

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
WESTERN DIVISION

UNITED STATES OF AMERICA

v.

STEPHEN T. ANGERMAN

No. 15 CR 50002

Judge Frederick J. Kapala

**PLEA AGREEMENT**

1. This Plea Agreement between the United States Attorney for the Northern District of Illinois, ZACHARY T. FARDON, and defendant STEPHEN T. ANGERMAN, and his attorney, KRISTIN CARPENTER, is made pursuant to Rule 11 of the Federal Rules of Criminal Procedure and is governed in part by Rule 11(c)(1)(A), as more fully set forth below. The parties to this Agreement have agreed upon the following:

**Charges in This Case**

2. The indictment in this case charges defendant with bank fraud, in violation of Title 18, United States Code, Section 1344 (Counts 1-4), money laundering in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i) (Counts 5 and 6), making false declarations in a bankruptcy proceeding, in violation of Title 18, United States Code, Section 152(3) (Counts 7-10), and making a false statement under oath in a bankruptcy proceeding, in violation of Title 18, United States Code, Section 152(2) (Counts 11-13).

3. Defendant has read the charges against him contained in the indictment, and those charges have been fully explained to him by his attorney.

4. Defendant fully understands the nature and elements of the crimes with which he has been charged.

**Charges to Which Defendant Is Pleading Guilty**

5. By this Plea Agreement, defendant agrees to enter a voluntary plea of guilty to the following counts of the indictment: Count 1, which charges defendant with bank fraud, in violation of Title 18, United States Code, Section 1344; Count 5, which charges defendant with money laundering, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i); and Count 12, which charges defendant with making a false statement under oath in a bankruptcy proceeding, in violation of Title 18, United States Code, Section 152(2).

**Factual Basis**

6. Defendant will plead guilty because he is in fact guilty of the charges contained in Counts 1, 5, and 12 of the indictment. In pleading guilty, defendant admits the following facts and that those facts establish his guilt beyond a reasonable doubt and constitute relevant conduct pursuant to Guideline § 1B1.3:

a. With respect to Count 1 of the indictment: Beginning in December 2009 and continuing to March 31, 2010, at Berkeley, Marengo and Mount Prospect, Illinois, in the Northern District of Illinois, and elsewhere, defendant knowingly devised and engaged in a scheme to defraud Alliant Credit Union and Prairie Community Bank and to fraudulently obtain a \$510,000 loan from Alliant Credit Union and a \$64,590 loan from Prairie Community Bank in order to

purchase a primary residence located on Wrenwood Circle in Elgin, Illinois (“Wrenwood property”) from Prairie Community Bank, the seller, and on March 31, 2010, at Mount Prospect, in the Northern District of Illinois, and elsewhere, defendant knowingly executed and attempted to execute the aforesaid scheme by obtaining a \$510,000 loan from Alliant Credit Union in violation of Title 18, United States Code, Section 1344.

b. Specifically, defendant admits the following with respect to the scheme to defraud charged in Count 1 of the indictment:

i. Between December 2009 and March 31, 2010, Alliant Credit Union was a financial institution whose deposits were insured by the National Credit Union Administration and Prairie Community Bank was a financial institution whose deposits were insured by the Federal Deposit Insurance Corporation.

ii. On March 31, 2010, as part of the closing, defendant signed a Uniform Residential Loan Application for the \$510,000 loan from Alliant Credit Union in which defendant made false statements, including that he had been employed at TGM Corp. for three years and earned a monthly salary of \$10,708.34, that his assets included \$187,000 in non-deposited gift funds from a relative (“Relative A”), and that his liabilities totaled \$256. On March 31, 2010, Alliant Credit Union issued a \$510,000 loan to defendant for the purchase of the Wrenwood property based on defendant’s representations in the Uniform Residential Loan

Application dated March 31, 2010. On March 31, 2010, defendant signed an Adjustable Rate Note promising to repay Alliant Credit Union the loan amount of \$510,000 as well as a Mortgage granting Alliant Credit Union a security interest in the Wrenwood property as collateral of the loan. The most recent tax assessment, in 2014, for the Wrenwood property valued the property at approximately \$547,350.

