

CLERK, U.S. DISTRICT COURT
1/8/2019
CENTRAL DISTRICT OF CALIFORNIA
BY: _____ DEPUTY

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 10 UNITED STATES OF AMERICA

11 UNITED STATES DISTRICT COURT

12 FOR THE CENTRAL DISTRICT OF CALIFORNIA

13 UNITED STATES OF AMERICA,
 Plaintiff,
 v.
 16 CAROL ANN PEDERSEN,
 17 Defendant.

No. CR 19-00013-DMG
PLEA AGREEMENT FOR DEFENDANT
CAROL ANN PEDERSEN

LOGGED

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 CLERK U.S. DISTRICT COURT
 CENTRAL DIST. OF CALIF.
 LOS ANGELES

19 1. This constitutes the plea agreement between defendant CAROL
 20 ANN PEDERSEN ("defendant") and the United States Attorney's Office
 21 for the Central District of California (the "USAO") in the
 22 investigation of an investment fraud "Ponzi" scheme involving the
 23 embezzlements of money belonging to defendant's clients between
 24 approximately 1996 and 2017. This agreement is limited to the USAO
 25 and cannot bind any other federal, state, local, or foreign
 26 prosecuting, enforcement, administrative, or regulatory authorities.

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DEFENDANT'S OBLIGATIONS

2. Defendant agrees to:

a. Give up the right to indictment by a grand jury and, at the earliest opportunity requested by the USAO and provided by the Court, appear and plead guilty to a single-count information in the form attached to this agreement as Exhibit A or a substantially similar form, which charges defendant with wire fraud, in violation of 18 U.S.C. § 1343.

b. Not contest facts agreed to in this agreement.

c. Abide by all agreements regarding sentencing contained in this agreement.

d. Appear for all court appearances, surrender as ordered for service of sentence, obey all conditions of any bond, and obey any other ongoing court order in this matter.

e. Not commit any crime; however, offenses that would be excluded for sentencing purposes under United States Sentencing Guidelines ("U.S.S.G." or "Sentencing Guidelines") § 4A1.2(c) are not within the scope of this agreement.

f. Be truthful at all times with Pretrial Services, the United States Probation Office, and the Court.

g. Pay the applicable special assessment at or before the time of sentencing unless defendant lacks the ability to pay and prior to sentencing submits a completed financial statement on a form to be provided by the USAO.

h. Agree to and not oppose the imposition of the following condition of probation or supervised release:

Defendant shall not engage, as whole or partial owner, employee, or otherwise, in any business involving

1 investment services, investment advice, and/or the
2 management of the money and/or assets of any other person,
3 business, or entity, without the express approval of the
4 Probation Officer prior to the engagement in such
5 ownership, employment, or other involvement in such
6 business. Further, defendant shall provide the Probation
7 Officer with access to any and all business records, client
8 lists, and other records pertaining to the operation of any
9 business owned, in whole or in part, by defendant, as
10 directed by the Probation Officer.

11 i. Not seek the discharge of any restitution obligation,
12 in whole or in part, in any present or future bankruptcy proceeding.

13 3. Defendant further agrees:

14 a. Truthfully to disclose to law enforcement officials,
15 at a date and time to be set by the USAO, the location of,
16 defendant's ownership interest in, and all other information known to
17 defendant about, all monies, properties, and/or assets of any kind,
18 derived from or acquired as a result of defendant's illegal
19 activities, and to forfeit all right, title, and interest in and to
20 such items.

21 b. To the Court's entry of an order of forfeiture at or
22 before sentencing with respect to these assets and to the forfeiture
23 of the assets.

24 c. To take whatever steps are necessary to pass to the
25 United States clear title to the assets described above, including,
26 without limitation, the execution of a consent decree of forfeiture
27 and the completing of any other legal documents required for the
28 transfer of title to the United States.

1 d. Not to contest any administrative forfeiture
2 proceedings or civil judicial proceedings commenced against these
3 properties pursuant to 18 U.S.C. § 981. With respect to any criminal
4 forfeiture ordered as a result of this plea agreement, defendant
5 waives the requirements of Federal Rules of Criminal Procedure 32.2
6 and 43(a) regarding notice of the forfeiture in the charging
7 instrument, announcements of the forfeiture sentencing, and
8 incorporation of the forfeiture in the judgment. Defendant
9 acknowledges that forfeiture of the assets is part of the sentence
10 that may be imposed in this case and waives any failure by the Court
11 to advise defendant of this, pursuant to Federal Rule of Criminal
12 Procedure 11(b)(1)(J), at the time the Court accepts defendant's
13 guilty plea.

14 e. Not to assist any other individual in any effort
15 falsely to contest the forfeiture of the assets described above.

