

In March 2007, Defendant Michael W. Yancey was a Senior Vice President and commercial lender at Farmers Bank & Trust, N.A. ("Farmers Bank") in Overland Park, Kansas. Farmers Bank, headquartered in Great Bend, Kansas, was a financial institution the deposits of which were insured by the Federal Deposit Insurance Corporation ("FDIC").

B.W. was a commercial customer at Farmers Bank and owner of multiple companies, including Company A and Company B, which were located in Bonner Springs, Kansas. Defendant Yancey served as the loan officer for B.W. at Farmers Bank.

In March 2007, B.W. applied to Farmers Bank for a commercial loan on behalf of Company A and Company B in order to purchase a piece of real estate located in Basehor, Kansas (hereinafter "the Basehor loan").

On or about March 9, 2007, B.W. sent to Defendant Yancey by facsimile a falsified contract of sale stating that the purchase price for the Basehor, Kansas real estate transaction was \$1,100,000. The actual purchase price was \$850,000. Defendant Yancey, knowing that the purchase price was falsified, accepted the contract of sale as part of the Farmers Bank loan file.

On or about March 9, 2007, Defendant Yancey prepared an Application for Approval of Large Credit Facilities that included falsely inflated purchase price, as well as false statements regarding the existence of a \$150,000 seller carryback and a \$125,000 borrower equity injection in the transaction.

On or about March 21, 2007, Defendant Yancey presented the Basehor loan application, including the falsified purchase price, seller carryback, and borrower equity injection information, to the Large Loan Committee of Farmers Bank. The committee approved the Basehor loan at the request of Defendant Yancey.

On or about March 23, 2008, Defendant Yancey recommended a renewal of the Basehor loan without correcting the false statements contained in the Farmers Bank loan file.

On or about February 10, 2009, Defendant Yancey recommended the renewal of the Basehor loan and consolidation with other loans related to B.W. without correcting the false statements contained in the Farmers Bank loan file.

On or about June 30, 2010, Defendant Yancey recommended a further renewal of the consolidated Basehor. loan without correcting the false statements contained in the Farmers Bank loan file.

3. Application of the Sentencing Guidelines. The parties understand that the United States Sentencing Guidelines will be used as part of the sentencing process in this case. The defendant further waives any right to have facts that determine the offense level under the Guidelines alleged in an indictment and found by a jury beyond a reasonable doubt; agrees that facts that determine the offense level will be found by

the Court at sentencing by a preponderance of the evidence and agrees that the Court may consider any reliable evidence, including hearsay; and the defendant agrees to waive all constitutional challenges to the validity of the Guidelines.

4. Relevant Conduct. The parties have agreed to the application of the Guidelines and therefore both the United States and the defendant understand that the conduct charged in any dismissed counts of the information is to be considered as well as all other uncharged related criminal activity as relevant conduct for purposes of calculating the offense level for Count 1, in accordance with United States Sentencing Guidelines (U.S.S.G.) § 1B1.3.

5. Government's Agreements. In return for the defendant's plea of guilty as set forth herein, the United States Attorney for the District of Kansas agrees:

- a. To not file any additional charges against the defendant arising out of the facts forming the basis for the present information.
- b. To recommend the defendant receive a two (2) level reduction in the applicable offense level under U.S.S.G. § 3E1.1 for acceptance of responsibility. In addition, if the defendant's offense level is 16 or greater, the United States will move at the time of sentencing for the defendant to receive an additional one (1) level reduction for acceptance of responsibility because the defendant timely notified the government of his intention to enter a plea of guilty.

The government's obligation concerning its agreements listed in Section 5 are contingent upon the defendant's continuing manifestation of acceptance of responsibility as determined by the United States. If the defendant denies or gives conflicting statements as to his involvement, falsely denies or frivolously contests relevant conduct that the court determines to be true, willfully obstructs or impedes the administration of justice as defined in U.S.S.G. § 3C1.1 (or willfully attempts to do so), or engages in

additional criminal conduct, the United States reserves the right to request a hearing to determine if the defendant has breached this agreement.

