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UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
FORT MYERS DIVISION

UNITED STATES OF AMERICA

v. CASE NO. 2:15-cr- 86-FtM-38CM

DORIAN GARCIA

PLEA AGREEMENT

Pursuant to Fed. R. Crim. P. 11(c), the United States of America, by A. Lee Bentley, III, United States Attorney for the Middle District of Florida, and the defendant, Dorian Garcia, and the attorney for the defendant, Burt Stutchin, Esq., mutually agree as follows:

A. Particularized Terms

1. Count Pleading To

The defendant shall enter a plea of guilty to Count One of the Information. Count One charges the defendant with Wire Fraud, in violation of Title 18, United States Code, Section 1343.

2. Maximum Penalties

Count One carries a maximum sentence of twenty years imprisonment, a fine of $250,000.00, or twice the gross gain caused by the offense, or twice the gross loss caused by the offense, whichever is greater, a term of supervised release of not more than three years, and a special assessment of $100. With respect to certain offenses, the Court shall order the

defendant to make restitution to any victim of the offense(s), and with respect to other offenses, the Court may order the defendant to make restitution to any victim of the offense, or to the community, as set forth below.

3. Elements of the Offense

The defendant acknowledges understanding the nature and elements of the offense with which defendant has been charged and to which defendant is pleading guilty. The elements of Count One are:

First: The Defendant knowingly devised or participated in a scheme to defraud, or to obtain money or property by using false pretenses, representations, or promises;

Second: The false pretenses, representations, or promises were about a material fact;

Third: The Defendant acted with the intent to defraud; and,

Fourth: The Defendant transmitted or caused to be transmitted by wire, radio, television some communication in interstate commerce to help carry out the scheme to defraud.

4. Indictment Waiver

Defendant will waive the right to be charged by way of indictment before a federal grand jury.

5. No Further Charges

If the Court accepts this plea agreement, the United States Attorney's Office for the Middle District of Florida agrees not to charge defendant with committing any other federal criminal offenses known to the United States

Attorney's Office at the time of the execution of this agreement, related to the conduct giving rise to this plea agreement.

6. Mandatory Restitution to Victim of Offense of Conviction

Pursuant to Title 18, United States Code, Sections 3663A(a) and (b), defendant agrees to make full restitution of at least $~~$3,358,334.52~~ $3,108,734.52 to the victims in this case as identified by the Probation Office.

7. Guidelines Sentence

Pursuant to Fed. R. Crim. P. 11(c)(1)(B), the United States will recommend to the Court that the defendant be sentenced within the defendant's applicable guidelines range as determined by the Court pursuant to the United States Sentencing Guidelines, as adjusted by any departure the United States has agreed to recommend in this plea agreement. The parties understand that such a recommendation is not binding on the Court and that, if it is not accepted by this Court, neither the United States nor the defendant will be allowed to withdraw from the plea agreement, and the defendant will not be allowed to withdraw from the plea of guilty.

8. Acceptance of Responsibility - Three Levels

At the time of sentencing, and in the event that no adverse information is received suggesting such a recommendation to be unwarranted, the United States will not oppose the defendant's request to the Court that the defendant receive a two-level downward adjustment for acceptance of responsibility, pursuant to USSG §3E1.1(a). The defendant understands that this

recommendation or request is not binding on the Court, and if not accepted by the Court, the defendant will not be allowed to withdraw from the plea.

Further, at the time of sentencing, if the defendant's offense level prior to operation of subsection (a) is level 16 or greater, and if the defendant complies with the provisions of USSG §3E1.1(b) and all terms of this Plea Agreement, including but not limited to, the timely submission of the financial affidavit referenced in Paragraph B.5., the United States agrees to file a motion pursuant to USSG §3E1.1(b) for a downward adjustment of one additional level. The defendant understands that the determination as to whether the defendant has qualified for a downward adjustment of a third level for acceptance of responsibility rests solely with the United States Attorney for the Middle District of Florida, and the defendant agrees that the defendant cannot and will not challenge that determination, whether by appeal, collateral attack, or otherwise.

9. Low End

At the time of sentencing, and in the event that no adverse information is received suggesting such a recommendation to be unwarranted, the United States will not oppose the defendant's request to the Court that the defendant receive a sentence at the low end of the applicable guideline range, as calculated by the Court. The defendant understands that this recommendation or request is not binding on the Court, and if not accepted by the Court, the defendant will not be allowed to withdraw from the plea.

10. Forfeiture of Assets

The defendant agrees to forfeit to the United States immediately and voluntarily any and all assets and property, or portions thereof, subject to forfeiture, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), whether in the possession or control of the United States or in the possession or control of the defendant or defendant's nominees.

