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UNITED STATES OF AMERICA

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

ARSEN TERZIAN, aka Steven
Terzaki,

Defendant.

No. CR 25-456-MWC

PLEA AGREEMENT FOR DEFENDANT
ARSEN TERZIAN

1. This constitutes the plea agreement between DEFENDANT ARSEN TERZIAN, aka "Steven Terzaki," ("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, seven, and eight of the indictment in *United States v. Arsen Terzyan*, CR No. 25-456-MWC, which charges defendant, in counts one and seven, with wire fraud in violation of 18 U.S.C. § 1343, and, in count eight, with transactional money laundering in violation of 18 U.S.C. § 1957.

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.

RESTITUTION

3. Defendant agrees that any and all criminal debt ordered by the Court will be due in full and immediately. 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.

1 4. Defendant further agrees to:

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

12 b. Authorize the USAO to obtain a credit report upon
13 returning a signed copy of this plea agreement.
14 Consent to the USAO inspecting and copying all of defendant's
15 financial documents and financial information held by the United
16 States Probation and Pretrial Services Office.

17 THE USAO'S OBLIGATIONS

18 5. The USAO agrees to:

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

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

22 c. At the time of sentencing, move to dismiss the
23 remaining counts of the indictment and all counts against defendant
24 in the complaint in 25-MJ-3138-DUTY as against defendant. Defendant
25 agrees, however, that at the time of sentencing the Court may
26 consider any dismissed charge(s) in determining the applicable
27 Sentencing Guidelines range, the propriety and extent of any
28 departure from that range, and the sentence to be imposed.

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

7 NATURE OF THE OFFENSES

8 6. Defendant understands that for defendant to be guilty of
9 the crime charged in counts one and seven of the indictment, that is,
10 wire fraud, in violation of Title 18, United States Code, Section
11 1343, the following must be true: (1) defendant knowingly
12 participated in or devised a scheme or plan to defraud, or a scheme
13 or plan for obtaining money or property by means of false or
14 fraudulent pretenses, representations, or promises; (2) the
15 statements made as part of the scheme were material; that is, they
16 had a natural tendency to influence, or were capable of influencing,
17 a person to part with money or property; (3) defendant acted with the
18 intent to defraud, that is, the intent to deceive and cheat; and (4)
19 defendant used, or caused to be used, an interstate wire
20 communication to carry out or attempt to carry out an essential part
21 of the scheme. Defendant understands that for defendant to be guilty
22 of the crime charged in count eight of the indictment, that is,
23 transactional money laundering, in violation of Title 18, United
24 States Code, Section 1957, the following must be true: (1) defendant
25 knowingly engaged or attempted to engage in a monetary transaction;
26 (2) defendant knew the transaction involved criminally derived
27 property; (3) the property had a value greater than \$10,000; (4) the
28 property was, in fact, derived from the mail and wire fraud scheme

1 alleged in the indictment; and (5) the transaction occurred in the
2 United States.

3 PENALTIES AND RESTITUTION

4 7. Defendant understands that the statutory maximum sentence
5 that the Court can impose for a violation of Title 18, United States
6 Code, Section 1343, is: twenty years' imprisonment; a five-year
7 period of supervised release; a fine of \$250,000 or twice the gross
8 gain or gross loss resulting from the offense, whichever is greatest;
9 and a mandatory special assessment of \$100. Defendant understands
10 that the statutory maximum sentence that the Court can impose for a
11 violation of Title 18, United States Code, Section 1957, is: ten
12 years' imprisonment; a five-year period of supervised release; a fine
13 of \$250,000 or twice the amount of the criminally derived property
14 involved in the transaction, whichever is greatest; and a mandatory
15 special assessment of \$100. Defendant understands that, therefore,
16 the total statutory maximum sentence that the Court can impose in
17 this case is: fifty years' imprisonment; a five-year period of
18 supervised release; a fine of \$750,000 or twice the gross gain or
19 gross loss resulting from the offense, or twice the amount of the
20 criminally derived property involved in the transaction, whichever is
21 greatest; and a mandatory special assessment of \$300.

