

1 BENJAMIN B. WAGNER
United States Attorney
2 KIRK E. SHERRIFF
HENRY Z. CARBAJAL III
3 CHRISTOPHER D. BAKER
Assistant United States Attorneys
4 2500 Tulare Street, Suite 4401
Fresno, California 93721
5 Telephone: (559) 497-4000
Facsimile: (559) 497-4099
6
7 Attorneys for Plaintiff
United States of America

8
9 IN THE UNITED STATES DISTRICT COURT
10 EASTERN DISTRICT OF CALIFORNIA

11 UNITED STATES OF AMERICA,
12
13 Plaintiff,
14
15 v.
16 JAYSON PETER COSTA
17
18 Defendant.

CASE NO. 1:11-CR-00026 LJO
MEMORANDUM OF PLEA AGREEMENT
PURSUANT TO RULE 11(C) OF THE
FEDERAL RULES OF CRIMINAL PROCEDURE
DATE: To Be Determined
TIME: To Be Determined
COURT: Hon. Lawrence J. O'Neill

17 Pursuant to Rule 11(c) of the Federal Rules of Criminal
18 Procedure, the United States of America, by and through BENJAMIN B.
19 WAGNER, United States Attorney for the Eastern District of
20 California, and Assistant United States Attorneys KIRK E. SHERRIFF,
21 HENRY Z. CARBAJAL III, and CHRISTOPHER D. BAKER, and defendant,
22 JAYSON PETER COSTA, and his attorney, JOHN GARLAND, have agreed as
23 follows:

24 1. Scope of Agreement.

25 This document contains the complete Memorandum of Plea Agreement
26 ("Plea Agreement") between the United States Attorney's Office for
27 the Eastern District of California ("Government") and defendant
28

1 JAYSON PETER COSTA ("COSTA") regarding this case. This Plea
2 Agreement is limited to the United States Attorney's Office for the
3 Eastern District of California and cannot bind any other federal,
4 state, or local prosecuting, administrative, or regulatory
5 authorities.

6 2. Charges.

7 Defendant JAYSON PETER COSTA acknowledges that he has been
8 charged in an Indictment, as follows:

9 Conspiracy to Commit Mail Fraud, Wire Fraud, and Bank Fraud, in
10 violation of Title 18, United States Code, Section 1343;

11 Mail Fraud, in violation of Title 18, United States Code,
12 Section 1341 (2 counts);

13 Bank Fraud, in violation of Title 18, United States Code,
14 Section 1344 (2 counts);

15 Conspiracy to Launder Money, in violation of Title 18, United
16 States Code, Section 1956(h); and

17 Criminal Forfeiture pursuant to Title 18, United States Code,
18 Section 981(a)(1)(C) and 982(a)(1), and Title 28, United States Code,
19 Section 2461(c).

20 3. Nature, Elements and Possible Defenses.

21 The defendant has read the charges against him contained in the
22 Indictment, and those charges have been fully explained to him by his
23 attorney. Further, the defendant fully understands the nature and
24 elements of the crime in Count One of the Indictment to which he is
25 pleading guilty, together with the possible defenses thereto, and has
26 discussed them with his attorney.

27 The elements of the crime of Conspiracy to Commit Mail Fraud,
28 Wire Fraud, and Bank Fraud, in violation of 18 U.S.C. § 1349, are:

1 First, there was an agreement between two or more persons to
2 commit mail fraud, wire fraud, and bank fraud; and

3 Second, the defendant became a member of the conspiracy
4 knowing of at least one of its objects and intending
to help accomplish it.

5 The elements of the crime of Mail Fraud, in violation of 18
6 U.S.C. § 1341, are:

7 First, the defendant knowingly participated in a scheme or
8 plan to defraud, or a scheme or plan for obtaining
9 money or property by false or fraudulent pretenses,
representations, or promises;

10 Second, the statements made or facts omitted as part of the
11 scheme were material; that is, they had a natural
12 tendency to influence, or were capable of influencing,
a person to part with money or property;

13 Third, the defendant acted with the intent to defraud; that
is, the intent to deceive or cheat; and

14 Fourth, the defendant used, or caused to be used, the mails or
15 any private or commercial interstate carrier to carry
16 out or attempt to carry out an essential part of the
scheme.

