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U.S. Department of Justice

United States Attorney
District of New Jersey

970 Broad Street, 7th floor
Newark, New Jersey 07102

973-645-2700

June 19, 2015

Michael Bachner, Esq.
Bachner & Associates, PC
39 Broadway, Suite 1610
New York, NY 10006

Re: Plea Agreement with ALEKSANDR MILRUD

Dear Mr. Bachner:

This letter sets forth the plea agreement between your client, ALEKSANDR MILRUD ("MILRUD"), and the United States Attorney for the District of New Jersey ("this Office").

Charge

Conditioned on the understandings specified below, this Office will accept a guilty plea from MILRUD to a one-count information, which charges MILRUD with conspiring with others to commit securities fraud between in or about January 2014 and in or about January 2015, in violation of 18 U.S.C. § 371. If MILRUD enters a guilty plea and is sentenced on this charge, and otherwise fully complies with all of the terms of this agreement, this Office will not initiate any further criminal charges against MILRUD for his involvement in a scheme to manipulate the price of the securities of certain publicly traded companies through a trading strategy known as "layering" or "spoofing" during the above-referenced time period. However, in the event that a guilty plea in this matter is not entered for any reason or the judgment of conviction entered as a result of this guilty plea does not remain in full force and effect, MILRUD agrees that any dismissed charges and any other charges that are not time-barred by the applicable statute of limitations on the date this agreement is signed by MILRUD may be commenced against him, notwithstanding the expiration of the limitations period after MILRUD signs the agreement.

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Sentencing

The violation of 18 U.S.C. § 371 to which MILRUD agrees to plead guilty carries a statutory maximum prison sentence of 5 years and a statutory maximum fine equal to the greatest of: (1) \$250,000; or (2) twice the gross amount of any pecuniary gain that any persons derived from the offense; or (3) twice the gross amount of any pecuniary loss sustained by any victims of the offense. Fines imposed by the sentencing judge may be subject to the payment of interest.

The sentence to be imposed upon MILRUD is within the sole discretion of the sentencing judge, subject to the provisions of the Sentencing Reform Act, 18 U.S.C. §§ 3551-3742, and the sentencing judge's consideration of the United States Sentencing Guidelines. The United States Sentencing Guidelines are advisory, not mandatory. The sentencing judge may impose any reasonable sentence up to and including the statutory maximum term of imprisonment and the maximum statutory fine. This Office cannot and does not make any representation or promise as to what guideline range may be found by the sentencing judge, or as to what sentence MILRUD ultimately will receive.

Further, in addition to imposing any other penalty on MILRUD, the sentencing judge: (1) will order MILRUD to pay an assessment of \$100 pursuant to 18 U.S.C. § 3013, which assessment must be paid by the date of sentencing; (2) may order MILRUD to pay restitution pursuant to 18 U.S.C. § 3663 *et seq.*; (3) may order MILRUD, pursuant to 18 U.S.C. § 3555, to give notice to any victims of his offense; and (4) pursuant to 18 U.S.C. § 3583, may require MILRUD to serve a term of supervised release of not more than three years, which will begin at the expiration of any term of imprisonment imposed. Should MILRUD be placed on a term of supervised release and subsequently violate any of the conditions of supervised release before the expiration of its term, MILRUD may be sentenced to not more than two years' imprisonment in addition to any prison term previously imposed, regardless of the statutory maximum term of imprisonment set forth above and without credit for time previously served on post-release supervision, and may be sentenced to an additional term of supervised release.

Rights of This Office Regarding Sentencing

Except as otherwise provided in this agreement, this Office reserves its right to take any position with respect to the appropriate sentence to be imposed on MILRUD by the sentencing judge, to correct any misstatements relating to the sentencing proceedings, and to provide the sentencing judge and the United States Probation Office all law and information relevant to sentencing, favorable or otherwise. In addition, this Office may inform the

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sentencing judge and the United States Probation Office of: (1) this agreement; and (2) the full nature and extent of MILRUD's activities and relevant conduct with respect to this case.

