

FILED

UNITED STATES DISTRICT COURT
ALBUQUERQUE, NEW MEXICO

IN THE UNITED STATES DISTRICT COURT

MAR 31 2011



FOR THE DISTRICT OF NEW MEXICO

MATTHEW J. DYKMAN
CLERK

UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
vs.)
)
PAUL CONRAD WARD, JR.,)
)
Defendant.)

Cr. No. 10-02318-JB

PLEA AGREEMENT

Pursuant to Rule 11, Fed. R. Crim. P., the parties notify the Court of the following agreement between the United States Attorney for the District of New Mexico, the Defendant, **PAUL CONRAD WARD, JR.**, and the Defendant's counsel, J. Miles Hanisee:

REPRESENTATION BY COUNSEL

1. The Defendant understands the defendant's right to be represented by an attorney and is so represented. The Defendant has thoroughly reviewed all aspects of this case with the Defendant's attorney and is fully satisfied with that attorney's legal representation.

RIGHTS OF THE DEFENDANT

2. The Defendant further understands the Defendant's rights:
- a. to be prosecuted by indictment;
 - b. to plead not guilty, or having already so pleaded, to persist in that plea;
 - c. to have a trial by jury; and
 - d. at a trial:
 - 1) to confront and cross-examine adverse witnesses,

- 2) to be protected from compelled self-incrimination,
- 3) to testify and present evidence on the Defendant's own behalf, and
- 4) to compel the attendance of witnesses for the defense.

WAIVER OF RIGHTS AND PLEA OF GUILTY

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gmo
plea
3. The Defendant agrees to waive these rights and to plead guilty to Count 1 of the *superceding* Indictment, charging a violation of 18 U.S.C. § 1343, that being wire fraud.

SENTENCING

4. The Defendant understands that the minimum and maximum penalty the Court can impose is:
 - a. imprisonment for a period of not more than 20 years;
 - b. a fine not to exceed \$250,000;
 - c. a mandatory term of supervised release of not less than 5 years that must follow any term of imprisonment. (If the defendant serves a term of imprisonment, is then released on supervised release, and violates the conditions of supervised release, the defendant's supervised release could be revoked -- even on the last day of the term -- and the defendant could then be returned to another period of incarceration and a new term of supervised release.);
 - d. a mandatory special penalty assessment of \$100.00 for each count; and
 - e. restitution as to all victims, whether charged or not as may be ordered by the Court pursuant to 18 U.S.C. § 3663A.

5. It is expressly understood and agreed by and between the Defendant and the United States that:

a. The United States and the Defendant have agreed, pursuant to Rule 11(c)(1)(C), Fed.R.Crim.P., that a specific sentence is the appropriate disposition of this case. Specifically, the United States and the Defendant agree as follows:

(1) The Defendant should be sentenced to a term of imprisonment of 21 months, consistent with the low end of the advisory guideline range for offense level 16 at Criminal History Category I.

(2) In addition, the United States and the Defendant have agreed, pursuant to Rule 11(c)(1)(C), that the Defendant's sentence should include no fine.

(3) In addition, the United States and the Defendant have agreed, pursuant to Rule 11(c)(1)(C), that the Defendant's sentence should include a term of supervised release of 3 years with conditions outlined below and as further established by the Court as appropriate, a special penalty assessment of \$100, and an order of restitution as described below.

b. With respect to restitution, the Defendant acknowledges and agrees that pursuant to 18 U.S.C. § 3663A and Rule 11(c)(1)(C), the Court will enter an order as follows:

(1) The Defendant will pay restitution in the total approximate amount of \$500,000, plus applicable interest, to Irene Randall, all of which must be paid before the expiration of one year after Defendant's release from prison. Additionally, Defendant agrees to pay Irene Randall's civil attorneys, as identified by Irene Randall, \$30,000 in satisfaction of Irene Randall's civil attorney's fees, and this amount, too, must be paid before the expiration of one year after Defendant's release from prison.

(2) The Defendant will pay Irene Randall a sum of no less than \$200,000, to be credited against the total stipulated amount of restitution, by certified check at or before time of sentencing.

