

**COPY**

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**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA**

UNITED STATES OF AMERICA,  
  
Plaintiff,  
  
v.  
  
MARC ALAN CHASE,  
  
Defendant.

Case No. 14CR0986 OHB  
  
PLEA AGREEMENT

IT IS HEREBY AGREED between the plaintiff, UNITED STATES OF AMERICA, through its counsel, Cindy M. Cipriani, Acting United States Attorney, and Timothy C. Perry and William P. Cole, Assistant United States Attorneys, and Defendant, MARC ALAN CHASE, with the advice and consent of Guadalupe Valencia, counsel for Defendant, as follows:

**I**

**THE PLEA**

Defendant agrees to plead guilty to an eight-count Information to be filed in the above-captioned case.

The Government agrees not to prosecute Defendant for any felony violations of Title 2, United State Code, Sections 441e and 441f occurring prior to January 1, 2014, unless Defendant breaches this plea agreement or the guilty plea entered pursuant to this agreement

Plea Agreement

Def. Initials MC

1 is set aside for any reason. Defendant expressly waives all defenses  
2 to the reinstatement of any charges dismissed pursuant to this  
3 agreement.

4 II

5 NATURE OF THE OFFENSE

6 A. ELEMENTS EXPLAINED

7 Defendant understands that the offenses to which Defendant is  
8 pleading guilty have the following elements:

9 Count 1 - Conspiracy

10 1. Beginning on a date unknown, but no later than 2011, and  
11 continuing through December 2013, there was an agreement  
12 between two or more persons to knowingly and willfully  
13 commit at least one of the following two crimes:

14 a. to knowingly and willfully make foreign national  
15 contributions, aggregating \$2,000 and more during a  
16 calendar year; and

17 b. to knowingly and willfully make contributions to a  
18 candidate for federal office in the names of other  
19 persons, aggregating \$2,000 and more during a calendar  
20 year.

21 2. Defendant became a member of the conspiracy knowing of at  
22 least one of its objects and intending to help accomplish  
23 it; and

24 3. One of the members of the conspiracy performed at least one  
25 overt act for the purpose of carrying out the conspiracy.

26 //

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MC

Counts 2-5 and 7-8

1. Defendant knowingly and willfully, directly or indirectly, made a donation by a foreign national;
2. That donation aggregated \$2,000 or more during a calendar year; and
3. The donation was made in connection with a federal, state or local election.

Count 6

1. Defendant knowingly and willfully, directly or indirectly, made a contribution in the name of another person;
2. That contribution aggregated \$2,000 or more during a calendar year; and
3. The contribution was made in connection with a federal election.

B. ELEMENTS UNDERSTOOD AND ADMITTED - FACTUAL BASIS

Defendant has fully discussed the facts of this case with defense counsel. Defendant has committed each of the elements of the crimes, and admits that there is a factual basis for this guilty plea. Defendant agrees that the Government could prove the following facts, and that the following facts are true and undisputed:

1. At all relevant times, Defendant was in the business of selling luxury automobiles, watches and artwork. Defendant was the managing member of South Beach Acquisitions, Inc. and West Coast Acquisitions, LLC, which he operated under the name Symbolic Motor Car Company. At all relevant times,

1 Defendant acted on behalf of and for the benefit of South  
2 Beach Acquisitions, Inc. and West Coast Acquisitions, LLC.

3 2. Between approximately 2010 and 2013, one of Defendant's  
4 biggest customers was Jose Susumo Azano Matsura ("Azano")  
5 (charged elsewhere). During this time, Azano purchased  
6 approximately \$9 million in luxury automobiles from  
7 Defendant, as well as watches and artwork.

8 3. Azano was a foreign national for the purposes of Title 2 of  
9 the United States Code, meaning that he could not lawfully  
10 make any contributions or expenditures, directly or  
11 indirectly, in connection with any election at the federal,  
12 state or local level.

13 4. Between approximately 2011 and 2013, there was an agreement  
14 between Defendant, Azano, Ravneet Singh, Ernesto Encinas,  
15 Marco Polo Cortes (all charged elsewhere) and others to  
16 knowingly and willfully use conduit contributors or "straw  
17 donors" in connection with a federal campaign, as well as  
18 straw donors and other techniques in connection with local  
19 campaigns, to facilitate illegal donations, contributions  
20 and expenditures by Azano, a foreign national.