16 f. Not to claim that reasonable cause to seize the assets
17 was lacking.

18 g. To prevent the transfer, sale, destruction, or loss of
19 any and all assets described above to the extent defendant has the
20 ability to do so.

21 h. To fill out and deliver to the USAO a completed
22 financial statement listing defendant's assets on a form provided by
23 the USAO, namely, the form attached hereto as Exhibit B.

24 i. That forfeiture of assets described above shall not be
25 counted toward satisfaction of any special assessment, fine,
26 restitution, costs, or other penalty the Court may impose.

27 4. Defendant further agrees:
28

1 a. To stipulate to the revocation of defendant's
2 Certified Public Accountant ("CPA") license and that defendant shall
3 lose all rights and privileges as a licensed CPA in California.

4 b. Not to apply for licensure or petition for
5 reinstatement of defendant's revoked CPA license for at least five
6 years from the effective date of the revocation.

7 c. That upon the effective date of the license
8 revocation, defendant shall be prohibited from engaging, either
9 directly or indirectly, in any activity for which a CPA license is
10 required.

11 THE USAO'S OBLIGATIONS

12 5. The USAO agrees to:

13 a. Not contest facts agreed to in this agreement.

14 b. Abide by all agreements regarding sentencing contained
15 in this agreement.

16 c. At the time of sentencing, provided that defendant
17 demonstrates an acceptance of responsibility for the offense up to
18 and including the time of sentencing, recommend a two-level reduction
19 in the applicable Sentencing Guidelines offense level, pursuant to
20 U.S.S.G. § 3E1.1, and recommend and, if necessary, move for an
21 additional one-level reduction if available under that section.

22 d. Except for criminal tax violations (including
23 conspiracy to commit such violations chargeable under 18 U.S.C.
24 § 371), not further criminally prosecute defendant for violations of
25 Title 18, United States Code, Sections 1341, 1343, 1956, and 1957
26 arising out of defendant's conduct described in the agreed-to factual
27 basis set forth in paragraph 12 below. Defendant understands that
28 the USAO is free to criminally prosecute defendant for any other

1 unlawful past conduct or any unlawful conduct that occurs after the
2 date of this agreement. Defendant agrees that at the time of
3 sentencing the Court may consider the uncharged conduct in
4 determining the applicable Sentencing Guidelines range, the propriety
5 and extent of any departure from that range, and the sentence to be
6 imposed after consideration of the Sentencing Guidelines and all
7 other relevant factors under 18 U.S.C. § 3553(a).

8 NATURE OF THE OFFENSE

9 6. Defendant understands that for defendant to be guilty of
10 the crime charged in the single-count information, that is, wire
11 fraud, in violation of Title 18, United States Code, Section 1343,
12 the following must be true: (1) defendant knowingly participated in a
13 scheme or plan to defraud, or a scheme or plan for obtaining money or
14 property by means of false or fraudulent pretenses, representations,
15 promises, or omitted facts; (2) the statements made or facts omitted
16 as part of the scheme were material, that is, they had a natural
17 tendency to influence, or were capable of influencing, a person to
18 part with money or property; (3) defendant acted with the intent to
19 defraud, that is, the intent to deceive or cheat; and (4) defendant
20 used, or caused to be used, an interstate or foreign wire
21 communication to carry out or attempt to carry out an essential part
22 of the scheme.

23 PENALTIES AND RESTITUTION

24 7. Defendant understands that the statutory maximum sentence
25 that the Court can impose for a violation of Title 18, United States
26 Code, Section 1343, is: 20 years' imprisonment; a three-year period
27 of supervised release; a fine of \$250,000 or twice the gross gain or
28

1 gross loss resulting from the offense, whichever is greatest; and a
2 mandatory special assessment of \$100.

3 8. Defendant understands that defendant will be required to
4 pay full restitution to the victims of the offense to which defendant
5 is pleading guilty. Defendant agrees that, in return for the USAO's
6 compliance with its obligations under this agreement, the Court may
7 order restitution to persons other than the victims of the offense to
8 which defendant is pleading guilty and in amounts greater than those
9 alleged in the count to which defendant is pleading guilty. In
10 particular, defendant agrees that the Court may order restitution to
11 any victim of any of the following for any losses suffered by that
12 victim as a result: (a) any relevant conduct, as defined in U.S.S.G.
13 § 1B1.3, in connection with the offense to which defendant is
14 pleading guilty; and (b) any charges not prosecuted pursuant to this
15 agreement as well as all relevant conduct, as defined in U.S.S.G.
16 § 1B1.3, in connection with those charges. The parties currently
17 believe that the applicable amount of restitution is approximately
18 \$27,550,720.40, but recognize and agree that this amount could change
19 based on facts that come to the attention of the parties prior to
20 sentencing.

