

ORIGINAL

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

CLERK US DISTRICT COURT  
NORTHERN DIST. OF TX  
FILED

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UNITED STATES OF AMERICA

§  
§  
§  
§  
§

v.

No.

KARL G. PRATT (01)

**3 - 1208 - 210 - N**

INFORMATION

The United States Attorney charges:

Introduction

The Scheme to Defraud

Beginning in or around January 2009 and continuing thereafter until January 2012, in the Northern District of Texas, defendant **Karl G. Pratt**, owner and operator of Safety Sentry Incorporated (“SSI”), did knowingly and with intent to defraud devise and execute a scheme and artifice to defraud and to obtain money by means of materially false and fraudulent pretenses and representations.

Manner and Means

It was part of said scheme and artifice to defraud and to obtain money by means of materially false and fraudulent pretenses and representations that **Pratt**:

1. Would and did falsely represent to investors that he had patented and produced a safety device that prevented a trailer hitch from slipping off a trailer ball while towing a recreational trailer (e.g. boat trailers, campers, mobile homes, etc.), and deterred theft of a trailer while parked and unattended.

**Pratt**, however, failed to inform potential investors that, while he had applied for a patent, his applications had been denied in September 2010 and March 2011.

2. Would and did solicit investors by promising Master Distributor (“MD”) rights with SSI for \$12,000 per MD. Investors were told that they would receive approximately 270 devices per MD to sell to distributors and retailers. For every MD owned, investors would receive 20 cents for every device sold within SSI.

3. Would and did falsely represent to investors that he was finalizing negotiations with major companies, such as Hertz, U-Haul and Ryder, that would result in large purchases of SSI’s devices. These companies, according to **Pratt**, were to buy 60,000 to 250,000 devices from SSI. If an investor agreed to purchase a MD before the contracts were finalized, **Pratt** promised 20 cents commission on every device sold. Investors were lead to believe that their investment would almost immediately double. These promises were untrue. **Pratt** never had serious negotiations with any of the above-stated companies.

4. Would and did solicit money from investors that resided in the State of Texas and elsewhere, including North Carolina, Georgia, Michigan, Alabama, Louisiana, Maryland, California, Florida, West Virginia, Arizona, New Jersey, Oregon, Arkansas, Oklahoma, and Mississippi.

5. Would and did cause investors to mail and wire money to **Pratt**. **Pratt** used investors’ money for personal expenditures.

6. Would and did send lulling letters and e-mails to investors to delay or remove any suspicions that **Pratt's** representations and promises were untrue.

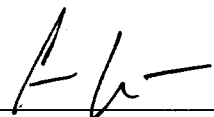
Count One  
Wire Fraud  
(Violation of 18 U.S.C. § 1343)

The allegations contained in the Introduction, Scheme, and Manner and Means portions of this Information are hereby re-alleged and incorporated by reference as though set out fully herein.

On or about April 29, 2009, in the Northern District of Texas and elsewhere, defendant **Karl G. Pratt**, for the purpose of executing said scheme to defraud and to obtain money by means of false and fraudulent pretenses and representations, did knowingly cause to be transmitted by means of wire communication in interstate commerce a materially false e-mail to investors, including investors who resided in Sulligent, Alabama, Scottsdale, Arizona, and Fort Smith, Arkansas, stating that "the Hertz deal is done," for the purpose of delaying and removing investors' suspicions that **Pratt's** representations and promises were untrue.

In violation of 18 § U.S.C. 1343.

SARAH R. SALDAÑA  
UNITED STATES ATTORNEY

  
\_\_\_\_\_  
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ORIGINAL

Criminal Case Cover Sheet

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS

<u>Related Case Information</u>	
Superseding Indictment: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
New Defendant: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Pending CR Case in NDTX: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Search Warrant Case Number:	
Rule 20 from District of:	
Magistrate Case Number: 4:12-MJ-33	

1. **Defendant Information**

Juvenile:  Yes  No

Sealed:  Yes  No

Defendant Name

**KARL G. PRATT (01)**

Alias Name:  
Address

**8 - 12CR - 210 - N**

2. **U.S. Attorney Information**

AUSA Christopher Wolfe

Bar # 24008294

3. **Interpreter**

Yes  No

If Yes, list language and/or dialect:

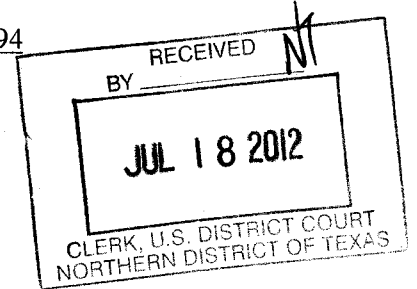
4. **Location Status**

Arrest Date: January 27, 2012

- Federal Inmate
- Already in State Custody
- On Pretrial Release
- Warrant to Issue

5. **U.S.C. Citations**

Total # of Counts as to This Defendant: 1     Petty  Misdemeanor  Felony



<u>Citation</u>	<u>Description of Offense Charged</u>	<u>Count(s)</u>
18 U.S.C. § 1343	Wire Fraud	1

Date 7/17/2012

Signature of AUSA: [Signature]