17 The elements of the crime of Wire Fraud, in violation of 18
18 U.S.C. § 1343, are:

19 First, the defendant knowingly participated in a scheme or
20 plan to defraud, or a scheme or plan for obtaining
21 money or property by false or fraudulent pretenses,
representations, or promises;

22 Second, the statements made or facts omitted as part of the
23 scheme were material; that is, they had a natural
24 tendency to influence, or were capable of influencing,
a person to part with money or property;

25 Third, the defendant acted with the intent to defraud; that
is, the intent to deceive or cheat; and

26 Fourth, the defendant transmitted, or caused to be
27 transmitted, by wire, radio or television
28 communication, in interstate or foreign commerce,
certain signs, signals or sounds; and

1 Fifth, such transmission was in furtherance of the scheme to
2 defraud or plan for obtaining money.

3 The elements of the crime of Bank Fraud, in violation of 18
4 U.S.C. § 1344, are:

5 First, the defendant knowingly carried out a scheme or plan
6 to obtain money or property from a financial
7 institution by making false statements or promises;

8 Second, the defendant knew that the statements or promises
9 were false;

10 Third, the statements or promises were material; that is,
11 they had a natural tendency to influence, or were
12 capable of influencing, a financial institution to
13 part with money or property;

14 Fourth, the defendant acted with the intent to defraud; and

15 Fifth, the financial institution was federally chartered or
16 insured.

17 4. Agreements by the Defendant.

18 (a) Defendant agrees that this plea agreement shall be filed
19 with the court and become a part of the record of the case.

20 (b) Defendant agrees to enter a plea of guilty to Count One of
21 the Indictment which charges him with Conspiracy to Commit Mail
22 Fraud, Wire Fraud, and Bank Fraud, in violation of 18 U.S.C. § 1349.

23 (c) Defendant understands and agrees that he will not be
24 allowed to withdraw his plea should the Court fail to follow the
25 government's sentencing recommendations.

26 (d) Defendant knowingly and voluntarily waives his
27 Constitutional and statutory rights to appeal his plea, conviction,
28 forfeiture order, order of restitution, and sentence. This waiver of
appeal includes, but is not limited to, an express waiver of
defendant's right to appeal his plea, conviction, forfeiture order,

1 order of restitution and sentence on any ground, including any appeal
2 right conferred by 18 U.S.C. § 3742. Regardless of the sentence he
3 receives, defendant gives up any right he may have to bring a post-
4 appeal attack on his plea, conviction, forfeiture order, order of
5 restitution and sentence. He specifically agrees not to file a
6 motion under 28 U.S.C. § 2255 or § 2241 attacking his plea,
7 conviction, or sentence.

8 (e) The defendant further acknowledges that his plea of guilty
9 is voluntary and that no force, threats, promises or representations
10 have been made to anybody, nor agreement reached, other than those
11 set forth expressly in this Plea Agreement, to induce the defendant
12 to plead guilty.

13 (f) Defendant agrees that his base offense level for Conspiracy
14 to Commit Mail Fraud, Wire Fraud, and Bank Fraud is seven (7)
15 pursuant to United States Sentencing Guideline 2B1.1(a)(1), a twenty
16 (20) level enhancement applies for loss exceeding \$7,000,000 but less
17 than \$20,000,000 (USSG § 2B1.1(b)(1)(K)), and a two (2) level
18 enhancement applies for an offense involving sophisticated means
19 (USSG § 2B1.1(b)(10)(C)).

