

**COPY**

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS

FILED  
IN CLERKS OFFICE

UNITED STATES OF AMERICA	:	CRIMINAL NO. <u>2017 DEC 10 12:38</u>
v.	:	U.S. DISTRICT COURT DISTRICT OF MASS.
APT <sub>x</sub> VEHICLE SYSTEMS LIMITED	:	<b>VIOLATION: Wire fraud conspiracy, 18 U.S.C. § 1349 (1 count)</b>

**INFORMATION**

COUNT ONE

(Wire Fraud Conspiracy)

The United States Attorney charges that:

At all times relevant to this Information:

I. BACKGROUND

A. The Defendant

1. Defendant APT<sub>x</sub> Vehicle Systems Limited (“APT<sub>x</sub>”) was a British company which sought to capitalize on technologies developed in the Russian Federation affecting vehicles. APT<sub>x</sub> was affiliated with a representative in the United States, a person known to the United States Attorney as BK, charged elsewhere, who owned and operated a business near Boston, Massachusetts.

B. Background In Iraq

2. In about April 2003, the United States and its Coalition partners formed the Coalition Provisional Authority (“CPA”), which acted as the transitional government for Iraq. In consultation with Iraqi officials, the CPA managed funds for Iraq, which were held by The Federal Reserve Bank in New York, for disbursement through several financial institutions.

3. The CPA created the Trade Bank of Iraq to help finance goods and services needed for the country. The CPA also issued contracts as needed to execute its authority. The Defense Contract Management Agency (“DCMA”), an agency of the United States Department of Defense, administered contracts for the CPA.

C. The Vehicle Contract

4. On or about August 6, 2004, on behalf of the CPA, the DCMA awarded a contract to an entity known to the United States Attorney (referred to here as “Prime Contractor”), in the amount of \$8,480,550 (Contract No. DABV01-04-M-0108, referred to here as “the Contract”). This contract called for the delivery of 51 vehicles to the Iraqi Police Academy in Bagdad.

5. In or about November 2004, Prime Contractor subcontracted performance of the Contract to defendant APTx, agreeing that Prime Contractor would receive \$2,765,855 of the Contract amount, and APTx would receive the remaining \$5,714,695.

D. Contract Payment Terms

6. The Contract was payable by two Letters of Credit issued by JP Morgan Chase Bank, N.A. (“JP Morgan”) in December 2004, one to Prime Contractor for \$2,765,855, and one to APTx for \$5,714,694, totaling the full amount of the Contract. JP Morgan was a “financial institution” within the meaning of 18 U.S.C. § 20, and was one of the banks used by The Federal Reserve Bank of New York to disburse funds for the CPA. The Letters of Credit were an agreement between the Trade Bank of Iraq and JP Morgan that, upon presentation of certain required documents by Prime Contractor and APTx, JP Morgan would issue payment of the Contract amount.

7. The documents required to draw down on the Letters of Credit were a specific set of shipping documents covering shipment of the 51 vehicles to the North Warehouse at the Baghdad International Airport, including multimodal transport documents (otherwise known as “bills of lading”), insurance certificates, packing lists, and certificates of origin, all covering shipment of the vehicles called for in the Contract.

8. A bill of lading was a standard commercial shipping document identifying the goods being transported, the freight forwarder (the company responsible for organizing the shipping), the freight carrier or shipper (the company responsible for all of the transport), and the route that the shipment would take. A bill of lading also stated the charges and value of the goods.

9. The JP Morgan Letters of Credit required the bills of lading to show that the goods had been “dispatched, taken in charge, or loaded on board” (meaning that the goods had been sent from the supplier, were in the legal custody of the freight carrier, or had been loaded onto the transport).

## II. THE WIRE FRAUD CONSPIRACY

### A. The Agreement

10. Beginning in or about May 2005 and continuing to in or about December 2005, in the District of Massachusetts and elsewhere, defendant APTx knowingly and willfully conspired with others to commit wire fraud, that is, the defendant knowingly and willfully agreed to knowingly and intentionally devise a scheme to defraud the United States, the CPA, the government of Iraq, and JP Morgan, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, thereby affecting a financial

institution, where the defendant knew, or reasonably could have foreseen, that international and interstate wire transmissions would be used in the ordinary course of business in furtherance of the conspiracy and scheme, all in violation of Title 18, United States Code, Section 1343.

B. The Purpose Of The Conspiracy And Wire Fraud Scheme

11. The purpose of this agreement and scheme was for defendant APTx to cause JP Morgan to pay the full Contract price on the Letters of Credit by submitting false and fraudulent shipping documents to JP Morgan, without having produced or being ready to ship the vehicles called for in the Contract, so that the defendant and Prime Contractor could obtain funds to which they were not entitled, and then to keep the funds and avoid detection of this scheme.

C. Manner And Means Used To Carry Out The Conspiracy And Scheme

This fraudulent agreement and scheme were carried out in the following particular ways, among others:

12. In or about May 2005, defendant APTx created and caused the creation of false and fraudulent shipping documents required for presentation to JP Morgan to draw down on the Letters of Credit, including Certificates of Origin, Commercial Invoices, Marine Insurance Certificates, Multimodal Transport Documents, and Packing Lists.

13. Each of the shipping documents created by defendant APTx was false and fraudulent because these documents represented that APTx was shipping 51 completed vehicles, when in fact, as the defendant knew, no vehicles had been built, none was legally owned or held by APTx, and none was in the process of a fully-funded transport to Iraq.

14. With the permission of BK in Massachusetts, defendant APTx named BK's company as the carrier, or shipping company, on the bills of lading, knowing that BK's company

had no experience or capacity to act as a carrier, and did not have the requisite license to act as an international shipper. Defendant APTx also named a fictitious company as the freight forwarder on the bills of lading, using BK's corporate address.

15. On or about June 3, 2005, defendant APTx submitted and caused the submission of these false and fraudulent shipping documents to JP Morgan, seeking payment in full on the Letters of Credit.

16. On or about June 7 and 8, 2005, in unwitting reliance on the defendant's false and fraudulent shipping documents, JP Morgan honored its Letters of Credit and caused full payment to be made under the Contract, totaling \$8,480,550, to bank accounts owned and controlled by defendant APTx and Prime Contractor. These funds were wired electronically in interstate and international commerce.

