

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

2015 NOV -6 AM 9:27

CLERK OF COURT
SOUTHERN DISTRICT OF CALIFORNIA

BY np DEPUTY

SEALED
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
June 2014 Grand Jury

UNITED STATES OF AMERICA,

Plaintiff,

v.

RONALD GRUSD (1),
GONZALO PAREDES (2),
ALEXANDER MARTINEZ (3),
RUBEN MARTINEZ (4),
CALIFORNIA IMAGING NETWORK
MEDICAL GROUP (5),
WILLOWS CONSULTING COMPANY (6),
LINE OF SIGHT, INC. (7),
DESERT BLUE MOON (8),

Defendants.

Case No. 15 CR 2821 BAS

I N D I C T M E N T

Title 18, U.S.C., Sec. 371 -
Conspiracy to Commit Honest
Services Mail Fraud, Mail Fraud
and Violate Travel Act; Title 18,
U.S.C., Secs. 1341 and 1346 -
Honest Services Mail Fraud;
Title 18, U.S.C.,
Sec. 1952(a)(1)(A) and (a)(3)(A) -
Travel Act; Title 18, U.S.C.,
Sec. 2 - Aiding and Abetting;
Title 18, U.S.C.,
Sec. 981(a)(1)(C), and Title 28,
U.S.C., Sec. 2461(c) - Criminal
Forfeiture

The Grand Jury charges, at all times relevant:

INTRODUCTORY ALLEGATIONS

THE DEFENDANTS AND OTHER PARTICIPANTS

1. Defendant RONALD GRUSD ("GRUSD") was a physician who had
been licensed by the State of California since 1987. Defendant
GRUSD's primary area of practice was radiology, and he was certified
by the American Board of Radiology in Diagnostic and Nuclear
Radiology. Defendant GRUSD was an officer of several entities,

1 including defendants CALIFORNIA IMAGING NETWORK MEDICAL GROUP and
2 WILLOWS CONSULTING COMPANY, and Oaks Diagnostics and Advanced
3 Radiology.

4 2. Defendant GONZALO PAREDES ("PAREDES") was an administrator
5 for several of defendant GRUSD's entities, including defendants
6 CALIFORNIA IMAGING NETWORK MEDICAL GROUP and WILLOWS CONSULTING
7 COMPANY, and Advanced Radiology.

8 3. Defendant ALEXANDER MARTINEZ worked as a marketer and
9 administrator on behalf of Dr. A, a licensed chiropractor with three
10 clinics in the Southern District of California. Defendant ALEXANDER
11 MARTINEZ owned and operated defendant LINE OF SIGHT, INC., a
12 professional corporation incorporated in Nevada whose principal place
13 of business was in Calexico, California.

14 4. Defendant RUBEN MARTINEZ worked as a marketer for Dr. A,
15 soliciting patients for treatment at Dr. A's clinic in Calexico,
16 California. Defendant RUBEN MARTINEZ owned and operated defendant
17 DESERT BLUE MOON, a professional corporation incorporated in Nevada.

18 5. Defendant CALIFORNIA IMAGING NETWORK MEDICAL GROUP
19 ("CALIFORNIA IMAGING NETWORK") was a California Corporation formed in
20 August 2007, which listed on its website locations in Los Angeles,
21 Beverly Hills, San Diego, Fresno, Rialto, Santa Ana, Studio City,
22 Bakersfield, Calexico, East Los Angeles, Lancaster, Victorville and
23 Visalia. According to its website, defendant CALIFORNIA IMAGING
24 NETWORK's principal business address was 8641 Wilshire Blvd., Ste.
25 105, Beverly Hills, California. Among the various services defendant
26 CALIFORNIA IMAGING NETWORK offered were diagnostic imaging services
27 and "Extracorporeal Shockwave Therapy." Defendant CALIFORNIA IMAGING
28 NETWORK listed defendant GRUSD as its chief executive officer, chief

1 financial officer, secretary and only director. Defendant GRUSD was
2 also the signatory on defendant CALIFORNIA IMAGING NETWORK's bank
3 accounts.

4 6. Defendant WILLOWS CONSULTING COMPANY ("WILLOWS CONSULTING")
5 was a California corporation, formed in June 2011, which listed 8641
6 Wilshire Blvd., Ste. 105, Beverly Hills, California as its principal
7 business address. Defendant GRUSD was listed as its president and the
8 only signatory on defendant WILLOWS CONSULTING's bank accounts.

9 7. Defendant LINE OF SIGHT, INC., a Nevada Corporation formed
10 in October 2010, listed defendant ALEXANDER MARTINEZ as a director.
11 Defendant LINE OF SIGHT's principal place of business was in Calexico,
12 California, and defendant ALEXANDER MARTINEZ was the only authorized
13 signatory on defendant LINE OF SIGHT's bank accounts.

14 8. Defendant DESERT BLUE MOON, a Nevada Corporation formed in
15 August 2001, listed defendant RUBEN MARTINEZ as a director. Defendant
16 RUBEN MARTINEZ was the only authorized signatory on DESERT BLUE MOON's
17 bank accounts.

18 9. The Oaks Diagnostics, a California corporation formed in
19 1989 and doing business as Advanced Radiology, listed 8641 Wilshire
20 Blvd., Ste. 105, Beverly Hills, California as its principal business
21 address. Advanced Radiology provided Shockwave, nerve conduction
22 velocity and electromyography testing and diagnostic imaging services.
23 Advanced Radiology listed defendant GRUSD as its president. Defendant
24 GRUSD was the only authorized signatory on Advanced Radiology's bank
25 accounts.

26 10. Dr. A was a chiropractor licensed to practice in California,
27 who operated three clinics specializing in chiropractic medicine.

28

1 14. CWCS benefits were administered by the employer, an insurer,
2 or a third party administrator. The CWCS required claims
3 administrators to authorize and pay for medical care that was
4 "reasonably required to cure or relieve the injured worker from the
5 effects of his or her injury," and includes medical, surgical,
6 chiropractic, acupuncture, and hospital treatment.

7 15. California law, including but not limited to the California
8 Business and Professions Code, the California Insurance Code, and the
9 California Labor Code, prohibited the offering, delivering,
10 soliciting, or receiving of anything of value in return for referring
11 a patient for ancillary medical procedures.

12 ANCILLARY MEDICAL PROCEDURES

13 16. Extracorporeal Shockwave Therapy ("shockwave") as used by
14 defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK and Advanced
15 Radiology was a treatment modality that used low energy sound waves to
16 initiate tissue repair of musculoskeletal conditions. The treatment
17 was not a surgical procedure and patients were not placed under
18 anesthesia. Shockwave had been approved by the Federal Drug
19 Administration only for the treatment of chronic lateral epicondylitis
20 (tennis elbow) for which the symptoms were unresponsive to standard
21 therapy for more than six months.

22 17. Nerve conduction velocity ("NCV") was a test employed in
23 electrodiagnostic medicine to see how fast electrical signals move
24 through a nerve and was used to diagnose nerve injury or damage.

25 18. Electromyography ("EMG") was a test employed in
26 electrodiagnostic medicine to evaluate and record the electrical
27 activity produced by skeletal muscles and was used to diagnose nerve
28

1 injury or damage; an EMG was often performed in conjunction with NCV
2 testing.

3 19. Diagnostic imaging services include magnetic resonance
4 imaging ("MRI").

5 Count 1

6 CONSPIRACY TO COMMIT HONEST SERVICES MAIL FRAUD
7 AND VIOLATE THE TRAVEL ACT, 18 USC § 371

8 20. Paragraphs 1 through 19 of this Indictment are realleged and
9 incorporated by reference.

10 21. Beginning on a date unknown and continuing through at least
11 August 2015, within the Southern District of California and elsewhere,
12 defendants RONALD GRUSD, GONZALO PAREDES, ALEXANDER MARTINEZ, RUBEN
13 MARTINEZ, CALIFORNIA IMAGING NETWORK MEDICAL GROUP, WILLOWS CONSULTING
14 COMPANY, LINE OF SIGHT, INC., DESERT BLUE MOON, and others known and
15 unknown did knowingly and intentionally conspire with each other to:

16 a. commit Honest Services Mail Fraud, that is, knowingly and
17 with the intent to defraud, devise and participate in a material
18 scheme to defraud and to deprive patients of the intangible right to
19 Dr. A's honest services, and cause mailings in furtherance of the
20 scheme, in violation of Title 18, United States Code, Sections 1341
21 and 1346;

22 b. commit Mail Fraud, that is, knowingly and with the intent to
23 defraud, devise a material scheme to defraud, and to obtain money and
24 property, by means of materially false and fraudulent pretenses,
25 representations, promises, and omissions and concealments of material
26 facts, and cause mailings in furtherance of the scheme, in violation
27 of Title 18, United States Code, Section 1341; and
28

1 c. use and cause to be used facilities in interstate commerce
2 with intent to promote, manage, establish, carry on, distribute the
3 proceeds of, and facilitate the promotion, management, establishment,
4 carrying on, and distribution of the proceeds of an unlawful activity,
5 that is, bribery in violation of California Labor Code Sections 139.3,
6 139.32, and 3215, California Business and Professions Code
7 Section 650, and California Insurance Code Section 750 and,
8 thereafter, to promote and attempt to perform acts to promote, manage,
9 establish, carry on, distribute the proceeds of, and facilitate the
10 promotion, management, establishment, carrying on, and distribution of
11 the proceeds of such unlawful activity, in violation of Title 18,
12 United States Code, Section 1952(a)(1)(A) and (a)(3)(A).

