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UNITED STATES OF AMERICA

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

WESTERN DISTRIBUTION, LLC, aka "Advanced Distribution Inc.," and CARL BRADLEY JOHANSSON, aka "Brad Johnson," aka "Carl Johnson," aka "C. Brad Johanson," aka "Jay Johnson," aka "Keith Golatta," Defendants.	ED CR No. 5:21-00170-VAP PLEA AGREEMENT FOR DEFENDANT WESTERN DISTRIBUTION, LLC Hearing Date: August 16, 2021 Hearing Time: 9:00 a.m. Location: Courtroom of the Hon. Virginia A. Phillips

1. This constitutes the plea agreement between WESTERN DISTRIBUTION, LLC ("defendant") and the United States Attorney's Office for the Central District of California (the "USAO") in the above-captioned case. This agreement is limited to the USAO and cannot bind any other federal, state, local, or foreign prosecuting, enforcement, administrative, or regulatory authorities.

DEFENDANT'S OBLIGATIONS

2. Defendant agrees to:

a. At the earliest opportunity requested by the USAO and provided by the Court, appear and plead guilty to counts one and

three of the indictment in United States v. Western Distribution, LLC, et al., ED CR No. 5:21-00170-VAP, which charge defendant with Conspiracy to Commit Bank Fraud, in violation of 18 U.S.C. §§ 1349, and Bank Fraud, in violation of 18 U.S.C. §§ 1344(2).

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 the United States Probation and Pretrial Services Office and the Court.

g. Pay the applicable special assessments at or before the time of sentencing unless defendant has demonstrated a lack of ability to pay such assessments.

h. Pay restitution in an amount to be determined by the Court to the victims of the criminal conduct in United States v. Western Distribution, LLC, et al., ED CR No. 5:21-00170-VAP.

i. Defendant agrees that any and all criminal debt, including restitution, as ordered by the Court will be due in full and immediately, and paid in accordance with any payment schedule determined by the Court. The government is not precluded from pursuing, in excess of any payment schedule set by the Court, any and all available remedies by which to satisfy defendant's payment of the

full financial obligation, including referral to the Treasury Offset Program.

j. Complete the Financial Disclosure Statement on a form provided by the USAO and, within 30 days of defendant's entry of a guilty plea, deliver the signed and dated statement, along with all of the documents requested therein, to the USAO by either email at usacac.FinLit@usdoj.gov (preferred) or mail to the USAO Financial Litigation Section at 300 North Los Angeles Street, Suite 7516, Los Angeles, CA 90012. Defendant agrees that defendant's ability to pay criminal debt shall be assessed based on the completed Financial Disclosure Statement and all required supporting documents, as well as other relevant information relating to ability to pay.

k. Authorize the USAO to obtain a credit report upon returning a signed copy of this plea agreement.

l. Consent to the USAO inspecting and copying all of defendant's financial documents and financial information held by the United States Probation and Pretrial Services Office.

THE USAO'S OBLIGATIONS

3. The USAO agrees to:

a. Not contest facts agreed to in this agreement.

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

c. At the time of sentencing, move to dismiss the remaining counts of the indictment for United States v. Western Distribution, LLC, et al., ED CR No. 5:21-00170-VAP, as against defendant. Defendant agrees, however, that at the time of sentencing the Court may consider any dismissed charges in determining the

applicable Sentencing Guidelines range, the propriety and extent of any departure from that range, and the sentence to be imposed.

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

e. Except for criminal tax violations (including conspiracy to commit such violations chargeable under 18 U.S.C. § 371), not further criminally prosecute defendant for violations arising out of defendant's conduct described in the agreed-to factual basis attached to this agreement as Exhibit 1. Defendant understands that the USAO is free to criminally prosecute defendant for any other unlawful past conduct or any unlawful conduct that occurs after the date of this agreement. Defendant agrees that at the time of sentencing the Court may consider the uncharged conduct in determining the applicable Sentencing Guidelines range, the propriety and extent of any departure from that range, and the sentence to be imposed after consideration of the Sentencing Guidelines and all other relevant factors under 18 U.S.C. § 3553(a).