21 4. In addition to engaging in this conspiracy, the  
22 coconspirators covered up their illegal activity by hiding  
23 the source of their illegal campaign financing. In  
24 particular, the coconspirators ensured that Azano's name did  
25 not appear on public filings concerning their illegal  
26 donations, contributions and expenditures.

- 1 5. In late 2011, Azano instructed Defendant to help him donate  
2 money to "Candidate 1," a candidate for the office of mayor  
3 of San Diego during the 2012 primary election cycle. In  
4 particular, Azano told Defendant to find as many people as  
5 possible and give them \$500 in cash. The people were then  
6 to donate \$500 each - the maximum allowable donation - to  
7 Candidate 1's campaign.
- 8 6. Immediately thereafter, Azano caused one of his employees to  
9 hand approximately \$10,000 in cash to Defendant. The  
10 employee also gave Defendant a stack of envelopes pre-  
11 printed with information about donating to Candidate 1 -  
12 including an indication of the \$500 donation limit.
- 13 7. As instructed by Azano, Defendant recruited employees,  
14 contractors and acquaintances to donate \$500 each to  
15 Candidate 1's campaign. Defendant gave most of them \$500 in  
16 cash, telling many that it was Azano's money. As Azano had  
17 instructed, between December 29, 2011 and January 2, 2012,  
18 Defendant and the people he recruited made a series of \$500  
19 donations, including (on about the following dates):

Date	Straw Donor	Amount
12/29/11	Defendant	\$500
12/29/11	Family Member 1	\$500
12/29/11	Administrative Employee	\$500
12/29/11	Personal Assistant	\$500
12/29/11	Salesman 1	\$500
12/31/11	Salesman 2	\$500



12/29/11	Salesman 3	\$500
12/29/11	Salesman 4	\$500
12/29/11	Salesman 1's Spouse	\$500
12/29/11	Salesman 4's Spouse	\$500
12/29/11	Business Associate	\$500
12/29/11	Business associate's Spouse	\$500

8. In making the \$500 contributions to Candidate 1, neither Defendant nor these individuals disclosed that Azano was the true source of the \$500 donations.
9. In about September 2012, Encinas spoke with a representative of "Candidate 2," a candidate for federal elective office during the 2012 general election cycle. Together with Cortes, Encinas offered to arrange campaign financing in connection with Candidate 2's campaign, but was informed that Azano would have to show proof of a green card before he could legally contribute, and that he could not donate through a corporation.
10. As part of the continuing efforts to influence San Diego elections using illegal foreign money, in about September 2012, Azano met with "Candidate 3," a candidate for the office of mayor of San Diego during the 2012 general election cycle. Based on the meeting with Candidate 3, Azano, Encinas and Cortes decided that Azano would provide \$150,000 in campaign financing to Candidate 3.
11. Furthermore, Azano, Encinas and Cortes decided to give most of the money - \$120,000 - to an independent expenditure

1 committee that favored Candidate 3. The coconspirators  
2 decided to give an additional \$30,000 to a political party  
3 committee because they believed a representative of  
4 Candidate 3 would appreciate it. Finally, they decided to  
5 give \$30,000 to a political party committee that favored  
6 Candidate 2.

7 12. After making this decision, Azano told Defendant that  
8 Defendant would have to donate \$180,000 of Azano's money to  
9 certain candidates for elective office. Defendant protested  
10 that he did not have that kind of money to contribute, but  
11 Azano assured him that he (Azano) would provide the money to  
12 donate.

13 13. Shortly thereafter, on October 2, 2012, to finance the  
14 contributions, Azano wrote a \$380,000 check to "Symbolic,"  
15 which Defendant deposited into an account for South Beach  
16 Acquisitions, Inc.

17 14. Defendant then used \$180,000 of this \$380,000 deposit to  
18 finance the illegal campaign contributions that Azano had  
19 instructed him to make. Before doing so, Defendant  
20 deposited some of the money into separate bank accounts.  
21 Defendant's contributions are depicted in Appendix A, which  
22 is attached to this Plea Agreement and which is incorporated  
23 into this factual basis as if set forth fully herein.

