

DAVID B. BARLOW, United States Attorney (#13117)  
BRENT D. WARD, Trial Attorney, Criminal Division, U.S. Department of Justice  
(#3377)  
Attorneys for the United States of America  
185 South State Street, Suite 300  
Salt Lake City, Utah 84111  
Telephone: (801-524-5682

FILED IN UNITED STATES DISTRICT  
COURT, DISTRICT OF UTAH

MAY 21 2014

BY  D. MARK JONES, CLERK  
DEPUTY CLERK

IN THE UNITED STATES DISTRICT COURT  
DISTRICT OF UTAH, Choose an item. DIVISION

<p>UNITED STATES OF AMERICA,</p> <p>Plaintiff,</p> <p>vs.</p> <p>MARTIN A. POOL</p> <p>Defendants.</p>	<p>Case No. 2:14-CR-221-DAK</p> <p>STATEMENT BY DEFENDANT MARTIN A. POOL IN ADVANCE OF PLEA OF GUILTY AND PLEA AGREEMENT PURSUANT TO FED. R. CRIM. P. 11(c)(1)(C)</p> <p>Judge Dale A. Kimball</p>
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I hereby acknowledge and certify that I have been advised of and that I understand the following facts and rights, and that I have had the assistance of counsel in reviewing, explaining, and entering into this agreement:

1. As part of this agreement with the United States, I intend to plead guilty to Counts 1 and 2 of the Felony Information. My attorney has explained the nature of the charges against me, and I have had an opportunity to discuss the nature of the charges with my attorney. I understand the charges and what the government is required to prove in order to convict me.

The elements of Count, Securities Fraud, are:

First, the defendant used a device or scheme to defraud someone, made an untrue statement of a material fact, failed to disclose a material fact that resulted in making the defendant's statements misleading, or engaged in any act, practice, or course of business that operates or would operate as a fraud or deceit upon any person;

Second, the defendant's acts were in connection with the purchase or sale of a security, namely promissory notes and loan agreements;

Third, the defendant directly or indirectly used the mails or interstate telephone/Internet network in connection with these acts; and

Fourth, the defendant acted for the purpose of defrauding buyers or sellers of the promissory notes and loan agreements.

The elements of Count 2, Money Laundering, are:

First, that the defendant engaged in a monetary transaction in or affecting interstate commerce;

Second, that the monetary transaction involved criminally derived property of a value greater than \$10,000;

Third, that the property was derived from specified unlawful activity;

Fourth, that the defendant acted knowingly that is, with knowledge that the transaction involved proceeds of a criminal offense.

I know that the maximum possible penalty provided by law for Count 1 of the Felony Information, a violation of 15 U.S.C. §§ 78j(b) and 78ff (Securities Fraud), is a term of imprisonment of up to twenty years, a fine of \$5,000,000.00, a term of supervised release of up to three years, and any applicable forfeiture. I know that the maximum possible penalty provided by law for Count 2 of the Felony Information, a violation of 18 U.S.C. § 1957 (Money Laundering) is a term of imprisonment of up to ten years, a fine of \$250,000.00, a term of supervised release of up to three years, and any applicable forfeiture. I understand that if I violate a term or condition of supervised release, I can be returned to prison for the length of time provided in 18 U.S.C. § 3583(e)(3)

a. Additionally, I know the Court is required to impose an assessment in the amount of \$100 for each offense of conviction, pursuant to 18 U.S.C. § 3013. Furthermore, restitution to the victims of my offenses may be ordered pursuant to 18 U.S.C. § 3663.

b. I understand that, if I am not a United States citizen, I may be removed from the United States, denied citizenship, and denied admission to the United States in the future.

2. I know that the sentencing procedures in this case and the ultimate sentence will be determined pursuant to 18 U.S.C. § 3553(a), and that the Court must consider, but is not bound by, the United States Sentencing Guidelines, in determining my sentence. I have discussed these procedures with my attorney. I also know that the final calculation of my sentence by the Court may differ from any calculation the United States, my attorney, or I may have made, and I will not be able to withdraw my plea if this occurs.

