



U.S. Department of Justice

United States Attorney
Northern District of Iowa

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September 6, 2012

Jane Kelly, Esq.
Federal Public Defender's Office
320 Third Street SE, Ste. 200
Cedar Rapids, IA 52401

Re: *United States v. Russell R. Wasendorf, Sr.*, CR 12-2021 LRR

Dear Ms Kelly:

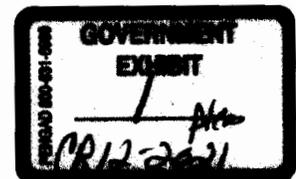
This letter will serve as a SECOND REVISED memorandum of a proposed plea agreement between the United States Attorney's Office for the Northern District of Iowa and Russell R. Wasendorf, Sr., defendant. All references to the "United States" or "government" in this proposed plea agreement refer to the United States Attorney's Office for the Northern District of Iowa and to no other governmental entity. This plea offer will expire on September 7, 2012, unless otherwise extended by the government.

CHARGES AND PENALTIES

1. *RW* Defendant will waive Indictment and plead guilty to all counts of an Information that will charge him in Count 1 with mail fraud in violation of 18 U.S.C. § 1341, in Count 2 with embezzlement of customer funds by a person registered under the Commodity Exchange Act in violation of 7 U.S.C. § 13(a)(1), in Count 3 with making false statements to the Commodity Futures Trading Commission in violation of 7 U.S.C. § 13(a)(3), and in Count 4 with making false statements to a futures association registered under the Commodity Exchange Act in violation of 7 U.S.C. § 13(a)(4). Defendant also agrees to the entry of a judgment of forfeiture pursuant to the forfeiture allegation included in the Information.

2. *RW* Defendant understands that Count 1 of the Information is punishable by the following maximum penalties: (1) not more than 20 years' imprisonment without the possibility of parole; (2) a fine equal to the greater of twice the gross gain to defendant resulting from the offense, twice the gross loss resulting from the offense, or \$250,000; (3) a mandatory special assessment of \$100; and (4) a term of supervised release of up to 3 years.

3. *RW* Defendant understands that Count 2 of the Information is punishable by the following maximum penalties: (1) not more than 10 years' imprisonment without



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the possibility of parole; (2) a fine equal to the greater of twice the gross gain to defendant resulting from the offense, twice the gross loss resulting from the offense, or \$1,000,000; (3) a mandatory special assessment of \$100; and (4) a term of supervised release of up to 3 years.

4. RW Defendant understands that Count 3 of the Information is punishable by the following maximum penalties: (1) not more than 10 years' imprisonment without the possibility of parole; (2) a fine of not more than \$1,000,000; (3) a mandatory special assessment of \$100; and (4) a term of supervised release of up to 3 years.

5. RW Defendant understands that Count 4 of the Information is punishable by the following maximum penalties: (1) not more than 10 years' imprisonment without the possibility of parole; (2) a fine of not more than \$1,000,000; (3) a mandatory special assessment of \$100; and (4) a term of supervised release of up to 3 years.

6. RW Defendant understands and agrees the penalties for Counts 1 through 4 of the Information may be ordered to run consecutively or in addition to one another. That is, for Counts 1 through 4 of the Information, defendant is subject to a total punishment of (1) not more than 50 years' imprisonment without the possibility of parole; (2) a fine equal to the greater of twice the gross gain to defendant resulting from the offenses, twice the gross loss resulting from the offenses, or \$3,250,000; (3) a mandatory special assessment of \$400; and (4) a term of supervised release of up to 12 years.

7. RW Defendant understands restitution and a term of supervised release following incarceration may be imposed in addition to any other sentence. Defendant further acknowledges that, if defendant violates, at any time, any condition of supervised release, defendant could be returned to prison for the full term of supervised release and the Court is not required to grant credit for any amount of time defendant may have successfully completed on supervised release. Defendant also understands the U.S. Sentencing Guidelines will provide advisory guidance to the Court in determining a sentence in this case.

8. RW At the time the guilty plea is entered, defendant will admit that defendant is guilty of the charges specified in Paragraph 1 of this agreement. After sentencing, the government will move for dismissal of any remaining counts. The U.S. Attorney's Office for this District will file no additional Title 7 or Title 18 fraud, false statement, theft, identity theft, or money laundering-related criminal charges based solely upon information now in our possession. If this office becomes aware of evidence of additional crimes warranting criminal prosecution, all information in our possession could be used in such a prosecution.

