1 2 3 4 5 6 UNITED STATES DISTRICT COURT FOR THE 7 AT SEATTLE 8 9 UNITED STATES OF AMERICA, 10 Plaintiff, 11 12 V. 13 MARINA BONDARENKO 14 (a/k/a Marina Ixora), 15 Defendant. 16 17 18 19 20 21 pursuant to Federal Rule of Criminal Procedure 11(b)(1): 22 23 24 following charge contained in the Indictment: 25 a. 26 United States Code, Section 157. 27 28

The Honorable Ricardo S. Martinez

WESTERN DISTRICT OF WASHINGTON

NO. CR18-296 RSM

PLEA AGREEMENT

The United States of America, by and through Brian T. Moran, United States Attorney for the Western District of Washington, and Matthew Diggs and Justin W. Arnold, Assistant United States Attorneys, and MARINA BONDARENKO and her attorneys, Todd Maybrown and Cooper Offenbecher, enter into the following Agreement,

- The Charge. Defendant, having been advised of the right to have this matter tried before a jury, agrees to waive that right and enters a plea of guilty to the
- Bankruptcy Fraud, as charged in Count 22, in violation of Title 18,

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By entering a guilty plea, Defendant hereby waives all objections to the form of the charging document. Defendant further understands that before entering her guilty plea, she will be placed under oath. Any statement given by Defendant under oath may be used by the United States in a prosecution for perjury or false statement.

- 2. **Elements of the Offense**. The elements of the offense to which Defendant is pleading guilty are as follows:
- a. The elements of Bankruptcy Fraud, as charged in Count 22, in violation of Title 18, United States Code, Section 157, are as follows:

First, the defendant devised or intended to devise a scheme or plan to defraud:

Second, the defendant acted with the intent to defraud;

Third, the defendant's act was material; that is, it had a natural tendency to influence, or was capable of influencing the acts of an identifiable person, entity, or group;

Fourth, the defendant filed a petition, filed a document in a proceeding, or made a false or fraudulent representation, claim or promise concerning or in relation to a proceeding under a Title 11 bankruptcy proceeding to carry out or attempt to carry out an essential part of the scheme.

- 3. **The Penalties**. Defendant understands that the statutory penalties applicable to the offense to which she is pleading guilty are as follows:
- a. For the offense of Bankruptcy Fraud, as charged in Count 22: A maximum term of imprisonment of up to five (5) years, a fine of up to \$250,000, a period of supervision following release from prison of up to three (3) years, and a mandatory special assessment of one hundred (\$100) dollars. If a probationary sentence is imposed, the probation period can be for up to five (5) years. Defendant agrees that the special assessment shall be paid at or before the time of sentencing.

Defendant understands that supervised release is a period of time following imprisonment during which she will be subject to certain restrictive conditions and

requirements. Defendant further understands that if supervised release is imposed and she violates one or more of the conditions or requirements, Defendant could be returned to prison for all or part of the term of supervised release that was originally imposed. This could result in Defendant's serving a total term of imprisonment greater than the statutory maximum stated above.

Defendant understands that as a part of any sentence, in addition to any term of imprisonment and/or fine that is imposed, the Court may order Defendant to pay restitution to any victim of the offense, as required by law.

Defendant further understands that a consequence of pleading guilty may include the forfeiture of certain property either as a part of the sentence imposed by the Court, or as a result of civil judicial or administrative process.

Defendant agrees that any monetary penalty the Court imposes, including the special assessment, fine, costs, or restitution, is due and payable immediately and further agrees to submit a completed Financial Statement of Debtor form as requested by the United States Attorney's Office.

