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 United States of America

9 UNITED STATES DISTRICT COURT
 10 FOR THE CENTRAL DISTRICT OF CALIFORNIA
 11 SOUTHERN DIVISION

12
 13 UNITED STATES OF AMERICA,) SA CR No. 07-227-CJC
)
 14 Plaintiff,) PLEA AGREEMENT FOR DEFENDANT
) IGOR M. OLENICOFF
 15 v.)
)
 16 IGOR M. OLENICOFF,)
)
 17 Defendant.)
)

18
 19 1. This constitutes the plea agreement between IGOR M.
 20 OLENICOFF ("defendant") and the United States Attorney's Office
 21 for the Central District of California ("the USAO") in the
 22 investigation of into tax violations regarding defendant and
 23 numerous entities related to defendant. This agreement is
 24 limited to the USAO and cannot bind any other federal, state or
 25 local prosecuting, administrative or regulatory authorities.

26 PLEA

27 2. Defendant gives up the right to indictment by a grand
 28 jury, waives venue, and agrees to plead guilty to the one-count

1 information in the form attached to this agreement or a
2 substantially similar form.

3 NATURE OF THE OFFENSE

4 3. In order for defendant to be guilty of count one, which
5 charges a violation of Title 26, United States Code, Section
6 7206(1), the following must be true: (1) The defendant made and
7 subscribed a return, statement, or other document which was false
8 as to a material matter; (2) The return, statement, or other
9 document contained a written declaration that it was made under
10 the penalties of perjury; (3) The defendant did not believe the
11 return, statement, or other document to be true and correct as to
12 every material matter; and (4) The defendant falsely subscribed
13 to the return, statement, or other document willfully, with the
14 specific intent to violate the law. Defendant admits that
15 defendant is, in fact, guilty of this offense as described in
16 count one of the information.

17 PENALTIES

18 4. The statutory maximum sentence that the Court can impose
19 for a violation of Title 26, United States Code, Section 7206(1)
20 is: 3 years imprisonment; a 3-year period of supervised release;
21 a fine of \$100,000 or twice the gross gain or gross loss
22 resulting from the offense, whichever is greatest; and a
23 mandatory special assessment of \$100. The Court may order
24 defendant to pay any additional taxes, interest and penalties
25 that defendant owes to the United States. Also, the Court must
26 order defendant to pay the costs of prosecution, which may be in
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1 addition to the statutory maximum fine stated above.

2 5. Supervised release is a period of time following
3 imprisonment during which defendant will be subject to various
4 restrictions and requirements. Defendant understands that if
5 defendant violates one or more of the conditions of any
6 supervised release imposed, defendant may be returned to prison
7 for all or part of the term of supervised release, which could
8 result in defendant serving a total term of imprisonment greater
9 than the statutory maximum stated above.

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

15 7. Defendant further understands that the conviction in
16 this case may subject defendant to various collateral
17 consequences, including but not limited to, deportation,
18 revocation of probation, parole, or supervised release in another
19 case, and suspension or revocation of a professional license.
20 Defendant understands that unanticipated collateral consequences
21 will not serve as grounds to withdraw defendant's guilty plea.

22 FACTUAL BASIS

23 8. Defendant and the USAO agree and stipulate to the
24 statement of facts provided below. This statement of facts
25 includes facts sufficient to support a plea of guilty to the
26 charge described in this agreement and to establish the

1 sentencing guideline factors set forth in paragraph 12 below. It
2 is not meant to be a complete recitation of all facts relevant to
3 the underlying criminal conduct or all facts known to defendant
4 that relate to that conduct.

