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UNITED STATES DISTRICT COURT

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NORTHERN DISTRICT OF CALIFORNIA

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11 UNITED STATES OF AMERICA, 18-CR-00196-MMC

12 Plaintiff,

DEFENDANT'S SENTENCING MEMORANDUM

13 v.

14 RENATO LIBRIC,

Date: December 19, 2018

15 Defendant.

Time: 2:00 p.m.

Hon. Maxine Chesney

16

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I.

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**INTRODUCTION**

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On May 10, 2018, a one count indictment was filed in the Northern District of California, charging Renato Libric with a violation of 18 U.S.C. 1343, Wire Fraud. The defendant was arrested on the same day and has remained in custody since.

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Less than four months later, on September 5, 2018, defendant

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pleaded guilty to the indictment pursuant to a plea agreement.

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The plea provided the Court with an agreement as to the \$1.5

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million loss as well as the applicable guideline range. The PSR

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is in agreement with the guideline calculations as well as the

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underlying facts presented in the plea agreement.

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1 **II.**

2 **BACKGROUND**

3 Renato Libric came of age during the four-year Croatian war  
4 for independence, as well as the collapse of Socialist-Communist  
5 rule. Renato's parents sent him to the U.S. for his last year  
6 in High School, hoping to avoid the draft. When he returned, he  
7 was drafted, and served by working in a hospital in the lung  
8 cancer ward. Thereafter, he enrolled in college in Croatia. He  
9 met his wife while attending college and the two of them, in the  
10 year 2000, left for Massachusetts where they spent a year  
11 working in local four-star hotel properties in the town of  
12 Williamstown. They received training in the hotel/service  
13 industry. The experience was inspirational for Renato and  
14 increased his confidence and experience in dealing with the  
15 business world outside of war-torn Croatia.

16 Upon his return, he graduated with a Bachelor's from the  
17 Rochester Institute of Technology which had a campus in Zagreb,  
18 Croatia. His first job after graduating was working for Federal  
19 Express in Croatia. He then migrated to working in the  
20 commercial real estate industry in Croatia which was an emerging  
21 market. The possibility of shopping centers coming into being  
22 in this depressed area represented a potential opportunity that  
23 Renato identified while working with a large commercial real  
24 estate firm. He became a research analyst and later a leasing  
25 agent, primarily working with the leasing of large shopping  
26 centers in Europe. This was the first experience Renato had  
27 identifying an area and following through with a concept and  
28 business plan to produce income-generating products. He made

1 many contacts in the business and IT worlds in Croatia and  
2 Europe during his work in commercial real estate.

3 Renato's connection with various IT persons in Croatia  
4 resulted in his awareness of the emerging technology of various  
5 alternative ways of transferring or gifting money without  
6 resorting to banks or credit cards. This is the period of time,  
7 with the emergence of block-chain technology, that ultimately  
8 led to crypto-currencies. Renato, along with his connections in  
9 Croatia doing software development, realized there was a  
10 potential product that would allow the giving of gift cards  
11 without resorting to banks or credit cards using this  
12 technology. This idea resulted in the birth of Beautie.

13 In 2013 Goppingit, consisting of the Luxembourg entity and  
14 the United Kingdom entity, decided to form a company to bring  
15 the technology into the United States. In 2014 this company  
16 became Beautie, Inc. Sometime after migrating to the United  
17 States, Beautie realized that this technology would be best  
18 used for business employee reward programs. The software  
19 developed by Beautie would allow a large company to deliver  
20 bonuses to its employees that could be used virtually anywhere  
21 without having to issue a credit card or involve an outside  
22 bank.

### 23 III.

#### 24 OFFENSE CONDUCT

25 Beautie ultimately raised more than \$4 million in  
26 operating capital to pay for its employees and continuing  
27 software development as well as developing sales and marketing  
28 for the product. The company had pivoted once arriving in the

1 U.S., to the business-to-business model and was on the verge of  
2 landing large contracts when the money started to run out.  
3 Beauttie had signed approximately 250 retailers and was in the  
4 process of marketing the application to large companies such as  
5 Salesforce. The company teetered on the edge of success and it  
6 was in this environment that Renato Libric committed the tragic  
7 error that doomed him to face charges here, an error that ended  
8 up destroying the company he had dedicated all his resources and  
9 years of his life to creating.

10 In August of 2017, Renato was introduced to Natalie Lim and  
11 David Lipson, who represented Moose Run, LLC. David Lipson was  
12 a long-time, wealthy and sophisticated investor participating in  
13 both large and small-scale investments across multiple  
14 industries over the last 50 years. Renato was soliciting an  
15 investment of \$1.5 million. Over the next six months Renato  
16 engaged in a course of conduct in which he presented forged  
17 documents to Moose Run in an effort to secure the \$1.5 million  
18 investment.

19 The \$1.5 million received by Beauttie went to ongoing  
20 legitimate expenses of Beauttie, Inc., including paying past due  
21 amounts to employees and sub-contractors. There is no evidence  
22 that the company treated the Moose Run investment any different  
23 than it had funds secured from previous investors. Both  
24 payments and salaries to employees and sub-contractors were  
25 consistent before and after the Moose Run investment. The  
26 \$136,352 transferred from the Beauttie account to Renato  
27 Libric's personal account (see Par. 11, PSR) was payment to  
28 Renato for past due expenses and salary.

1 IV.

2 FAMILY CIRCUMSTANCES

3 Renato Libric is the only child of father Ivica Libric,  
4 aged 80, and mother Anamarija Libric, aged 59. Renato had been  
5 the sole support of his wife, Ira, and their five year-old  
6 child, Krishna, prior to his arrest in this case. Renato's  
7 mother is facing serious medical issues after surviving cancer  
8 of the pituitary gland. She is now suffering from COPD and has  
9 a lung capacity of only 28%. She is in desperate need of a lung  
10 transplant but such transplant is unlikely since the procedure  
11 is unavailable in Croatia. Renato's father, a stone and tile  
12 mason, will soon be unable to work due to his advanced age.  
13 Renato's family is in desperate need for him to return to  
14 Croatia.

15  
16 CONCLUSION

17 Renato Libric will be deported at the conclusion of this  
18 case. He has remained in custody since his arrest in May  
19 because of his immigration status. He has endured the maximum  
20 security conditions within Glenn E. Dyer Jail in Oakland,  
21 California while awaiting trial.

22 Renato has used his time while incarcerated to reach out to  
23 and attempt to help the inmates incarcerated with him. He has  
24 helped inmates obtain their GEDs and spoken with inmates about  
25 the importance of family and personal relationships. Several  
26 inmates, aware of the dire health issues facing Renato's mother,  
27 wrote letters to her informing her that her son, despite being  
28 incarcerated and despite the mistakes he had made, had been a

1 powerful and positive presence within the confines of the jail.  
2 Not only did Renato help his fellow prisoners obtain their GEDs,  
3 he also worked to help his fellow prisoners accept  
4 responsibility for their actions and face the consequences of  
5 their actions in a real and meaningful way (Exhibits 4, 5, 6, 7,  
6 & 8).

7 The extreme conditions of pre-sentence incarceration along  
8 with his efforts to help his fellow prisoners as well as his  
9 desperate family situation in Croatia warrant a sentence below  
10 the proposed advisory guideline sentence of 33 months.

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12 Dated: December 12, 2018

Respectfully Submitted,

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By /S/ RANDOLPH E. DAAR  
Randolph E. Daar  
Attorney for Defendant  
RENATO LIBRIC

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