





Troy David Stratos, self-described movie producer and music impresario, was peeved. The limousine that had come to pick him up from his hotel in Switzerland was white, not black. ¶ Rather than sort it out himself, he called his assistant back in Vancouver, where his company, Next Level Media, was based and where, at the time, it was 3 a.m. ¶ “White limousines are for drug dealers and weddings,” Stratos told a groggy Tamara Hegan, whom he roused that morning in early 2003. He demanded she get him a black one. And she did, Hegan recalls. ¶ Such requests were routine for Stratos, who claimed to have made a fortune when he and some Middle Eastern princes he’d met in college bought America Online Inc. shares

before they soared. Hegan, his office manager, knew wealthy people could be petulant. “After a while, you get to think, ‘Maybe this is normal,’” she says.

Normal for Stratos, now 44, was over the top. For the past 15 years, he has traveled the world signing up investors for films that never got made and real estate projects that never got built. Though Next Level never earned a dime in profits, Hegan says, Stratos spent as much as a million dollars of its money each month living like a Hollywood player.

Stratos once bought a Hummer in Los Angeles for \$70,000, drove it to Las Vegas and sold it for \$40,000, Hegan says. In Vancouver, he paid cash for a handbuilt Mercedes G-Wagen SUV (price: \$104,000). He always flew first-class and claimed to one friend in London, who declined to be named, that he employed a person in Dubai whose sole job was to make sure cars he rode in smelled nice.

Stratos’s days of big spending may be over. In September, Nicole Murphy, ex-wife of comedian Eddie Murphy, sued him for fraud in federal court in California, saying he bilked her out of \$11 million after she hired him as her financial adviser in 2006. The FBI has set up a tip line for complaints about him, Special Agent Steve Dupre says.

Stratos, who has done business under several other names, including David Burton and Troy David, faces an unpaid civil judgment against him

for \$2.1 million in Hawaii, too. There, he convinced real estate broker Dennis Rush and his friends to invest \$1.9 million to produce a CD and video featuring jazz singer Nancy Wilson, who is Stratos’s stepmother. The idea was to spark a comeback like the one that made Tony Bennett popular with the MTV generation in the early 1990s, Stratos told them. They shot the video, and then Rush learned that Stratos didn’t own the rights to Wilson’s hit, “If I Had My Way” as he’d claimed, he says.



Happier days:
NICOLE MURPHY
and **TROY STRATOS**
in an undated photo.

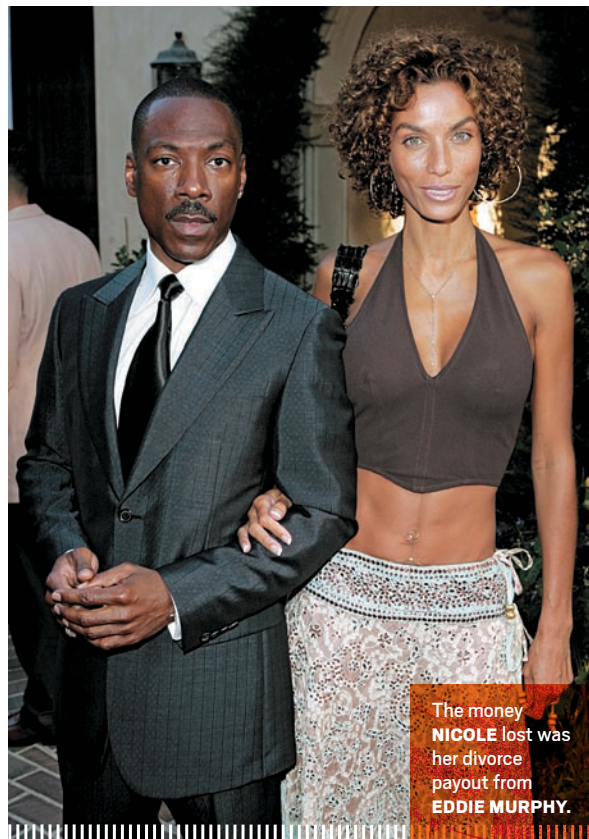
Stratos disappeared. Since then, he's traveled to Vancouver; Los Angeles; Boston; Fort Lauderdale, Florida; Cairo; Dubai; London; and Paris, passing himself off as a billionaire developer or movie producer, spending money like a sultan and then skipping town.