iii. Between February 1, 2010 and March 31, 2010, defendant caused to be submitted false and fictitious documents in support of his loan application to Alliant Credit Union including a John Hancock Signature Services, Inc. statement showing that Relative A had \$509,000 in an Individual Retirement Account, a BMO Harris Bank N.A. account online statement showing \$129,000 being wired out of Relative A's BMO Harris Bank N.A. account, a Bank of America online account statement showing a balance of \$130,000 in defendant's Bank of America account, pay stubs from TGM Corp showing that defendant's bi-weekly salary was \$5,354.17, a W-2 form showing that defendant earned \$138,232.44 from TGM Corp in 2009, and a Certificate of Gift form stating that Relative A would be giving defendant a gift of \$129,000 on March 23, 2010.

iv. In December 2009 and January 2010, defendant applied for a \$64,590 loan from Prairie Community Bank, the seller of the Wrenwood property, and pledged his 2008 Chevrolet Corvette as collateral without disclosing to Prairie Community Bank that the 2008 Chevrolet Corvette was subject to prior

lien held by National Bank and Trust Company of Sycamore in the amount of approximately \$40,000.

v. On March 15, 2010, defendant obtained a \$64,590 loan from Praire State Bank, the seller of the Wrenwood property, and signed a Note, Disclosure and Security Agreement giving Prairie Community Bank a security interest in defendant's 2008 Chevrolet Corvette and falsely stating that the 2008 Chevrolet Corvette was free and clear of all loans, liens, security interests, mortgages, claims, and encumbrances except for those defendant had disclosed to Prairie Community Bank in writing prior to signing the agreement.

c. With respect to Count 5 of the indictment: On March 23, 2010, at Chicago, in the Northern District of Illinois, and elsewhere, defendant knowingly conducted a financial transaction affecting interstate commerce involving the wire transfer of \$64,500 from defendant's checking account at Alliant Credit Union in Chicago, Illinois to the BMO Harris Bank N.A. account of a relative ("Relative B"), which financial transaction involved the proceeds of a specified unlawful activity, bank fraud, in violation of Title 18, United States Code, Section 1344, which fraud scheme is more fully described in Count One of this indictment, knowing that such financial transaction was designed in whole or in part to conceal the nature, location, source, ownership, and control of the proceeds of that specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

d. With respect to Count 12 of the indictment: On January 3, 2011, defendant caused a bankruptcy petition, schedules, and a statement of financial affairs to be filed with the Bankruptcy Court for the Western Division of the Northern District of Illinois in Rockford, Illinois. The case was titled *In re: Stephan T. Angerman*, and was assigned case number 11-80005. The petition filed on January 3, 2011 was signed, but not dated, by defendant, but the statement of financial affairs and attachments were filed unsigned. On February 7, 2011, at Rockford, in the Northern District of Illinois, and elsewhere, defendant knowingly and fraudulently made material false statements under oath in and in relation to a case under Title 11, specifically *In re: Stephan T. Angerman*, case number 11-80005, by testifying under oath in a proceeding before the case trustee at a meeting of creditors that he did not own any other real estate in addition to what defendant had listed in Schedule A, that he did not own a car, and that the car that was subject to the auto loan listed in Schedule D was “gone,” when in fact as the defendant well knew, defendant had an ownership interest in the real property located on Wrenwood Circle in Elgin, Illinois and in a 2008 Chevrolet Corvette, in violation of Title 18, United States Code, Section 152(2).

7. Defendant also acknowledges that for the purpose of computing his sentence under the Sentencing Guidelines, the following conduct, to which he stipulates, constitutes relevant conduct under Guideline § 1B1.3:

a. Beginning on April 15, 2010 and continuing to June 21, 2010, at Elgin and Mundelein, Illinois, in the Northern District of Illinois, and elsewhere, defendant knowingly devised and engaged in a scheme to defraud PNC Bank and Consumers Credit Union in order to fraudulently obtain a \$69,200 loan from PNC Bank and a \$69,000 loan from Consumers Credit Union using the residence located on Wrenwood Circle in Elgin, Illinois (the Wrenwood property) as security for both loans and on May 13, 2010, at Mundelein, in the Northern District of Illinois, and elsewhere, defendant, knowingly executed and attempted to execute the above described scheme by obtaining a \$69,200 loan from PNC Bank, in violation of Title 18, United States Code, Section 1344. Specifically, defendant admits the following with respect to the scheme to defraud PNC Bank and Consumers Credit Union:

i. From April 15, 2010 through June 21, 2010, PNC Bank was a financial institution whose deposits were insured by the Federal Deposit Insurance Corporation and Consumers Credit Union (formerly known as Consumers Cooperative Credit Union) was a financial institution whose deposits were insured by the National Credit Union Administration.

