

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)
)
vs.)
)
JAMES A. REGAS)

No. 12 CR 461

Judge Gary S. Feinerman

PLEA AGREEMENT

1. This Plea Agreement between the Acting United States Attorney for the Northern District of Illinois, GARY S. SHAPIRO, and defendant JAMES A. REGAS, and his attorneys, JOEL R. LEVIN and ANN C. TIGHE, is made pursuant to Rule 11 of the Federal Rules of Criminal Procedure. The parties to this Plea Agreement have agreed upon the following:

Charge in this Case

2. The information in this case charges defendant with falsifying, concealing, and covering up by a scheme material facts in a matter within the jurisdiction of the executive branch of the Government of the United States, in violation of Title 18, United States Code, Section 1001(a)(1).

3. Defendant has read the charge against him contained in the information, and that charge has been fully explained to him by his attorneys.

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

Charge to Which Defendant is Pleading Guilty

5. By this Plea Agreement, defendant agrees to enter a voluntary plea of guilty to the information, which charges defendant with falsifying, concealing, and covering up by a scheme material facts in a matter within the jurisdiction of the executive branch of the Government of the United States, in violation of Title 18, United States Code, Section 1001(a)(1).

Factual Basis

6. Defendant will plead guilty because he is in fact guilty of the charge contained in the information. 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 Sentencing Guideline § 1B1.3:

At times relevant to the charge in the information:

Federal Bank Supervision

a. The Office of the Comptroller of the Currency (“OCC”) was an independent bureau of the U.S. Department of the Treasury, responsible for chartering, regulating, and supervising all national banks. The OCC had the authority to examine and monitor the capital, asset quality, management, earnings, and liquidity of national banks to ensure that they operated in a safe and sound manner.

b. The Federal Deposit Insurance Corporation (“FDIC”) was a U.S. government corporation, responsible for insuring bank deposits, examining and supervising banks for safety and soundness, and managing failed banks in receiverships.

c. All federally-regulated banks were required to file with the FDIC a quarterly report known as a “Report of Condition and Income,” also known as a “Call Report,” setting forth detailed information reflecting the bank’s current financial condition and the results of its operations. Call Reports were divided into a number of schedules, among them, income statements, balance sheets, and schedules of past due and nonaccrual loans. Call Reports were due to be filed with the FDIC no later than 30 days after the end of each calendar quarter. The FDIC collected, updated, and stored all Call Report data for use by state and federal bank regulatory agencies, including the OCC, as well as other government institutions and the public.

Restrictions on Insider Loans

d. Federally-chartered banks were governed by the Federal Reserve Act and regulations promulgated pursuant to the authority of the Federal Reserve Act.

e. The Federal Reserve Act and regulations prohibited banks from making loans or otherwise extending credit to their own executive officers, directors, principal shareholders, and to any companies controlled by such persons (referred to collectively as “insiders”), unless certain conditions were met, as set forth in Title 12, United States Code, Sections 375a and 375b, and Title 12, Code of Federal Regulations, Part 215.

f. Among the restrictions which federal banking laws placed on insider loans were that such loans could not be made on preferential terms, meaning that:

i. insider loans were required to be made on substantially the same terms, including interest rates and collateral requirements, as those available to non-insiders;

ii. insider loans could not involve more than the normal risk of repayment or present other unfavorable features; and

iii. the bank was required to follow credit underwriting procedures that were not less stringent than those applicable to non-insiders.

g. For loans or other extensions of credit in amounts aggregating more than \$500,000, federal law required bank insiders to obtain prior approval from a majority of the members of the bank's entire board of directors (excluding the insider).

h. Federal banking laws placed additional restrictions on loans to executive officers. A bank was permitted to extend credit to one of its executive officers only if the executive officer submitted a detailed current financial statement. In no event could a bank extend credit to an executive officer in an amount more than \$100,000, unless it was for one of the specific limited purposes of financing the education of the officer's children or financing the officer's residence, or it was properly secured in the manner described in federal regulations. Any extension of credit to an executive officer was required to be promptly reported to the bank's board of directors.

