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IN THE UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA, Plaintiff, v. THOMAS EMIL EIDE, Defendant.	CASE NO. 26-CR-0109-TLN PLEA AGREEMENT

I. INTRODUCTION

A. Scope of Agreement.

The Information in this case charges the defendant with a violation of 18 U.S.C. § 1349 – Conspiracy to Commit Bank Fraud. This document contains the complete plea agreement between the United States Attorney's Office for the Eastern District of California and the Fraud Section of the Criminal Division of the United States Department of Justice (the "Fraud Section," and, collectively, the "government") and the defendant regarding this case. This plea agreement is limited to the United

States Attorney's Office for the Eastern District of California and the Fraud Section and cannot bind any other federal, state, or local prosecuting, administrative, or regulatory authorities.

B. Court Not a Party.

The Court is not a party to this plea agreement. Sentencing is a matter solely within the discretion of the Court, and the Court may take into consideration any and all facts and circumstances concerning the criminal activities of defendant, including activities which may not have been charged in the Information. The Court is under no obligation to accept any recommendations made by the government, and the Court may in its discretion impose any sentence it deems appropriate up to and including the statutory maximum stated in this plea agreement.

If the Court should impose any sentence up to the maximum established by the statute, the defendant cannot, for that reason alone, withdraw his guilty plea, and he will remain bound to fulfill all of the obligations under this plea agreement. The defendant understands that neither the prosecutor, defense counsel, nor the Court can make a binding prediction or promise regarding the sentence he will receive.

II. DEFENDANT'S OBLIGATIONS

A. Guilty Plea.

The defendant will plead guilty to violating 18 U.S.C. § 1349 – Conspiracy to Commit Bank Fraud. The defendant agrees that he is in fact guilty of this charge and that the facts set forth in the Factual Basis for Plea attached hereto as Exhibit A are accurate.

The defendant agrees that this plea agreement will be filed with the Court and become a part of the record of the case. The defendant understands and agrees that he will not be allowed to withdraw his plea should the Court not follow the government's sentencing recommendations.

The defendant agrees that the statements made by him in signing this Agreement, including the factual admissions set forth in the factual basis, shall be admissible and useable against the defendant by the United States in any subsequent criminal or civil proceedings, even if the defendant fails to enter a guilty plea pursuant to this Agreement. The defendant waives any rights under Fed. R. Crim. P. 11(f) and Fed. R. Evid. 410, to the extent that these rules are inconsistent with this paragraph or with this Agreement generally.

1. Waiver of Indictment:

The defendant acknowledges that under the United States Constitution he is entitled to be indicted by a grand jury on the charge to which he is pleading guilty and that pursuant to Fed. R. Crim. P. 7(b) he agrees to waive any and all rights he has to being prosecuted by way of Indictment to the charges set forth in the Information. The defendant agrees that at a time set by the Court, he will sign a written waiver of prosecution by Indictment and consent to proceed by Information rather than by Indictment.

B. <u>Restitution.</u>

The Mandatory Victim Restitution Act requires the Court to order restitution to the victims of certain offenses.

Defendant agrees that his conduct is governed by the Mandatory Restitution Act pursuant to 18 U.S.C. § 3663A(c)(1)(A)(ii) and agrees to pay the full amount of restitution to all victims affected by this offense, including, but not limited to, the victims covered in the factual basis and other victims as a result of the defendant's conduct for the offenses. The amount of restitution has not yet been determined.

Defendant agrees that all criminal monetary penalties imposed by the court, including restitution, will be due in full immediately at time of sentencing and subject to immediate enforcement by the government. Defendant agrees that any payment schedule or plan set by the court is merely a minimum and does not foreclose the United States from collecting all criminal monetary penalties at any time through all available means.

Defendant further agrees that he will not seek to discharge any restitution obligation or any part of such obligation in any bankruptcy proceeding.

Defendant shall not sell, encumber, transfer, convey, or otherwise dispose of any of his assets without prior written consent of the government, except that the defendant may sell, transfer or convey personal property (including used vehicles and personal items, but not financial instruments, ownership interests in business entities or real property) with an aggregate value of less than $5,000.

Payment of restitution shall be by cashier's or certified check made payable to the Clerk of the Court.