ii. On April 15, 2010, defendant applied for a \$69,200 loan from PNC Bank secured by the Wrenwood property and as part of the application submitted and caused to be submitted false and fictitious documents in support of his loan application to PNC Bank including pay stubs from TGM Corp showing that defendant's bi-weekly salary was \$6,301.56. On April 30, 2010, at the request of

Consumer Credit Union, Chicago Title issued a title policy for the Wrenwood property in the amount of \$69,000 and named Consumer Credit Union as the insured.

iii. On May 12, 2010, defendant applied for a \$69,000 loan from Consumers Credit Union secured by the Wrenwood property and on June 21, 2010, defendant signed a loan application and in that application failed to disclose that he had previously applied for and obtained the \$69,200 loan from PNC Bank.

iv. On May 13, 2010, defendant signed a Disbursement Request and Authorization for the \$69,200 loan from PNC Bank and granted PNC Bank a security interest in the Wrenwood property to secure the loan.

v. On June 21, 2010, defendant signed a Home Equity Advance Voucher as part of the closing of the \$69,000 loan from Consumers Credit Union in which he falsely certified that he listed all his existing debts and liabilities on the form in that he failed to list the \$69,200 loan from PNC Bank as one of his debts.

b. On March 24, 2010, at Chicago, in the Northern District of Illinois, and elsewhere, defendant knowingly conducted and caused to be conducted a financial transaction affecting interstate commerce involving the wire transfer of \$67,000 from the BMO Harris Bank N.A. account of a relative ("Relative B") to the Bank of America checking account of defendant, which financial transaction involved the proceeds of a specified unlawful activity, bank fraud, in violation of

Title 18, United States Code, Section 1344, which fraud scheme is more fully described in Count One of the indictment, knowing that such financial transaction was designed in whole or in part to conceal the nature, location, source, ownership, and control of the proceeds of that specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

c. Between January 3, 2011 and April 7, 2011, at Rockford, in the Northern District of Illinois, and elsewhere, defendant knowingly and fraudulently made material false declarations, verifications, and statements under penalty of perjury, as permitted under section 1746 of Title 28, in and in relation to a case under Title 11, specifically *In re: Stephan T. Angerman*, case number 11-80005, in violation of Title 18, United States Code, Section 152(3) in that defendant made the following fraudulent statements:

i. On January 3, 2011, defendant fraudulently stated that the information provided in his bankruptcy petition, including that the last four digits of defendant's Social Security number were 2149, was true and correct, when in truth and in fact, as the defendant then well knew, defendant's Social Security number did not end in the numbers 2149;

ii. On January 26, 2011, defendant fraudulently stated that the Amended Schedules A, C, I and J that he filed in the bankruptcy case were true and correct, to the best of his knowledge, information, and belief, when in truth and in fact, as the defendant then well knew, Schedule A was not true and correct due to

defendant's fraudulent omission of an ownership interest in the real property located on Wrenwood Circle in Elgin, Illinois, in violation of Title 18, United States Code, Section 152(3);

iii. On April 7, 2011, defendant fraudulently stated that the Amended Statement of Financial Affairs he filed in the bankruptcy case was true and correct, when in truth and in fact, as the defendant then well knew, his answer to Question 4(b) of the Statement of Financial Affairs was not true and correct, in that defendant fraudulently stated that his 2008 Chevrolet Corvette had been seized by legal process by the National Bank and Trust Company of Sycamore, Illinois on April 29, 2010, when in fact, as the defendant then well knew, defendant's 2008 Chevrolet Corvette had not been seized and was still in defendant's possession, in violation of Title 18, United States Code, Section 152(3).