Western Springs National Bank

i. Western Springs National Bank & Trust (hereinafter referred to as "Western Springs" or "the bank") was a national bank headquartered in Western Springs, Illinois.

j. Western Springs was chartered, supervised, and regulated by the OCC.

k. Western Springs's deposits were insured by the FDIC.

l. Western Springs was governed by a 7-member board of directors which had final responsibility and authority for the general supervision over all affairs of the bank, including its loan portfolio. Western Springs's board of directors delegated authority to a 7-member loan committee to evaluate and approve bank loans.

m. Western Springs had a written conflict-of-interest policy which prohibited all bank directors, officers, and employees from benefitting from their official capacities, other than by way of their agreed upon compensation and benefits that accrued to them from their employment. In particular, Western Springs's conflict-of-interest policy prohibited its directors, officers, and employees from being involved in the loan approval process if they would benefit therefrom, directly or indirectly. In furtherance of that policy, Western Springs required its directors, officers, and employees:

i. to disclose, in writing, to the board of directors any material interest which they had in the business of a borrower, applicant for credit, or other customer of the bank;

ii. to disclose to the bank, in writing, no less than on an annual basis, information about existing relationships which they (or companies which they controlled) had with the bank;

iii. to disclose, in writing, and in advance, their interest in any loan or other extension of credit to a borrower that would directly or indirectly benefit them;

refrain from any participation in the consideration of such loan or extension of credit; not vote to approve such loan or extension of credit; and excuse themselves from the loan committee meeting during any discussion and vote on such loan or extension of credit; and

iv. to disclose to the bank the receipt or proposed receipt of anything of value by them either directly or indirectly from borrowers, loan applicants, or other customers of the bank.

The Defendant

From in or about the 1990s until in or about 2010, defendant James A. Regas (“Regas”) was an executive officer of Western Springs, namely, chairman of the board of directors. Regas appointed two of the other members of Western Springs’s board of directors.

Each member of the board of directors, except Regas, simultaneously served on Western Springs’s loan committee.

As chairman of the board of directors, Regas owed Western Springs a fiduciary duty of care, good faith, and loyalty in management.

The Defendant’s Failure to Disclose Insider Transactions

At times during the period between about 2004 and 2009, Regas referred business associates to Western Springs for loans, without disclosing to the bank that he had financial relationships with such business associates and that he intended to benefit, directly and indirectly, from the loans. Regas knowingly submitted false conflict-of-interest statements

to the bank, in which he denied having any financial relationship with any of the bank's borrowers.

Among the loans from which Regas (or interests which he controlled) benefitted, without the knowledge and approval of the disinterested members of the bank's board of directors, were the following:

a. an \$803,000 loan to an entity named "North Park Webster LLC" in December 2004, proceeds of which were used to partially finance the acquisition of three pieces of property in Evanston, Illinois (namely, 917 Edgemere Court, 925 Edgemere Court, and 1216 North Sheridan Road), in which Regas and members of his family had financial interests;

b. a \$500,000 loan to one of Regas's business associates in November 2005, from which Regas received approximately one-half of the loan proceeds indirectly through a third party; and

c. a \$750,000 loan to a certain real estate investor in September 2008 to finance that investor's purchase of an apartment building in Evanston (814-816 Mulford Street) from Regas, a building which served as collateral for the bank on another loan and which Regas acquired and sold through a nominee company known as "810-816 Mulford LLC."

Those loans enabled Regas to use bank funds for the benefit of himself or entities that he controlled, without having to apply for a loan himself, without having to post collateral, and without having to sign any written promises to repay the bank's money, while evading

federal restrictions on insider loans. Because those insider loans were not fully repaid, Western Springs suffered a financial loss in the amount of approximately \$681,617.

The Defendant's False Statements and Omissions

Throughout 2008 and 2009, Regas knowingly and willfully falsified, concealed, and covered up by a scheme material facts in a matter within the jurisdiction of the OCC, a bureau of the executive branch of the Government of the United States. In particular, Regas falsified, concealed, and covered up the following material facts, which should have been fully disclosed to Western Springs's board of directors and to the OCC during 2008 and 2009:

a. that Regas had interests in various real estate enterprises and conducted business with certain individuals who received loan proceeds and other extensions of credit from Western Springs, including the entities known as North Park Webster LLC, Jefferson Capital Group Inc., and 810-816 Mulford LLC;

b. that Regas received at least a portion of the loan proceeds and otherwise benefitted from loans issued by Western Springs to such individuals and entities;

c. that payments were made on North Park Webster loans with checks which were not backed with sufficient funds ("NSF checks"), written on accounts at another bank by the wife of a business associate of Regas;

d. that the loan payments made with NSF checks were not timely reversed on the books of Western Springs and, consequently, Western Springs's records did not accurately reflect the delinquent status of the loans; and

e. that the delinquent status of the North Park Webster loans was not reported accurately on certain Call Reports which Western Springs filed with the FDIC, including the Call Report for the quarter ending on March 31, 2009.