22 8. Defendant understands that defendant will be required to
23 pay full restitution to the victims of the offenses to which
24 defendant is pleading guilty. Defendant agrees that, in return for
25 the United States' compliance with its obligations under this
26 agreement, the Court may order restitution to persons other than the
27 victims of the offenses to which defendant is pleading guilty and in
28 amounts greater than those alleged in the counts to which defendant

1 is pleading guilty. In particular, defendant agrees that the Court
2 may order restitution to any victim of any of the following for any
3 losses suffered by that victim as a result: (a) any relevant conduct,
4 as defined in U.S.S.G. § 1B1.3, in connection with the offense to
5 which defendant is pleading guilty; and (b) any counts dismissed
6 pursuant to this agreement as well as all relevant conduct, as
7 defined in U.S.S.G. § 1B1.3, in connection with those counts. The
8 parties agree that the total amount of restitution due is \$1,166,670,
9 payable to the U.S. Small Business Administration.

10 9. Defendant understands that supervised release is a period
11 of time following imprisonment during which defendant will be subject
12 to various restrictions and requirements. Defendant understands that
13 if defendant violates one or more of the conditions of any supervised
14 release imposed, defendant may be returned to prison for all or part
15 of the term of supervised release authorized by statute for the
16 offense that resulted in the term of supervised release, which could
17 result in defendant serving a total term of imprisonment greater than
18 the statutory maximum stated above.

19 10. Defendant understands that, by pleading guilty, defendant
20 may be giving up valuable government benefits and valuable civic
21 rights, such as the right to vote, the right to possess a firearm,
22 the right to hold office, and the right to serve on a jury.
23 Defendant understands that he is pleading guilty to felonies and that
24 it is a federal crime for a convicted felon to possess a firearm or
25 ammunition. Defendant understands that the convictions in this case
26 may also subject defendant to various other collateral consequences,
27 including but not limited to revocation of probation, parole, or
28 supervised release in another case and suspension or revocation of a

1 professional license. Defendant understands that unanticipated
2 collateral consequences will not serve as grounds to withdraw
3 defendant's guilty pleas.

4 11. Defendant and his counsel have discussed the fact that,
5 and defendant understands that, if defendant is not a United States
6 citizen, the convictions in this case, or any one of them, make it
7 practically inevitable and a virtual certainty that defendant will be
8 removed or deported from the United States. Defendant may also be
9 denied United States citizenship and admission to the United States
10 in the future. Defendant understands that while there may be
11 arguments that defendant can raise in immigration proceedings to
12 avoid or delay removal, removal is presumptively mandatory and a
13 virtual certainty in this case. Defendant further understands that
14 removal and immigration consequences are the subject of a separate
15 proceeding and that no one, including his attorney or the Court, can
16 predict to an absolute certainty the effect of his convictions on his
17 immigration status. Defendant nevertheless affirms that he wants to
18 plead guilty regardless of any immigration consequences that his
19 pleas may entail, even if the consequence is automatic removal from
20 the United States.

21 FACTUAL BASIS

22 12. Defendant admits that defendant is, in fact, guilty of the
23 offenses to which defendant is agreeing to plead guilty. Defendant
24 and the USAO agree to the statement of facts provided in Exhibit A
25 attached hereto and incorporated herein by this reference, and agree
26 that this statement of facts is sufficient to support pleas of guilty
27 to the charges described in this agreement and to establish the
28 Sentencing Guidelines factors set forth in paragraph 14 below but is

1 not meant to be a complete recitation of all facts relevant to the
 2 underlying criminal conduct or all facts known to either party that
 3 relate to that conduct.

4 SENTENCING FACTORS

5 13. Defendant understands that in determining defendant's
 6 sentence the Court is required to calculate the applicable Sentencing
 7 Guidelines range and to consider that range, possible departures
 8 under the Sentencing Guidelines, and the other sentencing factors set
 9 forth in 18 U.S.C. § 3553(a). Defendant understands that the
 10 Sentencing Guidelines are advisory only, that defendant cannot have
 11 any expectation of receiving a sentence within the calculated
 12 Sentencing Guidelines range, and that after considering the
 13 Sentencing Guidelines and the other § 3553(a) factors, the Court will
 14 be free to exercise its discretion to impose any sentence it finds
 15 appropriate up to the maximum set by statute for the crimes of
 16 conviction.

