

AES/DCP:HDM/KTF/KL
F. #2019R00810

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
----- X

UNITED STATES OF AMERICA

- against -

KRISTIЈAN KRSTIC, also known as
“Felix Logan,”

Defendant.

----- X

I N D I C T M E N T

Cr. No. _____
(T. 15, U.S.C., §§ 78j(b) and 78ff;
T. 18, U.S.C., §§ 371, 981(a)(1)(C),
982(a)(1), 982(b)(1), 1349, 1956(h), 2
and 3551 et seq.; T. 21, U.S.C., § 853(p);
T. 28, U.S.C., § 2461(c))

THE GRAND JURY CHARGES:

I N T R O D U C T I O N

At all times relevant to this Indictment, unless otherwise indicated:

I. Relevant Terms and Definitions

1. The term “digital asset” generally referred to an asset that was issued and transferred using a distributed ledger or blockchain technology, including so-called “cryptocurrencies,” “coins” and “digital tokens.”

2. A “cryptocurrency” or “virtual currency” was a currency circulated over the Internet as a form of value. Virtual currencies were not issued by any government, bank or company, but were controlled through computer software operating via cryptographic technology and a large decentralized, peer-to-peer network. Cryptocurrencies maintained ledgers, which tracked the amount of each cryptocurrency held by any given user. Within that network, users could conduct cryptocurrency transactions amongst themselves in a secure, traceable manner.

3. A “digital token” was a digital asset that, unlike a cryptocurrency, did not have its own network, but could be used on other cryptocurrency networks for virtual goods or services. Digital tokens were usually created, distributed, sold and circulated through the initial coin offering process.

4. A “virtual currency exchange,” also known as a “cryptocurrency exchange,” was a business that functioned to allow customers to purchase, sell or trade virtual currencies, including for other forms of value, such as conventional fiat money (e.g., U.S. dollars, Russian rubles, euros). Exchanges could be brick-and-mortar businesses (exchanging traditional payment methods and virtual currencies) or online businesses (exchanging electronically transferred money and virtual currencies).

5. A “cryptocurrency wallet,” also known as a “digital wallet,” was an application that allowed cryptocurrency users to store and retrieve their digital assets. Digital wallets could hold multiple cryptocurrencies. Each digital wallet had a unique cryptographic address, which was used to facilitate transactions.

6. “Mining” was a process by which individuals on cryptocurrency networks could help authenticate cryptocurrency transactions. In exchange for authenticating transactions, an individual’s ledger could be credited with newly created cryptocurrency. Only certain cryptocurrencies had the ability to be mined.

7. An initial coin offering (“ICO”) was a way for companies that developed and maintained digital assets to raise funds. In an ICO, a company would sell interested investors a new token in exchange for funds to grow the company. ICOs were usually marketed to investors using a “technical whitepaper,” which was a document that included a detailed

description of the cryptocurrency product, the product's technical solution, how the product would be developed and details on the sale of the token.

8. Bitcoin was one form of cryptocurrency, which was created in or about 2009 and was the world's largest cryptocurrency by market capitalization.

II. Relevant Entities

9. "Bitcoiin" was a company formed in or about February 2018 by the defendant KRISTIЈAN KRSTIC and his co-conspirators that purported to offer cryptocurrency and related investments through its website and social media. Bitcoiin used a name similar to the cryptocurrency Bitcoin and made false claims about its product to induce investments. On its now-defunct website, Bitcoiin claimed to create a "self-sustaining cryptocurrency" called "Bitcoiin2Gen" or "B2G." Bitcoiin claimed that B2G was part of a virtual currency "ecosystem" which included a "mining ecosystem (Dragon Mining Tech), and a crypto-wallet (B2G wallet)."

10. Bitcoiin had previously done business under different corporate names, including the name "Start Options" in or about the fall of 2017. Start Options and the website www.startoptions.com (the "Start Options Website"), were founded by the defendant KRISTIЈAN KRSTIC, along with his co-conspirators. Start Options purported to be an online investment platform that provided cryptocurrency mining, trading and digital asset trading services.