The assets to be forfeited specifically include, but are not limited to:

a. $10,000 that was paid to the law firm Arnold & Porter LLP by the defendant, through DG Wealth Management's account at Wells Fargo Bank. On or about January 28, 2015, these funds were paid as a retainer, and the funds constituted proceeds traceable to the wire fraud scheme perpetrated by the defendant;

b. The following artwork, generally described below, which was purchased with funds traceable to proceeds of the wire fraud scheme:

   i. Giraffe on Aqua – Oil on canvas by Ronley;
   ii. Pelican on Blue – Oil on canvas by Ronley;
   iii. Galloping Horse on Yellow – Oil on canvas by Ronley;
   iv. Jesters – by Cecile Moran;
   v. Celestial Dream – Oil on Board (25 x 40) by Henry Asencio;
   vi. Fish metal art; and,

c. a forfeiture money judgment in the amount of the proceeds obtained as a result of the defendant's wire fraud scheme, approximately ~~$3,358,334.52~~ $3,108,734.52. D.G. D.G. JC

The defendant also hereby agrees to waive all constitutional, statutory and procedural challenges in any manner (including direct appeal, habeas corpus, or any other means) to any forfeiture carried out in accordance with this Plea Agreement on any grounds, including that the forfeiture described herein constitutes an excessive fine, was not properly noticed in the charging

instrument, addressed by the Court at the time of the guilty plea, announced at sentencing, or incorporated into the judgment.

The defendant admits and agrees that the conduct described in the Factual Basis below provides a sufficient factual and statutory basis for the forfeiture of the property sought by the government. Pursuant to the provisions of Rule 32.2(b)(1), the United States and the defendant request that at the time of accepting this plea agreement, the court make a determination that the government has established (1) the amount of the proceeds of the offenses to which defendant is pleading guilty is at least ~~$3,358,334.52~~ $3108, 84.52 and (2) the requisite nexus between the specific assets subject to forfeiture and the offenses to which defendant is pleading, and enter a preliminary order of forfeiture, which shall include the forfeiture money judgment. Pursuant to Rule 32.2(b)(4), the defendant agrees that the preliminary order of forfeiture will satisfy the notice requirement and will be final as to the defendant at the time it is entered. In the event the forfeiture is omitted from the judgment, the defendant agrees that the forfeiture order may be incorporated into the written judgment at any time pursuant to Rule 36.

D.G.

The defendant agrees that the United States shall, at its option, be entitled to the forfeiture of any property (substitute assets) of the defendant up to the value of the money judgment. In addition, the defendant agrees that the United States is not limited to forfeiture of the property specifically identified for forfeiture in this Plea Agreement. If the United States determines that specific

property of the defendant identified for forfeiture cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty; then the United States shall, at its option, be entitled to forfeiture of any other property (substitute assets) of the defendant up to the value of any property described above. The Court shall retain jurisdiction to settle any disputes arising from application of this clause. The defendant agrees that forfeiture of substitute assets as authorized herein shall not be deemed an alteration of the defendant's sentence.

The defendant agrees to take all steps necessary to identify and locate all property subject to forfeiture (including substitute assets) and to transfer custody of such property to the United States before the defendant's sentencing. To that end, the defendant agrees to make a full and complete disclosure of all assets over which defendant exercises control directly or indirectly, including all assets held by nominees, to execute any documents requested by the United States to obtain from any other parties by lawful means any records of assets owned by the defendant, and to consent to the release of the defendant's tax returns for the previous five years. The defendant agrees to be interviewed by the government, prior to and after sentencing, regarding such assets and their connection to criminal conduct. The defendant further agrees to be polygraphed on the issue of assets, if it is deemed necessary by the United

States. The defendant agrees that Federal Rule of Criminal Procedure 11 and U.S.S.G. § 1B1.8 will not protect from forfeiture assets disclosed by the defendant as part of his cooperation.

The defendant agrees to take all steps necessary to assist the government in obtaining clear title to the forfeitable assets before the defendant's sentencing. In addition to providing full and complete information about forfeitable assets, these steps include, but are not limited to, the surrender of title, the signing of a consent decree of forfeiture, and signing of any other documents necessary to effectuate such transfers.

The defendant agrees that, in the event the Court determines that the defendant has breached this section of the Plea Agreement, the defendant may be found ineligible for a reduction in the Guidelines calculation for acceptance of responsibility and substantial assistance, and may be eligible for an obstruction of justice enhancement.

Forfeiture of the defendant's assets shall not be treated as satisfaction of any fine, restitution, cost of imprisonment, or any other penalty the Court may impose upon the defendant in addition to forfeiture.