24 15. In making these contributions, to cover up their illegal  
25 activity and as agreed with the other coconspirators,  
26 Defendant made sure that only his and his companies' names -

1 and not Azano's name - appeared in any public record or  
2 filing.

3 16. The remaining \$200,000 was used to pay for one Andy Warhol  
4 serigraph, depicting dollar signs, which Defendant had  
5 previously sold to Azano.

6 **III**

7 **PENALTIES**

8 **Counts 1-8**

9 Defendant understands that the crimes to which Defendant is  
10 pleading guilty carries the following penalties:

- 11 A. a maximum of 8 years in prison (1 year each count);  
12 B. a maximum \$800,000 fine (\$100,000 each count);  
13 C. a mandatory special assessment of \$200 (\$25 each count);  
14 D. a term of supervised release of not more than 1 year.  
15 Defendant understands that failure to comply with any of the  
16 conditions of supervised release may result in revocation of  
17 supervised release, requiring Defendant to serve in prison,  
18 upon any such revocation, all or part of the statutory  
19 maximum term of supervised release for the offense that  
20 resulted in such term of supervised release; and  
21 E. a maximum 5 years' probation.

22 **IV**

23 **DEFENDANT'S WAIVER OF TRIAL RIGHTS**

24 Defendant understands that this guilty plea waives the right to:

- 25 A. Continue to plead not guilty and require the Government to  
26 prove the elements of the crime beyond a reasonable doubt;



- 1 B. A speedy and public trial by jury;  
2 C. The assistance of counsel at all stages of trial;  
3 D. Confront and cross-examine adverse witnesses;  
4 E. Testify and present evidence and to have witnesses testify  
5 on behalf of Defendant; and,  
6 F. Not testify or have any adverse inferences drawn from the  
7 failure to testify.

8 V

9 **DEFENDANT ACKNOWLEDGES NO PRETRIAL RIGHT TO BE**  
10 **PROVIDED WITH IMPEACHMENT AND AFFIRMATIVE DEFENSE INFORMATION**

11 The Government represents that any information establishing the  
12 factual innocence of Defendant known to the undersigned prosecutor in  
13 this case has been turned over to Defendant. The Government will  
14 continue to provide such information establishing the factual  
15 innocence of Defendant.

16 Defendant understands that if this case proceeded to trial, the  
17 Government would be required to provide impeachment information  
18 relating to any informants or other witnesses. In addition, if  
19 Defendant raised an affirmative defense, the Government would be  
20 required to provide information in its possession that supports such a  
21 defense. Defendant acknowledges, however, that by pleading guilty  
22 Defendant will not be provided this information, if any, and Defendant  
23 also waives the right to this information. Finally, Defendant agrees  
24 not to attempt to withdraw the guilty plea or to file a collateral  
25 attack based on the existence of this information.

26 //

27 //

28 Plea Agreement

Def. Initials

MC

VI  
**DEFENDANT'S REPRESENTATION THAT GUILTY  
PLEA IS KNOWING AND VOLUNTARY**

Defendant represents that:

- A. Defendant has had a full opportunity to discuss all the facts and circumstances of this case with defense counsel and has a clear understanding of the charges and the consequences of this plea. Defendant understands that, by pleading guilty, Defendant may be giving up, and rendered ineligible to receive, valuable government benefits and civic rights, such as the right to vote, the right to possess a firearm, the right to hold office, and the right to serve on a jury. Defendant further understands that the conviction in this case may subject Defendant to various collateral consequences, including but not limited to deportation, removal or other adverse immigration consequences; revocation of probation, parole, or supervised release in another case; debarment from government contracting; and suspension or revocation of a professional license, none of which will serve as grounds to withdraw Defendant's guilty plea.
- B. No one has made any promises or offered any rewards in return for this guilty plea, other than those contained in this agreement or otherwise disclosed to the Court.
- C. No one has threatened Defendant or Defendant's family to induce this guilty plea.
- D. Defendant is pleading guilty because in truth and in fact Defendant is guilty and for no other reason.

