U.S. Department of Justice

United States Attorney
District of New Jersey

970 Broad Street, Suite 700
Newark, NJ 07102

973/645-2700

LR/JMM/PL AGR
2006R00529

November 19, 2010

Patrick A. Mullin, Esq.
Law Offices of Patrick A. Mullin
One Parker Plaza
Suite 1400
Fort Lee, New Jersey 07024-2943

Re: Plea Agreement with New York Machinery, LLC

Dear Mr. Mullin:

This letter sets forth the plea agreement between your client, New York Machinery, LLC, and the United States Attorney for the District of New Jersey ("this Office").

Charge

Conditioned on the understandings specified below, this Office will accept a guilty plea from New York Machinery, LLC to a one-count Information that charges wire fraud, in violation of 18 U.S.C. §§ 1343 and 2. If New York Machinery, LLC enters a guilty plea and is sentenced on this charge, and otherwise fully complies with all of the terms of this agreement, this Office will not initiate any further criminal charges against New York Machinery, LLC for the transmission of, via electronic mail, invoices for payment to the Department of Defense ("DoD")in connection with the supplying of reverse-engineered, non-conforming, and/or substandard parts by New York Machinery, LLC in relation to its contracts with the DoD from on or about September 1, 2001 through in or about March 2005. In addition, if New York Machinery, LLC fully complies with all of the terms of this agreement, at the time of sentencing in this matter, this Office will move to dismiss the Indictment, Criminal No. 09-717(SDW) against Galip Dedekarginoglu. However, in the event that a guilty plea in this matter is not entered for any reason or the judgment of conviction entered as a result of this guilty plea does not remain in full force and effect, defendant agrees that any dismissed charges and any other charges that are not time-barred by the applicable statute of limitations on the date this agreement is signed by New York Machinery, LLC may be commenced against it, notwithstanding the expiration of the limitations period after New York Machinery, LLC signs the agreement.

Further, New York Machinery, LLC hereby waives any rights it has, conferred by any statute or rule of the United States Court of Appeals for the Third Circuit or the United States District Court for the District of New Jersey, relating to the statute of limitations or the prompt disposition of the charges relating to wire fraud from on or about September 12, 2001 to in or about March 2005.

Sentencing

The violation of 18 U.S.C. §§ 1343 and 2 to which New York Machinery, LLC agrees to plead guilty carries a statutory maximum fine equal to the greatest of: (1) $500,000; (2) twice the gross amount of any pecuniary gain that any persons derived from the offense; or (3) twice the gross amount of any pecuniary loss sustained by any victims of the offense. Fines imposed by the sentencing judge may be subject to the payment of interest.

The sentence to be imposed upon New York Machinery, LLC is within the sole discretion of the sentencing judge, subject to the provisions of the Sentencing Reform Act, 18 U.S.C. § 3551-3742, and the sentencing judge's consideration of the United States Sentencing Guidelines. The United States Sentencing Guidelines are advisory, not mandatory. The sentencing judge may impose any reasonable sentence up to and including the statutory maximum term of imprisonment and the maximum statutory fine. This Office cannot and does not make any representation or promise as to what guideline range may be found by the sentencing judge, or as to what sentence New York Machinery, LLC ultimately will receive.

Further, in addition to imposing any other penalty on New York Machinery, LLC, the sentencing judge: (1) will order New York Machinery, LLC to pay an assessment of $400 pursuant to 18 U.S.C. § 3013, which assessment must be paid by the date of sentencing; (2) may order New York Machinery, LLC to pay restitution pursuant to 18 U.S.C. §§ 3663 et seq. and U.S. Sentencing Guideline 8B1.1; (3) may order New York Machinery, LLC, pursuant to 18 U.S.C. § 3555, to give notice to any victims of its offense; and (4) pursuant to 18 U.S.C. § 3561, may require New York Machinery, LLC to serve a term of probation of not less than one (1) year, but no more than five (5) years.

In addition, New York Machinery, LLC agrees to make full restitution for all losses resulting from the offense of conviction or from the scheme, conspiracy, or pattern of criminal activity underlying that offense, to DoD in the amount of $163,082.