- 4. **Rights Waived by Pleading Guilty.** Defendant understands that by pleading guilty, she knowingly and voluntarily waives the following rights:
 - a. The right to plead not guilty and to persist in a plea of not guilty;
 - b. The right to a speedy and public trial before a jury of her peers;
 - c. The right to the effective assistance of counsel at trial, including, if Defendant could not afford an attorney, the right to have the Court appoint one for her;
 - d. The right to be presumed innocent until guilt has been established beyond a reasonable doubt at trial;
 - e. The right to confront and cross-examine witnesses against Defendant at trial;
 - f. The right to compel or subpoena witnesses to appear on her behalf at trial:

- g. The right to testify or to remain silent at trial, at which trial such silence could not be used against Defendant; and
- h. The right to appeal a finding of guilt or any pretrial rulings.
- 5. **Ultimate Sentence**. Defendant acknowledges that no one has promised or guaranteed what sentence the Court will impose.
- 6. **Restitution.** Defendant shall make restitution to the remaining creditors owed money in *In re: Trend Sound Promoter AMG Corp.*, Case No. 14-13193-CMA filed in Bankruptcy Court for the Western District of Washington in the amount of \$2,383,721. This amount shall be due and payable immediately and shall be paid in accordance with a schedule of payments as proposed by the United States Probation Office and ordered by the Court.
- 7. **Statement of Facts**. The parties agree on the following facts. Defendant admits she is guilty of the charged offense:

Trend Sound Promoter and IPDs

- a. Trend Sound Promoter AMG Corp. ("TSP") was a Washington corporation established by Volodimyr Pigida ("Pigida") on or about November 28, 2012. TSP was also incorporated as a Florida corporation on or about December 6, 2012. TSP's primary place of business was located in Bellevue, Washington.
- b. Between on or around July 2013, until on or about March 1, 2014, Bondarenko was TSP's Vice President, and owned approximately 20 percent of its shares. As TSP's Vice President, Bondarenko, together with Pigida, oversaw TSP's business activities and day-to-day operations. In the course of their work with TSP, Bondarenko would often act as an English/Ukranian interpreter for Pigida, because Bondarenko's English language skills were superior to Pigida's.
- c. Volodimyr Pigida and Marina Bondarenko, acting through Trend Sound Promoter, sold a supposed work-at-home internet-marketing program, both inside and outside of the United States, in exchange for up-front payments. Independent Promoter Distributors (IPDs) sought to earn money by marketing Trend Sound Promoter and by selling services and music.
- d. To become an IPD, one had to purchase one or more Ad-Promoting Packages. Ad-Promoting Packages required up-front payment of the package purchase price, which ranged from \$150 to \$12,350 depending on the package, plus a \$120

"administration fee," and contained a license to musical recordings and promotional daily email marketing messages, depending on the price-point of the package. The Ad-Promoting Packages had a duration of one year, with the possibility of renewal at the end of the year. Most IPDs bought Ad-Promoting Packages for at least \$1,000, with many buying over \$10,000 of Ad Promoting Packages.

- e. Marina Bondarenko provided no guidance to IPDs on the marketing and/or distribution of music or other Trend Sound Promoter products or services.
- f. The Ad-Promoting Packages allotted the purchasing IPD a specified number of e-mail addresses each weekday, based on the value of the package purchased. The IPD then clicked on each email address provided by Trend Sound Promoter purportedly to send an e-marketing message on behalf of Trend Sound Promoter. For each email address clicked, Trend Sound Promoter credited the IPD's online account \$.40. By at least January 2014, Marina Bondarenko was aware that the vast majority of IPDs had not done marketing or other work in connection with their Ad Promoting Package other than sending the daily email distributions.
- g. As a result of the sale of Ad-Promoting Packages, by January 2014, Trend Sound Promoter required more than 800,000 unique email addresses per weekday to fill its outstanding Ad-Promoting Packages. This daily number had increased to approximately 1.2 million email addresses by April 25, 2014.
- h. The trendsoundpromoter.com website contained icons for various retailers, including, for example, Costco and Nordstrom. By clicking on the icon the visitor to the website would be re-directed to the website for the retailer.
- i. On September 4, 2013, Marina Bondarenko testified in the matter of *Trend Sound Promoter, AMG v. Alex Malinov et al.*, 13-2-28370-1 (King Cty. Sup. Ct.), that the \$.40/email payment was devised through TSP's review of advertising revenue it received. Marina Bondarenko further testified that the majority of TSP's revenue derived from advertising partners and the distribution of music, not from the sale of Ad-Promoting Packages. In fact, as of September 4, 2013, Marina Bondarenko knew that, throughout its operation, Trend Sound Promoter generated essentially no revenue from advertising posted on its website or from IPDs or other visitors clicking links on its website, or from the distribution of music.