17. From approximately May through December 2005, the DCMA repeatedly tried to ascertain the status of the Contract and obtain delivery of the vehicles. During that time, defendant APTx caused Prime Contractor to make fraudulent representations by email to the DMCA, intending to lull the agency, the CPA, and the government of Iraq into believing that the vehicles were built and ready for shipment, and that APTx had not yet received the funds under the Contract, all to avoid detection of the defendant's scheme.

18. On or about December 18, 2005, the DCMA terminated the Contract.

D. Use Of The Wires In Furtherance Of The Conspiracy And Scheme

19. Defendant APTx knew, or reasonably could have foreseen, that international and interstate wire transmissions were and would be used in the ordinary course of business in

furtherance of the conspiracy and scheme, including emails and electronically transferred funds.

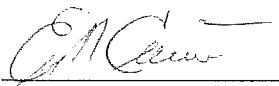
Some of these emails were transmitted into and out of the District of Massachusetts.

All in violation of Title 18, United States Code, Section 1349.

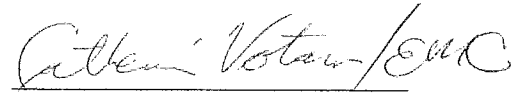
CARMEN M. ORTIZ  
United States Attorney

DENIS J. McINERNEY  
Chief, Fraud Section  
United States Department of Justice

By:

  
\_\_\_\_\_  
EUGENIA M. CARRIS  
Assistant United States Attorney

By:

  
\_\_\_\_\_  
CATHERINE VOTAW  
Director, Procurement Fraud



U.S. Department of Justice

FILED  
IN CLERKS OFFICE

*Carmen M. Ortiz*

*United States Attorney*

*District of Massachusetts*

2012 DEC 10 P 12:38

U.S. DISTRICT COURT  
DISTRICT OF MASS.

Main Reception: (617) 748-3100

*John Joseph Moakley United States Courthouse  
1 Courthouse Way  
Suite 9200  
Boston, Massachusetts 02210*

November 15, 2012

Daniel Cloherty, Esquire  
Ingrid Martin, Esquire  
Collora LLP  
600 Atlantic Avenue - 12th Floor  
Boston, MA 02210-2211

Re: United States v. APTx Vehicle Systems Limited

Dear Mr. Cloherty and Ms. Martin:

This letter sets forth the Agreement between the United States Department of Justice, Criminal Division, Fraud Section, and the United States Attorney for the District of Massachusetts (collectively "the government"), and your client, APTx Vehicle Systems Limited ("Defendant"), in the above-referenced case. The Agreement is as follows:

1. Entry of Guilty Plea

At the earliest practicable date, Defendant shall waive indictment and plead guilty to an Information charging it with conspiracy to commit wire fraud, in violation of 18 U.S.C. § 1349. Defendant expressly and unequivocally admits that it committed the crime charged in the Information, did so knowingly, intentionally, and willfully, and is in fact guilty of that offense.

2. Penalties

Defendant faces the following maximum penalties on the charge in the Information: a fine of \$1,000,000, or twice the gross gain or gross loss, whichever is greater; a mandatory special assessment of \$400; restitution as ordered by the Court; and a five-year term of Court supervision; in addition, forfeiture may be ordered.

3. Fed. R. Crim. P. 11(c)(1)(C) Plea

This plea agreement is made pursuant to Fed. R. Crim. P. 11(c)(1)(C), and Defendant's plea will be tendered pursuant to that provision. In accordance with Fed. R. Crim. P. 11(c)(1)(C), if the District Court ("Court") accepts this plea agreement, the Court must include the agreed disposition in the judgment. If the Court rejects any aspect of this plea agreement, the government may deem the Agreement null and void. Defendant expressly understands that it may not withdraw its plea of guilty unless the Court rejects this Agreement under Fed. R. Crim. P. 11(c)(5).

4. Sentencing Guidelines

The parties agree that the sentence recommended below is appropriate considering all of the factors and the process set forth in Section 8, Part C of the United States Sentencing Guidelines:

The parties agree with respect to the application of the United States Sentencing Guidelines that:

- (i) in accordance with USSG §2X1.1 and 2B1.1, Defendant's base offense level is 7, because the offense of conviction has a statutory maximum term of imprisonment of 20 years or more;
- (ii) in accordance with USSG §2B1.1(b)(1)(H), Defendant's offense level is increased by 14, because the loss exceeded \$400,000 but was less than \$1,000,000;
- (iii) in accordance with USSG §2B1.1(b)(10)(B), Defendant's offense level is increased by 2, because a substantial part of the fraudulent scheme was committed from outside of the United States;
- (iv) in accordance with USSG §3E1.1, based on Defendant's prompt acceptance of personal responsibility for the offense(s) of conviction in this case, the adjusted offense level is reduced by 3;
- (v) in accordance with USSG §8C2.4, the base fine is \$650,000 because the adjusted offense level is 20 and the calculation of either the exact pecuniary gain or pecuniary loss would unduly complicate and prolong the sentencing process;
- (vi) in accordance with USSG §8C2.5(a) and (b)(5), the culpability score is 6;
- (vii) in accordance with USSG §8C2.6, the minimum multiplier is 1.2 and the maximum multiplier is 2.4; and

- (viii) in accordance with USSG §8C2.7, the minimum fine is \$780,000 and the maximum fine is \$1,560,000.

The government's agreement that the disposition set forth below is appropriate in this case is based, in part, on Defendant's acceptance of responsibility for the offense of conviction in this case.

The government may, at its sole option, be released from its commitments under this Agreement, including, but not limited to, its agreement that Paragraph 5 constitutes the appropriate disposition of this case, if at any time between Defendant's execution of this Agreement and sentencing, Defendant:

- (a) Fails to admit a complete factual basis for the plea;
- (b) Fails to truthfully admit its conduct in the offense of conviction;
- (c) Falsely denies, or frivolously contests, relevant conduct for which Defendant is accountable under USSG §1B1.3;
- (d) Fails to provide truthful information about its financial status;
- (e) Provides false or misleading evidence in any proceeding relating to the criminal conduct charged in this case and any relevant conduct for which Defendant is accountable under USSG §1B1.3;
- (f) Engages in acts which form a basis for finding that Defendant has obstructed or impeded the administration of justice under USSG §3C1.1;
- (g) Intentionally fails to appear in Court or violates any condition of release;
- (h) Commits a crime;
- (i) Transfers any asset protected under any provision of this Agreement; or
- (j) Attempts to withdraw its guilty plea.