iv. On April 7, 2011, defendant fraudulently stated that the Amended Schedules he filed in the bankruptcy case were true and correct, to the best of his knowledge, information, and belief, when in truth and in fact, as the defendant then well knew, Schedule B was not true and correct due to defendant's fraudulent omission of an ownership interest in a 2008 Chevrolet Corvette in violation of Title 18, United States Code, Section 152(3).

d. On February 7, 2011 and May 25, 2011, at Rockford, in the Northern District of Illinois, and elsewhere, defendant knowingly and fraudulently made material false statements under oath in and in relation to a case under Title

11, specifically *In re: Stephan T. Angerman*, case number 11-80005, in violation of Title 18, United States Code, Section 152(2) as follows:

i. On February 7, 2011, defendant testified under oath in a proceeding before the case trustee at a meeting of creditors that he had listed all of his debts and assets, when in fact as the defendant well knew, the schedules and statement of financial affairs were not true and correct because he had not listed all of his assets, namely: (a) an ownership interest in the real property located on Wrenwood Circle in Elgin, Illinois; and (b) an ownership interest in a 2008 Chevrolet Corvette; and

ii. On May 25, 2011, defendant testified under oath in a proceeding before the bankruptcy court that he and his wife had sold the real property located on Wrenwood Circle in Elgin, Illinois (“Wrenwood property”) twenty-eight days after they purchased it, when in fact as the defendant well knew, defendant had not sold the Wrenwood property after purchasing it in March 2010, and as of May 25, 2011, had an ownership interest in the Wrenwood property.

#### **Maximum Statutory Penalties**

8. Defendant understands that the charges to which he is pleading guilty carry the following statutory penalties:

a. Count 1 carries a maximum sentence of 30 years’ imprisonment. Pursuant to Title 18, United States Code, Section 3561, defendant may not be sentenced to a term of probation on this count. Count 1 also carries a maximum

fine of \$1,000,000, or twice the gross gain or gross loss resulting from that offense, whichever is greater. Defendant further understands that with respect to Count 1 the judge also may impose a term of supervised release of not more than five years.

b. Count 5 carries a maximum sentence of 20 years' imprisonment. Count 5 also carries a maximum fine of \$500,000, or twice the value of the property involved in the transaction, whichever is greater. Defendant further understands that with respect to Count 5, the judge also may impose a term of supervised release of not more than three years. Defendant further understands that the judge also may impose a term of probation of one to five years. Defendant further understands that he is subject to a civil penalty of twice the value of the property involved in the transaction or \$10,000, whichever is greater.

c. Count 12 carries a maximum sentence of 5 years' imprisonment. Count 12 also carries a maximum fine of \$250,000. Defendant further understands that with respect to Count 12 the judge also may impose a term of supervised release of not more than three years. Defendant further understands that the judge also may impose a term of probation of one to five years.

d. Defendant further understands that the Court must order restitution to the victims of the offense in an amount determined by the Court. The Court also may order restitution to any persons as agreed by the parties.

e. In accord with Title 18, United States Code, Section 3013, defendant will be assessed \$100 on each count to which he has pled guilty, in addition to any other penalty or restitution imposed.

f. Therefore, under the counts to which defendant is pleading guilty, the total maximum sentence is 55 years' imprisonment. In addition, defendant is subject to a total maximum fine of \$1,750,000, or twice the gross gain or gross loss resulting from the offenses of conviction, whichever is greater, a period of supervised release or probation, and special assessments totaling \$300, in addition to any restitution ordered by the Court.

#### **Sentencing Guidelines Calculations**

9. Defendant understands that in determining a sentence, the Court is obligated to calculate the applicable Sentencing Guidelines range, and to consider that range, possible departures under the Sentencing Guidelines, and other sentencing factors under 18 U.S.C. § 3553(a), which include: (i) the nature and circumstances of the offense and the history and characteristics of the defendant; (ii) the need for the sentence imposed to reflect the seriousness of the offense, promote respect for the law, and provide just punishment for the offense, afford adequate deterrence to criminal conduct, protect the public from further crimes of the defendant, and provide the defendant with needed educational or vocational training, medical care, or other correctional treatment in the most effective manner; (iii) the kinds of sentences available; (iv) the need to avoid unwarranted sentence

disparities among defendants with similar records who have been found guilty of similar conduct; and (v) the need to provide restitution to any victim of the offense.

