

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

No. 1:21-cr-185

Plaintiff,

v.

HON. Hala Y. Jarbou  
United States District Judge

JOSHUA LOUIS RUPP,

Defendant.

PLEA AGREEMENT

This constitutes the plea agreement between Joshua Louis Rupp and the United States Attorney's Office for the Western District of Michigan. The terms of the agreement are as follows:

1. Plea to an Information. The defendant agrees to plead guilty to an Information. The Information charges the defendant with securities fraud in violation of Title 18, United States Code, Section 1348(1). The defendant waives his right to indictment by a grand jury.
2. The Defendant Understands the Crime. In order for the defendant to be guilty of violating Title 18, United States Code, Section 1348(1), the following must be true:
  - a. First, the defendant executed a scheme or artifice to defraud any person.
  - b. Second, the scheme to defraud was in connection with any security of an issuer with a class of securities registered under section 12 of the Securities Exchange Act of 1934, 15 U.S.C. § 78l, or that is required to file reports under section 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. § 78o(d).
  - c. Third, the defendant did so knowingly and with intent to defraud.

The defendant is pleading guilty because the defendant is guilty of the charge described above.

3. The Defendant Understands the Penalties. The statutory maximum sentence that the Court can impose for a violation of Title 18, United States Code, Section 1348(1) is the following:

- a. not more than twenty-five years in prison;
- b. not more than five years of supervised release;
- c. a fine of \$250,000, or the greater of twice the gross gain or gross loss; and
- d. a \$100 mandatory special assessment.

The defendant agrees to pay the special assessment at or before the time of sentencing unless the defendant affirmatively demonstrates to the Court that he lacks the ability to pay.

4. Mandatory Restitution (MVRA). The defendant understands that he will be required to pay full restitution as required by law. The parties currently believe that the applicable amount of restitution is approximately \$2.7 million, but recognize and agree that this amount could change based on facts that come to the attention of the parties prior to sentencing. The defendant acknowledges that any payment plan set by the Court does not prohibit the United States from collecting restitution beyond the installments set forth in the payment plan, until restitution is collected in full. The defendant agrees to fully and truthfully complete a Financial Disclosure Statement and to submit the statement to the Financial Litigation Unit of the U.S. Attorney's Office within thirty days of executing this agreement.

5. Supervised Release Defined. Supervised release is a period of time following imprisonment during which the defendant will be subject to various restrictions and requirements. The defendant understands that if he violates one or more of the conditions of

any supervised release imposed, he may be returned to prison for all or part of the term of supervised release, which could result in the defendant serving a total term of imprisonment greater than the statutory maximum stated above.

6. Factual Basis of Guilt. The defendant and the U.S. Attorney's Office agree and stipulate to the following statement of facts which need not be proven at the time of the plea or sentencing, and which does not include all of the facts underlying the defendant's guilt:

a. Between May 2015 and July 2019, the defendant held himself out to be a licensed broker and securities trader. At first, the defendant claimed he worked for U., and then he claimed he worked for B.T. The defendant defrauded at least 19 victims, in Michigan and elsewhere, including Florida, by convincing them to give him money to invest by trading securities. The defendant pooled some of the investors' funds in two brokerage firm accounts that he controlled, and he also had access to several of the investors' individual brokerage accounts. Investors relied on the defendant to generate profits by buying and selling securities in the pooled and individual brokerage accounts. During this period, the defendant maintained offices in Grand Rapids and Grand Haven, Michigan.

b. The defendant told the victims various material false and fraudulent representations and promises to induce them to give him money, including that:

- i. The defendant was a licensed broker or trader, when he was not and knew he was not;
- ii. The defendant worked for either the firm U. or the firm B.T., when he did not and knew he did not;

- iii. The defendant worked with “Mark Shureen,” who was a representative at U., when he did not, as Shureen does not exist;
- iv. The defendant worked under the supervision of his uncle, “Gary Hansen,” who was also a trader at B.T., when he did not, as Hansen does not exist; and
- v. The principal of the investments could not be lost because of the defendant’s choice of investments, trading strategy, insurance, special algorithms, or some combination thereof, when, as he knew, the principal could be lost.

c. The defendant also made material false and fraudulent pretenses and representations to conceal his scheme after receiving investments, including by providing investors with false statements showing increasing value to their investments, and helping them set up an application (“app”) on their cell phones, which purported to allow them to track their investments, when in fact the returns displayed on the app were fictitious and based on “dummy accounts” the defendant had set up for the investors. The defendant also provided “market updates” to his investors and described esoteric trading strategies so as to appear to be a licensed trader.

d. The defendant produced fraudulent documents in the course of executing the scheme, including:

- i. A “Securities Prop 55” license supposedly issued by the State of Michigan, which the defendant created from a residential builder’s license that the State in fact had issued to the defendant;

