

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
ORLANDO DIVISION

UNITED STATES OF AMERICA

v.

CASE NO. 6:19-cr-8-Orl-31GJK

ANDRES FERNANDEZ

**NOTICE OF MAXIMUM PENALTIES, ELEMENTS OF OFFENSE,  
AND FACTUAL BASIS**

The United States of America, by Maria Chapa Lopez, United States Attorney for the Middle District of Florida, hereby files this Notice of Maximum Penalties, Elements of Offense, and Factual Basis, stating as follows:

**ESSENTIAL ELEMENTS**

The essential elements of a violation of 18 U.S.C. § 1343, wire fraud, are as follows:

- First: the Defendant knowingly devised or participated in a scheme to defraud, or to obtain money or property by using false pretenses, representations, or promises;
- Second: the false pretenses, representations, or promises were about a material fact;
- Third: the Defendant acted with the intent to defraud; and
- Fourth: the Defendant transmitted or caused to be transmitted by wire some communication in interstate commerce to help carry out the scheme to defraud.

PENALTY

The penalty for the offenses charged in Counts One through Twelve of the Indictment is a maximum sentence of 20 years' imprisonment, a fine of not more than \$250,000, or twice the gross gain caused by the offense, or twice the gross loss caused by the offense, whichever is greater, a term of supervised release of not more than 3 years, and a special assessment of \$100. With respect to certain offenses, the Court shall order the defendant to make restitution to any victim of the offense, and with respect to other offenses, the Court may order the defendant to make restitution to any victim of the offense, or to the community. At this time, the United States estimates the restitution to be paid as follows:

<b>Victim</b>	<b>Restitution</b>
A.J.	\$24,000.00
A.P.	\$28,600.00
A.P.	\$20,000.00
B.D.	\$50,000.00
B.A.	\$2,000.00
B.L.	\$99,980.00
B.S.	\$50,000.00
C.	\$60,000.00

C.F.	\$5,000.00
C.I. LLC	\$677,675.00
C.B.B.C.	\$250,000.00
D.M.	\$2,500.00
D.J.M.	\$616,485.00
D.G.	\$100,000.00
E.P.	\$4,400.00
E.S.	\$50,000.00
E.V.	\$5,000.00
I. LLC	\$572,000.00
I.A. LLC	\$25,000.00
J.Q.	\$8,000.00
J.W.	\$2,496,000.00
J.N.	\$50,000.00
J.C.H.C. LLC	\$160,000.00
J.P./M.D.	\$20,000.00
J.L.	\$33,000.00
J.D.	\$50,000.00
K.G.	\$50,000.00
L. LLC	\$1,036,460.00

L.V.	\$10,000.00
L.Q.	\$7,000.00
M.R.	\$30,000.00
M.B.	\$5,300.00
M.K.	\$23,824.00
M.M.	\$30,000.00
M.O.	\$30,000.00
M.D.	\$7,154,000.00
M.H.	\$50,000.00
M.C.	\$30,000.00
P.F.	\$5,000.00
P.M.	\$50,000.00
P.P. Inc.	\$50,000.00
R.G.	\$50,000.00
RVR	\$20,000.00
S.A.	\$75,000.00
T.M. Inc	\$20,000.00
T.B. LLC	\$52,500.00
T.L.	\$50,000.00
W.K.A.	\$50,000.00

W.D.J.	\$250,000.00
Y.J.C.	\$10,000.00
Z.Y./J.V.	\$171,000.00
J.J.Z.	\$12,000.00
M.O.	\$17,000.00
V.R.	\$99,000.00
K.	\$35,000.00
<b>Total</b>	<b>\$14,932,724.00</b>

Additionally, the defendant must forfeit property, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), as outlined in the Indictment. The assets to be forfeited specifically include, but are not limited to, a forfeiture order of \$14,932,724, representing the amount of proceeds the defendant obtained from this fraud scheme.

#### FACTUAL BASIS

At all times relevant to this case, Kadaae Entertainment Corporation (“Kadaae Entertainment”) was a corporation registered with the Florida Department of State, with its principal place of business located in Orlando, Florida, in the Middle District of Florida. Kadaae LLC was a Florida Limited Liability Company registered with the Florida Department of State, with its

principal place of business located in Orlando, Florida, in the Middle District of Florida.

From an unknown date, but from at least by in or about October 2015, and continuing thereafter through and including in or about September 2017, in the Middle District of Florida, and elsewhere, the defendant, ANDRES FERNANDEZ, (“FERNANDEZ”), knowingly, willfully, and with intent to defraud, devised and intended to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations and promises relating to material facts. The following is an overview of the scheme:

1. Through his companies Kadaae Entertainment and Kadaae LLC, FERNANDEZ and others approached and solicited individuals, and representatives of those individuals, to invest in concert events at large venues across the United States.
2. To induce those individuals to invest, FERNANDEZ made false and fraudulent representations to include the following:
  - a. He or his companies Kadaae Entertainment or Kadaae LLC had contracts or other agreements with the artists, promoters, venues, or other entities for specific future concert events;
  - b. Funds received from investors would be used to fund specific concert events, including, but not limited to, the venue lease fee, the artist fee and marketing expenses for the event;
  - c. Investors could expect a return on their investment of up to 100 percent.
3. FERNANDEZ prepared, and caused to be prepared, documents, photographs, and other materials that contained and supported

the false statements described above, including, but not limited to, premises licensing contracts, concert production agreements, rider agreements, partnership contracts, marketing and promotional flyers, settlement statements, and revenue projections.