17 14. Defendant and the USAO agree to the following applicable
 18 Sentencing Guidelines factors:

19	Base Offense Level:	7	[U.S.S.G. § 2B1.1(a)]
20	Specific Offense		
21	Characteristics (loss between		
	\$\$550K and \$1.5MM):	14	[U.S.S.G. § 2B1.1(b)(1)(H)]
22			
23	Money Laundering:	2	[U.S.S.G. § 2S1.1(b)(2)(A)]
24	Sophisticated Means	2	[U.S.S.G. § 2B1.1(b)(10)]
25	Acceptance of Responsibility	-3	[U.S.S.G. § 3E1.1]
26	Total Offense Level	22	

27 The USAO will agree to a two-level downward adjustment for acceptance
 28 of responsibility (and, if applicable, move for an additional one-

1 level downward adjustment under U.S.S.G. § 3E1.1(b)) only if the
2 conditions set forth in paragraph 2 are met and if defendant has not
3 committed, and refrains from committing, acts constituting
4 obstruction of justice within the meaning of U.S.S.G. § 3C1.1, as
5 discussed below. Subject to paragraph 28 below, defendant and the
6 USAO agree not to seek, argue, or suggest in any way, either orally
7 or in writing, that any other specific offense characteristics,
8 adjustments, or departures relating to the offense level be imposed.
9 Defendant agrees, however, that if, after signing this agreement but
10 prior to sentencing, defendant were to commit an act, or the USAO
11 were to discover a previously undiscovered act committed by defendant
12 prior to signing this agreement, which act, in the judgment of the
13 USAO, constituted obstruction of justice within the meaning of
14 U.S.S.G. § 3C1.1, the USAO would be free to seek the enhancement set
15 forth in that section and to argue that defendant is not entitled to
16 a downward adjustment for acceptance of responsibility under U.S.S.G.
17 § 3E1.1.

18 15. Defendant understands that there is no agreement as to
19 defendant's criminal history or criminal history category.

20 16. Defendant and the USAO reserve the right to argue for a
21 sentence outside the sentencing range established by the Sentencing
22 Guidelines based on the factors set forth in 18 U.S.C. § 3553(a)(1),
23 (a)(2), (a)(3), (a)(6), and (a)(7).

24 WAIVER OF CONSTITUTIONAL RIGHTS

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

- 27 a. The right to persist in a plea of not guilty.
28 b. The right to a speedy and public trial by jury.

1 c. The right to be represented by counsel -- and if
2 necessary have the Court appoint counsel -- at trial. Defendant
3 understands, however, that, defendant retains the right to be
4 represented by counsel -- and if necessary have the Court appoint
5 counsel -- at every other stage of the proceeding.

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

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

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

14 g. The right not to be compelled to testify, and, if
15 defendant chose not to testify or present evidence, to have that
16 choice not be used against defendant.

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

20 WAIVER OF APPEAL OF CONVICTIONS

21 18. Defendant understands that, with the exception of an
22 appeal based on a claim that defendant's guilty pleas were
23 involuntary, by pleading guilty defendant is waiving and giving up
24 any right to appeal defendant's convictions on the offenses to which
25 defendant is pleading guilty. Defendant understands that this waiver
26 includes, but is not limited to, arguments that the statutes to which
27 defendant is pleading guilty are unconstitutional, and any and all
28

1 claims that the statement of facts provided herein is insufficient to
2 support defendant's pleas of guilty.

3 LIMITED MUTUAL WAIVER OF APPEAL OF SENTENCE

4 19. Defendant agrees that, provided the Court imposes a total
5 term of imprisonment on all counts of conviction of not more than the
6 statutory maximum, defendant gives up the right to appeal all of the
7 following: (a) the procedures and calculations used to determine and
8 impose any portion of the sentence; (b) the term of imprisonment
9 imposed by the Court; (c) the fine imposed by the Court, provided it
10 is within the statutory maximum; (d) to the extent permitted by law,
11 the constitutionality or legality of defendant's sentence, provided
12 it is within the statutory maximum; (e) the amount and terms of any
13 restitution order; (f) the term of probation or supervised release
14 imposed by the Court, provided it is within the statutory maximum;
15 and (g) any of the following conditions of probation or supervised
16 release imposed by the Court: the conditions set forth in Second
17 Amended General Order 20-04 of this Court; and the drug testing
18 conditions mandated by 18 U.S.C. §§ 3563(a) (5) and 3583(d).