ORGANIZATIONAL CHANGES AND APPLICABILITY

4. This Agreement shall bind defendant, its successor corporation(s), if any, and any other person or entity that assumes the liabilities contained herein ("successor-in-interest"). No change in name, change in corporate or individual control, business reorganization, change in ownership, merger, change of legal status, sale or purchase of assets, or similar action shall alter defendant's

responsibilities under this Agreement. Defendant shall not engage in any action to seek to avoid the obligations and conditions set forth in this Agreement.

RESPONDEAT SUPERIOR

5. The parties stipulate and agree that under principles of corporate liability and respondeat superior, as these principles apply in this case, defendant is liable for the actions of its agents and employees. New York Central and Hudson River R.R. v. United States, 212 U.S. 481, 495 (1909); United States v. Beusch, 596 F.2d 871, 877-878 (9th Cir. 1979); United States v. Hilton Hotels Corporation, 467 F.2d 1000, 1004-1007 (9th Cir. 1972).

NATURE OF THE OFFENSES

6. Defendant understands that for defendant to be guilty of the crime charged in count one, that is, Conspiracy to Commit Bank Fraud, in violation of 18 U.S.C. §§ 1349, the following must be true: (1) there was an agreement between two or more persons to commit bank fraud as charged in the indictment; (2) that one or more employees of defendant became a member of the conspiracy knowing of at least one of its objects and intending to help accomplish it; (3) that defendant's employee(s) that participated in the conspiracy were, at that time, operating within the scope of their employment with defendant and motivated, at least in part, by an intent to benefit defendant's business operations; and (4) one of the members of the conspiracy performed at least one overt act on for the purpose of carrying out the conspiracy.

7. Defendant understands that for defendant to be guilty of the crime charged in count three, that is, Bank Fraud, in violation of 18 U.S.C. §§ 1344(2), the following must be true: (1) one or more

of defendant's employees knowingly carried out a scheme or plan to obtain money or property from a bank by making false statements or promises; (2) defendant's employee(s) knew that the statements or promises were false; (3) the statements or promises were material, that is, they had a natural tendency to influence, or were capable of influencing, a financial institution to part with money or property; (4) defendant's employee(s) acted with the intent to defraud; (5) the employee(s) was/were operating within the scope of his/their employment with defendant and motivated, at least in part, by an intent to benefit defendant's business operations at the time scheme or plan was carried out; and (6) the bank was federally insured.

PENALTIES AND RESTITUTION

8. Defendant understands that the statutory maximum sentence that the Court can impose for a violation of 18 U.S.C. § 1349, is: a fine of $1,000,000 or twice the gross gain or gross loss resulting from the offense, whichever is greatest; a five-year period of probation; and a mandatory special assessment of $400.

9. Defendant understands that the statutory maximum sentence that the Court can impose for a violation of 18 U.S.C. § 1344(2), is: a fine of $1,000,000 or twice the gross gain or gross loss resulting from the offense, whichever is greatest; a five-year period of probation; and a mandatory special assessment of $400.

10. Defendant understands, therefore, that the total maximum sentence for all offenses to which defendant is pleading guilty is: a fine of $2,000,000 or twice the gross gain or gross loss resulting from the offenses, whichever is greatest; a five-year period of probation; and a mandatory special assessment of $800.

11. Defendant understands that defendant will be required to pay full restitution to the victims of the offenses to which defendant is pleading guilty. Defendant agrees that, in return for the USAO's compliance with its obligations under this agreement, the Court may order restitution to persons other than the victims of the offenses to which defendant is pleading guilty and in amounts greater than those alleged in the counts to which defendant is pleading guilty. In particular, defendant agrees that the Court may order restitution to any victim of any of the following for any losses suffered by that victim as a result: (a) any relevant conduct, as defined in U.S.S.G. § 1B1.3, in connection with the offenses to which defendant is pleading guilty; and (b) any counts dismissed pursuant to this agreement as well as all relevant conduct, as defined in U.S.S.G. § 1B1.3, in connection with those counts and charges. The parties currently believe that the applicable amount of restitution is approximately $668,427, and includes the United States Small Business Administration and BAC Community Bank as victims, but recognize and agree that this amount could change based on facts that come to the attention of the parties prior to sentencing.

