. It was an object of the conspiracy for defendant **BRYNEE BAYLOR**, F.P., Milan Group and others to obtain money by making false and fraudulent material representations to investors to induce and encourage them to make and maintain investments in the purported trading program.

12. It was further an object of the conspiracy for defendant **BRYNEE BAYLOR**, F.P., Milan Group and others to use for their personal benefit the proceeds obtained from investors in the purported trading program.

MANNER AND MEANS OF THE CONSPIRACY

13. The manner by which defendant **BRYNEE BAYLOR**, F.P., Milan Group and others known and unknown to the Grand Jury sought to accomplish the objects of the conspiracy included, among other things, the following:

14. It was part of the conspiracy that defendant **BRYNEE BAYLOR**, F.P. and Milan Group told investors that they could obtain extremely large profits in a short period of time with little or no risk through a purported trading program sometimes called a "private placement" involving, among other things, the use of "trading platforms" and the "monetizing," and "leasing" of foreign bank instruments, including "standby letters of credit" "bank guarantees" and "medium term notes." An example of the extremely large profits touted

by defendant **BRYNEE BAYLOR**, F.P., and Milan Group involved an agreement to pay investor J.M. a return of 250% on his investment within 90 days.

15. It was further part of the conspiracy to promote the purported trading program and to recruit and retain investors by playing upon investors' trust in defendant **BRYNEE BAYLOR** due to her status as a Washington, D.C. attorney and a partner in Baylor & Jackson.

16. It was further part of the conspiracy that defendant **BRYNEE BAYLOR**, acting on behalf of F.P. and Milan Group, caused investors to transfer funds to the Baylor & Jackson IOLTA account. From in or about August 2010 through in or about September 2011, investors transferred more than $2 million to the Baylor & Jackson IOLTA account.

17. It was further part of the conspiracy that defendant **BRYNEE BAYLOR** transferred more than half of the investor funds for the benefit of herself, F.P., Milan Group and Baylor & Jackson. For instance, defendant **BRYNEE BAYLOR** caused Baylor & Jackson to transfer more than $500,000 of investor funds from its IOLTA account to the Baylor & Jackson operating bank account. Defendant **BRYNEE BAYLOR** subsequently caused Baylor & Jackson to use this money to pay the firm's expenses and to make payments to herself and her law partner for their personal benefit. Defendant **BRYNEE BAYLOR** also caused the transfer of $75,000 from Baylor & Jackson's IOLTA account to a Jaguar automobile dealership for the benefit of F.P.

18. It was further part of the conspiracy that defendant **BRYNEE BAYLOR** falsely assured investors that the purported trading program was legitimate; that investments in the purported trading program had little, if any, risk; and that she had previously observed investors successfully complete transactions with Milan Group. In reality, Milan Group failed to complete

any such transactions and Milan Group, F.P., and the defendant **BRYNEE BAYLOR** failed to return any money invested.

19. It was further part of the conspiracy that defendant **BRYNEE BAYLOR**, Milan Group and F.P. intentionally failed to inform new investors that prior investors had not received a profit on their investments nor had their initial investments been returned.

20. It was further part of the conspiracy that defendant **BRYNEE BAYLOR**, Milan Group and F.P. intentionally failed to inform new and existing investors of pending lawsuits filed by other investors that claimed fraud with regard to the purported trading program.

21. It was further part of the conspiracy that defendant **BRYNEE BAYLOR**, Milan Group and F.P. intentionally failed to inform new and existing investors that the SEC was investigating potential securities fraud with regard to the purported trading program.

22. It was further part of the conspiracy that defendant **BRYNEE BAYLOR**, F.P., Milan Group and others made false and misleading representations to provide investors a false sense of security about the purported trading program, to discourage their inquiries and complaints, to allay their suspicions about the purported trading program, and to forestall investors from bringing legal proceedings or contacting the authorities.

23. It was further part of the conspiracy that defendant **BRYNEE BAYLOR**, Milan Group and F.P. would and did perform acts and make statements to hide and conceal and cause to be hidden and concealed the purpose of the conspiracy and the acts committed in furtherance thereof.