10. For purposes of calculating the Sentencing Guidelines, the parties agree on the following points, except as specified below:

a. **Applicable Guidelines.** The Sentencing Guidelines to be considered in this case are those in effect at the time of the offense or at sentencing, whichever results in a lesser sentencing range. The following statements regarding the calculation of the Sentencing Guidelines are based on the Guidelines Manual currently in effect, namely the November 2015 Guidelines Manual.

b. **Offense Level Calculations.**

**Counts 1 and 12**

i. Pursuant to Guideline §§ 3D1.2(d) and 3D1.3(b), Counts 1 and 12 are grouped, and the offense level is determined on the basis of the aggregated amount of loss and applicable specific offense enhancements.

ii. The base offense level is 7, pursuant to Guideline § 2B1.1(a)(1).

iii. The government will contend that the base offense level is increased by 10 levels to level 17 pursuant to Guideline § 2B1.1(b)(1)(F) because the loss for the offense and relevant conduct was more than \$150,000 but less than \$250,000. The defendant will contend that the base offense level is increased by 8

levels to level 15 pursuant to Guideline § 2B1.1(b)(1)(E) because the loss for the offense and relevant conduct was more than \$95,000 but less than \$150,000.

iv. The offense level must be increased by 2 levels, pursuant to Guideline § 2B1.1(b)(9)(B), because Count 12 involved a misrepresentation or other fraudulent action during the course of a bankruptcy proceeding.

### **Count 5**

v. The government will contend that the base offense level for Count 5 and the relevant conduct set forth in paragraph 7(b) is 19 pursuant to Guideline § 2S1.1(a)(1). The defendant will contend that the base offense level for Count 5 and the relevant conduct set forth in paragraph 7(b) is 17 pursuant to Guideline § 2S1.1(a)(1).

vi. The base offense level for Count 5 is increased by 2 levels to pursuant to Guideline § 2S1.1(b)(2)(B) because Count 5 constitutes a violation of 18 U.S.C. § 1956.

### **Grouping**

vii. Pursuant to Guideline § 2S1.1, comment. (n.6) and 3D1.2(c), the charged offenses are grouped as closely related counts, and, pursuant to Guideline § 3D1.3, the government will contend that the offense level applicable to Counts 1, 5 and 12 is 21, the higher offense level of the offenses in the group. The defendant will contend that the offense level applicable to Counts 1, 5 and 12 is 19, the higher offense level of the offenses in the group.

viii. Defendant has clearly demonstrated a recognition and affirmative acceptance of personal responsibility for his criminal conduct. If the government does not receive additional evidence in conflict with this provision, and if defendant continues to accept responsibility for his actions within the meaning of Guideline § 3E1.1(a), including by furnishing the United States Attorney's Office and the Probation Office with all requested financial information relevant to his ability to satisfy any fine or restitution that may be imposed in this case, a two-level reduction in the offense level is appropriate.

ix. In accord with Guideline § 3E1.1(b), defendant has timely notified the government of his intention to enter a plea of guilty, thereby permitting the government to avoid preparing for trial and permitting the Court to allocate its resources efficiently. Therefore, as provided by Guideline § 3E1.1(b), if the Court determines the offense level to be 16 or greater prior to determining that defendant is entitled to a two-level reduction for acceptance of responsibility, the government will move for an additional one-level reduction in the offense level.

x. **Criminal History Category.** With regard to determining defendant's criminal history points and criminal history category, based on the facts now known to the government and stipulated below, defendant's criminal history points equal 1 and defendant's criminal history category is I:

xi. On or about April 13, 2013, in case number 2013 CF 237, in the Circuit Court of Kane County, Illinois, defendant was convicted of criminal

damage to property, a misdemeanor, and was sentenced to 11 months' conditional discharge, resulting in the assignment of one criminal history point pursuant to Guideline § 4A1.1(c).