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

22 WAIVER OF RIGHTS CONCERNING PLEA COLLOQUY AND FACTUAL BASIS

23 21. Defendant agrees that: (i) any statements made by
24 defendant, under oath, at the guilty plea hearing; (ii) the agreed to
25 factual basis statement in this agreement; and (iii) any evidence
26 derived from such statements, shall be admissible against defendant
27 in any action against defendant, and defendant waives and gives up
28 any claim under the United States Constitution, any statute, Rule 410

1 of the Federal Rules of Evidence, Rule 11(f) of the Federal Rules of
2 Criminal Procedure, or any other federal rule, that the statements or
3 any evidence derived from the statements should be suppressed or are
4 inadmissible.

5 Defendant further agrees that this paragraph of the agreement is
6 severable. Thus, defendant's waivers are binding and effective even
7 if, subsequent to defendant's signing this agreement, defendant
8 declines to plead guilty, the Court declines to accept his guilty
9 plea, or, if this agreement is of the type described in Federal Rule
10 of Criminal Procedure 11(c)(1)(A) or (c)(1)(C), the Court rejects
11 this agreement. Defendant also agrees that his waivers are binding
12 and effective even if some other portion of this agreement is found
13 to be invalid by this Court or the Ninth Circuit.

14 RESULT OF WITHDRAWAL OF GUILTY PLEA

15 22. Defendant agrees that if, after entering a guilty plea or
16 pleas pursuant to this agreement, defendant seeks to withdraw and
17 succeeds in withdrawing defendant's guilty plea or pleas on any basis
18 other than a claim and finding that entry into this plea agreement
19 was involuntary, then (a) the USAO will be relieved of all of its
20 obligations under this agreement; and (b) should the USAO choose to
21 pursue any charge that was either dismissed or not filed as a result
22 of this agreement, then (i) any applicable statute of limitations
23 will be tolled between the date of defendant's signing of this
24 agreement and the filing commencing any such action; and
25 (ii) defendant waives and gives up all defenses based on the statute
26 of limitations, any claim of pre-indictment delay, or any speedy
27 trial claim with respect to any such action, except to the extent
28

1 that such defenses existed as of the date of defendant's signing this
2 agreement.

3 RESULT OF VACATUR, REVERSAL, OR SET-ASIDE

4 23. Defendant agrees that if any count of conviction is
5 vacated, reversed, or set aside the USAO may: (a) ask the Court to
6 resentence defendant on any remaining counts of conviction, with both
7 the USAO and defendant being released from any stipulations regarding
8 sentencing contained in this agreement, (b) ask the Court to void the
9 entire plea agreement and vacate defendant's guilty pleas on any
10 remaining counts of conviction, with both the USAO and defendant
11 being released from all their obligations under this agreement, or
12 (c) leave defendant's remaining convictions, sentence, and plea
13 agreement intact. Defendant agrees that the choice among these three
14 options rests in the exclusive discretion of the USAO.

15 EFFECTIVE DATE OF AGREEMENT

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

19 BREACH OF AGREEMENT

20 25. Defendant agrees that if defendant, at any time after the
21 effective date of this agreement, knowingly violates or fails to
22 perform any of defendant's obligations under this agreement ("a
23 breach"), the USAO may declare this agreement breached. All of
24 defendant's obligations are material, a single breach of this
25 agreement is sufficient for the USAO to declare a breach, and
26 defendant shall not be deemed to have cured a breach without the
27 express agreement of the USAO in writing. If the USAO declares this
28 agreement breached, and the Court finds such a breach to have

1 occurred, then: (a) if defendant has previously entered guilty pleas
2 pursuant to this agreement, defendant will not be able to withdraw
3 the guilty pleas, and (b) the USAO will be relieved of all its
4 obligations under this agreement.

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

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

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

17 COURT AND UNITED STATES PROBATION AND PRETRIAL SERVICES

18 OFFICE NOT PARTIES

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

24 28. Defendant understands that both defendant and the USAO are
25 free to: (a) supplement the facts by supplying relevant information
26 to the United States Probation and Pretrial Services Office and the
27 Court, (b) correct any and all factual misstatements relating to the
28 Court's Sentencing Guidelines calculations and determination of

1 sentence, and (c) argue on appeal and collateral review that the
2 Court's Sentencing Guidelines calculations and the sentence it
3 chooses to impose are not error, although each party agrees to
4 maintain its view that the calculations in paragraph 14 are
5 consistent with the facts of this case. While this paragraph permits
6 both the USAO and defendant to submit full and complete factual
7 information to the United States Probation and Pretrial Services
8 Office and the Court, even if that factual information may be viewed
9 as inconsistent with the facts agreed to in this agreement, this
10 paragraph does not affect defendant's and the USAO's obligations not
11 to contest the facts agreed to in this agreement.