20 (g) Defendant agrees not to move for any downward adjustments
21 in his offense level under Chapters Two, Three, Four and/or Five of
22 the Sentencing Guidelines. The defendant understands and agrees that
23 this agreement by him includes, without limitation, not moving for a
24 downward departure of his offense level, criminal history category or
25 criminal history points as defined by the Sentencing Guidelines.
26 Provided, however, that defendant retains the right to argue under
27 the factors at 18 U.S.C. § 3553(a) for a sentence of imprisonment
28 below the applicable guideline range as determined by Court. The

1 defendant acknowledges that, if the defendant requests or suggests in
2 any manner a different sentence than what is called for under this
3 paragraph, the Government, at its sole discretion, may withdraw from
4 this plea agreement and continue with its prosecution of the
5 defendant as if the parties had not entered into this Plea Agreement.

6 (h) Defendant agrees that his conduct is governed by the
7 Mandatory Restitution Act pursuant to 18 U.S.C. § 3663A(c)(1)(A)(ii)
8 and agrees to pay the full amount of restitution as ordered by the
9 court to all victims affected by this offense, including but not
10 limited to the victims covered in the factual basis, victims covered
11 in those counts to be dismissed as part of the plea agreement
12 pursuant to 18 U.S.C. § 3663A(a)(3) and other victims as a result of
13 the defendant's conduct for the offenses charged and in an amount
14 determined by the court at sentencing.

15 (i) The defendant agrees to make a full and complete disclosure
16 of the defendant's assets and financial condition, and will complete
17 the United States Attorney's Office's "Authorization to Release
18 Information" and "Financial Affidavit" within five (5) weeks from the
19 entry of the defendant's change of plea. The defendant also agrees to
20 have the court enter an order to that effect. The defendant
21 understands that this plea agreement is voidable by the government if
22 he fails to complete and provide the described documentation to the
23 United States Attorney's office within the allotted time.

24 (j) Defendant agrees to forfeit to the United States
25 voluntarily and immediately all right, title, and interest to any and
26 all assets seized pursuant to 18 U.S.C. §§ 981(a)(1)(A),
27 981(a)(1)(C), 981(a)(1)(D), 982(a)(1), 982(a)(2); 28 U.S.C. § 2461,
28 and Fed. R. Crim. P. 32.2(b)(1).

1 The defendant agrees that this includes a personal forfeiture
2 money judgment in an amount of \$1,317,000. Further, the defendant
3 agrees that the amount of \$1,317,000 is a reasonable reflection of
4 the amount that the defendant obtained directly or indirectly, as the
5 result of the underlying criminal scheme and conspiracy, and the
6 violations as alleged in the Indictment of Conspiracy to Commit Mail
7 Fraud, Wire Fraud, and Bank Fraud, in violation of 18 U.S.C. § 1349;
8 Mail Fraud, in violation of 18 U.S.C. 1341; Wire Fraud, in violation
9 of 18 U.S.C. 1343, Bank Fraud, in violation of 18 U.S.C. § 1344; and
10 Conspiracy to Commit Money Laundering, in violation of 18 U.S.C. §
11 1956.

12 As part of the imposition of the personal forfeiture money
13 judgment, the defendant agrees to make a full and complete disclosure
14 of defendant's assets and financial condition. The defendant agrees
15 to provide this Office with signed waivers related to federal and
16 state income tax returns, and a waiver of the Right to Financial
17 Privacy Act, which includes, but is not limited to, any credit
18 records, communication records, DMV records, educational records,
19 employment records, military records, business records, and credit
20 reports maintained by any consumer credit reporting entity, until
21 such time as the money judgment is satisfied. In this regard, the
22 defendant agrees to complete and sign a copy of IRS Form 8821
23 (relating to the voluntary disclosure of federal tax return
24 information), whatever financial information disclosure form which
25 may be required by an agency, as well as this Office's Right to
26 Financial Privacy Act Waiver & Authorization to Release Information
27 form.

28 Defendant agrees to fully assist the government in the

1 forfeiture of any seized assets or assets later determined to be
2 forfeitable and to take whatever steps are necessary to pass clear
3 title to the United States. Defendant shall not sell, transfer,
4 convey, or otherwise dispose of any assets found to be connected to
5 the criminal events charged in the Indictment.