9. RW Defendant understands and agrees defendant has the absolute right to plead guilty before a United States District Court Judge. However, if convenient to

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the Court, defendant agrees to waive and give up this right and to plead guilty before a United States Magistrate Judge. Defendant understands defendant will not be found guilty unless the United States District Court Judge accepts the plea of guilty or adopts a recommendation of the Magistrate Judge to accept such plea. Defendant agrees to execute the attached consent to proceed before the United States Magistrate Judge.

NON-COOPERATION

10. RW Defendant understands and concedes that, although defendant is not required by the terms of this plea agreement to testify before any Court or grand jury, the United States may take the prescribed actions under 18 U.S.C. § 6001, *et. seq.* or any other applicable provision of law to compel defendant's testimony. Defendant agrees that, if defendant refuses to testify after being granted immunity and ordered by the Court to testify, defendant may be found to be in contempt of court and may be punished in accordance with Federal Rule of Criminal Procedure 42 and 18 U.S.C. §§ 401 and 402. Further, the United States Attorney's Office shall be permitted to pursue any other action available to require defendant's testimony or punish defendant's refusal to testify subsequent to any order requiring defendant to testify. Defendant understands and agrees that, because defendant is not cooperating with the government, the United States will not recommend any decrease under §5K1.1 or any other provision of the United States Sentencing Guidelines or under 18 U.S.C. § 3553(e) or any other provision of law.

STIPULATION OF FACTS

11. RW By initialing each of the following paragraphs, defendant stipulates to the following facts. Defendant agrees these facts are true and may be used to establish a factual basis for defendant's guilty plea and sentence. Defendant has been advised by defendant's attorney of defendant's rights under Federal Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410. Defendant waives these rights and agrees this stipulation may be used against defendant at any time in any proceeding should defendant violate or refuse to follow through on this plea agreement, regardless of whether the plea agreement has been accepted by the Court. Defendant agrees that the stipulation below is a summary of the facts against defendant and does not constitute all of the facts the government would be able to prove at trial and may be able to prove to the Court in accordance with this agreement.

Background

RW A. At all times relevant to the charges in this case, defendant Russell Wasendorf, Sr., was the owner, Chief Executive Officer, and Chairman of the Board of Peregrine Financial Group, Inc. (PFG). Defendant was registered with the United States Commodity Futures Trading Commission (CFTC) as an associated person.

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RW B. At all times relevant to the charges in this case, PFG was a futures commission merchant (FCM), registered with the CFTC, doing business in the Northern District of Iowa, and maintaining offices in Chicago and, at times, Cedar Falls, Iowa. As an FCM, PFG received money, securities and other property from its customers (customer funds) to margin, guarantee, or secure the customers' futures and options trades. As an FCM, PFG was required by law to segregate and separately account for all customer funds.

RW C. At all times relevant to the charges in this case, PFG was regulated by the CFTC. The CFTC was an independent federal regulatory agency charged by Congress with the responsibility for administering and enforcing the provisions of the Commodity Exchange Act, 7 U.S.C. §§ 1 et seq. (2006), as amended, and the Regulations promulgated thereunder, 17 C.F.R. §§ 1.1 et seq. (2012).

RW D. At all times relevant to the charges in this case, the National Futures Association (NFA) was a not-for-profit industry membership corporation, formed as a registered futures association authorized under 7 U.S.C. § 21, that operated under the supervision of the CFTC. The NFA was responsible, under CFTC oversight, for certain aspects of the regulation of futures entities.

RW E. At all times relevant to the charges in this case, the NFA was PFG's designated self-regulatory organization responsible for monitoring and auditing PFG for compliance with the minimum financial and related reporting requirements of the domestic exchanges of which PFG was a member.

Defendant's Scheme to Defraud

RW F. Beginning in about the early 1990s, and continuing through in or about July 2012, in the Northern District of Iowa and elsewhere, defendant, with intent to defraud, devised and willfully participated in a scheme and artifice to defraud and obtain money by materially false and fraudulent pretenses, representations and promises. That is, defendant fraudulently obtained and misappropriated for his own use customer funds that were supposed to be maintained by PFG for the benefit of and use by such customers to margin, guarantee, or secure commodities futures and options trades.