13 **FRAUDULENT PURPOSE**

14 22. It was a purpose of the conspiracy to fraudulently obtain
15 money from CWCS insurers by submitting claims for ancillary procedures
16 that were secured through a pattern of bribes to Dr. A, and to those
17 acting with him and on his behalf, in exchange for the referral of
18 patients to particular providers of ancillary medical procedures, in
19 violation of Dr. A's fiduciary duty to his patients, and concealing
20 from insurers the bribes that rendered the claims unpayable under
21 California law.

22 **MANNER AND MEANS**

23 23. The conspirators used the following manner and means in
24 pursuit of their fraudulent purpose:

25 a. It was a part of the conspiracy that defendants GRUSD,
26 PAREDES, CALIFORNIA IMAGING NETWORK, and WILLOWS CONSULTING, knowing
27 that the payment of per-patient referral fees was unlawful, offered to
28 pay bribes to Dr. A, ALEXANDER MARTINEZ, RUBEN MARTINEZ, LINE OF SIGHT

1 and DESERT BLUE MOON in order to influence the referral of Dr. A's
2 workers' compensation patients to defendant CALIFORNIA IMAGING NETWORK
3 and other entities operated by defendant GRUSD and PAREDES.

4 b. It was a further part of the conspiracy that defendants
5 ALEXANDER MARTINEZ, RUBEN MARTINEZ, LINE OF SIGHT, and DESERT BLUE
6 MOON agreed to accept per-patient referral fees from defendants GRUSD,
7 PAREDES, CALIFORNIA IMAGING NETWORK, WILLOWS CONSULTING and others --
8 either directly or indirectly - in exchange for the referral of Dr.
9 A's workers' compensation patients to defendant CALIFORNIA IMAGING
10 NETWORK and other entities operated by defendant GRUSD and PAREDES.

11 c. It was a further part of the conspiracy that defendants
12 ALEXANDER MARTINEZ, RUBEN MARTINEZ, LINE OF SIGHT, DESERT BLUE MOON
13 and others arranged to have defendants GRUSD, PAREDES, CALIFORNIA
14 IMAGING NETWORK, WILLOWS CONSULTING and others conduct ancillary
15 medical procedures on Dr. A's workers' compensation patients in
16 exchange for unlawful per-patient referral fees.

17 d. It was a further part of the conspiracy that defendants
18 concealed from patients, and intended to cause Dr. A to conceal from
19 patients, the bribe payments Dr. A and defendants ALEXANDER MARTINEZ,
20 RUBEN MARTINEZ, LINE OF SIGHT, AND DESERT BLUE MOON received from
21 defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK and WILLOWS
22 CONSULTING in exchange for referring patients for ancillary medical
23 procedures, in violation of Dr. A's fiduciary duty to Dr. A's patients
24 and in violation of the California Labor Code.

25 e. It was a further part of the conspiracy that proceeds from
26 insurance claims paid to defendant CALIFORNIA IMAGING NETWORK were
27 funneled through bank accounts by defendants GRUSD and PAREDES to a
28 bank account in the name of defendant WILLOWS CONSULTING, which

1 supplied the kickback payments to defendants ALEXANDER MARTINEZ, RUBEN
2 MARTINEZ, LINE OF SIGHT, DESERT BLUE MOON and others.

3 f. It was a further part of the conspiracy that defendants
4 GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK, WILLOWS CONSULTING,
5 ALEXANDER MARTINEZ, RUBEN MARTINEZ, LINE OF SIGHT, DESERT BLUE MOON
6 and others obscured the true nature of their financial relationships
7 in order to conceal their corrupt bribe payments for patient
8 referrals.

9 g. It was a further part of the conspiracy that defendants
10 PAREDES, ALEXANDER MARTINEZ and RUBEN MARTINEZ discussed via telephone
11 calls, emails, and in-person meetings the workers' compensation
12 patients who had been corruptly referred for ancillary medical
13 procedures to defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK in
14 exchange for kickbacks.

15 h. It was a further part of the conspiracy that defendants
16 GRUSD, PAREDES, ALEXANDER MARTINEZ and RUBEN MARTINEZ utilized
17 interstate facilities, including cellular telephones and email, in
18 order to coordinate the referral of patients for ancillary medical
19 procedures, knowing that such referrals were predicated on unlawful
20 per-patient kickback payments.

21 i. It was a further part of the conspiracy that defendants
22 ALEXANDER MARTINEZ and RUBEN MARTINEZ falsely labeled correspondence
23 concerning lists of workers' compensation patients who had been
24 corruptly referred for ancillary medical procedures as pertaining to
25 "marketing hours" and similarly misleading phrases.

26 j. It was a further part of the conspiracy that defendants
27 GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK, and WILLOWS CONSULTING
28 falsely characterized the bribes to Dr. A and defendants ALEXANDER

1 MARTINEZ, RUBEN MARTINEZ, LINE OF SIGHT, and DESERT BLUE MOON as
2 payments for "professional services," when in fact the corrupt
3 payments were made exclusively for the referral of patients for
4 ancillary medical procedures.

5 k. It was a further part of the conspiracy that defendants
6 GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK, and WILLOWS CONSULTING
7 used the mails to send bribes to Dr. A and defendants ALEXANDER
8 MARTINEZ, RUBEN MARTINEZ, LINE OF SIGHT, DESERT BLUE MOON, in exchange
9 for the referral of Dr. A's patients for ancillary medical procedures.

10 l. It was a further part of the conspiracy that defendants
11 GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK, and WILLOWS CONSULTING
12 used the mails to send bills to insurers for services provided to
13 patients they had procured by paying bribes to Dr. A and other
14 conspirators.

15 m. It was a further part of the conspiracy that defendants
16 GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK, WILLOWS CONSULTING and
17 others acting on their behalf concealed from insurers and patients the
18 material fact of the kickback arrangements, which were in violation of
19 California state law, that led to the referrals.

20 n. Using the manners and means described above, defendants
21 GRUSD, PAREDES, ALEXANDER MARTINEZ, RUBEN MARTINEZ, CALIFORNIA IMAGING
22 NETWORK, WILLOWS CONSULTING, LINE OF SIGHT and DESERT BLUE MOON
23 submitted and caused to be submitted claims in excess of \$1 million
24 for ancillary medical procedures procured through the payment of
25 bribes.

26 //

27 //

28 //

OVERT ACTS

24. In furtherance of the conspiracy and in order to effect the objects thereof, the defendants and other co-conspirators caused the following overt acts in the Southern District of California and elsewhere:

a. On or about November 7, 2014, defendant ALEXANDER MARTINEZ emailed defendant PAREDES a list of patients that had been referred to defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK and Advanced Radiology for ancillary medical procedures.

b. On or about November 7, 2014, in consideration for the referral of patients, defendants GRUSD, PAREDES and WILLOWS CONSULTING caused a bribe to be paid to defendants ALEXANDER MARTINEZ and LINE OF SIGHT acting on behalf of Dr. A.

c. On or about November 25, 2014, defendant ALEXANDER MARTINEZ emailed defendant PAREDES a list of patients that had been referred to defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK and Advanced Radiology for ancillary medical procedures.

d. On or about December 3, 2014, in consideration for the referral of patients, defendants GRUSD, PAREDES and WILLOWS CONSULTING caused a bribe to be paid to defendants RUBEN MARTINEZ and DESERT BLUE MOON acting on behalf of Dr. A.

e. On or about December 15, 2014, in consideration for the referral of patients, defendants GRUSD, PAREDES and WILLOWS CONSULTING caused a bribe to be paid to defendants RUBEN MARTINEZ and DESERT BLUE MOON acting on behalf of Dr. A.

f. On or about December 17, 2014, in consideration for the referral of patients, defendants GRUSD, PAREDES and WILLOWS CONSULTING

1 caused a bribe to be paid to defendants ALEXANDER MARTINEZ and LINE OF
2 SIGHT acting on behalf of Dr. A.

3 g. On or about December 17, 2014, defendants ALEXANDER MARTINEZ
4 and RUBEN MARTINEZ exchanged emails in an effort to reconcile the
5 lists of Dr. A's patients referred for ancillary medical procedures
6 and the bribes that had been paid and were due and owing from various
7 providers, including defendants GRUSD, PAREDES, CALIFORNIA IMAGING
8 NETWORK and WILLOWS CONSULTING.

9 h. On or about January 12, 2015, defendants RUBEN MARTINEZ and
10 DESERT BLUE MOON caused payments to be made to Dr. A and defendant
11 ALEXANDER MARTINEZ, which represented a portion of bribe payments
12 received from various providers, including defendants GRUSD, PAREDES,
13 CALIFORNIA IMAGING NETWORK and WILLOWS CONSULTING, while acting on
14 behalf of Dr. A and his patients.