21 9. Defendant understands that supervised release is a period
22 of time following imprisonment during which defendant will be subject
23 to various restrictions and requirements. Defendant understands that
24 if defendant violates one or more of the conditions of any supervised
25 release imposed, defendant may be returned to prison for all or part
26 of the term of supervised release authorized by statute for the
27 offense that resulted in the term of supervised release, which could
28

1 result in defendant serving a total term of imprisonment greater than
2 the statutory maximum stated above.

3 10. Defendant understands that, by pleading guilty, defendant
4 may be giving up valuable government benefits and valuable civic
5 rights, such as the right to vote, the right to possess a firearm,
6 the right to hold office, and the right to serve on a jury.

7 Defendant understands that once the Court accepts defendant's guilty
8 plea, it will be a federal felony for defendant to possess a firearm
9 or ammunition. Defendant understands that the conviction in this
10 case may also subject defendant to various other collateral
11 consequences, including but not limited to revocation of probation,
12 parole, or supervised release in another case and suspension or
13 revocation of a professional license. Defendant understands that
14 unanticipated collateral consequences will not serve as grounds to
15 withdraw defendant's guilty plea.

16 11. Defendant understands that, if defendant is not a United
17 States citizen, the felony conviction in this case may subject
18 defendant to: removal, also known as deportation, which may, under
19 some circumstances, be mandatory; denial of citizenship; and denial
20 of admission to the United States in the future. The Court cannot,
21 and defendant's attorney also may not be able to, advise defendant
22 fully regarding the immigration consequences of the felony conviction
23 in this case. Defendant understands that unexpected immigration
24 consequences will not serve as grounds to withdraw defendant's guilty
25 plea.

26 FACTUAL BASIS

27 12. Defendant admits that defendant is, in fact, guilty of the
28 offense to which defendant is agreeing to plead guilty. Defendant

1 and the USAO agree to the statement of facts provided below and agree
2 that this statement of facts is sufficient to support a plea of
3 guilty to the charge described in this agreement and to establish the
4 Sentencing Guidelines factors set forth in paragraph 14 below but is
5 not meant to be a complete recitation of all facts relevant to the
6 underlying criminal conduct or all facts known to either party that
7 relate to that conduct.

8 Between approximately 1996 and September 1, 2017, in Los Angeles
9 County, within the Central District of California, defendant,
10 knowingly and with the intent to defraud, executed a scheme to
11 defraud clients for whom she served as an investment advisor (the
12 "victims"). During this time period, defendant was not licensed as a
13 broker or an investment advisor in any capacity, but was licensed as
14 a Certified Public Accountant ("CPA"). Many of defendant's victims
15 were initially clients of defendant's accounting firm, and defendant
16 used this special skill and her position as the victims' CPA to
17 facilitate her fraud. Defendant carried out her scheme in the
18 following manner.

19 Through oral statements and written correspondence, including e-
20 mail correspondence, defendant would solicit victims to entrust their
21 funds to her to invest as a financial advisor. Defendant would
22 solicit their investments in two types of investment opportunities
23 that she offered, which she called (1) the "Time Deposit" investment
24 and (2) the "Client Pool" investment. Under the Time Deposit
25 investment option, defendant told the victims that she would invest
26 their funds in low-risk securities that would provide the victims
27 with a fixed return after a specified period of time. Under the
28 Client Pool investment option, defendant told the victims that she

1 would invest their funds in the stock market through an investment
2 pool she had established with different investors' funds.
3 Specifically, defendant represented to the victims that any funds
4 they invested in the Client Pool would be invested in various
5 securities with specified maturity dates. Once the investments
6 reached these maturity dates, defendant promised the victims that
7 their funds would, at their choice, be either reinvested in other
8 securities or deposited into a money market account, in which case
9 the victims could access the funds by submitting a distribution
10 request to defendant. During the course of her scheme, defendant's
11 victims invested over \$40 million with defendant for the Time Deposit
12 and Client Pool investments.

13 After taking the victims' funds, however, defendant would not
14 invest the funds as promised, but would instead deposit the victims'
15 funds into accounts that she controlled and had established with
16 FirstBank Holding Co. ("FirstBank") and E-Trade Financial Corporation
17 ("E-Trade"). Defendant would then withdraw money from these accounts
18 and spend it on personal expenditures, such as paying her credit card
19 bills, establishing trust accounts for her family, and purchasing
20 real estate. In an effort to avoid detection of her scheme,
21 defendant would also use some of the victims' funds from these
22 accounts to make distribution payments to other victims, which
23 defendant falsely represented to victims were returns on the
24 investments she had made for them. When defendant needed additional
25 funds to honor the distribution requests made by victims, defendant
26 would falsely market new investment opportunities to the victims in
27 an attempt to solicit additional funds.