Stratos, who was born and raised in Northern California, is one of many fast-talking charmers who promise investors the world and then vanish, says Jeff Greenberg, owner of The Village Recorder, the Los Angeles studio where the Rolling Stones recorded "Angie" and where Stratos brought Nicole Murphy to record songs as part of her effort to launch a post-divorce singing career. "He showed up with a Rolls-Royce and started paying us in cash," Greenberg says. "He was handing out \$100 bills."

Greenberg, too, has a judgment against Stratos, for \$50,717.98 in unpaid bills, interest and attorney fees, ordered by the Los Angeles Superior Court on April 21, 2009. Greenberg settled with Murphy for her portion of the unpaid costs of the production, his lawyer, Alan Gutman, says. Stratos hasn't paid any part of the judgment.

Stratos was arrested in Paris on Aug. 31, 2009, at the Radisson Blu Le Metropolitan, a luxury hotel near the Eiffel Tower, for nonpayment of 32,000 euros (\$43,000) in bills at two hotels and for fraud. Police confiscated two black ledgers, meticulously kept by Stratos, showing loans, gifts and investments in his projects totaling just under \$1 billion over the years, says Gary Peters, a Paris-based investment manager for three wealthy families who says he was hoodwinked by Stratos after being introduced to him by a member of a royal family from the Middle East.

Peters says he fronted Stratos €150,000 for purported emergency treatment of testicular cancer, a portion of his hotel bills and a full-time driver after Stratos told him he had been robbed of his passport

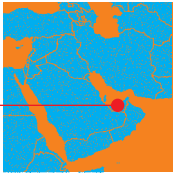


The money **NICOLE** lost was her divorce payout from **EDDIE MURPHY**.

and credit cards. At the time, Stratos was going by the name David Burton. Peters says he called the French police after concluding that Stratos was a fraud. The police let him look through the ledgers to see if he recognized any names in them, Peters says. In the lining of Stratos's luggage, Peters found passports and several credit cards issued in his various names.

Stratos has convinced at least three wealthy women to part with millions, according to several people who've known him. The son of a white mother and black father, he often visits salons for facial treatments and manicures, people who know him say. He wears expensive suits, always without a tie. He doesn't do drugs and rarely drinks, save for an occasional glass of vintage champagne, people who have known him say. He's a heavy gambler, says Jose Figueroa, who says Stratos is a former lover. The two of them spent time at the Mohegan Sun casino in Uncasville, Connecticut when they were together in 2004, Figueroa says. "One night, his average bet was \$20,000 or \$30,000, and he played for hours," says Figueroa, who sells a line of hair care products.

So far, Stratos has stayed ahead of his accusers. French police incarcerated him in La Sante prison, where terrorist Carlos the Jackal was once held, while they investigated the fraud charges. Stratos remained there for six weeks, until a friend paid his €20,000 bail. He was allowed to leave France as part of his bail agreement, says his lawyer, Marie Guiraud. A French judge dropped the case on Sept. 28, 2010, saying that while Peters gave Stratos money, there wasn't evidence that



DUBAI Stratos persuaded Murphy to invest part of her divorce money in the Gulf Emirate. It has disappeared.

Stratos had convinced him to do so through deceit.

French prosecutors are considering investigating another complaint lodged by an alleged English victim of Stratos, a person familiar with the investigation says.

“The charges have been dropped against me in France, which allows me to seek damages against Mr. Peters for false accusations,” Stratos said in a voicemail left with a BLOOMBERG MARKETS reporter one Saturday in late October.

Stratos’s dispute with Murphy is in hand, too, he said. “Nicole Murphy and I are not interested in any publicity regarding a very private matter between us,” he said in the voicemail. Murphy’s lawyers say they’re pursuing their case.

Since the voicemail, Stratos has failed to return numerous phone calls and e-mails. A lawyer he said he has retained, David Meyer of Venable LLP in Los Angeles, didn’t return phone calls or e-mails.

As for his whereabouts, Stratos said he is in Los Angeles. “I’m not

hiding,” he said in the voicemail.

Stratos has talent and good ideas, says Richard Hack, a former protege of author Truman Capote who went on to write his own books about J. Edgar Hoover and Howard Hughes. Stratos hired Hack to write numerous screenplays and a torrent of business pitches over a 15-year span, Hack says. Sections of *Plantation*, a television script about a wealthy sugar cane-growing family in Hawaii that Stratos helped Hack write, are very good, and the CDs of songs he produced with Murphy make an amateur sound very professional, Hack says. “It wasn’t just an optical illusion,” he says.