Immigration Consequences

MILRUD understands that, if he is not a citizen of the United States, his guilty plea to the charged offense may result in his being subject to immigration proceedings and removed from the United States by making him deportable, excludable, or inadmissible, or ending his naturalization. MILRUD understands that the immigration consequences of this plea will be imposed in a separate proceeding before the immigration authorities. MILRUD wants and agrees to plead guilty to the charged offense regardless of any immigration consequences of this plea, even if this plea will cause his removal from the United States. MILRUD understands that he is bound by his guilty plea regardless of any immigration consequences of the plea. Accordingly, MILRUD waives any and all challenges to his guilty plea and to his sentence based on any immigration consequences, and agrees not to seek to withdraw his guilty plea, or to file a direct appeal or any kind of collateral attack challenging his guilty plea, conviction, or sentence, based on any immigration consequences of his guilty plea.

Stipulations

This Office and MILRUD agree to stipulate at sentencing to the statements set forth in the attached Schedule A, which is hereby made a part of this plea agreement. This agreement to stipulate, however, cannot and does not bind the sentencing judge, who may make independent factual findings and may reject any or all of the stipulations entered into by the parties. To the extent that the parties do not stipulate to a particular fact or legal conclusion, each reserves the right to argue the existence of and the effect of any such fact or conclusion upon the sentence. Moreover, this agreement to stipulate on the part of this Office is based on the information and evidence that this Office possesses as of the date of this agreement. Thus, if this Office obtains or receives additional evidence or information prior to sentencing that it determines to be credible and to be materially in conflict with any stipulation in the attached Schedule A, this Office shall not be bound by any such stipulation. A determination that any stipulation is not binding shall not release either this Office or MILRUD from any other portion of this agreement, including any other stipulation. If the sentencing court rejects a stipulation, both parties reserve the right to argue on appeal or at post-sentencing proceedings that the sentencing court was within its discretion and authority to do so. These stipulations do not restrict the Government's right to respond to questions from the Court and to correct misinformation that has been provided to the Court.

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Waiver of Appeal and Post-Sentencing Rights

As set forth in Schedule A, this Office and MILRUD waive certain rights to file an appeal, collateral attack, writ, or motion after sentencing, including but not limited to an appeal under 18 U.S.C. § 3742 or a motion under 28 U.S.C. § 2255.

Forfeiture

MILRUD agrees that as part of his acceptance of responsibility and pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), he will consent to the entry of a forfeiture money judgment ("Forfeiture Money Judgment") in the amount of \$285,000. MILRUD further agrees to forfeit all of his right, title and interest in any and all specific property traceable to the commission of the offense to which he agrees to plead guilty, with the proceeds from the sale of such property to be applied to the Forfeiture Money Judgment in partial satisfaction thereof.

Payment of the Forfeiture Money Judgment shall be made by certified or bank check payable to the United States Marshals Service, with the criminal docket number noted on the face of the check. MILRUD shall cause said check to be hand-delivered to the Asset Forfeiture and Money Laundering Unit, United States Attorney's Office, District of New Jersey, 970 Broad Street, Newark, New Jersey 07102.

MILRUD further agrees to consent to the entry of orders of forfeiture consistent with this agreement and the Forfeiture Money Judgment to be imposed by the Court and waives the requirements of Rules 32.2 and 43(a) of the Federal Rules of Criminal Procedure regarding notice of the forfeiture in the charging instrument, announcement of the forfeiture at sentencing, and incorporation of the forfeiture in the judgment. MILRUD waives any and all constitutional, statutory and other challenges to any forfeiture carried out in accordance with this plea agreement on any grounds, including that the forfeiture constitutes an excessive fine or punishment under the Eighth Amendment. If the amount of the Forfeiture Money Judgment is determined prior to the MILRUD's sentencing, MILRUD consents to the entry of a Consent Judgment of Forfeiture that will be final as to the Forfeiture Money Judgment prior to MILRUD's sentencing, pursuant to Rule 32.2(b)(4) of the Federal Rules of Criminal Procedure. MILRUD understands that the forfeiture is part of the sentence that may be imposed in this case and waives any failure by the court to advise him of this pursuant to Rule 11(b)(1)(J) of the Federal Rules of Criminal Procedure at the guilty plea proceeding. MILRUD further understands that any forfeiture of the MILRUD's assets shall not be treated as satisfaction of any fine, restitution, cost of imprisonment, or any other penalty

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the Court may impose upon the MILRUD in addition to forfeiture; however, this Office agrees to recommend to the Attorney General that any forfeited money or property be remitted or restored to eligible victims of the offense, pursuant to 21 U.S.C. § 853(i) (incorporated by 28 U.S.C. § 2461(e)), 28 C.F.R. Pt. 9, and other applicable law, it being understood that this Office has authority only to recommend such relief and that the final decision of whether to grant relief rests with the Department of Justice, which will make its decision in accordance with applicable law.