28

1 In order to lull the victims into believing that their funds had
2 been invested as promised, and to give her investment business an
3 aura of legitimacy, defendant created false and fraudulent documents,
4 including purported account statements and other records, to provide
5 to the victims. For example, defendant created a "Limited
6 Partnership Agreement" that she would enter into with the victims who
7 invested in the Client Pool, which dictated, among other things, that
8 defendant would "invest the assets of the partnership in securities
9 and other financial instruments," and that defendant would be
10 compensated for her investment services "by a one half percent (.5%)
11 fee on the average invested balance in the partnership computed on an
12 annual basis." In addition, defendant created and maintained an
13 online "virtual portfolio" for the victims that she falsely
14 represented enabled the victims to track the progress of their
15 investments. Defendant also periodically sent the victims false
16 earnings statements that she had generated using false information
17 about the purported investments that she told the victims she had
18 made with their funds.

19 Defendant made a number of material false statements in
20 furtherance of her fraudulent scheme, including that the victims'
21 funds would be and had been invested, that the distribution payments
22 the victims were receiving were returns on investments defendant had
23 made, and that the victims could access the funds that they had
24 invested with defendant at any time after the maturity dates of the
25 securities in which they had invested. Defendant also made material
26 omissions of fact in furtherance of the scheme. For example,
27 defendant concealed the fact that she was spending the victims' funds
28 to pay her personal expenses and to purchase real estate for herself

1 and her family. Defendant also concealed the fact that she was using
2 victims' funds to pay off other victims in order to maintain her
3 "Ponzi" scheme and the pretense that the funds were being invested
4 profitably as promised.

5 In furtherance of her scheme to defraud, and for the purpose of
6 executing her scheme, on or about July 30, 2015, in Los Angeles
7 County, within the Central District of California, defendant
8 transmitted, by means of interstate wires, a transfer of
9 approximately \$3,000,000 from an E-Trade account ending in x2040 in
10 the name "C A PEDERSEN CLIENT INVESTMENT POOL," to a FirstBank
11 account ending in x9230 also in the name "C A PEDERSEN CLIENT
12 INVESTMENT POOL," in Long Beach, California, via a server located
13 outside of California.

14 Through her fraudulent scheme, defendant defrauded at least the
15 following victims: S.A., P.A., C.B., M.C., J.C., D.C., M.J.C., M.C.,
16 J.D., J.D., J.F., M.F., M.C.F., M.D.C., M.C.B., B.F., K.F., D.F.,
17 R.F., H.G., R.G., V.H., M.G., P.H., C.I., C.J., M.J., T.J., C.K.,
18 H.K., E.L., M.L., H.M., A.M., E.M., K.M., J.M., L.M., L.B.M., A.N.,
19 R.P., N.P., M.R., E.R., S.R., L.R., C.R., B.S., L.V., N.V., J.V.,
20 C.W., L.W., K.W., A.Z., K.Z., and D.Z. One of the victims of
21 defendant's fraud, K.W., suffered losses of at least \$12,826,260.40.

22 SENTENCING FACTORS

23 13. Defendant understands that in determining defendant's
24 sentence the Court is required to calculate the applicable Sentencing
25 Guidelines range and to consider that range, possible departures
26 under the Sentencing Guidelines, and the other sentencing factors set
27 forth in 18 U.S.C. § 3553(a). Defendant understands that the
28 Sentencing Guidelines are advisory only, that defendant cannot have

1 any expectation of receiving a sentence within the calculated
 2 Sentencing Guidelines range, and that after considering the
 3 Sentencing Guidelines and the other § 3553(a) factors, the Court will
 4 be free to exercise its discretion to impose any sentence it finds
 5 appropriate up to the maximum set by statute for the crime of
 6 conviction.

7 14. Defendant and the USAO agree to the following applicable
 8 Sentencing Guidelines factors:

9 Base Offense Level: 7 U.S.S.G. § 2B1.1(a)

10 Specific Offense
 11 Characteristics

12 Loss Greater than \$25 Million +22 U.S.S.G. § 2B1.1(b)(1)(L)

13 10 or More Victims +2 U.S.S.G. § 2B1.1(b)(2)(A)

14 Sophisticated Means +2 U.S.S.G. § 2B1.1(b)(10)(C)

15 Adjustments

16 Abuse of Trust +2 U.S.S.G. § 3B1.3

17 Defendant and the USAO reserve the right to argue that additional
 18 specific offense characteristics, adjustments, and departures under
 19 the Sentencing Guidelines are appropriate, including that a larger
 20 adjustment applies under U.S.S.G. § 2B1.1(b)(2)(B) because the
 21 offense resulted in substantial financial hardship to five or more
 22 victims.