However, because of my plea of guilty is being entered pursuant to Rule 11(c)(1)(C), as explained below, I know that I will be able to withdraw my plea if the Court does not accept the terms of this agreement.

3. I know that I can be represented by an attorney at every stage of the proceeding, and I know that if I cannot afford an attorney, one will be appointed to represent me.

4. I know that I have a right to plead "Not Guilty" or maintain my earlier plea of "Not Guilty" and can have a trial on the charges against me.

5. I know that I have a right to a trial by jury, and I know that if I stand trial by a jury:

- a. I have a right to the assistance of counsel at every stage of the proceeding.
- b. I have a right to see and observe the witnesses who testify against me.
- c. My attorney can cross-examine all witnesses who testify against me.
- d. I can call witnesses to testify at trial, and I can obtain subpoenas to require the attendance and testimony of those witnesses. If I cannot afford to pay for the appearance of a witness and mileage fees, the government will pay them.

e. I cannot be forced to incriminate myself, and I do not have to testify at any trial.

f. If I do not want to testify, the jury will be told that no inference adverse to me may be drawn from my election not to testify.

g. The government must prove each and every element of the offense charged against me beyond a reasonable doubt.

h. It requires a unanimous verdict of a jury to convict me.

i. If I were to be convicted, I could appeal, and if I could not afford to appeal, the government would pay the costs of the appeal, including the services of appointed counsel.

6. If I plead guilty, I will not have a trial of any kind.

7. I know that 18 U.S.C. § 3742(c)(1) sets forth the circumstances under which I may appeal my sentence. However, fully understanding my right to appeal my sentence, and in consideration of the concessions and/or commitments made by the United States in this plea agreement, I knowingly, voluntarily and expressly waive my right to appeal as set forth in paragraph 12 below.

8. I know that, under 18 U.S.C. § 3742(c)(2), the United States may only appeal my sentence if it is less than the sentence set forth in this agreement.

9. I know that under a plea of guilty the judge may ask me questions under oath about the offense. The questions, if asked on the record and in the presence of counsel, must be answered truthfully and, if I give false answers, I can be prosecuted for perjury.

10. I stipulate and agree that the following facts accurately describe my conduct. These facts provide a basis for the Court to accept my guilty plea:

During the period 2006-2010 I participated in persuading investors to convert their traditional IRAs to self-directed IRA accounts and invest their funds in a residential real estate project known as Haven Estates in Vernal, Utah. This was accomplished by inducing the investors to direct their funds to my company, The Elva Group, in return for promissory notes from Elva with a promise of monthly interest payments at annual rates between 8% and 20%. As part of the inducement I told investors their funds would be used to develop Haven Estates and promised to secure their loans with first lien positions in Haven Estates.

In reality, investors' funds were used for other purposes than the development of Haven Estates. Additionally, investors were not told of encumbrances already in place on Haven Estates. When Elva began defaulting on the mortgage loan for Haven Estates, investors were not immediately informed. Eventually, Haven Estates was foreclosed.

These representations and omissions of material facts were made by me in connection with the investors' purchase of securities, namely the promissory notes and loan agreements. They constituted manipulative and deceptive devices, they were made for the purpose of defrauding the investors, and they operated as a fraud and deceit upon the investors.

The investors' funds were used by me and my associates for our personal benefit and to pay interest to earlier investors. The payments to earlier investors were Ponzi payments and had the effect of lulling the earlier investors, persuading them to leave their funds in my company, inducing them to renew their promissory notes from time to time, and enticing new investors to invest.

Investor funds, including those referred to in Count 1 of the Felony Information, were sent to my company's bank account via wire transfers in interstate commerce. Payments to me from this bank account, including the payment which is the subject of Count 2 of the Felony Information, were monetary transactions affecting interstate commerce and involved criminally derived property with a value in excess of \$10,000. The property was derived from a specified unlawful activity, namely securities fraud, and

I acted knowingly, that is, I knew the transaction involved the proceeds of a criminal offense.