C. <u>Fine.</u>

The defendant reserves the right to argue to Probation and at sentencing that he is unable to pay a fine, and that no fine should be imposed. The defendant understands that it is his burden to affirmatively prove that he is unable to pay a fine, and agrees to provide a financial statement under penalty of perjury to the Probation Officer and the government in advance of the issuance of the draft Presentence Investigation Report, along with supporting documentation. The government retains the right to oppose the waiver of a fine. If the Court imposes a fine, the defendant agrees to pay such fine if and as ordered by the Court, up to the statutory maximum fine for the defendant's offense.

D. <u>Special Assessment.</u>

The defendant agrees to pay a special assessment of $100 at the time of sentencing by delivering a check or money order payable to the United States District Court to the United States Probation Office immediately before the sentencing hearing. The defendant understands that this plea agreement is voidable at the option of the government if he fails to pay the assessment prior to that hearing.

E. <u>Violation of Plea Agreement by Defendant/Withdrawal of Plea.</u>

If the defendant, violates this plea agreement in any way, withdraws his plea, or tries to withdraw his plea, this plea agreement is voidable at the option of the government. If the government elects to void the agreement based on the defendant's violation, the government will no longer be bound by its representations to the defendant concerning the limits on criminal prosecution and sentencing as set forth herein. A defendant violates the plea agreement by committing any crime or providing or procuring any statement or testimony which is knowingly false, misleading, or materially incomplete in any litigation or sentencing process in this case, or engages in any post-plea conduct constituting obstruction of justice. Varying from the below-stipulated Guidelines application personally or through counsel also constitutes a violation of the plea agreement. The government also shall have the right (1) to prosecute the defendant on any of the counts to which he pleaded guilty; (2) to reinstate any counts that may be dismissed pursuant to this plea agreement; and (3) to file any new charges that would otherwise be barred by this plea agreement. The defendant shall thereafter be subject to prosecution for any federal criminal violation of which the government has knowledge. The decision to pursue any or all of these options is solely in the discretion of the government.

By signing this plea agreement, the defendant agrees to waive any objections, motions, and defenses that the defendant might have to the government's decision. Any prosecutions that are not time-barred by the applicable statute of limitations as of the date of this plea agreement may be commenced in accordance with this paragraph, notwithstanding the expiration of the statute of limitations between the signing of this plea agreement and the commencement of any such prosecutions. The defendant agrees not to raise any objections based on the passage of time with respect to such counts including, but not limited to, any statutes of limitation or any objections based on the Speedy Trial Act or the Speedy Trial Clause of the Sixth Amendment to any counts that were not time-barred as of the date of this plea agreement. The determination of whether the defendant has violated the plea agreement will be under a probable cause standard.

In addition, (1) all statements made by the defendant to the government or other designated law enforcement agents, or any testimony given by the defendant before a grand jury or other tribunal, whether before or after this plea agreement, shall be admissible in evidence in any criminal, civil, or administrative proceedings hereafter brought against the defendant; and (2) the defendant shall assert no claim under the United States Constitution, any statute, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule, that statements made by the defendant before or after this plea agreement, or any leads derived therefrom, should be suppressed. By signing this plea agreement, the defendant waives any and all rights in the foregoing respects.

F. <u>Forfeiture.</u>

The defendant agrees to forfeit to the United States voluntarily and immediately all of his right, title, and interest to any and all assets subject to forfeiture pursuant to 18 U.S.C. § 982(a)(2) and Fed. R. Crim. P. 32.2(b). Those assets include, but are not limited to, the following:

1. Approximately $269,565.50 seized from First Reliance Bancshares, Inc., account number 5220000969, in the name of by Lifestyle Development, LLC,

2. Approximately $1,373.95 seized from Valley National Bank, account number 8843534202, in the name of by Lifestyle Development, LLC,

3. Approximately $7,982.56 seized from First Reliance Bancshares, Inc., account number 5210000745, in the name of by Thomas Eide,

4. Approximately $50,000.00 seized from Mainstreet Bank, account number 2010039009, in the name of by PRV International, LLC,

5. Approximately $36,650.38 seized from Bank of America, N.A., account number 383019458700, in the name of by Vitakem Nutra,