- ii. Fraudulent statements purporting to show returns on the investments, and which did not accurately reflect the state of the investors' accounts;
- iii. Forged and modified checks that an investor had given to him, which the defendant created by changing the intended payee or amount of the checks; and
- iv. Business documents related to investors' accounts, including some that contained either B.T.'s or U.'s logo. One of these documents stated that "Association with [B.T.] . . . is limited to Professional Traders. . . . All [B.] Traders must have successfully completed the Series 57 Securities Trader Qualification Examination." The defendant was not a professional trader and had not qualified as such. Another document, "Broker Agreement Disclosure," describes the defendant as a "Stock Broker" and "Broker." Yet another document describes the defendant as "registered with the State of Michigan."

e. The defendant has never been a registered broker or dealer with the Securities and Exchange Commission ("SEC") or the Financial Industry Regulatory Authority ("FINRA"), and he was never associated with a registered broker-dealer.

f. The defendant obtained more than \$2.7 million from investors. The defendant lost most of the money trading securities, including securities that were registered under section 12 of the Securities Exchange Act of 1934, 15 U.S.C. § 78l, or that are required to



file reports under section 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. § 78o(d), and stocks that were listed on national stock exchanges. The defendant also misappropriated more than \$500,000 of investors' money on personal expenses, including but not limited to vacations, electronics, and groceries. The defendant agrees that the loss amount was more than \$3.5 million.

g. In executing this scheme, the defendant acted knowingly and with intent to defraud the victims. The defendant intended to deceive the victims, including by using false and fraudulent pretenses to obtain their money for the purchase of securities, and defraud them of at least some of their investment principal. The defendant acted voluntarily, and not because of mistake or some other reason. The defendant devised and executed a deliberate plan of action and course of conduct to defraud the victims.

7. The United States Attorney's Office's Agrees.

a. Acceptance of Responsibility. The U.S. Attorney's Office agrees not to oppose the defendant's request for a two-level reduction of his offense level for acceptance of responsibility under Section 3E1.1(a) of the United States Sentencing Guidelines. However, the U.S. Attorney's Office reserves the right to object to the defendant's request if it subsequently learns of conduct by the defendant that is inconsistent with the criteria set forth in the Commentary to Section 3E1.1. Should the Court grant a two-level reduction as provided herein, the U.S. Attorney's Office will move the Court to grant an additional one-level reduction if the adjusted offense level is 16 or greater pursuant to Section 3E1.1(b).

b. Non-Prosecution Agreement. The U.S. Attorney's Office for the Western District of Michigan agrees not to bring additional criminal charges against the defendant in the

Western District of Michigan arising out of the defendant's scheme to defraud investors between May 2015 and July 2019 as described in the Information, provided that the conduct is disclosed to the government by the defendant or his attorney prior to the date of this agreement. This promise of non-prosecution shall not include crimes of violence, if any, or criminal tax violations (including conspiracy to commit such violations chargeable under 18 U.S.C. § 371).

8. The Sentencing Guidelines. The defendant understands that, although the Guidelines are not mandatory, the Court must consult the Guidelines and take them into account when sentencing the defendant. The defendant understands that the Court, with the aid of the presentence report, will determine the facts and calculations relevant to sentencing. The defendant understands that the defendant and the defendant's attorney will have the opportunity to review the presentence report and to make objections, suggestions, and recommendations concerning the calculation of the Guidelines range and the sentence to be imposed. The defendant further understands that the Court shall make the final determination of the Guidelines range that applies in this case, and may impose a sentence within, above, or below the Guidelines range, subject to the statutory maximum penalties described elsewhere in this agreement. The defendant further understands that disagreement with the Guidelines range or sentence shall not constitute a basis for withdrawal of the plea.

9. There is No Agreement About the Final Sentencing Guidelines Range. The defendant and the U.S. Attorney's Office have no agreement as to the applicable Guidelines factors or the appropriate Guidelines range. Both parties reserve the right to seek any sentence within the statutory maximum, and to argue for any criminal history category and score, offense level, specific offense characteristics, adjustments, and departures.

10. Waiver of Constitutional Rights. By pleading guilty, the defendant gives up the right to persist in a plea of not guilty and the right to a speedy and public trial by jury or by the Court. As a result of the defendant's guilty plea, there will be no trial. At any trial, whether by jury or by the Court, the defendant would have had the following rights:

a. The right to the assistance of counsel, including, if the defendant could not afford an attorney, the right to have the Court appoint an attorney to represent the defendant.

b. The right to be presumed innocent and to have the burden of proof placed on the government to prove the defendant guilty beyond a reasonable doubt.

c. The right to confront and cross-examine witnesses against the defendant.

d. The right, if the defendant wished, to testify on the defendant's own behalf and present evidence in opposition to the charges, including the right to call witnesses and to subpoena those witnesses to testify.

e. The right not to be compelled to testify, and, if the defendant chose not to testify or present evidence, to have that choice not be used against the defendant.

f. By pleading guilty, the defendant also gives up any and all rights to pursue in this Court or on appeal any affirmative defenses, Fourth Amendment, or Fifth Amendment claims, and other pretrial motions that have been filed or could be filed.

11. Waiver of Other Rights.

a. Appeal and Collateral Attack.

