



THE UNITED STATES ATTORNEYS' OFFICE
CENTRAL DISTRICT *of* CALIFORNIA

San Diego Man Who Ran Scam that Offered Investments in 'Reverse Life Insurance' Policies Convicted of Federal Fraud Charges

November 13, 2014

SANTA ANA, California – The founder and chief executive officer of a firm that solicited more than \$5 million from victims who thought they were investing in “reverse life insurance” policies has been found guilty of federal fraud charges.

Daniel Christian Stanley Powell, 33, of San Diego, was convicted Monday afternoon of five counts of mail fraud and five counts of wire fraud, as well as three counts of obstruction of justice. The verdicts followed a three-week trial and prompted United States District Judge Josephine L. Staton to remand Powell into custody pending sentencing.

According to the evidence presented at trial, Powell told investors in Christian Stanley that he would use their money to purchase life insurance policies from insured individuals, at which point the company would pay the monthly premiums and become the beneficiaries to the policies. Powell claimed that Christian Stanley would profit by collecting the death benefits when the insureds died or by selling the policies on the life settlement market. Powell, who started the Los Angeles-based Christian Stanley, Inc., trademarked the term “reverse life insurance” and sought to take his company public by filing documents with the Securities and Exchange Commission.

Powell, who also told some victims that their money would be invested in gold mines, claimed that investments were safe because his company already owned \$1.9 billion in reverse life insurance policies in a mutual fund. Contrary to his promises, however, the evidence demonstrated that Christian Stanley did not own any life insurance policies or any working mines and had earned only \$31,250 in revenue since its inception.

In total, approximately 50 victims invested a total of approximately \$5.2 million. The victims, who were located throughout the United States, invested directly through Powell, other representatives of Christian Stanley, or their own financial advisors. Victims lost approximately \$4 million as a result of the scheme, which included funds that had been invested through individual retirement accounts.

Powell used victims' money to make Ponzi-scheme payments to some investors, to pay commissions to representatives who recruited investors, and to create promotional materials, which gave the appearance that Christian Stanley was a legitimate and successful business. Powell also spent victims' funds on a luxury apartment on the west side of Los Angeles, Ferrari and Porsche automobiles, and a \$35,000 donation to Usher's New Look foundation, which got him a photograph with former President Bill Clinton that was used as part of Christian Stanley's promotional materials.

On September 2, 2011, the U.S. Securities and Exchange Commission filed a civil complaint against Powell and Christian Stanley (Securities and Exchange Commission v. Christian Stanley, Inc., et al., CV11-7147-GHK). The evidence at the criminal trial showed that Powell knowingly drafted false affidavits to use in his defense to the SEC case and that he lied to the victims about his assets and promised to return their money if they signed the false affidavits. This criminal conduct led to the convictions on the obstruction of justice charges.

Powell is scheduled to be sentenced by Judge Staton on March 13, 2015, at which time the defendant will face a statutory maximum sentence of 260 years in federal prison.

The case against Powell is the result of an investigation by the Federal Bureau of Investigation.

Release No. 14-150