6. Approximately $37,886.31 seized from Southstate Bank, NA, account number 8010002012630, in the name of by Sarah Nick,

7. Approximately $12,290.84 seized from Wells Fargo Bank, account 2904748601, in the name of Sarah Nick,

8. Approximately $7,571.62 seized from Wells Fargo Bank, account 1010118176129, in the name of Sarah Nick,

9. Real property located at 2261 Cold Creek Trail, South Lake Tahoe, California 96150, APN 025-622-008-000,

10. Real property located at 1 Carlton Lane, Placerville, California 95667, APN 089-110-062-000, and

11. A personal forfeiture money judgment in the amount of $2,170,000.

The defendant agrees that the listed assets represent property connected to his violations of 18 U.S.C. § 1349, specifically representing proceeds traceable to his crimes or derivations thereof. The defendant further agrees that the $2,170,000 personal money judgment also represents proceeds traceable to his violations of 18 U.S.C. § 1349, and will be satisfied by the forfeitures of 2261 Cold Creek Trail, South Lake Tahoe, California and 1 Carlton Lane, Placerville, California.

To the extent that the value of the interests held by the defendant in 2261 Cold Creek Trail, South Lake Tahoe, California and 1 Carlton Lane, Placerville, California, are insufficient to satisfy the $2,170,000 personal forfeiture money judgment, the defendant agrees to pay the remainder of the money judgment no later than fourteen (14) days prior to sentencing. The defendant agrees to pay the remainder in the form of cashier's checks made payable to the U.S. Postal Service and sent to the U.S. Attorney's Office, Attn: Asset Forfeiture Unit, 501 I Street, Suite 10-100, Sacramento, CA 95814.

The defendant agrees to fully assist the government in the forfeiture of the listed assets and to take whatever steps are necessary to pass clear title to the United States. The defendant shall not sell, transfer, convey, or otherwise dispose of any of his assets, including but not limited to, the above-listed assets.

The defendant agrees not to file a claim to any of the listed property in any civil proceeding, administrative or judicial, which may be initiated. The defendant agrees to waive his right to notice of any forfeiture proceeding involving this property and agrees to not file a claim or assist others in filing a claim in that forfeiture proceeding.

The defendant knowingly and voluntarily waives his right to a jury trial on the forfeiture of assets. The defendant knowingly and voluntarily waives all constitutional, legal and equitable defenses to the forfeiture of these assets in any proceeding. The defendant agrees to waive any jeopardy defense, and agrees to waive any claim or defense under the Eighth Amendment to the United States Constitution, including any claim of excessive fine, to the forfeiture of the assets by the United States, the State of California or its subdivisions.

The defendant waives oral pronouncement of forfeiture at the time of sentencing, and any defenses or defects that may pertain to the forfeiture.

The parties agree that if any portion of the net proceeds from the forfeited assets are paid to victims through the remission or restoration process, the United States will recommend that the amount forfeited will be credited to the defendant's restitution obligation.

G. <u>Asset Disclosure.</u>

The defendant agrees to make a full and complete disclosure of his assets and financial condition, and will complete the government's "Authorization to Release Information" and "Financial Disclosure Statement" within three (3) weeks from the entry of the defendant's change of plea, including supporting documentation. The defendant also agrees to have the Court enter an order to that effect. The defendant understands that if he fails to complete truthfully and provide the described documentation to the government within the allotted time, he will be considered in violation of the agreement, and the government shall be entitled to the remedies set forth in section II.E above.

Defendant expressly authorizes the United States to immediately obtain a credit report to evaluate defendant's ability to satisfy any monetary penalty imposed by the court. Defendant also authorizes the government to inspect and copy all financial documents and information held by the U.S.

Probation Office.

III. THE GOVERNMENT'S OBLIGATIONS

A. Dismissals/Other Charges.

The government agrees not to bring any other charges arising from the conduct outlined in the Factual Basis attached hereto as Exhibit A. The government also agrees not to reinstate any dismissed count except if this agreement is voided as set forth herein, or as provided in paragraphs II.E (Violation of Plea Agreement by Defendant/Withdrawal of Plea), VI.B (Stipulations Affecting Guideline Calculation), and VII.B (Waiver of Appeal and Collateral Attack) herein.

B. Recommendations.

1. Incarceration Range.

The government will recommend that the defendant be sentenced to the low end of the applicable guideline range as determined by the Court.