Murphy also sued Hack, accusing him of working hand in hand with Stratos on his schemes. Hack denies it. “I, like others, have been left in financial ruin by this man,” he says.

Stratos until recently managed to recruit new investors, even though his alleged victims tried to expose him on the Internet. Rush posted his complaint against Stratos and many of the court records at www.troystratos.com in 2001. Sheri Farley, who worked for Stratos when he was based in Sacramento, California, and says he cheated her out of \$95,000 in pay and business expenses, started imettroy.com in June 2007, posting stories

from people who had dealt with him. Bill Branscum, a private investigator hired by Murphy’s lawyer, posted audio interviews with alleged victims. “He’s the smoothest guy you’ve ever met in your life,” says Rush, who lives on Maui. “He’s a con man’s con man.”

Stratos told variations of the same story to many of the people he met, according to interviews with more than a dozen of them. He said he attended the University of Southern California, where he met some wealthy scions of Middle Eastern royalty. (He did attend the school for one year, according to the Los Angeles school’s records.) They had invested in America Online before the stock crashed and Stratos sank the profits into oil companies at the direction of his Middle Eastern friends.

He claimed the Middle Eastern



HACK did writing projects for Stratos for 15 years.

STRATOS wrote a letters to Hack from a Paris jail after his arrest for fraud.

JOSH RITCHE



HEGAN handled Troy's business affairs in Vancouver.

princes were keen to invest in movies that Stratos would help produce. Stratos and Hack did write treatments for a series of films that they passed along to the Middle Eastern “silent partners,” Hack says. The films, including one that was to star actor Ashton Kutcher as Freddie Mercury, lead singer for the rock group Queen, never got made. Kutcher’s publicist says he never agreed to do the film.

Stratos sometimes strayed from his stock story, saying, for instance, that his father had been the best friend of reclusive billionaire Hughes, who died in 1976, and that Troy had inherited millions when his father died in 2008.

When he arrived in a new city, Stratos called realtors like Rush and asked to see multi-million-dollar properties. From there, he worked his way into social contact with the moneyed class. “He captured the vacancy in people’s personalities and filled them with promises,” says Joe MacKinnon, who owns a company that lists apartments and houses in Vancouver for filmmakers to use for sets.

Stratos was raised in Fair Oaks, California, by his grandmother, Mary Stafford, who says Troy is the product of a relationship between her then-18-year-old daughter and a black preacher named Wiley Burton. Her daughter, Barbara, put the baby up for adoption after it

was born on April 13, 1966. No one wanted a mixed-race child, Stafford says, so she took him into her own family. His mother helped when she could. “I raised him the same way I did my five children,” Stafford said in a telephone interview.

Stratos attended Bella Vista High School in Fair Oaks, Stafford says, and was a straight-A student. “Troy was smart enough to be president of the United States,” she says. He met Nicole Mitchell when they were teenagers. In a letter to Hack sent from his Paris prison cell, he called her his first true love. She married Eddie Murphy in 1993.

At 21, Troy changed his name from Stafford to Stratos, his Greek grandfather’s name before he Americanized it to Stafford, according to Stratos’s prison letters. He dropped out of USC and worked with Berry Gordy, founder of the Motown record label, in Los Angeles, says Hack, who met Stratos in 1990. Hack was a syndicated television columnist for the *Hollywood Reporter* in L.A. at the time.

The two kept in touch. In 1994, Stratos contacted Hack in Hawaii, where he had moved. Stratos wanted Hack to rewrite a script called *The Fight*, about Gwen Adair, who for a long time was boxing’s only female referee. Hack did the rewrite, he says.

Stratos pushed hard on the project, Adair says. “With me, he was very straightforward,” she says. Adair became the first woman to referee a world title fight, in Tijuana, Mexico, in 1998.

Then Hack pitched Stratos on a script of his own: *Plantation*. Stratos bought it for \$8,000, Hack says, and contributed to the rewrites, earning a writing credit. They spent the next several years scouting locations to film it, with Stratos all the while saying that he had money from his AOL killing. “He always had lots and lots of cash,” Hack says.



VANCOUVER Stratos raised and spent millions from this office and then abruptly stopped showing up for work.

BRIAN SMALE



MAUI The Californian coaxed \$1.9 million from investors to produce a Nancy Wilson CD. He didn't own the song rights.