23 15. Defendant and the USAO agree that the Court should vary
 24 downward in offense level by four levels based on: (1) defendant's
 25 extraordinary efforts to accept responsibility for her criminal
 26 conduct on her own initiative at the outset of government's
 27 investigation in September 2017 by (a) independently contacting the
 28 USAO to arrange a meeting to discuss her conduct described in this

1 agreement, (b) meeting with an Assistant United States Attorney and a
2 special agent with the Federal Bureau of Investigation, and
3 (c) providing a truthful account of her conduct under investigation;
4 and (2) the unique circumstances of this case, wherein a loss of over
5 \$25 million overstates the conduct as to defendant, who only
6 personally received approximately \$3 to \$5 million of the proceeds of
7 her scheme. Defendant is not precluded from arguing that the Court
8 should vary downward further in offense level based on the factors
9 set forth in 18 U.S.C. § 3553(a)(1), (a)(2), (a)(3), (a)(6), and
10 (a)(7); the government reserves the right to object to any additional
11 variances.

12 16. Defendant understands that there is no agreement as to
13 defendant's criminal history or criminal history category.

14 WAIVER OF CONSTITUTIONAL RIGHTS

15 17. Defendant understands that by pleading guilty, defendant
16 gives up the following rights:

- 17 a. The right to persist in a plea of not guilty.
18 b. The right to a speedy and public trial by jury.
19 c. The right to be represented by counsel -- and if
20 necessary have the Court appoint counsel -- at trial. Defendant
21 understands, however, that defendant retains the right to be
22 represented by counsel -- and if necessary have the Court appoint
23 counsel -- at every other stage of the proceeding.
24 d. The right to be presumed innocent and to have the
25 burden of proof placed on the government to prove defendant guilty
26 beyond a reasonable doubt.
27 e. The right to confront and cross-examine witnesses
28 against defendant.

1 f. The right to testify and to present evidence in
2 opposition to the charges, including the right to compel the
3 attendance of witnesses to testify.

4 g. The right not to be compelled to testify, and, if
5 defendant chose not to testify or present evidence, to have that
6 choice not be used against defendant.

7 h. Any and all rights to pursue any affirmative defenses,
8 Fourth Amendment or Fifth Amendment claims, and other pretrial
9 motions that have been filed or could be filed.

10 WAIVER OF APPEAL OF CONVICTION

11 18. Defendant understands that, with the exception of an appeal
12 based on a claim that defendant's guilty plea was involuntary, by
13 pleading guilty defendant is waiving and giving up any right to
14 appeal defendant's conviction on the offense to which defendant is
15 pleading guilty. Defendant understands that this waiver includes,
16 but is not limited to, arguments that the statute to which defendant
17 is pleading guilty is unconstitutional, and any and all claims that
18 the statement of facts provided herein is insufficient to support
19 defendant's plea of guilty.

20 LIMITED MUTUAL WAIVER OF APPEAL OF SENTENCE

21 19. Defendant gives up the right to appeal all of the
22 following: (a) the procedures and calculations used to determine and
23 impose any portion of the sentence; (b) the term of imprisonment
24 imposed by the Court; (c) the fine imposed by the Court, provided it
25 is within the statutory maximum; (d) to the extent permitted by law,
26 the constitutionality or legality of defendant's sentence, provided
27 it is within the statutory maximum; (e) the amount and terms of any
28 restitution order; (f) the term of probation or supervised release

1 imposed by the Court, provided it is within the statutory maximum;
2 and (g) any of the following conditions of probation or supervised
3 release imposed by the Court: the conditions set forth in General
4 Orders 318, 01-05, and/or 05-02 of this Court; the drug testing
5 conditions mandated by 18 U.S.C. §§ 3563(a)(5) and 3583(d); the
6 alcohol and drug use conditions authorized by 18 U.S.C. § 3563(b)(7);
7 and any conditions of probation or supervised release agreed to by
8 defendant in paragraph 2 above.

9 20. The USAO agrees that, provided (a) all portions of the
10 sentence are at or below the statutory maximum specified above and
11 (b) the Court imposes a term of imprisonment within or above the
12 range corresponding to an offense level of 34 and the criminal
13 history category calculated by the Court, the USAO gives up its right
14 to appeal any portion of the sentence, with the exception that the
15 USAO reserves the right to appeal the amount of restitution ordered,
16 if that amount is less than \$27,550,720.40.

17 WAIVER OF COLLATERAL ATTACK

18 21. Defendant gives up any right to bring a post-conviction
19 collateral attack on the conviction or sentence, including any order
20 of restitution, except a post-conviction collateral attack based on a
21 claim of ineffective assistance of counsel, a claim of newly
22 discovered evidence, or an explicitly retroactive change in the
23 applicable Sentencing Guidelines, sentencing statutes, or statutes of
24 conviction.