The defendant agrees that the forfeiture provisions of this plea agreement are intended to, and will, survive the defendant, notwithstanding the abatement of any underlying criminal conviction after the execution of this agreement. The forfeitability of any particular property pursuant to this agreement shall be determined as if the defendant had survived, and that

determination shall be binding upon defendant's heirs, successors and assigns until the agreed forfeiture, including any agreed money judgment amount, is collected in full.

B. Standard Terms and Conditions

1. Restitution, Special Assessment and Fine

The defendant understands and agrees that the Court, in addition to or in lieu of any other penalty, shall order the defendant to make restitution to any victim of the offense(s), pursuant to 18 U.S.C. § 3663A, for all offenses described in 18 U.S.C. § 3663A(c)(1); and the Court may order the defendant to make restitution to any victim of the offense(s), pursuant to 18 U.S.C. § 3663, including restitution as to all counts charged, whether or not the defendant enters a plea of guilty to such counts, and whether or not such counts are dismissed pursuant to this agreement. The defendant further understands that compliance with any restitution payment plan imposed by the Court in no way precludes the United States from simultaneously pursuing other statutory remedies for collecting restitution (18 U.S.C. § 3003(b)(2)), including, but not limited to, garnishment and execution, pursuant to the Mandatory Victims Restitution Act, in order to ensure that the defendant's restitution obligation is satisfied.

On each count to which a plea of guilty is entered, the Court shall impose a special assessment pursuant to 18 U.S.C. § 3013. To ensure that this obligation is satisfied, the Defendant agrees to deliver a check or money order to

the Clerk of the Court in the amount of $100.00, payable to "Clerk, U.S. District Court" within ten days of the change of plea hearing.

The defendant understands that this agreement imposes no limitation as to fine.

2. Supervised Release

The defendant understands that the offense to which the defendant is pleading provides for imposition of a term of supervised release upon release from imprisonment, and that, if the defendant should violate the conditions of release, the defendant would be subject to a further term of imprisonment.

3. Immigration Consequences of Pleading Guilty

The defendant has been advised and understands that, upon conviction, a defendant who is not a United States citizen may be removed from the United States, denied citizenship, and denied admission to the United States in the future.

4. Sentencing Information

The United States reserves its right and obligation to report to the Court and the United States Probation Office all information concerning the background, character, and conduct of the defendant, to provide relevant factual information, including the totality of the defendant's criminal activities, if any, not limited to the count to which defendant pleads, to respond to comments made by the defendant or defendant's counsel, and to correct any misstatements or inaccuracies. The United States further reserves its right to make any

recommendations it deems appropriate regarding the disposition of this case, subject to any limitations set forth herein, if any.

5. Financial Disclosures

Pursuant to 18 U.S.C. § 3664(d)(3) and Fed. R. Crim. P. 32(d)(2)(A)(ii), the defendant agrees to complete and submit to the United States Attorney's Office within 30 days of execution of this agreement an affidavit reflecting the defendant's financial condition. The defendant promises that his financial statement and disclosures will be complete, accurate and truthful and will include all assets in which he has any interest or over which the defendant exercises control, directly or indirectly, including those held by a spouse, dependent, nominee or other third party. The defendant further agrees to execute any documents requested by the United States needed to obtain from any third parties any records of assets owned by the defendant, directly or through a nominee, and, by the execution of this Plea Agreement, consents to the release of the defendant's tax returns for the previous five years. The defendant similarly agrees and authorizes the United States Attorney's Office to provide to, and obtain from, the United States Probation Office, the financial affidavit, any of the defendant's federal, state, and local tax returns, bank records and any other financial information concerning the defendant, for the purpose of making any recommendations to the Court and for collecting any assessments, fines, restitution, or forfeiture ordered by the Court. The defendant expressly authorizes the United States Attorney's Office to obtain current credit reports in

order to evaluate the defendant's ability to satisfy any financial obligation imposed by the Court.

6. Sentencing Recommendations

It is understood by the parties that the Court is neither a party to nor bound by this agreement. The Court may accept or reject the agreement, or defer a decision until it has had an opportunity to consider the presentence report prepared by the United States Probation Office. The defendant understands and acknowledges that, although the parties are permitted to make recommendations and present arguments to the Court, the sentence will be determined solely by the Court, with the assistance of the United States Probation Office. Defendant further understands and acknowledges that any discussions between defendant or defendant's attorney and the attorney or other agents for the government regarding any recommendations by the government are not binding on the Court and that, should any recommendations be rejected, defendant will not be permitted to withdraw defendant's plea pursuant to this plea agreement. The government expressly reserves the right to support and defend any decision that the Court may make with regard to the defendant's sentence, whether or not such decision is consistent with the government's recommendations contained herein.