Much of that money came from a wealthy woman named Jodi Tu, the sister of John Tu, co-founder of Fountain Valley, California-based memory-chip manufacturer Kingston Technology Co., two people who worked with Stratos at the time say. Stratos and Jodi Tu planned to buy land on Maui with Tu's money and build a subdivision, where they would live together, one of the people says. Instead, Stratos spent the money, the person says.

David Leong, a spokesman for Kingston, says John and Jodi Tu decline to comment on Stratos.

In the middle of scouting locations for *Plantation* and trying to develop part of Maui, Stratos cooked up another idea: the Nancy Wilson Project. Wilson, a three-time Grammy Award-winning jazz singer, had married Stratos's father, Wiley Burton, in 1974. While at New York University, which he attended for one year, Stratos looked him up, he says in an essay, "For My Father," that Peters attributes to Stratos. He went to the Blue Note club, where Wilson was performing. He met her road manager, told him who he was and got a number for his father in California. They met later at a Burton family reunion in Lynchburg, Virginia, Stratos writes.

Wilson and Burton, who died in 2008, welcomed Stratos into their family and helped pay for his education, says her manager, John Levy. "She did a lot to help him," he says.

In Hawaii, Stratos pitched the Nancy Wilson Project to Rush, the real estate agent, who was a fan, and says he had a Wilson record in his car CD player on the day he met Stratos. Stratos said he needed \$1 million to get started, which he would pay back with 10 percent interest in 90 days. He would also give Rush a share of the profits. Rush went for it, investing \$100,000 at first, he says. "He kept needing more money," Rush says. Rush went to his friends and family. Eventually, they coughed up \$1.9 million.

In January 2000, Rush says he learned that Stratos had never paid Sony Corp. for the rights to "If I had My Way." Stratos had told him he'd paid Sony \$2 million for permission to use all of her songs.

Rush filed a complaint against Stratos

and Wilson in May 2000 and won a judgment against them in 2001. Wilson declared bankruptcy in August 2003, listing Rush as her biggest creditor. She later settled with Rush by turning over a condominium and some stock, Rush says. Stratos never paid anything on the judgment, Rush says.

Wilson won't discuss Stratos, Levy says.

From Hawaii, Stratos moved to Vancouver. He told people there he was scared for his safety in the U.S. after the 9/11 terrorist attacks. He said the records for his film production

company had been stored in the World Trade Center in New York and had been destroyed, says Christian Allen, who owns a film production company in Vancouver.

As usual, Stratos started by looking at high-end real estate. He toured a house at the nearby Whistler Blackcomb ski resort that was built by a friend of Allen's. The friend connected them because they were both in the film business. Stratos told Allen that he had just been robbed, losing his passport and his wallet. Allen helped him open a bank account at Toronto-Dominion Bank.

Stratos started Next Level Media to produce music, movies and television shows, according to Hegan and others. He lived in the exclusive Waterfall Building, named for a sheet of water that flows out of its underbelly. He traveled often to Los Angeles, where he would spend \$4,000 a night on hotels, and to Las Vegas. Hegan says she cut checks to pay



RUSH, above, thought he had a deal to produce a CD for **NANCY WILSON**, top.

ANDREW LEPPLEY/GETTY IMAGES (TOP)

off at least \$500,000 in gambling debts while working for him. "He went through a million dollars in a month," Hegan says. He spent a fortune on personal care, too, she says. "I've never known a person to get more colonics," she says.

Footed many of the bills was a wealthy, divorced woman named Viive Truu, according to Hegan. Truu handed over \$15 million to Stratos during a six-year period, according to an e-mail she sent to Peters on Sept. 2, 2009. "I have given Troy at least \$15mm in cash and incurred another \$2mm in costs and expenses," she wrote in the e-mail.

Now, Truu says the figure is incorrect. "I did not give Troy \$15 million," she said in a telephone interview. "I haven't dealt with Troy in years. I just want to move on with my life."