2. Acceptance of Responsibility.

The government will recommend a two-level reduction (if the offense level is less than 16) or a three-level reduction (if the offense level reaches 16) in the computation of his offense level if the defendant clearly demonstrates acceptance of responsibility for his conduct as defined in U.S.S.G. § 3E1.1. This includes the defendant meeting with and assisting the probation officer in the preparation of the pre-sentence report, being truthful and candid with the probation officer, and not otherwise engaging in conduct that constitutes obstruction of justice within the meaning of U.S.S.G § 3C1.1, either in the preparation of the pre-sentence report or during the sentencing proceeding.

C. Use of Information for Sentencing.

The government is free to provide full and accurate information to the Court and Probation, including answering any inquiries made by the Court and/or Probation and rebutting any inaccurate statements or arguments by the defendant, his attorney, Probation, or the Court. The defendant also understands and agrees that nothing in this Plea Agreement bars the government from defending on appeal or collateral review any sentence that the Court may impose.

IV. ELEMENTS OF THE OFFENSE

At a trial, the government would have to prove beyond a reasonable doubt the following elements of the offense to which the defendant is pleading guilty, 18 U.S.C. § 1349 – Conspiracy to Commit Bank Fraud:

1. There was an agreement between two or more persons to commit the crime of bank fraud;
2. The defendant became a member of the conspiracy knowing of at least one of its objects and intending to help accomplish it.

The offenses that are the object of the conspiracy are 18 U.S.C. § 1344(1), Scheme to Defraud Bank, and 18 U.S.C. § 1344(2), Scheme to Defraud Bank by False Promises. The elements of 18 U.S.C. § 1344(1), Scheme to Defraud Bank, are as follows:

1. The defendant knowingly executed or attempted to execute a scheme to defraud a financial institution as to something of value;
2. That the statements made or facts omitted as part of the scheme were material, that is, they had a natural tendency to influence, or were capable of influencing, a person to part with money or property;
3. The defendant did so with the intent to defraud the financial institution; and
4. The financial institution was insured by the Federal Deposit Insurance Corporation ("FDIC").

The elements of 18 U.S.C. § 1344(2), Scheme to Defraud Bank by False Promises, are as follows:

1. The defendant knowingly carried out a scheme or plan to obtain money or property from financial institutions by making false statements or promises;
2. The defendant knew that the statements or promises were false;
3. The statements or promises were material, that is, they had a natural tendency to influence, or were capable of influencing, a financial institution to part with money or property;
4. The defendant acted with the intent to defraud; and
5. The financial institutions were federally chartered or insured.

The defendant fully understands the nature and elements of the crimes charged in the Information to which he is pleading guilty, together with the possible defenses thereto, and has discussed them with his attorney.

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V. MAXIMUM SENTENCE

A. Maximum Penalty.

The maximum sentence that the Court can impose is 30 years of incarceration, a fine of $1,000,000, a 5-year period of supervised release and a special assessment of $100. By signing this plea agreement, the defendant also agrees that the Court can order the payment of restitution for the full loss caused by the defendant's wrongful conduct. The defendant agrees that the restitution order is not restricted to the amounts alleged in the specific count to which he is pleading guilty. The defendant further agrees, as noted above, that he will not attempt to discharge in any present or future bankruptcy proceeding any restitution imposed by the Court.

B. Violations of Supervised Release.

The defendant understands that if he violates a condition of supervised release at any time during the term of supervised release, the Court may revoke the term of supervised release and require the defendant to serve up to five additional years imprisonment.

VI. SENTENCING DETERMINATION

A. Statutory Authority.

The defendant understands that the Court must consult the Federal Sentencing Guidelines and must take them into account when determining a final sentence. The defendant understands that the Court will determine a non-binding and advisory guideline sentencing range for this case pursuant to the Sentencing Guidelines and must take them into account when determining a final sentence. The defendant further understands that the Court, after consultation and consideration of the Sentencing Guidelines, must impose a sentence that is reasonable in light of the factors set forth in 18 U.S.C. § 3553(a).