As of the end of the quarter on March 31, 2009, North Park Webster owed Western Springs more than \$2,000,000 in principal and interest on two loans (loan numbers 612507 and 612515), both of which constituted nonaccrual loans and were required to be reported as such in Western Springs's Call Report on line 1.c.(1), Column C of Schedule RC-N (Past Due and Nonaccrual Loans, Leases, and Other Assets). In addition, the entity known as Jefferson Capital Group owed Western Springs more than \$183,000 in principal and interest on a loan (loan number 5810000) which was past due by more than 30 days and, for that reason, was required to be reported in Western Springs's Call Report on line 1.a.(1), Column A of Schedule RC-N.

Western Springs's Call Report for the quarter ending on March 31, 2009 was prepared by the bank's cashier, with data and input provided by Western Springs's loan department and other employees and officers at the bank, including Regas. As a result of instructions given by Regas, the cashier did not accurately report the delinquency status of the North Park Webster and Jefferson Capital Group loans on the bank's Call Report. Regas signed the false Call Report, knowing that it did not accurately reflect the delinquency status of the North Park Webster and Jefferson Capital Group loans.

On or about April 30, 2009, the bank's cashier filed the false Call Report with the FDIC. The Call Report contained materially false entries on the following lines:

- line 1.c.(1), Column C of Schedule RC-N, which failed to report the two North Park Webster loans as nonaccrual loans; and
- line 1.a.(1), Column A of Schedule RC-N, which failed to report the Jefferson Capital Group loan as more than 30 days past due.

Regas caused those materially false entries to be made by Western Springs's cashier, knowing that the cashier would file the false Call Report with the FDIC and that federal bank regulators, including the OCC, would rely on the entries set forth in the Call Report in carrying out their supervisory functions. In so doing, Regas impeded the ability of federal regulators to effectively supervise the bank and determine whether it was operating in a safe and sound manner.

7. The foregoing facts are set forth solely to assist the Court in determining whether a factual basis exists for defendant's plea of guilty, and are not intended to be a complete or comprehensive statement of all the facts within defendant's personal knowledge regarding the charged crime and related conduct.

Maximum Penalties

8. Defendant understands that the charge to which he is pleading guilty carries the following maximum penalties:

a. A maximum term of imprisonment of 5 years; a maximum fine of \$250,000 or twice the gross gain or twice the gross loss resulting from the offense, whichever is greater; and a maximum term of supervised release of 3 years.

b. Defendant further understands that the Court shall order restitution, by agreement of the parties, to the FDIC and to Heartland Bank & Trust Company (the

successor to Western Springs) in the total amount of \$681,617, less any amounts paid or recovered prior to sentencing.

c. In accord with Title 18, United States Code, Section 3013, defendant will be assessed \$100 on the charge to which he has pleaded guilty, in addition to any other penalty or order of restitution imposed by the Court.

Sentencing Guideline Calculations

9. Defendant understands that in imposing sentence the Court will be guided in part by the Sentencing Guidelines. Defendant understands that the Sentencing Guidelines are advisory, not mandatory, but that the Court must consider the Guidelines in determining a reasonable sentence.

10. For purposes of calculating the Sentencing Guidelines, the parties agree and disagree on the following points:

a. **Applicable Guidelines.** The parties agree that the Sentencing Guidelines to be considered in this case are those in effect at the time of sentencing. The following statements regarding the calculation of the Sentencing Guidelines are based on the Guidelines Manual currently in effect, namely, the November 2011 Guidelines Manual.

b. **Offense Level Calculations.**

i. The parties further agree that the base offense level is 6 pursuant to Guideline § 2B1.1(a)(2).

ii. The parties further agree that the base offense level should be increased by 14 levels under Guideline § 2B1.1(b)(1)(H) because the amount of the loss

incurred by Western Springs (and its successor bank) and the FDIC as a result of the offense and relevant conduct is more than \$400,000 but not more than \$1,000,000.

iii. It is the government's position that the offense level should be increased by 2 levels under Guideline § 2B1.1(b)(10)(C) because the offense and relevant conduct involved sophisticated means. Defendant disagrees.

iv. It is the government's position that the offense level should be increased by 2 levels under Guideline § 2B1.1(b)(15)(A) because defendant derived more than \$1,000,000 in gross receipts from a financial institution, namely, Western Springs, as a result of the offense and relevant conduct. Defendant disagrees.