15 i. On or about March 2, 2015, defendant GRUSD sent a text
16 message to Dr. A in order to facilitate a meeting to discuss the
17 referral of patients for ancillary medical procedures and the payment
18 of bribes.

19 j. On or about March 4, 2015, defendants GRUSD and PAREDES met
20 with Dr. A in order to discuss the referral of patients for ancillary
21 medical procedures and the payment of bribes.

22 k. On or about March 4, 2015, in consideration for the referral
23 of patients, defendants GRUSD, PAREDES and WILLOWS CONSULTING caused
24 bribes to be paid to Dr. A and to defendants ALEXANDER MARTINEZ and
25 LINE OF SIGHT acting on behalf of Dr. A

26 l. On or about March 6, 2015, defendants ALEXANDER MARTINEZ and
27 LINE OF SIGHT caused a payment to be made to Dr. A, which represented
28 a portion of bribe payments from various providers, including

1 defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK and WILLOWS
2 CONSULTING.

3 m. On or about April 2, 2015, defendants ALEXANDER MARTINEZ and
4 RUBEN MARTINEZ caused an email to be sent to defendant PAREDES with a
5 list of patients that had been referred to defendants GRUSD, PAREDES,
6 CALIFORNIA IMAGING NETWORK and Advanced Radiology for ancillary
7 medical procedures.

8 n. On or about April 6, 2015, in consideration for the referral
9 of patients, defendants GRUSD, PAREDES and WILLOWS CONSULTING caused a
10 bribe to be paid to defendants ALEXANDER MARTINEZ and LINE OF SIGHT
11 acting on behalf of Dr. A

12 o. On or about June 5, 2015, defendant GRUSD spoke with Dr. A
13 and confirmed the amount of bribes to be paid for the referral of
14 patients to defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK and
15 Advanced Radiology for ancillary medical procedures.

16 p. On or about July 16, 2015, in consideration for the referral
17 of patients referred, defendants GRUSD, PAREDES and WILLOWS CONSULTING
18 caused bribes to be paid to defendants ALEXANDER MARTINEZ, RUBEN
19 MARTINEZ, LINE OF SIGHT and DESERT BLUE MOON acting on behalf of Dr. A
20 All in violation of Title 18, United States Code, Section 371.

21 Count 2

22 HONEST SERVICES MAIL FRAUD, 18 U.S.C. §§ 1341, 1346 AND 2

23 25. Paragraphs 1 through 19 of this Indictment are realleged and
24 incorporated by reference.

25 26. Beginning on a date unknown and continuing through at least
26 August 2015, within the Southern District of California and elsewhere,
27 defendants RONALD GRUSD, GONZALO PAREDES, ALEXANDER MARTINEZ, RUBEN
28 MARTINEZ, CALIFORNIA IMAGING NETWORK MEDICAL GROUP, WILLOWS CONSULTING

1 COMPANY, LINE OF SIGHT, INC., and DESERT BLUE MOON knowingly and with
2 the intent to defraud, devised a material scheme to defraud, that is,
3 to deprive patients of their intangible right to Dr. A's honest
4 services.

5 27. Paragraphs 22 through 24 of this Indictment are realleged
6 and incorporated by reference as more fully describing the scheme to
7 defraud, that is, to deprive patients of their intangible right to
8 Dr. A's honest services.

9 28. On or about March 10, 2015, within the Southern District of
10 California and elsewhere, defendants RONALD GRUSD, GONZALO PAREDES,
11 ALEXANDER MARTINEZ, RUBEN MARTINEZ, CALIFORNIA IMAGING NETWORK MEDICAL
12 GROUP, WILLOWS CONSULTING COMPANY, LINE OF SIGHT, INC., and DESERT
13 BLUE MOON, for the purpose of executing the scheme and attempting to
14 do so, knowingly caused the following mail matter to be placed in a
15 post office and authorized depository for mail matters to be delivered
16 by the United States Postal Service: a claim for reimbursement for
17 ancillary medical procedures for J. F. secured through the payment of
18 bribes to Dr. A and those acting on his behalf.

19 All in violation of Title 18, United States Code, Sections 1341, 1346
20 and 2.

21 Counts 3-8

22 TRAVEL ACT, 18 USC §§ 1952(a)(1)(A), (a)(3)(A) AND 2

23 29. Paragraphs 1 through 19 are realleged and incorporated by
24 reference.

25 30. Beginning on date unknown and continuing through at least
26 August 2015, within the Southern District of California and elsewhere,
27 defendants RONALD GRUSD, GONZALO PAREDES, ALEXANDER MARTINEZ, RUBEN
28 MARTINEZ, CALIFORNIA IMAGING NETWORK MEDICAL GROUP, WILLOWS CONSULTING

1 COMPANY, LINE OF SIGHT, INC., and DESERT BLUE MOON knowingly used and
 2 cause to be used facilities in interstate commerce with the intent to
 3 promote, manage, establish, carry on, distribute the proceeds of, and
 4 facilitate the promotion, management, establishment, carrying on, and
 5 distribution of the proceeds of an unlawful activity, that is, bribery
 6 in violation of California Labor Code Sections 139.3, 139.32, and
 7 3215, California Business and Professions Code Section 650, and
 8 California Insurance Code Section 750 and, thereafter, to promote and
 9 attempt to perform acts to promote, manage, establish, carry on,
 10 distribute the proceeds of, and facilitate the promotion, management,
 11 establishment, carrying on, and distribution of the proceeds of such
 12 unlawful activity as follows:

Ct	Date	Use of Facility in Interstate Commerce	Acts Performed Thereafter
4	11/7/14	Defendant ALEXANDER MARTINEZ emailed defendant PAREDES a list of patients that had been referred to defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK and Advanced Radiology for ancillary medical procedures.	On or about November 7, 2014, defendants GRUSD, PAREDES and WILLOWS CONSULTING caused a bribe to be paid to defendants ALEXANDER MARTINEZ and LINE OF SIGHT acting on behalf of Dr. A
5	11/25/14	Defendant ALEXANDER MARTINEZ emailed defendant PAREDES a list of patients that had been referred to defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK and Advanced Radiology for ancillary medical procedures.	Defendants GRUSD, PAREDES and WILLOWS CONSULTING caused bribes to be paid to defendants RUBEN MARTINEZ and DESERT BLUE MOON acting on behalf of Dr. A on December 3 and 15, 2014, and to ALEXANDER MARTINEZ and LINE OF SIGHT acting on behalf of Dr. A on December 17, 2014.

Ct	Date	Use of Facility in Interstate Commerce	Acts Performed Thereafter
6	12/17/14	Defendants ALEXANDER MARTINEZ and RUBEN MARTINEZ exchanged emails in an effort to reconcile the lists of Dr. A's patients referred for ancillary medical procedures and the bribes that had been paid and were due and owing from defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK and WILLOWS CONSULTING.	On or about January 12, 2015, defendants RUBEN MARTINEZ and DESERT BLUE MOON paid Dr. A and defendant ALEXANDER MARTINEZ a portion of bribe payments received from various providers, including defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK and WILLOWS CONSULTING, while acting on behalf of Dr. A
7	3/2/15	Defendant GRUSD sent a text message to Dr. A to facilitate a meeting to discuss the referral of patients for ancillary medical procedures and the payment of bribes.	On or about March 4, 2015, in consideration of patients referred for ancillary medical procedures, GRUSD and PAREDES met with and paid bribes to Dr. A and to defendants ALEXANDER MARTINEZ and LINE OF SIGHT acting on behalf of Dr. A
8	4/2/15	Defendants ALEXANDER MARTINEZ and RUBEN MARTINEZ caused an email to be sent to defendant PAREDES with a list of patients that had been referred to defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK and Advanced Radiology for ancillary medical procedures.	On or about April 6, 2015, in consideration of patients referred for ancillary medical procedures, defendants GRUSD, PAREDES and WILLOWS CONSULTING caused a bribe to be paid to defendants ALEXANDER MARTINEZ and LINE OF SIGHT acting on behalf of Dr. A

Ct	Date	Use of Facility in Interstate Commerce	Acts Performed Thereafter
9	6/5/15	Defendant GRUSD spoke on the telephone with Dr. A and confirmed the amount of bribes to be paid for the referral of patients to defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK and Advanced Radiology for ancillary medical procedures.	On or about July 16, 2015, in consideration of patients referred for ancillary medical procedures, defendants GRUSD, PAREDES and WILLOWS CONSULTING paid bribes to defendants ALEXANDER MARTINEZ, RUBEN MARTINEZ, LINE OF SIGHT and DESERT BLUE MOON acting on behalf of Dr. A

All in violation of Title 18, United States Code, Sections 1952(a)(1)(A), (a)(3)(A) and 2.