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

22 NO ADDITIONAL AGREEMENTS

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

PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

31. 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

TODD BLANCHE
Deputy Attorney General
BILAL A. ESSAYLI
First Assistant United States
Attorney

Mark Aveis

January 30, 2026

MARK AVEIS
Assistant United States Attorney

Date

1-30-26

ARSEN TERZIAN, aka Steven Terzaki
Defendant

Date

1-30-26

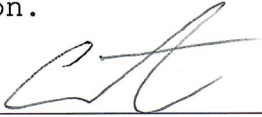
ANNA OSIPOV
Attorney for Defendant ARSEN
TERZIAN

Date

CERTIFICATION OF DEFENDANT

I have read this agreement in its entirety. I have had enough time to review and consider this agreement, and I have carefully and thoroughly discussed every part of it with my attorney. I understand the terms of this agreement, and I voluntarily agree to those terms. I have discussed the evidence with my attorney, and my attorney has advised me of my rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences

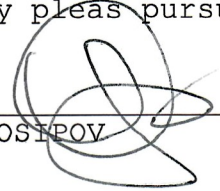
1 of entering into this agreement. No promises, inducements, or
2 representations of any kind have been made to me other than those
3 contained in this agreement. No one has threatened or forced me in
4 any way to enter into this agreement. I am satisfied with the
5 representation of my attorney in this matter, and I am pleading
6 guilty because I am guilty of the charges and wish to take advantage
7 of the promises set forth in this agreement, and not for any other
8 reason.

9 
10 ARSEN TERZYAN, aka Steven Terzaki
11 Defendant

1-30-2026
12 Date

13 CERTIFICATION OF DEFENDANT'S ATTORNEY

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

28 
ANNA OSTROV

1-30-2026
Date



1-30-2026

Attorney for Defendant ARSEN
TERZIAN

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EXHIBIT A (Stipulated Factual Basis)

The parties agree that the following stipulated factual basis meets the requirements of Fed.R.Crim.P. 11(b) (3).

At all relevant times:

Defendant was a resident of Los Angeles County, California, in the Central District of California, a location in which he performed all of the acts described below.

All funds that were transferred for the benefit of defendant involved the deposit, withdrawal, transfer, or exchange by, through, or to a financial institution engaged in interstate commerce and located in the Central District of California.

COVID-19 Pandemic Stimulus Funds

The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted in or about March 2020 that was designed to provide emergency financial assistance to Americans suffering economic harm as a result of the COVID-19 pandemic (the "pandemic"). The CARES Act authorized taxpayer funds under the Economic Injury Disaster Loan program (individually, an "EIDL," or collectively, "EIDLs"). The EIDL program provided low-interest funding to small businesses, renters, and homeowners affected by the pandemic.

In order to obtain an EIDL, a qualifying business was required to submit an application to the United States Small Business Administration ("SBA"), typically through an online portal, and provide information about its operations, such as the nature of the applicant's business, the number of its employees, and gross revenues for the 12-month period preceding the pandemic. EIDL applicants were required to certify that all information in the application as

1 provided by the applicant or on behalf of the applicant by their
2 authorized representative was true and correct.

3 An applicant's representative was required to sign an EIDL "Loan
4 Authorization and Agreement" ("LA&A") as a condition of receipt of
5 EIDL proceeds. The LA&A required that the applicant use the EIDL
6 proceeds only for purposes stated in EIDL rules, such as for employee
7 payroll expenses, employee sick leave, and business obligations and
8 expenses such as business debts, rent, and mortgage payments. EIDL
9 funds could not be used other than for those purposes, including that
10 such funds could not be deposited or held for future business
11 operations, used to capitalize a new business or for business start-
12 up expenses, or used for purposes not associated with the operation
13 of the specified going concern.

14 The amount of an EIDL was determined, in part, by the
15 applicant's representations in the EIDL application about the nature
16 of the applicant's business and the applicant's statements about
17 employees, and revenue.

18 Any funds paid under an EIDL were issued directly by the SBA
19 from CARES Act appropriations by Congress, the source of which were
20 taxpayer funds.

