



U.S. Department of Justice
United States Attorney
District of New Jersey

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RA/PL AGR
2013R00532

March 17, 2016

Chris Adams, Esq.
Adams Buchan & Palo LLC
146 Route 34, Suite 325
Holmdel, New Jersey 07733

Re: Plea Agreement with Ruben Vargas

Dear Mr. Adams:

This letter sets forth the plea agreement between your client, RUBEN VARGAS, 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 RUBEN VARGAS to an information, which charges him with equity skimming, in violation 12 U.S.C. § 1715z-19. If RUBEN VARGAS 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 RUBEN VARGAS for: (1) fraudulently obtaining an approximately \$417,000 mortgage loan on or about September 21, 2007 to purchase a multifamily property located at 5512 Grant Place, West New York, New Jersey ("5512 Grant Place"); and (2) collecting rent payments, from approximately 2007 to approximately 2013, from tenants of 5512 Grant Place while the \$417,000 mortgage loan was in default and failing to remit any of the monies collected to pay down the outstanding mortgage loan. 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, RUBEN VARGAS 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 RUBEN VARGAS may be commenced against him, notwithstanding the expiration of the limitations period after RUBEN VARGAS signs the agreement.

Sentencing

The violation of 12 U.S.C. § 1715z-19 to which RUBEN VARGAS agrees to plead guilty carries a statutory maximum prison sentence of 5 years and a statutory maximum

fine equal to \$500,000. Fines imposed by the sentencing judge may be subject to the payment of interest.

The sentence to be imposed upon RUBEN VARGAS 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 RUBEN VARGAS ultimately will receive.

Further, in addition to imposing any other penalty on RUBEN VARGAS, the sentencing judge: (1) will order RUBEN VARGAS to pay an assessment of \$100 pursuant to 18 U.S.C. § 3013, which assessment must be paid by the date of sentencing; and (2) pursuant to 18 U.S.C. § 3583, may require RUBEN VARGAS to serve a term of supervised release of not more than 3 years, which will begin at the expiration of any term of imprisonment imposed. Should RUBEN VARGAS be placed on a term of supervised release and subsequently violate any of the conditions of supervised release before the expiration of its term, RUBEN VARGAS may be sentenced to not more than 2 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.

In addition, RUBEN VARGAS agrees to make full restitution to the Department of Housing and Urban Development for \$149,900, representing the approximate amount of rental income received by RUBEN VARGAS for 5512 Grant Place from 2007 to 2013, during which time the corresponding mortgage note was in default.

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

Stipulations

This Office and RUBEN VARGAS agree to stipulate at sentencing to the statements set forth in the attached Schedule A, which hereby is 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 RUBEN VARGAS 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 this Office's right to respond to questions from the Court and to correct misinformation that has been provided to the Court.

Waiver of Appeal and Post-Sentencing Rights

As set forth in Schedule A, this Office and RUBEN VARGAS 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.

Immigration Consequences

RUBEN VARGAS 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. RUBEN VARGAS understands that the immigration consequences of this plea will be imposed in a separate proceeding before the immigration authorities. RUBEN VARGAS 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. RUBEN VARGAS understands that he is bound by his guilty plea regardless of any immigration consequences of the plea. Accordingly, RUBEN VARGAS 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.

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 RUBEN VARGAS. This agreement does not prohibit the United States, any agency thereof (including the Internal Revenue Service),

or any third party from initiating or prosecuting any civil or administrative proceeding against RUBEN VARGAS.

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

No Other Promises

This agreement constitutes the full plea agreement between RUBEN VARGAS and this Office and supersedes any previous agreements between them regarding the offense detailed in the information referenced in this plea agreement. No additional promises, agreements, or conditions have been made or will be made unless set forth in writing and signed by the parties.

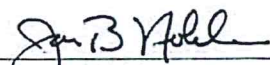
Very truly yours,

PAUL J. FISHMAN
United States Attorney



By: Rahul Agarwal
Assistant U.S. Attorney

APPROVED:


James B. Nobile
Chief, Special Prosecutions Division

I have received this letter from my attorney, Christopher Adams, Esq. I have read it. My attorney and I have discussed it and all of its provisions, including those addressing the charge, sentencing, stipulations, waiver, restitution 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.

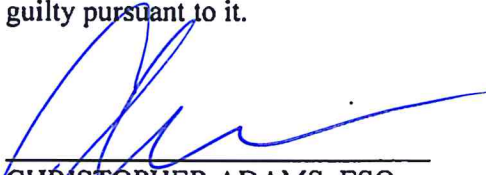
AGREED AND ACCEPTED:



RUBEN VARGAS

Date: 4-5-16

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



CHRISTOPHER ADAMS, ESQ.
Counsel for Ruben Vargas

Date: 4/5/16

Plea Agreement With RUBEN VARGAS

Schedule A

1. This Office and RUBEN VARGAS recognize that the United States Sentencing Guidelines are not binding upon the Court. This Office and RUBEN VARGAS nevertheless agree to the stipulations set forth herein.
2. The version of the United States Sentencing Guidelines effective November 1, 2015 applies in this case.
3. The applicable guideline is U.S.S.G. § 2B1.1. This guideline carries a base offense level of 6. U.S.S.G. § 2B1.1(a)(2).
4. Specific Offense Characteristic 2B1.1(b)(1)(E) applies because the offense involved a loss of more than \$95,000 but less than \$150,000. This results in an increase of 8 levels. U.S.S.G. § 2B1.1(b)(1)(E).
5. As of the date of this letter, RUBEN VARGAS 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 RUBEN VARGAS's acceptance of responsibility continues through the date of sentencing. See U.S.S.G. § 3E1.1(a).
6. In accordance with the above, the parties agree that the total Guidelines offense level applicable to RUBEN VARGAS in connection with this offense is 12 (the "agreed total Guidelines offense level").
7. The parties agree not to seek or argue for any upward or downward departure, adjustment or variance not set forth herein. RUBEN VARGAS reserves his right to move for a downward variance based upon the factors set forth at 18 U.S.C. § 3553(a). This Office reserves the right to oppose such a motion.
8. RUBEN VARGAS 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 a total Guidelines offense level of 12. 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 a total Guidelines offense level of 12. 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.

9. 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.