7. Defendant's Waiver of Right to Appeal the Sentence

The defendant agrees that this Court has jurisdiction and authority to impose any sentence up to the statutory maximum and expressly waives the

right to appeal defendant's sentence on any ground, including the ground that the Court erred in determining the applicable guidelines range pursuant to the United States Sentencing Guidelines, except (a) the ground that the sentence exceeds the defendant's applicable guidelines range as determined by the Court pursuant to the United States Sentencing Guidelines; (b) the ground that the sentence exceeds the statutory maximum penalty; or (c) the ground that the sentence violates the Eighth Amendment to the Constitution; provided, however, that if the government exercises its right to appeal the sentence imposed, as authorized by 18 U.S.C. § 3742(b), then the defendant is released from his waiver and may appeal the sentence as authorized by 18 U.S.C. § 3742(a).

8. Middle District of Florida Agreement

It is further understood that this agreement is limited to the Office of the United States Attorney for the Middle District of Florida and cannot bind other federal, state, or local prosecuting authorities, although this office will bring defendant's cooperation, if any, to the attention of other prosecuting officers or others, if requested.

9. Filing of Agreement

This agreement shall be presented to the Court, in open court or in camera, in whole or in part, upon a showing of good cause, and filed in this cause, at the time of defendant's entry of a plea of guilty pursuant hereto.

10. Voluntariness

The defendant acknowledges that defendant is entering into this agreement and is pleading guilty freely and voluntarily without reliance upon any discussions between the attorney for the government and the defendant and defendant's attorney and without promise of benefit of any kind (other than the concessions contained herein), and without threats, force, intimidation, or coercion of any kind. The defendant further acknowledges defendant's understanding of the nature of the offense or offenses to which defendant is pleading guilty and the elements thereof, including the penalties provided by law, and defendant's complete satisfaction with the representation and advice received from defendant's undersigned counsel (if any). The defendant also understands that defendant has the right to plead not guilty or to persist in that plea if it has already been made, and that defendant has the right to be tried by a jury with the assistance of counsel, the right to confront and cross-examine the witnesses against defendant, the right against compulsory self-incrimination, and the right to compulsory process for the attendance of witnesses to testify in defendant's defense; but, by pleading guilty, defendant waives or gives up those rights and there will be no trial. The defendant further understands that if defendant pleads guilty, the Court may ask defendant questions about the offense or offenses to which defendant pleaded, and if defendant answers those questions under oath, on the record, and in the presence of counsel (if any), defendant's answers may later be used against defendant in a prosecution for

perjury or false statement. The defendant also understands that defendant will be adjudicated guilty of the offenses to which defendant has pleaded and, if any of such offenses are felonies, may thereby be deprived of certain rights, such as the right to vote, to hold public office, to serve on a jury, or to have possession of firearms.

11. Factual Basis

Defendant is pleading guilty because defendant is in fact guilty. The defendant certifies that defendant does hereby admit that the facts set forth below are true, and were this case to go to trial, the United States would be able to prove those specific facts and others beyond a reasonable doubt.

FACTS

From February 2009 to in or about April 2015, DORIAN GARCIA, a resident of Naples, Florida, devised a scheme and artifice to defraud investors out of money by use of false and fraudulent representations and promises. By executing his scheme, GARCIA solicited and received at least $7,348,620.00 from more than fifty victims, approximately ninety-six, located throughout the United States. Of that amount, GARCIA only repaid approximately $3,990,285.48 to any of the victims. The total amount of actual loss in this case is at least ~~$3,358,334.52~~ $3,108,734.52 D.b.

The following is an overview of the scheme and artifice to defraud investors devised and executed by GARCIA:

a. GARCIA induced investors to provide money to him based on misrepresentations that he would invest their funds and would guarantee their initial investment as well as a specific rate of return over a defined term of investment. In support of his representation that the investments were secured, GARCIA provided investors with bank statements that reflected large balances. GARCIA's representations were false and the true account balances were a small fraction of the amount GARCIA claimed was in each account. GARCIA's actual account balances were insufficient to support the guarantees he promised.

b. After investors had provided money, GARCIA continued to send them false trading statements that reflected that he had earned trading profits when he had not.

c. GARCIA only invested a small portion of the funds provided by investors. Instead, GARCIA used a greater portion of investors' funds to repay other investors by disguising new investments as trading profits. GARCIA also used a significant portion of the invested funds for personal and business expenses.

d. When investors began asking for their money back, GARCIA provided a series of misrepresentations as to why he could not do that and often insisted that they sign new agreements falsely appearing to convert their investments into loans. In addition, GARCIA encouraged investors to mislead others, including investigators, about the true nature of their investment with GARCIA and encouraged them to falsely claim that they had made a loan to his company(s) when in fact, they had provided GARCIA money to invest on their behalf.