Other Provisions

This agreement is limited to the United States Attorney's Office for the District of New Jersey and cannot bind other federal, state, or local authorities. However, this Office will bring this agreement to the attention of other prosecuting offices, if requested to do so.

This agreement was reached without regard to any civil or administrative matters that may be pending or commenced in the future against MILRUD. This agreement does not prohibit the United States, any agency thereof (including the Internal Revenue Service or the Securities and Exchange Commission), or any third party from initiating or prosecuting any civil or administrative proceeding against MILRUD.

No provision of this agreement shall preclude MILRUD from pursuing in an appropriate forum, when permitted by law, an appeal, collateral attack, writ, or motion claiming that MILRUD received constitutionally ineffective assistance of counsel.

Waiver of Extradition

As part of this agreement, MILRUD agrees that the District of New Jersey is the appropriate jurisdiction for resolution of the charges discussed above. MILRUD further agrees to return to the United States for sentencing in this matter, and consents to his immediate surrender to the United States from the Canada or from any other country in which he may be located in the event that the United States requests his extradition. Finally, in the event that the United States requests his extradition, MILRUD waives any rights that he may have to contest his extradition and agrees to execute any and all documents necessary to effect his return to the United States.



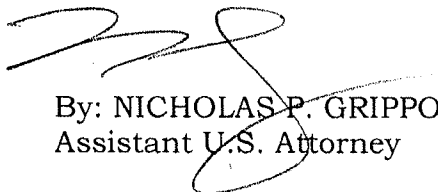
However, in the event that MILRUD does not return to the United States for sentencing in the matter or contests his extradition to the United States if requested, MILRUD agrees that any dismissed charges and any other charges that are not time-barred by the applicable statute of limitations on the date this agreement is signed by MILRUD may be commenced against him, notwithstanding the expiration of the limitations period after MILRUD signs the agreement.

No Other Promises

This agreement constitutes the plea agreement between MILRUD and this Office and supersedes any previous agreements between them. No additional promises, agreements, or conditions have been made or will be made unless set forth in writing and signed by the parties.

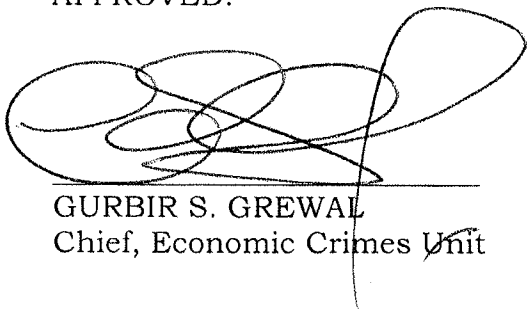
Very truly yours,

PAUL J. FISHMAN
United States Attorney



By: NICHOLAS P. GRIPPO
Assistant U.S. Attorney

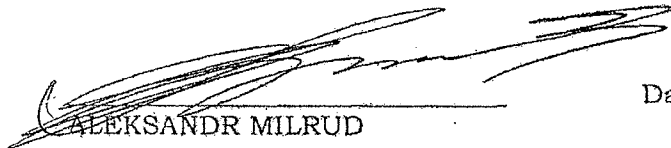
APPROVED:



GURBIR S. GREWAL
Chief, Economic Crimes Unit

I have received this letter from my attorney, Michael Bachner, Esq. I have read it. My attorney and I have discussed it and all of its provisions, including those addressing the charge, sentencing, waiver, forfeiture, and immigration consequences. I understand this letter fully. I hereby accept its terms and conditions and acknowledge that it constitutes the plea agreement between the parties. I understand that no additional promises, agreements, or conditions have been made or will be made unless set forth in writing and signed by the parties. I want to plead guilty pursuant to this plea agreement.

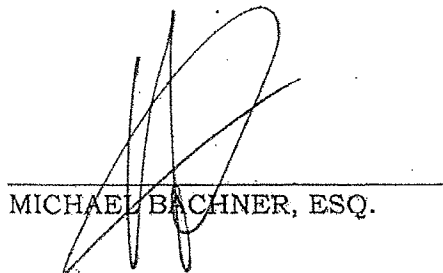
AGREED AND ACCEPTED:


ALEKSANDR MILRUD

Date:

July 16/2015

I have discussed with my client this plea agreement and all of its provisions, including those addressing the charge, sentencing, waiver, forfeiture, and immigration consequences. My client understands this plea agreement fully and wants to plead guilty pursuant to it.