FORFEITURE ALLEGATION

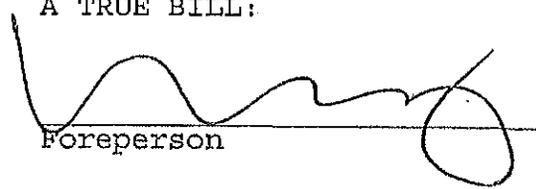
31. Paragraphs 1 through 30 of this Indictment are realleged and incorporated as if fully set forth herein for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

32. Upon conviction of the offenses of Conspiracy, Honest Services Mail Fraud and Travel Act as alleged in Counts 1 through 9, defendants RONALD GRUSD, GONZALO PAREDES, ALEXANDER MARTINEZ, RUBEN MARTINEZ, CALIFORNIA IMAGING NETWORK MEDICAL GROUP, WILLOWS CONSULTING COMPANY, LINE OF SIGHT, INC., and DESERT BLUE MOON shall forfeit to the United States all right, title, and interest in any property, real or personal, that constitutes or was derived from proceeds traceable to a violation of such offenses, including a sum of money equal to the total amount of gross proceeds derived, directly or indirectly, from such offenses.

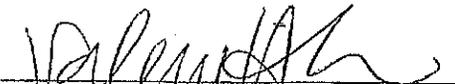
1 33. If any of the above described forfeitable property, as a
2 result of any act or omission of defendants RONALD GRUSD, GONZALO
3 PAREDES, ALEXANDER MARTINEZ, RUBEN MARTINEZ, CALIFORNIA IMAGING
4 NETWORK MEDICAL GROUP, WILLOWS CONSULTING COMPANY, LINE OF SIGHT,
5 INC., and DESERT BLUE MOON: (a) cannot be located upon the exercise of
6 due diligence; (b) has been transferred or sold to, or deposited with,
7 a third party; (c) has been placed beyond the jurisdiction of the
8 Court; (d) has been substantially diminished in value; or (e) has been
9 commingled with other property which cannot be divided without
10 difficulty; it was the intent of the United States, pursuant to
11 Title 21, United States Code, Section 853(p) and Title 18, United
12 States Code, Section 982(b), to seek forfeiture of any other property
13 of defendants RONALD GRUSD, GONZALO PAREDES, ALEXANDER MARTINEZ, RUBEN
14 MARTINEZ, CALIFORNIA IMAGING NETWORK MEDICAL GROUP, WILLOWS CONSULTING
15 COMPANY, LINE OF SIGHT, INC., and DESERT BLUE MOON up to the value of
16 the forfeitable property described above;
17 All pursuant to Title 18, United States Code, Section 981(a)(1)(C),
18 and Title 28, United States Code, Section 2461(c).

19 DATED: November 5, 2015.

20 A TRUE BILL:

21 
22 Foreperson

23 LAURA E. DUFFY
United States Attorney

24 By: 
25 VALERIE H. CHU
Assistant U.S. Attorney

26 By: 
CAROLINE P. HAN
Assistant U.S. Attorney

27 By: 
28 FRED A. SHEPPARD
Assistant U.S. Attorney

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN DIEGO		<i>For Court Use Only</i>
PEOPLE vs <u>Ruben Marcial Martinez,</u> Defendant		
PLEA OF GUILTY/NO CONTEST - FELONY		Court Number: SCD265519 DA Number: ADY479

I, the defendant in the above-entitled case, in support of my plea of Guilty/No Contest, personally declare as follows:

1. Of those charges now filed against me in this case, I plead GUILTY to the following offenses and admit the enhancements, allegations and prior convictions as follows:

COUNT	CHARGE	ENHANCEMENT/ALLEGATION
2, 5, 37, 53	LC 3216 x4	N/A
30	PC 550(b)(3)	N/A

PRIORS: (LIST ALLEGATION SECTION, CONVICTION DATE, COUNTY, CASE NUMBER, AND CHARGE)

2. I have not been induced to enter this plea by any promise or representation of any kind, except: (State any agreement with the District Attorney.)
See Attachment "A" attached hereto: Federal Plea Agreement in Case Number 15CR2821-BAS.

3. I am entering my plea freely and voluntarily, without fear or threat to me or anyone closely related to me.

4. I understand that a plea of No Contest is the same as a plea of Guilty for all purposes.

5. I am sober and my judgment is not impaired. I have not consumed any drug, alcohol or narcotic within the past 24 hours.

CONSTITUTIONAL RIGHTS

6a. I understand that I have the right to be represented by a lawyer at all stages of the proceedings. I can hire my own lawyer or the Court will appoint a lawyer for me if I cannot afford one.

I understand that as to all charges, allegations and prior convictions filed against me, and as to any facts that may be used to increase my sentence, now or in the future, I also have the following constitutional rights, which I now give up to enter my plea of guilty/no contest:

6b. I have the right to a speedy and public trial by jury. I now give up this right.

6c. I have the right to confront and cross-examine all the witnesses against me. I now give up this right.

6d. I have the right to remain silent (unless I choose to testify on my own behalf). I now give up this right.

6e. I have the right to present evidence in my behalf and to have the court subpoena my witnesses at no cost to me. I now give up this right.

Defendant: Ruben Marcial Martinez	CASE NUMBER: SCD555519
--------------------------------------	---------------------------

CONSEQUENCES OF PLEA OF GUILTY OR NO CONTEST

7a. I understand that I may receive this maximum punishment as a result of my plea: 7y 8mo years imprisonment or imprisonment plus a term of mandatory supervision; \$20,000 fine; and years parole or post-release community supervision, with return to custody for every violation of a condition thereof. If I am not sentenced to imprisonment, I may be granted probation for a period up to 5 years or the maximum term of imprisonment, whichever is greater. As conditions of probation I may be given up to a year in jail custody, plus the fine, and any other conditions deemed reasonable by the Court. I understand that if I violate any condition of probation I can be sentenced to imprisonment for the maximum term as stated above.



7b. I understand that I must pay a restitution fine (\$200 - \$10,000), that I will also be subject to a suspended fine in the same amount, and that I must pay full restitution to all victims.



7c. I understand that my conviction in this case will be a serious/violent felony ("strike") resulting in mandatory denial of probation, substantially increased penalties, and a term in State Prison in any future felony case.



7d. I understand that if I am not a U.S. citizen, this plea of Guilty/No Contest may result in my removal/deportation, exclusion from admission to the U.S. and denial of naturalization. Additionally, if this plea is to an "Aggravated Felony" listed on the back of this form, then I will be deported, excluded from admission to the U.S., and denied naturalization.



7e. I understand that my plea of Guilty or No Contest in this case could result in revocation of my probation, mandatory supervision, parole or post-release supervision in other cases, and consecutive sentences.



7f. My attorney has explained to me that other possible consequences of this plea may be:
(Circle applicable consequences.)



- | | | |
|--|---|--|
| (1) Consecutive sentences | (9) Prison prior | a. Limited local credits (290/serious/prior) |
| (2) Loss of driving privileges | (10) Mandatory imprisonment | b. Violent Felony (No credit or max. 15%) |
| (3) Commitment to Youth Authority | (11) Mandatory State Prison | c. Prior Strike(s) (No credit to max. 20%) |
| (4) Lifetime registration as an arson / sex offender | (12) Presumptive imprisonment | d. Murder on/after 8/3/98 (No credit) |
| (5) Registration as a narcotic / gang offender | (13) Presumptive State Prison | (17) Loss of public assistance |
| (6) Cannot possess firearms or ammunition | (14) Sexually Violent Predator Law | (18) AIDS education program |
| (7) Blood test and saliva sample | (15) Possible/Mandatory hormone suppression treatment | (19) Other _____ |
| (8) Priorable (increased punishment for future offenses) | (16) Reduced conduct/work credits | |

Not marked



8. (Appeal Rights) I give up my right to appeal the following: 1) denial of my 1538.5 motion, 2) issues related to strike priors (under PC sections 867(b)-(i) and 1170.12), and 3) any sentence stipulated herein.



9. (Harvey Waiver) The sentencing judge may consider my prior criminal history and the entire factual background of the case, including any unfiled, dismissed or stricken charges or allegations or cases when granting probation, ordering restitution or imposing sentence.



10. (Blakely waiver) I understand that as to any fact in aggravation that may be used to increase my sentence on any count or allegation to the upper or maximum term provided by law, I have the constitutional rights listed in paragraphs 6b-6e. I now give up those rights and agree that the sentencing judge may determine the existence or non-existence of any fact in aggravation, either at the initial sentencing or at any future sentencing in the event my probation is revoked.



11. (Cruz Waiver) Negotiated Disposition pursuant to PC 1102.5: I understand that if pending sentencing I am arrested for or commit another crime, violate any condition of my release, or willfully fail to appear for my probation interview or my sentencing hearing, the sentence portion of this agreement will be cancelled. I will be sentenced unconditionally, and I will not be allowed to withdraw my guilty/no contest plea(s).



12. (Arbuckle Waiver) I give up my right to be sentenced by the judge who accepts this plea.



13. (Probation Report) I give up my right to a full probation report before sentencing.



Defendant: Ruben Marciel Martinez	CASE NUMBER: SCD555519
--------------------------------------	---------------------------

14. (Evidence Disposal Waiver) I give up my interest in all non-biological property/evidence impounded during the investigation of this case except _____ and acknowledge that if I listed any property here, I must also file a claim with the impounding agency within 60 days after pronouncement of judgment or my ability to make a claim will expire.