VII  
**AGREEMENT LIMITED TO U.S. ATTORNEY'S OFFICE  
SOUTHERN DISTRICT OF CALIFORNIA**

This plea agreement is limited to the United States Attorney's Office for the Southern District of California, and cannot bind any other federal, state or local prosecuting, administrative, or regulatory authorities, although the Government will bring this plea

1 agreement to the attention of other authorities if requested by  
2 Defendant.

3 VIII

4 APPLICABILITY OF SENTENCING GUIDELINES

5 Defendant understands the sentence imposed will be based on the  
6 factors set forth in 18 U.S.C. § 3553(a). Defendant understands  
7 further that in imposing the sentence, the sentencing judge must  
8 consult the United States Sentencing Guidelines (Guidelines) and take  
9 them into account. Defendant has discussed the Guidelines with  
10 defense counsel and understands that the Guidelines are only advisory,  
11 not mandatory, and the Court may impose a sentence more severe or less  
12 severe than otherwise applicable under the Guidelines, up to the  
13 maximum in the statute of conviction. Defendant understands further  
14 that the sentence cannot be determined until a presentence report has  
15 been prepared by the U.S. Probation Office and defense counsel and the  
16 Government have had an opportunity to review and challenge the  
17 presentence report. Nothing in this plea agreement shall be construed  
18 as limiting the Government's duty to provide complete and accurate  
19 facts to the district court and the U.S. Probation Office.

20 IX

21 SENTENCE IS WITHIN SOLE DISCRETION OF JUDGE

22 This plea agreement is made pursuant to Federal Rule of Criminal  
23 Procedure 11(c)(1)(B). Defendant understands that the sentence is  
24 within the sole discretion of the sentencing judge. The Government  
25 has not made and will not make any representation as to what sentence  
26 Defendant will receive. Defendant understands that the sentencing

1 judge may impose the maximum sentence provided by statute, and is also  
2 aware that any estimate of the probable sentence by defense counsel is  
3 a prediction, not a promise, and is not binding on the Court.  
4 Likewise, the recommendation made by the Government is not binding on  
5 the Court, and it is uncertain at this time what Defendant's sentence  
6 will be. Defendant also has been advised and understands that if the  
7 sentencing judge does not follow any of the parties' sentencing  
8 recommendations, Defendant nevertheless has no right to withdraw the  
9 plea.

10 X

11 PARTIES' SENTENCING RECOMMENDATIONS

12 A. SENTENCING GUIDELINE CALCULATIONS

13 Although the parties understand that the Guidelines are only  
14 advisory and just one of the factors the Court will consider under 18  
15 U.S.C. § 3553(a) in imposing a sentence, the parties will jointly  
16 recommend the following Base Offense Level, Specific Offense  
17 Characteristics, Adjustments and Departures:  
18

19	1. BOL [\$2X1.1/\$2C1.8]	8
20	2. Value [\$2C1.8(b)/\$2B1.1 (greater than \$120,000)]	+10
21	3. Foreign National [\$2C1.8(b)(2)(A)]	+2
22	4. Acceptance of Responsibility [\$3E1.1(b)]	-3
	5. <b>ROL</b>	<b>17</b>

23 B. ACCEPTANCE OF RESPONSIBILITY

24 Notwithstanding paragraph A.4 above, the Government will not be  
25 obligated to recommend any adjustment for Acceptance of Responsibility  
26 if Defendant:

27 Plea Agreement

12

28 Def. Initials AC



1. Fails to truthfully admit a complete factual basis as stated in the plea at the time the plea is entered, or falsely denies, or makes a statement inconsistent with, the factual basis set forth in this agreement;
2. Falsely denies prior criminal conduct or convictions;
3. Is untruthful with the Government, the Court or probation officer; or
4. Materially breaches this plea agreement in any way.

C. FURTHER ADJUSTMENTS AND SENTENCE REDUCTIONS INCLUDING THOSE UNDER 18 U.S.C. § 3553

The parties agree that Defendant may request or recommend additional downward adjustments, departures, including criminal history departures under USSG § 4A1.3, or sentence reductions under 18 U.S.C. § 3553. The Government may oppose any such downward adjustments, departures and sentence reductions as appropriate.

