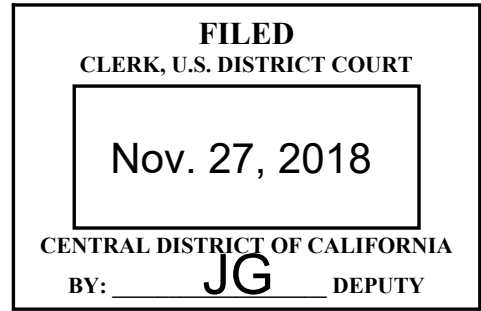


Nunc Pro Tunc as of Nov. 8, 2018



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 7 UNITED STATES OF AMERICA

8 UNITED STATES DISTRICT COURT

9 FOR THE CENTRAL DISTRICT OF CALIFORNIA

10 UNITED STATES OF AMERICA,

No. CR 18-711-GW

11 Plaintiff,

PLEA AGREEMENT FOR DEFENDANT
JASON BENJAMIN SCHARF

12 v.

13 JASON BENJAMIN SCHARF,

14 Defendant.

15
 16 1. This constitutes the plea agreement between JASON BENJAMIN
 17 SCHARF ("defendant") and the Fraud Section of the Criminal Division
 18 of the United States Department of Justice (the "Fraud Section")
 19 concerning the investigation of Citrades, which purported to sell and
 20 market financial instruments known as "binary options." This
 21 agreement is limited to the Fraud Section and cannot bind any other
 22 federal, state, local, or foreign prosecuting, enforcement,
 23 administrative, or regulatory authorities.

24 DEFENDANT'S OBLIGATIONS

25 2. Defendant agrees to:
 26 a. Give up the right to indictment by a grand jury and,
 27 at the earliest opportunity requested by the Fraud Section and
 28 provided by the Court, appear and plead guilty to a one-count

1 information in the form attached to this agreement as Exhibit A or a
2 substantially similar form, which charges defendant with conspiracy
3 to commit wire fraud in violation of 18 U.S.C. § 1349.

4 b. Not contest facts agreed to in this agreement.

5 c. Abide by all agreements regarding sentencing contained
6 in this agreement.

7 d. Appear for all court appearances, surrender as ordered
8 for service of sentence, obey all conditions of any bond, and obey
9 any other ongoing court order in this matter.

10 e. Not commit any crime; however, offenses that would be
11 excluded for sentencing purposes under United States Sentencing
12 Guidelines ("U.S.S.G." or "Sentencing Guidelines") § 4A1.2(c) are not
13 within the scope of this agreement.

14 f. Be truthful at all times with Pretrial Services, the
15 United States Probation Office, and the Court.

16 g. Not seek the discharge of any restitution obligation,
17 in whole or in part, in any present or future bankruptcy proceeding.

18 h. Pay the applicable special assessment at or before the
19 time of sentencing unless defendant lacks the ability to pay and
20 prior to sentencing submits a completed financial statement on a form
21 to be provided by the Fraud Section.

22 3. Defendant further agrees to cooperate fully with the Fraud
23 Section, the Federal Bureau of Investigation, and, as directed by the
24 Fraud Section, any other federal, state, local, or foreign
25 prosecuting, enforcement, administrative, or regulatory authority.

26 This cooperation requires defendant to:
27
28

1 a. Respond truthfully and completely to all questions
2 that may be put to defendant, whether in interviews, before a grand
3 jury, or at any trial or other court proceeding.

4 b. Attend all meetings, grand jury sessions, trials or
5 other proceedings at which defendant's presence is requested by the
6 USAO or compelled by subpoena or court order.

7 c. Produce voluntarily all documents, records, or other
8 tangible evidence relating to matters about which the Fraud Section,
9 or its designee, inquires.

10 d. For purposes of this agreement: (1) "Cooperation
11 Information" shall mean any statements made, or documents, records,
12 tangible evidence, or other information provided, by defendant
13 pursuant to defendant's cooperation under this agreement; and
14 (2) "Plea Information" shall mean any statements made by defendant,
15 under oath, at the guilty plea hearing and the agreed to factual
16 basis statement in this agreement.