Rights of This Office Regarding Sentencing

Except as otherwise provided in this agreement, this Office reserves its right to take any position with respect to the appropriate sentence to be imposed on New York Machinery, LLC by the sentencing judge, to correct any misstatements relating to the sentencing proceedings, and to provide the sentencing judge and the United States Probation Office all law and information relevant to sentencing, favorable or otherwise. In addition, this Office may inform the sentencing judge and the United States Probation Office of: (1) this agreement; and (2) the full nature and extent of New York Machinery, LLC's activities and relevant conduct with respect to this case.

Stipulations

This Office and New York Machinery, LLC agree to stipulate at sentencing to the statements set forth in the attached Schedule A, which hereby is made a part of this plea agreement. This agreement to stipulate, however, cannot and does not bind the sentencing judge, who may make independent factual findings and may reject any or all of the stipulations entered into by the parties. To the extent that the parties do not stipulate to a particular fact or legal conclusion, each reserves the right to argue the existence of and the effect of any such fact or conclusion upon the sentence. Moreover, this agreement to stipulate on the part of this Office is based on the information and evidence that this Office possesses as of the date of this agreement. Thus, if this Office obtains or receives additional evidence or information prior to sentencing that it determines to be credible and to be materially in conflict with any stipulation in the attached Schedule A, this Office shall not be bound by any such stipulation. A determination that any stipulation is not binding shall not release either this Office or New York Machinery, LLC from any other portion of this agreement, including any other stipulation. If the sentencing court rejects a stipulation, both parties reserve the right to argue on appeal or at post-sentencing proceedings that the sentencing court was within its discretion and authority to do so. These stipulations do not restrict the Government's right to respond to questions from the Court and to correct misinformation that has been provided to the Court.

Waiver of Appeal and Post-Sentencing Rights

As set forth in Schedule A, this Office and New York Machinery, LLC waive certain rights to file an appeal, collateral attack, writ, or motion after sentencing, including but not

limited to an appeal under 18 U.S.C. § 3742 or a motion under 28 U.S.C. § 2255.

Other Provisions

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

This agreement was reached without regard to any civil or administrative matters that may be pending or commenced in the future against New York Machinery, LLC. This agreement does not prohibit the United States (including but not limited to the United States Attorney's Office for the District of New Jersey), any agency thereof (including the Internal Revenue Service), or any third party from initiating or prosecuting any civil proceeding against New York Machinery, LLC.

No Other Promises

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

Very truly yours,

PAUL J. FISHMAN
United States Attorney

By: Lisa Rose
Assistant U.S. Attorney

By: Joyce M. Malliet
Assistant U.S. Attorney

APPROVED:

Unit Chief, Criminal Division

I have received this letter from my attorney, Patrick A. Mullin, Esq. This letter has been translated for me into Turkish. My attorney and I have discussed the letter and all of its provisions, including the provisions addressing the charge, sentencing, the stipulations, waiver, and forfeiture consequences. I understand the letter fully. I hereby accept the terms and conditions set forth in this letter and acknowledge that it constitutes the plea agreement between the parties. I understand that no additional promises, agreements, or conditions have been made or will be made unless set forth in writing and signed by the parties. In my capacity as ~~President~~ MAJORITY MEMBER of New York Machinery, LLC, I am authorized to state, and do state, that New York Machinery, LLC wants to plead guilty pursuant to this plea agreement.

AGREED AND ACCEPTED:

Galip Dedekarginoglu, ~~President~~ MAJORITY MEMBER
New York Machinery, LLC

Date: 12/9/10

I have discussed with my client this letter and all of its provisions, including the provisions addressing the charge, sentencing, the stipulations, waiver, and forfeiture consequences. My client understands the letter fully and wants to plead guilty pursuant to this plea agreement.

Patrick A. Mullin, Esq.