5 Defendant is the President and Owner of Olen Properties
6 Corporation (hereinafter "OPC"). During the years 1992 through
7 2004, defendant owned, controlled, and had signatory authority
8 over financial accounts outside of the United States. At least
9 as early as August 1997, defendant listed himself as chairman of
10 Sovereign Bancorp Ltd. (hereinafter "SBL") and President and
11 Director of National Depository Corporation, Ltd. (hereinafter
12 "NDC") on signature cards for Barclays Bank in the Bahamas, which
13 also listed defendant as an authorized signatory on these
14 accounts. Defendant also had signatory authority and controlled
15 several financial accounts with Solomon Smith Barney, which were
16 held in Solomon Smith Barney's office in London, England.
17 Defendant's accounts in Solomon Smith Barney's England offices
18 included accounts in the names of SBL, NDC, Guardian Guarantee
19 Company, Ltd. (hereinafter "GGCL"), Continental Realty Funding
20 Corporation (hereinafter "CRFC"), and Swiss Finance Corporation.
21 Defendant opened several accounts at UBS, formerly known as Union
22 Bank of Switzerland (hereinafter "UBS") in Switzerland, in which
23 defendant had signatory authority and listed himself as Vice
24 President and Director of accounts under the name of GGCL and New
25 Guardian Bancorp APS (hereinafter "NGB"). In addition, defendant
26 also had signatory authority and control over several financial
27 accounts at Neue Bank in Liechtenstein, including an account in
28 the name of NGB.

18 Defendant directed and authorized transactions from his off-
19 shore financial accounts, including, but not limited to the
20 following transactions. On or about March 9, 1992, defendant
21 transferred approximately \$61,000,000 from an OPC account at
22 First Interstate Bank in Newport Beach, California, to a Bank of
23 Montreal account in Canada under the name of NDC. On or about
24 October 5, 1998, defendant directed Solomon Smith Barney to
25 transfer approximately \$40,000,000 from an SBL account at Solomon
26 Smith Barney (England) to an SBL account at Barclay's Bank
27 (Bahamas). On or about June 4, 2001, defendant directed Solomon
28 Smith Barney to transfer approximately \$17,000,000, \$43,000,000,
and \$58,000,000 from CRFC, NDC, and SBL accounts, respectively,
at Solomon Smith Barney (England) to NDC and SBL accounts at
Barclay's Bank (Bahamas). On or about December 10, 2001,
defendant directed Barclay's Bank to transfer approximately
\$89,000,000 from a GGCL account at Barclay's Bank (Bahamas) to
open the GGCL account at UBS (Switzerland). On or about February
27, 2002, defendant directed Solomon Smith Barney to transfer
approximately \$38,000,000 from CRFC, NDC, and CRFC accounts at

1 Solomon Smith Barney (England) to an GGCL account at Barclay's
2 Bank (Bahamas).

3 For the calendar years 1998 through 2004, defendant filed
4 his United States Individual Income Tax Returns (hereinafter
5 "Form 1040") with the Internal Revenue Service for the respective
6 tax years. Defendant signed his 1998, 1999, 2000, 2001, 2002,
7 2003, and 2004 Form 1040s under penalties of perjury. Defendant
8 attached a Schedule B, Interest and Ordinary Dividends, to each
9 of his Form 1040s for tax years 1998 through 2004. Each of the
10 Form 1040s that defendant filed included Part III of Schedule B,
11 Foreign Accounts and Trusts, whereby the Internal Revenue Service
12 asked on Line 7a, "At any time during [calendar year], did you
13 have an interest in or a signature or other authority over a
14 financial account in a foreign country, such as a bank account,
15 securities account, or other financial account?" Line 7b stated,
16 "If 'yes,' enter the name of the foreign country." Lines 7a and
17 7b of Part III of Schedule B attached to the Form 1040s called
18 for material information in that the requested information is
19 necessary for a correct computation of the tax due and owing and
20 has a natural tendency to influence or impede the Internal
21 Revenue Service in ascertaining the correctness of the tax due
22 and owing of the taxpayer. On each of the 1998 through 2004 Form
23 1040s, defendant falsely answered "No" to line 7a and left the
24 space blank next to line 7b, even though, as he then well knew
25 and understood, he had an interest in, signatory authority, and
26 other authority over financial accounts in foreign countries
27 during these years.