(3) Payment of restitution as set forth above will be a mandatory condition of supervised release, such that the Defendant's failure to make full restitution before the expiration of one year after Defendant's release from prison could subject the Defendant to further imprisonment and an additional term of supervised release, as the Court may order.

c. The parties are aware that the Court may accept or reject this plea agreement, or may defer its decision as to acceptance or rejection until there has been an opportunity to consider the presentence report. Pursuant to F.R.Crim.P. 11(c)(5), if the Court rejects this plea agreement, the Defendant shall have the right to withdraw his plea of guilty.

6. The United States reserves the right to make known to the United States Probation Office, for inclusion in the presentence report to be prepared under Rule 32, Fed. R. Crim. P., any information the United States believes may be helpful to the Court, including but not limited to information about any relevant conduct under U.S.S.G. § 1B1.3.

DEFENDANT'S ADMISSION OF FACTS

7. By my signature on this plea agreement, I am acknowledging that I am pleading guilty because I am, in fact, guilty of the offense(s) to which I am pleading guilty. I recognize and accept responsibility for my criminal conduct. Moreover, in pleading guilty, I acknowledge that if I chose to go to trial instead of entering this plea, the United States could prove facts sufficient to establish my guilt of the offense to which I am pleading guilty beyond a reasonable

doubt. I specifically admit the following facts related to the charges against me and declare under penalty of perjury that all of these facts are true and correct:

a. I am an attorney licensed to practice in the State of California. Beginning at least on or about December 11, 2006, and continuing through on or about August 20, 2008, in the District of New Mexico and elsewhere, I devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, promises, and omissions, and for the purpose thereof, I knowingly and wilfully engaged in the acts and omissions as further set forth herein.

b. I formed and caused to be formed business entities called Dynasty Interest Trust Private Fund and Dynasty International Group, Inc. (collectively referred to as "Dynasty"). Acting on behalf of Dynasty, I solicited and accepted \$500,000.00 from Irene Randall and promised to invest Irene Randall's money in a trading program. However, I did not invest the money as promised but rather in less than three weeks time spent almost all of the Irene Randall's money for my own personal use and the use of others.

c. I knowingly and willfully made the following material misrepresentations to Irene Randall, including, but not limited to, the following:

- (1) Irene Randall's money would be invested in a trading program;
- (2) Irene Randall's money would be allowed to "piggyback" on a trading program I claimed to be initiated by a foreign trader involving \$2 billion euros;
- (3) the trading program would go into trade within 30 days;

- (4) I would go to Santander Bank in Madrid to sign all of the original documents, and then the trading would start;
- (5) the entire program would run for 42 weeks and end in July 2008;
- (6) I would give Irene Randall a guarantee on her payout and an advance of her payments after the trading started; and
- (7) the investments I proposed to Irene Randall promised a high yield, to include, specifically, income of 15% per week.

d. Relying on my representations, Irene Randall gave me approximately \$500,000.00 to invest in the Spanish trading program. Instead of investing this money, as promised, I transferred and caused to have transferred Irene Randall's money into personal bank accounts controlled by me and others and within less than three weeks converted nearly all of Irene Randall's money to my personal use and the use of others.

e. To lull Irene Randall into a false sense of security, I promised Irene Randall that her money would be returned to her; I gave Irene Randall reports of imminent returns on her investment; and I told Irene Randall that I was involved in ventures that would soon enable me to return Irene Randall's money to her.

f. In the District of New Mexico and elsewhere, for the purpose of executing the scheme and artifice to defraud described herein and to obtain the victim's money and property by means of materially false and fraudulent pretenses, representations, and promises, I knowingly and wilfully transmitted and caused to be transmitted in interstate commerce, by means of wire communications, certain writings, signs, signals, and sounds, including a \$500,000.00 wire

transfer on or about September 10, 2007, from Irene Randall's Compass Bank account to a Chase Bank account held in the name of Dynasty and controlled by me.

8. By signing this agreement, the Defendant admits all the foregoing facts and admits that there is a factual basis for each element of the crime to which the defendant will plead guilty. The Defendant agrees that the Court may rely on any of these facts, as well as facts in the presentence report, to determine the Defendant's sentence, including, but not limited to, the advisory guideline offense level.