5. Agreed Disposition

Pursuant to Fed. R. Crim. P. 11(c)(1)(C), the government and Defendant agree that the following is a reasonable and appropriate disposition of this case:

- (a) a fine in the amount of \$1,000,000;
- (b) a mandatory special assessment in the amount of \$400; and

- (c) restitution, as set forth in the separate civil settlement agreement involving the conduct charged in the Information in this case (attached hereto as Exhibit A).

Defendant agrees that the fine will be paid in accordance with the schedule attached hereto as Exhibit B, and will be secured by the Letter of Credit referenced in the civil settlement agreement (Exhibit A).

6. Payment of Mandatory Special Assessment

Defendant agrees to pay the mandatory special assessment to the Clerk of the Court on or before the date of sentencing.

7. Waiver of Right to Appeal and to Bring Other Challenge

- (a) Defendant has conferred with its attorney and understands that it has the right to challenge its conviction in the United States Court of Appeals for the First Circuit ("direct appeal"). Defendant also understands that it may, in some circumstances, be able to challenge its conviction in a future (collateral) proceeding, such as pursuant to a motion under 28 U.S.C. §2255, 28 U.S.C. §2241 or 18 U.S.C. §3582(e). Defendant waives any right it has to challenge its conviction on direct appeal or in any future proceeding.
- (b) Defendant has conferred with its attorney and understands that defendants ordinarily have a right to challenge in a direct appeal their sentences (including any orders relating to supervised release, fines, forfeiture, and restitution) and may sometimes challenge their sentences (including any orders relating to supervised release, fines, forfeiture, and restitution) in future (collateral) proceedings such as pursuant to 28 U.S.C. §2255, 28 U.S.C. §2241 or 18 U.S.C. §3582. The rights that are ordinarily available to a defendant are limited when a defendant enters into a Rule 11(c)(1)(C) agreement. In this case, Defendant waives any rights Defendant may have to challenge the agreed-upon sentence (including any agreement relating to supervised release, fines, forfeiture, and restitution) on direct appeal and in a future (collateral) proceeding such as pursuant to 28 U.S.C. §2255 and 28 U.S.C. §2241. Furthermore, Defendant waives any right Defendant may have under 18 U.S.C. §3582 to ask the Court to modify the sentence, even if the Sentencing Guidelines are later amended in a way that appears favorable to Defendant. Defendant also agrees not to challenge the sentence in an appeal or collateral proceeding even if the Court rejects one or more positions advocated by any party at sentencing. In sum, Defendant understands and agrees that in entering into this Agreement, the parties intend that Defendant will receive the benefits of the Agreement and that the sentence will be final.

- (c) The government agrees that it will not appeal the imposition by the Court of the sentence agreed to by the parties as set out in Paragraph 5, even if the Court rejects one or more positions advocated by a party at sentencing.
- (d) Notwithstanding the previous subparagraphs, Defendant reserves the right to claim that Defendant's lawyer was ineffective in connection with the negotiation of this plea agreement or the entry of the guilty plea.

8. Probation Department Not Bound By Agreement

The sentencing disposition agreed upon by the parties and their respective calculations under the Sentencing Guidelines are not binding upon the United States Probation Office.

9. Waiver of Presentence Report and Cooperation

If acceptable to the Court, the parties agree to waive the presentence investigation and report pursuant to Rule 32(c)(1) of the Federal Rules of Criminal Procedure, and ask that Defendant be sentenced at the time the guilty plea is entered. If the Court directs the preparation of a presentence investigation report, Defendant agrees to provide all information requested by the U.S. Probation Office concerning its assets and any other matters.

10. Civil and/or Administrative Remedies

By entering into this Agreement, the government does not compromise any civil liability, including but not limited to any tax liability, which Defendant may have incurred or may incur as a result of Defendant's conduct and its plea of guilty to the charges specified in Paragraph 1 of this Agreement. Nor does the government's entry into this Agreement resolve or replace any administrative causes of action or remedies, including suspension and debarment.

11. Withdrawal of Plea by Defendant or Rejection of Plea by Court

Should Defendant move to withdraw its guilty plea at any time, or should the Court reject the parties' agreed-upon disposition of the case or any other aspect of this Agreement, this Agreement shall be null and void at the option of the government. In this event, Defendant agrees to waive any defenses based upon the statute of limitations, the constitutional protection against pre-indictment delay, and Speedy Trial Act with respect to any and all charges that could have been timely brought or pursued as of the date of this Agreement.

12. Breach of Agreement

If the government determines that Defendant has failed to comply with any provision of this Agreement, has engaged in any of the activities set forth in Paragraph 4(a)-(j), has violated any condition of any Court-ordered supervision, or has committed any crime following Defendant's execution of this Agreement, the government may, at its sole option, be released from its

commitments under this Agreement in their entirety by notifying Defendant, through counsel or otherwise, in writing. The government may also pursue all remedies available to it under the law, irrespective of whether it elects to be released from its commitments under this Agreement. Further, the government may pursue any and all charges which otherwise may have been brought against the Defendant and/or have been, or are to be, dismissed pursuant to this Agreement. Defendant recognizes that no such breach by it of an obligation under this Agreement shall give rise to grounds for withdrawal of its guilty plea. Defendant understands that, should it breach any provision of this Agreement, the government will have the right to use against Defendant before any grand jury, at any trial or hearing, or for sentencing purposes, any statements which may be made by or on behalf of Defendant, and any information, materials, documents or objects which may be provided by Defendant to the government subsequent to this Agreement, without any limitation. In this regard, Defendant hereby waives any defense to any charges which Defendant might otherwise have based upon any statute of limitations, the constitutional protection against pre-indictment delay, or the Speedy Trial Act.

13. Who Is Bound By Agreement

This Agreement is limited to the government, as defined in the opening paragraph of this Agreement, and cannot and does not bind any other component of the United States Department of Justice, or any other federal, state or local prosecutive authorities.