28 On or about April 15, 2003, in the Central District of
California and elsewhere, defendant, a resident of Laguna Beach,
California, did willfully make and subscribe a 2002 U.S.
Individual Income Tax Return, Form 1040, which was verified by a
written declaration that it was made under the penalties of
perjury and was filed with the Internal Revenue Service, which
defendant did not believe this 2002 U.S. Individual Income Tax
Return to be true and correct as to every material matter in that
Schedule B Part III, Foreign Accounts and Trusts, Line 7a asked
"At any time during 2002, did you have an interest in or a
signature or other authority over a financial account in a
foreign country, such as a bank account, securities account, or
other financial account?" to which said return falsely stated
"NO," whereas, as defendant then and there well knew and
believed, was a false statement, as defendant had ownership,
control, and signatory authority over financial accounts in
England, Switzerland, the Bahamas, and Liechtenstein. When
defendant signed his 2002 Form 1040, defendant knew that it
contained false information as to a material matter, and in
filing the false 2002 Form 1040, defendant acted willfully.

1 WAIVER OF CONSTITUTIONAL RIGHTS

2 9. By pleading guilty, defendant gives up the following
3 rights:

4 a) The right to persist in a plea of not guilty.

5 b) The right to a speedy and public trial by jury.

6 c) The right to the assistance of legal counsel at
7 trial, including the right to have the Court appoint counsel for
8 defendant for the purpose of representation at trial. (In this
9 regard, defendant understands that, despite his plea of guilty,
10 he retains the right to be represented by counsel - and, if
11 necessary, to have the court appoint counsel if defendant cannot
12 afford counsel - at every other stage of the proceedings.)

13 d) The right to be presumed innocent and to have the
14 burden of proof placed on the government to prove defendant
15 guilty beyond a reasonable doubt.

16 e) The right to confront and cross-examine witnesses
17 against defendant.

18 f) The right, if defendant wished, to testify on
19 defendant's own behalf and present evidence in opposition to the
20 charges, including the right to call witnesses and to subpoena
21 those witnesses to testify.

22 g) The right not to be compelled to testify, and, if
23 defendant chose not to testify or present evidence, to have that
24 choice not be used against defendant.

25 By pleading guilty, defendant also gives up any and all
26 rights to pursue any affirmative defenses, Fourth Amendment or
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1 Fifth Amendment claims, and other pretrial motions that have been
2 filed or could be filed.

3 WAIVER OF DNA TESTING

4 10. Defendant has been advised that the government has in
5 its possession the following items of physical evidence that
6 could be subjected to DNA testing:

7 Documents obtained via search warrants

8 Defendant understands that the government does not intend to
9 conduct DNA testing of any of these items. Defendant understands
10 that, before entering a guilty plea pursuant to this agreement,
11 defendant could request DNA testing of evidence in this case.
12 Defendant further understands that, with respect to the offense
13 to which defendant is pleading guilty pursuant to this agreement,
14 defendant would have the right to request DNA testing of evidence
15 after conviction under the conditions specified in 18 U.S.C. §
16 3600. Knowing and understanding defendant's right to request DNA
17 testing, defendant knowingly and voluntarily gives up that right
18 with respect to both the specific items listed above and any
19 other items of evidence there may be in this case that might be
20 amenable to DNA testing. Defendant understands and acknowledges
21 that by giving up this right, defendant is giving up any ability
22 to request DNA testing of evidence in this case in the current
23 proceeding, in any proceeding after conviction under 18 U.S.C. §
24 3600, and in any other proceeding of any type. Defendant further
25 understands and acknowledges that by giving up this right,
26 defendant will never have another opportunity to have the

1 evidence in this case, whether or not listed above, submitted for
2 DNA testing, or to employ the results of DNA testing to support a
3 claim that defendant is innocent of the offense to which
4 defendant is pleading guilty.

5 SENTENCING FACTORS

6 11. Defendant understands that the Court is required to
7 consider the United States Sentencing Guidelines ("U.S.S.G." or
8 "Sentencing Guidelines") among other factors in determining
9 defendant's sentence. Defendant understands, however, that the
10 Sentencing Guidelines are only advisory, and that after
11 considering the Sentencing Guidelines, the Court may be free to
12 exercise its discretion to impose any reasonable sentence up to
13 the maximum set by statute for the crimes of conviction.