9. In exchange for the United States entering into this agreement, the Defendant agrees that, upon the defendant's signing of this agreement, and unless the Court *sua sponte* rejects this agreement, the facts set forth in paragraph 7 of this agreement shall be admissible against the Defendant under Fed.R.Evid. 801(d)(2)(A) in any subsequent proceeding, and the Defendant expressly waives her rights under Fed.R.Crim.P. 11(f) and Fed R.Evid. 410 with regard to the facts set forth in paragraph 7 of this agreement.

DEFENDANT'S ADDITIONAL OBLIGATIONS

10. The Defendant further agrees as follows:

a. The Defendant understands the Defendant's obligation to provide the United States Probation Office with truthful, accurate, and complete information. The Defendant represents that the defendant has complied with and will continue to comply with this obligation.

b. Upon acceptance of this plea agreement by a United States district judge, the Defendant agrees to report his conviction to the State Bar of California and to any other state bar in which he is licensed and will not object to disclosure by the United States to any bar or

attorney licensing authority of any evidence collected in the investigation resulting in the Indictment.

WAIVER OF APPEAL RIGHTS

11. The Defendant is aware that 28 U.S.C. § 1291 and 18 U.S.C. § 3742 afford a defendant the right to appeal a conviction and the sentence imposed. Acknowledging that, the Defendant knowingly waives the right to appeal any conviction and sentence and any order of restitution imposed in this case, except to the extent, if any, that the Court may impose a sentence that differs from that agreed to by the parties under F.R.Crim.P. 11(c)(1)(C). In addition, the Defendant waives the right to appeal any terms or conditions of supervised release ordered by the Court and further waives any collateral attack to the Defendant's conviction pursuant to 28 U.S.C. § 2255, except on the issue of counsel's ineffective assistance in negotiating or entering this plea or this waiver.

GOVERNMENT'S AGREEMENT

12. Provided that the defendant fulfills the Defendant's obligations as set out above, the United States agrees that the United States will not bring additional criminal charges against the Defendant based on any of the facts now known or the facts giving rise to the present investigation and Indictment and will dismiss counts 2 through 6 of the Indictment. In addition, the United States will not object to release of the Defendant pending sentencing except for violation of conditions of release imposed by the Court and except as otherwise provided herein. The United States also will not object to voluntary surrender by the Defendant to the United States Bureau of Prisons within 60 days following sentencing except for violation of conditions of release imposed by the Court and except as otherwise provided herein.

13. This agreement is limited to the United States Attorney's Office for the District of New Mexico and does not bind any other federal, state, or local agencies or prosecuting authorities.

VOLUNTARY PLEA

14. The Defendant agrees and represents that this plea of guilty is freely and voluntarily made and is not the result of force, threats, or promises (other than the promises set forth in this agreement). There have been no representations or promises from anyone as to what sentence the Court will impose. The Defendant represents that the Defendant is pleading guilty because the Defendant is in fact guilty, and for no other reason.

VIOLATION OF PLEA AGREEMENT

15. The Defendant agrees that if the defendant violates any provision of this agreement, the United States may declare this agreement null and void, and the Defendant will thereafter be subject to prosecution for any criminal violation, including but not limited to any crime(s) or offense(s) contained in or related to the charges in this case, as well as perjury, false statement, obstruction of justice, and any other crime committed by the Defendant during this prosecution.

SPECIAL ASSESSMENT

16. At the time of sentencing, the Defendant will tender to the United States District Court, District of New Mexico, 333 Lomas Blvd. NW, Suite 270, Albuquerque, New Mexico 87102, a money order or certified check payable to the order of the **United States District Court** in the amount of \$100.00 in payment of the special penalty assessment described above.

ENTIRETY OF AGREEMENT

17. This document is a complete statement of the agreement in this case and may not be altered unless done so in writing and signed by all parties.

AGREED TO AND SIGNED this 3rd day of March, 2011.

KENNETH J. GONZALES
United States Attorney



GEORGE C. KRAEHE
Assistant United States Attorney
Post Office Box 607
Albuquerque, New Mexico 87102
(505) 346-7274



J. MILES HANISEE
Attorney for the Defendant

I have read this agreement and carefully reviewed every part of it with my attorney. I understand the agreement and voluntarily sign it.



PAUL CONRAD WARD, JR.
Defendant