25 RESULT OF WITHDRAWAL OF GUILTY PLEA

26 22. Defendant agrees that if, after entering a guilty plea
27 pursuant to this agreement, defendant seeks to withdraw and succeeds
28 in withdrawing defendant's guilty plea on any basis other than a

1 claim and finding that entry into this plea agreement was
2 involuntary, then: (a) the USAO will be relieved of all of its
3 obligations under this agreement; and (b) should the USAO choose to
4 pursue any charge that was either dismissed or not filed as a result
5 of this agreement, then: (i) any applicable statute of limitations
6 will be tolled between the date of defendant's signing of this
7 agreement and the filing commencing any such action; and
8 (ii) defendant waives and gives up all defenses based on the statute
9 of limitations, any claim of pre-indictment delay, or any speedy
10 trial claim with respect to any such action, except to the extent
11 that such defenses existed as of the date of defendant's signing this
12 agreement.

13 RESULT OF VACATUR, REVERSAL, OR SET-ASIDE

14 23. Defendant agrees that if the count of conviction is
15 vacated, reversed, or set aside, both the USAO and defendant will be
16 released from all their obligations under this agreement.

17 EFFECTIVE DATE OF AGREEMENT

18 24. This agreement is effective upon signature and execution of
19 all required certifications by defendant, defendant's counsel, and an
20 Assistant United States Attorney.

21 BREACH OF AGREEMENT

22 25. Defendant agrees that if defendant, at any time after the
23 signature of this agreement and execution of all required
24 certifications by defendant, defendant's counsel, and an Assistant
25 United States Attorney, knowingly violates or fails to perform any of
26 defendant's obligations under this agreement ("a breach"), the USAO
27 may declare this agreement breached. All of defendant's obligations
28 are material, a single breach of this agreement is sufficient for the

1 USAO to declare a breach, and defendant shall not be deemed to have
2 cured a breach without the express agreement of the USAO in writing.
3 If the USAO declares this agreement breached, and the Court finds
4 such a breach to have occurred, then: (a) if defendant has previously
5 entered a guilty plea pursuant to this agreement, defendant will not
6 be able to withdraw the guilty plea; and (b) the USAO will be
7 relieved of all its obligations under this agreement.

8 26. Following the Court's finding of a knowing breach of this
9 agreement by defendant, should the USAO choose to pursue any charge
10 that was either dismissed or not filed as a result of this agreement,
11 then:

12 a. Defendant agrees that any applicable statute of
13 limitations is tolled between the date of defendant's signing of this
14 agreement and the filing commencing any such action.

15 b. Defendant waives and gives up all defenses based on
16 the statute of limitations, any claim of pre-indictment delay, or any
17 speedy trial claim with respect to any such action, except to the
18 extent that such defenses existed as of the date of defendant's
19 signing this agreement.

20 c. Defendant agrees that: (i) any statements made by
21 defendant, under oath, at the guilty plea hearing (if such a hearing
22 occurred prior to the breach); (ii) the agreed-to factual basis
23 statement in this agreement; and (iii) any evidence derived from such
24 statements, shall be admissible against defendant in any such action
25 against defendant, and defendant waives and gives up any claim under
26 the United States Constitution, any statute, Rule 410 of the Federal
27 Rules of Evidence, Rule 11(f) of the Federal Rules of Criminal
28 Procedure, or any other federal rule, that the statements or any

1 evidence derived from the statements should be suppressed or are
2 inadmissible.

3 COURT AND PROBATION OFFICE NOT PARTIES

4 27. Defendant understands that the Court and the United States
5 Probation Office are not parties to this agreement and need not
6 accept any of the USAO's sentencing recommendations or the parties'
7 agreements to facts or sentencing factors.

8 28. Defendant understands that both defendant and the USAO are
9 free to: (a) supplement the facts by supplying relevant information
10 to the United States Probation Office and the Court; (b) correct any
11 and all factual misstatements relating to the Court's Sentencing
12 Guidelines calculations and determination of sentence; and (c) argue
13 on appeal and collateral review that the Court's Sentencing
14 Guidelines calculations and the sentence it chooses to impose are not
15 error, although each party agrees to maintain its view that the
16 calculations in paragraph 14 are consistent with the facts of this
17 case. While this paragraph permits both the USAO and defendant to
18 submit full and complete factual information to the United States
19 Probation Office and the Court, even if that factual information may
20 be viewed as inconsistent with the facts agreed to in this agreement,
21 this paragraph does not affect defendant's and the USAO's obligations
22 not to contest the facts agreed to in this agreement.

