



U.S. Department of Justice

Criminal Division

Fraud Section

Washington, D.C. 20530

July 13, 2018

Seth L. Levine, Esq.
Levine Lee LLP
650 Fifth Avenue
New York, NY 10019

Re: Plea Agreement with Anthony Blumberg

Dear Mr. Levine:

This letter sets forth the plea agreement between your client, Anthony Blumberg, and the Department of Justice, Criminal Division, Fraud Section and the United States Attorney for the District of New Jersey ("this Office").

Charge

Conditioned on the understandings specified below, this Office will accept a guilty plea from Anthony Blumberg to Count One of the Superseding Indictment, Crim. No. 14-458, charging him with conspiracy to commit securities fraud and wire fraud, in violation of 18 U.S.C. § 1349. The parties hereby agree and stipulate that Paragraph 2 of Count One is amended to allege that the conspiracy charged occurred from in or about 2006 through at least in or about August 2011. If Anthony Blumberg enters a guilty plea and is sentenced on the charge consistent with the stipulated range under Federal Rule of Criminal Procedure 11(c)(1)(C), and otherwise fully complies with all of the terms of this agreement, this Office will not initiate any further criminal proceedings against Anthony Blumberg for conduct he engaged in during his employment at ConvergEx Group and its subsidiaries and affiliates, or any of their predecessor entities, related to false statements designed to conceal the practice of taking mark-ups and mark-downs on securities transactions, including false time and sales reports and false statements about mark-ups and mark-downs and the batching of orders. In addition, if Anthony Blumberg fully complies with all of the terms of this agreement, at the time of sentencing in this matter, this Office will move to dismiss Counts Two through Eight of the Superseding Indictment, Crim. No. 14-458, against Anthony Blumberg. However, in the event that a guilty plea in this matter is not entered for any

reason or the judgment of conviction entered as a result of this guilty plea does not remain in full force and effect, Anthony Blumberg agrees that any dismissed charges and any other charges that are not time-barred by the applicable statute of limitations on the date this agreement is signed by Anthony Blumberg may be commenced against him, notwithstanding the expiration of the limitations period after Anthony Blumberg signs the agreement. Moreover, in the event that a guilty plea in this matter is not entered for any reason or the judgment of conviction entered as a result of this guilty plea does not remain in full force and effect, Anthony Blumberg knowingly and voluntarily waives any claim that the Double Jeopardy Clause of the Constitution prevents his prosecution for any or all of the crimes charged in the Superseding Indictment. Should the Court at any time reject the plea under Federal Rule of Criminal Procedure 11(c)(1)(C) or act contrary to its terms, either party may elect to be relieved of the terms of this plea and the parties will be returned to the status prior to the entry of the plea.

If the parties and the Court do not waive a Presentence Report in this matter, this Office will advise the Court and the United States Probation Department of all information related to sentencing, and such information may be used by the Court in determining whether to accept this plea and in deciding Anthony Blumberg's sentence.

The parties agree that the offense involved more than \$15,000 but less than \$40,000, as set forth in U.S.S.G. § 2B1.1(b)(1)(C).

Sentencing

The violation of 18 U.S.C. § 1349 to which Anthony Blumberg agrees to plead guilty carries a statutory maximum prison sentence of ~~20~~ ²⁵ years and a statutory maximum fine equal to the greatest of: (1) \$250,000; (2) twice the gross amount of any pecuniary gain that any persons derived from the offense; or (3) twice the gross amount of any pecuniary loss sustained by any victims of the offense. Fines imposed by the sentencing judge may be subject to the payment of interest.

Further, in addition to imposing any other penalty on Anthony Blumberg, the sentencing judge: (1) will order Anthony Blumberg to pay an assessment of \$100 pursuant to 18 U.S.C. § 3013 per count, which assessment must be paid by the date of sentencing; (2) may order Anthony Blumberg to pay restitution pursuant to 18 U.S.C. § 3663A; (3) may order Anthony Blumberg, pursuant to 18 U.S.C. § 3555, to give notice to any victims of his offenses; and (4) pursuant to 18 U.S.C. § 3583, may require Anthony Blumberg to serve a term of supervised release of not more than three years, which will begin at the expiration of any term of imprisonment imposed. Should Anthony Blumberg be placed on a term of supervised release and subsequently violate any of the conditions of supervised release before the expiration of its term, Anthony Blumberg may be sentenced to not more than two years' imprisonment in

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addition to any prison term previously imposed, regardless of the statutory maximum term of imprisonment set forth above and without credit for time previously served on post-release supervision, and may be sentenced to an additional term of supervised release.

This Office and Anthony Blumberg agree that, pursuant to Federal Rule of Criminal Procedure 11(c)(1)(C), the sentence to be imposed on Anthony Blumberg should be as follows: (1) a term of between 0 (*i.e.*, a non-custodial sentence) and 18 months' imprisonment; (2) no restitution because the parties agree that restitution has previously been made in full to the victims of the offense; (3) no fine; and (4) a special assessment of \$100. The Office agrees to take no position as to where within the stipulated sentencing range the Court should impose a sentence. In the event that Anthony Blumberg addresses, or the Court inquires about during the sentencing proceeding, the form and conditions of confinement for a sentence involving a term of more than 0 months imprisonment, the Office shall be permitted to take any position on the form and conditions of his confinement.

Pursuant to Federal Rule of Criminal Procedure 11(c)(1)(C), this Office and Anthony Blumberg agree that no other sentence or fine is appropriate, beside those set forth in the preceding paragraph. If the Court accepts this plea agreement, Anthony Blumberg must be sentenced accordingly.