17 4. Defendant further agrees:

18 a. Truthfully to disclose to law enforcement officials,
19 at a date and time to be set by the Fraud Section, the location of,
20 defendant's ownership interest in, and all other information known to
21 defendant about, all monies, properties, and/or assets of any kind,
22 derived from or acquired as a result of, or used to facilitate the
23 commission of, defendant's illegal activities, and to forfeit all
24 right, title, and interest in and to such items, specifically
25 including all right, title, and interest in and to all United States
26 currency, property and assets that defendant admits constitute the
27 proceeds of defendant's illegal activity in violation of 18 U.S.C. §
28 1349.

1 b. To the Court's entry of an order of forfeiture at or
2 before sentencing with respect to these assets and to the forfeiture
3 of the assets.

4 c. To take whatever steps are necessary to pass to the
5 United States clear title to the assets described above, including,
6 without limitation, the execution of a consent decree of forfeiture
7 and the completing of any other legal documents required for the
8 transfer of title to the United States.

9 d. Not to contest any administrative forfeiture
10 proceedings or civil judicial proceedings commenced against these
11 properties. With respect to any criminal forfeiture ordered as a
12 result of this plea agreement, defendant waives the requirements of
13 Federal Rules of Criminal Procedure 32.2 and 43(a) regarding notice
14 of the forfeiture in the charging instrument, announcements of the
15 forfeiture sentencing, and incorporation of the forfeiture in the
16 judgment. Defendant acknowledges that forfeiture of the assets is
17 part of the sentence that may be imposed in this case and waives any
18 failure by the Court to advise defendant of this, pursuant to Federal
19 Rule of Criminal Procedure 11(b)(1)(J), at the time the Court accepts
20 defendant's guilty plea.

21 e. Not to assist any other individual in any effort
22 falsely to contest the forfeiture of the assets described above.

23 f. Not to claim that reasonable cause to seize the assets
24 was lacking.

25 g. To prevent the transfer, sale, destruction, or loss of
26 any and all assets described above to the extent defendant has the
27 ability to do so.

28

1 h. To fill out and deliver to the Fraud Section a
2 completed financial statement listing defendant's assets on a form
3 provided by the Fraud Section.

4 i. That forfeiture of assets described above shall not be
5 counted toward satisfaction of any special assessment, fine,
6 restitution, costs, or other penalty the Court may impose.

7 THE FRAUD SECTION'S OBLIGATIONS

8 5. The Fraud Section agrees to:

9 a. Not contest facts agreed to in this agreement.

10 b. Abide by all agreements regarding sentencing contained
11 in this agreement.

12 c. At the time of sentencing, provided that defendant
13 demonstrates an acceptance of responsibility for the offense up to
14 and including the time of sentencing, recommend a two-level reduction
15 in the applicable Sentencing Guidelines offense level, pursuant to
16 U.S.S.G. § 3E1.1, and recommend and, if necessary, move for an
17 additional one-level reduction if available under that section.

18 6. The Fraud Section further agrees:

19 a. Not to offer as evidence in its case-in-chief in the
20 above-captioned case or any other criminal prosecution that may be
21 brought against defendant by the Fraud Section, or in connection with
22 any sentencing proceeding in any criminal case that may be brought
23 against defendant by the Fraud Section, any Cooperation Information.
24 Defendant agrees, however, that the Fraud Section may use both
25 Cooperation Information and Plea Information: (1) to obtain and
26 pursue leads to other evidence, which evidence may be used for any
27 purpose, including any criminal prosecution of defendant; (2) to
28 cross-examine defendant should defendant testify, or to rebut any

1 evidence offered, or argument or representation made, by defendant,
2 defendant's counsel, or a witness called by defendant in any trial,
3 sentencing hearing, or other court proceeding; and (3) in any
4 criminal prosecution of defendant for false statement, obstruction of
5 justice, or perjury.

6 b. Not to use Cooperation Information against defendant
7 at sentencing for the purpose of determining the applicable guideline
8 range, including the appropriateness of an upward departure, or the
9 sentence to be imposed, and to recommend to the Court that
10 Cooperation Information not be used in determining the applicable
11 guideline range or the sentence to be imposed. Defendant
12 understands, however, that Cooperation Information will be disclosed
13 to the probation office and the Court, and that the Court may use
14 Cooperation Information for the purposes set forth in U.S.S.G.
15 § 1B1.8(b) and for determining the sentence to be imposed.

