

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA :

-v.- : INFORMATION

SPIRO BALTATZIDIS, : 13 Cr.

a/k/a "Spiro Baltas," :

Defendant. :

- - - - -x

**COUNT ONE**

**(Wire Fraud)**

The United States Attorney charges:

**Relevant Entities And Individuals**

1. At all times relevant to this Information, Starwich, Inc. ("Starwich") was a privately held corporation formed and organized in or around November 2003 under the laws of the State of Delaware. Starwich was headquartered in New York, New York. Starwich was engaged in the food services business, and more specifically, the upscale specialty sandwich business. Starwich operated a microchain of restaurants located around Manhattan. Starwich maintained multiple corporate bank accounts (collectively, the "Starwich Bank Accounts") at Citibank, N.A. ("Citibank") into which investor funds were deposited.

2. At all times relevant to this Information, SPIRO BALTATZIDIS, a/k/a "Spiro Baltas," the defendant, was the Founder and Chief Executive Officer of Starwich.

### The Scheme to Defraud

3. Between at least in or about the summer of 2007 through at least in or about May 2008, SPIRO BALTATZIDIS, a/k/a "Spiro Baltas," the defendant, solicited a \$25 million investment from a financial institution (the "Victim Financial Institution"). BALTATZIDIS represented that the purpose of the investment was to expand the business operations of Starwich.

4. In connection with the investment solicitation, the Victim Financial Institution conducted due diligence to determine whether Starwich was a prudent investment opportunity. This due diligence included, among other things, a review of Starwich's financials. Accordingly, at the Victim Financial Institution's request, on or about September 16, 2007, the Victim Financial Institution received a fax from Starwich containing Citibank statements of one of the Starwich Bank Accounts. The first statement purported to cover the period December 1, 2006 through December 31, 2006, and reflected an ending balance of approximately \$450,000 in the account. Another statement purported to cover the period June 1, 2007 through June 30, 2007, and reflected an ending balance of approximately \$1.2 million in the account. The second statement therefore reflected an increase in the ending balance of well over 100% in the six-month period between December 2006 and June 2007.

5. In truth and in fact, the bank statements provided to

the Victim Financial Institution were fake. The actual bank account records from Citibank showed a balance of approximately \$400 as of December 31, 2006, and approximately \$200 as of June 30, 2007.

6. On or about November 1, 2007, based in part on the fake bank statement that showed a balance of approximately \$1.2 million as of June 30, 2007, the Victim Financial Institution entered into a Memorandum of Terms ("the Memorandum") with Starwich. The Memorandum detailed the principal terms of a proposed \$25 million investment in shares of Starwich to be divided into three stages of disbursements - \$5 million, \$10 million, and \$10 million, respectively - provided that Starwich met certain conditions.

7. In furtherance of its due diligence, the Victim Financial Institution requested a further update of Starwich's financials; and in response to this request, on or about November 15, 2007, SPIRO BALATZIDIS, a/k/a "Spiro Baltas," the defendant, forwarded an email chain between BALATZIDIS and an employee of Citibank (the "Bank Employee"). The content of the email chain forwarded to the Victim Financial Institution (the "Victim Financial Institution Email") reflected that BALATZIDIS asked the Bank Employee for the balance of one of the Starwich accounts for the period ending September 30, 2007, and the Bank Employee purportedly responded that the account's current balance was

approximately \$1.3 million.

8. In truth and in fact, and as SPIRO BALTATZIDIS, a/k/a "Spiro Baltas," the defendant, knew, the email chain forwarded by BALTATZIDIS to the Victim Financial Institution on or about November 15, 2007, was materially altered from its original version (the "Authentic Citibank Email"). For instance, (a) in the Authentic Citibank Email, the Bank Employee wrote that the account's current balance was "\$3,963.93," whereas the Victim Financial Institution Email reflected a balance of "\$1,317,963.93;" and (b) the Authentic Citibank Email included a copy of the account statement for the period ending September 30, 2007, whereas the Victim Financial Institution Email omitted the account statement.

9. From November 15, 2007 through in or about May 2008, SPIRO BALTATZIDIS, a/k/a "Spiro Baltas," the defendant, and the Victim Financial Institution continued their discussions regarding the solicited financial investment in Starwich. However, in or about May 2008, the Victim Financial Institution concluded that it would not be a prudent investment decision to invest with Starwich and ended its discussions with BALTATZIDIS. In or about August 2008, Starwich filed for bankruptcy.

#### **Statutory Allegation**

10. Between at least in or about the summer of 2007 through at least in or about May 2008, in the Southern District of New

York and elsewhere, SPIRO BALATZIDIS, a/k/a "Spiro Baltas," the defendant, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, willfully and knowingly, would and did attempt to transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures and sounds, for the purpose of executing such scheme or artifice, to wit, BALATZIDIS used fake financial documents in connection with his solicitation of a multi-million dollar investment in Starwich from a financial institution.

(Title 18, United States Code, Sections 1343, 1349, and 2.)

**FORFEITURE ALLEGATION**

11. As a result of attempting to commit the above wire fraud offense, in violation of Title 18, United States Code, Sections 1343, 1349, and 2, as alleged in Count One of this Information, SPIRO BALATZIDIS, a/k/a "Spiro Baltas," the defendant, shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the wire fraud offense.

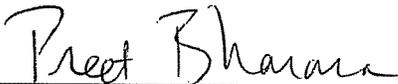
Substitute Assets Provision

12. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- (i) cannot be located upon the exercise of due diligence;
- (ii) has been transferred or sold to, or deposited with, a third party;
- (iii) has been placed beyond the jurisdiction of the court;
- (iv) has been substantially diminished in value;  
or
- (v) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

(Title 18, United States Code, Sections 981(a)(1)(C), 1343, and 1349; Title 21, United States Code, Section 853(p); and Title 28, United States Code, Section 2461.)

  
PREET BHARARA  
United States Attorney