GARCIA controlled and used at least five entities in connection with, and in furtherance of, his scheme and artifice to defraud investors. DG Wealth Management ("DG Wealth"), Macroquantum Capital LLC ("Macroquantum"), Commodity Projections and Predsyst LLC, UKUSA Currency Fund LP ("UKUSA"). GARCIA used these entities to defraud his investors in connection with pooled investments in retail off-exchange foreign currency contracts ("forex")

on a leveraged or margined basis, commodity options, and a variety of other investment schemes.

When soliciting actual and prospective investors and pool participants, GARCIA made misrepresentations and omitted material facts, including but not limited to: (1) falsely promising that their principal was protected with a large, cash collateral account; (2) misrepresenting the total amount of funds managed; (3) falsely reporting historically large profits in existing trading accounts; and (4) that he misappropriated investor funds.

GARCIA represented to pool participants that his investment strategies included a pool arrangement in which the funds of all investors in an investment strategy would be combined together under a partnership arrangement with a limited number of pool participants in individual strategies.

A review of financial records indicates that out of the approximate $7.35 million received from investors, GARCIA returned nearly $3.99 million to investors through his Ponzi scheme. GARCIA misappropriated at least ~~$3.36~~ $3.11 million of investor funds that he used to pay personal and business expenses including artwork, rent, luxury car payments, domestic help (including a personal chef), jewelry, dinner parties, and cash transfers made to GARCIA's personal bank accounts.

GARCIA also issued false account statements to investors, commingled pool participant funds with his personal and business funds in multiple bank accounts, and failed to disclose that his mandatory registrations with the

Commodities Futures Trading Commission ("CFTC") had been withdrawn. GARCIA also solicited investors to permit him to secretly manage the trading in the investors' individually owned forex accounts although neither GARCIA nor any of his companies were ever registered as commodity trading advisors ("CTAs"). GARCIA's purported pooled investment activities using DG Wealth and Macroquantum required those corporate entities to register as commodity pool operators but DG Wealth never registered as a CPO and Macroquantum was briefly registered but that registration was ultimately withdrawn on December 14, 2013. GARCIA was also required to register as an associated person of DG Wealth and Macroquantum but only registered with respect to Macroquantum and that registration was withdrawn in November 2013.

GARCIA was the managing member of DG Wealth, the Chief Executive Officer ("CEO") of Macroquantum, the managing member of UKUSA and the founder of a partnership called Quanttra LP ("Quanttra"), a purported Delaware limited partnership located in New York City. GARCIA did business through the fictitious name "DG Wealth Management." GARCIA also conducted business under the name "Commodity Projections" and was the administrator of a Commodity Projections website that was created on August 4, 2011, www.commodityprojections.com. Commencing in approximately April 2014, GARCIA informally changed the name of DG Wealth to "PredSyst LLC" and also had a website under that name at www.predsyst.com that he administered. GARCIA was registered with the CFTC as an associated person ("AP") with

Macroquantum from December 9, 2011 until he withdrew that registration on November 14, 2013.

DG Wealth Management was a partnership registered in the state of Florida. Its principal place of business was 999 Vanderbilt Beach Road, Suite 200, Naples, Florida. GARCIA registered the fictitious name "DG Wealth Management" with the state of Florida on February 17, 2009. In April 2014, GARCIA notified investors that DG Wealth's name was being changed to PredSyst LLC. Later in 2014, GARCIA formed Quanttra. GARCIA was the managing member of DG Wealth, and was a signatory on DG Wealth bank accounts. GARCIA also prepared and sent out email solicitations to prospective DG Wealth investors, solicited and accepted funds from DG Wealth investors and controlled all aspects of DG Wealth's operations. DG Wealth was never registered in any capacity with the CFTC.

Macroquantum Capital LLC was a Florida limited liability company that was formed on November 9, 2011 as a hedge fund. Its principal place of business was 999 Vanderbilt Beach Road, Suite 200, Naples, Florida, with a secondary office located at 1200 Brickell Avenue, Suite 1950, Miami, Florida. GARCIA was the CEO of Macroquantum, which had a website administered by GARCIA at http://macroquantum.com. GARCIA was the sole signatory on Macroquantum's bank accounts, prepared and sent out email solicitations to prospective Macroquantum clients, solicited and accepted funds from Macroquantum investors, and controlled all aspects of Macroquantum's

operations. On December 9, 2011, Macroquantum became registered as a commodity pool operator ("CPO") and a forex firm until it withdrew those registrations on December 14, 2013. Macroquantum was CPO and general partner of UKUSA.

In furtherance of the scheme and artifice to defraud, GARCIA pitched at least eleven investment opportunities to potential investors. He operated all of his investment "firms" out of the same virtual office space in Naples and generally solicited investors by email, word of mouth and at lavish dinner meetings – often in Naples, Miami and Las Vegas.