PLEA

15. I now plead Guilty/No Contest and admit the charges, convictions and allegations described in paragraph #1, above. I admit that on the dates charged, I: (Describe facts as to each charge and allegation)
See Attachment "A" attached hereto for factual basis: Federal Plea Agreement in Case Number 15CR2821-BAS.



16. I declare under penalty of perjury that I have read, understood, and initialed each item above and any attached addendum, and everything on the form and any attached addendum is true and correct.



Dated: 4/21/2016 Defendant's Signature [Signature]

Defendant's Address: _____
 Street

 City State Zip
 Telephone Number: () _____
 Defendant's Right Thumb Print 

ATTORNEY'S STATEMENT

I, the attorney for the defendant in the above-entitled case, personally read and explained to the defendant the entire contents of this plea form and any addendum thereto. I discussed all charges and possible defenses with the defendant, and the consequences of this plea, including any immigration consequences. I personally observed the defendant fill in and initial each item, or read and initial each item to acknowledge his/her understanding and waivers. I observed the defendant date and sign this form and any addendum. I concur in the defendant's plea and waiver of constitutional rights.

Dated: 4/21/2016
Jasmine Bennett (Print Name) Attorney for Defendant (Signature)
 For Michael S. Berg (Print Name) (Circle one: PD / APD / OAC / RETAINED)

INTERPRETER'S STATEMENT (If Applicable)

I, the sworn _____ language interpreter in this proceeding, truly translated for the defendant the entire contents of this form and any attached addendum. The defendant indicated understanding of the contents of this form and any addendum and then initialed and signed the form and any addendum.

Dated: _____
 _____ (Print Name) Court Interpreter (Signature)

PROSECUTOR'S STATEMENT

The People of the State of California, plaintiff, by its attorney, the District Attorney for the County of San Diego, concurs with the defendant's plea of Guilty/No Contest as set forth above.

Dated: 4/21/16
Samuel C. Pineda (Print Name) Deputy District Attorney (Signature)

COURT'S FINDING AND ORDER

The Court, having questioned the defendant and defendant's attorney concerning the defendant's plea of Guilty/No Contest and admissions of the prior convictions and allegations, if any, finds that: The defendant understands and voluntarily and intelligently waives his/her constitutional rights; the defendant's plea and admissions are freely and voluntarily made; the defendant understands the nature of the charges and the consequences of the plea and admissions; and there is a factual basis for same. The Court accepts the defendant's plea and admissions, and the defendant is convicted thereby.

Dated: _____
 _____ Judge of the Superior Court

AGGRAVATED FELONIES

ANY CONVICTION OF A NON-CITIZEN FOR AN "AGGRAVATED FELONY" AS DEFINED UNDER 8 U.S.C. 1101(a)(43), WILL RESULT IN REMOVAL/DEPORTATION, EXCLUSION, AND DENIAL OF NATURALIZATION.

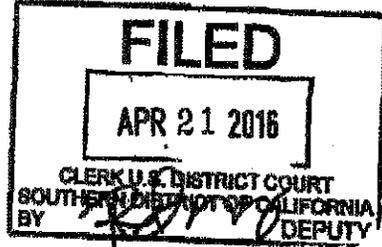
"AGGRAVATED FELONIES" include, but are not limited to, the following crimes and any attempt or conspiracy to commit such crimes, even if the conviction is a misdemeanor under state law: [The only exception to the applicability of state misdemeanors is where the offense (as listed below) specifically requires a felony conviction.]

1. **ANY CRIME OF VIOLENCE***
(Includes any offense that has as an element the use, attempted use, or threatened use of physical force against the person or property of another, or any felony offense that, by its nature, involves a substantial risk that physical force against the person or property of another may be used in the course of committing the offense. (18 U.S.C. §16).)
2. **BURGLARY** (Except vehicle or vessel unless used as a residence.) *
3. **CHILD PORNOGRAPHY OFFENSES**
4. **CONTROLLED SUBSTANCES:**
 - a) **FELONY POSSESSION OF ANY CONTROLLED SUBSTANCE.**
 - b) **MISDEMEANOR POSSESSION OF ANY CONTROLLED SUBSTANCE** when the defendant has previously been convicted of any drug related offense.
 - c) **POSSESSION FOR SALE OF ANY CONTROLLED SUBSTANCE**
 - d) **SALE OF ANY CONTROLLED SUBSTANCE**
 - e) **TRANSPORTATION OF ANY CONTROLLED SUBSTANCE**
 - f) **MANUFACTURE/DISTRIBUTION OF ANY CONTROLLED SUBSTANCE AND CULTIVATION OF MARIJUANA**
5. **FELONY D.U.I.** (Any type.)*
6. **FAILURE TO APPEAR ON A FELONY CASE**
7. **FORGERY** *
8. **FRAUD** (Where loss to victim or victims exceeds \$10,000.)
9. **MONEY LAUNDERING** (If amount over \$10,000.)
10. **MURDER**
11. **PERJURY/SUBORNATION** of Perjury or Bribery of a Witness*
12. **PIMPING/PANDERING/OPERATING A PROSTITUTION BUSINESS**
13. **RAPE**
14. **RECEIVING STOLEN PROPERTY** *
15. **ROBBERY** *
16. **SEXUAL ABUSE OF A MINOR** (Touching is not required, e.g.: Indecent Exposure.)
17. **THEFT** (Any type or amount)*
18. **TRAFFICKING IN FIREARMS AND EXPLOSIVES.**
19. **TRAFFICKING IN VEHICLES WITH ALTERED VINS***
20. **DEMAND FOR OR RECEIPT OF RANSOM**

* Where the term imposed is at least one year, whether or not any or all of that term is stayed or suspended at the time of sentencing.

ORIGINAL

1 LAURA E. DUFFY
 United States Attorney
 2 FRED SHEPPARD
 Assistant United States Attorney
 3 California Bar No. 250781
 VALERIE H. CHU
 4 Assistant United States Attorney
 California Bar No. 241709
 5 CAROLINE P. HAN
 Assistant United States Attorney
 6 California Bar No. 250301
 Federal Office Building
 7 880 Front Street, Room 6293
 San Diego, California 92101-8893
 8 Attorneys for United States of America



9
 10 UNITED STATES DISTRICT COURT
 11 SOUTHERN DISTRICT OF CALIFORNIA

<p>12 UNITED STATES OF AMERICA, 13 Plaintiff, 14 v. 15 RUBEN MARTINEZ, DESERT BLUE MOON, INC., 16 Defendants.</p>	<p>Case No. 15CR2821-BAS <u>PLEA AGREEMENT</u></p>
--	--

17
 18 IT IS HEREBY AGREED between the plaintiff, UNITED STATES OF
 19 AMERICA, through its counsel, Laura E. Duffy, United States Attorney,
 20 and Fred Sheppard, Valerie H. Chu and Caroline P. Han, Assistant
 21 United States Attorneys, and defendants RUBEN MARTINEZ and DESERT BLUE
 22 MOON, INC. (hereafter "Desert Blue Moon"), with the advice and consent
 of Michael Berg, counsel for defendant, as follows:

23 //
 24 //
 25 //
 26 //
 27 //
 28 //

Plea Agreement

Def. Initials

I

THE PLEA

1
2 1. This agreement is intended to bind the following parties:

3 a. Defendant Ruben Martinez;

4 b. Defendant Desert Blue Moon;

5 c. The United States Attorney's Office ("USAO") as to Criminal
6 Case Number 15CR2821-BAS pending in the United States
7 District Court for the Southern District of California
(hereinafter "the federal case"); and

8 d. The San Diego County District Attorney's Office ("SDCDAO")
9 as to Criminal Case Number SCD255519, currently pending in
10 the Superior Court of California, County of San Diego
11 (hereinafter "the state case").

12 2. This plea agreement cannot bind any other federal, state or
13 local prosecuting, administrative, or regulatory authorities, although
14 the USAO or SDCDAO will bring this plea agreement to the attention of
15 other authorities if requested by Defendants.

16 3. This plea agreement is part of a "package" disposition. For
17 Defendants to receive the benefits of this agreement, co-defendants
18 Alexander Martinez and Line of Sight, Inc. must agree to a separate
19 plea agreement with the USAO and SDCDAO and all four defendants must
20 enter pleas of guilty, pursuant to their respective plea agreements,
in each federal and state case in which they are currently charged no
later than April 15, 2016.

21 4. With regards to the federal case, defendants Ruben Martinez
22 and Desert Blue Moon agree to waive Indictment and plead guilty to a
23 Superseding Information charging Conspiracy to Commit Honest Services
24 Mail Fraud and Health Care Fraud, in violation of 18 U.S.C. § 1349.

25 5. In exchange for Defendants' guilty plea in the federal case,
26 the USAO agrees to: (1) move to dismiss the charges in the indictment
27 against Defendants without prejudice when Defendants are sentenced,
28 unless either Defendant breaches the plea agreement or either of the

Plea Agreement

1 guilty pleas entered pursuant to this plea agreement is set aside for
2 any reason. Defendants expressly waive all constitutional and
3 statutory defenses to the reinstatement of any charges dismissed
4 pursuant to this agreement.