16 c. In connection with defendant's sentencing, to bring to
17 the Court's attention the nature and extent of defendant's
18 cooperation.

19 d. If the Fraud Section determines, in its exclusive
20 judgment, that defendant has both complied with defendant's
21 obligations under paragraphs 2 through 4 above and provided
22 substantial assistance to law enforcement in the prosecution or
23 investigation of another ("substantial assistance"), to move the
24 Court pursuant to U.S.S.G. § 5K1.1 to fix an offense level and
25 corresponding guideline range below that otherwise dictated by the
26 sentencing guidelines, and to recommend a term of imprisonment within
27 this reduced range.

28

1 DEFENDANT'S UNDERSTANDINGS REGARDING COOPERATION

2 7. Defendant understands the following:

3 a. Any knowingly false or misleading statement by
4 defendant will subject defendant to prosecution for false statement,
5 obstruction of justice, and perjury and will constitute a breach by
6 defendant of this agreement.

7 b. Nothing in this agreement requires the Fraud Section
8 or any other prosecuting, enforcement, administrative, or regulatory
9 authority to accept any cooperation or assistance that defendant may
10 offer, or to use it in any particular way.

11 c. Defendant cannot withdraw defendant's guilty plea if
12 the Fraud Section does not make a motion pursuant to U.S.S.G. § 5K1.1
13 for a reduced guideline range or if the Fraud Section makes such a
14 motion and the Court does not grant it or if the Court grants such a
15 Fraud Section motion but elects to sentence above the reduced range.

16 d. At this time the Fraud Section makes no agreement or
17 representation as to whether any cooperation that defendant has
18 provided or intends to provide constitutes or will constitute
19 substantial assistance. The decision whether defendant has provided
20 substantial assistance will rest solely within the exclusive judgment
21 of the Fraud Section.

22 e. The Fraud Section's determination whether defendant
23 has provided substantial assistance will not depend in any way on
24 whether the government prevails at any trial or court hearing in
25 which defendant testifies or in which the government otherwise
26 presents information resulting from defendant's cooperation.

27

28

1 Section's compliance with its obligations under this agreement, the
2 Court may order restitution to persons other than the victims of the
3 offenses to which defendant is pleading guilty and in amounts greater
4 than those alleged in the count to which defendant is pleading
5 guilty. In particular, defendant agrees that the Court may order
6 restitution to any victim of any of the following for any losses
7 suffered by that victim as a result: any relevant conduct, as defined
8 in U.S.S.G. § 1B1.3, in connection with the offenses to which
9 defendant is pleading guilty.

10 11. Defendant waives his right to contest the determination of
11 the amount of restitution, provided that it is less than \$8.3 million
12 as calculated by the government. Notwithstanding the foregoing, the
13 parties agree that nothing in this agreement prohibits the Defendant
14 from making arguments or presenting information regarding the manner
15 in which, and the schedule according to which, the restitution is to
16 be paid under Title 18, United States Code, Section 3664.

17 12. Defendant understands that supervised release is a period
18 of time following imprisonment during which defendant will be subject
19 to various restrictions and requirements. Defendant understands that
20 if defendant violates one or more of the conditions of any supervised
21 release imposed, defendant may be returned to prison for all or part
22 of the term of supervised release authorized by statute for the
23 offense that resulted in the term of supervised release, which could
24 result in defendant serving a total term of imprisonment greater than
25 the statutory maximum stated above.

26 13. Defendant understands that, by pleading guilty, defendant
27 may be giving up valuable government benefits and valuable civic
28 rights, such as the right to vote, the right to possess a firearm,

1 the right to hold office, and the right to serve on a jury.
2 Defendant understands that once the court accepts defendant's guilty
3 plea, it will be a federal felony for defendant to possess a firearm
4 or ammunition. Defendant understands that the conviction in this
5 case may also subject defendant to various other collateral
6 consequences, including but not limited to revocation of probation,
7 parole, or supervised release in another case and suspension or
8 revocation of a professional license. Defendant understands that
9 unanticipated collateral consequences will not serve as grounds to
10 withdraw defendant's guilty plea.

