

3:50 pm, Mar 23, 2021

U.S. DISTRICT COURT

EASTERN DISTRICT OF NEW YORK

AES/DCP:KTF/HM  
F. #2019R0810

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

UNITED STATES OF AMERICA

- against -

JOHN DEMARR,

Defendant.

----- X

I N D I C T M E N T

**1:21-cr-00153 (DG)(CLP)**

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:

COUNT ONE

(Conspiracy to Commit Securities Fraud)

1. 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 JOHN DEMARR, 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, Bitcoin 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.

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

OVERT ACTS

(a) On or about December 18, 2017, after receiving an email from a Start Options promoter that copied portions of a blog post describing how Start Options was a “scam,” DEMARR forwarded the email to Individual-1, an individual whose identity is known to the Grand Jury, and wrote, “See below- we need to fix this or this guy will hurt us! Call me.”

(b) In or about January 2018, at DEMARR’s direction, Co-Conspirator 1, an individual whose identity is known to the Grand Jury, drafted one or more false press releases for Dragon Mining, an entity allegedly supplying mining machines to support B2G, that were posted on Dragon Mining’s website and contained fabricated content that Co-Conspirator 1 plagiarized from other mining hardware websites.

(c) In or about January 2018, at DEMARR’s direction, Co-Conspirator 1 included fabricated information about Bitcoin in a technical whitepaper by plagiarizing similar whitepapers for other cryptocurrency companies. DEMARR and Co-Conspirator 1 also fabricated the name “John Sebastian Williams,” a purported Bitcoin employee, who Co-Conspirator 1 claimed falsely was the author of the technical whitepaper.

(d) On or about February 8, 2018, Investor 1, an individual whose identity is known to the Grand Jury and who was a resident of the Eastern District of New York, emailed DEMARR his or her American Express card information and a copy of his or her

driver's license. DEMARR forwarded that email to Co-Conspirator 2, an individual whose identity is known to the Grand Jury, and stated, "\$1000.00 for Start Options."

(e) 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."

(f) In or about May 2018, DEMARR instructed Co-Conspirator 1 to draft statements to investors, including investors in the Eastern District of New York, claiming that DEMARR was missing, and telling B2G investors to stop attempting to contact DEMARR or DEMARR's family regarding their inability to have their investments in B2G returned.

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

COUNT TWO  
(Securities Fraud)

3. 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 JOHN DEMARR 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

(Conspiracy to Commit Wire Fraud)

4. 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 JOHN DEMARR, 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

(Conspiracy to Commit Money Laundering)

5. 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 JOHN DEMARR, together with others, did knowingly and intentionally conspire to:

(a) conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, which involved the proceeds of one or more specified unlawful activities, that is, conspiracy to commit securities fraud and securities fraud, with the intent to



promote the carrying on of one or more specified unlawful activities, that is, conspiracy to commit securities fraud and securities fraud, and that while conducting and attempting to conduct such financial transactions knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i);

(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, with the intent to promote the carrying on of one or more specified unlawful activities, that is conspiracy to commit securities fraud and securities fraud, in violation of Title 18, United States Code, Section 1956(a)(2)(A); 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, that is, conspiracy to commit securities fraud 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

6. 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, including, but not limited to, the real property together with its respective buildings, appurtenances, improvements, fixtures, attachments, easements and furnishings located at 580 Old Ranch Road #18, Seal Beach, California 90740-2837.

7. 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

8. 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, including, but not limited to, the real property together with its respective buildings, appurtenances, improvements, fixtures, attachments, easements and furnishings located at 580 Old Ranch Road #18, Seal Beach, California 90740-2837.

9. 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;

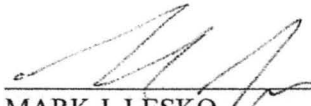
it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1), to seek forfeiture of any

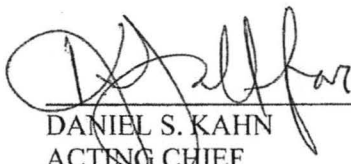
other property of the defendant up to the value of the forfeitable property described in this forfeiture allegation.

(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

  
MARK J. LESKO  
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.

JOHN DEMARR,

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

*Stella Alcide*

Filed in open court this \_\_\_\_\_ day,

of \_\_\_\_\_ A.D. 20 \_\_\_\_\_

Clerk

---

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