TSP Revenue and Bondarenko and Pigida's Spending

j. During its existence, TSP generated approximately \$22.6 million in revenue. Approximately \$21.3 million of this was from the sale of Ad-Promoting

the benefit of Bondarenko and Pigida. On June 2, 2014, TSP's bankruptcy proceeding was converted to a Chapter 7 bankruptcy proceeding.

- s. During the course of the bankruptcy proceedings, the Trustee discovered that Bondarenko and Pigida had used TSP funds to purchase the Renton House and Seattle Condominium, described above. As a result, on or about June 9, 2014, the Trustee filed two adversary proceedings in Bankruptcy Court against Bondarenko and Pigida seeking recovery of these assets.
- t. In connection with the bankruptcy proceeding and subsequent adversary proceedings, Bondarenko and Pigida concealed material facts and made material misrepresentations to the Trustee, the Bankruptcy Court, and TSP's creditors concerning the transfer of TSP funds for their personal benefit. For example, Bondarenko and Pigida falsely asserted that the transfers of TSP funds for their personal benefit were: (1) payments pursuant to a license agreement between TSP and Sound Track; or (2) loan repayments made to related companies that had purportedly loaned money to TSP.
- u. In order to further perpetrate the fraud, Pigida created documents which purported to provide support for the false assertions set forth in paragraph 7(t), including a license agreement, five quarterly invoices, twenty-three assignment letters, TSP Board minutes, and loan agreements and invoices. Bondarenko signed a number of these false documents, such as TSP Board Minutes dated November 8, 2013 that she knew to be false, which were subsequently submitted to the Trustee.
- v. In total, Bondarenko and Pigida attempted to conceal approximately \$3,334,750 of TSP assets that had been transferred from TSP to their own personal benefit from the Bankruptcy Trustee.
- w. As part of the settlement of the adversary proceedings referenced above in paragraph 7(t), Bondarenko and Pigida turned approximately \$1,122,874 from the sale of the Renton House over to the Bankruptcy Trustee for disbursement to creditors.
- x. As a result of Marina Bondarenko's fraudulent scheme to conceal assets from the Bankruptcy Trustee and Bankruptcy Court, approximately 902 individual creditors of TSP suffered actual losses of approximately \$2,383,721. This amount represents the value of TSP assets which Bondarenko and Pigida had concealed as part of the bankruptcy fraud (including, where real or personal property was concealed, the sale value of that property), less \$1,122,874 which was recovered by the bankruptcy Trustee during the bankruptcy proceedings.