GARCIA's investment offerings included, among other things, participation in at least one forex pool, commodity options investments, and the sale of purported partnership interests and subscriptions to financial analytics tools. GARCIA opened a number of accounts for DG Wealth in at least four national banks. GARCIA also opened several bank accounts for Macroquantum and UKUSA at one of those banks. GARCIA transferred funds among and between the DG Wealth, Macroquantum and UKUSA bank accounts frequently.

In May 2009 GARCIA opened an account under the name of DG Wealth at a registered FCM and forex firm, Forex Capital Markets LLC ("FXCM"), account number ending 9484. GARCIA had sole trading authority to trade this account and traded forex through this account until approximately July 1, 2014. Over the life of the trading account, the FXCM account lost approximately $157,661.51 and never had a balance exceeding $160,775.72, which was on

August 5, 2011. From July 1, 2014 until it closed on October 20, 2014, the FXCM account remained open with a balance of only $239.93.

On October 6, 2010, GARCIA opened a brokerage account in the name of DG Wealth at the securities brokerage E*TRADE, account ending #1482, by depositing $100,000 on October 15, 2010. Additional deposits totaling $1,700 were made to the DG Wealth E*TRADE account: $500 on October 11, 2011 and $1,200 on December 29, 2011, for a total of $101,700. Withdrawals made from the E*TRADE account totaled $119,500, leaving a balance of only $25.31 since October 2012. However, as described further below, GARCIA frequently misrepresented the balance of the E*TRADE account and fabricated statements showing multi-million dollar balances.

By at least May 2010, GARCIA offered DG Wealth investment strategies that included pooled investments in commodity options and forex contracts, among others, to at least one investor ("pool participant"). GARCIA pooled funds he accepted in bank accounts and trading accounts under his ownership and control. However, an investigator with the CFTC reviewed GARCIA's financial records and determined that GARCIA used only a small portion of the pooled investors' funds to actually trade forex, futures or options.

In May 2010, GARCIA began to offer individual investors the opportunity to invest in DG Wealth's "private investment club." He structured these investments as loans from investors to DG Wealth by providing investors with promissory notes in order to make these investments. These investor funds were

pooled and used to invest in a variety of investment "programs" or "strategies." Under each of its various strategies, DG Wealth would receive a fee which was a predetermined percentage of the profits earned from the strategy. GARCIA, through DG Wealth, offered an incentive fee to investors who could secure new investors to join the offered investment pools. DG Wealth investments also included a "lockdown" period during which the investor was prohibited from withdrawing his investment or suffer substantial penalties.

By 2013, GARCIA was also seeking investors for a forex pool he called UKUSA which was to be operated by Macroquantum and which has a website administered by GARCIA at http://macroquantum.com. Then, on March 27, 2014, Predsyst launched another website, www.predsyst.com, which purportedly offered trading advice to investors. In April 2014, GARCIA changed the name of "DG Wealth" to "Predsyst LLC" and commenced communicating with DG Wealth investors about their DG Wealth investments under the name PredSyst. In October 2014, GARCIA began soliciting DG Wealth investors to subscribe to what he described as DG Wealth's successor, Quanttra, in order to obtain forex trading research for use when trading their own forex accounts.

Beginning in at least May 2010, GARCIA who had no proven investment track record, began fabricating various bank and trading account statements showing multi-million dollar account balances and profits that he provided to prospective investors to entice them to invest in his pools or various investment

schemes. GARCIA misled prospective investors about the total amount of funds under his management.

For instance, in May 2010, GARCIA sent prospective investor PY wire instructions for funding his investment by remitting them to GARCIA's DG Wealth bank account ending 1838. GARCIA also sent PY a statement for bank account ending 1838 showing a purported balance of more than $2.7 million as of March 31, 2010. In fact, the statement GARCIA sent to PY was fabricated and fraudulent and the true account balance on that date was only $35,016.89.

As another example, between November 2012 and September 2013, GARCIA solicited prospective investor MS with a barrage of emails offering a multitude of investment opportunities, including but not limited to "the DG Wealth Aggressive Program", and the UKUSA foreign currency fund, both of which included forex trading. GARCIA also sent MS a promissory note for MS to sign. On September 30, 2013, prospective investor MS sent an email to GARCIA asking him to confirm whether the loan structure for making investments meant that they were not a pooled investment and whether the loan was collateralized. GARCIA replied by sending MS an email on September 30, 2013 stating: "The investments are within a pool ... and all programs are protected by a $13 million cash reserve account held with E*TRADE." To demonstrate the collateralization of the loan, on October 1, 2013, GARCIA emailed prospective investor MS a purported copy of DG Wealth's E*TRADE account statement showing a balance of $13 million for the period from April 1 to June 30, 2013. On February 23,

2013, GARCIA sent prospective investor BY an email that summarized eleven different programs, including at least one forex pool and a commodity options program being offered by DG Wealth. GARCIA's summary emphasized that each of his offered programs were "backed by an $8.7 million E*TRADE brokerage account." However, GARCIA's representations were false and fraudulent as GARCIA well knew. From October 2012 forward, DG Wealth's lone E*TRADE account had an account balance of only $25.31.