14 12. Defendant and the USAO agree and stipulate to the
15 following applicable sentencing guideline factors:

16 Base Offense Level : 6 [U.S.S.G. § 2T1.1(a)(2)]
17 Acceptance of
18 Responsibility: -2 [U.S.S.G. § 3E1.1(a)]

19 Defendant and the USAO agree not to seek, argue, or suggest in
20 any way, either orally or in writing, that any other specific
21 offense characteristics, adjustments or departures, from either
22 the applicable Offense Level or Criminal History Category, be
23 imposed. If, however, after signing this agreement but prior to
24 sentencing, defendant were to commit an act, or the USAO were to
25 discover a previously undiscovered act committed by defendant
26 prior to signing this agreement, which act, in the judgment of
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1 the USAO, constituted obstruction of justice within the meaning
2 of U.S.S.G. § 3C1.1, the USAO would be free to seek the
3 enhancement set forth in that section.

4 13. There is no agreement as to defendant's criminal
5 history or criminal history category.

6 14. The stipulations in this agreement do not bind either
7 the United States Probation Office or the Court. Both defendant
8 and the USAO are free to: (a) supplement the facts by supplying
9 relevant information to the United States Probation Office and
10 the Court; (b) correct any and all factual misstatements relating
11 to the calculation of the sentence; and (c) argue on appeal and
12 collateral review that the Court's sentencing guidelines
13 calculations are not error, although each party agrees to
14 maintain its view that the calculations in paragraph 12 are
15 consistent with the facts of this case.

16 DEFENDANT'S OBLIGATIONS

17 15. Defendant agrees that he will:

18 a) Waive Indictment by Grand Jury, waive venue, and
19 Plead guilty as set forth in this agreement.

20 b) Not knowingly and willfully fail to abide by all
21 sentencing stipulations contained in this agreement.

22 c) Not knowingly and willfully fail to: (i) appear as
23 ordered for all court appearances; (ii) surrender as ordered for
24 service of sentence; (iii) obey all conditions of any bond; and
25 (iv) obey any other ongoing court order in this matter.

1 d) Not commit any crime; however, offenses which would
2 be excluded for sentencing purposes under U.S.S.G. § 4A1.2(c) are
3 not within the scope of this agreement.

4 e) Not knowingly and willfully fail to be truthful at
5 all times with Pretrial Services, the U.S. Probation Office, and
6 the Court.

7 f) To fill out and deliver to the USAO, prior to
8 sentencing, a completed financial statement listing defendant's
9 assets on a form provided by the United States Attorney's Office.

10 g) Prior to sentencing, abandon his claim for a refund
11 on the 1999 Corporate Return for Olen Properties Corporation
12 ("OPC") seeking a refund based on interest income "paid" from OPC
13 to Sovereign Bancorp Ltd. ("SBL"), another corporation controlled
14 by defendant.

15 h) Prior to sentencing, defendant will move all money
16 held in foreign financial accounts, including bank and securities
17 accounts, which defendant has an interest in, signature
18 authority, or any other authority, to financial accounts within
19 the United States. Defendant further agrees that during the
20 period of supervised release or probation, that defendant will
21 not have any interest in, signature authority, or any other
22 authority over a financial account in a foreign country, such as
23 a bank account, securities account, or other financial account.

24 i) Cooperate with the Internal Revenue Service in the
25 determination of defendant's civil tax liability and the tax
26 liability of corporations owned and/or controlled by defendant
27

1 through grand jury subpoenas.

2 THE USAO'S OBLIGATIONS

3 16. If defendant complies fully with all defendant's
4 obligations under this agreement, the USAO agrees:

5 a) To abide by all sentencing stipulations contained in
6 this agreement.