OVERT ACTS

24. In furtherance of the conspiracy, and to effect the objects thereof, one or more of the co-conspirators committed and caused to be committed overt acts in the District of Columbia, and elsewhere, including, but not limited to, the following:

25. On or about July 12, 2010, F.P. sent an email to defendant **BRYNEE BAYLOR** regarding an "Overnight High Yield Lending Loan."

26. On or about July 23, 2010, defendant **BRYNEE BAYLOR** sent a reply to an email requesting a letter from her law firm concerning, among other things, "a prime bank undertaking."

27. On or about August 24, 2010, defendant **BRYNEE BAYLOR** signed a document styled "Attorney Escrow Agreement" promising, among other things, not to release any part of an investment from the Baylor & Jackson IOLTA account unless sixty days had elapsed from that date.

28. On or about September 1, 2010, defendant **BRYNEE BAYLOR** forwarded an email attachment to co-conspirator F.P. The email attachment purported to be a "compliance package" for an investment involving "GOOD, CLEAN, CLEARED FUNDS/ASSETS of non criminal origin" and contained, among other things, declarations by a person involved in the investment that "I am not an informant," that his actions were "not a part of a government investigation, covert or otherwise," and further promising that the person was not associated with any government agency.

29. On or about September 7, 2010, after the investment referred to in paragraph 27 was received in the Baylor & Jackson IOLTA account on behalf of investor L.K., defendant

BRYNEE BAYLOR caused those funds to be transferred out of her IOLTA account in violation of the sixty day period required by the "Attorney Escrow Agreement." Approximately half of the funds transferred went to Milan Group and the Baylor & Jackson partnership account.

30. On or about September 14, 2010, defendant **BRYNEE BAYLOR** sent an email to investor G.W. confirming the receipt of $325,000 into the Baylor & Jackson IOLTA account and promising to "secure the requisite permission" before disbursing those funds.

31. On or about September 15, 2010, defendant **BRYNEE BAYLOR**, without asking permission from investor G.W. or otherwise notifying investor G.W., caused the transfer of $120,000 of funds belonging to investor G.W. and her husband J.W. to Milan Group and caused an additional $77,000 of the investors' funds to be transferred to the Baylor & Jackson partnership account for the benefit of herself and her law partner.

32. On or about September 23, 2010, defendant **BRYNEE BAYLOR** signed an addendum declaring that a $10,000,000 Standby Letter of Credit would be joined with a $100,000,000 instrument. She further promised that she and her law firm "shall remain involved during the entire transaction and shall provide notifications to participants to confirm the completed steps of this transaction."

33. On or about October 11, 2010, defendant **BRYNEE BAYLOR** sent an email to investors in which she falsely stated with regard to Milan Group that "I have observed this company successfully complete transactions of this nature whereby participants received their funds as agreed."

34. On or about October 13, 2010, defendant **BRYNEE BAYLOR** caused a letter to be executed on Baylor & Jackson letterhead declaring that "any funds deposited with the law office

of Baylor and Jackson for participation in a private placement transaction with the Milan Group will be returned by the Milan Group to the investor if this transaction is not completed."

35. On or about October 25, 2010, defendant **BRYNEE BAYLOR** sent an email to investor L.K. telling him to "Please cease the emails demanding the return of the funds" and falsely claiming that "I have no further escrow obligations in this transaction at this point."

36. On or about October 28, 2010, defendant **BRYNEE BAYLOR** caused the transfer to Milan Group of approximately $313,000 from an approximate $775,000 investment received the previous day in the Baylor & Jackson IOLTA account while also transferring approximately another $212,000 of that investment into the Baylor & Jackson partnership account for the benefit of herself and her law partner.

37. On or about October 28, 2010, defendant **BRYNEE BAYLOR** wrote a notarized attorney attestation letter which she sent to investors. In that letter, she recited claims about a purported "leased instrument transaction" and declared that "this information came directly from Frank Lorenzo of The Milan Group and has been verified by me."

38. On or about November 2, 2010, F.P. wrote an email to investors, which he copied to defendant **BRYNEE BAYLOR,** purporting to explain why investors had not received their funds, including the statement that "Atty Baylor and Milan has [sic] to place additional clients."

39. On or about December 7, 2010, defendant **BRYNEE BAYLOR** wrote a letter in her capacity as "Counsel for The Milan Group, LLC" asserting that she had "conducted the requisite inquiry" and could "make the following representations on Milan's behalf" that Milan Group would send an entire $250,000 investment to the private trading platform and that the investors would receive their $250,000 back within seven days.