B. Stipulations Affecting Guideline Calculation.

The government and the defendant agree that there is no material dispute as to the following sentencing guidelines variables and therefore stipulate to the following:

1.	Base Offense Level (§ 2B1.1(a)(1):	7
2.	Loss Amount between $250,000 and $3,500,000 (§ 2B1.1(b)(1)(H)-(J)):	+12 to +16
3.	Offense involved 10 or more victims (§ 2B1.1(b)(2)(A)):	+2

4. More than $1 million in gross receipts from financial institutions (§ 2B1.1(b)(17)(A), (D)): +2

5. Acceptance of Responsibility: See paragraph III.B.2 above -3

The parties dispute the following sentencing guidelines variables, and are permitted to each make arguments to the Court within the following ranges:

6. Sophisticated means (§ 2B1.1(b)(10)): 0 to +2

7. Organizer or leader (§ 3B1.1(c)): 0 to +2

8. Zero-point Offender, depending on leadership role (§ 4C1.1): 0 to -2

Accordingly:

9. The Total Offense Level: Between levels 18 and 28.

10. Criminal History: The parties estimate, but do not stipulate, that the defendant's criminal history category will be I.

The parties agree that they will not seek or argue in support of any other specific offense characteristics, Chapter Three adjustments (other than the decrease for "Acceptance of Responsibility"), or cross-references, except that the government may move for an adjustment based on the defendant's cooperation (§5K1.1) or post-plea obstruction of justice (§3C1.1).

The defendant is free to recommend to the Court whatever sentence he believes is appropriate under 18 U.S.C. § 3553(a). The government is obligated to recommend that the defendant be sentenced to the low end of the applicable guideline range as determined by the Court, as specified in paragraph III.B.

VII. WAIVERS

A. Waiver of Constitutional Rights.

The defendant understands that by pleading guilty he is waiving the following constitutional rights: (a) to plead not guilty and to persist in that plea if already made; (b) to be tried by a jury; (c) to be assisted at trial by an attorney, who would be appointed if necessary; (d) to pursue any affirmative defenses, Fourth Amendment or Fifth Amendment claims, constitutional challenges to the statutes of conviction, and other pretrial motions that have been filed or could be filed; (e) to subpoena witnesses to testify on his behalf; (f) to confront and cross-examine witnesses against him; and (g) not to be compelled to incriminate himself.

B. Waiver of Appeal and Collateral Attack.

The defendant understands that the law gives the defendant a right to appeal his guilty plea, conviction, and sentence. The defendant agrees as part of his pleas, however, to give up the right to appeal the guilty plea, conviction, and the sentence imposed in this case as long as the sentence does not exceed the statutory maximum for the offense to which he is pleading guilty. The defendant understands that this waiver includes, but is not limited to, any and all constitutional and/or legal challenges to the defendant's conviction and guilty plea, including arguments that the statutes to which defendant is pleading guilty are unconstitutional, and any and all claims that the statement of facts attached to this agreement is insufficient to support the defendant's plea of guilty. The defendant specifically gives up the right to appeal any order of restitution the Court may impose.

Notwithstanding the defendant's waiver of appeal, the defendant will retain the right to appeal if one of the following circumstances occurs: (1) the sentence imposed by the District Court exceeds the statutory maximum; and/or (2) the government appeals the sentence in the case. The defendant understands that these circumstances occur infrequently and that in almost all cases this Agreement constitutes a complete waiver of all appellate rights.

In addition, regardless of the sentence the defendant receives, the defendant also gives up any right to bring a collateral attack, including a motion under 28 U.S.C. § 2255 or § 2241, challenging any aspect of the guilty plea, conviction, or sentence, except for non-waivable claims.

Notwithstanding the government's agreements in paragraph III.A above, if the defendant ever attempts to vacate his plea, dismiss the underlying charges, or modify or set aside his sentence on any of the counts to which he is pleading guilty, the government shall have the rights set forth in Section II.E herein.

C. Waiver of Attorneys' Fees and Costs.

The defendant agrees to waive all rights under the "Hyde Amendment," Section 617, P.L. 105-119 (Nov. 26, 1997), to recover attorneys' fees or other litigation expenses in connection with the investigation and prosecution of all charges in the above-captioned matter and of any related allegations (including without limitation any charges to be dismissed pursuant to this plea agreement and any charges previously dismissed).