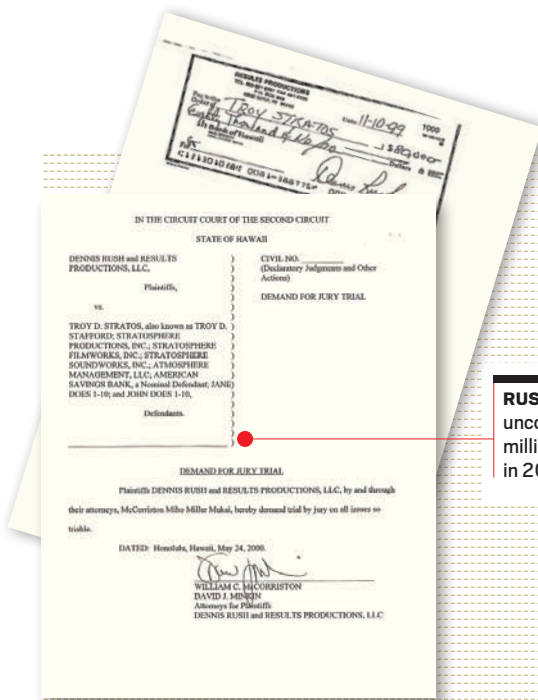
With no money coming in from any Next Level productions and so much going out for Stratos's travels, Hegan says she became suspicious. Then Stratos stopped paying his bills. She and the rest of his staff figured the payroll would be next, so they shredded all of their personnel files, locked the door, dropped the keys in the mail slot and left in August 2003, Hegan says.

Stratos turned up a few years later in Sacramento, where his friend Nicole Murphy was living, having finalized her divorce from Eddie Murphy in April 2006. Troy offered to serve as her financial adviser, Nicole Murphy says in her complaint. She had recently received her divorce settlement and had money to manage, says Farley, an accountant Stratos hired to work at Next Level Media, which Stratos had moved to Sacramento.

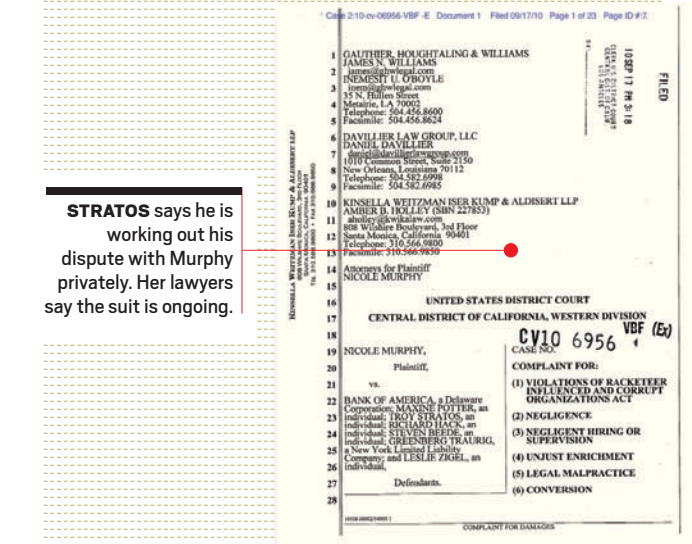
Stratos convinced Nicole to put most of her divorce settlement in an account in Dubai, where, because of his connections, she could earn a higher rate of interest, Farley says. To do so, the account had to be in Stratos's name, Farley says.

Stratos bubbled with ideas in Sacramento, says Farley. He pitched Nicole on launching her singing career, and on starting a line of jewelry called Collection X that would consist of copies of jewelry that women had gotten from their celebrity ex-husbands. Farley says she personally flew Nicole's jewelry to Florida, where Troy said he wanted to have it appraised. She never got it back.

Stratos didn't last long in Sacramento. The FBI subpoenaed Farley for Stratos's business records on



RUSH won a still-uncollected \$2.1 million judgment in 2001.



STRATOS says he is working out his dispute with Murphy privately. Her lawyers say the suit is ongoing.



Stratos used tours of high-end real estate such as the castle at **FARCHEVILLE** to establish social contact with the moneyed class.



Music producer **GREENBERG** has an uncollected \$51,000 judgment against Stratos.

Feb. 28, 2007. Stratos was in Florida, where he said he intended to move Next Level. He had her send him reams of documents he said were exempt from the subpoena. The FBI complained when she sent them just one box.

Stratos hadn't paid Farley since Feb. 16. The last straw for her, she says, was when Stratos refinanced the house belonging to Nicole Murphy's parents and took the money. Real estate records show the house had been in a trust--controlled by Stratos and Nicole, Farley says--and that the trust sold it to them, with the sale financed by a \$387,000 mortgage. Stratos netted about \$70,000 from the deal, Farley says.

Farley quit Next Level in May. Around the same time, Stratos was cooking up a trilogy of films to be called *18 D: The Pharonic[sic] Prophecies*. The films would have a combined budget of \$1 billion and would be shot on location in Egypt, where Stratos had first-time access to rare artifacts, according to a synopsis of the movies. The minimum investment for anyone interested was \$50 million, according to a pitch describing the films to potential investors.