40. On or about December 21, 2010, defendant **BRYNEE BAYLOR** forwarded to investors an email written by F.P. The email asked investors to "stop the negative comments and repeated calls" and assured them that "Attorney Baylor and Milan are instrumental in making this succeed."

41. On or about January 14, 2011, defendant **BRYNEE BAYLOR** met in person in the District of Columbia with investor B.B. and provided him assurances on the progress of the purported trading program.

42. On or about January 18, 2011, defendant **BRYNEE BAYLOR** sent an email to investor S.D. regarding the Milan Group.

43. On or about March 22, 2011, defendant **BRYNEE BAYLOR** wrote a letter to the attorney for investors J.W. and G.W. in which she falsely stated that their $250,000 investment had been sent to a third party who "failed to perform." In fact, defendant **BRYNEE BAYLOR** had caused most of those funds to be transferred to the Milan Group and to the Baylor & Jackson partnership account for the benefit of defendant **BRYNEE BAYLOR** and her law partner.

44. On or about March 24, 2011, defendant **BRYNEE BAYLOR** sent an email to investor S.D. claiming that "the delay this week was caused by a myriad of reasons" but assuring him that "[t]hankfully, we are past those issues and moving toward closing."

45. On or about June 25, 2011, F.P. sent defendant **BRYNEE BAYLOR** an email stating in part "Brynee: I received your message about the SEC" and speculated about how the SEC might have obtained documents regarding the purported trading program.

46. On or about July 11, 2011, defendant **BRYNEE BAYLOR** emailed to F.P. a purported settlement agreement signed by investor L.S. wherein the investor promised not to

take legal action against Milan Group in exchange for a percentage of the return on a purported investment "non-related in any way to the Leased Instrument."

47. On or about August 22, 2011, defendant **BRYNEE BAYLOR** caused an escrow agreement to be executed promising to maintain $250,000 from investor S.So. in the Baylor & Jackson IOLTA account for the purposes of a purported transaction involving a "Six Hundred Twenty Five Million Euro" Standby Letter of Credit.

48. On or about September 20, 2011, defendant **BRYNEE BAYLOR** sent an email to investor J.H. claiming "we are working around the clock to get these transactions done. I will keep you posted as to status, but we will have funds very soon."

49. On or about September 23, 2011, defendant **BRYNEE BAYLOR** promoted the purported trading program and touted the success of Milan Group in a telephone call with undercover agents of the Federal Bureau of Investigation.

50. On or about October 8, 2011, defendant **BRYNEE BAYLOR** sent an email to investor P.Y. accusing him of "passive aggression that is counter-productive in every sense" after he sent her an email requesting proof that all of the investors' money went to the purported trading program.

51. On or about November 1, 2011, defendant **BRYNEE BAYLOR** sent an email to F.P. containing information on a purported "30 Billion Bank Gurantee"[sic] even after she had learned the previous month that F.P. was doing business under a false name and was currently on court-ordered supervised release resulting from a money laundering conviction.

52. On or about November 8, 2011, defendant **BRYNEE BAYLOR** sent an email to F.P. regarding an escrow release telling F.P. to "Please review immediately and I will send out."

53. On or about November 17, 2011, defendant **BRYNEE BAYLOR** sent an email to investor S.D. assuring him that "This is MY deal, not someone else's transaction."

54. On or about the following dates, defendant **BRYNEE BAYLOR** caused Baylor & Jackson's bank accounts to receive funds from investors as follows:

Over Act Number	Approximate Date	Source of Funds	Amount
54.a.	August 13, 2010	J.M.	$75,000
54.b.	August 31, 2010	L.K.	$250,000
54.c.	September 10, 2010	J.W. & G.W.	$275,000
54.d.	September 13, 2010	S.A.	$50,000
54.e.	September 17, 2010	S.A.	$85,000
54.f.	October 27, 2010	L.3.G.	$775,000
54.g.	November 4, 2010	J.M.	$130,000
54.h.	January 12, 2011	F.M.	$15,000
54.i.	January 13, 2011	G.Y.	$25,000
54.j.	January 14, 2011	J.H.	$25,000
54.k.	January 18, 2011	W.B.	$130,000
54.l.	January 18, 2011	S.D.	$15,000
54.m.	January 19, 2011	D.A.	$140,000
54.n.	January 19, 2011	J.H.	$25,000
54.o.	July 14, 2011	S.Sm.	$200,000
54.p.	September 2, 2011	S.So.	$250,000