23 29. Defendant understands that even if the Court ignores any
24 sentencing recommendation, finds facts or reaches conclusions
25 different from those agreed to, and/or imposes any sentence up to the
26 maximum established by statute, defendant cannot, for that reason,
27 withdraw defendant's guilty plea, and defendant will remain bound to
28 fulfill all defendant's obligations under this agreement. Defendant

1 understands that no one -- not the prosecutor, defendant's attorney,
2 or the Court -- can make a binding prediction or promise regarding
3 the sentence defendant will receive, except that it will be within
4 the statutory maximum.

5 NO ADDITIONAL AGREEMENTS

6 30. Defendant understands that, except as set forth herein,
7 there are no promises, understandings, or agreements between the USAO
8 and defendant or defendant's attorney, and that no additional
9 promise, understanding, or agreement may be entered into unless in a
10 writing signed by all parties or on the record in court.

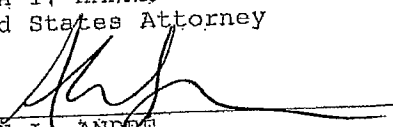
11 PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

12 31. The parties agree that this agreement will be considered
13 part of the record of defendant's guilty plea hearing as if the
14 entire agreement had been read into the record of the proceeding.

15 AGREED AND ACCEPTED

16 UNITED STATES ATTORNEY'S OFFICE
17 FOR THE CENTRAL DISTRICT OF
CALIFORNIA

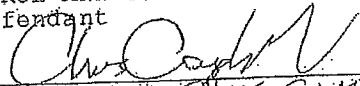
18 NICOLA T. HANNA
19 United States Attorney

20 
21 JULIAN I. ANDRE
22 ALEXANDER C.K. WYMAN
Assistant United States Attorneys

11/3/19
Date

23 CAROL ANN PEDERSEN
24 Defendant

1/2/19
Date


25 
26 ALAN JACKSON CHRIS CAMPBELL
Attorney for Defendant
CAROL ANN PEDERSEN

January 3, 2019
Date

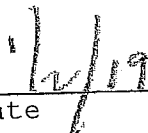
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CERTIFICATION OF DEFENDANT

I have read this agreement in its entirety. I have had enough time to review and consider this agreement, and I have carefully and thoroughly discussed every part of it with my attorney. I understand the terms of this agreement, and I voluntarily agree to those terms. I have discussed the evidence with my attorney, and my attorney has advised me of my rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. No promises, inducements, or representations of any kind 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. I am satisfied with the representation of my attorney in this matter, and I am pleading guilty because I am guilty of the charges and wish to take advantage of the promises set forth in this agreement, and not for any other reason.



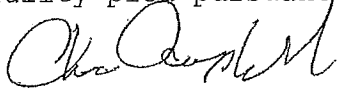
CAROL ANN PEDERSEN
Defendant


Date

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CERTIFICATION OF DEFENDANT'S ATTORNEY

I am CAROL ANN PEDERSEN's attorney. I have carefully and thoroughly discussed every part of this agreement with my client. Further, I have fully advised my client of her rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. To my knowledge: no promises, inducements, or representations of any kind have been made to my client other than those contained in this agreement; no one has threatened or forced my client in any way to enter into this agreement; my client's decision to enter into this agreement is an informed and voluntary one; and the factual basis set forth in this agreement is sufficient to support my client's entry of a guilty plea pursuant to this agreement.



ALAN JACKSON CHRIS CAMPBELL
Attorney for Defendant
CAROL ANN PEDERSEN

January 3, 2019
Date

EXHIBIT A

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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

CAROL ANN PEDERSEN,

Defendant.

CR No. 18-

I N F O R M A T I O N

[18 U.S.C. § 1343: Wire Fraud]

The United States Attorney charges:

[18 U.S.C. § 1343]

A. INTRODUCTORY ALLEGATIONS

At all times relevant to this Information:

1. Defendant CAROL ANN PEDERSEN ("defendant PEDERSEN") was a resident of Los Angeles County, within the Central District of California.

2. Defendant PEDERSEN was a licensed Certified Public Accountant, but she was not licensed as a broker or an investment advisor in any capacity.

B. THE FRAUDULENT SCHEME

3. Beginning in or around 1996, and continuing until at least on or about September 1, 2017, in Los Angeles County, within the

1 Central District of California, and elsewhere, defendant PEDERSEN,
2 knowingly and with the intent to defraud, devised, participated in,
3 and executed a scheme to defraud clients of defendant PEDERSEN's
4 accounting firm (the "victims") as to material matters, and to obtain
5 moneys, funds, assets, and other property owned by and in the custody
6 and control of the victims by means of material false and fraudulent
7 pretenses, representations, and promises, and the concealment of
8 material facts.