RW G. It was part of defendant's scheme that defendant routinely stole PFG customer funds from a purported customer segregated account at U.S. Bank (which account was previously held by predecessors to U.S. Bank)

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(U.S. Bank account). Defendant secretly transferred and otherwise misappropriated millions of dollars in customer funds from the U.S. Bank account. Defendant used the stolen money to unlawfully bolster the apparent financial position of PFG, fund defendant's outside business interests, and for defendant's own personal use and purposes.

RW H. It was also part of defendant's scheme that he operated PFG in a manner so as to create the false appearance PFG was in compliance with all relevant laws and regulations designed to protect commodities futures and options investors. In truth and in fact, as defendant well knew, defendant's misappropriation of PFG customer funds caused PFG to be out of compliance with such laws and regulations from nearly the very beginning of PFG's operations as a registered FCM in the early 1990s. As defendant well knew, by July of 2012, defendant's routine misappropriation of PFG customer funds caused a shortfall in such funds of millions of dollars, all in violation of relevant laws and regulations and contrary to defendant's representations to regulators.

RW I. It was also part of defendant's scheme that he created and used false and fraudulent U.S. Bank statements and other documents to conceal his theft of customer funds from auditors, regulators, PFG's accounting department, other PFG personnel, and PFG customers.

Defendant's Embezzlement of Customer Funds

RW J. Beginning in about the early 1990s, and continuing through in or about July 2012, in the Northern District of Iowa and elsewhere, defendant embezzled and otherwise misappropriated in excess of \$100,000,000 (final amount to be determined at sentencing) in PFG customer funds. Defendant stole the funds, at least in part, by secretly withdrawing money from the account and then fraudulently omitting the withdrawals and inflating the balances on forged bank account statements purportedly issued by U.S. Bank.

RW K. Defendant maintained exclusive control of the U.S. Bank monthly statements by instructing PFG personnel to make sure they were delivered to him unopened when they were received at PFG by mail. Defendant used a copy machine and, later, computer software to fabricate false monthly statements in place of the real statements. Defendant then caused the fabricated statements to be transferred to PFG's accounting department, usually through PFG's Chief Financial Officer (CFO). PFG's accounting personnel entered the inflated balances from the fabricated U.S. Bank statements into PFG's accounting system and used the inflated figures for all relevant purposes, to include the preparation of PFG's

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financial statements and reports and the preparation of periodic reports to regulators regarding the value of PFG's customer segregated funds.

RW

L. Defendant falsified the bank statements to inflate the U.S. Bank account balance in at least two ways. First, defendant fabricated large deposits into the account that did not actually exist. Defendant pretended to personally make large deposits into the U.S. Bank account via bank check and then provided fabricated deposit receipts to PFG's accounting department. Defendant then fabricated the monthly U.S. Bank account statements to include corresponding fake deposits and inflated balances. Second, defendant secretly transferred and otherwise debited the U.S. Bank account and then eliminated the deductions and inflated the balances when fabricating the U.S. Bank statements for use by PFG's accounting department.

Defendant's Submission of False Reports to Regulators

RW

M. In order to prevent regulators and others from discovering his crimes, defendant caused PFG to submit false periodic reports to the CFTC and NFA regarding the value of PFG's customer segregated funds. From nearly the beginning of PFG's operations as a registered FCM in the early 1990s, when defendant first embezzled PFG customer funds, as defendant well knew, each and every mandatory periodic report PFG submitted to the CFTC and NFA regarding the value of PFG's customer segregated funds was false. These false reports included daily reports to the NFA, monthly reports to the NFA and CFTC, and audited year-end financial statements submitted to the CFTC. With regard to the audited year-end financial statements, as defendant well knew, PFG's auditor was provided with false information and reports derived from the fabricated U.S. Bank statements, and PFG's audited year-end financial statements reflected the false information.

RW

N. For example, on or about June 25, 2012, in the Northern District of Iowa, defendant knowingly and willfully caused one such false report to be submitted to the CFTC. That is, defendant caused PFG to submit to the CFTC a false "CFTC FORM 1-FR-FCM" mandatory monthly report for May 2012. As defendant well knew, the false report overstated the value of PFG's customer segregated funds by millions of dollars.