- 8. United States Sentencing Guidelines. Defendant understands and acknowledges that the Court must consider the sentencing range calculated under the United States Sentencing Guidelines and possible departures under the Sentencing Guidelines together with the other factors set forth in Title 18, United States Code, Section 3553(a), including: (1) the nature and circumstances of the offense; (2) the history and characteristics of the defendant; (3) the need for the sentence to reflect the seriousness of the offense, to promote respect for the law, and to provide just punishment for the offense; (4) the need for the sentence to afford adequate deterrence to criminal conduct; (5) the need for the sentence to protect the public from further crimes of the defendant; (6) the need to provide the defendant with educational and vocational training, medical care, or other correctional treatment in the most effective manner; (7) the kinds of sentences available; (8) the need to provide restitution to victims; and (9) the need to avoid unwarranted sentence disparity among defendants involved in similar conduct who have similar records. Accordingly, Defendant understands and acknowledges that:
- a. The Court will determine applicable Defendant's Sentencing Guidelines range at the time of sentencing;
- b. After consideration of the Sentencing Guidelines and the factors in 18 U.S.C. 3553(a), the Court may impose any sentence authorized by law, up to the maximum term authorized by law;
- c. The Court is not bound by any recommendation regarding the sentence to be imposed, or by any calculation or estimation of the Sentencing Guidelines range offered by the parties or the United States Probation Department, or by any stipulations or agreements between the parties in this Plea Agreement; and
- d. Defendant may not withdraw her guilty plea solely because of the sentence imposed by the Court.
- 9. **Acceptance of Responsibility.** At sentencing, *if* the district court concludes Defendant qualifies for a downward adjustment for acceptance of responsibility pursuant to USSG § 3E1.1(a) and the defendant's offense level is 16 or

greater, the United States will make the motion necessary to permit the district court to decrease the total offense level by three (3) levels pursuant to USSG §§ 3E1.1(a) and (b), because Defendant has assisted the United States by timely notifying the United States of her intention to plead guilty, thereby permitting the United States to avoid preparing for trial and permitting the Court to allocate its resources efficiently.

- 10. **Sentencing Factors**. The parties agree and stipulate that the following Sentencing Guidelines provisions apply to this case:
- a. A base offense level of six (6) pursuant to U.S.S.G. § 2B1.1(a)(2), because the offense of conviction has a statutory maximum term of imprisonment of less than twenty (20) years;
- b. An enhancement of 16 levels pursuant to U.S.S.G. § 2B1.1(b)(1), because the offense resulted in loss of an amount of more than \$1.5 million and less than \$3.5 million;
- c. A two (2) level enhancement pursuant to U.S.S.G. § 2B1.1(b)(2)(A) because the offense involved 10 or more victims;
- d. A two (2) level enhancement pursuant to U.S.S.G. § 2B1.1(b)(10) because the offense involved sophisticated means; and
- e. A two (2) level enhancement pursuant to U.S.S.G. § 2B1.1(b)(9)(B) because the offense involved a misrepresentation or other fraudulent action during the course of a bankruptcy proceeding.

The parties further agree and stipulate that the financial loss attributable to the offense conduct is \$2,383,721, which is the amount of actual losses suffered as a result of the fraudulent scheme to conceal assets from the Bankruptcy Trustee and Bankruptcy Court.

The parties agree and stipulate that no provisions of the Guidelines other than those set forth above and in Paragraph 9 (acceptance of responsibility) apply to this case. Defendant understands, however, that at the time of sentencing, the Court is free to reject these stipulated adjustments, and is further free to apply additional downward or upward adjustments in determining Defendant's Sentencing Guidelines range.

- States Attorney's Office for the Western District of Washington agrees to recommend that the Court impose a term of imprisonment of no more than forty-eight (48) months. Other than the recommendation concerning the term of imprisonment set forth above, the United States is free to make any other recommendations allowed by law. The defendant is free to make any recommendation allowed by law. The parties understand that the Court is not bound by the recommendation outlined in this paragraph.
- 12. **Non-Prosecution of Additional Offenses**. As part of this Plea Agreement, the United States Attorney's Office for the Western District of Washington agrees not to prosecute Defendant for any additional offenses known to it as of the time of this Agreement that are based upon evidence in its possession at this time, and that arise out of the conduct giving rise to this investigation, and agrees to move to dismiss the remaining counts in the indictment at the time of sentencing. In this regard, Defendant recognizes the United States has agreed not to prosecute all of the criminal charges the evidence establishes were committed by Defendant solely because of the promises made by Defendant in this Agreement. Defendant agrees, however, that for purposes of preparing the Presentence Report, the United States Attorney's Office will provide the United States Probation Office with evidence of all conduct committed by Defendant.

