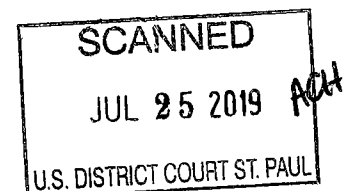


UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA
Criminal No. 18-CR-00197 (PAM/HB)

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	PLEA AGREEMENT AND
)	SENTENCING
v.)	STIPULATIONS
)	
DETLOFF MARKETING AND)	
ASSET MANAGEMENT, INC. (1),)	
)	
Defendant.)	

The United States of America and Detloff Marketing and Asset Management, Inc. (hereafter “Defendant” or “DETLOFF MARKETING”), a corporation organized and existing under the laws of Minnesota, agree to resolve this case on the terms and conditions that follow. This Plea Agreement binds only Defendant and the Antitrust Division of the United States Department of Justice (hereafter referred to as “the United States” or “the Government”). This Plea Agreement does not bind any other federal or state agency.

1. **Charges.** Defendant agrees to plead guilty to Count 1 of the Indictment, which charges Defendant with conspiracy to commit mail and wire fraud affecting a financial institution, in violation of Title 18, United States Code, Section 1349. Defendant fully understands the nature and elements of the crime to which it is pleading guilty. In return for Defendant’s plea of guilty to Count 1 of the Indictment, the Government agrees to move at sentencing to dismiss Counts 2 through 9 of the



Indictment against Defendant. The parties agree, however, that the conduct supporting the dismissed charges will be considered relevant conduct for sentencing purposes.

2. **Factual Basis.** Defendant agrees to the following facts and further agrees that, were this matter to go to trial, the United States would prove the following facts beyond a reasonable doubt.

From in or about September 2007 and continuing through in or about June 2015 (“the Relevant Period”), in the State and District of Minnesota and elsewhere, DETLOFF MARKETING, acting through JEFFERY J. DETLOFF (hereafter “JEFF DETLOFF”) and LORI K. DETLOFF (hereafter “LORI DETLOFF”), conspired with others to engage in a scheme to defraud the VICTIM COMPANIES, and for the purpose of executing such scheme caused mailings and interstate wirings to solicit and receive kickbacks and to submit false and fraudulent bids, estimates, and invoices to the VICTIM COMPANIES, related to repair and maintenance work performed on Real Estate Owned (“REO”) properties owned or controlled by the VICTIM COMPANIES.

More specifically, during the Relevant Period, DETLOFF MARKETING was a corporation organized and existing under the laws of Minnesota, with its principal places of business in Eden Prairie, Hopkins, and Minnetonka, Minnesota. DETLOFF MARKETING was in the business of marketing and managing REO properties owned or controlled by the VICTIM COMPANIES. Throughout the Relevant Period, DETLOFF MARKETING engaged in acts, deeds, or transactions by or through JEFF DETLOFF and LORI DETLOFF (a) while they were actively engaged in the management, direction,

control, or transaction of its business or affairs; and (b) for the benefit of DETLOFF MARKETING.

During the Relevant Period, JEFF DETLOFF was a realtor licensed with the State of Minnesota. JEFF DETLOFF worked as a "REO realtor," managing and selling REO properties for the VICTIM COMPANIES within the State and District of Minnesota and elsewhere. JEFF DETLOFF was also the owner, director, and chief executive officer of DETLOFF MARKETING. Acting through and on behalf of DETLOFF MARKETING, JEFF DETLOFF managed repair and maintenance of REO properties for the VICTIM COMPANIES. JEFF DETLOFF was the husband of LORI DETLOFF.

During the Relevant Period, LORI DETLOFF served as the accountant and bookkeeper for DETLOFF MARKETING. Acting through and on behalf of DETLOFF MARKETING, LORI DETLOFF was responsible for sending payments from DETLOFF MARKETING to contractors for work performed on REO properties for the VICTIM COMPANIES; sending invoices from DETLOFF MARKETING; and tracking payments received by DETLOFF MARKETING. LORI DETLOFF was the wife of JEFF DETLOFF.