6 Defendant agrees not to file a claim to any of the seized
7 property in any criminal proceeding or civil proceeding,
8 administrative or judicial, which is or may be initiated. Defendant
9 agrees to waive right to notice of any forfeiture proceeding
10 involving such property, and agrees to not file a claim or assist
11 others in filing a claim in such a proceeding.

12 The defendant waives the notice provisions of Fed. R. Crim. P.
13 7(c) and 32.2(a), waives oral pronouncement of forfeiture at the time
14 of sentencing and any defects in such pronouncement that pertain to
15 forfeiture, and waives any defenses to forfeiture, including any
16 defense predicated on the Ex Post Facto, Double Jeopardy, and
17 Excessive Fines Clauses of the United States Constitution. The
18 defendant knowingly and voluntarily waives any right to jury trial in
19 any criminal or civil forfeiture proceeding.

20 (k) The defendant understands that the Court must consult the
21 Federal Sentencing Guidelines (as promulgated by the Sentencing
22 Commission pursuant to the Sentencing Reform Act of 1984, 18 U.S.C.
23 §§ 3551-3742 and 28 U.S.C. §§ 991-998, and as modified by United
24 States v. Booker and United States v. Fanfan, 543 U.S. 220 (2005)),
25 and must take them into account when determining a final sentence.
26 Defendant understands that the Court will determine a non-binding and
27 advisory guideline sentencing range for this case pursuant to the
28 Sentencing Guidelines. Defendant further understands that the Court

1 will consider whether there is a basis for departure from the
2 guideline sentencing range (either above or below the guideline
3 sentencing range) because there exists an aggravating or mitigating
4 circumstance of a kind, or to a degree, not adequately taken into
5 consideration by the Sentencing Commission in formulating the
6 Guidelines. Defendant further understands that the Court, after
7 consultation and consideration of the Sentencing Guidelines, must
8 impose a sentence that is reasonable in light of the factors set
9 forth in 18 U.S.C. § 3553(a).

10 (L) If the defendant's conviction on the count to which he is
11 pleading is ever vacated at the defendant's request, or his sentence
12 is ever reduced at his request, the government shall have the right
13 to: (1) prosecute the defendant on any of the counts to which he
14 pleaded guilty; (2) reinstate any counts that may be dismissed under
15 this agreement; and (3) file any new charges that would otherwise be
16 barred by this agreement. The decision to pursue any or all of these
17 options is solely in the discretion of the United States Attorney's
18 Office. By signing this agreement, the defendant agrees to waive any
19 objections, motions, and defenses he might have to the government's
20 decision, including Double Jeopardy. In particular, he agrees not to
21 raise any objections based on the passage of time with respect to
22 such counts including, without limitation, any statutes of limitation
23 or any objections based on the Speedy Trial Act or the Speedy Trial
24 Clause of the Sixth Amendment.

25 If it is determined that the defendant has violated any
26 provision of this Agreement or if the defendant successfully moves to
27 withdraw his plea: (1) all statements made by the defendant to the
28 government or other designated law enforcement agents, or any

1 testimony given by the defendant before a grand jury or other
2 tribunal, whether before or after his Agreement, shall be admissible
3 in evidence in any criminal, civil, or administrative proceedings
4 hereafter brought against the defendant; and (2) the defendant shall
5 assert no claim under the United States Constitution, any statute, the
6 Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of
7 Evidence, or any other federal rule, that statements made by the
8 defendant before or after this Agreement, or any leads derived
9 therefrom, should be suppressed. By signing this Agreement, the
10 defendant waives any and all rights in the foregoing respects.

11 (m) The defendant agrees to waive all rights under the "Hyde
12 Amendment," Section 617, P.L. 105-119 (Nov. 26, 1997), to recover
13 attorneys' fees or other litigation expenses in connection with the
14 investigation and prosecution of all charges in the above-captioned
15 matter and of any related allegations (including without limitation
16 any charges to be dismissed pursuant to this Agreement and any
17 charges previously dismissed).