Defendant's Submission of Forged Documents to Auditors

RW

O. In order to prevent NFA's auditors and PFG's auditors (the auditors) from discovering his crimes, defendant intercepted the auditors' account verification forms for the U.S. Bank account and forged purported

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responses from U.S. Bank. When forging monthly statements for the U.S. Bank account, defendant changed the bank's true mailing address to a Cedar Falls post office box under defendant's control, that is, P.O. Box 706. Defendant did so in order to deceive auditors into believing P.O. Box 706 was U.S. Bank's mailing address. Defendant also caused the auditors to send account verification forms for the U.S. Bank account to P.O. Box 706. On numerous occasions, defendant retrieved account verification forms from P.O. Box 706 and forged responses purporting to be from officials at U.S. Bank. In the forged responses, defendant knowingly and willfully provided inflated balances for the U.S. Bank account and attached forged statements showing inflated balances in corresponding amounts.

RW P.

For example, on or about April 2, 2010, and May 16, 2011, in the Northern District of Iowa, defendant did knowingly and willfully submit such false and forged account verification forms to auditors at the NFA. That is, on or about April 2, 2010, defendant sent to the NFA via U.S. mail a false and forged account verification form for the U.S. Bank account, and a corresponding forged bank statement, that overstated by at least \$195,000,000 the amount in the U.S. Bank account as of February 28, 2010. In addition, on or about May 16, 2011, defendant sent to the NFA via U.S. mail a false and forged account verification form for the U.S. Bank account, and a corresponding forged bank statement, that overstated by at least \$210,000,000 the amount in the U.S. Bank account as of March 31, 2011.

The Loss Caused by Defendant's Crimes and Number of Victims

RW Q.

As part of defendant's offenses of conviction, defendant stole in excess of \$100,000,000 in customer funds from PFG commodities futures customers. All PFG commodities futures customers with more-than-nominal funds on account at PFG as of July 9, 2012, sustained an actual loss due to defendant's crimes and are victims of his offenses. Such victims number in the thousands.

SENTENCING PROVISIONS

12. *RW* Defendant understands and agrees to be sentenced based on facts to be found by the sentencing judge by a preponderance of the evidence and agrees facts essential to the punishment need not be (1) charged in the Indictment or Information; (2) proven to a jury; or (3) proven beyond a reasonable doubt. Defendant agrees the Court will determine the appropriate sentence after considering a variety of factors, including: (1) the nature and circumstances of the offense and the history and characteristics of defendant; (2) the need for the sentence imposed to reflect the

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seriousness of the offense, to promote respect for the law, and to provide just punishment for the offense; (3) the need for the sentence to afford adequate deterrence to criminal conduct; (4) the need for the sentence to protect the public from further crimes of defendant; (5) the need for the sentence to provide defendant with needed educational or vocational training, medical care, or other correctional treatment in the most effective manner; (6) the need to avoid unwarranted sentencing disparities among defendants with similar criminal records who have been found guilty of similar conduct; and (7) the need to provide restitution to any victims of the offense. Defendant understands the Court will also consider the kinds of sentence and the sentencing range established by the United States Sentencing Guidelines for the applicable category of offense(s) committed by defendant and will consider any pertinent policy statements issued as part of the Guidelines. The Court will consider relevant adjustments under the United States Sentencing Guidelines, which will include a review of such things as defendant's role in the offense, criminal history, acceptance or lack of acceptance of responsibility, and other considerations. The Court may also consider other information including any information concerning the background, character, and conduct of defendant.

13. RW During plea negotiations the parties may have discussed how various factors could impact the Court's sentencing decision and the determination of the advisory sentencing guidelines range. The parties agree, however, that discussions did not result in any express or implied promise or guarantee concerning the actual sentence to be imposed by the Court. Defendant understands the Court is not bound by the stipulations of the parties, nor is it bound by the sentencing range as determined pursuant to the sentencing guidelines. This plea agreement provides for no guarantee concerning the actual sentence to be imposed. Defendant further understands defendant will have no right to withdraw defendant's guilty plea if the sentence imposed is other than defendant hoped for or anticipated.

14. RW The parties stipulate and agree the United States Sentencing Guidelines should be applied, at least, as follows:

RW A. **Base Offense Level** – Pursuant to USSG §2B1.1(a), defendant's base offense level is 7.

RW B. **Amount of Loss:** An upward adjustment of at least 26-levels is appropriate under USSG §2B1.1(b)(1)(N) based upon an amount of loss in excess of \$100,000,000.

RW C. **Sophisticated Means:** The parties agree to present evidence and argument at sentencing as to whether a 2-level upward adjustment is appropriate under USSG §2B1.1(b)(10)(C) based upon the offense involving sophisticated means.