III. The Defendant and Relevant Co-Conspirators

11. The defendant KRISTIЈAN KRSTIC was a Serbian-Australian national who resided in the Philippines. In or about and between November 2017 and May 2018, KRSTIC, using the alias "Felix Logan," along with his co-conspirators, founded and controlled

Start Options and Bitcoiin. KRSTIC, using the alias “Felix Logan,” also served as Chief Financial Officer of Start Options.

12. “Sasha Bjelov” was a pseudonym for a foreign individual who assisted the defendant KRISTIЈAN KRSTIC with the schemes described below. “Sasha Bjelov” purported to act as the assistant for “Felix Logan.”

13. John DeMarr was an American citizen who was a resident of California. DeMarr worked as a private detective since approximately 1988, and ran his own private investigations firm in California. DeMarr was a promoter of several digital asset-related companies, including Start Options and Bitcoiin. DeMarr was identified to investors of Start Options and Bitcoiin as the “Director of North American Operations.”

14. Individual 1, an individual whose identity is known to the Grand Jury, was an American citizen who was a resident of Nevada. Individual 1 previously worked as an attorney in California, but resigned his license to practice while facing disciplinary charges in or about 2011. Individual 1, acting primarily at the direction of DeMarr, also served as a ghostwriter of press releases, technical whitepapers and website content for a number of digital asset-related companies, including Bitcoiin.

IV. The Start Options Scheme

15. In or about the fall of 2017, the defendant KRISTIЈAN KRSTIC, along with his co-conspirators, founded Start Options and established the Start Options Website.

16. Soon after Start Options was founded, the defendant KRISTIЈAN KRSTIC began marketing it in the United States and worldwide using promoters and the Start Options Website, letters, e-mails and social media (the “Start Options Marketing Materials”). The Start Options Website and Start Options Marketing Materials claimed that Start Options was

purportedly an online investment platform that provided cryptocurrency mining, trading and digital asset trading services.

17. The defendant KRSTIJAN KRSTIC used the alias “Felix Logan” to perpetrate the Start Options investment scheme. To that end, KRSTIC created an e-mail address with that name, as well as the Twitter handle “@felixlogan_cfo.” KRSTIC used the alias “Felix Logan,” the e-mail address and the Twitter handle to communicate with all investors and potential investors in Start Options and, subsequently, B2G.

18. The defendant KRSTIJAN KRSTIC and his co-conspirators controlled all aspects of Start Options, including, among other things, by: (1) developing the Start Options Website; (2) creating its marketing materials; (3) hiring the company’s promoters; and (4) deciding how investor funds were spent. Several Start Options press releases distributed in or about February 2018 identified “Felix Logan” as the company’s Chief Financial Officer.

19. In or about November 2017, the defendant KRSTIJAN KRSTIC sought a U.S.-based promoter for Start Options. KRSTIC was put in touch with DeMarr through a prospective investor in Start Options. KRSTIC and DeMarr discussed Start Options through e-mail communications, and DeMarr agreed to promote and market Start Options in the United States in exchange for commissions based on the value of investments made by the investors DeMarr recruited. Working at the direction of KRSTIC, DeMarr recruited U.S. investors in Start Options, including investors in the Eastern District of New York.

20. In or about November 2017, the defendant KRSTIJAN KRSTIC provided DeMarr with deposit information for a bank account in the Philippines controlled by KRSTIC. KRSTIC directed DeMarr to send U.S. investor funds, in both U.S. currency and digital assets, to

KRSTIC's account. KRSTIC also provided DeMarr with two e-mail addresses for KRSTIC so that they could communicate with each other.

21. In or about December 2017, the defendant KRISTIЈAN KRSTIC began working with DeMarr to revamp the Start Options Website to sell securities in the form of investment contracts through the website. The Start Options investment contracts were available for purchase by individuals in the United States and worldwide through the Start Options Website, and investments were accepted in Bitcoin, U.S. dollars or Euros payable through credit card or bank wires. To participate, investors had to deposit their funds for a specified contract period—60 or 90 days—after which they could purportedly withdraw their money at a significant profit.