D. Impact of Plea on Defendant's Immigration Status.

Defendant recognizes that pleading guilty may have consequences with respect to his immigration status if he is not a citizen of the United States. Under federal law, a broad range of crimes are removable offenses, including the offense to which the defendant is pleading guilty. The defendant and his counsel have discussed the fact that the charge to which the defendant is pleading guilty is an aggravated felony, or a crime that is likely to be determined to be an aggravated felony under 8 USC § 1101(a)(43), and that while there may be arguments that defendant can raise in immigration proceedings to avoid or delay removal, it is virtually certain that defendant will be removed. Removal and other immigration consequences are the subject of a separate proceeding, however, and defendant understands that no one, including his attorney or the district court, can predict to a certainty the effect of his conviction on his immigration status. Defendant nevertheless affirms that he wants to plead guilty regardless of any immigration consequences that his plea may entail, even if the consequence is his automatic removal from the United States.

VIII. ENTIRE PLEA AGREEMENT

Other than this plea agreement, no agreement, understanding, promise, or condition between the government and the defendant exists, nor will such agreement, understanding, promise, or condition exist unless it is committed to writing and signed by the defendant, counsel for the defendant, and counsel for the United States.

IX. APPROVALS AND SIGNATURES

A. Defense Counsel.

I have read this plea agreement and have discussed it fully with my client. The plea agreement accurately and completely sets forth the entirety of the agreement. I concur in my client's decision to plead guilty as set forth in this plea agreement.

Dated: 8/14/2026

DANIEL OLMOS
CHRIS WHELESS
DAVID R. CALLAWAY
Attorneys for Defendant

B. **Defendant:**

I have read this plea agreement and carefully reviewed every part of it with my attorney. I understand it, and I voluntarily agree to it. Further, I have consulted with my attorney and fully understand my rights with respect to the provisions of the Sentencing Guidelines that may apply to my case. No other promises or inducements have been made to me, other than those contained in this plea agreement. In addition, no one has threatened or forced me in any way to enter into this plea agreement. Finally, I am satisfied with the representation of my attorney in this case.

Dated: 8/10/26

THOMAS EMIL EIDE
Defendant

C. **Attorneys for United States:**

I accept and agree to this plea agreement on behalf of the government.

Dated: 8/17/26

ERIC GRANT
United States Attorney

VERONICA M.A. ALEGRÍA
ETHAN L. CARROLL
Assistant United States Attorneys

Dated: 8.17.2026

LORINDA LARYEA
Chief, Fraud Section

J. MATT WILLIAMS
Assistant Chief

EXHIBIT "A"

Factual Basis for Plea

THOMAS EMIL EIDE ("EIDE") was the owner of CB Surety LLC ("CB Surety"), which conducted business in South Lake Tahoe in the Eastern District of California. Beginning in approximately March 2017 and continuing until approximately December 2023, EIDE and his co-conspirators, who worked at CB Surety and elsewhere, conspired and agreed to commit bank fraud by engaging in a scheme (1) to defraud financial institutions as to material matters, including by falsely and fraudulently gaining access to bank accounts; and (2) to obtain moneys, funds, and credits from financial institutions by means of false or fraudulent pretenses or representations.

EIDE's co-conspirators, on behalf of EIDE and others, recruited merchant clients that, for a variety of reasons, were unable to get and keep merchant bank accounts ("merchant accounts") through legal means. For some of CB Surety's clients, these reasons included that they were committing fraud against consumers, including elderly victims. For others, the reasons included that they were selling goods and services that violated state or federal laws or acquiring banks' rules, had unacceptably high chargeback rates, or were listed on a terminated merchant file ("TMF").

In exchange for payment, EIDE and his co-conspirators engaged in fraudulent practices that enabled their merchant clients to falsely and fraudulently gain and maintain access to bank accounts that the financial institutions would not have otherwise granted them. These practices included transaction laundering and chargeback-rate manipulation.

Transaction Laundering

EIDE and/or his co-conspirators fraudulently applied for and obtained access to merchant accounts at FDIC-insured banks (the "Acquiring Banks") in the names of sham companies and straw owners. One way they did this was by paying for the services of a Las Vegas, Nevada, company, "Company 2."