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RW D. **Number of Victims:** A 6-level upward adjustment is appropriate under USSG §2B1.1(b)(2)(C) based upon the offense involving more than 250 victims.

RW E. **Substantial Endangerment to the Solvency or Financial Security of 100 or More Victims:** The parties agree to present evidence and argument at sentencing as to whether a 4-level enhancement (limited, as appropriate, in accordance with USSG §2B1.1(b)(15)(C)) is appropriate under USSG §2B1.1(b)(15)(B) based upon the offense substantially endangering the solvency or financial security of 100 or more victims.

RW F. **Commodities Law Violation / Officer of a Futures Commission Merchant:** A 4-level upward adjustment is appropriate under USSG §2B1.1(b)(18)(B) because the offense involved a violation of commodities law and defendant was an officer and director of a futures commission merchant.

RW G. **Acceptance of Responsibility:** The United States agrees for purposes of USSG §3E1.1(b) that defendant timely notified authorities of defendant's intention to enter a guilty plea.

RW H. No other agreements have been reached, and the parties are free to litigate any and all other applicable adjustments, departures, or cross-references under the United States Sentencing Guidelines. The parties are also free to seek a variance, either upward or downward, from the guidelines range calculated by the Court.

15. RW Defendant, defendant's attorney, and the United States may make whatever comment and evidentiary offer they deem appropriate at the time of the guilty plea, sentencing, or any other proceeding related to this case, so long as the offer or comment does not violate any other provision of this agreement. The parties are also free to provide all relevant information and controlling authority to the Probation Office and Court for use in preparing and litigating adjustments, enhancements, or departures scored in the presentence report, including offering statements made by defendant at any time.

16. RW The parties are free to contest or defend any ruling of the Court, unless otherwise limited by this agreement, on appeal or in any other post-conviction proceeding.

17. RW Defendant understands that, pursuant to the Victim and Witness Protection Act, Title I of the Justice for All Act, and the regulations promulgated under the Act by the Attorney General of the United States:

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- A. The victim of a crime is given the opportunity to comment on the offense and make recommendations regarding the sentence to be imposed. Defendant understands the victim's comments and recommendations may be different from those of the parties to this agreement.
- B. The government is required to consult with victims of serious crimes to obtain their views regarding the appropriate disposition of the case against defendant and to make any such information regarding sentencing known to the Court. Defendant understands any victim's opinions and recommendations may be different from those presented by the government.
- C. The government is required to "fully advocate the rights of victims on the issue of restitution unless such advocacy would unduly complicate the sentencing proceeding," and the Court is authorized to order restitution by defendant to victims of crime, including, but not limited to, restitution for property loss, personal injury, or death.

CONDITIONS OF SUPERVISION

18. RW If probation or a term of supervised release is ordered, the parties are free to seek whatever conditions they deem appropriate.

FINANCIAL MATTERS

19. RW Defendant agrees to pay a special assessment of \$100 per count, for a total of \$400, as required by 18 U.S.C. § 3013. Defendant may pay the special assessment to the Clerk of Court by credit card or use the enclosed payment coupon. Defendant or defendant's representative will send or deliver the special assessment payment to the U.S. District Clerk of Court, 4200 C Street SW, Cedar Rapids, IA 52404. If defendant does not pay the Clerk of Court by credit card, payment must be in the form of a money order made out to the "U.S. District Clerk of Court."

20. RW Defendant agrees defendant will be required to pay full restitution to all victims of the offenses including relevant conduct victims. Defendant further understands the amount of loss sustained by each victim will be determined during the course of preparation of the presentence investigation report. Defendant agrees to cooperate in the investigation of the amount of loss and the identification of victims. Defendant understands full restitution will be ordered regardless of defendant's financial resources. Any restitution obligation should be paid to the Clerk of Court for eventual disbursement to the victims. Complete restitution shall be due and payable at or before the time of sentencing. Defendant agrees to cooperate in efforts to collect the restitution obligation, by any means the United States deems appropriate. Defendant understands imposition or payment of restitution will not restrict or preclude the filing of

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any civil suit or administrative action. Defendant agrees any restitution imposed will be non-dischargeable in any bankruptcy proceeding and defendant will not seek a discharge or a finding of dischargeability as to the restitution obligation.