In the event the Court finds the defendant has breached this plea agreement or otherwise failed to adhere to its terms, the United States shall not be bound by this section and may pursue any additional charges arising from the criminal activity under investigation as well as any perjury, false statement, or obstruction of justice charges which may have occurred. The defendant understands and agrees that in the event the defendant violates this plea agreement, all statements made by the defendant subsequent to the execution of this plea agreement, any testimony given by defendant before a grand jury or any tribunal or any leads from such statements or testimony shall be admissible against the defendant in any and all criminal proceedings. The defendant waives any rights which might be asserted under the United States Constitution, any statute, Federal Rule of Criminal Procedure 11(f), Federal Rule of Evidence 410, or any other federal rule that pertains to the admissibility of any statements made by the defendant subsequent to this plea agreement.

6. Sentence to be Determined by the Court. The defendant understands that the sentence to be imposed will be determined solely by the United States District Judge. The United States cannot and has not made any promise or representation as to what sentence the defendant will receive.

7. Information Provided by Defendant. The United States agrees not to use new information the defendant provides about the defendant's own criminal conduct except as specifically authorized by U.S.S.G. § 1B1.8. As such, this information may be revealed to the Court but may not be used against the defendant in determining the

defendant's applicable guideline range or departing above its guideline range.

Defendant understands and agrees, however, that under U.S.S.G. § 1B1.8, there shall be no such restrictions on the use of the information: (1) previously known to the United States; (2) revealed to the United States by, or discoverable through, an independent source; (3) in a prosecution for perjury or giving a false statement; (4) in the event there is a breach of this agreement; or (5) in determining whether and to what extent a downward departure as a result of a government motion pursuant to Title 18, U.S.C. § 3553(e) and U.S.S.G. § 5K1.1 is warranted.

8. Identification of Assets & Agreements Concerning Monetary

Penalties. The defendant agrees to cooperate fully with the United States Attorney's Office and specifically:

A) Provide a financial statement on a form approved by the USAO that discloses all assets in which defendant has any interest or over which the defendant exercises control, directly or indirectly, including those held by a spouse, nominee, or other third party, as well as any transfer of assets that has taken place within 3 years preceding the entry of this plea agreement.

B) Submit to an examination, which may be taken under oath and may include a polygraph examination.

C) Acknowledges that any waivers, consents, or releases signed by the defendant for purposes of the Presentence Investigation Report extends to the USAO.

D) Will not encumber, transfer, or dispose of any monies, property, or assets under his custody or control, without written approval from the USAO.

E) The defendant understands and agrees that, pursuant to Title 18, United States Code, Section 3613, whatever monetary penalties are imposed by the court will be due and payable immediately and subject to immediate enforcement by the United States. If the Court imposes a schedule of payments, the defendant understands that the schedule of payments is merely a minimum schedule of payments and not the only method, nor a limitation on the methods, available to the United States to enforce the judgment. If the defendant is incarcerated, the defendant agrees to participate in the Bureau of Prisons' Inmate Financial Responsibility Program, regardless of whether the Court specifically directs participation or imposes a schedule of payments.

F) The defendant authorizes the U.S. District Court to release the funds posted as security for his appearance bond in this case to be applied to satisfy the financial obligations of the defendant, pursuant to the judgment of the Court.

G) The defendant waives any requirement for demand of payment of any fine, restitution, or assessment the District Court announces on the record the day of sentencing.

9. **Withdrawal of Plea Not Permitted.** The defendant understands that if the court accepts this plea agreement but imposes a sentence with which the defendant does not agree, the defendant will not be permitted to withdraw this plea of guilty.

10. **Payment of Special Assessment.** The defendant understands that a mandatory special assessment of \$100.00 per count of conviction will be entered against the defendant at the time of sentencing. The defendant agrees to deliver payment to the clerk of the court in the appropriate amount no later than the day of plea. If the defendant fails to make full payment of the special assessment the United States

will no longer be bound by the provisions contained in Section 5(b) of this agreement. The burden of establishing an inability to pay the required special assessment lies with the defendant.