SUSPENSION/REVOCATION/DEBARMENT

12. Defendant understands that if defendant holds any regulatory license or permit, the conviction in this case may result in the suspension or revocation of such license and/or permit. By this Agreement, the USAO makes no representation or promise concerning suspension or debarment of defendant from contracting with the United States or with any office, agency, or department thereof. Suspension and debarment of organizations convicted under various federal regulatory protection and criminal statutes is a

discretionary administrative action solely within the authority of the federal contracting agencies.

FACTUAL BASIS

13. Defendant admits that defendant is, in fact, guilty of the offenses to which defendant is agreeing to plead guilty. Defendant and the USAO agree to the statement of facts attached hereto as Exhibit 1, and incorporated herein by reference, and agree that this statement of facts is sufficient to support pleas of guilty to the charges described in this agreement but is not meant to be a complete recitation of all facts relevant to the underlying criminal conduct or all facts known to either party that relate to that conduct.

NO AGREEMENT REGARDING SENTENCING FACTORS

14. Except as set forth in paragraph 3(d) above, defendant and the USAO have no agreement as to the appropriate sentence or the applicable Sentencing Guidelines factors. Except as set forth in paragraph 3(d) above, both parties reserve the right to seek any sentence within the statutory maximum, and to argue for any criminal history score and category, base offense level, specific offense characteristics, adjustments, departures, and variances.

15. Except as set forth in paragraph 3(d) above, defendant and the USAO reserve the right to argue for a sentence outside the sentencing range established by the Sentencing Guidelines based on the factors set forth in 18 U.S.C. § 3553(a)(1), (a)(2), (a)(3), (a)(6), and (a)(7).

WAIVER OF CONSTITUTIONAL RIGHTS

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

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

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

c. The right to be represented by counsel at trial. Although a corporation does not have the right to appointment of counsel, defendant understands that it retains the right to be represented by counsel at every other stage of the proceeding.

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

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

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

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

WAIVER OF APPEAL OF CONVICTION

17. Defendant understands that, with the exception of an appeal based on a claim that defendant's guilty pleas were involuntary, by pleading guilty defendant is waiving and giving up any right to appeal defendant's convictions on the offenses to which defendant is pleading guilty. Defendant understands that this waiver includes, but is not limited to, arguments that the statutes to which defendant is pleading guilty are unconstitutional, and any and all claims that the statement of facts provided herein is insufficient to support defendant's pleas of guilty.

LIMITED MUTUAL WAIVER OF APPEAL OF SENTENCE

18. Defendant agrees that, provided the Court imposes a total term of imprisonment on all counts of conviction of no more than the statutory maximum specified above, defendant gives up the right to appeal all of the following: (a) the procedures and calculations used to determine and impose any portion of the sentence; (b) the fine imposed by the Court, provided it is within the statutory maximum; (c) to the extent permitted by law, the constitutionality or legality of defendant's sentence, provided it is within the statutory maximum; (d) the term of probation imposed by the Court, provided it is within the statutory maximum; and (e) any of the following conditions of probation imposed by the Court: the conditions set forth in Second Amended General Order 20-04 of this Court.

19. The USAO agrees that, provided (a) all portions of the sentence are at or below the statutory maximum specified above, the USAO gives up its right to appeal any portion of the sentence.

RESULT OF WITHDRAWAL OF GUILTY PLEA

20. Defendant agrees that if, after entering guilty pleas pursuant to this agreement, defendant seeks to withdraw and succeeds in withdrawing defendant's guilty pleas on any basis other than a claim and finding that entry into this plea agreement was involuntary, then (a) the USAO will be relieved of all of its obligations under this agreement; and (b) should the USAO choose to pursue any charge or any civil, administrative, or regulatory action that was either dismissed or not filed as a result of this agreement, then (i) any applicable statute of limitations will be tolled between the date of defendant's signing of this agreement and the filing commencing any such action; and (ii) defendant waives and gives up

all defenses based on the statute of limitations, any claim of pre-indictment delay, or any speedy trial claim with respect to any such action, except to the extent that such defenses existed as of the date of defendant's signing this agreement.