14. Complete Agreement

This letter contains the complete agreement between the parties. No promises, representations or agreements have been made other than those set forth in this letter. This Agreement supersedes prior understandings, if any, of the parties, whether written or oral. This Agreement can be modified or supplemented only in a written memorandum signed by the parties or on the record in court.

15. Authorized Representatives of Defendant

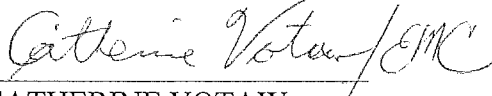
Defendant will acknowledge acceptance of this guilty plea agreement by the signature of its counsel and of an authorized corporate officer. Defendant shall provide to the government for attachment to this plea agreement a notarized resolution by its Board of Directors authorizing the corporation to enter a plea of guilty, and authorizing a corporate officer to execute this agreement.


If this letter accurately reflects the agreement between the government and Defendant, please have Defendant sign the Acknowledgment of Agreement below. Please also sign below as Witness. Return the original of this letter to Assistant U.S. Attorney Eugenia Carris.

Very truly yours,

DENIS McINERNEY  
Chief, Fraud Section

CARMEN M. ORTIZ  
United States Attorney

By:   
\_\_\_\_\_  
CATHERINE VOTAW  
Director, Procurement Fraud  
Fraud Section

By:   
\_\_\_\_\_  
JAMES F. LANG  
Chief, Criminal Division

If this letter accurately reflects the agreement between the government and Defendant, please have Defendant sign the Acknowledgment of Agreement below. Please also sign below as Witness. Return the original of this letter to Assistant U.S. Attorney Eugenia Carris.

Very truly yours,

DENIS McINERNEY  
Chief, Fraud Section

CARMEN M. ORTIZ  
United States Attorney

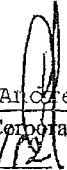
By: Catherine Votaw  
CATHERINE VOTAW  
Director, Procurement Fraud  
Fraud Section

By: \_\_\_\_\_  
JAMES F. LANG  
Chief, Criminal Division

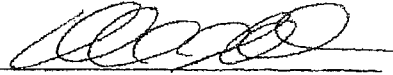
ACKNOWLEDGMENT OF PLEA AGREEMENT

I am a properly authorized representative of Defendant. I have read this letter in its entirety and discussed it with the attorney for Defendant. I hereby acknowledge that it fully sets forth Defendant's agreement with the government as defined in this Agreement. I further state that no additional promises or representations have been made to me by any official of the United States in connection with this matter. I understand the crime to which Defendant has agreed to plead guilty, the maximum penalties for those offenses and Sentencing Guideline penalties potentially applicable to them. I am satisfied with the legal representation provided to Defendant by its attorney. We have had sufficient time to meet and discuss this case. We have discussed the charges against Defendant, possible defenses it might have, the terms of this Plea Agreement and whether Defendant should go to trial. I am entering into this Agreement freely, voluntarily, and knowingly, on behalf of Defendant, because Defendant admits that it is guilty of the offenses to which it is pleading guilty, and this Agreement is in Defendant's best interest.

For: APTx Vehicle Systems Limited  
Defendant

By:   
Butorin Andrey Valentinovich  
Authorized Corporate Representative  
Date: 12/11/12

I certify that Defendant's authorized corporate representatives have read this Agreement, and we have discussed its meaning. I believe that the corporate representatives are duly authorized to execute this Agreement, that they understand the Agreement, and that Defendant is entering into the Agreement freely, voluntarily and knowingly.

  
Daniel Cloherty, Esquire  
Ingrid Martin, Esquire  
Attorney for Defendant

Date: 11/27/2012

# Exhibit A

## SETTLEMENT AGREEMENT

This Settlement Agreement ("Civil Settlement Agreement") is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the Defense Contract Management Agency ("DCMA") (collectively the "United States"); APTx Vehicle Systems Ltd. ("APTx"), Alchemie Grp Ltd. ("Alchemie"); Haslen Back (collectively the "Settling Defendants"); and the estate of Relator, Ian Rycroft ("Relator"), through their authorized representatives. The United States, the Settling Defendants and Relator shall hereafter collectively be referred to as the "Parties."

### RECITALS

As preamble to this Civil Settlement Agreement, the Parties agree to the following:

- A. Alchemie Technology Ltd. is a corporation incorporated in the United Kingdom.
- B. APTx Vehicle Systems Ltd. was sold in November 2005 by Alchemie to ETP Specialist Vehicle Systems Ltd., a company incorporated in Russia.
- C. Haslen Back is a Director and shareholder of Alchemie and a resident of Moscow, Russia.
- D. Relator Ian Rycroft was a resident of the United Kingdom before his death and his interests in this Civil Settlement Agreement and the Civil Action defined in Paragraph E below are now represented by his estate.
- E. WHEREAS on April 23, 2007, Relator filed a qui tam action in the United States District Court for the District of Massachusetts captioned *United States ex rel. Rycroft v. Zeroline Limited, et al.*, Case No. 07 CA 10777 (D. Ma.) ("the Civil

Action”) against Settling Defendants and others pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b), alleging that the defendants named therein all took part in a scheme to present a false bill of lading to JP Morgan in order to redeem certain letters of credit through JP Morgan for the delivery of certain vehicles and water cannons to Baghdad, Iraq, that were never delivered. The matters alleged in the Civil Action shall be referred to hereinafter as the “Covered Conduct.”

- F. WHEREAS Relator claims entitlement under 31 U.S.C. § 3730(d)(2) to a share of the proceeds of this Civil Settlement Agreement and to Relator’s reasonable expenses, attorneys’ fees and costs from Defendants pursuant to 31 U.S.C. § 3730(d)(2).
- G. WHEREAS APTx will plead guilty pursuant to Fed. R. Crim. P. 11(c)(1)(c) to an Information to be filed by the United States in United States v. APTx, Criminal Action No. [to be assigned] (D. Ma.) (“the Criminal Action”) that will allege a violation of Title 18, United States Code, Section 1349, Conspiracy to Commit Wire Fraud, (“Criminal Plea”), and pursuant to which APTx will agree to pay, as a reasonable and appropriate disposition of the criminal case: (a) a fine in the amount of \$1,000,000 (One Million Dollars); (b) a mandatory special assessment in the amount of \$400.00 (Four Hundred Dollars); and (c) restitution.
- H. WHEREAS the Settling Defendants have denied the allegations made by Relator in the Civil Action, except APTx admits to the conduct in its Criminal Plea and accepted by the Court under the terms of the plea agreement.