Date: 12/9/10

Plea Agreement With New York Machinery, LLC

Schedule A

1. This Office and New York Machinery, LLC recognize that the United States Sentencing Guidelines ("U.S.S.G.") are not binding upon the Court. This Office and New York Machinery, LLC nevertheless agree to the stipulations set forth herein, and agree that the Court should sentence New York Machinery, LLC within the Guidelines range that results from the total Guidelines offense level set forth below. This Office and New York Machinery, LLC further agree that neither party will argue for the imposition of a sentence outside the Guidelines range that results from the agreed total Guidelines offense level.

2. The version of the United States Sentencing Guidelines effective November 1, 2010 applies in this case. The applicable guideline is U.S.S.G. § 8A1.1. The parties agree that the Court should determine what, if any, sentence requirements should be imposed under U.S.S.G. § 8A1.2, including restitution, remedial orders, community service, and notice to victims.

3. Pursuant to U.S.S.G. § 8A1.2, the applicable Guideline is U.S.S.G. § 2B1.1.(a)(1). This guideline carries a base offense level of 7.

4. The loss involved in the criminal conduct is $163,082, which is more than $120,000, but less than $200,000. Therefore, pursuant to U.S.S.G. § 2B1.1(b)(1)(F), the offense level is increased by 10 levels.

5. The criminal conduct involved sophisticated means, thereby increasing the offense level by 2 levels, pursuant to U.S.S.G. § 2B1.1(b)(9)(C).

6. Pursuant to U.S.S.G. §§ 8A1.2(b)(2)(C), 8C2.4(a)(1), and 8C2.4(d), the base fine is $500,000.

7. Pursuant to U.S.S.G. §§ 8A1.2(b)(2)(D) and 8C2.5(a), New York Machinery, LLC's culpability score is 5 points.

8. As of the date of this letter, New York Machinery, LLC has clearly demonstrated a recognition and affirmative acceptance of personal responsibility for the offense charged. Therefore, a downward adjustment of 1 point for acceptance of responsibility is appropriate if New York Machinery, LLC's acceptance of responsibility continues through the date of sentencing. See U.S.S.G. § 8C2.5(g)(3).

9. The parties agree that the total Guidelines offense level applicable to New York Machinery, LLC is 19, that the applicable base fine is $500,000, and that the total culpability score applicable to New York Machinery, LLC, is 4 (the "agreed total Guidelines culpability score").

10. Pursuant to U.S.S.G. §§ 8A1.2(b)(2)(E) and 8C2.6, the minimum fine multiplier is .80, and the maximum fine multiplier is 1.60.

11. Pursuant to U.S.S.G. §§ 8A1.2(b)(2)(F) and 8C2.7 (a) & (b), the minimum guideline fine range is $400,000, and the maximum guideline fine range is $800,000. However, pursuant to 18 U.S.C. § 3571(c), the maximum fine is $500,000. Therefore, the minimum guideline fine range is $400,000, and the maximum guideline fine range is $500,000.

12. The parties agree not to seek or argue for any upward or downward departure, adjustment or variance not set forth herein. The parties further agree that a sentence within the Guidelines range that results from the agreed total Guidelines offense level of 19 and agreed total Guidelines culpability score of 4 is reasonable.

13. New York Machinery, LLC knows that it has and, except as noted below in this paragraph, voluntarily waives, the right to file any appeal, any collateral attack, or any other writ or motion, including but not limited to an appeal under 18 U.S.C. § 3742 or a motion under 28 U.S.C. § 2255, which challenges the sentence imposed by the sentencing court if that sentence falls within or below the Guidelines range that results from the agreed total Guidelines offense level of 19 and total Guidelines range that results from the agreed total Guidelines culpability score of 4. This Office will not file any appeal, motion or writ which challenges the sentence imposed by the sentencing court if that sentence falls within or above the Guidelines range that results from the agreed total Guidelines offense level of 19 and total Guidelines range that results from the agreed total Guidelines culpability score of 4. The parties reserve any right they may have under 18 U.S.C. § 3742 to appeal the sentencing court's determination of the criminal history category. The provisions of this paragraph are binding on the parties even if the Court employs a Guidelines analysis different from that stipulated to herein. Furthermore, if the sentencing court accepts a stipulation, both parties waive the right to file an appeal, collateral attack, writ, or motion claiming that the sentencing court erred in doing so.

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