EFFECTIVE DATE OF AGREEMENT

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

BREACH OF AGREEMENT

22. Defendant agrees that if defendant, at any time after the signature of this agreement and execution of all required certifications by defendant, defendant's counsel, and an Assistant United States Attorney, knowingly violates or fails to perform any of defendant's obligations under this agreement ("a breach"), the USAO may declare this agreement breached. All of defendant's obligations are material, a single breach of this agreement is sufficient for the USAO to declare a breach, and defendant shall not be deemed to have cured a breach without the express agreement of the USAO in writing. If the USAO declares this agreement breached, and the Court finds such a breach to have occurred, then: (a) if defendant has previously entered guilty pleas pursuant to this agreement, defendant will not be able to withdraw the guilty pleas, and (b) the USAO will be relieved of all its obligations under this agreement.

23. Following the Court's finding of a knowing breach of this agreement by defendant, should the USAO choose to pursue any charge or any civil, administrative, or regulatory action that was either dismissed or not filed as a result of this agreement, then:

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

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

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

COURT AND UNITED STATES PROBATION AND PRETRIAL SERVICES OFFICE NOT PARTIES

24. Defendant understands that the Court and the United States Probation and Pretrial Services Office are not parties to this agreement and need not accept any of the USAO's sentencing recommendations or the parties' agreements to facts or sentencing factors.

25. Defendant understands that both defendant and the USAO are free to: (a) supplement the facts by supplying relevant information

to the United States Probation and Pretrial Services Office and the Court, (b) correct any and all factual misstatements relating to the Court's Sentencing Guidelines calculations and determination of sentence, and (c) argue on appeal and collateral review that the Court's Sentencing Guidelines calculations and the sentence it chooses to impose are not error. While this paragraph permits both the USAO and defendant to submit full and complete factual information to the United States Probation and Pretrial Services Office and the Court, even if that factual information may be viewed as inconsistent with the facts agreed to in this agreement, this paragraph does not affect defendant's and the USAO's obligations not to contest the facts agreed to in this agreement.

26. Defendant understands that even if the Court ignores any sentencing recommendation, finds facts or reaches conclusions different from those agreed to, and/or imposes any sentence up to the maximum established by statute, defendant cannot, for that reason, withdraw defendant's guilty pleas, and defendant will remain bound to fulfill all defendant's obligations under this agreement. Defendant understands that no one -- not the prosecutor, defendant's attorney, or the Court -- can make a binding prediction or promise regarding the sentence defendant will receive, except that it will be within the statutory maximum.

NO ADDITIONAL AGREEMENTS

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

PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

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

AGREED AND ACCEPTED

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

TRACY L. WILKISON
Acting United States Attorney

Matthew W. O'Brien — August 12, 2021

MATTHEW O'BRIEN — Date
JOSEPH O. JOHNS
Assistant United States Attorneys

[signature] — 8/12/21

CARL BRADLEY JOHANSSON — Date
Authorized Representative for
Defendant Western Distribution, LLC

[signature] — 8/12/21

MARK J. WERKSMAN, ESQ. — Date
KAREN SOSA, ESQ.
Attorneys for Defendant Western
Distribution, LLC

CERTIFICATION OF DEFENDANT

As the authorized representative of the corporate defendant Western Distribution, LLC, 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 defendant's attorney. As defendant's authorized representative, I understand the terms of this agreement, and I voluntarily agree to those terms on behalf of defendant. I have discussed the evidence with defendant's attorney, and its attorney

has advised me of defendant's 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 or defendant other than those contained in this agreement. No one has threatened or forced me or defendant in any way to enter into this agreement. I am satisfied with the representation of defendant's attorney in this matter, and I represent that defendant is pleading guilty because it is guilty of the charges and wishes to take advantage of the promises set forth in this agreement, and not for any other reason.