D. NO AGREEMENT AS TO CRIMINAL HISTORY CATEGORY

The parties have **no** agreement as to Defendant's Criminal History Category.

E. "FACTUAL BASIS" AND "RELEVANT CONDUCT" INFORMATION

The parties agree that the facts in the "factual basis" paragraph of this agreement are true, and may be considered as "relevant conduct" under USSG § 1B1.3 and as the nature and circumstances of the offense under 18 U.S.C. § 3553(a)(1).

F. PARTIES' RECOMMENDATIONS REGARDING CUSTODY

The parties agree that the Government will recommend that Defendant be sentenced within the advisory guideline range as calculated by the Government pursuant to this agreement.



1 G. SPECIAL ASSESSMENT/FINE/RESTITUTION/FORFEITURE

2 1. Special Assessment

3 The parties will jointly recommend that Defendant pay a total  
4 special assessment of \$200 to be paid forthwith at time of sentencing.  
5 The special assessment shall be paid through the office of the Clerk  
6 of the District Court by bank or cashier's check or money order made  
7 payable to the "Clerk, United States District Court."

8 2. Fine

9 The parties agree that Defendant shall pay a fine, and the  
10 Government will recommend a fine in the amount of \$250,000. In the  
11 event Defendant makes a voluntary contribution to a non-profit  
12 organization or commission with the intent to make reparations for the  
13 harm caused by the above-described conduct, the Government may  
14 consider offsetting its recommendation of a fine by the amount of such  
15 contribution. However, the parties agree Defendant is under no  
16 obligation to make any such contribution. In addition, in the event  
17 Defendant pays a fine to any city or state agency in connection with  
18 the above-described conduct, the Government may consider further  
19 offsetting its recommendation of a fine by the amount of such fine.

20 3. Restitution and Forfeiture

21 As there is no statutory provision for restitution or forfeiture  
22 in this case, the Government will not recommend that Defendant pay  
23 restitution or forfeit property.

24 I. SUPERVISED RELEASE

25 If the Court imposes a term of supervised release, Defendant  
26 agrees that he will not later seek to reduce or terminate early the

1 term of supervised release until he has served at least 2/3 of his  
2 term of supervised release and has fully paid and satisfied any  
3 special assessments, fine, criminal forfeiture judgment and  
4 restitution judgment.

5 **XI**

6 **DEFENDANT WAIVES APPEAL AND COLLATERAL ATTACK**

7 In exchange for the Government's concessions in this plea  
8 agreement, Defendant waives, to the full extent of the law, any right  
9 to appeal or to collaterally attack the conviction and any lawful  
10 restitution order, except a post-conviction collateral attack based on  
11 a claim of ineffective assistance of counsel. Defendant also waives,  
12 to the full extent of the law, any right to appeal or to collaterally  
13 attack his sentence, except a post-conviction collateral attack based  
14 on a claim of ineffective assistance of counsel, unless the Court  
15 imposes a custodial sentence above the high end of the guideline range  
16 recommended by the Government pursuant to this agreement at the time  
17 of sentencing. If the custodial sentence is greater than the high end  
18 of that range, Defendant may appeal the sentence only, but the  
19 Government will be free to support on appeal the sentence actually  
20 imposed. If Defendant believes the Government's recommendation is not  
21 in accord with this plea agreement, Defendant will object at the time  
22 of sentencing; otherwise the objection will be deemed waived.

23 If at any time Defendant files a notice of appeal, appeals or  
24 collaterally attacks the conviction or sentence in violation of this  
25 plea agreement, said violation shall be a material breach of this  
26 agreement as further defined below.

1 XII

2 BREACH OF THE PLEA AGREEMENT

3 A. MATERIAL BREACH OF PLEA AGREEMENT

4 Defendant acknowledges, understands, and agrees that if Defendant  
5 violates or fails to perform any of Defendant's obligations under this  
6 agreement, such violation or failure to perform will constitute a  
7 material breach of this agreement.