11 14. Defendant understands that, if defendant is not a United
12 States citizen, the felony conviction in this case may subject
13 defendant to: removal, also known as deportation, which may, under
14 some circumstances, be mandatory; denial of citizenship; and denial
15 of admission to the United States in the future. The court cannot,
16 and defendant's attorney also may not be able to, advise defendant
17 fully regarding the immigration consequences of the felony conviction
18 in this case. Defendant understands that unexpected immigration
19 consequences will not serve as grounds to withdraw defendant's guilty
20 plea.

21 FACTUAL BASIS

22 15. Defendant admits that defendant is, in fact, guilty of the
23 offense to which defendant is agreeing to plead guilty. Defendant
24 and the Fraud Section agree to the statement of facts provided below
25 and agree that this statement of facts is sufficient to support a
26 plea of guilty to the charge described in this agreement and to
27 establish the Sentencing Guidelines factors set forth in paragraph 17
28 below but is not meant to be a complete recitation of all facts

1 relevant to the underlying criminal conduct or all facts known to
2 either party that relate to that conduct.

3 *The Defendant and Citrades*

4 a. From at least in or about February 2013 through at
5 least in or about December 2015, the defendant, JASON BENJAMIN
6 SCHARF, worked as the Chief Executive Officer on behalf of a company
7 doing business as Cititrader and, later, Citrades (collectively
8 referred to throughout this agreement as "Citrades").

9 b. Citrades sold and marketed financial instruments known
10 as "binary options" through the use of communications by email and by
11 phone to purported "investors" located throughout the world,
12 including in the United States. These "investors" were identified
13 through the use of affiliate marketers that generated leads for
14 Citrades through the use, among other things, of online marketing
15 campaigns.

16 c. Citrades operated principally out of Israel but also
17 had representatives and co-conspirators working on its behalf in the
18 United States, including in the Central District of California.

19 d. As the CEO of Citrades, the defendant oversaw the day-
20 to-day operations of Citrades, which employed more than five people.

21 *Binary Options*

22 e. A binary option is a type of option contract in which
23 the payout depends on the outcome of a discrete event, typically
24 related to whether the price of a particular asset – such as a stock
25 or a commodity – will rise above or fall below a specified amount.
26 Unlike standard options, investors in binary options are not being
27 given the opportunity to actually purchase a stock or a commodity
28 but, rather, are effectively predicting whether its price will be

1 above or below a certain amount at a certain time of the day. The
2 option holder is typically promised that when the binary option
3 expires, the option holder will receive either a pre-determined
4 amount of cash or nothing.

5 *Citrades' Use of False and Misleading Claims*

6 f. The defendant and his co-conspirators agreed to induce
7 investors to deposit funds based on intentionally and materially
8 misleading misrepresentations and omissions. In particular:

9 i. Representatives of Citrades made materially false
10 statements and failed to disclose material information to binary
11 options investors about whether the financial incentives of
12 representatives of Citrades were aligned with binary options
13 investors. Representatives of Citrades claimed to be representing
14 the interests of investors when, in fact, they were not representing
15 the interests of investors because when investors lost money,
16 Citrades profited.

17 ii. Representatives of Citrades made materially false
18 statements and failed to disclose material information to binary
19 options investors about the "trading" and "platform" that they made
20 available through the internet to purported investors. Citrades
21 marketed itself as a trading platform through which binary options
22 could be traded, but in fact, purported investors were not trading
23 with other investors. Rather, they were effectively speculating
24 through transactions whose parameters, including the "strike price"
25 associated with an option, were set by a separate company that served
26 as a platform provider – not by market forces.

1 iii. Representatives of Citrades made materially false
2 statements and failed to disclose material information to binary
3 options investors by using fake names.

4 g. Such materially misleading misrepresentations and
5 omissions were routinely made to purported investors in telephone
6 communications through which Citrades representatives and co-
7 conspirators of the defendant solicited purported investments,
8 including in interstate telephone communications to and from the
9 Central District of California.

10 h. Such materially misleading misrepresentations and
11 omissions were also routinely made to purported investors through the
12 Citrades website. For instance:

13 i. The Citrades website made available to investors
14 a "Brief Guide" to trading on the platform that included a "Letter
15 From [the] Citrades CEO," which presented trading through Citrades as
16 "highly profitable" and "low risk," providing "lucrative returns in
17 short periods of time." The document also stated that the platform
18 "was built for traders in order to help them succeed."