8/12/21

CARL BRADLEY JOHANSSON
Authorized Representative for
Defendant Western Distribution, LLC

Date

CERTIFICATION OF DEFENDANT'S ATTORNEY

I am Western Distribution, LLC's attorney. I have carefully and thoroughly discussed every part of this agreement with my client and its authorized representative. Further, I have fully advised my client of and its authorized representative of its 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 or its representative other than those contained in this agreement; no one has threatened or forced my client or its representative in any way to enter into this agreement; my client's and its representative'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 guilty pleas pursuant to this agreement.

Mark Werksman

MARK J. WERKSMAN, ESQ.
KAREN SOSA, ESQ.
Attorneys for Defendant Western Distribution, LLC

8/12/21
Date

Exhibit 1

Statement of Facts in Support of Western Distribution, LLC's Plea Agreement

Carl Bradley Johansson, aka "Brad Johnson," "Carl Johnson," aka "C. Brad Johanson," aka "Jay Johnson," aka "Keith Golatta" ("Johansson"), controlled and operated defendant WESTERN DISTRIBUTION, LLC.

Defendant WESTERN DISTRIBUTION, LLC, also known as ("aka") "Advanced Distribution, Inc." ("defendant"), was a trucking company based in San Bernardino County, California, that was engaged in the business of transporting jet fuel. Agri-Comm Express, Inc. ("Agri-comm") was a trucking company based in Gustine, California, that was engaged in the business of transporting agricultural products. Carl Stefan Johansson was Johansson's son, and the alleged owner of defendant. L.S. was Johansson's long-time employee and administrative assistant at defendant.

In March 2019, Johansson founded defendant and registered it as an LLC in Wyoming. At all times relevant to the indictment, Johansson controlled all aspects of defendant. Defendant was based in Buena Park, California and then Ontario, California, and focused on the transportation of jet fuel. In September 2019, Johansson converted defendant into Advanced Distribution, Inc. and then into Western Distribution, Inc.

Beginning on a date unknown and continuing to July 21, 2021, in San Bernardino County, within the Central District of California, and elsewhere, Johansson and defendant conspired with others to execute a scheme to defraud a federally insured financial institution, namely, BAC Community Bank ("BAC") in Stockton, California, as to material

matters, and to obtain moneys and funds owned by and in the custody and control of the bank by means of material false and fraudulent pretenses, representations, promises, and the concealment of material facts.

In furtherance of the conspiracy and to accomplish the objects of the conspiracy, Johansson and defendant, and others, committed various overt acts within the Central District of California and elsewhere, including, but not limited to, the following:

On April 15, 2020, at Johansson's direction, Agri-comm applied for a PPP loan in the amount of $286,505 from Bank of the West, a federally insured financial institution. Johansson told Agri-comm how to fill out the responses on the PPP application. At Johansson's direction, Agri-comm's PPP application claimed that Agri-comm had no common management with any other businesses, even though Johansson had influence over and/or controlled Agri-comm and, at the same time, he controlled defendant and Wholesale Distribution, Inc. ("Wholesale"). Agri-comm's application was approved, and Agri-comm received a PPP loan in the amount of $286,500.

On April 24, 2020, at Johansson's direction, defendant submitted a PPP loan application ("WESTERN's PPP Loan Application") to BAC, seeking a PPP loan in the amount of $436,390. Johansson instructed defendant's employee L.S. regarding how to fill out the responses on the application. As part of WESTERN's PPP Loan Application, Johansson caused defendant to fraudulently represent the following material facts to BAC: (a) that defendant had the equivalent of 31 full-time employees, even though defendant had laid off most of those employees prior to the submission of the application; and (b) that the PPP funds defendant received would be "used to retain workers and

maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Rule." At Johansson's direction, defendant also fraudulently represented to BAC that defendant had no common management with any other businesses, even though Johansson controlled defendant and Wholesale, and had influence over and/or controlled Agri-comm.