55. On or about the following dates, defendant **BRYNEE BAYLOR** caused transfers and withdrawals of investor funds from Baylor & Jackson IOLTA account as follows:

Overt Act Number	Approximate Date	Recipient	Amount
55.a.	August 16, 2010	Milan Group	$50,000
55.b.	August 25, 2010	Baylor & Jackson	$13,500

55.c.	September 7, 2010	Milan Group	$60,000
55.d.	September 7, 2010	Baylor & Jackson	$60,000
55.e.	September 15, 2010	Milan Group	$120,000
55.f.	September 15, 2010	Baylor & Jackson	$77,000
55.g.	October 28, 2010	Milan Group	$313,000
55.h.	October 28, 2010	Baylor & Jackson	$212,000
55.i.	November 5, 2010	Baylor & Jackson	$52,000
55.j.	November 5, 2010	Milan Group	$78,000
55.k.	January 20, 2011	Milan Group	$125,000
55.l.	January 20, 2011	Baylor & Jackson	$67,500
55.m.	January 25, 2011	Jaguar Dealer	$75,000
55.n.	September 12, 2011	Milan Group	$77,734
55.o.	September 16, 2011	Milan Group	$10,000

(All in violation of 15 U.S.C. §§ 78j(b) and 78ff(a), and 17 C.F.R. § 240.10b-5 and Aiding and Abetting, in violation of 18 U.S.C. Section 2)

COUNT TWO
(Securities Fraud and Aiding and Abetting Securities Fraud)

56. Paragraphs 1 through 7 and 9 through 55 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

57. From in or around July 2010 through in or around December 2011 in the District of Columbia, and elsewhere, defendant **BRYNEE BAYLOR** and others, aiding and abetting each other, knowingly and willfully, by the use of means and instrumentalities of interstate commerce and of the mails, directly and indirectly, used and employed manipulative and deceptive devices and contrivances, in connection with the purchase and sale of securities, that is, investments in a purported trading program through Milan Group, and did (a) employ a device, scheme, and artifice to defraud, (b) make untrue statements of material facts and omit to state material facts

necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and (c) engage in acts, practices, and courses of business which would and did operate as a fraud and deceit upon others, in connection with the purchase and sale of these securities.

(All in violation of 15 U.S.C. §§ 78j(b) and 78ff(a) and 17 C.F.R. §240-10b-5, and Aiding and Abetting, in violation of 18 U.S.C. §2)

COUNT THREE
(Fraud in the First Degree and Advising, Inciting, and Conniving at the Offense)

58. Paragraphs 1 through 6, paragraphs 13 through 23, and paragraphs 34, 39, 40, 48, 54.a., 54.g., 55.a., 55.b., 55.i., and 55.j. of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

59. From in or around August 2010, through in or around December 2011, in a continuing course of conduct, in the District of Columbia and elsewhere, defendant **BRYNEE BAYLOR** and others, advising, inciting, and conniving at the offense, and aiding and abetting the offense, engaged in a scheme and systematic course of conduct with intent to defraud and to obtain property of investor J.M. for herself and others by means of false and fraudulent pretenses, representations, and promises, and thereby obtained property for herself and others of a value of $1,000 or more and caused another to lose property of a value of $1,000 or more, that is, approximately $170,000 from investor J.M.

(All in violation of 22 D.C.C. §§ 3221(a), 3222(a) and 22 D.C.C. § 1805)

COUNT FOUR
(Fraud in the First Degree and Advising, Inciting, and Conniving at the Offense)

60. Paragraphs 1 through 6, paragraphs 13 through 23, and paragraphs 27, 29, 33, 35, 37, 38, 40, 54.b., 55.c., and 55.d. are re-alleged and incorporated by reference as though fully set forth herein.

61. From in or around August 2010, through in or around December 2011, in a continuing course of conduct, in the District of Columbia and elsewhere, defendant **BRYNEE BAYLOR** and others, advising, inciting, and conniving at the offense, and aiding and abetting the offense, engaged in a scheme and systematic course of conduct with intent to defraud and to obtain property of investor L.K. for herself and others by means of false and fraudulent pretenses, representations, and promises, and thereby obtained property for herself and others of a value of $1,000 or more and caused another to lose property of a value of $1,000 or more, that is, approximately $250,000 from investor L.K.