4. FERNANDEZ directed investors to send money intended to fund a specific concert event, to a bank account associated with Kadaae Entertainment, Kadaae LLC, or another account controlled by FERNANDEZ or for the benefit of FERNANDEZ.
5. Rather than use the money received from investors to fund specific concert events promised to investors, FERNANDEZ diverted some of those funds for personal use as opposed to using them to produce concert events.
6. To lull investors into believing that their money was used as intended, FERNANDEZ used money sent by some investors to pay other investors and falsely represented that the money was a return on their investment, or from profits received from a specific concert.

As a result of this scheme, investors were induced into sending money to FERNANDEZ or one of his companies. Those investors believed that, per FERNANDEZ's representations, their investments were used to fund specific concert events. As FERNANDEZ knew, however, those representations were false for most investors. Very little of the money transferred to FERNANDEZ or one of his companies was used to produce an actual concert event.

#### **1. Victim M.D.**

M.D. was introduced to FERNANDEZ through another investor/victim who believed his investments with FERNANDEZ were profitable. M.D. attended a small show produced by FERNANDEZ at a

venue in Orlando and noticed that FERNANDEZ appeared to be well connected in the local music scene.

**a. “Art of Rap” Tour**

In late 2015, FERNANDEZ approached M.D. about investing in a show entitled “The Art of Rap.” The Art of Rap was a tour concept developed by rapper “Ice T” to showcase various rap artists at tour dates across the country. FERNANDEZ falsely represented to M.D. that Kadaae Entertainment and/or Kadaae LLC had a contract to produce several Art of Rap shows. In truth, and in fact, as FERNANDEZ knew, he was not affiliated with, and had no contractual relationship with, the Art of Rap tour.

Nevertheless, on or about December 17, 2015, M.D., through an entity he controlled, sent a \$600,000 wire transfer that was transmitted in interstate commerce to Kadaae LLC to invest in the Art of Rap tour. At the time, both M.D. and FERNANDEZ were located in Orlando, but this wire was processed outside the state of Florida. Within one day of that deposit, FERNANDEZ withdrew M.D.’s investment in 26 separate transactions, which included an \$86,000 check to himself and \$20,000 to another victim. None of M.D.’s money was used to fund an Art of Rap tour, or any other concert event.



**b. Julio Iglesias and Ana Gabriel**

On or about February 3, 2016, through an entity he controlled, M.D. wired \$350,000 to Kadaae LLC to invest in a Julio Iglesias and Ana Gabriel concert in Miami. FERNANDEZ told M.D. that Kadaae LLC was partnering with another production company (“Production Company 1”) to produce a Julio Iglesias and Ana Gabriel show in Miami. The owner of Production Company 1, however, told law enforcement that neither FERNANDEZ nor any of his companies partnered with Production Company 1 on the Julio Iglesias and Ana Gabriel show.

The Julio Iglesias and Ana Gabriel concert occurred in Miami, Florida, in or about March 2016, but FERNANDEZ had no involvement in that show. To make it appear that as if FERNANDEZ was involved in the show, on April 13, 2016, FERNANDEZ sent an email to M.D. containing a fake “Settlement Report” between Kadaae LLC, Production Company 1, and the Miami venue where the concert occurred stating that the show produced a profit of \$372,465.40.

According to bank records, M.D.’s \$350,000 was withdrawn within two days in eight different transactions to a variety of individuals, including other victims. None of M.D.’s money was used to produce a concert event of any kind.

**c. Nicky Jam**

In April and July 2016, an entity owned and funded by M.D., entered into three written partnership agreements with Kadaae LLC to fund a concert tour of the artist Nicky Jam. FERNANDEZ told M.D. that Kadaae LLC was in “preliminary agreements” to promote the tour. On July 26, 2016, FERNANDEZ sent an email to M.D. containing a fabricated contract between Kadaae LLC and Talent Agency 1 for the Nicky Jam tour. Agents interviewed a representative of Talent Agency 1 who stated that Talent Agency 1 never represented Nicky Jam, never produced her tour, and had no dealings with FERNANDEZ or his companies. On or about April 7, 2016, through an entity he controlled, M.D. wired \$60,000 to Kadaae LLC to invest in the Nicky Jam tour. The same day the wire was received, FERNANDEZ used the \$60,000 sent by M.D. to pay another investor.

