Samuel C. Kauffman, OSB #94352
Telephone: 503 228-3939
Fax: 503 226-0259
E-Mail: skauffman@gsblaw.com
Garvey Schubert Barer
Eleventh Floor
121 S.W. Morrison Street
Portland, Oregon 97204-3141

Attorneys for Defendant
Harold James Nicholson

UNITED STATES DISTRICT COURT

DISTRICT OF OREGON

PORTLAND DIVISION

UNITED STATES OF AMERICA, Plaintiff, v. **HAROLD JAMES NICHOLSON,** Defendant.	Case No. CR 09-40-BR **PETITION TO ENTER PLEA OF GUILTY, CERTIFICATE OF COUNSEL AND ORDER ENTERING PLEA**

The defendant represents to the court:

1. My name is Harold James Nicholson. I am 59 years old. I have gone to school up to and including college.

2. My attorney is Samuel C. Kauffman.

3. My attorney and I have discussed my case fully. I have received a copy of the Indictment. I have read the Indictment and I have discussed it with my attorney. My attorney

has counseled and advised me concerning the nature of the charges, any lesser-included offenses, and the possible defenses that I might have in this case. I have been advised and understand that the elements of the charges alleged against me to which I am pleading "GUILTY" are as follows:

a. Conspiracy to Act as an Agent of a Foreign Government Without Prior Notification of the Attorney General (18 U.S.C. §§371, 951):

Beginning in or about June 2006 and continuing to on or about December 15 2008 in the District of Oregon and elsewhere defendants HAROLD JAMES NICHOLSON and NATHANIEL JAMES NICHOLSON did unlawfully combine conspire confederate and agree with each other and with others known and unknown to the grand jury to knowingly act in the United States as agents of foreign government namely the government of Russia known as the Russian Federation without prior notification to the Attorney General of the United States as required by law in violation of Title 18 United States Code Sections 371 and 951(a).

b. Conspiracy to Commit Money Laundering (18 U.S.C. §§1956(a) and (h).

Beginning in or about June 2006 and continuing to on or about December 152008 in the District of Oregon and elsewhere defendants HAROLD JAMES NICHOLSON and NATHANIEL JAMES NICHOLSON did unlawfully combine conspire confederate and agree with each other and with others known and unknown to the grand jury to knowingly and willfully transport funds that is United States currency from places outside the United States that is Mexico, Peru and Cyprus to place in the United States that is Portland Oregon knowing that the funds involved in the transportation represented the proceeds of some form of unlawful activity and knowing that such transportation was designed in whole or in part to conceal and disguise the nature source ownership and control of the proceeds of the specified unlawful activity to wit espionage all in violation of Title 18 United States Code Section 1956(h) and 1956(a)(2)(B)(i).

4. I know that if I plead "GUILTY," I will have to answer any questions that the judge asks me about the offense to which I am pleading guilty. I also know that if I answer falsely, under oath, and in the presence of my attorney, my answers could be used against me in a prosecution for perjury or false statement.

5. I am not under the influence of alcohol or drugs. I am not suffering from any injury, illness or disability affecting my thinking or my ability to reason. I have not taken any drugs or medications within the past seven (7) days.

6. I understand that conviction of a crime can result in consequences in addition to imprisonment. Such consequences include deportation, or removal from the United States, or denial of naturalization, if I am not a United States citizen; loss of eligibility to receive federal benefits; loss of certain civil rights (which may be temporary or permanent depending on applicable state or federal law), such as the right to vote, to hold public office, and to possess a firearm; and loss of the privilege to engage in certain occupations licensed by the state or federal government.

7. I know that I may plead "NOT GUILTY" to any crime charged against me and that I may persist in that plea if it has already been made. I know that if I plead "NOT GUILTY" the Constitution guarantees me:

a. The right to a speedy and public trial by jury, during which I will be presumed to be innocent unless and until I am proven guilty by the government beyond a reasonable doubt and by the unanimous vote of twelve jurors;

b. The right to have the assistance of an attorney at all stages of the proceedings;

c. The right to use the power and process of the court to compel the production of evidence, including the attendance of witnesses in my favor;

d. The right to see, hear, confront, and cross-examine all witnesses called to testify against me;

e. The right to decide for myself whether to take the witness stand and testify, and if I decide not to take the witness stand, I understand that no inference of guilt may be drawn from this decision; and

f. The right not to be compelled to incriminate myself.