18 5. Agreements by the Government.

19 (a) The government will recommend a two-level reduction (if the
20 offense is less than 16) or a three-level reduction (if the offense
21 level reaches 16) in the computation of his offense level if the
22 defendant clearly demonstrates acceptance of responsibility for his
23 conduct as defined in Section 3E1.1 of the United States Sentencing
24 Commission Guidelines Manual.

25 (b) The government agrees that the defendant's base offense
26 level for Conspiracy to Commit Mail Fraud, Wire Fraud, and Bank Fraud
27 is seven (7) pursuant to United States Sentencing Guideline
28 2B1.1(a)(1), a twenty (20) level enhancement applies for loss

1 exceeding \$7,000,000 but less than \$20,000,000 (USSG §
2 2B1.1(b)(1)(K)), and a two (2) level enhancement applies for an
3 offense involving sophisticated means (USSG § 2B1.1(b)(10)(C)).

4 (c) The Government agrees to recommend that the defendant be
5 sentenced to a term of imprisonment within the applicable guideline
6 range as determined by the Court.

7 (d) The defendant acknowledges and understands that the
8 government makes no other representations to him regarding fines,
9 whether any other specific offense characteristics apply to his
10 conduct, his criminal history under Chapter Four or whether
11 additional enhancements or reductions under Chapters Two, Three or
12 Five of the United States Sentencing Guidelines apply and defendant
13 understands that the government is free to comment and to make
14 recommendations to the court and the probation officer regarding
15 those matters.

16 (e) The United States agrees to dismiss the remaining counts of
17 the Indictment, as to this defendant only, at the time of sentencing.

18 6. Factual Basis.

19 Defendant will plead guilty because he is in fact guilty of the
20 crime set forth in Count One of the Indictment. Defendant also
21 agrees that the following are the facts of this case, although he
22 acknowledges that, as to other facts, the parties may disagree:

23 Beginning on a date unknown to the Grand Jury, but not later
24 than in and about January 2004, and continuing thereafter to in
25 and about September 2007, within the State and Eastern District
26 of California and elsewhere, defendant JAYSON PETER COSTA, and
27 co-defendants David Marshall Crisp, Carlyle Lee Cole, Julie
28 Diane Farmer, Sneha Ramesh Mohammadi, Jeriel Salinas, Robinson
Dinh Nguyen, Michael Angelo Munoz, Jennifer Anne Crisp, and
Caleb Lee Cole, and others both known and unknown, did knowingly
conspire, combine, and confederate with each other, and with
others known and unknown, to commit the following offenses

1 against the United States:

2 a. to execute a scheme and artifice to defraud mortgage
3 lending companies and federally insured lending/financial
4 institutions (collectively referred to herein as "Lenders") of
5 money and property from such Lenders, by means of materially
6 false and fraudulent pretenses, representations, and promises,
7 and to cause the United States mail and commercial carriers to
8 be used in execution of the scheme to defraud, in violation of
9 Title 18, United States Code, Section 1341; and

10 b. to cause signs and signals to be transmitted by means of
11 wire and radio communications in interstate commerce in
12 furtherance of the scheme to defraud, in violation of Title 18,
13 United States Code, Section 1343; and

14 c. to defraud a financial institution, and to obtain moneys,
15 funds, assets, and other properties under the custody and
16 control of a financial institution, by means of material false
17 and fraudulent pretenses, representations and promises, in
18 violation of Title 18, United States Code, Section 1344.

19 Co-defendants David Crisp ("Crisp") and Carl Cole ("Cole") owned
20 and operated Crisp, Cole & Associates ("CCA"), also known as
21 Crisp & Cole Real Estate ("CCRE"), a real estate brokerage firm,
22 and Tower Lending, an affiliated mortgage brokerage.

23 Defendant JAYSON PETER COSTA worked as a loan officer with
24 CCA/Tower Lending, and was a resident of Bakersfield,
25 California, in the State and Eastern District of California.
26 COSTA was not properly licensed to be a loan officer and
27 therefore could not legally process any of the loan applications
28 that he did. Co-defendants Crisp, Cole, Farmer and others at
CCRE and Tower Lending knew that COSTA was not properly licensed
as a loan officer, and nonetheless allowed COSTA to continue
processing loans.