19 ii. The "Letter From [the] Citrades CEO" was
20 purportedly signed on behalf of "Michael Clark." "Michael Clark" was
21 the alias used by the defendant in investor-facing communications.

22 iii. The Citrades website also marketed trading on the
23 platform as "the fastest and most efficient way to convert your
24 financial decisions into substantial profits" and claimed that the
25 company intended to "help[] our traders to accurately calculate risks
26 in order to maximize profits" and "to make financial trading as
27 rewarding as possible for our customers, every time they trade."

28

1 *Victims of Citrades' Fraudulent Scheme*

2 i. Citrades obtained over \$17 million in deposits from
3 purported investors as a result of its operations, and those
4 purported investors lost approximately \$8.3 million. These losses
5 were associated with more than ten investors.

6 *The Defendant's Obstruction*
7 *of the Administration of Justice*

8 j. In or about January 2017, the defendant was served
9 with a subpoena seeking documents related to Citrades by the
10 Securities and Exchange Commission.

11 k. The defendant subsequently deleted virtually the
12 entirety of the contents of the email account that he had used to
13 conduct Citrades-related business.

14 l. The defendant did so with the intent to prevent the
15 SEC from obtaining those emails because of their potentially
16 incriminating contents.

17 SENTENCING FACTORS

18 16. Defendant understands that in determining defendant's
19 sentence the Court is required to calculate the applicable Sentencing
20 Guidelines range and to consider that range, possible departures
21 under the Sentencing Guidelines, and the other sentencing factors set
22 forth in 18 U.S.C. § 3553(a). Defendant understands that the
23 Sentencing Guidelines are advisory only, that defendant cannot have
24 any expectation of receiving a sentence within the calculated
25 Sentencing Guidelines range, and that after considering the
26 Sentencing Guidelines and the other § 3553(a) factors, the Court will
27 be free to exercise its discretion to impose any sentence it finds
28

1 appropriate up to the maximum set by statute for the crime of
 2 conviction.

3 17. Defendant and the Fraud Section agree to the following
 4 applicable Sentencing Guidelines factors:

5	Base Offense Level:	7	U.S.S.G. § 2B1.1(a)(1)
6	Specific Offense		
7	Characteristics:		
8	Loss in excess of \$3,500,000	+18	U.S.S.G. § 2B1.1(b)(1)(J)
9	Ten or more victims	+2	U.S.S.G. § 2B1.1(b)(2)(A)
10	Fraudulent scheme committed	+2	U.S.S.G. § 2B1.1(b)(10)
11	abroad / Sophisticated means		
12	Adjustments:		
13	Manager or supervisor of	+3	U.S.S.G. § 3B1.1(b)
14	criminal activity involving		
	five or more participants		
15	Obstructing or impeding the	+2	U.S.S.G. § 3C1.1
16	administration of justice		
17	Acceptance of Responsibility:	-3	U.S.S.G. § 3E1.1(b)
18	Total Offense Level:	31	

19 18. The Fraud Section will agree to a two-level downward
 20 adjustment for acceptance of responsibility (and, if applicable, move
 21 for an additional one-level downward adjustment under U.S.S.G.
 22 § 3E1.1(b)) only if the conditions set forth in paragraph 5(c) are
 23 met and if defendant refrains from committing acts constituting
 24 obstruction of justice within the meaning of U.S.S.G. § 3C1.1, as
 25 discussed below. Subject to paragraph 30 below, defendant and the
 26 Fraud Section agree not to seek, argue, or suggest in any way, either
 27 orally or in writing, that any other specific offense
 28 characteristics, adjustments, or departures relating to the offense

1 level be imposed. Defendant understands that defendant's offense
2 level could be increased if defendant is a career offender under
3 U.S.S.G. §§ 4B1.1 and 4B1.2. If defendant's offense level is so
4 altered, defendant and the Fraud Section will not be bound by the
5 agreement to Sentencing Guideline factors set forth above.

6 19. Defendant understands that there is no agreement as to
7 defendant's criminal history or criminal history category.

8 20. Defendant and the Fraud Section reserve the right to argue
9 for a sentence outside the sentencing range established by the
10 Sentencing Guidelines based on the factors set forth in 18 U.S.C.
11 § 3553(a)(1), (a)(2), (a)(3), (a)(6), and (a)(7).