(All in violation of 22 D.C.C. §§ 3221(a), 3222(a) and 22 D.C.C. § 1805)

COUNT FIVE
(Fraud in the First Degree and Advising, Inciting, and Conniving at the Offense)

62. Paragraphs 1 through 6, paragraphs 13 through 23, and paragraphs 30, 31, 32, 43, 54.c., 55.e., and 55.f. of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

63. From in or around September 2010, through in or around December 2011, in a continuing course of conduct, in the District of Columbia and elsewhere, defendant **BRYNEE BAYLOR** and others, advising, inciting, and conniving at the offense, and aiding and abetting

the offense, engaged in a scheme and systematic course of conduct with intent to defraud and to obtain property of investors J.W. and G.W. for herself and others by means of false and fraudulent pretenses, representations, and promises, and thereby obtained property for herself and others of a value of $1,000 or more and caused another to lose property of a value of $1,000 or more, that is, approximately $275,000 from investors J.W. and G.W.

(All in violation of 22 D.C.C. §§ 3221(a), 3222(a) and 22 D.C.C. § 1805)

COUNT SIX
(Fraud in the First Degree and Advising, Inciting, and Conniving at the Offense)

64. Paragraphs 1 through 6, paragraphs 13 through 23, and paragraphs 39, 40, 48, 54.j., 54.n., 55.k., 55.l., and 55.m. of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

65. From in or around December 2010, through in or around December 2011, in a continuing course of conduct, in the District of Columbia and elsewhere, defendant **BRYNEE BAYLOR** and others, advising, inciting, and conniving at the offense, and aiding and abetting the offense, engaged in a scheme and systematic course of conduct with intent to defraud and to obtain property of investor J.H. for herself and others by means of false and fraudulent pretenses, representations, and promises, and thereby obtained property for herself and others of a value of $1,000 or more and caused another to lose property of a value of $1,000 or more, that is, approximately $140,000 from investor J.H.

(All in violation of 22 D.C.C. §§ 3221(a), 3222(a) and 22 D.C.C. § 1805)

COUNT SEVEN

(Fraud in the First Degree and Advising, Inciting, and Conniving at the Offense)

66. Paragraphs 1 through 6, paragraphs 13 through 23, and paragraphs 47, 54.p., 55.n., and 55.o. of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

67. From in or around August 2011, through in or around December 2011, in a continuing course of conduct, in the District of Columbia and elsewhere, defendant **BRYNEE BAYLOR** and others, advising, inciting, and conniving at the offense, and aiding and abetting the offense, engaged in a scheme and systematic course of conduct with intent to defraud and to obtain property of investor S.So. for herself and others by means of false and fraudulent pretenses, representations, and promises, and thereby obtained property for herself and others of a value of $1,000 or more and caused another to lose property of a value of $1,000 or more, that is, approximately $250,000 from investor S.So.

(All in violation of 22 D.C.C. §§ 3221(a), 3222(a) and 22 D.C.C. § 1805)

COUNT EIGHT

(Fraud in the First Degree and Advising, Inciting, and Conniving at the Offense)

68. Paragraphs 1 through 6, paragraphs 13 through 23, and paragraphs 42, 44, 53, 54.l., 55.k., 55.l., and 55.m. of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

69. From in or around January 2011, through in or around December 2011, in a continuing course of conduct, in the District of Columbia and elsewhere, defendant **BRYNEE BAYLOR** and others, advising, inciting, and conniving at the offense, and aiding and abetting

the offense, engaged in a scheme and systematic course of conduct with intent to defraud and to obtain property of investor S.D. for herself and others by means of false and fraudulent pretenses, representations, and promises, and thereby obtained property for herself and others of a value of $1,000 or more and caused another to lose property of a value of $1,000 or more, that is, approximately $15,000 from investor S.D.