During the Relevant Period, The VICTIM COMPANIES were businesses that owned or controlled REO properties, also known as foreclosure properties, located within the State and District of Minnesota. The VICTIM COMPANIES included the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), and financial institutions within the meaning of 18 U.S.C. § 20, including Wells Fargo Bank, National Association. After foreclosure, cleaning,

repairs, and routine maintenance were often necessary before a REO property could be re-sold. To manage such cleaning, repairs, and maintenance, the VICTIM COMPANIES relied on REO realtors, such as JEFF DETLOFF, who specialized in managing and selling REO properties.

In his capacity as a REO realtor, and acting on behalf of DETLOFF MARKETING, JEFF DETLOFF was able to choose, or influence the choice of, which contractor was assigned to perform the repair and maintenance work on a given REO property for the VICTIM COMPANIES. Also in this capacity, JEFF DETLOFF submitted, and caused to be submitted, bids and invoices from repair and maintenance contractors for work on a given REO property for the VICTIM COMPANIES.

During the Relevant Period, REO realtors, including JEFF DETLOFF, were required to abide by all guidelines issued by the VICTIM COMPANIES, as well as all applicable guidelines, regulations, statutes, and ethical codes. Among other things, these guidelines, regulations, statutes, and ethical codes (a) prohibited REO realtors from soliciting or receiving kickbacks; and (b) required REO realtors to disclose to the VICTIM COMPANIES any payments received by a REO realtor in connection with any property owned or controlled by the VICTIM COMPANIES. JEFF DETLOFF was familiar with these guidelines, regulations, statutes, and ethical codes, and was responsible for ensuring the employees of DETLOFF MARKETING complied with them.

Beginning in or about September 2007, DETLOFF MARKETING, through JEFF DETLOFF and LORI DETLOFF, put the scheme into effect by telling various

contractors that the contractors were required to pay kickbacks (usually called “management fees”) in order to receive, or to continue to receive, work on REO properties owned or controlled by the VICTIM COMPANIES and managed by DETLOFF MARKETING. Thereafter, through in or about June 2015, DETLOFF MARKETING, through JEFF DETLOFF, LORI DETLOFF, and others working on behalf of DETLOFF MARKETING, submitted and caused to be submitted false and fraudulent bids, estimates, and invoices to the VICTIM COMPANIES, which, unbeknownst to the VICTIM COMPANIES, included the kickback amounts in the price of the work charged to the VICTIM COMPANIES. Throughout the scheme, JEFF DETLOFF and LORI DETLOFF acted within the scope of their agency and employment by, and for the benefit of, DETLOFF MARKETING.

During the Relevant Period, and in furtherance of the scheme: (a) JEFF DETLOFF recruited contractors willing to pay kickbacks; (b) JEFF DETLOFF and LORI DETLOFF demanded specific kickbacks from contractors; (c) JEFF DETLOFF steered work on REO properties to contractors who agreed to pay kickbacks; (d) JEFF DETLOFF and LORI DETLOFF referred to the kickbacks by various terms, including “management fees,” to conceal the true nature of these kickbacks; (e) JEFF DETLOFF and LORI DETLOFF knowingly concealed the kickbacks from the VICTIM COMPANIES by submitting and causing to be submitted to the VICTIM COMPANIES false and fraudulent bids, estimates, and invoices that affirmatively misrepresented the value of work received by the VICTIM COMPANIES; (f) LORI DETLOFF sent invoices for kickbacks to the contractors, received payment of kickbacks from the contractors, and

tracked whether the specific kickbacks were paid; (g) JEFF DETLOFF and LORI DETLOFF, when necessary, took measures to ensure contractors paid the kickbacks demanded of them, such as threatening to withhold or actually withholding payment to contractors for work already done by those contractors; (h) JEFF DETLOFF failed to disclose the kickback payments to the VICTIM COMPANIES, although he had a duty to do so; and (i) JEFF DETLOFF procured sham bids and knowingly submitted those sham bids to the VICTIM COMPANIES to create a false appearance of competitive bidding and to conceal the fact that he steered work to contractors who paid kickbacks.