11. Waiver of Appeal and Collateral Attack. The defendant knowingly and voluntarily waives any right to appeal or collaterally attack any matter in connection with this prosecution, the defendant's conviction, or the components of the sentence to be imposed herein including the length and conditions of supervised release. The defendant is aware that Title 18, U.S.C. § 3742 affords a defendant the right to appeal the conviction and sentence imposed. By entering into this agreement, the defendant knowingly waives any right to appeal a sentence imposed which is within the guideline range determined appropriate by the court. The defendant also waives any right to challenge a sentence or otherwise attempt to modify or challenge his sentence or manner in which it was determined in any collateral attack, including, but not limited to, a motion brought under Title 28, U.S.C. § 2255 [except as limited by *United States v. Cockerham*, 237 F.3d 1179, 1187 (10th Cir. 2001)], a motion brought under Title 18, U.S.C. § 3582(c)(2) and a motion brought under Federal Rule of Civil Procedure 60(b). In other words, the defendant waives the right to appeal the sentence imposed in this case except to the extent, if any, the court departs upwards from the applicable sentencing guideline range determined by the court. However, if the United States exercises its right to appeal the sentence imposed as authorized by Title 18, U.S.C. § 3742(b), the defendant is released from this waiver and may appeal the sentence received as authorized by Title 18, U.S.C. § 3742(a). Notwithstanding the forgoing

waivers, the parties understand that the defendant in no way waives any subsequent claims with regards to ineffective assistance of counsel or prosecutorial misconduct.

12. FOIA and Privacy Act Waiver. The defendant waives all rights, whether asserted directly or by a representative, to request or receive from any department or agency of the United States any records pertaining to the investigation or prosecution of the case, including, without limitation, any records that may be sought under the Freedom of Information Act, Title 5, U.S.C. § 552 and the defendant waives any rights conferred under the Privacy Act of 1974, Title 5, U.S.C. § 552a to prevent or object to the disclosure of records or materials pertaining to this case.

13. Waiver of Claim for Attorney's Fees. The defendant waives all claims under the Hyde Amendment, Title 18, U.S.C. § 3006A, for attorney's fees and other litigation expenses arising out of the investigation or prosecution of this matter.

14. Full Disclosure by the United States. The defendant understands the United States will provide to the court and the United States Probation Office all information it deems relevant to determining the appropriate sentence in this case. This may include information concerning the background, character, and conduct of the defendant including the entirety of the defendant's criminal activities. The defendant understands these disclosures are not limited to the count to which the defendant has pled guilty. The United States may respond to comments made or positions taken by the defendant or defendant's counsel and correct any misstatements or inaccuracies. The United States further reserves its right to make any recommendations it deems appropriate regarding the disposition of this case, subject only to any limitations set forth in this plea agreement. The defendant also has the right to provide information

concerning the offense and to make recommendations to the court and the United States Probation Office.

15. Ban from Banking. As part of this Plea Agreement, Defendant agrees that he will consent to an Order of Prohibition From Further Participation pursuant to Section 8(e) of the Federal Deposit Insurance Act, 12 U.S.C. § 1818(e), preventing Defendant from participating in any manner in the conduct of the affairs of any financial institution or organization enumerated in Section 8(e)(7)(A), as set forth in the Order of Prohibition, by entering into a Stipulation and Consent to the Issuance of an Order of Prohibition From Further Participation at the time of the filing of this Plea Agreement with the Court.

16. Parties to the Agreement. The defendant understands this plea agreement binds only the defendant and the United States Attorney for the District of Kansas, and that it does not bind any other federal, state, or local prosecution authority.

17. No Other Agreements. The defendant has had sufficient time to discuss this case, the evidence, and this agreement with the defendant's attorney and the defendant is fully satisfied with the advice and representation provided by the defendant's counsel. Further, the defendant acknowledges that he has read the plea agreement, understands it, and agrees it is true and accurate and not the result of any threats, duress, or coercion. The defendant further understands that this plea agreement supersedes any and all other agreements or negotiations between the parties, and that this agreement embodies each and every term of the agreement between the parties. The defendant acknowledges that the defendant is entering into

this agreement and is pleading guilty because the defendant is guilty and is doing so freely and voluntarily.



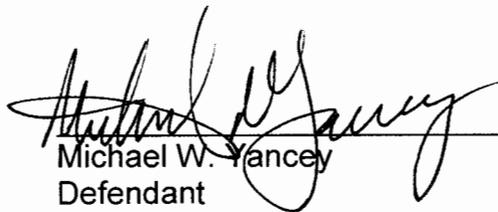
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Kim Martin
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Date: 6-24-14



Michael W. Yancey
Defendant

Date: 6-25-14



W. Brian Gaddy
Attorney for Defendant

Date: 6/25/14