21. Raw Defendant agrees to fully complete the enclosed Authorization to Release Credit Information pursuant to 15 U.S.C. § 1681b(a)(2). Further, upon request, defendant agrees to provide the U.S. Attorney's Office with any supporting information or documentation in defendant's possession or control regarding the information contained in the consumer credit report. In addition, defendant agrees to take any additional action requested by the United States to obtain financial information about defendant in the hands of third parties. This request includes, but is not limited to, mortgages, financial statements, loan applications or requests for extension of credit, financing statements, security agreements, subordinations, promissory notes, account information, tax returns, W2s, child support obligations, and any other document that may be held by a third party containing financial information about defendant. Defendant agrees to provide this information whenever requested until such time any judgment or claim against defendant, including principal, interest, and penalties, is satisfied in full. This information will be used to evaluate defendant's capacity to pay any claim or judgment against defendant as well as satisfy any forfeiture obligations. Defendant further understands and agrees the United States can and will release such information to the United States Probation Office for the Northern District of Iowa.

22. Raw Defendant agrees to fully and truthfully complete the enclosed financial statement form. Further, upon request, defendant agrees to provide the U.S. Attorney's Office with any information or documentation in defendant's possession or control regarding defendant's financial affairs and agrees to submit to a debtor's examination when requested. Defendant agrees to provide this information whenever requested until such time any judgment or claim against defendant, including principal and interest, is satisfied in full. This information will be used to evaluate defendant's capacity to pay any claim or judgment against defendant.

23. Raw Defendant understands and agrees that Counts 2, 3 and 4 of the Information, being violations of 7 U.S.C. § 13, require payment of the costs of prosecution. Defendant understands that the United States will file a final bill of costs at the conclusion of the prosecution. Defendant agrees to pay the costs incurred by the government in the prosecution of this case, as will be reported in the final bill of costs.

FORFEITURE

24. Raw Defendant agrees to forfeit and abandon any and all claim to items seized by law enforcement from defendant at the time of any arrest or search. Defendant also waives any right to additional notice of the forfeiture and abandonment of such property. Defendant stipulates this plea agreement constitutes notice under

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Local Criminal Rule 57.3(c) regarding the disposal of any exhibits or evidence related to this matter. Defendant understands that, from this date forward, any local, state, or federal law enforcement agency may take custody of and use, dispose of, and transfer these items in any way the agency deems appropriate.

25. *RW* Defendant agrees to voluntarily disclose, forfeit, abandon, give up, and give away to the United States, or any law enforcement agency designated by the United States, prior to the date of sentencing herein, any right, title and interest defendant may have in property subject to forfeiture under the United States Code, including 18 U.S.C. § 981(a)(1)(C), 28 U.S.C. § 2461(c), 21 U.S.C. §§ 853 and 881, and 18 U.S.C. §§ 924, 981 and 982, and any right, title and interest defendant may have in the following items:

- A. any property, real or personal, that constitutes or is derived from proceeds traceable to a violation of 18 U.S.C. § 1341;
- B. any property, real or personal, used or attempted to be used to facilitate the commission of 18 U.S.C. § 1341;
- C. any property, real or personal, involved in a transaction or attempted transaction in violation of 18 U.S.C. § 1341 or any property traceable to such property;
- D. any property, real or personal, constituting, derived from, or traceable to any proceeds obtained directly or indirectly from an offense against a foreign nation for violations of 18 U.S.C. § 1341; and
- E. A money judgment in the amount of \$100,000,000.

26. *RW* If any of the property described in the above paragraphs, as a result of any act or omission of defendant:

- A. cannot be located upon the exercise of due diligence;
- B. has been transferred or sold to, or deposited with, a third party;
- C. has been placed beyond the jurisdiction of the Court;
- D. has been substantially diminished in value; or
- E. has been commingled with other property that cannot be divided without difficulty;

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defendant shall, prior to sentencing, provide payment to the government by cashier's or certified check up to the value of such property. Alternatively, defendant shall consent to an order of forfeiture of any other property up to the value of any such property.

27. RW Within two weeks of signing this agreement, defendant agrees to provide the United States Attorney's Office for the Northern District of Iowa with written documentation of defendant's ownership or right, title, or interest in the aforementioned property. In the event defendant is unable to provide documentation of defendant's right, title, or interest in such property within two weeks of signing this agreement, defendant shall relinquish custody of that property to the United States at that time, or at any subsequent time agreed to by the United States, upon demand of the government.