JEFF DETLOFF induced certain contractors to recruit other contractors into the scheme for the purpose of using those other contractors to create the false appearance of competitive bidding by providing sham bids. At least one of the recruited contractors paid kickbacks in exchange for receiving work from DETLOFF MARKETING.

In furtherance of the scheme to defraud, DETLOFF MARKETING, through JEFF DETLOFF, LORI DETLOFF, and others working on behalf of DETLOFF MARKETING, knowingly (a) caused invoices for kickbacks to be delivered by mail to DETLOFF MARKETING's contractors, and (b) caused interstate wirings when depositing checks from contractors in payment of these kickbacks.

In all, DETLOFF MARKETING received \$291,505 in kickbacks during the course of the conspiracy.

3. **Waiver of Other Rights.** Defendant understands and agrees that it has certain rights to file pretrial motions in this case; to plead not guilty to any criminal charge brought against it; to have a trial by jury, at which it would be presumed not guilty

of the charge and the United States would have to prove every essential element of the charged offense beyond a reasonable doubt for it to be found guilty; to confront and cross-examine witnesses against it and to subpoena witnesses in its defense at trial; and to appeal its conviction, if it is found guilty. As part of this plea agreement, and based upon the concessions of the United States within this plea agreement, Defendant knowingly, willingly, and voluntarily gives up these rights in this case.

4. **Statutory Penalties.** The parties agree that each Count of the Indictment carries statutory penalties of:

- a. a maximum fine in an amount equal to the greatest of (1) \$1 million, (2) twice the gross pecuniary gain the conspirators derived from the crime, or (3) twice the gross pecuniary loss caused to the victims of the crime by the conspirators (18 U.S.C. § 3571(c)(1) and (d));
- b. a mandatory special assessment of \$400.00 upon conviction for the charged crime (18 U.S.C. § 3013(a)(2)(B));
- c. a term of probation of at least one year, but not more than five years (18 U.S.C. § 3561(c)(1) and U.S.S.G. § 8D1.2(a)(1)); and
- d. payment of mandatory restitution to the victims of the offense (18 U.S.C. § 3663A).

5. **Guideline Calculations.** The parties acknowledge that Defendant will be sentenced in accordance with the Sentencing Reform Act, 18 U.S.C. § 3551, *et seq.*

Nothing in this plea agreement should be construed to limit the parties from presenting any and all relevant evidence to the Court at sentencing. The parties also acknowledge that the Court will consider the United States Sentencing Guidelines in determining the appropriate sentence and stipulate to the following Guideline calculations.

- a. Base Offense Level. The parties agree that the base offense level is 7. U.S.S.G. § 2B1.1(a)(1).
- b. Specific Offense Characteristics. The parties stipulate that the gain that resulted from the offense is \$291,505. The parties therefore agree that the offense level should be increased by **12 levels** because the gain that resulted from the offense exceeded \$250,000 but was less than \$550,000, and the loss amount cannot reasonably be determined. U.S.S.G. § 2B1.1(b)(1)(G) and Application Note 3(B).
- c. Total Offense Level. Based on the calculations above, the parties agree that the total offense level is **19**.
- d. Base Culpability Score. The parties agree that the base culpability score is **5**. U.S.S.G § 8C2.5(a).
- e. Base Culpability Adjustments. The parties agree that the base culpability score should be increased by **1 level** because Defendant had ten or more employees and an individual with substantial authority participated in the offense. U.S.S.G § 8C2.5(b)(5).
- d. Acceptance of Responsibility. The United States agrees to recommend that Defendant receive a **1-level** reduction for acceptance of responsibility and to make any appropriate motions with the Court. However, Defendant understands and agrees that this recommendation is conditioned upon the following:
 - (i) Defendant testifies truthfully during the change of plea and sentencing hearings; (ii) Defendant provides complete and truthful information to the Probation Office in the presentence investigation; (iii) Defendant continues to cooperate fully and truthfully with the United States as described in Paragraph 8 of this Plea Agreement; and (iv) Defendant commits no further acts inconsistent with acceptance of responsibility. U.S.S.G. § 8C2.5(g)(3).
- e. Total Culpability Score. Based on the calculations above, including the reduction for acceptance of responsibility, the parties agree that the total culpability score is **5**.
- f. Fine Range. Based on a total offense level of **19**, the base fine is \$500,000. U.S.S.G § 8C2.4(d) and § 8C2.4(e)(1). Based on a culpability score of 5, the minimum and maximum multipliers are

1.0 to 2.0. U.S.S.G § 8C2.6. The Guidelines fine range is \$500,000 to \$1,000,000. U.S.S.G § 8C2.7.