xii. **Anticipated Advisory Sentencing Guidelines Range.**

Therefore, based on the facts now known to the government, the government will contend that the offense level is 18, which, when combined with the anticipated criminal history category of I, results in an anticipated advisory Sentencing Guidelines range of 27 to 33 months' imprisonment, in addition to any supervised release, fine, and restitution the Court may impose. The defendant will contend that the offense level is 16, which, when combined with the anticipated criminal history category of I, results in an anticipated advisory Sentencing Guidelines range of 21 to 27 months' imprisonment.

xiii. Defendant and his attorney and the government acknowledge that the above guidelines calculations are preliminary in nature, and are non-binding predictions upon which neither party is entitled to rely. Defendant understands that further review of the facts or applicable legal principles may lead the government to conclude that different or additional guidelines provisions apply in this case. Defendant understands that the Probation Office will conduct its own investigation and that the Court ultimately determines the facts and law relevant to sentencing, and that the Court's determinations govern the final guideline calculation. Accordingly, the validity of this Agreement is not contingent upon the

probation officer's or the Court's concurrence with the above calculations, and defendant shall not have a right to withdraw his plea on the basis of the Court's rejection of these calculations.

xiv. Both parties expressly acknowledge that this Agreement is not governed by Fed. R. Crim. P. 11(c)(1)(B), and that errors in applying or interpreting any of the sentencing guidelines may be corrected by either party prior to sentencing. The parties may correct these errors either by stipulation or by a statement to the Probation Office or the Court, setting forth the disagreement regarding the applicable provisions of the guidelines. The validity of this Agreement will not be affected by such corrections, and defendant shall not have a right to withdraw his plea, nor the government the right to vacate this Agreement, on the basis of such corrections.

### **Agreements Relating to Sentencing**

11. The government agrees to recommend that the Court impose a sentence of imprisonment within the applicable guideline range and to make no further recommendation concerning what sentence of imprisonment should be imposed.

12. It is understood by the parties that the sentencing judge is neither a party to nor bound by this Agreement and may impose a sentence up to the maximum penalties as set forth above. Defendant further acknowledges that if the Court does not accept the sentencing recommendation of the parties, defendant will

have no right to withdraw his guilty plea. Regarding restitution, defendant acknowledges that pursuant to Title 18, United States Code, Section 3663A, the Court must order defendant to make full restitution to Alliant Credit Union and Prairie Community Bank in an amount to be determined by the Court at sentencing, which amount shall reflect credit for any funds repaid prior to sentencing.

13. Defendant also agrees to pay additional restitution to PNC Bank and Consumers Credit Union, arising from the relevant conduct set forth above, in an amount to be determined by the Court at sentencing, pursuant to Title 18, United States Code, Sections 3663(a)(3) and 3664.

14. Restitution shall be due immediately, and paid pursuant to a schedule to be set by the Court at sentencing. Defendant acknowledges that pursuant to Title 18, United States Code, Section 3664(k), he is required to notify the Court and the United States Attorney's Office of any material change in economic circumstances that might affect his ability to pay restitution.

15. Defendant agrees to pay the special assessment of \$300 at the time of sentencing with a cashier's check or money order payable to the Clerk of the U.S. District Court.

16. Defendant agrees that the United States may enforce collection of any fine or restitution imposed in this case pursuant to Title 18, United States Code,

Sections 3572, 3613, and 3664(m), notwithstanding any payment schedule set by the Court.

17. After sentence has been imposed on the counts to which defendant pleads guilty as agreed herein, the government will move to dismiss the remaining counts of the indictment as to defendant.

18. The government agrees not to file any criminal charges in relation to defendant's failure to file federal income tax returns for the tax years 2011-2013.

**Acknowledgments and Waivers Regarding Plea of Guilty**

**Nature of Agreement**

19. This Agreement is entirely voluntary and represents the entire agreement between the United States Attorney and defendant regarding defendant's criminal liability in case 15 CR 50002.

20. This Agreement concerns criminal liability only. Except as expressly set forth in this Agreement, nothing herein shall constitute a limitation, waiver, or release by the United States or any of its agencies of any administrative or judicial civil claim, demand, or cause of action it may have against defendant or any other person or entity. The obligations of this Agreement are limited to the United States Attorney's Office for the Northern District of Illinois and cannot bind any other federal, state, or local prosecuting, administrative, or regulatory authorities, except as expressly set forth in this Agreement.