21 EIDL applicants were also obligated to provide true and correct
22 information in response to requests by the SBA as part of the EIDL
23 vetting process, such as requests to clarify business ownership and
24 requests to provide genuine payroll tax documents including genuine
25 federal income tax returns.

26 ///

27 ///

28 ///

1 *EIDL Fraud and Transactional Money Laundering (Counts One and*
2 *Eight)*

3 On January 30, 2021, defendant submitted, online via a wire
4 communication that traveled in interstate commerce, an application to
5 the SBA for a \$150,000 EIDL on behalf of "Grub House, Inc." ("Grub
6 House" or the "Grub House EIDL"). Grub House was a purported
7 restaurant or food service business wholly owned by defendant, and
8 defendant was the sole signer on its business bank account at
9 JPMorgan Chase Bank ("JPMC",) account ending in 3502 (the "JPMC
10 3502"). In the Grub House EIDL application, defendant falsely
11 represented that Grub House's revenue for the 12 months preceding
12 January 31, 2020, was \$433,441. As defendant then well knew, Grub
13 House's revenue for that period was not more than \$50,000. Defendant
14 further then well knew that the amount of the EIDL was tied to the
15 revenue amount that he had misrepresented and that the amount of the
16 EIDL would have been substantially less, if approved at all, had
17 defendant truthfully represented Grub House's revenue for that
18 period.

19 In March 2021, defendant e-signed the standard form EIDL LA&A on
20 behalf of Grub House in which he promised that "[Grub House] will use
21 all the proceeds of this Loan solely as working capital to alleviate
22 economic injury caused by disaster occurring in the month of January
23 31, 2020 and continuing thereafter[.]" At the time that defendant
24 applied for the Grub House EIDL and signed the LA&A, defendant
25 intended to use the Grub House EIDL proceeds for impermissible
26 purposes, including for his personal use and to fund a marijuana grow
27 business.
28

Defendant designated on the Grub House EIDL application the JPMC 3502, an account held at a JPMC branch in the Central District of California and solely controlled by defendant, as the bank account into which the Grub House EIDL proceeds should be wire-transferred. On April 2, 2021, in reliance on defendant's misrepresentations described above, which misrepresentations defendant admits were material to SBA's decision to approve the Grub House EIDL, the SBA approved the Grub House EIDL application and caused proceeds of \$149,900 (net of fees) to be wire-transferred from the SBA to the JPMC 3502.

The balance in the JPMC 3502 before the deposit of the Grub House EIDL proceeds was \$1,361. Defendant admits that he spent substantially all of the Grub House EIDL proceeds within 30 days of receipt and substantially none of those funds was used for a permissible purpose as required under EIDL rules and the Grub House EIDL LA&A that defendant had signed. By way of example, defendant admits that he fraudulently misused \$143,362 of the \$149,900 Grub House EIDL proceeds for at least the following impermissible purposes:

<u>Date/Date Range</u>	<u>Amount</u>	<u>Payee</u>
April 2, 2021	\$8,500.00	Defendant
April 2, 2021	\$9,892.00	Defendant
April 1 - April 3, 2021	\$50,000	"No Limit Cargo"
April 6, 2021	\$24,970	Humboldt Wholesale
April 6 - April 9, 2021	\$17,700.00	A.G.
April 7, 2021	\$9,150.00	"Home Energy Rating"
April 7, 2021	\$9,150.00	"Hers Raters"

1 April 14, 2021 \$14,000.00 Marianna Sarkisyan¹

2 As to the April 6, 2021 check for \$24,970, to Humboldt
3 Wholesale, defendant admits that such check was a monetary
4 transaction, in and affecting interstate commerce, whose source was
5 wire fraud as alleged in counts one through seven, inclusive, of the
6 indictment and as described herein.

7 Defendant further admits that he "structured" the amounts of
8 those above-described transfers of under \$10,000 for the purpose of
9 evading reporting requirements to the Internal Revenue Service.

10 In April 2021, Terzyan submitted an application to modify and
11 increase the Grub House EIDL by approximately \$350,000, to total
12 \$500,000. To satisfy SBA's requirement that defendant provide
13 genuine and accurate tax returns for Grub House to justify the EIDL
14 modification, defendant caused accountant L.F. to prepare, and
15 defendant caused to be filed, fraudulent tax returns for Grub House
16 that falsely reported Grub House's revenue.