- g. Probation. The Guidelines recommend a sentence of probation of **at least one year but not more than five years.** U.S.S.G. § 8D1.2(a)(1).
- h. Defendant reserves the right to make motions and arguments for departures or variances from the applicable Sentencing Guidelines range and to argue for a sentence outside the applicable Sentencing Guidelines range. The United States reserves the right to oppose any such motions or arguments made by Defendant. The United States agrees to recommend a sentence within the Guidelines range determined by the Court.

6. **Discretion of the Court.** The foregoing stipulations are binding on the parties, but do not bind the Court. The parties understand that the Sentencing Guidelines are advisory and their application is a matter that falls solely within the Court's discretion. The Court may make its own determination regarding the applicable Guidelines factors. The Court may also depart from the applicable Sentencing Guidelines range. If the Court determines that the applicable Guidelines calculations is different from that stated above, the parties may not withdraw from this agreement and Defendant will be sentenced pursuant to the Court's determination.

7. **Special Assessment.** The Sentencing Guidelines require payment of a special assessment in the amount of \$400.00 for each felony count of which Defendant is convicted. 18 U.S.C. § 3013(a)(2)(B). Defendant agrees to pay the \$400 special assessment for each felony count of conviction before sentencing.

8. **Cooperation of Defendant.** Defendant agrees to cooperate fully and truthfully with the United States in the prosecution of this case, the current federal

investigation into the conspiracy to defraud alleged in the Indictment, and any litigation or other proceedings arising or resulting from such investigation to which the United States is a party (collectively, "Federal Proceeding"). Federal Proceeding includes, but is not limited to, an investigation, prosecution, litigation, or other proceeding regarding obstruction of, the making of a false statement or declaration in, the commission of perjury or subornation of perjury in, the commission of contempt in, or conspiracy to commit such offenses in, a Federal Proceeding. The full, truthful, and continuing cooperation of Defendant includes, but is not limited to, (a) producing to the United States all documents, information, and other materials, wherever located, not protected under the attorney-client privilege or the work-product doctrine, in the possession, custody, or control of Defendant, that are requested by the United States in connection with any Federal Proceeding; and (b) using its best efforts to secure the full, truthful, and continuing cooperation of the current directors, officers, and employees of Defendant, as may be requested by the United States, but excluding JEFF DETLOFF and LORI DETLOFF.

The United States agrees to make the full extent of Defendant's cooperation known to the Court. To enable the Court to have the benefit of all relevant sentencing information to determine a fair and just sentence, the United States may request, and Defendant will not oppose, that sentencing be postponed until Defendant's cooperation is complete.

Finally, Defendant understands that the United States is not required to accept any tendered cooperation on Defendant's part. If the United States, in its sole discretion,

chooses not to accept tendered cooperation, Defendant will not be allowed to withdraw from the plea agreement based upon that ground. Nonetheless, Defendant has decided to plead guilty as set forth above

9. **Cooperation of Defendant's Current Directors, Officers, and Employees.** The full, truthful, and continuing cooperation of the current directors, officers, and employees of the defendant will be subject to the procedures and protections of this paragraph, and will include, but not be limited to:

a. producing all documents, including claimed personal documents, and other materials, wherever located, not protected under the attorney-client privilege or the work-product doctrine, that are requested by attorneys and agents of the United States in connection with any Federal Proceeding;

b. making himself or herself available for interviews, not at the expense of the United States, upon the request of attorneys and agents of the United States in connection with any Federal Proceeding;

c. responding fully and truthfully to all inquiries of the United States in connection with any Federal Proceeding, without falsely implicating any person or intentionally withholding any information, subject to the penalties of making a false statement or declaration (18 U.S.C. §§ 1001, 1623), obstruction of justice (18 U.S.C. §§ 1503 *et seq.*), or conspiracy to commit such offenses;