The defendants carried out the conspiracy to defraud the Lenders
in part by using straw purchasers to acquire real properties at
inflated prices with funds borrowed from the Lenders, often
using 100% financing, based on false and fraudulent loan
applications and other false and fraudulent representations and
documentation. The properties were nominally owned in the names
of straw buyers, but were controlled by the defendants and held
for the benefit of CCRE and the defendants. The straw buyers
typically received a payment in the range of \$5,000 to \$20,000
per property purchase, while CCRE and the defendants received
the profits upon the sale of the property. The properties were
frequently resold from one straw buyer to another, each time at

1 an inflated, higher price so that the defendants and CCRE could
2 extract the purported increased "equity" from the property for
3 their benefit. The defendants referred to the properties that
4 they fraudulently purchased, held, and sold through straw buyers
for the defendants' benefit as "Investment Properties" or "Joint
Venture" properties.

5 In furtherance of the conspiracy, COSTA and co-defendants Cole,
6 Farmer, Mohammadi, Salinas, Munoz, Jennifer Crisp, and Caleb
7 Cole, as well as others, purchased properties using loans
8 obtained from Lenders based on false and fraudulent loan
applications and other false and fraudulent representations and
documentation.

9 In furtherance of the conspiracy, the defendants knowingly
10 caused loan applications to be submitted to Lenders that
11 contained misstatements and/or omitted relevant and material
12 information, to obtain loans in the names of the defendants and
13 other straw buyers for the financing of the properties. The
14 defendants knew and expected that the Lenders would reasonably
15 rely on such misstatements and omissions in approving the
16 funding of the mortgage loans for the defendants' and other
17 straw buyers' purchases of real property. The defendants'
18 misstatements and omissions included, but were not limited to:
19 false statements concerning the straw buyers' assets,
20 liabilities, employment history, funds on deposit, source of
funds for the straw buyers' deposits and down payments on the
properties, and purported intent to occupy the properties as
owner-occupiers. The defendants also submitted false supporting
documentation to the Lenders in support of the loan
applications, including false verification letters. The
defendants and other straw buyers obtained the mortgage loans
funded on the basis of such applications through materially
false and fraudulent statements.

21 Co-defendants Crisp, Cole, Farmer, and Mohammadi reviewed and
22 tracked these fraudulently-purchased properties on CCRE
23 financial spreadsheets and other records. Co-defendants Crisp,
24 Cole and Farmer directed co-defendant Mohammadi and other CCRE
25 employees to make mortgage payments in the names of the straw
26 borrowers including on loans obtained by the co-defendants. In
27 furtherance of the scheme, co-defendants Crisp, Cole and Farmer
28 had CCRE and Tower Lending employees contact Lenders to make
loan payments telephonically while falsely purporting to be the
straw borrowers. Co-defendants Crisp, Farmer and Mohammadi also
made such calls directly to Lenders, while falsely purporting to
be the straw borrowers. Co-defendants Farmer and Mohammadi also
made mortgage payments on the straw-purchased properties using
CCRE funds.

1 COSTA knowingly caused numerous false and fraudulent loan
2 applications to be submitted to Lenders as a loan officer for
3 Tower Lending, and also knowingly purchased properties as a
4 straw buyer, all in furtherance of the conspiracy. Some of the
5 properties purchased using false and fraudulent loan
6 applications processed and caused to be submitted to Lenders by
7 COSTA include, but are not limited to, 7908 Revelstoke Way,
8 Bakersfield, California, purchased by co-defendant Jennifer
9 Crisp, and 1904 Ordsall Street, Bakersfield, California,
10 purchased by co-defendant Robinson Nguyen. Some of the
11 properties COSTA knowingly purchased as a straw buyer in
12 furtherance of the conspiracy include, but are not limited to,
13 1804 Three Bridges Way, Bakersfield, California, 14915
14 Henderson, Bakersfield, California, and 1906 Heaton Street,
15 Bakersfield, California. The Lender for 1906 Heaton Street was
16 Fremont Investment and Loan, which was, at all relevant times, a
17 financial institution as defined at Title 18, United States
18 Code, Section 20.