22. The defendant KRISTIЈAN KRSTIC and his co-conspirators made numerous false representations to investors and potential investors through the Start Options Website and the Start Options Marketing Materials. For example, the Start Options Marketing Materials falsely claimed that investor funds would be invested in digital asset mining and digital asset trading platforms that would earn them a guaranteed profit after a certain number of days. In reality, Start Options investors' money was never invested in any vehicles, and, in any event, Start Options could not truthfully guarantee a profit as it purported to do in the Start Options Marketing Materials.

23. In addition, a Start Options presentation that the defendant KRISTIЈAN KRSTIC and his co-conspirators e-mailed to investors and promoters claimed that Start Options was “the largest Bitcoin exchange in euro volume and liquidity” and that it was “consistently rated the best and most secure Bitcoin exchange by independent news media.” Similarly, each of the Start Options press releases that KRSTIC and his co-conspirators helped to draft and

publish stated: “Start Options is one of the world’s fastest growing Progressive Bitcoin Mining & Crypto Currency Trading, offering powerful yet user-friendly, in house trading platforms for web and mobile to trade hundreds of assets - crypto currencies, commodities, stocks and indices.”

These representations were false. Start Options was not rated “the best and most secure Bitcoin exchange” by “independent news media.” In fact, news articles and widely-referenced digital asset websites that tracked information relating to digital asset trading platforms did not include Start Options as a digital asset trading platform.

24. As a result of the scheme, in or about December 2017, Start Options began receiving substantial Bitcoin inflows from investors to a digital wallet controlled by the defendant KRSTIJAN KRSTIC. In or about and between December 1, 2017 and January 26, 2018, investors sent approximately \$2.9 million worth of Bitcoin and another cryptocurrency to that digital wallet and to an account controlled by KRSTIC at a cryptocurrency exchange. Investors, the majority of whom were based in the United States, including in the Eastern District of New York, also sent approximately \$1.3 million to a bank account controlled by DeMarr in the United States during the same period.

25. Beginning in or about late 2017 through early 2018, investors could track their Start Options investments through a personal account page on the Start Options Website. Beginning in or about January 2018, investors in Start Options had difficulty accessing the personal account page as well as redeeming their Start Options investments. When there were issues with investors’ accounts, DeMarr forwarded investors’ e-mails to the defendant KRSTIJAN KRSTIC or “Sasha Bjelov.”

V. The B2G Scheme

A. The Mandatory Start Options Rollover Into B2G

26. In or about late January 2018, as Start Options investors tried to redeem their investments following the requisite 60- or 90-day time period, Start Options investors were not permitted to withdraw money and were instead forced to roll over their accounts into an unregistered “initial coin offering” of B2G tokens to be issued by Bitcoin2Gen, which was described to investors as the “next generation of Bitcoin” (the “B2G Offering”).

27. Specifically, Start Options, at the direction of the defendant KRISTI JAN KRSTIC, posted to its website and e-mailed investors about an “opportunity” associated with a “Special Buy-Out Offer” that would only be available for a limited time. Start Options offered to “buy out your unpaid account, for its full value in USD” if the investor deposited one-third of the account’s remaining value in “Start Options.com’s new Bitcoin (B2G) fund. Or, in the alternative, deposit one-third . . . of whatever balance you want to move across to B2G. This deposit will earn profits, and can be withdrawn 90 days after deposit.” Start Options promised to match the amount deposited and set it aside in a separate mining account for 90 days, after which it could be “withdrawn freely.” All of the funds—both deposited and matching—would purportedly be converted to B2G at the time of deposit, and “[o]nce matured at plus-90 days, your account can be sold on private or open exchange systems.”