WHEREFORE, to avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Civil Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. The Settling Defendants agree to pay the United States \$2,000,000.00 (Two Million Dollars) (the "Civil Settlement Amount") in accordance with the terms and conditions set forth in this Civil Settlement Agreement. All payments made by the Settling Defendants and received by the United States pursuant to this Civil Settlement Agreement shall be referred to as the "Civil Settlement Proceeds". Payment of the Civil Settlement Amount shall be made as follows:

a. The Settling Defendants shall make an immediate, initial payment of \$225,000 ("Initial Civil Payment") to the United States by electronic funds transfer pursuant to written instructions to be provided by the United States Department of Justice, Civil Division. The Settling Defendants shall make the Initial Civil Payment no later than 30 (thirty) business days after the Effective Date of this Civil Settlement Agreement.

b. Over a period of three years, the Settling Defendants shall pay in monthly installments the remaining principal balance of the Civil Settlement Amount (\$1,775,000.00), in accordance with the schedule set forth in Attachment 1 to this Civil Settlement Agreement ("Civil Installment Payments"). All Civil Installment Payments shall be due on the first of each month, unless the payment date falls on a Saturday.

Sunday, or Federal Government holiday, in which case the payment will be due on the next business day.

c. The Settling Defendants may prepay the outstanding principal balance of the Civil Settlement Amount or any portion thereof, at any time, without penalty or premium.

2. The United States shall pay 27% of the Initial Civil Payment and each Civil Installment Payment actually received from the Settling Defendants to the estate of Ian Rycroft by electronic funds transfer to his counsel, Grayson Law Center, P.C., pursuant to written instructions provided by Victor A. Kubli.

3. The Settling Defendants agree to pay \$208,000.00 (Two Hundred Eight Thousand Dollars) as full payment of Relator's statutory attorney fees and costs, pursuant to 31 U.S.C. § 3730(d)(2) ("Relator's Attorney Fees and Costs"). Payment of the Relator's Attorney Fees and Costs shall be made as follows:

a. The Settling Defendants shall make an immediate, initial payment of \$25,000.00 ("Initial Relator Payment") to Relator's counsel, Grayson Law Center, P.C., by electronic funds transfer pursuant to written instructions to be provided by Victor A. Kubli. The Settling Defendants shall make the Initial Relator Payment no later than 15 (fifteen) business days after the Effective Date of this Civil Settlement Agreement.

b. Over a period of three years, the Settling Defendants shall pay in monthly installments the remaining principal balance of the Relator's Attorney Fees and Costs (\$183,000.00), in accordance with the schedule set forth in Attachment I to this Civil Settlement Agreement ("Relator Installment Payments"). All Relator Installment

Payments shall be due on the first of each month, unless the payment date falls on a Saturday, Sunday, or Federal Government holiday, in which case the payment will be due on the next business day.

4. The Settling Defendants agree to cause to be issued within six months of the Effective Date of this Civil Settlement Agreement two Letters of Credit. The first Letter of Credit ("LOC A") shall secure payment in full of the Civil Settlement Amount under this Civil Settlement Agreement and payments owed by Defendant APTx to the United States pursuant to the separate Criminal Plea Agreement referenced in Recital paragraph G. The second Letter of Credit ("LOC B") shall secure payment in full of the Relator's Attorney's Fees and Costs.

a. LOC A shall be in the amount of the Civil Settlement Amount outstanding on the date that LOC A is obtained, and sums due to the United States by APTx pursuant to the Criminal Plea Agreement referenced in Recital paragraph G. LOC B shall be in the amount of Relator's Attorney Fees and Costs outstanding on the date that LOC B is obtained. LOC A shall identify the United States as the beneficiary and shall give the United States the unilateral right to draw upon LOC A in the Event of Default in accordance with the terms of the Civil Settlement Agreement or in accordance with the terms of the Criminal Plea Agreement referenced in Recital paragraph G. LOC B shall identify Grayson Law Center, P.C. as the beneficiary and shall give Grayson Law Center, P.C. the unilateral right to draw upon LOC B upon presentation of a certificate stating that it is entitled to draw pursuant to the terms of a Settlement Agreement dated \_\_\_\_\_ by and among the United States Department of Justice on behalf of the Defense Contract

Management Agency; APTx Vehicle Systems Ltd., Alchemie Technology, Ltd., Haslen Back; and the estate of Ian Rycroft.

b. If the Settling Defendants are unable to obtain LOC A within six months, they may submit a request to the Department of Justice for an extension of the deadline. The Department of Justice will have discretion to decide whether such an extension will be granted. If the Settling Defendants are unable to obtain LOC B within six months, they may submit a request to Relator's counsel for an extension of the deadline. Relator's counsel will have discretion to decide whether such an extension will be granted.

c. The Settling Defendants may, with the prior written approval of the United States, cause to be issued a substitute LOC A of like terms and conditions. (The term "LOC A," as used in this Civil Settlement Agreement, refers to an initial LOC A, and any substitute LOC A.) LOC A shall be issued by a bank based in the United States with an AAA or AA rating subject to prior written approval of the United States. If LOC A expires before the entire outstanding balance is paid, Settling Defendants shall cause to be issued a substitute LOC A of like terms and conditions from a U.S. based bank with an AAA or AA rating subject to prior written approval of the United States. Such substitute LOC A shall be provided at least 10 business days before the expiration date of the expiring LOC A. The United States may draw upon LOC A only upon an event described in Paragraph 5(a). The Settling Defendants may, with the prior written approval of Relator's counsel, cause to be issued a substitute LOC B of like terms and conditions. The LOC B shall be issued by a U.S. based bank with an AAA or AA rating subject to prior written approval of Relator's counsel. If LOC B expires before the entire outstanding balance is paid, the

Settling Defendants shall cause to be issued a substitute LOC B of like terms and conditions from a U.S. based bank with an AAA or AA rating subject to prior written approval of Relator's counsel. Such substitute LOC B shall be provided at least 10 business days before the expiration date of the expiring LOC B.