As EIDE knew, Company 2's business involved recruiting persons ("Straw Owners") to apply for merchant accounts, incorporating limited liability companies ("Sham Companies") in the Straw Owners' names, and directing the Straw Owners to open deposit bank accounts at certain FDIC-insured banks (the "LLC Deposit Banks"). Company 2 directed the Straw Owners not to tell the LLC Deposit Banks about Company 2 and to say, if asked, that the Straw Owners operated the Sham Companies for their own benefit and did no third-party processing. These representations were false. Company 2 also often directed the Straw Owners to state, falsely, that the Sham Companies sold innocuous goods or services like health and beauty supplies. In fact, the accounts were used for different purposes, including by the merchant clients of EIDE and CB Surety. If the LLC Deposit Banks had known that the Straw Owners were applying to open deposit bank accounts that would be used and controlled by third parties, including EIDE and his co-conspirators, the LLC Deposit Banks would have rejected these account applications. Likewise, the LLC Deposit Banks would have rejected the Straw Owners' applications for deposit bank accounts if the Straw Owners had disclosed the business models and identities of the merchants that would come to control those accounts.

EIDE's co-conspirators used the Sham Companies to apply for merchant accounts. EIDE knew that the applications for merchant accounts in the names of Sham Companies were transmitted to the Acquiring Banks. To support the applications for merchant accounts, EIDE's co-conspirators: (a) created fake websites that were designed to pass underwriters' scrutiny by appearing to sell goods and services that complied with acquiring banks' rules and were not otherwise illegal goods; (b) created fake contracts that were designed to convince underwriters that the Sham Companies were engaged in the businesses they represented on their applications for merchant accounts; and (c) created email addresses and Voice over Internet Protocol phone numbers to communicate with underwriters and consumers on behalf of the Sham Companies and Straw Owners. After obtaining merchant accounts, EIDE and his co-conspirators integrated their merchant clients' payment gateways with these merchant accounts, fraudulently using inaccurate payment descriptions to convince underwriters that the accounts were being used to process payments on behalf of the Sham Companies for the goods and services described on the fake websites, when they were not. When the Acquiring Banks, or agents of the Acquiring

Banks, inquired about potential fraud, EIDE and his co-conspirators would send them materially false information.

EIDE and his co-conspirators used the Sham Companies' deposit bank accounts at the LLC Deposit Banks to receive deposits from the Sham Companies' merchant accounts at the Acquiring Banks. These deposits represented batches of transactions made for the benefit of CB Surety's merchant clients. Once these funds were transferred into the Sham Companies' deposit bank accounts, EIDE and his co-conspirators would cause the funds to be transferred to their merchant clients.

Chargeback-Rate Manipulation

EIDE knew that a merchant's "chargeback rate" was the percentage of the merchant's sales reversed each month because of successful consumer-initiated disputes and that the Acquiring Banks would close merchant accounts when merchants' chargeback rates exceeded a certain threshold. EIDE and his co-conspirators helped their merchant clients fraudulently lower the merchants' chargeback rates in order to keep their merchant accounts open at the Acquiring Banks. EIDE and his co-conspirators would first collect a deposit from a merchant client. They would then return that deposit, minus a fee, to the merchant, using prepaid debit cards to initiate small-dollar, sham transactions that were designed to look to the Acquiring Banks and their agents like payments for the merchant's goods or services.

Through these transaction-laundering and chargeback-rate-manipulation practices, EIDE and his co-conspirators:

a) obtained money and property from banks that were insured by the Federal Deposit Insurance Corporation ("FDIC"); and

b) helped their merchant clients obtain moneys, funds, credits, assets, securities, and other property owned by, or under the custody or control of, a financial institution, by materially false and fraudulent pretenses, representations, and promises, including those made to FDIC-insured banks.

The transaction-laundering and chargeback-rate-manipulation practices undertaken by EIDE and his co-conspirators created a new or increased risk of loss to both the LLC deposit banks and the Acquiring Banks. As a result of EIDE's conduct in furtherance of the conspiracy, EIDE and his co-conspirators caused over $111 million in transactions to be processed by CB Surety for their merchant clients through the fraudulently acquired and maintained sham bank accounts. These transactions included over $1.2 million in refunds to consumers from at least 21,465 transactions and over $2.15 million in consumer-initiated chargebacks from at least 21,037 transactions.

As a result of EIDE's conduct in furtherance of the conspiracy, EIDE derived more than $1 million in gross receipts from one or more financial institutions. The payments deposited in the Sham Companies' deposit bank accounts and payments made to CB Surety for its services constituted and were derived from property obtained as the result of EIDE's conduct in furtherance of the conspiracy.

I have reviewed the "Factual Basis" information above with my attorney, and agree that it is accurate.

Dated: 8/10/26

THOMAS EMIL EIDE, Defendant