- i. Waiver. In exchange for the promises made by the government in entering this plea agreement, the defendant waives all rights to appeal or collaterally attack the defendant's conviction, sentence,



or any other matter relating to this prosecution, except as listed below.

ii. Exceptions. The defendant may appeal or seek collateral relief to raise a claim, if otherwise permitted by law in such a proceeding, on the following grounds:

- A. the defendant's sentence on any count of conviction exceeded the statutory maximum for that count;
- B. the defendant's sentence was based on an unconstitutional factor, such as race, religion, national origin, or gender;
- C. the district court incorrectly determined the Guidelines range, if the defendant objected at sentencing on that basis;
- D. the defendant's sentence is above the Guidelines range as determined by the court at sentencing and is unreasonable;
- E. the guilty plea was involuntary or unknowing; or
- F. an attorney who represented the defendant during the course of this criminal case provided ineffective assistance of counsel.

iii. If the defendant appeals or seeks collateral relief, the defendant may not present any issue in the proceeding other than those described in this subparagraph.

b. FOIA Requests. The defendant hereby waives all rights, whether asserted directly or by a representative, to request or receive from any department or agency of

the United States any records pertaining to the investigation or prosecution of this case, including without limitation any records that may be sought under the Freedom of Information Act, 5 U.S.C. § 552, or the Privacy Act of 1974, 5 U.S.C. § 552a.

12. The Court is Not a Party to this Agreement. The defendant understands that the Court is not a party to this agreement and is under no obligation to accept any recommendation by the U.S. Attorney's Office or the parties regarding the sentence to be imposed. The defendant further understands that, even if the Court ignores such a recommendation or imposes any sentence up to the maximum established by statute, the defendant cannot, for that reason, withdraw his guilty plea, and he will remain bound to fulfill all his obligations under this agreement. The defendant understands that no one—not the prosecutor, the defendant's attorney, or the Court—can make a binding prediction or promise regarding the sentence the defendant will receive, except that it will be within the statutory maximum.

13. This Agreement is Limited to the Parties. This agreement is limited to the U.S. Attorney's Office for the Western District of Michigan, and cannot bind any other federal, state, or local prosecuting, administrative, or regulatory authority. This agreement applies only to crimes committed by the defendant. This agreement does not apply to or preclude any past, present, or future forfeiture or civil actions.

14. Consequences of Breach. If the defendant breaches any provision of this agreement, whether before or after sentencing, the United States shall have the right to terminate this agreement, or deny any or all benefits to which the defendant would otherwise be entitled under the terms of this agreement. In the event that the United States elects to terminate this

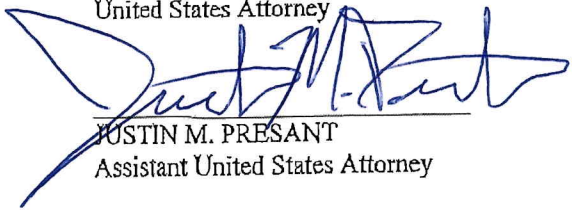
agreement, the agreement shall be considered null and void, and the parties shall return to the same position they were in prior to the execution of this agreement, as though no agreement ever existed. In such an event, the defendant shall remain liable for prosecution on all original charges, and the United States shall be free to bring such additional charges as the law and facts warrant. The defendant further agrees to waive and forever give up his right to raise any claim that such a prosecution is time-barred if the prosecution is brought within one (1) year of the breach that gives rise to the termination of this agreement.

15. This is the Complete Agreement. This agreement has been entered into by both sides freely, knowingly, and voluntarily, and it incorporates the complete understanding between the parties. No other promises have been made, nor may any additional agreements,

understandings, or conditions be entered into unless in a writing signed by all parties or on the record in open court.

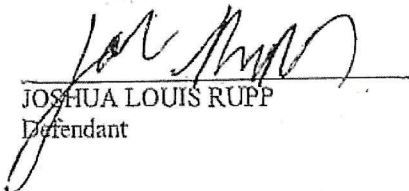
10/14/21  
 Date

ANDREW BYERLY BIRGE  
 United States Attorney

  
 JUSTIN M. PRESANT  
 Assistant United States Attorney

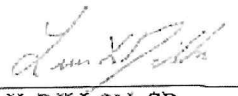
I have read this agreement and carefully discussed every part of it with my attorney. I understand the terms of this agreement, and I voluntarily agree to those terms. My attorney has advised me of my rights, of possible defenses, of the sentencing provisions, and of the consequences of entering into this agreement. No promises or inducements have been made to me other than those contained in this agreement. No one has threatened or forced me in any way to enter into this agreement. Finally, I am satisfied with the representation of my attorney in this matter.

10/11/21  
 Date

  
 JOSHUA LOUIS RUPP  
 Defendant

I am Joshua Louis Rupp's attorney. I have carefully discussed every part of this agreement with my client. Further, I have fully advised my client of his rights, of possible defenses, of the sentencing provisions, and of the consequences of entering into this agreement. To my knowledge, my client's decision to enter into this agreement is an informed and voluntary one.

10/12/2021  
 Date

  
 LUCAS X. DILLON, SR.  
 Attorney for Defendant