- 5.a. The Settling Defendants are in default of their obligations to the United States under this Civil Settlement Agreement on the date of occurrence of any of the events set forth in (i) thru (iv), below ("Events of Default"):
- (i) The Settling Defendants fail to procure, deliver, or maintain LOC A or substitute LOC A within six months or by any subsequent deadline to which the Department of Justice agrees;
  - (ii) The Settling Defendants fail to pay any amount provided for in this Civil Settlement Agreement within fourteen days (14) of when such payment is due and payable;
  - (iii) If prior to making the full payment of the amount due under this Civil Settlement Agreement, any case, proceeding, or other action is instituted:

- A. under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have any order for relief of debtors, or seeking to adjudicate the Settling Defendants as bankrupt or insolvent; or
- B. under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have any order for relief of debtors, or seeking to adjudicate the Settling Defendants as bankrupt or insolvent; or
- C. seeking appointment of a receiver, trustee, custodian or other similar official for the Settling Defendants or for all or any substantial part of the Settling Defendants.”

(iv) The Settling Defendants fail to provide a substitute LOC A before the current LOC A expires:

b. The Settling Defendants are in default of their obligations under paragraph 3 of the Civil Settlement Agreement and Grayson Law Center, P.C. will be entitled to draw the full amount available for drawing under LOC B and retain all proceeds thereof on the date of occurrence of any of the following events (“Events of Default”):

- (i). Settling Defendants fail to procure, deliver, or maintain the LOC B or substitute LOC B within six months or by any subsequent deadline to which the Relator’s counsel agrees in writing;
- (ii). The Settling Defendants fail to pay any remaining Relator’s Attorneys Fees and Costs provided for in this Civil Settlement Agreement within two days of when such payment is due and payable;
- (iii). If the Settling Defendants fail to maintain LOC B or provide a substitute LOC B at least one month before the current LOC B expires.

c. In the event of default, as defined in paragraph 5.a., the United States may deliver to the Settling Defendants a written notice of default ("Notice of Default"). A Notice of Default pursuant to this Paragraph will be delivered to the Settling Defendants by first-class mail and by e-mail to:

Daniel Cloherty, Esq.  
Ingrid S. Martin, Esq.  
Collora LLP  
600 Atlantic Avenue  
Boston, MA 02210  
dcloherty@collorallp.com

The Settling Defendants will have ten (10) business days after the date of the receipt of a Notice of Default to cure the default.

d. The Settling Defendants shall provide the United States and Relator written notice of an Event of Default within five (5) business days of such event by overnight mail, delivered to the Director, Civil Division, Commercial Litigation Branch, Civil Fraud Section, 601 D Street, N.W., Washington, D.C. 20530 and to Victor A. Kubli, Grayson Law Center, P.C., 13948 Bromfield Road, Germantown, Maryland 20874

e. Upon the occurrence of an Event of Default, without further notice or presentment and demand by the United States:

(i). The portion of the unpaid balance of the Civil Settlement Amount shall become due and payable after 30 days from an Event of Default not cured within 30 days. Any unpaid balance of the Civil Settlement Amount that exists at the time of an Event of Default is referred to as the "Default

- Amount". Interest shall accrue on the Default Amount from the date of the Event of Default at 10 per cent per annum, compounded daily;
- (ii). The United States may draw the full amount available for drawing under LOC A and retain all proceeds thereof, and the default amount shall be reduced by the amount of such draw; Relator's counsel may draw the full amount available for drawing under LOC B and retain all proceeds thereof, and the default amount shall be reduced by the amount of such draw;
  - (iii). If the Settling Defendants fail to procure LOC A as defined in paragraph 4 of this Civil Settlement Agreement, the default amount shall be the outstanding Civil Settlement Amount and the Initial Civil Payment; the default amount shall not be reduced by any previously paid Initial Civil Payment;
  - (iv). The United States retains any and all other rights and remedies it has or may have under law and equity, and may exercise those rights or remedies;
  - (v). Without prejudice to Relator's rights under the Civil Action and this Civil Settlement Agreement, the United States has the right to reinstitute the Civil Action against the Settling Defendants and the Settling Defendants agree that such action is not barred for any reason, including, but not limited to, being time barred, collateral estoppel, issue preclusion, or res judicata;

- (vi). No failure or delay on the part of the United States to exercise any right or remedy shall operate as a waiver of the United States' rights. No partial or single exercise by the United States of any right or remedy shall operate as a waiver of the United States' rights;
- (vii). The Settling Defendants will pay the United States and Relator all reasonable costs of collection, including reasonable attorneys' fees and expenses;
- (viii). Waiver by the United States of any default by the Settling Defendants, their successors, or assigns will not constitute a waiver of a subsequent default. Failure by the United States to exercise any right, power, or privilege which it may have by reason of default will not preclude the exercise of such right, power, or privilege so long as such default remains uncured or if a subsequent default occurs.
- (ix). The Settling Defendants agree that the law firm of Collora LLP in Boston Massachusetts will accept service on behalf of Settling Defendants of any pleading or demand by the United States or Relator to enforce of the terms of this Civil Settlement Agreement.

6. If, after the Effective Date of this Civil Settlement Agreement and before the Settling Defendants have made all payments required pursuant to Paragraph 1 of this Civil Settlement Agreement, the Settling Defendants, on a consolidated basis, achieve either annual revenues or additional cumulative capital of more than \$20 million U.S.D., the Settling Defendants shall notify the United States and apply twenty percent (20%) of the excess over \$20

million ("Excess Cash Amount") to make advance payments against the Civil Settlement Amount. The Settling Defendants shall make the advance payment(s) first, by applying any "Excess Cash Amount" to the outstanding principal owed on the last monthly payment shown on Attachment 1, and shall continue to apply any further "Excess Cash Amount" to make such advance payments in reverse chronological order until the Excess Cash Amount is reduced to zero. The payment schedule referenced in Attachment 1 shall remain in effect until the balance of the Settlement Amount is paid off. In addition to notifying the United States when it has obtained more than \$20 million in annual revenues or in additional cumulative capital, the Settling Defendants shall provide the United States with notice within 10 (ten) days of each financing arrangement or agreement it obtains after the Effective Date of the settlement, along with a copy of each such financing arrangement or agreement. The Settling Defendants further agree that they shall pay the United States all amounts required under this provision within 90 days following the end of the fiscal year in which annual revenues exceeded \$20 million, or within ten days after the closing of the additional capital financing agreement which would cause the company's additional cumulative capital to exceed \$20 million, and if subsequent capital is obtained thereafter (after the \$20 million threshold has already been reached), within ten days after closing of each subsequent capital financing agreement. Amounts that are due under this paragraph and not paid when due will be considered amounts in Default. Default amounts are subject to the Default provisions contained in Paragraph 5 including the Default rate of interest beginning as of the date of Default until payment of the Settlement Amount is made in full.