5 6. With regards to the state case, Defendant Ruben Martinez
6 agrees to plead guilty to Counts 2, 5, 37, and 53, charging Defendant
7 Ruben Martinez with unlawfully accepting and receiving compensation for
8 referral of patients in violation of California Labor Code section
9 3215, and Count 30, charging Defendant Ruben Martinez with unlawfully
10 concealing an event affecting an insurance claim in violation of
11 California Penal Code section 550(b)(3). The maximum penalty for the
12 combined counts is seven years, eight months in prison and a \$90,000
13 fine.

14 7. In exchange for Defendant Ruben Martinez's plea to the
15 above-referenced five counts in the state case, the SDCDAO agrees to
16 dismiss the remaining counts against him with a waiver pursuant to
17 People v. Harvey, 25 Cal.3d 754 (1979). The SDCDAO further agrees to
18 recommend that Defendant be sentenced to no more than six years, four
19 months in prison to be served concurrently with his sentence in the
20 federal case, that he receive the standard restitution fine, and that
21 the court order full restitution. A copy of the written and signed
22 plea agreement in the state case is incorporated herein.

23 II

24 NATURE OF THE OFFENSE

25 A. FEDERAL CASE: ELEMENTS EXPLAINED

26 Defendants Ruben Martinez and Desert Blue Moon understand that
27 the offense to which Defendants are pleading guilty has the following
28 elements:

Conspiracy [18 U.S.C. § 1349]

1. There was an agreement between two or more persons to
commit Honest Services Mail Fraud and Health Care
Fraud; and

- 1 2. The defendant entered into the agreement knowing of at
2 least one of its objects and intending to help
3 accomplish it.

4 Honest Services Mail Fraud [18 U.S.C. § 1341 and 1346]

- 5 1. The defendant devised or knowingly participated in a
6 scheme to deprive a victim of his or her right to a
7 doctor's honest services;
8 2. The scheme consisted of soliciting and facilitating the
9 receipt of kickback payments from suppliers of health-
10 care services and products to be paid to the doctor in
11 exchange for referrals;
12 3. The doctor, as a healthcare professional, owed a
13 fiduciary duty to the victim;
14 4. The defendant acted with the intent to defraud by
15 depriving the victim of his or her right to the
16 doctor's honest services;
17 5. The defendant's act was material; that is, it had a
18 natural tendency to influence, or was capable of
19 influencing, a person's acts; and
20 6. The defendant used, or caused someone to use, the mails
21 to carry out or to attempt to carry out the scheme or
22 plan.

23 Health Care Fraud [18 U.S.C. § 1347]

- 24 1. The defendant knowingly executed, or attempted to
25 execute, a scheme or artifice to defraud a health-care
26 benefit program, or to obtain money or property owned
27 by, or under the custody or control of, a health-care
28 benefit program by means of false or fraudulent
 pretenses, representations, or promises.
 2. The false or fraudulent pretenses, representations, or
 promises related to a material fact.
 3. The defendant acted willfully and intended to defraud.

1 4. The defendant did so in connection with the delivery
2 of or payment for health-care benefits, items, or
3 services.

4 Corporate Criminal Liability

5 Defendant Desert Blue Moon acknowledges that a corporation is
6 responsible for the acts of its agents or employees, done within the
7 scope of their authority. The defendant further acknowledges that the
8 acts of a corporation's agent or employee are within the scope of his
9 or her authority if those acts are done on the corporation's behalf or
10 for its benefit in the performance of the agent's general duties.

11 B. FEDERAL CASE FACTUAL BASIS: ELEMENTS UNDERSTOOD AND ADMITTED

12 Defendants Ruben Martinez and Desert Blue Moon have fully discussed
13 the facts of the federal case and the state cases with defense
14 counsel. Defendants have committed each of the elements of Conspiracy
15 to Commit Honest Services Mail Fraud and Health Care Fraud, in
16 violation of 18 U.S.C. § 1349, and admit that there is a factual basis
17 for the guilty pleas in the federal case. Specifically, both
18 defendants admit:

19 1. Defendant RUBEN MARTINEZ worked as a marketer for Dr. Steven
20 Rigler, soliciting patients for treatment at Dr. Rigler's clinic in
21 Calexico, California. Defendant RUBEN MARTINEZ owned and operated
22 defendant DESERT BLUE MOON, a professional corporation incorporated
23 in Nevada.

24 2. The California Workers' Compensation System ("CWCS")
25 required that employers in California provide workers' compensation
26 benefits to their employees for qualifying injuries sustained in the
27 course of their employment. Under the CWCS, all claims for payments
28 for services or benefits provided to the injured employee, including
29 medical and legal fees, were billed directly to, and paid by, the
30 insurer. CWCS benefits were administered by the employer, an insurer,
31 or a third party administrator. The CWCS required claims
32 administrators to authorize and pay for medical care that was
33 "reasonably required to cure or relieve the injured worker from the

1 effects of his or her injury," and includes medical, surgical,
2 chiropractic, acupuncture, and hospital treatment. CWCS insurers were
3 private plans, affecting commerce, under which medical benefits,
4 items and services were provided to individuals, and therefore were
"health care benefit programs" under 18 U.S.C. § 24(b).

5 3. From 2012 through August 2015, within the Southern District
6 of California and elsewhere, defendants RUBEN MARTINEZ and DESERT
7 BLUE MOON knowingly and intentionally agreed with each other and with
8 others, including RONALD GRUSD, GONZALO PAREDES, ALEXANDER MARTINEZ,
9 CALIFORNIA IMAGING NETWORK MEDICAL GROUP, WILLOWS CONSULTING COMPANY,
10 and LINE OF SIGHT to commit the offenses of Honest Services Mail
11 Fraud, in violation of 18 U.S.C. §§ 1341 and 1346, and Health Care
Fraud, in violation of 18 U.S.C. § 1347.

12 4. A purpose of the conspiracy was to fraudulently obtain money
13 from California Workers' Compensation System ("CWCS") insurers by
14 submitting claims for ancillary procedures that were secured through
15 a pattern of bribes to Dr. Rigler, and to those acting with him and
16 on his behalf, in exchange for the referral of patients to particular
17 providers of ancillary medical procedures, in violation of Dr.
18 Rigler's fiduciary duty to his patients, and concealing from insurers
the bribes that rendered the claims unpayable under California law.

19 5. It was a part of the conspiracy that defendants ALEXANDER
20 MARTINEZ, RUBEN MARTINEZ, LINE OF SIGHT, and DESERT BLUE MOON agreed
21 to accept per-patient referral fees from co-defendants GRUSD,
22 PAREDES, CALIFORNIA IMAGING NETWORK, WILLOWS CONSULTING and others --
23 either directly or indirectly - in exchange for the referral of Dr.
24 Rigler's workers' compensation patients to defendant CALIFORNIA
IMAGING NETWORK and other entities operated by defendant GRUSD and
PAREDES.

25 6. It was a further part of the conspiracy that defendants
26 ALEXANDER MARTINEZ, RUBEN MARTINEZ, LINE OF SIGHT, DESERT BLUE MOON
27 and others arranged to have defendants GRUSD, PAREDES, CALIFORNIA
28 IMAGING NETWORK, WILLOWS CONSULTING and others conduct ancillary

1 medical procedures on Dr. Rigler's workers' compensation patients in
2 exchange for unlawful per-patient referral fees.

3 7. It was a further part of the conspiracy that defendants
4 concealed from patients, and intended to cause Dr. Rigler to conceal
5 from patients, the bribe payments Dr. Rigler and defendants ALEXANDER
6 MARTINEZ, RUBEN MARTINEZ, LINE OF SIGHT, AND DESERT BLUE MOON
7 received from defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK
8 and WILLOWS CONSULTING in exchange for referring patients for
9 ancillary medical procedures, in violation of Dr. Rigler's fiduciary
10 duty to Dr. Rigler's patients and in violation of the California
11 Labor Code.

12 8. It was a further part of the conspiracy that defendants
13 GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK, and WILLOWS CONSULTING
14 used the mails to send bribes to Dr. Rigler and defendants ALEXANDER
15 MARTINEZ, RUBEN MARTINEZ, LINE OF SIGHT, DESERT BLUE MOON, in
16 exchange for the referral of Dr. Rigler's patients for ancillary
17 medical procedures.

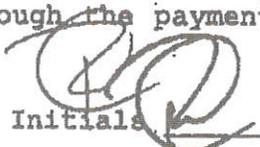
18 9. It was a further part of the conspiracy that defendants
19 GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK, and WILLOWS CONSULTING
20 used the mails to send bills to insurers for services provided to
21 patients they had procured by paying bribes to Dr. Rigler and other
22 conspirators.

23 10. It was a further part of the conspiracy that defendants
24 GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK, WILLOWS CONSULTING and
25 others acting on their behalf concealed from insurers and patients
26 the material fact of the kickback arrangements, which were in
27 violation of California state law, that led to the referrals.