d. otherwise voluntarily providing the United States with any material or information not requested in (a) - (c) of this paragraph and not protected under

the attorney-client privilege or work-product doctrine that he or she may have that is related to any Federal Proceeding;

e. when called upon to do so by the United States in connection with any Federal Proceeding, participating in affirmative investigative techniques, including but not limited to making telephone calls, recording conversations, and introducing law enforcement officials to other individuals, with all such activity being conducted only at the express direction and under the supervision of attorneys and agents of the United States;

f. when called upon to do so by the United States in connection with any Federal Proceeding, testifying in grand jury, trial, and other judicial proceedings fully, truthfully, and under oath, subject to the penalties of perjury (18 U.S.C. § 1621), making a false statement or declaration in grand jury or court proceedings (18 U.S.C. § 1623), obstruction of justice (18 U.S.C. §§ 1503 *et seq.*), and contempt (18 U.S.C. §§ 401-402);

g. not committing, participating in, or attempting to commit or participate in any antitrust crime in violation of Title 15, United States Code, or any acts of perjury or subornation of perjury (18 U.S.C. §§ 1621-22), making a false statement or declaration (18 U.S.C. §§ 1001, 1623), obstruction of justice (18 U.S.C. §§ 1503 *et seq.*), contempt (18 U.S.C. §§ 401-402), or conspiracy to commit such offenses; and

h. agreeing that, if the agreement not to prosecute him or her in this Plea Agreement is rendered void under subparagraph 10(d), the statute of

limitations period for any Relevant Offense, as defined in subparagraph 10(a), will be tolled as to him or her for the period between the filing date of this Plea Agreement and six (6) months after the date that the United States gave notice of its intent to void its obligations to that person under this Plea Agreement.

10. **United States' Agreement.** Subject to the full, truthful, and continuing cooperation of Defendant, as defined in Paragraph 8 of this Plea Agreement, the United States agrees as follows.

a. Upon the Court's acceptance of the guilty plea called for by this Plea Agreement and the imposition of sentence, the United States agrees that it will not bring further criminal charges against Defendant for any act or offense committed before the filing date of this Plea Agreement that was undertaken in furtherance of the conspiracy to defraud alleged in the Indictment (the "Relevant Offense").

b. Upon the Court's acceptance of the guilty plea called for by this Plea Agreement and the imposition of sentence, and subject to the exceptions noted in Paragraph 10(d), the United States agrees that it will not bring criminal charges against any current director, officer, or employee of Defendant for any act or offense committed before the filing date of this Plea Agreement and while that person was acting as a director, officer, or employee of Defendant that was undertaken in furtherance of the Relevant Offense, except that the protections granted in this paragraph do not apply to JEFF DETLOFF and LORI DETLOFF.

c. Should the United States determine that any current director, officer, or employee of Defendant may have information relevant to any Federal

Proceeding, the United States may request that person's cooperation under the terms of this Plea Agreement by written request delivered to counsel for the individual (with a copy to the undersigned counsel for Defendant) or, if the individual is not known by the United States to be represented, to the undersigned counsel for Defendant.

d. If any person requested to provide cooperation under Paragraph 10(c) fails to comply fully with that person's obligations under this Plea Agreement, then the terms of this Plea Agreement as they pertain to that person and the agreement not to prosecute that person granted in this Plea Agreement will be rendered void, and the United States may prosecute such person criminally for any federal crime of which the United States has knowledge, including, but not limited to, the Relevant Offense.

e. Except as provided in Paragraph 10(f), information provided by a person described in Paragraph 10(c) to the United States under the terms of this Plea Agreement pertaining to the Relevant Offense, or any information directly or indirectly derived from that information, may not be used against that person in a criminal case, except in a prosecution for perjury or subornation of perjury (18 U.S.C. §§ 1621-22), making a false statement or declaration (18 U.S.C. §§ 1001, 1623), obstruction of justice (18 U.S.C. § 1503, *et seq.*), contempt (18 U.S.C. §§ 401-402), or conspiracy to commit such offenses.