8. I know that if I plead "GUILTY" there will be no trial before either a judge or a jury, and that I will not be able to appeal from the judge's denial of any pretrial motions I may have filed concerning matters or issues not related to the court's jurisdiction .

9. In this case I am pleading "GUILTY" under Rule 11(c)(1)(C). My attorney has explained the effect of my plea under Rule 11(c)(1)(C) to be as follows:

My plea of guilty is under Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure. Therefore, the court is bound by the recommendations of the parties once it accepts the plea agreement. Should I remain in compliance with the plea agreement and if the court declines to follow the agreements or recommendations in the plea agreement, I may then, and only then, withdraw from the plea agreement.

10. I know the maximum sentence which can be imposed upon me for the crimes to which I am pleading guilty is five (5) years imprisonment for Count 1 and a fine of $250,000. The maximum penalty for Count 3 is twenty (20) years imprisonment and a fine of $500,000.

11. I know that the judge, in addition to any other penalty, will order a special assessment as provided by law in the amount of $100.

12. I know that if I am ordered to pay a fine, and I willfully refuse to pay that fine, I can be returned to court, where the amount of the unpaid balance owed on the fine can be substantially increased by the judge and I can be imprisoned for up to one year.

13. My attorney has discussed with me the Federal Sentencing Guidelines. I know

that the Federal Sentencing Guidelines are advisory, not mandatory. I also know the sentencing judge, in determining the particular sentence to be imposed, must consider those factors set forth in Title 18, United States Code, Section 3553(a), including but not limited to: the nature and circumstance of the offense, my own history and characteristics, the goals of sentencing (punishment, deterrence, protection, and rehabilitation), and the sentencing range establish by the advisory Guidelines. If my attorney or any other person has calculated a Guideline range for me, I know that this is only advisory, and is only one of the factors that the judge will consider in making a final decision as to what sentence will be imposed. I also know that a judge may not impose a sentence greater than the maximum sentence referred to in Paragraph 10, above.

14. I know from discussion with my attorney that, under the Federal Sentencing Guidelines, if I am sentenced to prison I am not entitled to parole. I will have to serve the full sentence imposed except for any credit for good behavior that I earn. I can earn credit for good behavior in prison at a rate of up to 54 days for each year of imprisonment served. Credit for good behavior does not apply to a sentence of one year or less.

15. I know that if I am sentenced to prison, the judge will impose a term of supervised release to follow the prison sentence. During my supervised release term I will be supervised by a probation officer according to terms and conditions set by the judge. In my case, the total term of supervised release can be up to three (3) years. If I violate the conditions of supervised release, I may be sent back to prison for up to two (2) years.

16. I know that in addition to or in lieu of any other penalty, the judge can order restitution payments to any victim of any offense to which I plead guilty. I am also informed that, for certain crimes of violence and crimes involving fraud or deceit, it is mandatory that the judge impose restitution in the full amount of any financial loss or harm caused by an offense. If imposed, the victim can use the order of restitution to obtain a civil judgment lien. A restitution order can be enforced by the United States for up to twenty (20) years from the date of my

release from imprisonment, or, if I am not imprisoned, twenty (20) years from the date of the entry of judgment. If I willfully refuse to pay restitution as ordered, a judge may resentence me to any sentence which could originally have been imposed.

17. On any fine or restitution in an amount of $2,500 or more, I know that I will be required to pay interest unless that fine or restitution is paid within fifteen (15) days from the date of the entry of judgment.

18. If I am on probation, parole, or supervised release in any other state or federal case, I know that by pleading guilty in this court my probation, parole or supervised release may be revoked and I may be required to serve time in that case, which may be consecutive, that is, in addition to any sentence imposed on me in this court.

19. If I have another case pending in any state or federal court, I know that my Petition and Plea Agreement in this case do not, in the absence of an express and written agreement, apply to my other case(s), and that I can be faced with consecutive sentences of imprisonment.

20. My plea of "GUILTY" is based on a Plea Agreement that I have made with the prosecutor. That Plea Agreement is attached hereto and incorporated herein. I have read the Plea Agreement, and I understand the Plea Agreement.

21. No officer or agent of any branch of government (federal, state or local) or anyone else has promised or suggested that I will receive a lesser term of imprisonment, or probation, or any other form of leniency if I plead "GUILTY" except as stated in the Plea Agreement. I understand that I cannot rely on any promise or suggestion made to me by a government agent or officer which is not stated in writing in the Plea Agreement, or which is not presented to the judge in my presence in open court at the time of the entry of my plea of guilty.