28. RW By this agreement defendant not only agrees to forfeit all interests in the property referred to in the above paragraphs, but agrees to take whatever steps are necessary to convey any and all of defendant's right, title, and interest in such property to the United States. These steps include, but are not limited to, the surrender of title, the signing of a quit claim deed, the signing of a consent decree, the signing of abandonment papers, the signing of a stipulation of facts regarding the transfer and basis for the forfeiture, and the signing any other documents necessary to effectuate such transfers. Defendant further agrees to fully assist the government in the recovery and return to the United States of any assets or portions thereof as described above wherever located. Defendant further agrees to make a full and complete disclosure of all assets over which defendant exercises control and those held or controlled by a nominee. Defendant further agrees to be polygraphed on the issue of assets if it is deemed necessary by the United States before defendant's sentencing.

29. RW Defendant agrees not to waste, sell, dispose of, or otherwise diminish the value of any items or property referred to in the above paragraphs or allow others to do so. Defendant further agrees not to contest any forfeiture action or proceeding brought on behalf of any government agency involved in this investigation that seeks to forfeit property described in the above paragraphs.

30. RW Defendant agrees and understands that, should defendant fail to truthfully account for all of defendant's holdings, proceeds, assets, or income, whether derived from a legal source or not, for the period charged, defendant shall be deemed to have materially breached this agreement. The decision as to whether defendant has been complete, forthright, and truthful in this regard shall be in the sole discretion of the United States Attorney's Office, taking into consideration the totality of the circumstances and the totality of the evidence developed in the course of the investigation.

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ASSIGNMENT OF PROFITS OR PROCEEDS FROM PUBLICITY

31. RW Defendant hereby assigns to the United States any profits or proceeds which he may be entitled to receive in connection with any publication or dissemination of information relating to illegal conduct charged in the Information. This assignment shall include all profits and proceeds for the benefit of defendant, regardless of whether such profits and proceeds are payable to himself or to others, directly or indirectly, for his benefit or for the benefit of defendant's associates or a current or future member of defendant's family. Defendant shall not circumvent this assignment by assigning the rights to his story to an associate or to a current or future member of defendant's family, or to another person or entity who would provide some financial benefit to defendant, to the defendant's associates, or to a current or future member of defendant's family. Moreover, defendant shall not circumvent this assignment by communicating with an associate or a family member for the purpose of assisting or facilitating their profiting from a public dissemination, whether or not such an associate or other family member is personally or directly involved in such dissemination. Defendant agrees to provide, complete and sign any documentation required by the United States to accomplish the assignment provisions contained within this paragraph. The government agrees that any funds assigned pursuant to this paragraph shall be credited first toward any outstanding restitution order.

GENERAL MATTERS

32. RW Defendant shall not violate any local, state, or federal law during the pendency of this agreement. Any law violation, with the exception of speeding or parking violations, committed by defendant will constitute a breach of this agreement and may result in the revocation of the entire agreement or any of its terms. Defendant or defendant's attorney shall notify this office within 48 hours if defendant is questioned, charged, or arrested for any law violation.

33. RW If defendant violates **any** term or condition of this plea agreement, in **any** respect, the entire agreement will be deemed to have been breached and may be rendered null and void by the United States. Defendant understands, however, the government may elect to proceed with the guilty plea and sentencing. These decisions shall be in the sole discretion of the United States. If defendant does breach this agreement, defendant faces the following consequences: (1) all testimony and other information defendant has provided at any time (including any stipulations in this agreement) to attorneys, employees, or law enforcement officers of the government, to the Court, or to the federal grand jury may and will be used against defendant in any prosecution or proceeding; (2) the United States will be entitled to reinstate previously dismissed charges and/or pursue additional charges against defendant and to use any information obtained directly or indirectly from defendant in those additional prosecutions; and (3) the United States will be released from any obligations, agreements, or restrictions imposed upon it under this plea agreement.

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34. RW Defendant waives all claims defendant may have based upon the statute of limitations, the Speedy Trial Act, and the speedy trial provisions of the Sixth Amendment to the Constitution. Defendant also agrees any delay between the signing of this agreement and the final disposition of this case constitutes excludable time under 18 U.S.C. § 3161 *et seq.* (the Speedy Trial Act) and related provisions.