9 4. The fraudulent scheme operated and was carried out, in
10 substance, as follows:

11 a. Through oral statements and written correspondence,
12 including e-mail correspondence, defendant PEDERSEN solicited victims
13 to entrust their funds to her to invest as a financial advisor, even
14 though she knew she was not licensed as a broker or investment
15 advisor.

16 b. Defendant PEDERSEN solicited the victims' investments
17 in two types of investment opportunities, which she called the "Time
18 Deposit" investment and the "Client Pool" investment.

19 i. Under the Time Deposit investment option,
20 defendant PEDERSEN represented to the victims that she would invest
21 their funds in low-risk securities that would provide the victims
22 with a fixed return after a specified period of time.

23 ii. Under the Client Pool investment option,
24 defendant PEDERSEN represented to the victims that she would invest
25 their funds in the stock market through an investment pool she had
26 established with different investors' funds. Specifically, defendant
27 PEDERSEN represented to the victims that any funds they invested in
28 the Client Pool would be invested in various securities with

1 specified maturity dates. Once the investments reached these
2 maturity dates, defendant PEDERSEN represented to the victims that
3 their funds would, at their choice, be either reinvested in other
4 securities or deposited into a money market account, in which case
5 the victims could access the funds by submitting a distribution
6 request to defendant PEDERSEN.

7 c. After taking the victims' funds, defendant PEDERSEN
8 did not invest the funds as she had promised, but instead deposited
9 the victims' funds into accounts that she controlled and had
10 established with FirstBank Holding Co. ("FirstBank") and E-Trade
11 Financial Corporation ("E-Trade").

12 d. Defendant PEDERSEN withdrew money from the FirstBank
13 and E-Trade accounts into which she had deposited victims' funds and
14 used it for personal expenses, including paying her credit card
15 bills, funding trust accounts for her family, and purchasing real
16 estate, without disclosing any of these uses of the funds to the
17 victims.

18 e. When defendant PEDERSEN needed additional funds to
19 honor the distribution requests made by victims, defendant PEDERSEN
20 falsely marketed new investment opportunities to the victims in an
21 attempt to solicit additional funds from the victims.

22 f. In order to lull the victims into believing that their
23 funds had been invested as promised, give her investment business an
24 aura of legitimacy, and avoid detection of her scheme, defendant
25 PEDERSEN created false and fraudulent documents, including purported
26 account statements and other records, to provide to the victims. For
27 example:

1 i. Defendant PEDERSEN created a "Limited Partnership
2 Agreement" that she would enter into with the victims who invested in
3 the Client Pool, which dictated, among other things, that defendant
4 PEDERSEN would "invest the assets of the partnership in securities
5 and other financial instruments," and that defendant PEDERSEN would
6 be compensated for her investment services "by a one half percent
7 (.5%) fee on the average invested balance in the partnership computed
8 on an annual basis";

9 ii. Defendant PEDERSEN created and maintained an
10 online "virtual portfolio" for the victims that she falsely
11 represented enabled the victims to track the progress of their
12 investments; and

13 iii. Defendant PEDERSEN sent and caused to be sent,
14 often by e-mail, false earnings statements that she generated using
15 false information about the purported investments that she told the
16 victims she had made with their funds.

17 g. In an effort to avoid detection of her scheme,
18 defendant PEDERSEN also used some of the victims' funds she had
19 deposited into the FirstBank and E-Trade accounts to make
20 distribution payments to other victims, which payments defendant
21 PEDERSEN would falsely represent were returns on the investments she
22 had made for the victims.

23 C. USE OF THE WIRES

24 On or about July 30, 2015, in Los Angeles County, within the
25 Central District of California, and elsewhere, defendant PEDERSEN,
26 for the purpose of executing and attempting to execute the above-
27 described scheme to defraud, transmitted and caused the transmission
28 of, by means of interstate wires, a transfer of approximately

1 \$3,000,000 from an E-Trade account ending in x2040 in the name "C A
2 PEDERSEN CLIENT INVESTMENT POOL," to a FirstBank account ending in
3 x9230 also in the name "C A PEDERSEN CLIENT INVESTMENT POOL," in Long
4 Beach, California, via a server located outside of California.

5 NICOLA T. HANNA
6 United States Attorney

7 LAWRENCE S. MIDDLETON
8 Assistant United States Attorney
9 Chief, Criminal Division

10 SCOTT M. GARRINGER
11 Assistant United States Attorney
12 Deputy Chief, Criminal Division

13 RANEE A. KATZENSTEIN
14 Assistant United States Attorney
15 Chief, Major Frauds Section

16 KRISTEN A. WILLIAMS
17 Assistant United States Attorney
18 Deputy Chief, Major Frauds Section

19 JULIAN L. ANDRÉ
20 ALEXANDER C.K. WYMAN
21 Assistant United States Attorneys
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