22. My plea of "GUILTY" is not the result of force, threat, or intimidation.

23. I hereby request that the judge accept my plea of "GUILTY" to Counts One and

Three of the Indictment.

24. I know that the judge must be satisfied that a crime occurred and that I committed that crime before my plea of "GUILTY" can be accepted. With respect to the charges to which I am pleading guilty, I represent that I did the following acts and that the following facts are true:

Please see the Statement of Facts In Support of Plea Agreement filed herewith.

Count One:

Beginning in or about June 2006 and continuing to on or about December 15 2008 in the District of Oregon I did combine, conspire, confederate and agree with Nathaniel Nicholson and others to knowingly act in the United States as agents of the Russian Federation without prior notification to the Attorney General of the United States as required by law in violation of Title 18 United States Code Sections 371 and 951(a).

In the District of Oregon, I conspired and agreed with Nathan Nicholson to meet with officials of the Russian Federation. Nathaniel Nicholson and I thereafter agreed that we would perform acts at the direction of the Russian Federation within the United States without prior notification to or authorization of the Attorney General of the United States. Nathaniel Nicholson thereafter performed at least one act to effect the object of the conspiracy by traveling to Mexico, Peru and Cyprus at the direction of the Russian Federation.

Count Three:

Beginning in or about June 2006 and continuing to on or about December 15, 2008 in the District of Oregon , I did conspire, confederate and agree with Nathaniel Nicholson and others to knowingly and willfully transport United States currency from places outside the United States to a place within the United States knowing that the funds involved in the transportation represented the proceeds of some form of unlawful activity and knowing that the transportation was designed, at least in part, to conceal or disguise the nature, source, ownership or control of the proceeds of the specified unlawful activity.

I agreed with Nathaniel Nicholson that he would travel to Mexico, Peru and Cyprus at the direction of Russian Federation officials to meet with them and pursuant to my request of those officials that they provide financial assistance to my children on account of my prior espionage for the Russian Federation. We further agreed that Nathaniel Nicholson would collect funds from those officials and bring the funds back into the United States. I knew that at least part of the reason for the travel to Mexico, Peru and Cyprus in order to collect the funds was to conceal or disguise the source of the funds. This conduct was in violation of Title 18 United States Code Sections 1956(h) an (a)(2)(B)(i).

//

//

//

//

//

//

//

//

//

//

//

//

//

//

//

//

//

25. I offer my plea of "GUILTY" freely and voluntarily and of my own accord and with a full understanding of the allegations set forth in the Indictment or Information, and with a full understanding of the statements set forth in this Petition and in the Certificate of my attorney that is attached to this Petition.

SIGNED by me in the presence of my attorney, after reading all of the foregoing pages and paragraphs of this Petition on this 4th day of November 2010.

Harold James Nicholson

CERTIFICATE OF COUNSEL

The undersigned, as attorney for defendant, Harold James Nicholson, hereby certifies:

1. I have fully explained to the defendant the allegations contained in the Indictment in this case, any lesser-included offense(s), and the possible defenses which may apply in this case.

2. I have personally examined the attached Petition To Enter Plea of Guilty And Order Entering Plea, explained all its provisions to the defendant, and discussed fully with the defendant all matters described and referred to in the Petition.

3. I have explained to the defendant the maximum penalty and other consequences of entering a plea of guilty described in paragraphs (6)-(20) of the Petition, and I have also explained to the defendant the applicable Federal Sentencing Guidelines.

4. I recommend that the Court accept the defendant's plea of "GUILTY."

SIGNED by me in the presence of the above-named defendant, and after full discussion with the defendant of the contents of the Petition To Enter Plea of Guilty, and any Plea Agreement, on this 4th day of November 2010.

Samuel C. Kauffman, OSB# 94352
Attorney for Harold James Nicholson

ORDER ENTERING PLEA

I find that the defendant's plea of GUILTY has been made freely and voluntarily and not out of ignorance, fear, inadvertence, or coercion. I further find the defendant has admitted facts that prove each of the necessary elements of the crime(s) to which the defendant has pled guilty.

IT IS THEREFORE ORDERED that the defendant's plea of GUILTY be accepted and entered as requested in this Petition and as recommended in the Certificate of defendant's attorney.

DATED this 8 day of November 2010.

Anna J. Brown
U.S. District Court Judge

PDX_DOCS:457937.1