17 *Grub House RRF Fraud (Count Seven)*

18 In March 2021, the American Rescue Plan Act became law and
19 established the Restaurant Revitalization Fund ("RRF") for which
20 Congress appropriated taxpayer funds for the SBA to award emergency
21 assistance to qualifying businesses that served food or drink, to
22 include catering businesses and restaurants. Entitlement was
23 substantially based on pandemic-caused revenue loss. The RRF was a
24 conditional grant program, meaning that RRF recipients were not

25
26
27
28 ¹ Marianna Sarkisyan was defendant's sister-in-law and is a co-
defendant, charged with pandemic stimulus wire fraud in case no. 25-
MJ-3138-DUTY now pending in this district.

1 required to repay the funds so long as those funds were used for
2 specific expenses and by a certain deadline.

3 RRF applicants submitted personal and business information,
4 typically through an online SBA portal, in support of each RRF
5 application. RRF recipients were required to certify that they would
6 use RRF proceeds for normal business operations such as for payroll
7 costs, health care, business mortgages or rent. Recipients were then
8 required to submit a "post-award report" in which they certified that
9 their RRF proceeds had actually been used in compliance with the
10 program.

11 On May 11, 2021, defendant submitted, online, an application to
12 the SBA for an RRF on behalf of Grub House (the "Grub House RRF").
13 Defendant identified himself as Grub House's "100%" owner. Defendant
14 falsely claimed that Grub House's 2019 calendar year gross receipts
15 were \$1,423,441, or approximately one million dollars more than
16 defendant had four months earlier claimed (also falsely) on the Grub
17 House EIDL application for the same period.

18 Defendant also falsely represented on the Grub House RRF
19 application that RRF proceeds would be used solely for Grub House's
20 business expenses such as payroll costs, rent, utilities, food and
21 beverage purchases, construction of outdoor seating, supplies, and
22 other permissible operating expenses. At the time that defendant
23 submitted the Grub House RRF application, defendant intended to use
24 the RRF proceeds for impermissible purposes, including as seed
25 capital for a marijuana grow business.

26 The SBA prioritized RRF awards to small businesses at
27 least 51% owned and controlled by women, veterans, and/or the
28 socially and economically disadvantaged.

1 Defendant further admits that he knowingly misrepresented on the
2 Grub House RRF application that Grub House was at least 51 percent
3 owned and controlled by "[a] socially and economically disadvantaged
4 individual[]" in order to qualify for the Grub House RRF. Defendant
5 admits that he then well knew that he was not a "socially [or]
6 economically disadvantaged individual" under RRF rules.

7 On May 28, 2021, in reliance on defendant's misrepresentations,
8 which misrepresentations defendant admits were material, the SBA
9 approved the Grub House RRF application and wire-transferred proceeds
10 of \$1,864,830 to the JPMC 3502 in interstate commerce. The balance
11 in the account was \$524 before the RRF proceeds were deposited.
12 Defendant admits that he paid out substantially all of the Grub House
13 RRF proceeds within about three months of the proceeds' deposit and
14 that substantially none of those payments was for a permissible
15 purpose under RRF rules or the Grub House RRF application. Defendant
16 admits that he fraudulently misused \$1,023,308 of the \$1,864,830 in
17 Grub House RRF proceeds including \$505,889 to establish a marijuana
18 grow business.

19 RRF recipients were required to certify that RRF proceeds were
20 used in compliance with RRF rules. Such compliance was required via
21 a "post-award report." Acknowledging on the post-award report that
22 "[a]ny false statement or misrepresentation to SBA may result in
23 criminal, civil or administrative sanctions including, but not
24 limited to, [] fines and imprisonment[,]" defendant electronically
25 signed and submitted that report in December 2021 and falsely
26 represented that all of the Grub House RRF proceeds were used for
27 Grub House business expenses, including, for example, that defendant
28

1 had used more than \$500,000 for a marijuana grow business that was
2 unrelated to Grub House.

3 Defendant agrees that, for the purpose of establishing his
4 stipulated Sentencing Guidelines loss in paragraph 14 of this plea
5 agreement, the aggregate actual loss that defendant caused by the
6 misrepresentations and misuse of pandemic stimulus funds described
7 above was \$1,166,670. The parties agree that the actual loss figure
8 is legally appropriate under USSG § 2B1.1(b) (1) *et seq.*