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

11 UNITED STATES OF AMERICA,  
12  
13 Plaintiff,  
14 v.  
15 ALEXANDER ROMANIOLIS,  
16 Defendant.

CASE NO. 2:13-CR-089 TLN  
PLEA AGREEMENT  
DATE: January 9, 2014  
TIME: 9:30 a.m.  
COURT: Hon. Troy L. Nunley

17  
18 I. INTRODUCTION

19 A. Scope of Agreement.

20 The indictment in this case charges the defendant with violations of Title 18, United States Code  
21 section 1341 and 2, mail fraud involving financial institutions and aiding and abetting thereof. This  
22 document contains the complete plea agreement between the United States Attorney's Office for the  
23 Eastern District of California (the "government") and the defendant regarding this case. This plea  
24 agreement is limited to the United States Attorney's Office for the Eastern District of California and  
25 cannot bind any other federal, state, or local prosecuting, administrative, or regulatory authorities.

26 B. Court Not a Party.

27 The government and the defendant agree that a specific sentence, set forth below in paragraph  
28 VI.C., would be appropriate in this case. Consequently, this plea agreement is being offered to the Court

1 pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure.

2 Under the provisions of Rule 11(c)(3), the Court may accept or reject the plea agreement, or may  
3 defer its decision as to the acceptance or rejection until there has been an opportunity to consider the  
4 presentence report. If the Court accepts the plea agreement, the Court will inform the defendant that it  
5 will embody in the judgment and sentence the disposition provided for in this plea agreement. If the  
6 Court rejects this plea agreement, the Court shall so advise the defendant, allow the defendant the  
7 opportunity to withdraw his plea, and advise him that if he persists in a guilty plea the disposition of the  
8 case may be less favorable to him than is contemplated by this plea agreement.

9 **II. DEFENDANT'S OBLIGATIONS**

10 **A. Guilty Plea.**

11 The defendant will plead guilty to Count One of the indictment. The defendant agrees that he is  
12 in fact guilty of these charges and that the facts set forth in the Factual Basis For Plea attached hereto as  
13 Exhibit A are accurate. The defendant agrees that this plea agreement will be filed with the Court and  
14 become a part of the record of the case.

15 The defendant agrees that the statements made by him in signing this Agreement, including the  
16 factual admissions set forth in the factual basis, shall be admissible and useable against the defendant by  
17 the United States in any subsequent criminal or civil proceedings, even if the defendant fails to enter a  
18 guilty plea pursuant to this Agreement or withdraws such a plea once entered. The defendant waives  
19 any rights under Fed. R. Crim. P. 11(f) and Fed. R. Evid. 410, to the extent that these rules are  
20 inconsistent with this paragraph or with this Agreement generally. Should the Court *sua sponte* (i.e., on  
21 its own) reject this Fed. R. Crim. P. 11(c)(1)(C) agreement, the defendant will not be bound by the  
22 agreement in this paragraph.

23 **B. Restitution.**

24 The Mandatory Victim Restitution Act requires the Court to order restitution to the victims of  
25 certain offenses. Defendant agrees that his conduct is governed by the Mandatory Restitution Act  
26 pursuant to 18 U.S.C. § 3663A(c)(1)(A)(ii) and agrees to pay the full amount of restitution to all victims  
27 affected by this offense, including, but not limited to, the victims covered in the factual basis, victims  
28 covered in those counts to be dismissed as part of the plea agreement pursuant to 18 U.S.C. §

1 3663A(a)(3), and other victims as a result of the defendant's conduct for the offenses charged from the  
2 periods of January 2005 through May 2007. The government estimates the amount of restitution will be  
3 up to \$ 2 million, with the specific amount to be proven with the assistance of the victims at the time of  
4 sentencing or within 90 days thereafter.

5 Defendant further agrees that he will not seek to discharge any restitution obligation or any part  
6 of such obligation in any bankruptcy proceeding.

7 Payment of restitution shall be by cashier's or certified check made payable to the Clerk of the  
8 Court.

9 **C. Fine.**

10 The defendant agrees to pay a criminal fine if and as ordered by the Court. The defendant  
11 understands and agrees that it is his burden to demonstrate an inability to pay a fine. The defendant  
12 understands that this plea agreement is voidable at the option of the government if he fails to pay the  
13 fine as required by this plea agreement.