v. It is the government's position that the offense level should be increased by 4 levels under Guideline § 3B1.1(a) because defendant was an organizer and leader of criminal activity that involved five or more participants or was otherwise extensive. Defendant disagrees.

vi. The parties agree that the offense level should be increased by 2 levels under Guideline § 3B1.3 because defendant abused a position of trust in a manner that significantly facilitated the commission and concealment of the offense and relevant conduct.

vii. If the Court determines at the time of sentencing that defendant has clearly demonstrated a recognition and affirmative acceptance of personal responsibility for his criminal conduct 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 and restitution order that may be imposed by the Court in this case, a 2-level reduction in the offense level will be appropriate. The government reserves the right to take whatever position it deems appropriate at the time of sentencing with respect to whether defendant has accepted responsibility within the meaning of Guideline § 3E1.1(a).

viii. The parties agree that, 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, if the government takes the position at the time of sentencing that defendant qualifies for a decrease under Guideline § 3E1.1(a) and the Court agrees, finding that defendant qualifies for a decrease under Guideline § 3E1.1(a) and that the offense level determined prior to the operation of Guideline § 3E1.1(a) is level 16 or greater, the government will move for an additional 1-level reduction in the offense level pursuant to Guideline § 3E1.1(b).

c. **Criminal History Category.** Based on the facts now known to the government, defendant's criminal history category is I.

d. **Anticipated Advisory Sentencing Guideline Range.** If the Court adopts the government's Sentencing Guideline calculations, and finds that defendant has accepted responsibility for his criminal conduct, the anticipated offense level total will be 27, which, when combined with the anticipated criminal history category of I, will result in an anticipated advisory Sentencing Guideline range of 70-87 months of imprisonment, in

addition to any term of supervised release, fine, and restitution order that the Court may impose. Because the statutorily authorized maximum sentence is less than the minimum of that advisory Guideline range, the statutorily authorized maximum sentence of 60 months shall be the Guideline sentence, pursuant to Guideline § 5G1.1(a).

e. Defendant and his attorneys and the government acknowledge that the above Sentencing Guideline calculations are preliminary in nature and based on facts known to the parties as of the time of this Plea Agreement. 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 Sentencing Guideline calculations. Accordingly, the validity of this Plea Agreement is not contingent upon the Probation Officer's or the Court's concurrence with the above Sentencing Guideline calculations, and defendant shall not have a right to withdraw his plea on the basis of the Court's rejection of those calculations.

f. Both parties expressly acknowledge that while none of the Sentencing Guideline calculations set forth above are binding on the Court or the Probation Office, the parties have agreed pursuant to Fed. R. Crim. P. 11(c)(1)(B) that certain components of those calculations – specifically, those set forth above in subparagraphs (b)(i), (b)(ii), and (b)(vi) of this paragraph – are binding on the parties and that it shall be a breach of this Plea Agreement for either party to present or advocate a position inconsistent with the agreed calculations set forth in the identified subparagraphs.

g. Defendant understands that with the exception of the Sentencing Guideline calculations identified above as binding on the parties, the Guideline calculations set forth above are non-binding predictions, upon which neither party is entitled to rely, and are not governed by Fed. R. Crim. P. 11(c)(1)(B). Errors in applying or interpreting any of the Sentencing Guidelines (other than those identified above as binding) may be corrected by either party prior to sentencing. The parties may correct such 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 Plea 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 Plea Agreement, on the basis of such corrections.

Agreements Relating to Sentencing

11. At the time of sentencing, the parties shall be free to recommend whatever sentence they deem appropriate.

12. It is understood by the parties that the Court is neither a party to nor bound by this Plea 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 defendant's sentencing recommendation, defendant will have no right to withdraw his guilty plea.

13. Pursuant to Title 18, United States Code, Sections 3663(a)(3) and 3664, defendant agrees to pay restitution to the FDIC and to Heartland Bank & Trust Company in the total amount of \$681,617, less any amounts paid or recovered prior to sentencing.

Restitution shall be due immediately, and paid pursuant to a schedule to be set by the Court at sentencing.

14. 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 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.

16. Defendant agrees to pay the special assessment of \$100 at the time of sentencing with a cashier's check or money order payable to the Clerk of the U.S. District Court.

Acknowledgments and Waivers Regarding Plea of Guilty

Nature of Plea Agreement

17. This Plea Agreement is entirely voluntary and represents the entire agreement between the United States Attorney and defendant regarding defendant's criminal liability in case number 12 CR 461.

18. This Plea Agreement concerns criminal liability only. Except as expressly set forth in this Plea 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 Plea 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 Plea Agreement.