f. If any person who provides information to the United States under this Plea Agreement fails to comply fully with that person's obligations under this

Plea Agreement, the agreement in Paragraph 10(e) not to use that information or any information directly or indirectly derived from it against that person in a criminal case will be rendered void.

g. The non-prosecution terms of this Plea Agreement do not apply to (i) any acts of perjury or subornation of perjury (18 U.S.C. §§ 1621-22), making a false statement (18 U.S.C. §§ 1001, 1623), obstruction of justice (18 U.S.C. § 1503, *et seq.*), contempt (18 U.S.C. §§ 401-402), or conspiracy to commit such offenses; (ii) civil matters of any kind; (iii) any violation of the federal tax or securities laws or conspiracy to commit such offenses; or (iv) any crime of violence.

11. **Restitution.** Defendant understands and agrees that the Mandatory Victim Restitution Act, 18 U.S.C. § 3663A, applies and that the Court is required to order Defendant to make restitution to the victims of its crime. Defendant understands and agrees that restitution will encompass of the entire loss caused by the Relevant Offense and will not be limited to any specific count of conviction. The parties stipulate that the gain amount in this case is a reasonable approximation of the loss to the victims. Defendant agrees to pay restitution in the amount of \$291,505, payable in full before the fifteenth (15th) day after the date of judgment.

Defendant agrees that it will fully and completely disclose to the United States the existence and location of the proceeds of the Relevant Offense. Defendant further agrees that it will disclose the existence and location of all assets in which Defendant, from the beginning of the Relevant Period through the filing date of this Plea Agreement, has or

had any interest or over which Defendant exercises or exercised any direct or indirect control, including those assets held by (i) any current or former owner, officer, principal, director, nominees, or employees of Defendant; (ii) any other third party related to Defendant or its current or former owners, officers, principals, directors, nominees, or employees; or (iii) any business owned or controlled by Defendant, including any businesses which had a common owner, officer, principal, or director with Defendant at any time from the beginning of the Relevant Period through the filing date of this Plea Agreement. Defendant agrees to assist the United States in identifying, locating, returning, and transferring assets for use in payment of restitution and fines ordered by the Court, and to allow for forfeiture of such property or assets to the United States. Defendant agrees to complete a financial statement fully and truthfully before the date of sentencing. Defendant agrees to use best efforts to obtain the cooperation of current or former owners, officers, principals, directors, or employees, excluding JEFF DETLOFF and LORI DETLOFF, in identifying Defendant's assets, including, but not limited to, submitting to one or more interviews, depositions, and polygraph examinations to determine whether Defendant has truthfully disclosed the existence of all of its assets. This Plea Agreement does not limit the United States' authority to collect any remaining restitution debt by any and all means allowed under the Federal Debt Collection Procedures Act, including the filing of the lien created under 18 U.S.C. § 3613(c) as to any and all property or rights to property of Defendant.

12. **Debarment.** Defendant understands that it may be subject to suspension or debarment action by state or federal agencies other than the United States Department of

Justice, Antitrust Division, based upon the conviction resulting from this Plea Agreement, and that this Plea Agreement in no way controls what action, if any, other agencies may take. However, the United States agrees that, if requested, it will advise the appropriate officials of any governmental agency considering such action of the fact, manner, and extent of the cooperation of Defendant as a matter for that agency to consider before determining what action, if any, to take. Defendant nevertheless affirms that it wants to plead guilty regardless of any suspension or debarment consequences of its plea.

13. **Waivers of Appeal and Collateral Attack.** Defendant understands that 18 U.S.C. § 3742 affords Defendant the right to appeal the sentence imposed in this case. Acknowledging this right, and in exchange for the concessions made by the United States in this plea agreement, Defendant hereby waives all rights conferred by 18 U.S.C. § 3742 to appeal Defendant's sentence. In addition, Defendant expressly waives the right to petition under 28 U.S.C. § 2255. However, the waivers by Defendant noted above shall not apply to a direct appeal or post-conviction collateral attack based on a claim of ineffective assistance of counsel or prosecutorial misconduct. Defendant agrees that there is currently no known evidence of ineffective assistance of counsel or prosecutorial misconduct. Officers or directors of Defendant who have authority to enter this plea agreement have discussed these rights with Defendant's attorney. Defendant understands the rights being waived, and it waives these rights knowingly, intelligently, and voluntarily.