14 **D. Special Assessment.**

15 The defendant agrees to pay a special assessment of \$100.00 at the time of sentencing by  
16 delivering a check or money order payable to the United States District Court to the United States  
17 Probation Office immediately before the sentencing hearing. The defendant understands that this plea  
18 agreement is voidable at the option of the government if he fails to pay the assessment prior to that  
19 hearing. If the defendant is unable to pay the special assessment at the time of sentencing, he agrees to  
20 earn the money to pay the assessment, if necessary by participating in the Inmate Financial  
21 Responsibility Program.

22 **E. Violation of Plea Agreement by Defendant/Withdrawal of Plea.**

23 If the defendant, cooperating or not, violates this plea agreement in any way, withdraws his plea,  
24 or tries to withdraw his plea, this plea agreement is voidable at the option of the government. The  
25 government will no longer be bound by its representations to the defendant concerning the limits on  
26 criminal prosecution and sentencing as set forth herein.

27 One way a cooperating defendant violates the plea agreement is to commit any crime or provide  
28 any statement or testimony which proves to be knowingly false, misleading, or materially incomplete.

1 Any post-plea conduct by a defendant constituting obstruction of justice will also be a violation of the  
2 agreement. The determination whether the defendant has violated the plea agreement will be under a  
3 probable cause standard.

4 If the defendant violates the plea agreement, withdraws his plea, or tries to withdraw his plea, the  
5 government shall have the right (1) to prosecute the defendant on any of the counts to which he/she  
6 pleaded guilty; (2) to reinstate any counts that may be dismissed pursuant to this plea agreement; and (3)  
7 to file any new charges that would otherwise be barred by this plea agreement. The defendant shall  
8 thereafter be subject to prosecution for any federal criminal violation of which the government has  
9 knowledge, including perjury, false statements, and obstruction of justice. The decision to pursue any or  
10 all of these options is solely in the discretion of the United States Attorney's Office.

11 By signing this plea agreement, the defendant agrees to waive any objections, motions, and  
12 defenses that the defendant might have to the government's decision. Any prosecutions that are not  
13 time-barred by the applicable statute of limitations as of the date of this plea agreement may be  
14 commenced in accordance with this paragraph, notwithstanding the expiration of the statute of  
15 limitations between the signing of this plea agreement and the commencement of any such prosecutions.  
16 The defendant agrees not to raise any objections based on the passage of time with respect to such  
17 counts including, but not limited to, any statutes of limitation or any objections based on the Speedy  
18 Trial Act or the Speedy Trial Clause of the Sixth Amendment to any counts that were not time-barred as  
19 of the date of this plea agreement.

20 In addition, (1) all statements made by the defendant to the government or other designated law  
21 enforcement agents, or any testimony given by the defendant before a grand jury or other tribunal,  
22 whether before or after this plea agreement, shall be admissible in evidence in any criminal, civil, or  
23 administrative proceedings hereafter brought against the defendant; and (2) the defendant shall assert no  
24 claim under the United States Constitution, any statute, Rule 11(f) of the Federal Rules of Criminal  
25 Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule, that statements made by  
26 the defendant before or after this plea agreement, or any leads derived therefrom, should be suppressed.  
27 By signing this plea agreement, the defendant waives any and all rights in the foregoing respects.

1           **F.     Forfeiture.**

2           The defendant also voluntarily stipulates and agrees that as part of his sentence the Court may,  
3 pursuant to Fed. R. Crim. P. 32.2(b), order a forfeiture money judgment in an amount up to \$463,411,  
4 less any forfeited funds.

5           The defendant knowingly and voluntarily waives his right to a jury trial on the forfeiture of  
6 assets. The defendant knowingly and voluntarily waives all constitutional, legal and equitable defenses  
7 to the forfeiture of these assets in any proceeding. The defendant agrees to waive any jeopardy defense,  
8 and agrees to waive any claim or defense under the Eighth Amendment to the United States  
9 Constitution, including any claim of excessive fine, to the forfeiture of the assets by the United States,  
10 the State of California or its subdivisions.

11           The defendant waives oral pronouncement of forfeiture at the time of sentencing, and any  
12 defenses or defects that may pertain to the forfeiture.