7 b) At the time of sentencing, provided that defendant
8 demonstrates an acceptance of responsibility for the offense up
9 to and including the time of sentencing, to recommend a two-level
10 reduction in the applicable sentencing guideline offense level,
11 pursuant to U.S.S.G. § 3E1.1, and to recommend and, if necessary,
12 move for an additional one-level reduction if available under
13 that section.

14 c) Not to further prosecute defendant for violations
15 arising out of defendant's conduct described in the stipulated
16 factual basis set forth in paragraph 8 above or tax violations
17 associated with moneys transferred to and held in foreign bank
18 accounts from 1998 through 2004, or any other conduct known to
19 the Government at the time this agreement is signed by defendant.
20 Defendant understands that the USAO is free to prosecute
21 defendant for any other unlawful past conduct or any unlawful
22 conduct that occurs after the date of this agreement. Defendant
23 agrees that at the time of sentencing the Court may consider the
24 uncharged conduct in determining the applicable Sentencing
25 Guidelines range, where the sentence should fall within that
26 range, the propriety and extent of any departure from that range,
27

1 and the determination of the sentence to be imposed after
2 consideration of the sentencing guidelines and all other relevant
3 factors.

4 BREACH OF AGREEMENT

5 17. If defendant, at any time between the execution of this
6 agreement and defendant's sentencing on a non-custodial sentence
7 or surrender for service on a custodial sentence, knowingly
8 violates or fails to perform any of defendant's obligations under
9 this agreement ("a breach"), the USAO may declare this agreement
10 breached. If the USAO declares this agreement breached, and the
11 Court finds such a breach to have occurred, defendant will not be
12 able to withdraw defendant's guilty plea, and the USAO will be
13 relieved of all of its obligations under this agreement.

14 18. Following a knowing and willful breach of this
15 agreement by defendant, should the USAO elect to pursue any
16 charge or any civil or administrative action that was either
17 dismissed or not filed as a result of this agreement, then:

18 a) Defendant agrees that any applicable statute of
19 limitations is tolled between the date of defendant's signing of
20 this agreement and the commencement of any such prosecution or
21 action.

22 b) Defendant gives up all defenses based on the statute
23 of limitations, any claim of preindictment delay, or any speedy
24 trial claim with respect to any such prosecution or action,
25 except to the extent that such defenses existed as of the date of
26 defendant's signing of this agreement.

1 c) Defendant agrees that: i) any statements made by
2 defendant, under oath, at the guilty plea hearing; ii) the
3 stipulated factual basis statement in this agreement; and iii)
4 any evidence derived from such statements, are admissible against
5 defendant in any future prosecution of defendant, and defendant
6 shall assert no claim under the United States Constitution, any
7 statute, Rule 410 of the Federal Rules of Evidence, Rule 11(f) of
8 the Federal Rules of Criminal Procedure, or any other federal
9 rule, that the statements or any evidence derived from any
10 statements should be suppressed or are inadmissible.

11 LIMITED MUTUAL WAIVER OF APPEAL AND COLLATERAL ATTACK

12 19. Defendant gives up the right to appeal any sentence
13 imposed by the Court, and the manner in which the sentence is
14 determined, provided that (a) the sentence is within the
15 statutory maximum specified above and is constitutional, (b) the
16 Court in determining the applicable guideline range does not
17 depart upward in offense level or criminal history category and
18 determines that the total offense level is 4 or below, and (c)
19 the Court imposes a sentence within or below the range
20 corresponding to the determined total offense level and criminal
21 history category. Defendant also gives up any right to bring a
22 post-conviction collateral attack on the conviction or sentence,
23 except a post-conviction collateral attack based on a claim of
24 ineffective assistance of counsel, a claim of newly discovered
25 evidence, or an explicitly retroactive change in the applicable
26 Sentencing Guidelines, sentencing statutes, or statutes of

1 conviction. Notwithstanding the foregoing, defendant retains the
2 ability to appeal the conditions of probation or supervised
3 release imposed by the court, with the exception of the
4 following: standard conditions set forth in district court
5 General Orders 318 and 01-05; the drug testing conditions
6 mandated by 18 U.S.C. §§ 3563(a)(5) and 3583(d); and the alcohol
7 and drug use conditions authorized by 18 U.S.C. § 3563(b)(7).