Stratos called upon Hack to write a 140-page

treatment. "I became an Egyptian scholar for this guy," says Hack, whom Stratos had promised \$11 million for 11 movie scripts, according to a copy of a contract signed by Stratos in 2005.

Stratos dropped out of sight, then reappeared in 2008 in London. He called Hack from there to tell him he was reviving the Egyptian trilogy, and told Hack he should get to Cairo for a press conference about the commencement of the project. He had hired public relations firm Hill & Knowlton to do publicity, Stratos said.

Hack agreed, and Stratos flew him first-class from Florida, where he was living. They stayed at the Four Seasons in Cairo. The press conference was to be there, too, on April 30, 2008, and include presentations by Zahi Hawass, the secretary-general of Egypt's Supreme Council of Antiquities, and by actor Omar Sharif, according to an agenda for the event. After that, Onsi Sawiris, founder of Orascom Construction Industries, an Egyptian conglomerate, would talk about the film's \$1 billion budget in a "lighthearted way" with his sons, Naguib, Samih and Nassef, the agenda says.

Riham El Adl, a senior consultant at Hill & Knowlton in Cairo, said that Stratos came in for one or two brief meetings and then

disappeared. El Adl says Stratos owes no money to the firm.

“Never heard of him or invested a dime with him,” says billionaire Naguib Sawiris, chairman of Orascom Telecom Holding SAE, the Middle East’s largest wireless phone operator, wrote in a text message concerning Stratos.

The press conference never happened, Hack says. Stratos said the Egyptian government had balked at giving him access to the country’s antiquities. At that point, after 14 years of working with Stratos, Hack says he ran out of patience. It became clear to him, he says, that none of the 11 movies were going to be made and he would never get paid. He took a flight back to Florida.

In February 2009, Stratos met Peters, the man who would help send him to jail in France. Peters got a call from a contact in the Middle East who told him that he’d met a well-to-do filmmaker named David Burton who was going to be in Paris, where Peters is based. They met at the Hotel Plaza Athenee. The next day, Peters traveled to Chateau de Farcheville, a walled, 15-bedroom castle outside Paris that was on the market for \$57 million. Peters, who had loaned money to the owner of the chateau, was there to meet a potential buyer. That buyer arrived in a helicopter. It was Stratos.

“He got out of the helicopter and said, ‘No way! You’re in charge of this?’” Peters says. Stratos talked immediately about turning the castle moat into a swimming pool, Peters says.



PETERS is on a campaign to expose Stratos’s alleged misdeeds.

Stratos complained on a phone call to a friend on Aug. 30 that he was getting tired of Paris and planned to retreat to a beach. Peters tipped off the police and the hotel that Stratos might flee. He kept Stratos in town with a promise of more cash, he says.

The next day, Peters went to the Radisson and, instead of giving Stratos more money, told him he had to pay the hotel bill or the hotel manager would call the police. Stratos tried to leave the hotel with his bags and was intercepted by the manager, who presented him with a bill for €30,000. Stratos became indignant and ran out

the door, Peters says. The police were waiting.

Stratos wrote Hack at least two letters from La Sante prison, including a long response to his critics. In one letter he writes, “I have borrowed a lot of money from various people for many different reasons, but I have never stolen it.” He also writes, “I have told many lies to many people. I regret that.” At the same time he announced in one of the letters that he was developing a new project, a play called *Liesexual*.

Stratos made bail on Oct 16. Since then, old associates have been getting e-mails swearing revenge for libelous online postings and promising that all of the money would be repaid and that Troy Stratos would return in all his glory. Says Greenberg, owner of The Village Recorder, “I’m sure he’s telling someone about a movie right now that is going to be bigger than pancakes.”

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Then came the story of Stratos losing his wallet and passport and being afflicted with cancer. Peters loaned him the €150,000 for living expenses and medical treatments. In July 2009, Peters took a trip to Los Angeles, and while there, he contacted music producer Quincy Jones, whom Stratos had claimed as a mentor. He showed Jones a picture of Burton that he had. Jones said he’d never met him, Peters says.

Peters had Stratos watched by friends who worked at the Radisson, where Stratos was staying. He was handing out €100 tips and wasn’t getting the cancer treatments he had said he needed. Peters shot video while



PARIS Stratos was arrested by French police when he failed to pay a €30,000 bill at a luxury Radisson hotel.