(All in violation of 22 D.C.C. §§ 3221(a), 3222(a) and 22 D.C.C. § 1805)

COUNT NINE
(Obstruction of Justice)

70. Paragraphs 1 through 7 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

71. On or about November 29, 2011, the SEC filed a lawsuit in the United States District Court for the District of Columbia. The lawsuit, styled Securities and Exchange Commission v. Milan Group, Inc., et al, Civil Action No. 11-2132 (RMC), accused defendant **BRYNEE BAYLOR**, F.P., and Milan Group, among other things, of committing fraud against the investors in the purported trading program.

72. As part of the SEC lawsuit, on or about May 22, 2012, and again on or about September 18, 2012, defendant **BRYNEE BAYLOR** provided sworn testimony during videotaped depositions at the SEC's headquarters in Washington, D.C. In her depositions, defendant **BRYNEE BAYLOR** falsely denied encountering any discussion of prime bank fraud. Also during her depositions, defendant **BRYNEE BAYLOR** provided false and misleading information concerning the creation of backdated invoices which she had caused to be altered to

increase the amount of fees purportedly owed to Baylor & Jackson by Milan Group. Defendant **BRYNEE BAYLOR** also falsely denied writing a letter to a Pennsylvania attorney falsely certifying that Baylor & Jackson was holding more than $400,000 in escrow for Milan Group. Further, defendant **BRYNEE BAYLOR** made false statements regarding when she became aware that J.W. and G.W. were investors in the purported trading program.

73. On or about January 15, 2013, defendant **BRYNEE BAYLOR** caused her affidavit signed under penalty of perjury to be filed with the Court in the SEC's lawsuit as Document 128-9. In her affidavit, defendant **BRYNEE BAYLOR** falsely stated that she did not view and had no knowledge of the information and warnings concerning prime bank schemes that government agencies had disseminated on publicly accessible websites.

74. From on or about May 22, 2012, through on or about January 15, 2013, in the District of Columbia and elsewhere, the defendant, **BRYNEE BAYLOR**, did corruptly influence, obstruct and impede and endeavor to influence, obstruct and impede the due administration of justice in Securities and Exchange Commission v. Milan Group, Inc., et al, Civil Action No. 11-2132, in the United States District Court for the District of Columbia, by providing false and misleading statements in depositions and in her affidavit to the court regarding her knowledge of information and warnings concerning prime bank schemes and prime bank fraud and related issues, concerning a false letter she wrote to a Pennsylvania attorney, concerning the preparation of backdated Baylor & Jackson invoices to Milan Group, and concerning when she became aware of the identity of investors J.W. and G.W.

(All in violation of 18 U.S.C. § 1503)

COUNT TEN
(Failure to File Tax Return and Pay Tax)

75. Paragraphs 1 and 6 and 8 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

76. During the calendar year 2010, in the District of Columbia and elsewhere, defendant **BRYNEE BAYLOR**, had and received sufficient gross income that she was required by law, following the close of the calendar year 2010 and on or before April 18, 2011, to make an income tax return to the Internal Revenue Service, stating specifically the items of her gross income and any deductions and credits to which she was entitled, and to pay federal income taxes. Well knowing and believing all of the foregoing, on or about April 18, 2011, she did willfully fail, in the District of Columbia and elsewhere, to make an income tax return and to pay federal income taxes.

(All in violation of 26 U.S.C. § 7203)

COUNT ELEVEN
(Failure to File Tax Return and Pay Tax)

77. Paragraphs 1 and 6 and 8 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

78. During the calendar year 2011, in the District of Columbia and elsewhere, the defendant, **BRYNEE BAYLOR**, had and received sufficient gross income that she was required by law, following the close of the calendar year 2011 and on or before April 17, 2012, to make an income tax return to the Internal Revenue Service, stating specifically the items of her gross income and any deductions and credits to which she was entitled, and to pay federal income

taxes. Well knowing and believing all of the foregoing, on or about April 17, 2012, she did willfully fail, in the District of Columbia and elsewhere, to make an income tax return and to pay federal income taxes.

(All in violation of 26 U.S.C. §7203)

A TRUE BILL

FOREPERSON

6 OCT 2016

DATE

ROSEMARY E. PAGUNI
Chief, Northern Criminal Enforcement Section
Department of Justice, Tax Division

U.S. District and Bankruptcy Courts
for the District of Columbia
A TRUE COPY
ANGELA D. CAESAR, Clerk
By Daniel Rudy 10/7/16
Deputy Clerk

14463147.1