7. Subject to the exceptions in Paragraph 9 (concerning excluded claims) below, and conditioned upon the Settling Defendants' full payment of the Civil Settlement Amount, the

United States releases and discharges the Settling Defendants and their predecessors, successors, assigns, businesses, affiliates, subsidiaries, divisions, current and former parent or sister companies, and their respective conservators, agents, representatives, employees, officers, directors, and shareholders from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Procurement Integrity Act, 41 U.S.C. § 423, or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

8. Subject to the exceptions in Paragraph 9 below, and conditioned upon full payment by the Settling Defendants of the Civil Settlement Amount as defined in paragraph 3, Relator's estate, for itself and for its heirs, successors, attorneys, agents, and assigns, agrees to waive, release and forever discharge the Settling Defendants and their predecessors, successors, assigns, businesses, affiliates, subsidiaries, divisions, current and former parent or sister companies, and their respective conservators, employees, agents, representatives, officers, directors and shareholders from any liability to the Relator arising from or related to any and all transactions or occurrences that were the subject of the Civil Action, including but not limited to statutory attorney fees and costs, pursuant to 31 U.S.C. § 3730(d)(2).

9. Notwithstanding the releases given in paragraph 7 of this Civil Settlement Agreement, or any other term of this Civil Settlement Agreement, the following claims of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;

- c. Any administrative liability, including the suspension and debarment rights of any federal agency;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Civil Settlement Agreement;
- f. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;
- g. Any liability for failure to deliver goods or services due for any conduct other than the Covered Conduct;
- h. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct; and
- i. Any liability of Benjamin Kafka, Peter Tarrant, and Zeroline Ltd.

10. Relator and his estate, heirs, successors, attorneys, agents, and assigns shall not object to this Civil Settlement Agreement but agree and confirm that this Civil Settlement Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B). Conditioned upon Relator's receipt of the payment described in Paragraph 2, Relator and his heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, its officers, agents, and employees, from any claims relating to the Settling Defendants relating to the Criminal Action or Civil Action or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Civil Settlement Agreement and/or the Civil Action and/or the Criminal Action.

11. The Settling Defendants hereby waive and shall not assert any defenses they may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Civil Settlement Agreement bars a remedy sought in such criminal prosecution or administrative action. Nothing in this paragraph or any other provision of this Civil Settlement Agreement constitutes an agreement by the United States concerning the characterization of the Settlement Amount for purposes of the Internal Revenue laws, Title 26 of the United States Code.

12. The Settling Defendants fully and finally release the United States and the Relator, and their respective agencies, employees, servants, and agents from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that the Settling Defendants asserted, could have asserted, or may assert in the future against the United States or the Relator, and their respective agencies, employees, servants, and agents, related to the Covered Conduct and the United States' investigation and prosecution thereof.

13. a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47) incurred by or on behalf of the Settling Defendants or any of their affiliates and their respective present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Civil Settlement Agreement or the Criminal Plea Agreement;

- (2) the United States' audit(s) and civil investigation(s) of the matters covered by this Civil Settlement Agreement or the Criminal Plea Agreement;
- (3) the Settling Defendants' investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Civil Settlement Agreement or Criminal Plea Agreement (including attorney's fees);
- (4) the negotiation and performance of this Civil Settlement Agreement or the Criminal Plea Agreement;
- (5) the payment the Settling Defendants make to the United States pursuant to this Civil Settlement Agreement or the Criminal Plea Agreement and any payments that the Settling Defendants may make to Relator, including costs and attorneys fees, are unallowable costs for government contracting purposes (hereinafter referred to as "Unallowable Costs").

b. Future Treatment of Unallowable Costs: Unallowable Costs will be separately determined and accounted for by the Settling Defendants shall not charge such Unallowable Costs directly or indirectly to any contract with the United States.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Civil Settlement Agreement, the Settling Defendants shall identify and repay by adjustment to future claims for payment or otherwise any

Unallowable Costs included in payments previously sought by APTx Defendants from the United States. The Settling Defendants that the United States, at a minimum, shall be entitled to recoup from the Settling Defendants any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted requests for payment. The United States, including the Department of Justice and/or the affected agencies, reserves its rights to audit, examine, or re-examine the books and records of the Settling Defendants and to disagree with any calculations submitted by the Settling Defendants regarding any Unallowable Costs included in payments previously sought by the Settling Defendants or the effect of any such Unallowable Costs on the amount of such payments.

14. This Civil Settlement Agreement is intended to be for the benefit of the Parties only.

15. Upon receipt of the payments described in Paragraphs 1.a and 3.a, above, the Settling Defendants, the United States, and Relator shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal with prejudice of the Civil Action of the Settling Defendants pursuant to Federal Rule of Civil Procedure 41(a)(1), subject to the terms and conditions of this Civil Settlement Agreement.

16. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Civil Settlement Agreement.

17. Each Party and signatory to this Civil Settlement Agreement represents that it freely and voluntarily enters in to this Civil Settlement Agreement without any degree of duress or compulsion.

18. This Civil Settlement Agreement is governed by the laws of the United States.

The exclusive jurisdiction and venue for any dispute relating to this Civil Settlement Agreement is the United States District Court for the District of Massachusetts. For purposes of construing this Civil Settlement Agreement, this Civil Settlement Agreement shall be deemed to have been drafted by all Parties to this Civil Settlement Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

19. This Civil Settlement Agreement constitutes the complete agreement between the Parties. This Civil Settlement Agreement may not be amended except by written consent of the Parties.

20. The undersigned counsel represent and warrant that they are fully authorized to execute this Civil Settlement Agreement on behalf of the persons and entities indicated below.