19 When the California Department of Real Estate investigated CCRE
20 and Tower Lending during the period of the conspiracy, in
21 furtherance of the conspiracy co-defendants Crisp, Cole, Farmer,
22 and defendant COSTA knowingly concealed that COSTA was and had
23 been serving as a loan officer for Tower Lending even though
24 COSTA was not licensed. Co-defendants Crisp, Cole, defendant
25 COSTA, and others caused the loan paperwork on loans prepared
26 and handled by COSTA to be falsified to make it appear that Cole
27 had been the loan officer on those loans.

28 COSTA knew that the misstatements and omissions that the
defendants and others caused to be submitted to the Lenders in
connection with mortgage loan applications were materially false
and fraudulent. The mortgage loans funded on the basis of such
applications were knowingly obtained through such materially
false and fraudulent statements and omissions. In many cases,
the Lenders funded these mortgage loans through wire transfers
in interstate commerce.

On loans that COSTA and other co-defendants caused to be funded
for properties in Kern County, the defendant caused the
Recorder's Office to deposit and mail Grant Deeds and Deeds of
Trust corresponding to each transaction, to be sent and
delivered by the U.S. Postal Service according to the directions
indicated thereon. These mailings were in each case in
furtherance of the scheme to defraud. The mailings served to
notify and assure the Lenders that the conveyance of the
properties and the recording of the transactions had occurred
properly, and that the Lender's interest in each case was

1 secured. Additionally, the Lender could not sell their
2 completed loans on the secondary market until they had received
3 their filed deed of trust which ensured that their loan had been
4 secured and was available for resale on the market.

5 At all relevant times herein, in carrying out these actions,
6 defendant COSTA and the co-defendants acted with the intent to
7 defraud. Ultimately, and in many cases after the properties
8 were flipped several times through various straw purchases, most
9 of the properties were foreclosed upon after the defendants
10 failed to make the mortgage payments when due. Defendant COSTA
11 caused the defrauded Lenders to incur losses of at least
12 \$7,580,019.05 due to his involvement in the conspiracy.

13 7. Potential Sentence.

14 The following is the maximum potential sentence which defendant
15 faces:

16 COUNT ONE

17 (a) Imprisonment.

18 Maximum: Thirty (30) years.

19 (b) Fine.

20 Maximum: One million (\$1,000,000)

21 (c) Both such fine and imprisonment.

22 (d) Restitution--Mandatory

23 (e) Term of Supervised Release.

24 Maximum: Five (5) years.

25 (Should the defendant violate any of the terms of his supervised
26 release, he can be returned for the period of supervised release,
27 actually imposed by the Court or three (3) years, whichever is less.)

28 (f) Penalty Assessment.

Mandatory: One hundred dollars (\$100.00)

8. Waiver of Rights.

Defendant understands that by pleading guilty he surrenders
certain rights, including the following:

1 (a) If defendant persisted in a plea of not guilty to the
2 charges against him, he would have the right to a public and speedy
3 trial. The trial could be either a jury trial or a trial by a judge
4 sitting without a jury. Defendant has a right to a jury trial.
5 However, in order that the trial be conducted by the judge sitting
6 without a jury, defendant, the government and the judge all must
7 agree that the trial be conducted by the judge without a jury.

8 (b) If the trial were a jury trial, the jury would be composed
9 of twelve lay persons selected at random. Defendant and his attorney
10 would have a say in who the jurors would be by removing prospective
11 jurors for cause where actual bias or other disqualification is
12 shown, or without cause by exercising peremptory challenges. The
13 jury would have to agree unanimously before it could return a verdict
14 of either guilty or not guilty. The jury would be instructed that
15 defendant is presumed innocent and that it could not convict him
16 unless, after hearing all the evidence, it was persuaded of his guilt
17 beyond a reasonable doubt.