8 20. The USAO gives up its right to appeal the sentence,
9 provided that (a) the Court in determining the applicable
10 guideline range does not depart downward in offense level or
11 criminal history category, (b) the Court determines that the
12 total offense level is 4 or above, and (c) the Court imposes a
13 sentence within or above the range corresponding to the
14 determined total offense level and criminal history category.

15 COURT NOT A PARTY

16 21. The Court is not a party to this agreement and need not
17 accept any of the USAO's sentencing recommendations or the
18 parties' stipulations. Even if the Court ignores any sentencing
19 recommendation, finds facts or reaches conclusions different from
20 any stipulation, and/or imposes any sentence up to the maximum
21 established by statute, defendant cannot, for that reason,
22 withdraw defendant's guilty plea, and defendant will remain bound
23 to fulfill all defendant's obligations under this agreement. No
24 one - not the prosecutor, defendant's attorney, or the Court -
25 can make a binding prediction or promise regarding the sentence
26 defendant will receive, except that it will be within the

1 statutory maximum.

2 NO ADDITIONAL AGREEMENTS

3 22. Except as set forth herein, there are no promises,
4 understandings or agreements between the USAO and defendant or
5 defendant's counsel. Nor may any additional agreement,
6 understanding or condition be entered into unless in a writing
7 signed by all parties or on the record in court.

8 PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

9 23. The parties agree and stipulate that this Agreement
10 will be considered part of the record of defendant's guilty plea
11 hearing as if the entire Agreement had been read into the record
12 of the proceeding.

13 This agreement is effective upon signature by defendant and
14 an Assistant United States Attorney.

15
16 AGREED AND ACCEPTED

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

19 THOMAS P. O'BRIEN
20 United States Attorney

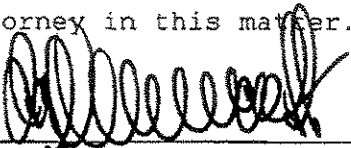
21 

22 BRETT A. SAGEL
23 Assistant United States Attorney

24 10/29/07
25 Date

26 I have read this agreement and carefully discussed every
27 part of it with my attorney. I understand the terms of this
28 agreement, and I voluntarily agree to those terms. My attorney
has advised me of my rights, of possible defenses, of the

1 Sentencing Guideline provisions, and of the consequences of
2 entering into this agreement. No promises or inducements have
3 been made to me other than those contained in this agreement. No
4 one has threatened or forced me in any way to enter into this
5 agreement. Finally, I am satisfied with the representation of my
6 attorney in this matter.



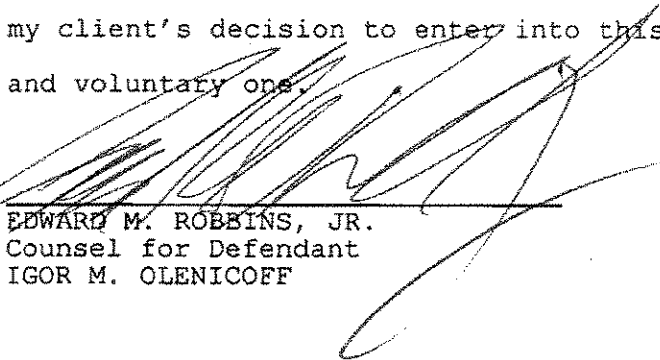
10/17/07

8 _____
IGOR M. OLENICOFF
9 Defendant

Date

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I am IGOR M. OLENICOFF's attorney. I have carefully
discussed every part of this agreement with my client. Further,
I have fully advised my client of his/her rights, of possible
defenses, of the Sentencing Guidelines' provisions, and of the
consequences of entering into this agreement. To my knowledge,
my client's decision to enter into this agreement is an informed
and voluntary one.



10/17/07

19 _____
EDWARD M. ROBBINS, JR.
20 Counsel for Defendant
IGOR M. OLENICOFF

Date