8 Defendant acknowledges, understands, and agrees further that the  
9 following non-exhaustive list of conduct by Defendant unquestionably  
10 constitutes a material breach of this plea agreement:

- 11 1. Failing to plead guilty pursuant to this agreement;  
12 2. Withdrawing the guilty plea or attempting to withdraw  
13 the guilty plea;  
14 3. Failing to fully accept responsibility as established  
15 in Section X, paragraph B, above;  
16 4. Failing to appear in court;  
17 5. Failing to abide by any lawful court order related to  
18 this case;  
19 6. Appealing or collaterally attacking the sentence or  
20 conviction in violation of Section XI of this plea  
21 agreement; or  
22 7. Engaging in additional criminal conduct from the time  
23 of arrest until the time of sentencing.

24 B. CONSEQUENCES OF BREACH

25 In the event of Defendant's material breach of this plea  
26 agreement, Defendant will not be able to enforce any of its

1 provisions, and the United States will be relieved of all its  
2 obligations under this plea agreement. For example, the United States  
3 may pursue any charges including those that were dismissed, promised  
4 to be dismissed, or not filed as a result of this agreement (Defendant  
5 agrees that any statute of limitations relating to such charges is  
6 tolled as of the date of this agreement; Defendant also waives any  
7 double jeopardy defense to such charges). In addition, the  
8 United States may move to set aside Defendant's guilty plea.  
9 Defendant may not withdraw the guilty plea based on the United States'  
10 pursuit of remedies for Defendant's breach.

11 **XIII**

12 **COMPLETE WAIVER OF PLEA-DISCUSSION EXCLUSION RIGHTS**

13 In exchange for the United States' concessions in this agreement,  
14 Defendant agrees that: (i) the stipulated factual basis statement in  
15 this agreement; (ii) any statements made by Defendant, under oath, at  
16 the guilty plea hearing (before either a Magistrate Judge or a  
17 District Judge); and (iii) any evidence derived from such statements,  
18 are admissible against Defendant in the prosecution's case-in-chief  
19 and at any other stage of the proceedings in any prosecution of or  
20 action against Defendant on the current charges and/or any other  
21 charges that the United States may pursue against Defendant.  
22 Additionally, Defendant knowingly, voluntarily, and intelligently  
23 waives any argument under the United States Constitution, any statute,  
24 Federal Rule of Evidence 410, Federal Rule of Criminal Procedure  
25 11(f), and/or any other federal rule, that these statements or any  
26 evidence derived from these statements should be suppressed or are

1 inadmissible. Defendant's waiver of the aforementioned rights is  
2 effective as soon as the parties sign this agreement, and is not  
3 contingent upon the Court ultimately accepting Defendant's guilty  
4 plea.

5 **XIV**

6 **ENTIRE AGREEMENT**

7 This plea agreement embodies the entire agreement between the  
8 parties and supersedes any other agreement, written or oral.

9 **XV**

10 **MODIFICATION OF AGREEMENT MUST BE IN WRITING**

11 No modification of this plea agreement shall be effective unless  
12 in writing signed by all parties.

13 **XVI**

14 **DEFENDANT AND COUNSEL FULLY UNDERSTAND AGREEMENT**

15 By signing this agreement, Defendant certifies that Defendant has  
16 read it (or that it has been read to Defendant in Defendant's native  
17 language). Defendant has discussed the terms of this agreement with  
18 defense counsel and fully understands its meaning and effect.

19 //

20 //

21 //




XVIII

DEFENDANT SATISFIED WITH COUNSEL

Defendant has consulted with counsel and is satisfied with counsel's representation. This is Defendant's independent opinion, and his counsel did not advise him about what to say in this regard.

CINDY M. CIPRIANI  
Acting United States Attorney

4/5/14  
DATED

  
TIMOTHY C. PERRY  
WILLIAM P. COLE  
Assistant U.S. Attorneys

4-4-14  
DATED

  
GUADALUPE VALENCIA  
Defense Counsel

IN ADDITION TO THE FOREGOING PROVISIONS TO WHICH I AGREE, I SWEAR UNDER PENALTY OF PERJURY THAT THE FACTS IN THE "FACTUAL BASIS" SECTION ABOVE ARE TRUE.

4-4-14  
DATED

  
MARC ALAN CHASE  
Defendant

Plea Agreement

# APPENDIX A

10/ /12 Date Cleared Bank  
☒ Political Contributions