**d. Pitbull**

In or about June 2016, M.D. and FERNANDEZ, through their respective entities, entered into a partnership agreement for the production of a four-city tour for artist Pitbull. To convince M.D. that Kadaae LLC was involved in the Pitbull tour, FERNANDEZ sent an email to M.D. on July 19, 2016. Attached to that email was a fabricated contract between Kadaae LLC and L.M., a representative for a production company (“Production Company

2”) for the production of the Pitbull tour. Law enforcement interviewed a representative of Production Company 2 who stated that (1) nobody named L.M. worked for Production Company 2, (2) Production Company 2 was a lighting and sound provider, not a production company, and (3) that Production Company 2 never had any affiliation with a Pitbull tour.

Convinced by FERNANDEZ’s misrepresentations, in June and July 2016, M.D. wired approximately \$925,000 to Kadaae LLC, including a \$400,000 wire on July 8, 2016, that M.D. believed would be used to fund the tour. Instead, FERNANDEZ used M.D.’s money to pay personal expenses and to pay other investor/victims.

**e. Garth Brooks**

On or about October 5, 2016, FERNANDEZ sent an email to M.D. to solicit investment in a Garth Brooks concert. The email states, in part, “attached is the doc for Garth . . . this doc shows that we can make up to 100% profit off of this . . . .” Attached to the email is a fabricated “Concert Production Agreement” between Kadaae LLC and another production company (“Production Company 3”). Law enforcement interviewed the exclusive promotor for Garth Brooks who stated that neither Kadaae LLC or Production Company 3 has ever been involved in any Garth Brooks event. Production Company 3 is, in fact, an entity controlled by another victim in

this case.

Believing that the investment would be used to produce a specific Garth Brooks show, M.D. wired approximately \$500,000 directly into the bank account of another victim, based on instructions provided by FERNANDEZ. FERNANDEZ told that victim that a portion M.D.'s wire was repayment for earlier investments.

**f. Ednita Nazario**

On October 24, 2016, FERNANDEZ, through a Kadaae LLC bank account, sent a wire in the amount of \$350,000 to an entity associated with M.D. FERNANDEZ told M.D. that this wire was a repayment of the principle M.D. invested in a concert from the artist Ednita Nazario. Bank records revealed, however, that money used to fund this wire was from another victim's investment.

**2. Victims M.T. and J.R.**

M.T. and J.R. were introduced to FERNANDEZ in late 2015 or early 2016 by M.D., who believed his/her investments with FERNANDEZ were profitable. M.T. and J.R., along with other victims, formed a partnership agreement and created an entity to pool their investments with FERNANDEZ.

**a. Drake**

FERNANDEZ solicited many investors on his plan to produce an east coast tour for the rap artist Drake, including M.D., M.T. and J.R. To convince them to invest, FERNANDEZ sent an email to M.D. and M.T. on May 17, 2016. Attached to that email were photographs of a fabricated contract between Kadaae LLC, a production company (“Production Company 4”), and a large venue in a major city in the southern United States, for the production of a Drake concert in August 2016. Further investigation revealed that the contract was fabricated and that Kadaae had no involvement in the Drake show.

Based on FERNANDEZ’s misrepresentations and believing that the money would be used to produce a specific Drake concert, an entity associated with J.R. sent a wire in the amount of \$250,000 to Kadaae LLC on May 19, 2016. The same day, also believing that the money would be used to produce a specific Drake concert, an entity associated with M.T. sent a wire in the amount of \$150,000 to Kadaae LLC. A review of the Kadaae LLC bank records revealed that the above wires were used to pay FERNANDEZ’s personal expenses and to repay other victims, including M.D. who was told by FERNANDEZ that the money was a return on M.D.’s investment in the Julio Iglesias and Ana Gabriel show.

M.D., M.T., J.R., and other investors did not receive timely payments from their investments as promised by FERNANDEZ. FERNANDEZ offered a variety of excuses for why the payments were delayed, including an email on January 18, 2017, from FERNANDEZ to M.T. In that email, FERNANDEZ explained that he attempted to send a wire to M.T., but claimed that something went wrong at the bank.

To further this scheme, FERNANDEZ used interstate wires, including: (a) by sending and receiving funds from investors that were processed outside of Florida, (b) by using interstate wires to send emails to victims located inside and outside of Florida, (c) by using interstate wires to receive emails in the Middle District of Florida from investors located inside and outside of Florida, (d) by causing wire transfers of funds to be made from accounts located in the Middle District of Florida to accounts of investors located inside and outside of Florida, and (e) by causing wire transfers of funds to be made by use of interstate wires.

At times relevant to this case, Kadaae LLC and Kadaae Entertainment had an office located in Orange County, Florida. FERNANDEZ worked from that office. In addition, FERNANDEZ executed the fraudulent documents described above and directed the bank accounts of Kadaae LLC and Kadaae Entertainment while he was located in Orange County, Florida.

Respectfully submitted,

MARIA CHAPA LOPEZ  
United States Attorney

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**U.S. v. Andres Fernandez**

**Case No. 6:19-cr-8-Orl-31GJK**

**CERTIFICATE OF SERVICE**

I hereby certify that on July 24, 2019, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system which will send a notice of electronic filing to the following:

Michael Ryan

s/ Nathan W. Hill

Nathan W. Hill

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