On May 5, 2020, defendant obtained a PPP loan in the amount of $436,390 after Johansson caused its fraudulent PPP loan application to be submitted to BAC. Between May 7, 2020 and June 11, 2020, Johansson caused defendant to spend at least $435,000 of its PPP loan, mostly on business expenses unrelated to its payroll, because the company had laid off most of its employees before it even applied for the PPP loan. On May 16, 2020, Johansson added his son, Carl Stefan Johansson, to defendant's payroll, even though Johansson had previously represented in WESTERN's PPP Loan Application that his son already owned defendant and even though his son worked for a different company at the time.

On approximately September 22, 2020, Johansson caused the fraudulent transfer of 21 of Agri-comm's employees ("Agri-comm's 21 Employees") to defendant's payroll account (effective as of September 16, 2020), even though those employees continued to work for Agri-comm rather than defendant. These same employees had been listed as Agri-comm's employees in Agri-comm's PPP loan application. Johansson's intent in transferring the 21 Agri-comm Employees to defendant's payroll was to increase defendant's payroll so that it would look like defendant had spent at least sixty percent of its PPP loan on its payroll, as required by the PPP, so that defendant's entire PPP loan could be forgiven.

Between September 16, 2020 and October 19, 2020, at Johansson's direction, defendant paid Agri-comm's 21 Employees approximately $87,722, even though Agri-comm's 21 Employees did not work for defendant. Between September 2020 through December 2020, at Johansson's direction, Agri-comm wired approximately $339,900 from Agri-comm's bank account to defendant's bank account to reimburse defendant for the money that it was using to pay Agri-comm's 21 Employees. On December 28, 2020, Johansson sent an email to the employee at Agri-comm who handled payroll issues, writing "[M]ake this the last week . . . go back to your own next week." On December 29, 2020, the employee at Agri-comm replied to Johansson, writing, "We will go ahead and run the weekly payroll information we have you yesterday under the Western trucker account. . . . We will go back to everyone under the Agri-Comm Express, Inc. account next week."

On January 19, 2021, Johansson caused defendant to submit a loan forgiveness application (the "Loan Forgiveness Application") to BAC, in which defendant requested that its entire $436,390 loan be forgiven pursuant to the PPP rules. As part of the Loan Forgiveness Application, Johansson caused defendant to certify to BAC that "[t]he dollar amount for which forgiveness is requested was used to pay costs that are eligible for forgiveness" and that "[t]he information provided in this application and the information provided in all supporting documents and forms is true and correct in all material respects." As part of the Loan Forgiveness Application, Johansson caused defendant to represent to BAC that Agri-comm's 21 Employees were defendant's employees between the dates of May 5, 2020 and October 19, 2020, and that the employees were paid approximately $87,722 by defendant during that period, even though Agri-comm's 21

Employees did not actually work for defendant and Agri-comm had reimbursed defendant for those 21 Employees' payroll expenses. Later, on February 22, 2021, defendant represented to BAC that defendant had three different departments and three different payroll journals, but concealed from BAC that one of those "departments" actually consisted of Agri-comm's 21 Employees.

On March 24, 2021, at Johansson's direction, defendant applied for a second PPP loan (the "Second PPP Loan Application"), also through BAC, seeking a PPP loan in the amount of $231,527. Again, Johansson directed defendant regarding how to fill out the application. As part of this Second PPP Loan Application, Johansson caused defendant to make the following fraudulent and material representations to BAC: that the PPP funds that defendant received would be "used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Rule." As part of the Second PPP Loan Application, Johansson caused defendant to fraudulently submit to BAC its purported payroll, yet omit to disclose a significant, material fact to BAC, namely, that many of the individuals that it had listed as its own employees were actually employed by Agri-comm rather than defendant. Johansson again caused defendant to claim to BAC, falsely, that defendant had no common management with any other businesses.

On March 24, 2021, as a result of its submission of the fraudulent Second PPP Loan Application, defendant obtained a PPP loan in the amount of $231,527.