28 11. Using the manners and means described above, defendants
GRUSD, PAREDES, ALEXANDER MARTINEZ, RUBEN MARTINEZ, CALIFORNIA
IMAGING NETWORK, WILLOWS CONSULTING, LINE OF SIGHT and DESERT BLUE
MOON submitted and caused to be submitted claims in excess of \$1
million for ancillary medical procedures procured through the payment
of bribes.

Plea Agreement

7

Def. Initials 

1 12. Defendants RUBEN MARTINEZ and DESERT BLUE MOON further
2 admits that each of the allegations at paragraphs 21, 22, 23, and 24
3 of the Indictment in the federal case are true and correct and can be
4 proven beyond a reasonable doubt, including each of the manner and
5 means in paragraph 23, and each of the overt acts listed in paragraph
6 24. In particular, Defendants admit that on or about March 6, 2015,
7 defendants ALEXANDER MARTINEZ and LINE OF SIGHT caused a payment to
8 be made to Dr. Rigler, which represented a portion of bribe payments
9 from various providers, including defendants GRUSD, PAREDES,
10 CALIFORNIA IMAGING NETWORK and WILLOWS CONSULTING.

11 13. In addition, Defendants RUBEN MARTINEZ and DESERT BLUE MOON
12 agree and admit that the intended loss encompassed by their total
13 criminal conduct exceeded \$1.5 million.

14 C. STATE CASE: ELEMENTS EXPLAINED

15 Defendant Ruben Martinez understands that the offenses to which
16 he is pleading guilty in the state cases have the following elements:

17 Unlawfully Accept Compensation for Referral of Patients

18 [California Labor Code, Section 3215]

- 19 1. Defendant Ruben Martinez did, acting individually, or
20 through their employees or agents offer, deliver,
21 receive or accept;
- 22 2. Any consideration to or from any person;
- 23 3. As compensation or inducement for;
- 24 4. The referral of patients, clients or customers to
25 perform or obtain services or benefits; and
- 26 5. Involving workers' compensation insurance.

27 Unlawfully Conceal an Event Affecting an Insurance Claim

28 [California Penal Code, Section 550(b)(3)]

1. Defendant did, knowingly assist, or conspire with
another, to conceal or fail to disclose the occurrence
of an event;

1 2. That affects any person's right or entitlement to an
2 insurance benefit or payment, or amount of benefit or
3 payment; and

3 3. With the specific intent to defraud.

4 D. STATE CASES FACTUAL BASES: ELEMENTS UNDERSTOOD AND ADMITTED

5 Defendant Ruben Martinez has fully discussed the facts of the
6 state case with defense counsel. Defendant Ruben Martinez has
7 committed each of the elements of unlawfully receiving and accepting
8 compensation for referral of patients, in violation of California
9 Labor Code, Section 3215, and unlawfully concealing an event
10 affecting an insurance claim, in violation of California Penal Code,
11 Section 550(b)(3), and admits that there is a factual basis for the
12 guilty plea in the state case. The following facts are true and
13 undisputed:

13 Between December 16, 2012, and July 16, 2015, Alexander Martinez
14 and Defendant Ruben Martinez did unlawfully receive and accept thirty
15 four checks totaling approximately \$150,000 prepared by Gonzalo
16 Paredes and signed by Dr. Ronald Grusd as compensation for referring
17 workers' compensation patients of Dr. Rigler from Dr. Rigler's San
18 Diego, Escondido and Calexico clinics.

18 On or about December 28, 2012, June 7, 2013, September 15, 2014,
19 and July 16, 2015, respectively, Alexander Martinez and Defendant
20 Ruben Martinez did unlawfully receive and accept check numbers 1986,
21 2282, 3095 and 3518 for \$5,760.00, \$9,500.00, \$8,600.00 and
22 \$9,500.00, respectively, prepared by Gonzalo Paredes and signed by
23 RONALD GRUSD as compensation for referring workers' compensation
24 patients of Dr. Rigler from Dr. Rigler's Calexico clinic.

24 On or about and between December 16, 2012, and November 27,
25 2015, Alexander Martinez and Defendant Ruben Martinez did unlawfully
26 aid and abet and conspire with Dr. Ronald Grusd and Gonzalo Paredes
27 to fraudulently bill at least thirteen insurance companies for
28 EMG/NCV, MRI, and Shockwave testing of workers' compensation patients

1 of Dr. Rigler from Dr. Rigler's San Diego, Escondido and Calexico
2 clinics by concealing the payment of kickbacks for these patients.

3 On or about and between June 25, 2014 and November 27, 2015,
4 Alexander Martinez and Defendant Ruben Martinez did unlawfully aid
5 and abet and conspire with defendants Dr. Ronald Grusd and Gonzalo
6 Paredes to fraudulently bill State Compensation Insurance Fund (SCIF)
7 for Shockwave testing of workers' compensation patients of Dr. Rigler
8 from Dr. Rigler's Calexico clinic by concealing the payment of
9 kickbacks for these patients.

10 **III**

11 **PENALTIES**

12 **A. FEDERAL CASE**

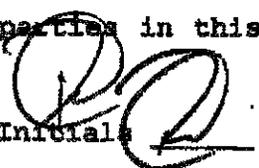
13 The defendants understand that Conspiracy to Commit Honest
14 Services Mail Fraud, in violation of 18 U.S.C. § 1349, to which the
15 defendants are pleading guilty in the federal case carries the
16 following penalties as to Defendant Ruben Martinez:

- 17 A. a maximum 20 years in prison;
18 B. a maximum \$250,000 fine;
19 C. a mandatory special assessment of \$100 per count; and
20 D. a term of supervised release of 3 years. Defendant Ruben
21 Martinez understands that failure to comply with any of the
22 conditions of supervised release may result in revocation of
23 supervised release, requiring defendant to serve in prison,
24 upon any such revocation, all or part of the statutory
25 maximum term of supervised release for the offense that
26 resulted in such term of supervised release.

- 27 E. an order from the Court pursuant to 18 U.S.C. § 3663A that
28 Defendants Ruben Martinez and Desert Blue Moon make
mandatory restitution to the victims of the offense of
conviction, or the estate(s) of the victims(s). Defendants
Ruben Martinez and Desert Blue Moon understand that the
Court shall also order, if agreed to by the parties in this

Flea Agreement

10

Def. Initials 

1 plea agreement, restitution to persons other than the
2 victims of the offense of conviction.

3 F. an order of forfeiture of any property, real or personal,
4 which constitutes or is derived from proceeds traceable to
5 the offense.

6 The defendants understand that Conspiracy to Commit Honest
7 ~~Services Mail Fraud, in violation of 18 U.S.C. § 1349, to which the~~
8 defendants are pleading guilty in the federal case carries the
9 following penalties as to Defendant Desert Blue Moon:

- 10 A. a maximum 5 years of probation, and a minimum of 1 year of
11 probation;
- 12 B. a maximum fine of \$500,000, or twice the gross gain or loss
13 derived from the offense;
- 14 C. a mandatory special assessment of \$400 per count;
- 15 D. an order from the Court pursuant to 18 U.S.C. § 3663A that
16 defendant make restitution to the victim(s) of the offense
17 of conviction, or the estate(s) of the victims(s); and
- 18 E. forfeiture of all property that constitutes or is derived
19 from proceeds traceable to the offense to which Defendant
20 is pleading guilty (18 U.S.C. § 981(a)(1)(C) and 28 U.S.C.
21 § 2461(c)).
- 22 F. Defendant understands that the Court may also order, if
23 agreed to by the parties in this plea agreement,
24 restitution to persons other than the victim(s) of the
25 offense of conviction.

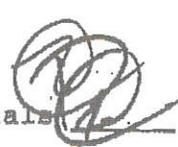
26 **IV**

27 **DEFENDANT'S WAIVER OF TRIAL RIGHTS IN FEDERAL CASE**

28 The defendants understand that this guilty plea waives the right
to:

- 29 A. Continue to plead not guilty and require the Government to
30 prove the elements of the crime beyond a reasonable doubt;
- 31 B. A speedy and public trial by jury;
- 32 C. The assistance of counsel at all stages of trial;

Plea Agreement

Def. Initials 

- 1 D. Confront and cross-examine adverse witnesses;
2 E. Testify and present evidence and to have witnesses testify
3 on behalf of defendant; and,
4 F. Not testify or have any adverse inferences drawn from the
5 failure to testify.

6 The defendants knowingly and voluntarily waive any rights and
7 defenses the defendants may have under the Excessive Fines Clause of
8 the Eighth Amendment to the United States Constitution to the
9 forfeiture of property in this proceeding or any related civil
10 proceeding.

V

11 **DEFENDANT ACKNOWLEDGES NO PRETRIAL RIGHT TO BE**

12 **PROVIDED WITH IMPEACHMENT AND AFFIRMATIVE DEFENSE INFORMATION**

13 The USAO and SDCDAO represent that any information establishing
14 the factual innocence of Defendants Ruben Martinez and Desert Blue
15 Moon known to the undersigned prosecutors in this case has been turned
16 over to defendant. The USAO and SDCDAO will continue to provide such
17 information establishing the factual innocence of defendant.