28. Although this buy-out offer was pitched as optional, all of the Start Options investors were forced to take part in this “opportunity.” All Start Options investors’ accounts were rolled into new B2G accounts, and even those Start Options investors who tried to decline the “opportunity” were unable to cash in their shares. These new B2G accounts listed

the purported value of Start Options' investors' accounts in B2G tokens, rather than the other tokens that Start Options was purportedly mining.

29. On or about February 9, 2018, Start Options issued a press release announcing a “new program with the latest cryptocurrency Bitcoin2Gen (B2G)” and stated: “Start Options CFO Mr. Felix Logan showed his positive interest in Bitcoin2Gen, our whole team working closely to capitalize on this opportunity . . . to make Bitcoin2Gen more profitable for our investors” and by creating a new “B2G Mining Pool” where “our projected earnings in this program should be 80-90%.”

B. The Fraudulent B2G ICO

30. In or about February 2018, Bitcoin conducted an ICO of B2G, which was open to the general public and allowed investors to purchase B2G tokens. Investors were told that they could purchase B2G using U.S. dollars, Euros, Bitcoins or other cryptocurrencies, and that they could earn commissions by recruiting others to purchase B2G tokens.

i. The False B2G Marketing Materials

31. The defendant KRSTIJAN KRSTIC, DeMarr and others promoted the B2G ICO and B2G tokens through the website for B2G (the “B2G Website”), which was registered in the name of a member of KRSTIC’s family. KRSTIC, DeMarr and others also promoted B2G on social media pages such as Facebook and Twitter, and in investor calls, B2G technical whitepapers (the “Whitepapers”), presentations to investors and dozens of press releases (collectively, “the B2G Marketing Materials”). Many of the statements in the B2G Marketing Materials were false, including the following:

(a) KRSTIC used a false name, the alias “Felix Logan,” in his communications, B2G press releases, the B2G Website and the B2G Marketing Materials in order to conceal his true identity from investors.

(b) The B2G Marketing Materials, including press releases that KRSTIC, DeMarr and Individual 1 helped to draft and publish, falsely stated as early as February 2018 that B2G had a Hong Kong office or falsely represented the press releases were issued from Hong Kong, when, in fact, the company had no presence in Hong Kong.

(c) In the B2G Marketing Materials, including press releases disseminated on or about February 9, 2018, KRSTIC and his co-conspirators represented that once investors opened an account and provided “KYC” information to the “platform,” “a deposit of Bitcoin B2G opens a door to all the curtains inside Aladdin’s cave. Dollars buy B2G; B2G tokens can be exchanged back into dollars, or for Euros, or for other national fiat currencies. B2G holdings can be traded for original bitcoin or other altcoins.” In fact, KRSTIC and his co-conspirators never transferred B2G tokens to investors, which they never disclosed to investors. Rather, KRSTIC and his co-conspirators created a digital token called “B2G”—not a mineable cryptocurrency—on the blockchain of another cryptocurrency, but they never transferred these tokens to investors on that blockchain. Instead, KRSTIC and his co-conspirators created a fictitious online user interface for investors on the B2G Website. When investors logged on, they viewed what appeared to be B2G tokens. In reality, they never held B2G tokens because the tokens did not exist.

(d) KRSTIC, DeMarr and others told investors that the ICO would raise capital for B2G to build an “ecosystem” that would allow users to trade B2G tokens, digital currencies and fiat currencies, all “on a secure, comprehensive platform.” The Whitepapers that

Bitcoiin distributed to potential investors, posted on the B2G Website and linked to and from its social media accounts, detailed many of the allegedly key features of the B2G ecosystem. In reality, Individual 1, at the direction of DeMarr, had fabricated most of the detailed information about Bitcoiin in the Whitepapers by plagiarizing similar whitepapers for another cryptocurrency company that had a successful ICO in or about 2013. Individual 1, in coordination with DeMarr, also falsely attributed the authorship of the Whitepapers to a fake individual named “John Sebastian Williams,” who was purportedly a Bitcoiin employee. DeMarr sent KRSTIC the Whitepapers for his review before they were publicly disseminated.