21. Defendant understands that nothing in this Agreement shall limit the Internal Revenue Service in its collection of any taxes, interest or penalties from defendant or defendant's partnership or corporations.

### **Waiver of Rights**

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

a. **Trial rights.** Defendant has the right to persist in a plea of not guilty to the charges against him, and if he does, he would have the right to a public and speedy trial.

i. The trial could be either a jury trial or a trial by the judge sitting without a jury. However, in order that the trial be conducted by the judge sitting without a jury, defendant, the government, and the judge all must agree that the trial be conducted by the judge without a jury.

ii. If the trial is a jury trial, the jury would be composed of twelve citizens from the district, selected at random. Defendant and his attorney would participate in choosing the jury by requesting that the Court remove prospective jurors for cause where actual bias or other disqualification is shown, or by removing prospective jurors without cause by exercising peremptory challenges.

iii. If the trial is a jury trial, the jury would be instructed that defendant is presumed innocent, that the government has the burden of proving defendant guilty beyond a reasonable doubt, and that the jury could not

convict him unless, after hearing all the evidence, it was persuaded of his guilt beyond a reasonable doubt and that it was to consider each count of the indictment separately. The jury would have to agree unanimously as to each count before it could return a verdict of guilty or not guilty as to that count.

iv. If the trial is held by the judge without a jury, the judge would find the facts and determine, after hearing all the evidence, and considering each count separately, whether or not the judge was persuaded that the government had established defendant's guilt beyond a reasonable doubt.

v. At a trial, whether by a jury or a judge, the government would be required to present its witnesses and other evidence against defendant. Defendant would be able to confront those government witnesses and his attorney would be able to cross-examine them.

vi. At a trial, defendant could present witnesses and other evidence in his own behalf. If the witnesses for defendant would not appear voluntarily, he could require their attendance through the subpoena power of the Court. A defendant is not required to present any evidence.

vii. At a trial, defendant would have a privilege against self-incrimination so that he could decline to testify, and no inference of guilt could be drawn from his refusal to testify. If defendant desired to do so, he could testify in his own behalf.

b. **Appellate rights.** Defendant further understands he is waiving all appellate issues that might have been available if he had exercised his right to trial, and may only appeal the validity of this plea of guilty and the sentence imposed. Defendant understands that any appeal must be filed within 14 calendar days of the entry of the judgment of conviction.

23. Defendant understands that by pleading guilty he is waiving all the rights set forth in the prior paragraphs, with the exception of the appellate rights specifically preserved above. Defendant's attorney has explained those rights to him, and the consequences of his waiver of those rights.

**Presentence Investigation Report/Post-Sentence Supervision**

24. Defendant understands that the United States Attorney's Office in its submission to the Probation Office as part of the Pre-Sentence Report and at sentencing shall fully apprise the District Court and the Probation Office of the nature, scope, and extent of defendant's conduct regarding the charges against him, and related matters. The government will make known all matters in aggravation and mitigation relevant to sentencing.

25. Defendant agrees to truthfully and completely execute a Financial Statement (with supporting documentation) prior to sentencing, to be provided to and shared among the Court, the Probation Office, and the United States Attorney's Office regarding all details of his financial circumstances, including his recent income tax returns as specified by the probation officer. Defendant understands

that providing false or incomplete information, or refusing to provide this information, may be used as a basis for denial of a reduction for acceptance of responsibility pursuant to Guideline § 3E1.1 and enhancement of his sentence for obstruction of justice under Guideline § 3C1.1, and may be prosecuted as a violation of Title 18, United States Code, Section 1001 or as a contempt of the Court.

26. For the purpose of monitoring defendant's compliance with his obligations to pay a fine and restitution during any term of supervised release to which defendant is sentenced, defendant further consents to the disclosure by the IRS to the Probation Office and the United States Attorney's Office of defendant's individual income tax returns (together with extensions, correspondence, and other tax information) filed subsequent to defendant's sentencing, to and including the final year of any period of supervised release to which defendant is sentenced. Defendant also agrees that a certified copy of this Agreement shall be sufficient evidence of defendant's request to the IRS to disclose the returns and return information, as provided for in Title 26, United States Code, Section 6103(b).