MICHAEL BACHNER, ESQ.

Date:

7/16/15

Plea Agreement With ALEKSANDR MILRUD

Schedule A

1. This Office and MILRUD recognize that the United States Sentencing Guidelines are not binding upon the Court. This Office and MILRUD nevertheless agree to the stipulations set forth herein, and agree that the Court should sentence MILRUD within the Guidelines range that results from the total Guidelines offense level set forth below, subject to a possible variance as set forth in Paragraph 9 below. This Office and MILRUD further agree that with the exception of arguments regarding a variance as set forth in Paragraph 9 below, neither party will argue for the imposition of a sentence outside the Guidelines range that results from the agreed total Guidelines offense level.

2. The version of the United States Sentencing Guidelines effective November 1, 2014, applies in this case. The applicable guideline is U.S.S.G. § 2B1.1(a)(2). This guideline carries a Base Offense Level of 6.

3. MILRUD's gain from the criminal conduct is more than \$1,000,000 but less than \$2,500,000, which results in a 16-level enhancement pursuant to U.S.S.G. § 2B1.1(b)(1)(I) and Application Note 3(B).

4. Specific Offense Characteristic § 2B1.1(b)(10)(C) applies, because the offense involved sophisticated means. This results in a 2-level enhancement.

5. MILRUD was a supervisor or manager of the criminal activity involved in the offense. This results in a 2-level enhancement pursuant to U.S.S.G. § 3B1.1(c).

6. As of the date of this letter, MILRUD has clearly demonstrated a recognition and affirmative acceptance of personal responsibility for the offense charged. Therefore, a downward adjustment of 2 levels for acceptance of responsibility is appropriate if MILRUD's acceptance of responsibility continues through the date of sentencing. See U.S.S.G. § 3E1.1(a).

7. As of the date of this letter, MILRUD has assisted authorities in the investigation or prosecution of his own misconduct by timely notifying authorities of his intention to enter a plea of guilty, thereby permitting the government to avoid preparing for trial and permitting the government and the court to allocate their resources efficiently. If MILRUD enters a plea pursuant to this agreement and qualifies for a 2-level reduction for acceptance of responsibility pursuant to U.S.S.G. § 3E1.1(a), and if in addition MILRUD's



offense level under the Guidelines prior to the operation of § 3E1.1(a) is 16 or greater, MILRUD will be entitled to a further 1-level reduction in his offense level pursuant to U.S.S.G. § 3E1.1(b).

8. In accordance with the above, the parties agree that the total Guidelines offense level applicable to MILRUD is 23 (the "agreed total Guidelines offense level").

9. The parties agree not to seek or argue for any upward or downward departure or adjustment not agreed to in writing between the parties. MILRUD reserves the right to seek a variance pursuant to 18 U.S.C. § 3553, and United States v. Booker, 543 U.S. 220 (2005) and its progeny, based solely upon his health conditions, and the United States reserves the right to oppose any such motions or requests for a variance.

10. MILRUD knows that he has and, except as noted below in this paragraph, voluntarily waives, the right to file any appeal, any collateral attack, or any other writ or motion, including but not limited to an appeal under 18 U.S.C. § 3742 or a motion under 28 U.S.C. § 2255, which challenges the sentence imposed by the sentencing court if that sentence falls within or below the Guidelines range that results from the agreed total Guidelines offense level of 23. This Office will not file any appeal, motion, or writ which challenges the sentence imposed by the sentencing court if that sentence falls within or above the Guidelines range that results from the agreed total Guidelines offense level of 23. The parties reserve any right they may have under 18 U.S.C. § 3742 to appeal the sentencing court's determination of the criminal history category. The provisions of this paragraph are binding on the parties even if the Court employs a Guidelines analysis different from that stipulated to herein. Furthermore, if the sentencing court accepts a stipulation, both parties waive the right to file an appeal, collateral attack, writ, or motion claiming that the sentencing court erred in doing so.

11. Both parties reserve the right to oppose or move to dismiss any appeal, collateral attack, writ, or motion barred by the preceding paragraph and to file or to oppose any appeal, collateral attack, writ, or motion not barred by the preceding paragraph.

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