18 (c) If the trial were held before a judge without a jury, the
19 judge would find the facts and determine, after hearing all the
20 evidence, whether or not he was persuaded of the defendant's guilt
21 beyond a reasonable doubt.

22 (d) At a trial, whether by a jury or a judge, the government
23 would be required to present its witnesses and other evidence against
24 defendant. Defendant would be able to confront those government
25 witnesses and his attorney would be able to cross-examine them. In
26 turn, defendant could present witnesses and other evidence on his own
27 behalf. If the witnesses for defendant would not appear voluntarily,
28 he could require their attendance through the subpoena power of the

1 Court. At trial, the defendant would also have the right to
2 assistance of legal counsel. If he could not afford legal counsel,
3 one would be appointed for him by the court at no expense to him.

4 (e) At a trial, defendant would have a privilege against self-
5 incrimination so that he could decline to testify, and no inference
6 of guilt could be drawn from this refusal to testify.

7 Defendant understands that by pleading guilty he is waiving all
8 of the rights set forth above and defendant's attorney has explained
9 those rights to him and the consequences of his waiver of those
10 rights.

11 9. Questions by Court.

12 Defendant understands that if the Court questions him under
13 oath, on the record and in the presence of counsel, about the offense
14 to which he has pleaded guilty, his answers, if false, may later be
15 used against him in a prosecution for perjury.

16 10. Entire Agreement.

17 This plea of guilty is freely and voluntarily made and not the
18 result of force or threats or of promises apart from those set forth
19 in this plea agreement. There have been no representations or
20 promises from anyone as to what sentence this Court will impose.
21 Other than this Plea Agreement, no agreement, understanding, promise,
22 or condition between the government and the defendant exists, nor
23 will such agreement, understanding, promise, or condition exist
24 unless it is committed to writing and signed by the defendant,
25 counsel for the defendant, and counsel for the United States.

26 11. Court not a Party.

27 It is understood by the parties that the Court is not a party to
28 this Plea Agreement. Sentencing is a matter solely within the

1 discretion of the Court, the Court is under no obligation to accept
2 any recommendations made by the government, and the Court may in its
3 discretion impose any sentence it deems appropriate up to and
4 including the statutory maximum stated in this Plea Agreement.
5 Further, in making its sentencing decision, the Court may take into
6 consideration any and all facts and circumstances concerning the
7 criminal activities of defendant, including activities which may not
8 have been charged in the Indictment.

9 If the Court should impose any sentence up to the maximum
10 established by the statute, the defendant cannot, for that reason
11 alone, withdraw his guilty plea, and he will remain bound to fulfill
12 all of the obligations under this Plea Agreement. The defendant
13 understands that neither the prosecutor, defense counsel, nor the
14 Court can make a binding prediction or promise regarding the sentence
15 he will receive.

16 12. Presentence Report.

17 Defendant understands that the United States Probation Office is
18 not a party to this agreement and will conduct an independent
19 investigation of defendant's activities and his background. It will
20 then prepare a presentence report which it will submit to the Court
21 as its independent sentencing recommendation.

22 ///

23 ///

24 ///

25 ///

26 ///

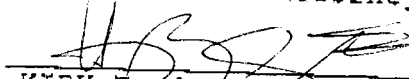
27 ///

28 ///

1 In addition, the government will fully apprise the Probation
2 Office, as well as the Court, of the full and true nature, scope and
3 extent of the defendant's criminal activities, including information
4 on his background and criminal history.

5
6 Dated:

BENJAMIN B. WAGNER
United States Attorney



KIRK E. SHERRIFF
HENRY Z. CARBAJAL III
CHRISTOPHER D. BAKER
Assistant United States Attorneys

11 Dated: 11/01/2013



JOHN GARLAND
Attorney for JAYSON PETER COSTA

14 Dated: 01 NOV 13

JAYSON PETER COSTA