#### **Other Terms**

27. Defendant agrees to cooperate with the United States Attorney's Office in collecting any unpaid fine and restitution for which defendant is liable, including providing financial statements and supporting records as requested by the United States Attorney's Office.

28. Regarding matters relating to the Internal Revenue Service, defendant agrees as follows (nothing in this paragraph, however, precludes defendant or defendant's partnerships or corporations from asserting any legal or factual defense to taxes, interest, and penalties that may be assessed by the IRS):

a. Defendant agrees to cooperate with the Internal Revenue Service in any tax examination or audit of defendant and defendant's partnerships or corporations which directly or indirectly relates to or arises out of the course of conduct that defendant has acknowledged in this Agreement, by transmitting to the IRS original records or copies thereof, and any additional books and records that the IRS may request.

29. Defendant will not object to a motion brought by the United States Attorney's Office for the entry of an order authorizing disclosure of documents, testimony and related investigative materials which may constitute grand jury material, preliminary to or in connection with any judicial proceeding, pursuant to Fed. R. Crim. P. 6(e)(3)(E)(i). In addition, defendant will not object to the government's solicitation of consent from third parties who provided records or other materials to the grand jury pursuant to grand jury subpoenas, to turn those materials over to the Civil Division of the United States Attorney's Office, or an appropriate federal or state agency (including but not limited to the Internal Revenue Service), for use in civil or administrative proceedings or investigations, rather than returning them to the third parties for later summons or subpoena in

connection with a civil or administrative proceeding involving, or investigation of, defendant or defendant's partnerships or corporations. Nothing in this paragraph or the preceding paragraph precludes defendant or defendant's partnerships or corporations from asserting any legal or factual defense to taxes, interest, and penalties that may be assessed by the IRS.

30. Defendant understands that pursuant to Title 12, United States Code, Sections 1785(d) and 1829, his conviction in this case will prohibit him from directly or indirectly participating in the affairs of any financial institution insured by the National Credit Union Share Insurance Fund or the Federal Deposit Insurance Corporation, except with the prior written consent of the National Credit Union Administration Board or the FDIC and, during the ten years following his conviction, the additional approval of this Court. Defendant further understands that if he knowingly violates this prohibition, he may be punished by imprisonment for up to five years, and a fine of up to \$1,000,000 for each day the prohibition is violated.

31. Defendant understands that, if convicted, a defendant who is not a United States citizen may be removed from the United States, denied citizenship, and denied admission to the United States in the future.

### **Conclusion**

32. Defendant understands that this Agreement will be filed with the Court, will become a matter of public record, and may be disclosed to any person.

33. Defendant understands that his compliance with each part of this Agreement extends throughout the period of his sentence, and failure to abide by any term of the Agreement is a violation of the Agreement. Defendant further understands that in the event he violates this Agreement, the government, at its option, may move to vacate the Agreement, rendering it null and void, and thereafter prosecute defendant not subject to any of the limits set forth in this Agreement, or may move to resentence defendant or require defendant's specific performance of this Agreement. Defendant understands and agrees that in the event that the Court permits defendant to withdraw from this Agreement, or defendant breaches any of its terms and the government elects to void the Agreement and prosecute defendant, any prosecutions that are not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against defendant in accordance with this paragraph, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement of such prosecutions.

34. Should the judge refuse to accept defendant's plea of guilty, this Agreement shall become null and void and neither party will be bound to it.

35. Defendant and his attorney acknowledge that no threats, promises, or representations have been made, nor agreements reached, other than those set forth in this Agreement, to cause defendant to plead guilty.

36. Defendant acknowledges that he has read this Agreement and carefully reviewed each provision with his attorney. Defendant further acknowledges that he understands and voluntarily accepts each and every term and condition of this Agreement.

AGREED THIS DATE: \_\_\_\_\_

\_\_\_\_\_  
ZACHARY T. FARDON  
United States Attorney

\_\_\_\_\_  
STEPHEN T. ANGERMAN  
Defendant

\_\_\_\_\_  
JOSEPH C. PEDERSEN  
Assistant U.S. Attorney

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KRISTIN CARPENTER  
Attorney for Defendant