(e) The B2G Marketing Materials stated that two entities, “Dragon Mining” and “Thorex,” would contribute to B2G’s success. The B2G Marketing Materials further stated that Dragon Mining was supplying 10,000 mining machines to support B2G and develop mining pools¹, and claimed that Thorex would serve as an “in house crypto-exchange” that would permit investors to liquidate and trade B2G tokens following the ICO. These statements were false. Dragon Mining and Thorex were entirely fictitious entities created by KRSTIC and his co-conspirators.

(f) Bitcoiin also employed individuals as promoters who marketed the B2G ICO based on false information. For example, a famous actor served as a promoter and celebrity spokesperson for the B2G ICO (the “Celebrity Spokesperson,” an individual whose identity is known to the Grand Jury). On or about February 12, 2018, KRSTIC used the @felixlogan_cfo Twitter handle to tweet, “We are very happy to see [Celebrity Spokesperson] has [sic] appointed as brand ambassador for @Bitcoiin2G that adds credibility, integrity and

¹ In a “mining pool,” cryptocurrency miners share their processing power over a network and split their mining rewards pro rata based on the amount of work they contributed.

authenticity in the project,” and linked to B2G’s press release announcing the Celebrity Spokesperson as Bitcoin2Gen’s “Brand Ambassador.” In connection with the ICO, the Celebrity Spokesperson falsely claimed on social media that B2G could generate an 8,000 percent return for investors within one year, and that B2G was a “mineable coin.” In reality, B2G was not a mineable cryptocurrency. The Celebrity Spokesperson also falsely claimed he or she was a “participant” in the ICO, a misrepresentation that was repeated to other investors in press releases and on webinars to induce them to invest in the B2G ICO. In fact, the Celebrity Spokesperson never invested in the B2G ICO and only served as a paid promoter.

ii. The Aftermath of the B2G ICO

32. In or about late March 2018, the defendant KRISTIЈAN KRSTIC and the Celebrity Spokesperson publicly announced that they were exiting the company, claiming that Bitcoin was becoming “truly open source” and would become a “genuinely anonymous cryptocurrency with no individual or individuals having control over the entity.”

33. As of in or about late April 2018, DeMarr had transferred to the defendant KRISTIЈAN KRSTIC a total of approximately \$7 million in investor funds from B2G and Start Options. Around that time, KRSTIC stopped responding to all communications and absconded with those investors’ funds. A press release issued by Start Options claimed that the company had been sold to Russian venture capitalists.

34. DeMarr and others ultimately told B2G investors that the account with the B2G tokens had been zeroed out and that the funds had been lost.

COUNT ONE
(Securities Fraud Conspiracy)

35. The allegations contained in paragraphs one through 34 are realleged and incorporated as if fully set forth in this paragraph.

36. In or about and between November 2017 and May 2018, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant KRISTIЈAN KRSTIC, also known as “Felix Logan,” together with others, did knowingly and willfully conspire to use and employ one or more manipulative and deceptive devices and contrivances, contrary to Rule 10b-5 of the Rules and Regulations of the United States Securities and Exchange Commission, Title 17, Code of Federal Regulations, Section 240.10b-5, by: (i) employing one or more devices, schemes and artifices to defraud; (ii) making one or more untrue statements of material fact and omitting to state one or more material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (iii) engaging in one or more acts, practices and courses of business which would and did operate as a fraud and deceit upon one or more investors and potential investors in Start Options and B2G, in connection with the purchase and sale of investments in Start Options and B2G, directly and indirectly, by use of means and instrumentalities of interstate commerce and the mails, contrary to Title 15, United States Code, Sections 78j(b) and 78ff.

37. In furtherance of the conspiracy and to effect its objects, within the Eastern District of New York and elsewhere, the defendant KRISTIЈAN KRSTIC, together with others, did commit and cause the commission of, among others, the following:

OVERT ACTS

(a) On or about November 17, 2017, Start Options, through KRSTIC, entered into an agreement with DeMarr entitled “Start Options Master Affiliate Agreement for

North America 2017,” pursuant to which DeMarr would help to “promote and market the Start Options Platform” in the United States in exchange for a “revenue share” based on a pyramidal commission structure for each investment.