14. **Freedom of Information Act Waiver.** Defendant waives all rights to obtain, directly or through others, information about the investigation and prosecution of

this case under the Freedom of Information Act and the Privacy Act of 1974, 5 U.S.C. §§ 552, 552A.

15. **Forfeiture.** Defendant agrees and understands that the United States reserves its right to seek a money judgment forfeiture against Defendant in this action, and to proceed against any property of Defendant in a civil, criminal, or administrative forfeiture action if said property, real or personal, tangible or intangible, is subject to forfeiture under federal law.

The United States agrees that it will not seek a money judgment forfeiture against Defendant if, within 30 days of the execution of this Plea Agreement, Defendant or one of its Co-Defendants pays the full amount of the anticipated restitution judgment of \$291,505 to the paying Defendant's respective attorney, to be held in that attorney's trust account until the amount of the restitution judgment is finally determined. In that event, the relevant Defendant's attorney will release those funds to the Clerk of Court, District of Minnesota, to be applied towards the restitution judgment within seven business days of the entry of the Defendants' restitution judgment.

16. **Public Statements by Defendant.** Defendant agrees that it will not, through current or future attorneys, directors, officers, employees, agents, or any other person authorized by Defendant to speak on its behalf, make any public statement, in litigation or otherwise, contradicting the acceptance of responsibility by Defendant set forth above or the facts described in the Indictment or Factual Basis section of this Plea Agreement. Any such contradictory statement will, subject to cure rights of Defendant described below, constitute a violation of this Plea Agreement. The decision whether any

public statement by any such person contradicting a fact contained in the Indictment or Factual Basis section of this Plea Agreement was made on behalf of Defendant for the purpose of determining whether it has violated this Plea Agreement will be at the sole discretion of the United States. If the United States determines that a public statement by any such person contradicts in whole or in part a statement contained in the Indictment or Factual Basis section of this Plea Agreement, the United States shall so notify Defendant, and Defendant may avoid a violation of this Plea Agreement by publicly repudiating such statement(s) within five (5) business days after notification. Defendant will be permitted to raise defenses and to assert affirmative claims in other proceedings relating to the matters set forth in the Indictment and the Factual Basis section of this Plea Agreement provided that such defenses and claims do not contradict, in whole or in part, a statement contained in the Indictment or Factual Basis section of this Plea Agreement. This paragraph does not apply to any statement made by any current or future director, officer, employee, or agent of Defendant in the course of any criminal, regulatory, or civil case initiated against such individual, unless such individual is speaking on behalf of Defendant. This paragraph does not affect the obligation of any person, who is providing cooperation pursuant to Paragraph 9 of this Plea Agreement, to respond fully and truthfully to all inquiries of the United States without falsely implicating any person or intentionally withholding information and to testify fully and truthfully as required by Paragraph 8 of this Plea Agreement.

17. **Complete Agreement.** This is the entire agreement and understanding between the United States and Defendant. There are no other agreements, promises, representations, or understandings.

18. **Authority to Enter Agreement.** The undersigned JEFFERY J. DETLOFF, Chief Executive Officer of Defendant, is authorized to enter this Plea Agreement on behalf of the Defendant.

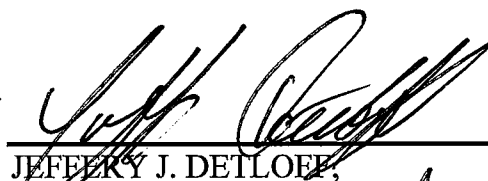
Date: 7/25/19

U.S. DEPARTMENT OF JUSTICE,
ANTITRUST DIVISION




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Date: 7/25/19


JEFFERY J. DETLOFF,
Chief Executive Officer
Detloff Marketing and Asset Management, Inc.

Date: 07/25/19


RYAN GARRY, Minnesota Bar No. 336129
Counsel for Defendant