12 WAIVER OF CONSTITUTIONAL RIGHTS

13 21. Defendant understands that by pleading guilty, defendant
14 gives up the following rights:

- 15 a. The right to persist in a plea of not guilty.
16 b. The right to a speedy and public trial by jury.
17 c. The right to be represented by counsel – and if
18 necessary have the court appoint counsel – at trial. Defendant
19 understands, however, that, defendant retains the right to be
20 represented by counsel – and if necessary have the court appoint
21 counsel – at every other stage of the proceeding.
22 d. The right to be presumed innocent and to have the
23 burden of proof placed on the government to prove defendant guilty
24 beyond a reasonable doubt.
25 e. The right to confront and cross-examine witnesses
26 against defendant.

27
28

1 f. The right to testify and to present evidence in
2 opposition to the charges, including the right to compel the
3 attendance of witnesses to testify.

4 g. The right not to be compelled to testify, and, if
5 defendant chose not to testify or present evidence, to have that
6 choice not be used against defendant.

7 h. Any and all rights to pursue any affirmative defenses,
8 Fourth Amendment or Fifth Amendment claims, and other pretrial
9 motions that have been filed or could be filed.

10 i. Having been fully advised by defendant's attorney
11 regarding the requirements of venue with respect to the offenses to
12 which defendant is pleading guilty, to the extent the offenses to
13 which defendant is pleading guilty were committed, begun, or
14 completed outside the Central District of California, defendant
15 knowingly, voluntarily, and intelligently waives, relinquishes, and
16 gives up: (a) any right that defendant might have to be prosecuted
17 only in the district where the offenses to which defendant is
18 pleading guilty were committed, begun, or completed; and (b) any
19 defense, claim, or argument defendant could raise or assert based
20 upon lack of venue with respect to the offenses to which defendant is
21 pleading guilty.

22 j. Having been fully advised by defendant's attorney
23 regarding application of the statute of limitations to the offenses
24 to which defendant is pleading guilty, defendant hereby knowingly,
25 voluntarily, and intelligently waives, relinquishes, and gives up:
26 (a) any right that defendant might have not to be prosecuted for the
27 offenses to which defendant is pleading guilty because of the
28 expiration of the statute of limitations for those offenses prior to

1 the filing of the information alleging those offenses; and (b) any
2 defense, claim, or argument defendant could raise or assert that
3 prosecution of the offenses to which defendant is pleading guilty is
4 barred by the expiration of the applicable statute of limitations,
5 pre-indictment delay, or any speedy trial violation.

6 WAIVER OF APPEAL OF CONVICTION

7 22. Defendant understands that, with the exception of an appeal
8 based on a claim that defendant's guilty plea was involuntary, by
9 pleading guilty defendant is waiving and giving up any right to
10 appeal defendant's conviction on the offense to which defendant is
11 pleading guilty. Defendant understands that this waiver includes,
12 but is not limited to, arguments that the statute to which defendant
13 is pleading guilty is unconstitutional, and any and all claims that
14 the statement of facts provided herein is insufficient to support
15 defendant's plea of guilty.

16 LIMITED MUTUAL WAIVER OF APPEAL OF SENTENCE

17 23. Defendant agrees that, provided the Court imposes a total
18 term of imprisonment on all counts of conviction of no more than 135
19 months, defendant gives up the right to appeal all of the following:
20 (a) the procedures and calculations used to determine and impose any
21 portion of the sentence; (b) the term of imprisonment imposed by the
22 Court; (c) the fine imposed by the court, provided it is within the
23 statutory maximum; (d) to the extent permitted by law, the
24 constitutionality or legality of defendant's sentence, provided it is
25 within the statutory maximum; (f) the term of probation or supervised
26 release imposed by the Court, provided it is within the statutory
27 maximum; and (g) any of the following conditions of probation or
28 supervised release imposed by the Court: the conditions set forth in

1 General Orders 318, 01-05, and/or 05-02 of this Court; the drug
2 testing conditions mandated by 18 U.S.C. §§ 3563(a)(5) and 3583(d);
3 and the alcohol and drug use conditions authorized by 18 U.S.C.
4 § 3563(b)(7).