(b) In or about November 2017, KRSTIC sent an e-mail to DeMarr with deposit information for a Philippines bank account controlled by KRSTIC, and directed DeMarr to send investor funds from Start Options to that account.

(c) On or about December 18, 2017, after receiving an e-mail from a Start Options promoter that copied portions of a blog post describing how Start Options was a “scam,” DeMarr forwarded the e-mail to KRSTIC and wrote, “See below- we need to fix this or this guy will hurt us! Call me.”

(d) On or about and between December 1, 2017 and January 26, 2018, KRSTIC and his co-conspirators caused investors to send approximately \$2.9 million worth of cryptocurrency and other digital assets to the Start Options digital wallet KRSTIC controlled, as well as to an account opened on a digital asset payment processing service, which was also controlled by KRSTIC.

(e) On or about February 8, 2018, Investor 1, an investor who resided in the Eastern District of New York, whose identity is known to the Grand Jury, e-mailed DeMarr his or her American Express card information and a copy of his or her driver’s license.

(f) On or about February 9, 2018, Start Options issued a press release to investors announcing a “new program with the latest cryptocurrency Bitcoiin2Gen (B2G)” and stating: “Start Options CFO Mr. Felix Logan showed his positive interest in Bitcoiin2Gen, our whole team working closely to capitalize on this opportunity . . . to make Bitcoiin2Gen more

profitable for our investors” and by creating a new “B2G Mining Pool” where “our projected earnings in this program should be 80-90%.”

(g) On or about February 26, 2018, KRSTIC, using the alias “Felix Logan,” participated in an investor call with the Celebrity Spokesperson, during which KRSTIC promoted investment in B2G.

(h) On or about March 12, 2018, DeMarr instructed Investor 1 to wire \$15,000 from Jamaica, New York to a bank account controlled by DeMarr. The wire transfer contained the memo line “TO JOHN DE MARR FOR BIG [sic] COINS.”

(Title 18, United States Code, Sections 371 and 3551 et seq.)

COUNT TWO
(Securities Fraud)

38. The allegations contained in paragraphs one through 34 are realleged and incorporated as if fully set forth in this paragraph.

39. In or about and between November 2017 and May 2018, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant KRISTIЈAN KRSTIC, also known as “Felix Logan,” did knowingly and willfully use and employ one or more manipulative and deceptive devices and contrivances, contrary to Rule 10b-5 of the Rules and Regulations of the United States Securities and Exchange Commission, Title 17, Code of Federal Regulations, Section 240.10b-5, by: (a) employing one or more devices, schemes and artifices to defraud; (b) making one or more untrue statements of material fact and omitting to state one or more material facts necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading; and (c) engaging in one or more acts, practices and courses of business which would and did operate as a fraud and deceit upon one or more investors and potential investors in B2G, in connection with the purchase and

sale of investments in B2G, directly and indirectly, by use of means and instrumentalities of interstate commerce and the mails.

(Title 15, United States Code, Sections 78j(b) and 78ff; Title 18, United States Code, Sections 2 and 3551 et seq.)

COUNT THREE
(Wire Fraud Conspiracy)

40. The allegations contained in paragraphs one through 34 are realleged and incorporated as if fully set forth in this paragraph.

41. In or about and between November 2017 and May 2018, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant KRISTIЈAN KRSTIC, also known as “Felix Logan,” together with others, did knowingly and intentionally conspire to devise a scheme and artifice to defraud one or more investors and potential investors in B2G, and to obtain money and property from them by means of one or more materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice, to transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce writings, signs, signals, pictures and sounds, contrary to Title 18, United States Code, Section 1343.

(Title 18, United States Code, Sections 1349 and 3551 et seq.)

COUNT FOUR
(Money Laundering Conspiracy)

42. The allegations contained in paragraphs one through 34 are realleged and incorporated as if fully set forth in this paragraph.