GARCIA knowingly misled investors and prospective investors by misrepresenting to investors that he did not have to be registered to trade for their accounts because he had retained a licensed broker at a registered securities brokerage firm whom GARCIA said would actually place the trades for customers, accounts by following GARCIA's trading system. However, despite making these assurances, GARCIA never established any relationship with anyone at the securities brokerage firm he specifically mentioned.

GARCIA also knowingly issued false account statements showing purported forex pool profits to investors and prospective investors by giving investors and prospective investor's copies of statements from DG Wealth's FXCM forex trading account ending 9484 with exaggerated account balances and reported profits. For example, via email, GARCIA sent:

a. Prospective investors, including BY and MS, a copy of a DG Wealth account statement ending 9484 at FXCM dated October 26, 2012, that purported to show an ending balance of $30,922,026.06;

b. Investors, including ZL, and prospective investors, including MS, a copy of the DG Wealth account ending 9484 statement at FXCM that purported to show profits of $896,605.37 for the period from May 1- May 14, 2013 and an account balance of $4,004,838.55;

c. Investors, including ZL, a copy of the DG Wealth account ending 9484 statement at FXCM for May 28,2013, that purported to show an account balance of$4,819,272.44; and,

d. Prospective investor BY a copy of an FXCM account statement for DG Wealth's account ending 9484 for the period from March 27, 2014 to April 3, 2014 that that purported to show a profit of $243,744.40 for the period with a current account balance of $823,634.31.

In fact, GARCIA's claims about the account balances and earned profits in the DG Wealth account ending 9484 as reflected in the statements he sent to investors and prospective investors were entirely false. The DG Wealth account ending 9484 was the only FXCM account held by DG Wealth and never had a balance higher than its balance on August 5, 2011 of $160,775.75. Further, actual FXCM account statements show the following:

a. On October 26, 2012, at approximately 6:23 PM, the DG Wealth FXCM account had an ending balance of $10,253.16;

b. For the period May 1, 2013 at approximately 5:00 PM through May 14,2013 at approximately 5:36 PM, the DG Wealth FXCM account showed a profit of $930.67 with fees and an ending balance of $4,007.27;

c. On May 28, 20913 at approximately 1:09 PM, the DG Wealth FXCM account had a balance of $4,819.44; and

d. For the period from March 27 at approximately 5:00 PM through April 3, 2014 at approximately 11:58 AM, the DG Wealth FXCM account showed a profit of $234.40 and had an ending balance of $821.31.

GARCIA knowingly issued false account statements showing purported forex and commodity option pool profits to at least one investor by emailing statements from DG Wealth with exaggerated account balances and reported profits.

For example, GARCIA sent investor ZL the following three emails:

a. an email dated October 29, 2013 indicating that ZL's $100,000 "Ultra Aggressive" [forex trading] account has a value of $155,000;

b. an email dated November 23,2013, indicating that ZL's Options tier I [oil options] investment of "$30,000, maturing 1.23.14, has a value of $39,000;" and,

c. an email dated April 5, 2014, stating that ZL's oil [options] $125,000 investment had a value of $212,500.

The account statements described above are false in that the GARCIA only had one forex account with an account balance of $8,250.08 on October 29, 2013. Further, neither GARCIA nor any of his corporate entities had commodity options accounts at any registered FCM where oil options would have been traded.

GARCIA failed to invest and misappropriated the funds he received from investors. For example, on January 2, 2014, at GARCIA's direction, ZL invested $125,000 with GARCIA via wire transfer to DG Wealth's bank account ending #3595. This investment was purportedly for trading in oil options by DG Wealth and was made pursuant to a promissory note that was set to mature on April 1, 2014. Then, on April 5, 2014, GARCIA sent ZL an email and confirmed that the $125,000 investment in oil options had matured. However, GARCIA said that he

was unable to pay ZL immediately the proceeds from this oil options investment. On April 29, 2014, GARCIA sent an email to ZL stating that due to an investigation, he was returning all capital to non-accredited investors and warned that some of the investments "might not run to their maturities some might lose current value." In the following months, GARCIA sent two statements to ZL purportedly showing accounts that had funds on deposit for the repayment of investors. However, GARCIA also sent emails to ZL claiming that he could not make repayment due to an investigation by the Florida Office of Financial Regulation ("FLOFR") which had caused his bank accounts to be put on "hold."