21. This Civil Settlement Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Civil Settlement Agreement.

22. This Civil Settlement Agreement is binding on the Settling Defendants and their successors, transferees, heirs, and assigns.

23. This Civil Settlement Agreement is binding on Relator's successors, transferees, heirs, and assigns.

24. All parties consent to the United States' disclosure of this Civil Settlement Agreement, and information about this Civil Settlement Agreement, to the public.

25. This Civil Settlement Agreement is effective on the date of signature of the last signatory to the Civil Settlement Agreement (Effective Date of this Civil Settlement Agreement). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Civil Settlement Agreement.

THE UNITED STATES OF AMERICA

DATED: 12/8/12

BY: Dan F. Yost  
Trial Attorney  
Commercial Litigation Branch  
Civil Division  
United States Department of Justice

DEFENDANTS APTx VEHICLE SYSTEMS LTD.,  
ALCHEMIE GRP LTD. AND HASLEN BACK

DATED: ~~13-11-2012~~ BY: [Signature]  
21 November 2012 Haslen Back for himself and for Alchemie Grp Limited.

DATED: ~~13/11/2012~~ BY: Andrey Valentinovich Butorin  
21 November 2012 Andrey Valentinovich Butorin for APTx Vehicle Systems Limited

DATED: BY: \_\_\_\_\_  
Counsel for APTx Vehicle Systems, Ltd, Alchemie Grp Ltd, and Haslen Back

RELATOR – ESTATE OF IAN RYCROFT

DATED: BY: \_\_\_\_\_

DATED: \_\_\_\_\_  
BY: GRAYSON LAW CENTER, P.C.  
Victor A. Kubli  
Counsel for Relator

THE UNITED STATES OF AMERICA

DATED: 12/5/12

BY: Diana F. Yount  
Trial Attorney  
Commercial Litigation Branch  
Civil Division  
United States Department of Justice

DEFENDANTS APTx VEHICLE SYSTEMS LTD.,  
ALCHEMIE GRP LTD. AND HASLEN BACK

DATED: ~~11/11/2012~~ BY: ~~Haslen Back~~  
21 November 2012 Haslen Back for himself and for Alchemie Grp Limited.

DATED: ~~11/11/2012~~ BY: Butorin Andrey Valentindovich  
21 November 2012 Andrey Valentinovich Butorin for APTx Vehicle Systems Limited

DATED: 12/7/12 BY: Byrd & Math  
Counsel for APTx Vehicle Systems, Ltd, Alchemie Grp Ltd, and Haslen  
Back

RELATOR - ESTATE OF IAN RYCROFT

DATED: BY: \_\_\_\_\_

DATED: \_\_\_\_\_  
BY: GRAYSON LAW CENTER, P.C.  
Victor A. Kubli  
Counsel for Relator

THE UNITED STATES OF AMERICA

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

WITNESSE MY HAND AND SEAL OF OFFICE this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Notary Public in and for the State of \_\_\_\_\_

My commission expires on \_\_\_\_\_, 20\_\_\_\_.

Notary Public in and for the State of \_\_\_\_\_

FILED IN \_\_\_\_\_

DATE: \_\_\_\_\_

WITNESSE MY HAND AND SEAL OF OFFICE this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

ALCHEMIE PAYMENT SCHEDULE

Date	Civil	Relator Attorney
12/13/2012	225,000.00	25,000.00
2/1/2013	\$35,069.43	5,083.37
3/1/2013	\$35,069.43	5,083.37
4/1/2013	\$35,069.43	5,083.37
5/1/2013	\$35,069.43	5,083.37
6/3/2013	\$35,069.43	5,083.37
7/1/2013	\$35,069.43	5,083.37
8/1/2013	\$35,069.43	5,083.37
9/2/2013	\$35,069.43	5,083.37
10/1/2013	\$35,069.43	5,083.37
11/1/2013	\$35,069.43	5,083.37
12/2/2013	\$35,069.43	5,083.37
1/2/2014	\$35,069.43	5,083.37
2/2/2014	\$35,069.43	5,083.37
3/3/2014	\$35,069.43	5,083.37
4/1/2014	\$35,069.43	5,083.37
5/1/2014	\$35,069.43	5,083.37
6/2/2014	\$35,069.43	5,083.37
7/1/2014	\$35,069.43	5,083.37
8/1/2014	\$35,069.43	5,083.37
9/1/2014	\$35,069.43	5,083.37
10/1/2014	\$35,069.43	5,083.37
11/3/2014	\$56,596.80	5,083.37
12/1/2014	\$70,138.85	5,083.37
1/2/2015	\$70,138.85	5,083.37
2/2/2015	\$70,138.85	5,083.37
3/2/2015	\$70,138.85	5,083.37
4/1/2015	\$70,138.85	5,083.37
5/1/2015	\$70,138.85	5,083.37
6/1/2015	\$70,138.85	5,083.37
7/1/2015	\$70,138.85	5,083.37
8/3/2015	\$70,138.85	5,083.37
9/1/2015	\$70,138.85	5,083.37
10/1/2015	\$70,138.85	5,083.37
11/2/2015	\$70,138.85	5,083.37
12/1/2015	\$70,138.85	5,083.37
1/4/2016	\$70,140.12	5,082.05
Total	2,000,000.00	208,000.00

# Exhibit B

Fine Payment Schedule  
PLEA AGREEMENT EXHIBIT B

<b>Date</b>	<b>Criminal</b>
On or before sentencing date	250,000.00
2/1/2013	35,069.43
3/1/2013	35,069.43
4/1/2013	35,069.43
5/1/2013	35,069.43
6/3/2013	35,069.43
7/1/2013	35,069.43
8/1/2013	35,069.43
9/2/2013	35,069.43
10/1/2013	35,069.43
11/1/2013	35,069.43
12/2/2013	35,069.43
1/2/2014	35,069.43
2/2/2014	35,069.43
3/3/2014	35,069.43
4/1/2014	35,069.43
5/1/2014	35,069.43
6/2/2014	35,069.43
7/1/2014	35,069.43
8/1/2014	35,069.43
9/1/2014	35,069.43
10/1/2014	35,069.43
11/3/2014	13,542.05
<b>Total</b>	<b>1,000,000.08</b>