5 24. The Fraud Section agrees that, provided (a) all portions of
6 the sentence are at or below the statutory maximum specified above
7 and (b) the Court imposes a term of imprisonment of no less than 108
8 months, the Fraud Section gives up its right to appeal any portion of
9 the sentence ,with the exception that the Fraud Section reserves the
10 right to appeal the amount of restitution ordered if that amount is
11 less than \$8.3 million.

12 RESULT OF WITHDRAWAL OF GUILTY PLEA

13 25. Defendant agrees that if, after entering a guilty plea
14 pursuant to this agreement, defendant seeks to withdraw and succeeds
15 in withdrawing defendant's guilty plea on any basis other than a
16 claim and finding that entry into this plea agreement was
17 involuntary, then (a) the Fraud Section will be relieved of all of
18 its obligations under this agreement, including in particular its
19 obligations regarding the use of Cooperation Information; (b) in any
20 investigation, criminal prosecution, or civil, administrative, or
21 regulatory action, defendant agrees that any Cooperation Information
22 and any evidence derived from any Cooperation Information shall be
23 admissible against defendant, and defendant will not assert, and
24 hereby waives and gives up, any claim under the United States
25 Constitution, any statute, or any federal rule, that any Cooperation
26 Information or any evidence derived from any Cooperation Information
27 should be suppressed or is inadmissible.

28

1 EFFECTIVE DATE OF AGREEMENT

2 26. This agreement is effective upon signature and execution of
3 all required certifications by defendant, defendant's counsel, and an
4 attorney for the United States.

5 BREACH OF AGREEMENT

6 27. Defendant agrees that if defendant, at any time after the
7 signature of this agreement and execution of all required
8 certifications by defendant, defendant's counsel, and counsel for the
9 United States, knowingly violates or fails to perform any of
10 defendant's obligations under this agreement ("a breach"), the Fraud
11 Section may declare this agreement breached. For example, if
12 defendant knowingly, in an interview, before a grand jury, or at
13 trial, falsely accuses another person of criminal conduct or falsely
14 minimizes defendant's own role, or the role of another, in criminal
15 conduct, defendant will have breached this agreement. All of
16 defendant's obligations are material, a single breach of this
17 agreement is sufficient for the Fraud Section to declare a breach,
18 and defendant shall not be deemed to have cured a breach without the
19 express agreement of the Fraud Section in writing. If the Fraud
20 Section declares this agreement breached, and the Court finds such a
21 breach to have occurred, then:

22 a. If defendant has previously entered a guilty pleas
23 pursuant to this agreement, defendant will not be able to withdraw
24 the guilty plea.

25 b. The Fraud Section will be relieved of all its
26 obligations under this agreement; in particular, the Fraud Section:
27 (i) will no longer be bound by any agreements concerning sentencing
28 and will be free to seek any sentence up to the statutory maximum for

1 the crime to which defendant has pleaded guilty; and (ii) will no
2 longer be bound by any agreement regarding the use of Cooperation
3 Information and will be free to use any Cooperation Information in
4 any way in any investigation, criminal prosecution, or civil,
5 administrative, or regulatory action.

6 c. The Fraud Section will be free to criminally prosecute
7 defendant for false statement, obstruction of justice, and perjury
8 based on any knowingly false or misleading statement by defendant.

9 d. In any investigation, criminal prosecution, or civil,
10 administrative, or regulatory action: (i) defendant will not assert,
11 and hereby waives and gives up, any claim that any Cooperation
12 Information was obtained in violation of the Fifth Amendment
13 privilege against compelled self-incrimination; and (ii) defendant
14 agrees that any Cooperation Information and any Plea Information, as
15 well as any evidence derived from any Cooperation Information or any
16 Plea Information, shall be admissible against defendant, and
17 defendant will not assert, and hereby waives and gives up, any claim
18 under the United States Constitution, any statute, Rule 410 of the
19 Federal Rules of Evidence, Rule 11(f) of the Federal Rules of
20 Criminal Procedure, or any other federal rule, that any Cooperation
21 Information, any Plea Information, or any evidence derived from any
22 Cooperation Information or any Plea Information should be suppressed
23 or is inadmissible.