13           **G.     Asset Disclosure.**

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

21                           **III.     THE GOVERNMENT'S OBLIGATIONS**

22           **A.     Dismissals.**

23           The government agrees to move, at the time of sentencing, to dismiss without prejudice the  
24 remaining counts in the pending indictment. The government also agrees not to reinstate any dismissed  
25 count except if this agreement is voided as set forth herein, or as provided in paragraphs II.E, VI.B, and  
26 VII.B herein.

27           **B.     Use of Information for Sentencing.**

28           The government is free to provide full and accurate information to the Court and Probation,

1 including answering any inquiries made by the Court and/or Probation and rebutting any inaccurate  
2 statements or arguments by the defendant, his attorney, Probation, or the Court. The defendant also  
3 understands and agrees that nothing in this Plea Agreement bars the government from defending on  
4 appeal or collateral review any sentence that the Court may impose.

5 **IV. ELEMENTS OF THE OFFENSE**

6 At a trial, the government would have to prove beyond a reasonable doubt the following  
7 elements of the offense(s) to which the defendant is pleading guilty, mail fraud under Title 18, United  
8 States Code, section 1341:

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

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

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

17 Fourth, the defendant used, or caused to be used, the mails to carry out or attempt to carry  
18 out an essential part of the scheme.

19 The defendant fully understands the nature and elements of the crimes charged in the Indictment  
20 to which he is pleading guilty, together with the possible defenses thereto, and has discussed them with  
21 his attorney.

22 **V. MAXIMUM SENTENCE**

23 **A. Maximum Penalty.**

24 The maximum sentence that the Court can impose is 30 years of incarceration, a fine of  
25 \$1,000,000 or twice the gain or loss from the offense, a five year period of supervised release and a  
26 special assessment of \$100 per count. By signing this plea agreement, the defendant also agrees that the  
27 Court can order the payment of restitution for the full loss caused by the defendant's wrongful conduct.  
28 The defendant agrees that the restitution order is not restricted to the amounts alleged in the specific

1 counts to which the defendant is pleading guilty. The defendant further agrees, as noted above, that he  
2 will not attempt to discharge in any present or future bankruptcy proceeding any restitution imposed by  
3 the Court.

4 **B. Violations of Supervised Release.**

5 The defendant understands that if he violates a condition of supervised release at any time during  
6 the term of supervised release, the Court may revoke the term of supervised release and require the  
7 defendant to serve up to 3 additional years imprisonment.

8 **VI. SENTENCING DETERMINATION**

9 **A. Statutory Authority.**

10 The defendant understands that the Court must consult the Federal Sentencing Guidelines and  
11 must take them into account when determining a final sentence. The defendant understands that the  
12 Court will determine a non-binding and advisory guideline sentencing range for this case pursuant to the  
13 Sentencing Guidelines and must take them into account when determining a final sentence. The  
14 defendant understands that the Court will determine a non-binding and advisory guideline sentencing  
15 range for this case pursuant to the Sentencing Guidelines. The defendant further understands that the  
16 Court will consider whether there is a basis for departure from the guideline sentencing range (either  
17 above or below the guideline sentencing range) because there exists an aggravating or mitigating  
18 circumstance of a kind, or to a degree, not adequately taken into consideration by the Sentencing  
19 Commission in formulating the Guidelines. The defendant further understands that the Court, after  
20 consultation and consideration of the Sentencing Guidelines, must impose a sentence that is reasonable  
21 in light of the factors set forth in 18 U.S.C. § 3553(a).

22 **B. Sentencing Argument.**

23 The parties agree that they will not seek or argue in support of any specific offense  
24 characteristics, Chapter Three adjustments (other than the decrease for “Acceptance of Responsibility”),  
25 or cross-references, though each party retains the right and responsibility to discuss such factors with the  
26 Probation Officer and the Court in an effort to assist the Court in its obligation to determine the  
27 appropriate Guidelines level for the case during the Presentence Investigation and at the time of  
28 sentencing. Both parties agree not to move for, or argue in support of, any departure from the

1 Sentencing Guidelines, or any deviance or variance from the Sentencing Guidelines under United States  
2 v. Booker, 543 U.S. 220, 125 S.Ct. 738 (2005) or 18 U.S.C. § 3553(a).