43. In or about and between November 2017 and May 2018, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant

KRISTIЈAN KRSTIC, also known as “Felix Logan,” together with others, did knowingly and intentionally conspire to:

(a) transport, transmit and transfer and attempt to transport, transmit and transfer, monetary instruments or funds, from a place in the United States to and through a place outside of the United States, with the intent to promote the carrying on of one or more specified unlawful activities, to wit: securities fraud conspiracy and securities fraud, in violation of Title 18, United States Code, Section 1956(a)(2)(A);

(b) transport, transmit and transfer and attempt to transport, transmit and transfer, monetary instruments or funds, from a place in the United States to and through a place outside of the United States knowing that the monetary instruments or funds involved in such transportation, transmission and transfer were designed in whole or part to conceal and disguise the nature, location, source, ownership and control of the proceeds of one or more specified unlawful activities, to wit: securities fraud conspiracy and securities fraud, in violation of Title 18, United States Code, Section 1956(a)(2)(B)(i); and

(c) engage and attempt to engage in monetary transactions by, through or to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, such property having been derived from one or more specified unlawful activities, to wit: securities fraud conspiracy and securities fraud, in violation of Title 18, United States Code, Section 1957.

(Title 18, United States Code, Sections 1956(h) and 3551 et seq.)

**CRIMINAL FORFEITURE ALLEGATION
AS TO COUNTS ONE THROUGH THREE**

44. The United States hereby gives notice to the defendant that, upon his conviction of any of the offenses charged in Counts One through Three, the government will

seek forfeiture in accordance with Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), which require any person convicted of such offenses to forfeit any property, real or personal, constituting, or derived from, proceeds obtained directly or indirectly as a result of such offenses.

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

- (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
- (e) 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 in this forfeiture allegation.

(Title 18, United States Code, Section 981(a)(1)(C); Title 21, United States Code, Section 853(p); Title 28, United States Code, Section 2461(c))

CRIMINAL FORFEITURE ALLEGATION
AS TO COUNT FOUR

46. The United States hereby gives notice to the defendant that, upon his conviction of the offense charged in Count Four, the government will seek forfeiture in accordance with Title 18, United States Code, Section 982(a)(1), which requires any person convicted of such offense to forfeit any property, real or personal, involved in such offense, or any property traceable to such property.

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

- (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
- (e) 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), as incorporated by Title 18, United States Code, Section 982(b)(1), to seek forfeiture of any other

property of the defendant up to the value of the forfeitable property described in this forfeiture allegation.

(Title 18, United States Code, Sections 982(a)(1) and 982(b)(1); Title 21, United States Code, Section 853(p))

A TRUE BILL

FOREPERSON



SET
ACTING UNITED STATES ATTORNEY
EASTERN DISTRICT OF NEW YORK

DANIEL S. KAHN
ACTING CHIEF
U.S. DEPARTMENT OF JUSTICE
CRIMINAL DIVISION, FRAUD SECTION

F.#: 2019R0810
FORM DBD-34
JUN. 85

No.

UNITED STATES DISTRICT COURT

EASTERN *District of* NEW YORK

CRIMINAL DIVISION

THE UNITED STATES OF AMERICA

vs.

KRISTIYAN KRSTIC, ALSO KNOWN AS "FELIX LOGAN,"
Defendant.

INDICTMENT

T. 15, U.S.C., §§ 78j(b) and 78ff; T. 18, U.S.C., §§ 371, 981(a)(1)(C),
982(a)(1), 982(b)(1), 1349, 1956(h), 2 and 3551 et seq.; T. 21, U.S.C.,
§ 853(p); T. 28, U.S.C., § 2461(c)

A true bill.

Foreperson

Filed in open court this ----- *day,*

of ----- *A.D. 20* -----

Clerk

Bail, \$ -----

*David C. Pitluck, Hiral Mehta and Kaitlin Farrell,
Assistant U.S. Attorneys (718) 254-7000
Kevin Lowell, Trial Attorney, U.S. Department of Justice*