35. RW Any dismissal of counts or agreement to forego filing charges is conditional upon final resolution of this matter. If this agreement is revoked or defendant's conviction is ultimately overturned, the United States retains the right to reinstate previously dismissed counts and to file charges that were not filed because of this agreement. Dismissed counts may be reinstated and uncharged offenses may be filed if: (1) the plea agreement is revoked, or (2) defendant successfully challenges defendant's conviction through a final order in any appeal, cross-appeal, habeas corpus action, or other post-conviction relief matter. A final order is an order not subject to further review or an order that no party challenges. The United States may reinstate any dismissed counts or file any uncharged offenses within 90 days of the filing date of the final order. Defendant waives all constitutional and statutory speedy trial rights defendant may have. Defendant also waives all statute of limitations or other objections or defenses defendant may have related to the timing or timeliness of the filing or prosecution of charges referred to in this paragraph.

ACKNOWLEDGMENT OF DEFENDANT'S UNDERSTANDING

36. RW Defendant acknowledges defendant has read each of the provisions of this entire plea agreement with the assistance of counsel and understands its provisions. Defendant has discussed the case and defendant's constitutional and other rights with defendant's attorney. Defendant understands that, by entering a plea of guilty, defendant will be giving up the right to plead not guilty; to trial by jury; to confront, cross-examine, and compel the attendance of witnesses; to present evidence in defendant's defense; to remain silent and refuse to be a witness by asserting defendant's privilege against self-incrimination; and to be presumed innocent until proven guilty beyond a reasonable doubt. Defendant states defendant is not now on or under the influence of, any drug, medication, liquor, or other substance, whether prescribed by a physician or not, that would impair defendant's ability to fully understand the terms and conditions of this plea agreement.

37. RW Defendant acknowledges defendant is entering into this plea agreement and is pleading guilty freely and voluntarily because defendant is guilty and for no other reason. Defendant further acknowledges defendant is entering into this agreement without reliance upon any discussions between the government and defendant (other than those specifically described in this plea agreement), without promise of benefit of any kind (other than any matters contained in this plea agreement), and without threats, force, intimidation, or coercion of any kind. Defendant

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further acknowledges defendant's understanding of the nature of each offense to which defendant is pleading guilty, including the penalties provided by law.

38. RW Defendant further understands defendant will be adjudicated guilty of each offense to which defendant will plead guilty and will thereby be deprived of certain rights, including, but not limited to, the right to vote, to hold public office, to serve on a jury, and to possess firearms and ammunition. Defendant understands the government reserves the right to notify any state or federal agency by whom defendant is licensed, or with whom defendant does business, of the fact of defendant's conviction.

VERIFICATION

39. RW This letter constitutes the entire agreement between the parties. No other promises of any kind, express or implied, have been made to defendant by the United States or its agents. No additional agreement may be entered into unless in writing and signed by all parties. The agreement will not be deemed to be valid unless and until all signatures appear where indicated below.

If this agreement is acceptable, please have your client indicate acceptance by placing initials on the line preceding each of the above paragraphs and by signing below where indicated. By initialing each paragraph and signing below, defendant acknowledges defendant has read, fully understands, and agrees to each paragraph of this agreement. Please return all enclosures, completed and signed, with this signed letter to the U.S. Attorney's Office.

Enclosed are a Waiver of Indictment, the Information, and Consent to Proceed Before a United States Magistrate. After the signed waiver and consent are returned, they will be filed with the Information. The government will ask the Court to schedule a guilty plea hearing. The Information is your file copy.

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Finally, please remember to pay the special assessment as agreed above.

Thank you for your cooperation.

Sincerely,

STEPHANIE M. ROSE
United States Attorney

By, s/ Peter E. Deegan, Jr.

PETER E. DEEGAN, JR.
Assistant United States Attorney

By, s/Matthew J. Cole

MATTHEW J. COLE
Assistant United States Attorney

ENCLOSURES:

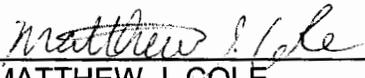
- Financial Statement Form
- Special Assessment Payment Coupon
- Waiver of Indictment
- Copy of Proposed Information
- Authorization to Release Credit Information
- Consent to Proceed Before Magistrate Judge

The undersigned defendant, with advice of counsel, accepts the terms of this plea agreement. The undersigned Assistant United States Attorney accepts the terms of the executed plea agreement.


 _____ 7 Sept 2012
 RUSSELL R. WASENDORF, SR. Date
 Defendant


 _____ 9/11/12
 PETER E. DEEGAN, JR. Date
 Assistant United States Attorney


 _____ Sept 7 2012
 JANE KELLY Date
 Attorney for Defendant


 _____ 9/11/2012
 MATTHEW J. COLE Date
 Assistant United States Attorney