Rights of This Office Regarding Sentencing

Except as otherwise provided in this agreement, this Office reserves its right to take any position with respect to the appropriate sentence to be imposed on Anthony Blumberg by the sentencing judge, within the limitations of the parties' agreement pursuant to Federal Rule of Criminal Procedure 11(c)(1)(C), to correct any misstatements relating to the sentencing proceedings, and to provide the sentencing judge and the United States Probation Office all law and information relevant to sentencing, favorable or otherwise. In addition, this Office may inform the sentencing judge and the United States Probation Office of: (1) this agreement; and (2) the full nature and extent of Anthony Blumberg's activities and relevant conduct with respect to this case.

Waiver of Appeal and Post-Sentencing Rights

The parties agree that, provided the District Court imposes a sentence within the range specified in this Rule 11(c)(1)(C) plea agreement, neither party will appeal that sentence. Anthony Blumberg further agrees that, in exchange for the concessions the United States made in entering into this Rule 11(c)(1)(C) plea agreement, he will not challenge his conviction for any reason by any means, other than ineffective assistance of counsel, and he will not challenge or seek to modify any component of his sentence for any reason by any means, other than ineffective assistance of counsel. The term "any means"

includes a direct appeal, a motion to vacate the sentence under 28 U.S.C. § 2255, a motion to reduce the sentence under 18 U.S.C. § 3582(c)(2), a motion for early termination of supervised release under 18 U.S.C. § 3583(e)(1) or any other motion, however captioned, that seeks to attack or modify any component of the judgment of conviction or sentence.

In addition to the foregoing provisions, Anthony Blumberg hereby waives all rights to argue on appeal that the statute to which Anthony Blumberg is pleading guilty is unconstitutional and that the admitted conduct does not fall within the scope of the statute.

Both parties reserve the right to oppose or move to dismiss any appeal, collateral attack, writ, or motion barred by the preceding paragraphs and to file or to oppose any appeal, collateral attack, writ or motion not barred by the preceding paragraph.

Immigration Consequences

Anthony Blumberg understands that, if he is not a citizen of the United States, his guilty plea to the charged offense will likely result in his being subject to immigration proceedings and removed from the United States by making him deportable, excludable, or inadmissible, or ending his naturalization. Anthony Blumberg understands that the immigration consequences of this plea will be imposed in a separate proceeding before the immigration authorities. Anthony Blumberg wants and agrees to plead guilty to the charged offenses regardless of any immigration consequences of this plea, even if this plea will cause his removal from the United States. Anthony Blumberg understands that he is bound by his guilty plea regardless of any immigration consequences of the plea. Accordingly, Anthony Blumberg waives any and all challenges to his guilty plea and to his sentence based on any immigration consequences, and agrees not to seek to withdraw his guilty plea, or to file a direct appeal or any kind of collateral attack challenging his guilty plea, conviction, or sentence, based on any immigration consequences of his guilty plea.

Other Provisions

This agreement is limited to the Department of Justice, Criminal Division, Fraud Section and the United States Attorney's Office for the District of New Jersey, and cannot bind other federal, state, or local authorities. However, this Office will bring this agreement to the attention of other prosecuting offices, if requested to do so.

This agreement was reached without regard to any civil or administrative matters that may be pending or commenced in the future against Anthony Blumberg. This agreement does not prohibit the United States, any agency thereof (including the Internal Revenue Service), or any third party from initiating or prosecuting any civil or administrative proceeding against Anthony Blumberg.

No provision of this agreement shall preclude Anthony Blumberg from pursuing in an appropriate forum, when permitted by law, an appeal, collateral attack, writ, or motion claiming that Anthony Blumberg received constitutionally ineffective assistance of counsel.

No Other Promises

This agreement constitutes the plea agreement between Anthony Blumberg and this Office and supersedes any previous agreements between them. No additional promises, agreements, or conditions have been made or will be made unless set forth in writing and signed by the parties.

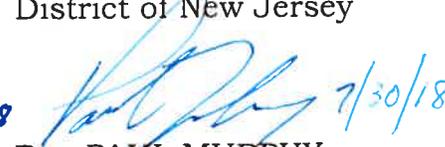
Very truly yours,

SANDRA MOSER
Acting Chief, Fraud Section
Criminal Division

CRAIG CARPENITO
United States Attorney
District of New Jersey

 7/26/18
By: GARY A. WINTERS

Trial Attorney
JUSTIN D. WEITZ
Assistant Chief

 7/30/18
By: PAUL MURPHY
Chief
Economic Crimes Unit
District of New Jersey

I have received this letter from my attorney, Seth L. Levine, Esq. I have read it, and I understand it fully. My attorney and I have discussed it and all of its provisions, including those addressing the charge, sentencing, stipulations, waiver, and immigration consequences, as well as the impact Federal Rule of Criminal Procedure 11(c)(1)(C) has upon this agreement. I hereby accept its terms and conditions and acknowledge that it constitutes the plea agreement between the parties. I understand that no additional promises, agreements, or conditions have been made or will be made unless set forth in writing and signed by the parties. I want to plead guilty pursuant to this plea agreement.

AGREED AND ACCEPTED:


Anthony Blumberg

Date: 7/18/2018

I have discussed with my client this plea agreement and all of its provisions, including those addressing the charge, sentencing, stipulations, waiver, and immigration consequences, as well as the impact Federal Rule of Criminal Procedure 11(c)(1)(C) has upon this agreement. My client understands this plea agreement fully and wants to plead guilty pursuant to it.


Seth L. Levine, Esq.

Date: 7/18/2018