Waiver of Rights

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

a. **Right to be charged by indictment.** Defendant understands that he has a right to have the charge prosecuted by an indictment returned by a concurrence of twelve or more members of a grand jury consisting of not less than 16 and not more than 23 members. By signing this Plea Agreement, defendant knowingly waives his right to be prosecuted by indictment and to assert at trial or on appeal any defects or errors arising from the information, the information process, or the fact that he has been prosecuted by way of information.

b. **Trial rights.** Defendant has the right to persist in a plea of not guilty to the charge 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 attorneys 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. The jury would have to agree unanimously before it could return a verdict of guilty or not guilty.

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, 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 attorneys 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.

c. **Waiver of appellate and collateral rights.** Defendant further understands he is waiving all appellate issues that might have been available if he had

exercised his right to trial. Defendant is aware that Title 28, United States Code, Section 1291, and Title 18, United States Code, Section 3742, afford a defendant the right to appeal his conviction and the sentence imposed. Acknowledging this, if the Court imposes a sentence within or below the Sentencing Guideline range as calculated by the Court, then defendant knowingly waives the right to appeal his conviction, any pretrial rulings by the Court, and any part of the sentence (or the manner in which that sentence was determined), including any term of imprisonment and fine within the maximums provided by law, and including any order of restitution, in exchange for the concessions made by the government in this Plea Agreement. In addition, if the Court imposes a sentence within or below the Sentencing Guideline range as calculated by the Court, defendant also waives his right to challenge his conviction and sentence, and the manner in which the sentence was determined, and (in any case in which the term of imprisonment and fine are within the maximums provided by statute) his attorneys' alleged failure or refusal to file a notice of appeal, in any collateral attack or future challenge, including but not limited to a motion brought under Title 28, United States Code, Section 2255. The waiver in this paragraph does not apply to a claim of involuntariness, or ineffective assistance of counsel, which relates directly to this waiver or to its negotiation, nor does it prohibit defendant from seeking a reduction of sentence based directly on a change in the law that is applicable to defendant and that, prior to the filing of defendant's request for relief, has been expressly made retroactive by an Act of Congress, the Supreme Court, or the United States Sentencing Commission.

20. Defendant understands that by pleading guilty he is waiving all the rights set forth in the prior paragraphs. Defendant's attorneys have explained those rights to him, and the consequences of his waiver of those rights.

Presentence Investigation Report/Post-Sentence Supervision

21. Defendant understands that the United States Attorney's Office in its submission to the Probation Office as part of the Presentence Report and at sentencing shall fully apprise the Court and the Probation Office of the nature, scope, and extent of defendant's conduct regarding the charge against him, and related matters. The government shall make known all matters in aggravation and mitigation relevant to sentencing, including the nature and extent of defendant's cooperation.

22. 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 Office. Defendant understands that providing false or incomplete information, or refusing to provide his financial information, may be used as a basis for denial of a reduction for acceptance of responsibility under Guideline § 3E1.1 and for 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 court.

23. 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 Plea Agreement shall be sufficient evidence of defendant's request to the IRS to disclose the tax returns and tax return information, as provided for in Title 26, United States Code, Section 6103(b).

Other Terms

24. 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.

25. 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 FDIC, except with the prior written consent of the National Credit Union Administration Board or the FDIC and, during the 10 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 5 years, and a fine of up to \$1,000,000 for each day the prohibition is violated.

26. Defendant agrees to consent to any regulatory action taken by a Federal financial institution regulatory agency to permanently remove defendant from office and/or prohibit defendant from participating, whether as an institution-affiliated party or otherwise, in the conduct of the affairs of any insured depository institution or depository institution holding company, or any other organization or entity provided in Section 8(e) of the Federal Deposit Insurance Act, Title 12, United States Code, Section 1818(e).

Conclusion

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

28. Defendant understands that his compliance with each part of this Plea Agreement extends throughout the period of his sentence, and failure to abide by any term of this Plea Agreement is a violation of the Agreement. Defendant further understands that in the event he violates this Plea 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 Plea 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.

29. Should the Court refuse to accept defendant's plea of guilty, this Plea Agreement shall become null and void and neither party will be bound thereto.

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

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

AGREED THIS DATE: _____

GARY S. SHAPIRO
Acting United States Attorney

JAMES A. REGAS
Defendant

BRIAN R. HAVEY
Assistant United States Attorney

JOEL R. LEVIN
Attorney for Defendant

ANN C. TIGHE
Attorney for Defendant