Defendant agrees that any charges to be dismissed before or at the time of sentencing were substantially justified in light of the evidence available to the United States, were not vexatious, frivolous or taken in bad faith, and do not provide Defendant with a basis for any future claims under the "Hyde Amendment," Pub. L. No. 105-119 (1997).

13. **Breach, Waiver, and Post-Plea Conduct.** Defendant agrees that if Defendant breaches this Plea Agreement, the United States may withdraw from this Plea Agreement and Defendant may be prosecuted for all offenses for which the United States has evidence. Defendant agrees not to oppose any steps taken by the United States to nullify this Plea Agreement, including the filing of a motion to withdraw from the Plea

Agreement. Defendant also agrees that if Defendant is in breach of this Plea Agreement, Defendant has waived any objection to the re-institution of any charges in the Indictment that were previously dismissed or any additional charges that had not been prosecuted.

Defendant further understands that if, after the date of this Agreement, Defendant should engage in illegal conduct, or conduct that violates any conditions of release or the conditions of his confinement, (examples of which include, but are not limited to, obstruction of justice, failure to appear for a court proceeding, criminal conduct while pending sentencing, and false statements to law enforcement agents, the Pretrial Services Officer, Probation Officer, or Court), the United States is free under this Agreement to file additional charges against Defendant or to seek a sentence that takes such conduct into consideration by requesting the Court to apply additional adjustments or enhancements in its Sentencing Guidelines calculations in order to increase the applicable advisory Guidelines range, and/or by seeking an upward departure or variance from the calculated advisory Guidelines range. Under these circumstances, the United States is free to seek such adjustments, enhancements, departures, and/or variances even if otherwise precluded by the terms of the plea agreement.

- 14. Waiver of Appellate Rights and Rights to Collateral Attacks.

 Defendant acknowledges that by entering the guilty plea required by this plea agreement,
 Defendant waives all rights to appeal from her conviction and any pretrial rulings of the
 court. Defendant further agrees that, provided the court imposes a custodial sentence that
 is within or below the Sentencing Guidelines range (or the statutory mandatory
 minimum, if greater than the Guidelines range) as determined by the court at the time of
 sentencing, Defendant waives to the full extent of the law:
- a. Any right conferred by Title 18, United States Code, Section 3742, to challenge, on direct appeal, the sentence imposed by the court, including any fine, restitution order, probation or supervised release conditions, or forfeiture order (if applicable); and

 b. Any right to bring a collateral attack against the conviction and sentence, including any restitution order imposed, except as it may relate to the effectiveness of legal representation; and

This waiver does not preclude Defendant from bringing an appropriate motion pursuant to 28 U.S.C. § 2241, to address the conditions of her confinement or the decisions of the Bureau of Prisons regarding the execution of her sentence.

If Defendant breaches this Plea Agreement at any time by appealing or collaterally attacking (except as to effectiveness of legal representation) the conviction or sentence in any way, the United States may prosecute Defendant for any counts, including those with mandatory minimum sentences, that were dismissed or not charged pursuant to this Plea Agreement.

- 15. **Voluntariness of Plea**. Defendant agrees that she has entered into this Plea Agreement freely and voluntarily and that no threats or promises, other than the promises contained in this Plea Agreement, were made to induce Defendant to enter her guilty plea.
- 16. **Statute of Limitations**. In the event this Agreement is not accepted by the Court for any reason, or Defendant has breached any of the terms of this Plea Agreement, the statute of limitations shall be deemed to have been tolled from the date of the Plea Agreement to: (1) thirty (30) days following the date of non-acceptance of the Plea Agreement by the Court; or (2) thirty (30) days following the date on which a breach of the Plea Agreement by Defendant is discovered by the United States Attorney's Office.
- 17. Completeness of Agreement. The United States and Defendant acknowledge that these terms constitute the entire Plea Agreement between the parties. This Agreement binds only the United States Attorney's Office for the Western District //

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