GARCIA told ZL that he was in the process of bringing back investor funds paid to DG Wealth that he had sent to the Cayman Islands, but that as of August 6, 2014, the repayments could be delayed by 3 to 6 months. No evidence could be located to support GARCIA's statement that he had sent any funds to the Cayman Islands. GARCIA also told ZL on August 8, 2014, that "to continue to be able to return funds," GARCIA needed to "prevent a deeper look at the firm from regulators." GARCIA communicated with ZL on November 5, 2014, by telling him that in order "to make sure that nothing happens that will prevent me from paying," ZL should tell the regulators, if subpoenaed, that the funds he lent to DG Wealth for trading accounts were for "operating purposes not for trading." A review of GARCIA's bank records by the CFTC reveals that GARCIA misappropriated most, if not all, of the $125,000 invested by ZL.

Investor PY was another victim of GARCIA's scheme and artifice to defraud. Investor PY had already made a number of investments with Garcia when Garcia sent PY an email on or about October 19, 2012 that he, GARCIA, was seeking an additional $1 million in investments in foreign currencies. According to the email, GARCIA projected returns on the investment between 300 and 600 percent. As a result of the solicitation, on November 7 2012, PY wired $250,000 to GARCIA's DG Wealth's account at SunTrust. PY's intent and belief was that the funds were an additional investment in foreign currencies. However, a review of the financial activity in the SunTrust account shows that the funds were not sent to any forex trading account. Rather, on November 8, 2012, the day after GARCIA received the investment, payments were made by GARCIA to three other investors in the amounts of $121,485, $47,465 and $23,000. Some portion of PY's funds was necessary for GARCIA to have sufficient funds in the account to make these transfers.

The $121,485 wire transfer of PY's funds was made to an account at Chase Bank ending in # 1050 for the benefit of a partnership called IP in Salt Lake City, Utah. PY did not authorize this transfer of his investment funds to IP. IP previously invested funds with DG Wealth. According to a partner at IP, he and his partner had invested with DG Wealth and had many communications with GARCIA over a period of months in an effort to withdraw their investment. IP was not successful until November 8, 2012 when GARCIA finally transferred $121,485.

In addition to using PY's investment to repay other investors, GARCIA also used a portion of the investment for personal gain. GARCIA had written to PY that the $250,000 investment would have no "management fee or performance fee." Nevertheless, between November 8, 2012 and November 27,2012, GARCIA transferred $20,000 of PY's investment to his personal checking account at SunTrust.

At times, GARCIA directed pool participants to wire their funds to DG Wealth bank accounts and to a Macroquantum account to fund their investments. A portion of the pool participants' funds were commingled with GARCIA's personal funds and business-related funds in and through various bank accounts. Based on the CFTC's review of financial records, funds from at least two investors were deposited into Macroquantum's bank account and those funds were never used for trading and were misappropriated by GARCIA for his own business and personal purposes.

The following are examples of interstate wire transfers of funds to GARCIA that he solicited and received pursuant to his scheme and artifice to defraud:

Date	Wire Transfer Amount	From (Investor initials)	To (Account name)
5/28/2010	$25,000	P.Y.	DG Wealth (d/b/a) Bank of America account
10/03/2011	$50,000	I.P.	DG Wealth Suntrust account
11/07/2012	$250,000	P.Y.	DG Wealth Suntrust Bank account
9/04/2013	$50,000	D.G.	DG Wealth Suntrust account

GARCIA used emails and other means or instrumentalities of interstate commerce to provide potential pool participants with information and to solicit participants. GARCIA accepted funds in interstate commerce via wire transmissions through domestic financial institutions and via the FEDWIRE wire transfer system.

GARCIA used proceeds of the fraud scheme to buy artwork including artwork generally described as follows:

a. Giraffe on Aqua – Oil on canvas by Ronley
b. Pelican on Blue – Oil on canvas by Ronley
c. Galloping Horse on Yellow – Oil on canvas by Ronley
d. Jesters – by Cecile Moran
e. Celestial Dream – Oil on Board (25 x 40) by Henry Asencio
f. Fish metal art

On or about January 28, 2015, GARCIA used fraud proceeds from a DG Wealth account at Wells Fargo Bank to write the law firm Arnold & Porter LLP a $10,000 retainer check.

12. Entire Agreement

This plea agreement constitutes the entire agreement between the government and the defendant with respect to the aforementioned guilty plea and no other promises, agreements, or representations exist or have been made to the defendant or defendant's attorney with regard to such guilty plea.

13. Certification

The defendant and defendant's counsel certify that this plea agreement has been read in its entirety by (or has been read to) the defendant and that defendant fully understands its terms.

DATED this 7th day of July, 2015.

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