24 COURT AND PROBATION OFFICE NOT PARTIES

25 28. Defendant understands that the Court and the United States
26 Probation Office are not parties to this agreement and need not
27 accept any of the Fraud Section's sentencing recommendations or the
28 parties' agreements to facts or sentencing factors.

1 29. Defendant understands that both defendant and the Fraud
2 Section are free to: (a) supplement the facts by supplying relevant
3 information to the United States Probation Office and the Court,
4 (b) correct any and all factual misstatements relating to the Court's
5 Sentencing Guidelines calculations and determination of sentence, and
6 (c) argue on appeal and collateral review that the Court's Sentencing
7 Guidelines calculations and the sentence it chooses to impose are not
8 error, although each party agrees to maintain its view that the
9 calculations in paragraph 17 are consistent with the facts of this
10 case. While this paragraph permits both the Fraud Section and
11 defendant to submit full and complete factual information to the
12 United States Probation Office and the Court, even if that factual
13 information may be viewed as inconsistent with the facts agreed to in
14 this agreement, this paragraph does not affect defendant's and the
15 Fraud Section's obligations not to contest the facts agreed to in
16 this agreement.

17 30. Defendant understands that even if the Court ignores any
18 sentencing recommendation, finds facts or reaches conclusions
19 different from those agreed to, and/or imposes any sentence up to the
20 maximum established by statute, defendant cannot, for that reason,
21 withdraw defendant's guilty plea, and defendant will remain bound to
22 fulfill all defendant's obligations under this agreement. Defendant
23 understands that no one – not the prosecutor, defendant's attorney,
24 or the Court – can make a binding prediction or promise regarding the
25 sentence defendant will receive, except that it will be within the
26 statutory maximum.

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NO ADDITIONAL AGREEMENTS

31. Defendant understands that, except as set forth herein, there are no promises, understandings, or agreements between the Fraud Section and defendant or defendant's attorney, and that no additional promise, understanding, or agreement may be entered into unless in a writing signed by all parties or on the record in court.

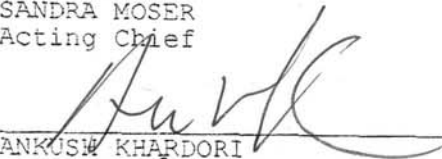
PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

32. The parties agree that this agreement will be considered part of the record of defendant's guilty plea hearing as if the entire agreement had been read into the record of the proceeding.

AGREED AND ACCEPTED


UNITED STATES DEPARTMENT OF JUSTICE
FRAUD SECTION, CRIMINAL DIVISION

SANDRA MOSER
Acting Chief



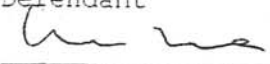
ANKUSH Khardori
Trial Attorney

Date 11/27/18



JASON BENJAMIN SCHARF
Defendant

Date 11/26/18



STANLEY STONE
Attorney for Defendant JASON
BENJAMIN SCHARF

Date 11/26/18

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CERTIFICATION OF DEFENDANT

I have read this agreement in its entirety. I have had enough time to review and consider this agreement, and I have carefully and thoroughly discussed every part of it with my attorney. I understand the terms of this agreement, and I voluntarily agree to those terms. I have discussed the evidence with my attorney, and my attorney has advised me of my rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. No promises, inducements, or representations of any kind have been made to me other than those contained in this agreement. No one has threatened or forced me in any way to enter into this agreement. I am satisfied with the representation of my attorney in this matter, and I am pleading guilty because I am guilty of the charges and wish to take advantage of the promises set forth in this agreement, and not for any other reason.




JASON BENJAMIN SCHARF
Defendant

11/26/18
Date

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CERTIFICATION OF DEFENDANT'S ATTORNEY

I am JASON BENJAMIN SCHARF's attorney. I have carefully and thoroughly discussed every part of this agreement with my client. Further, I have fully advised my client of his [her] rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. To my knowledge: no promises, inducements, or representations of any kind have been made to my client other than those contained in this agreement; no one has threatened or forced my client in any way to enter into this agreement; my client's decision to enter into this agreement is an informed and voluntary one; and the factual basis set forth in this agreement is sufficient to support my client's entry of a guilty plea pursuant to this agreement.



STANLEY STONE
Attorney for Defendant JASON
BENJAMIN SCHARF

11/26/18
Date