11. The only terms and conditions pertaining to this plea agreement between me and the United States are as follows:

a. **Guilty Plea.** I will plead guilty to Counts 1 and 2 of the Felony Information.

b. **Stipulated Sentence.** Pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure, the sentence imposed by the Court will be seventy-eight (78) months' imprisonment, and I agree that seventy-eight (78) months is a reasonable sentence.

(1) I understand that this agreement, including my plea, the agreed upon sentence, and all other terms referenced herein, are subject to the approval of, and acceptance by the Court. I further understand that the Court will likely order the preparation of a Presentence Report to assist in the determination of whether this plea and the agreement are appropriate, and I agree to fully cooperate in the preparation of the Presentence Report.

(2) If, after receiving all relevant information, the Court rejects the plea agreement and determines that a sentence different from the agreed upon sentence of seventy-eight (78) months will be imposed, I will have the right to withdraw the plea of guilty and the terms of this agreement will become null and void. Likewise, if the Court rejects the plea agreement and determines that the sentence should be less than seventy-eight (78) months, I understand that the United States will have the right to move to vacate this agreement, and all terms of this agreement will become null and void.

c. **Relevant Conduct.** I understand and agree that the Presentence Report may include descriptions of conduct I engaged in which either was not charged against me, will not be pleaded to by me, or both. I understand and agree that the Court will take these facts into consideration in determining the reasonableness of the stipulated sentence.

d. **Statutory Sentencing Enhancements.** The government agrees to forego filing a sentencing enhancement under 21 U.S.C. § 851.

e. **Appeal Waiver.**

(1) Fully understanding my limited right to appeal my sentence, as explained above in paragraph 8, and in consideration of the concessions and/or commitments made by the United States in this plea agreement, I knowingly, voluntarily, and expressly waive my right to appeal any sentence imposed upon me, except that I do

not waive the right to appeal as set forth in 18 U.S.C. § 3742(c)(1), which states that I may not file a notice of appeal unless the sentence imposed is greater than the sentence set forth in this agreement.

(2) I also knowingly, voluntarily, and expressly waive my right to challenge my sentence, except as set forth in (2)(a) above, in any collateral review motion, writ or other procedure, including but not limited to a motion brought under 28 U.S.C. § 2255, except on the issue of ineffective assistance of counsel.

(3) I understand that this waiver of my appeal and collateral review rights concerning my sentence shall not affect the government's right to appeal my sentence pursuant to 18 U.S.C. § 3742(c)(2) and § 3742(b)(1) and (2).

(4) I further understand and agree that the word "sentence" appearing throughout this waiver provision is being used broadly and applies to all aspects of the Court's sentencing authority, including, but not limited to: (1) sentencing determinations; (2) the imposition of imprisonment, fines, supervised release, probation, and any specific terms and conditions thereof; and (3) any orders of restitution.


f. **Presentence Report and Financial Information.** I agree to provide truthful and complete information, including financial information, as requested by the probation office for the preparation of my presentence report and for determination of the conditions of my supervised release. I also consent to allowing the United States Attorney's Office to run a credit check on me. I consent to being placed on the Treasury Offset Program and State Finder.

g. **Restitution.**

(1) I understand that the government will request and that the Court may order that I pay restitution. I also agree to pay restitution to victims of unpleaded or uncharged relevant conduct pursuant to 18 U.S.C. § 3663(a)(3).

(2) I understand that the amount of restitution and the schedule of payments will be determined as a part of the sentencing proceedings in accordance with the provisions of 18 U.S.C. § 3664, and that under 18 U.S.C. § 3664(h), the Court can make me liable for the full amount of restitution owed. I agree to pay all restitution as ordered by the Court. I understand the payment of restitution is governed by 18 U.S.C. § 3664, and my lawyer has explained the consequences of an order of restitution.

(3) The government and the defendant agree that the defendant shall be ordered to pay restitution in the amount of \$9,031,336.83. The defendant shall be jointly and severally liable for payment of this amount, together with any other person or entity hereafter convicted of committing any federal crime arising out of the same facts and circumstances leading to the charge in the Felony Information filed in this case.

SK  
M.P.  