3 The sole exception to the agreement not to argue under 18 U.S.C. § 3553(a)/Booker is that the  
4 defendant reserves the right to argue for a term of supervised release within the Guidelines range, while  
5 the Government reserves the right to argue for the full term of supervised release authorized by law.  
6 This agreement is to the term of supervised release imposed at sentencing and does not affect a term of  
7 supervised release imposed as the result of a violation of the defendant's conditions of supervised  
8 release. The defendant understands and agrees that if the Court imposes the full term of supervised  
9 release authorized by law that shall not enable the defendant to withdraw his plea agreement, appeal, or  
10 otherwise avoid his obligations under this agreement.

11 **C. Specific Sentence Agreement.**

12 Pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure, the parties stipulate  
13 and agree that the appropriate sentence of imprisonment in this matter is 30 months. The parties also  
14 agree to restitution, forfeiture, and payment of a special assessment as discussed elsewhere in this  
15 agreement. The parties also agree that imposition of a term of supervised release is appropriate and  
16 agree to any lawful term of supervised release as imposed by the Court.

17 **VII. WAIVERS**

18 **A. Waiver of Constitutional Rights.**

19 The defendant understands that by pleading guilty he is waiving the following constitutional  
20 rights: (a) to plead not guilty and to persist in that plea if already made; (b) to be tried by a jury; (c) to  
21 be assisted at trial by an attorney, who would be appointed if necessary; (d) to subpoena witnesses to  
22 testify on his behalf; (e) to confront and cross-examine witnesses against him; and (f) not to be  
23 compelled to incriminate himself.

24 **B. Waiver of Appeal and Collateral Attack.**

25 The defendant understands that the law gives the defendant a right to appeal his/her guilty plea,  
26 conviction, and sentence. The defendant agrees as part of his/her plea/pleas, however, to give up the  
27 right to appeal the guilty plea, conviction, and the sentence imposed in this case as long as the sentence  
28 does not exceed the statutory maximum(s) for the offense(s) to which he/she is pleading guilty. The





1 **IX. APPROVALS AND SIGNATURES**

2 **A. Defense Counsel.**

3 I have read this plea agreement and have discussed it fully with my client. The plea agreement  
4 accurately and completely sets forth the entirety of the agreement. I concur in my client's decision to  
5 plead guilty as set forth in this plea agreement.

6 Dated: \_\_\_\_\_

7 \_\_\_\_\_  
JOHN MANNING  
Attorney for Defendant

8 **B. Defendant.**

9 I have read this plea agreement and carefully reviewed every part of it with my attorney. I  
10 understand it, and I voluntarily agree to it. Further, I have consulted with my attorney and fully  
11 understand my rights with respect to the provisions of the Sentencing Guidelines that may apply to my  
12 case. No other promises or inducements have been made to me, other than those contained in this plea  
13 agreement. In addition, no one has threatened or forced me in any way to enter into this plea agreement.  
14 Finally, I am satisfied with the representation of my attorney in this case.

15 Dated: \_\_\_\_\_

16 \_\_\_\_\_  
ALEXANDER ROMANIOLIS  
Defendant

17 **C. Attorney for United States.**

18 I accept and agree to this plea agreement on behalf of the government.

19 Dated: \_\_\_\_\_

20 BENJAMIN B. WAGNER  
United States Attorney

21 \_\_\_\_\_  
JEAN M. HOBLER  
Assistant United States Attorney

1 EXHIBIT "A"

2 Factual Basis for Plea

3 Beginning in or about January 2005 and continuing to in or about May 2007, Defendant  
4 ALEXANDER ROMANIOLIS and five individuals, T.B., L.M., J.S., and I.R., and M.M (each a  
5 "Strawbuyer," and, collectively, the "Strawbuyers"), purchased residential properties in the  
6 Strawbuyers' names, even though Defendant ROMANIOLIS was the true buyer. Defendant  
7 ROMANIOLIS arranged and facilitated the transactions through his mortgage company, ALPHA &  
8 OMEGA MORTGAGE AND LENDING ("ALPHA & OMEGA"). Defendant ROMANIOLIS created  
9 fraudulent income, employment and asset profiles for the Strawbuyers, handled loan documents for the  
10 transactions, and made mortgage payments to lenders on the Strawbuyers' behalf. Defendant  
11 ROMANIOLIS's fraudulent scheme covered the following properties:

Property	Address	City	Borrower	Date (on or about)
1	6757 Cherrv Ridge Cir	Roseville, CA	T.B.	1/11/2005
2	1972 Bosbury Way	Roseville, CA	L.M.	2/28/2006
3	6635 Kings Canyon Dr	Rocklin, CA	L.M.	10/6/2005
4	6501 Aster Ct	Rocklin, CA	J.S.	1/23/2006
5	308 Bosbury Ct	Roseville, CA	I.R.	12/18/2006
6	6416 Ivy Glen Way	Roseville, CA	I.R.	12/19/2006
7	19 Calle Aveituna	San Clemente, CA	M.M.	2/27/2007
8	2249 Misty Hollow Ct	Rocklin, CA	J.S.	5/3/2007

13 M.M. and ROMANIOLIS were jointly involved in the purchase of two properties, one of which,  
14 property 7 above, as part of the scheme. In an earlier transaction, M.M. represented that he earned  
15 \$19,500/month. In the second transaction, property 7, above, M.M. represented that he earned more  
16 than double that, \$42,000/month, even though the two transactions closed just two months apart.  
17 Notwithstanding the fact the loans closed two months apart, and were located in Roseville, CA and San  
18 Clemente, CA, respectively, M.M. represented that he was going to occupy both properties as his  
19 primary residence. Defendant ROMANIOLIS arranged both transactions, helped M.M. complete the  
20 transactions, and paid M.M. to participate.

21 Strawbuyers T.B., L.M., J.S., and I.R. were the strawbuyers for remaining seven transactions.  
22 On the loan applications for those seven loans, the four Strawbuyers indicated that they worked for one  
23 of Defendant ROMANIOLIS's companies, PHOINIX SYSTEMS INC. ("PHOINIX"), ANTARES  
24 INDUSTRIES INC. ("ANTARES"), or ALEXANDRIA II LASER & SKIN CARE CENTER INC.  
25 ("AII"), each earning between \$8,730/month and \$17,100/month. In actuality, none of those four  
26 Strawbuyers had earnings higher than \$1,200/month. Misrepresented facts in these transactions that  
27 were material to the lenders included without limitation: (1) ROMANIOLIS's role as the true buyer of  
28 the properties who maintained control of them following the purchases, including collecting rent on  
some of the properties, and (2) the grossly inflated incomes and assets of the Strawbuyers were both  
material facts to the lenders.

25 Defendant ROMANIOLIS, through ALPHA & OMEGA, arranged loans for two properties  
26 located in Roseville, California: 308 Bosbury Court and 6416 Ivy Glen Way, both located in Roseville,  
27 CA. Defendant ROMANIOLIS obtained each loan in the name of his uncle, I.R. The loan applications  
28 state that I.R. was PHOINIX's Chairman and Regional Sales Manager, earning \$17,100/month. Each  
application stated that I.R. intended to live in the property as his primary residence. None of these  
representations was true. In actuality, I.R. lived in New York City, had never been to Sacramento, never  
intended to move to Sacramento, and never did move to Sacramento. I.R. lived on public assistance

1 payments of roughly \$1,000/month. Yet on December 18, 2006, and December 19, 2006, one day apart,  
2 Defendant ROMANIOLIS, through ALPHA & OMEGA, closed loans with federally-insured financial  
institutions National City and SunTrust for the two properties.

3 On or about January 2, 2007, as a result of the sale of the 308 Bosbury Court property and in a  
4 step material to the lender, the Placer County Assessor's office mailed deed of trust paperwork to the  
lender, SunTrust Mortgage, a division of SunTrust Bank (FDIC 867). The 308 Bosbury Court property  
5 went into default in February 2008, and foreclosed was upon, resulting in a loss to the lender.

6 During the full course of the scheme, Defendant ROMANIOLIS caused lenders, including two  
7 federally-insured financial institutions, National City and SunTrust, to fund over \$6 million in loans.  
Each of the homes purchased during the course of the scheme was ultimately foreclosed upon, causing a  
8 loss to the lenders in each instance.

9 Dated: \_\_\_\_\_

10 \_\_\_\_\_  
11 ALEXANDER ROMANIOLIS  
12 Defendant