Furthermore, any amount paid by any other individual or entity in any other criminal or civil case as restitution to the victims in this case for conduct arising from the same facts and circumstances as those in this case shall be offset against the restitution amount payable by the defendant in this case and the defendant's restitution obligation in this case shall be reduced by any such amount.

(4) I understand that the government will recommend, and I agree that the Court should order, that during incarceration my restitution will be payable on a schedule of the greater of \$10.00 every three months or 50% of my income in prison from both institution and other sources. I agree to pay restitution during any period of incarceration imposed on me.

(5) I understand and agree that payment of any restitution owed, pursuant to the schedule set by the Court at sentencing, should be a condition of any term of probation or supervised release imposed upon me. I know that if I fail to pay restitution as ordered, the failure can be considered a violation of probation or supervised release and, pursuant to 18 U.S.C. § 3614, the Court can resentence me to any sentence which might originally have been imposed in my case.

**h. Waiver of Interest.** The government agrees to recommend that the Court waive interest for fines and restitution assessed against me.

12. I understand and agree that this plea agreement is solely between me and the United States Attorney for the District of Utah and does not bind any other federal, state, or local prosecuting, administrative, or regulatory authorities.

13. I understand that I have a right to ask the Court any questions I wish to ask concerning my rights my rights about these proceedings and the plea.

\* \* \* \*

I make the following representations to the Court:

1. I am 44 years of age. My education consists of 3 years college. I can read and understand English. S.K.

2. This Statement in Advance contains all terms of the agreements between me and the government; if there are exceptions, the Court will be specifically advised, on the record, at the time of my guilty plea of the additional terms. I understand the government and I cannot have terms of this plea agreements that are not disclosed to the Court.

3. No one has made threats, promises, or representations to me that have caused me to plead guilty, other than the provisions set forth in this agreement.

4. Neither my attorney nor the government has promised me that I would receive probation or any other form of leniency because of my plea.
5. I have discussed this case and this plea with my lawyer as much as I wish, and I have no additional questions.
6. I am satisfied with my lawyer.
7. My decision to enter this plea was made after full and careful thought; with the advice of counsel; and with a full understanding of my rights, the facts and circumstances of the case and the consequences of the plea. I was not under the influence of any drugs, medication, or intoxicants when I made the decision to enter the plea, and I am not now under the influence of any drugs, medication, or intoxicants.
8. I have no mental reservations concerning the plea.
9. I understand and agree to all of the above. I know that I am free to change or delete anything contained in this statement. I do not wish to make changes to this agreement because I agree with the terms and all of the statements are correct.

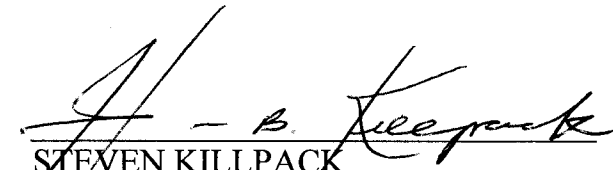
DATED this 21<sup>st</sup> day of May, 2014.

  
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MARTIN A. POOL  
Defendant



I certify that I have discussed this statement with the defendant, that I have fully explained his rights to him, and I have assisted him in completing this form. I believe that he is knowingly and voluntarily entering the plea with full knowledge of his legal rights and that there is a factual basis for the plea.

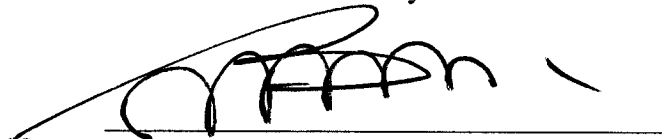
DATED this 21<sup>st</sup> day of May, 2014.

  
STEVEN KILLPACK  
Attorney for Defendant

I represent that all terms of the plea agreement between the defendant and the government have been, or will be at the plea hearing, disclosed to the Court, and there are no undisclosed agreements between the defendant and the United States.

DATED this 21<sup>st</sup> day of May, 2014.

DAVID B. BARLOW  
United States Attorney

  
BRENT D. WARD  
Trial Attorney, Criminal Division  
U.S. Department of Justice