18 Defendants Ruben Martinez and Desert Blue Moon understand that if
19 this case proceeded to trial, the USAO and SDCDAO would be required to
20 provide impeachment information relating to any informants or other
21 witnesses. In addition, if defendant raised an affirmative defense,
22 the USAO and SDCDAO would be required to provide information in its
23 possession that supports such a defense. Defendants Ruben Martinez
24 and Desert Blue Moon acknowledge, however, that by pleading guilty,
25 the defendants will not be provided this information, if any, and
26 defendant also waives the right to this information. Finally,
27 Defendants Ruben Martinez and Desert Blue Moon agree not to attempt to
28 withdraw the guilty plea or to file a collateral attack based on the
existence of this information.

VI

DEFENDANTS' REPRESENTATION THAT GUILTY

PLEAS ARE KNOWING AND VOLUNTARY

Defendants Ruben Martinez and Desert Blue Moon represent that:

- A. Defendants Ruben Martinez and Desert Blue Moon have had a full opportunity to discuss all the facts and circumstances of this case with defense counsel and have a clear understanding of the charges and the consequences of this plea. Both defendants understand that, by pleading guilty, the defendants may be giving up, and rendered ineligible to receive, valuable government benefits and civic rights, such as the right to vote, the right to possess a firearm, the right to hold office, and the right to serve on a jury. Defendants Ruben Martinez and Desert Blue Moon further understand that the conviction in this case may subject defendant to various collateral consequences, including but not limited to deportation, removal or other adverse immigration consequences; revocation of probation, parole, or supervised release in another case; debarment from government contracting; and suspension or revocation of a professional license, as well as civil and administrative liability, none of which will serve as grounds to withdraw defendant's guilty plea.
- B. No one has made any promises or offered any rewards in return for this guilty plea, other than those contained in this agreement or otherwise disclosed to the Court.
- C. No one has threatened Defendants Ruben Martinez or Line of Sight or Defendant Ruben Martinez's family to induce this guilty plea.
- D. Defendants Ruben Martinez and Desert Blue Moon are pleading guilty because in truth and in fact the defendants are guilty and for no other reason.

VII

APPLICABILITY OF SENTENCING GUIDELINES

1
2 Defendants understand the sentence imposed will be based on the
3 factors set forth in 18 U.S.C. § 3553(a). Defendants understand
4 further that in imposing the sentence, the sentencing judge must
5 consult the United States Sentencing Guidelines (Guidelines) and take
6 them into account. Defendants have discussed the Guidelines with
7 defense counsel and understand that the Guidelines are only advisory,
8 not mandatory, and the Court may impose a sentence more severe or less
9 severe than otherwise applicable under the Guidelines, up to the
10 maximum in the statute of conviction. Defendants understand further
11 that the sentence cannot be determined until a presentence report has
12 been prepared by the U.S. Probation Office and both defense counsel
13 and the USAO have had an opportunity to review and challenge the
14 presentence report. Nothing in this plea agreement shall be construed
15 as limiting the USAO's duty to provide complete and accurate facts to
16 the district court and the U.S. Probation Office.

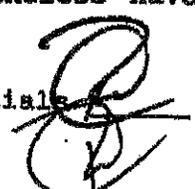
IX

SENTENCE IS WITHIN SOLE DISCRETION OF JUDGE

17 This plea agreement is made pursuant to Federal Rule of Criminal
18 Procedure 11(c) (1) (B). The defendants understand that the sentence is
19 within the sole discretion of the sentencing judge. The USAO has not
20 made and will not make any representation as to what sentence the
21 defendants will receive. The defendants understand that the
22 sentencing judge may impose the maximum sentence provided by statute,
23 and is also aware that any estimate of the probable sentence by
24 defense counsel is a prediction, not a promise, and is not binding on
25 the Court. Likewise, the recommendation made by the USAO is not
26 binding on the Court, and it is uncertain at this time what the
27 defendants' sentence will be. The defendants also have been advised
28 and understand that if the sentencing judge does not follow any of the
parties' sentencing recommendations, the defendants nevertheless have
no right to withdraw their pleas.

Plea Agreement

Def. Initials



X

PARTIES' SENTENCING RECOMMENDATIONS

A. SENTENCING GUIDELINE CALCULATIONS

Although the parties understand that the Guidelines are only advisory and just one of the factors the Court will consider under 18 U.S.C. § 3553(a) in imposing a sentence, the parties will jointly recommend the following Base Offense Level, Specific Offense Characteristics, Adjustments and Departures as to Defendant Ruben Martinez:

- 1. Base Offense Level [§ 2B1.1] 7
- 2. Intended loss more than \$1.5 million +16
[§ 2B1.1(b) (1) (I)]
- 3. Sophisticated Means [§ 2B1.1(b) (10) (C)] +2
- 5. Abuse of Position of Trust [§ 3B1.3] +2
- 6. Acceptance of Responsibility [§ 3E1.1] -3

Although the parties understand that the Guidelines are only advisory and just one of the factors the Court will consider under 18 U.S.C. § 3553(a) in imposing a sentence, the parties will jointly recommend the following Base Offense Level, Specific Offense Characteristics, Adjustments and Departures as to Defendant Desert Blue Moon:

- 1. Base Offense Level [§ 2B1.1] 7
- 2. Intended loss more than \$1.5 million +16
[USSG §2B1.1(b) (1) (I)]
- 3. Base Fine - Offense Level 23 \$3 million
[USSG §8C2.4(d)]
- 4. Culpability Score 3
[USSG §§8C2.5(a) & (g) (2)]
- 5. Multiplier [USSG §8C2.6] .6-1.2

The parties agree that Defendant Desert Blue Moon cannot pay, and is not likely to be able (even on an installment plan) to pay, the minimum fine set by the Guidelines for the offense conduct in the

1 federal case and the state cases, and therefore under U.S.S.G.
2 §§ 8C2.2(b) and 8C3.3, will recommend a reduced fine of \$20,000.

3 B. ACCEPTANCE OF RESPONSIBILITY

4 Notwithstanding paragraph A above, the USAO will not be obligated
5 to recommend any adjustment for Acceptance of Responsibility if the
6 defendants engage in conduct inconsistent with acceptance of
7 responsibility including, but not limited to, the following:

- 8 1. Fails to truthfully admit a complete factual basis as
9 stated in the plea at the time the plea is entered, or
10 falsely denies, or makes a statement inconsistent
11 with, the factual basis set forth in this agreement;
- 12 2. Falsely denies prior criminal conduct or convictions;
- 13 3. Is untruthful with the Government, the Court or
14 probation officer;
- 15 4. Materially breaches this plea agreement in any way; or
- 16 5. Contests or assists any third party in contesting the
17 forfeiture of property(ies) seized in connection with
18 this case, and any property(ies) to which the
19 defendant has agreed to forfeit.

20 C. FURTHER ADJUSTMENTS AND SENTENCE REDUCTIONS
21 INCLUDING THOSE UNDER 18 U.S.C. § 3553

22 The parties agree that the defendants may request or recommend
23 additional downward adjustments, departures, including criminal
24 history departures under USSG § 4A1.3, or sentence reductions under 18
25 U.S.C. § 3553. The USAO may oppose any downward adjustments,
26 departures and sentence reductions not set forth in Section X,
27 paragraph A above.

28 D. NO AGREEMENT AS TO CRIMINAL HISTORY CATEGORY

The parties have no agreement as to Defendant Ruben Martinez's
Criminal History Category.

E. "FACTUAL BASIS" AND "RELEVANT CONDUCT" INFORMATION

The parties agree that the facts in the "factual basis" paragraph
of this agreement as to the federal and state cases are true, and may

1 be considered as "relevant conduct" under USSG § 1B1.3 and as the
2 nature and circumstances of the offense under 18 U.S.C. § 3553(a)(1).

3 F. PARTIES' RECOMMENDATIONS REGARDING CUSTODY

4 The parties agree that the USAO will recommend that Defendant
5 Ruben Martinez be sentenced within the advisory guideline range
6 calculated above. In light of the relative culpability of Defendant
7 Desert Blue Moon and Defendant Ruben Martinez's contemporaneous guilty
8 plea in the federal and state cases, the parties agree that the USAO
9 will recommend that Defendant Desert Blue Moon pay a \$20,000 fine.

10 G. SPECIAL ASSESSMENT/FINE/RESTITUTION/FORFEITURE

11 1. Special Assessment

12 The parties will jointly recommend that Defendant Ruben Martinez
13 pay a special assessment in the amount of \$100.00 per count of
14 conviction in the federal case to be paid forthwith at the time of
15 sentencing. The parties will jointly recommend that Defendant Desert
16 Blue Moon pay a special assessment in the amount of \$400.00 per count
17 of conviction in the federal case to be paid forthwith at the time of
18 sentencing. The special assessments shall be paid through the office
19 of the Clerk of the District Court by bank or cashier's check or money
20 order made payable to the "Clerk, United States District Court."

21 2. Restitution

22 The parties do not recommend imposition of a restitution order in
23 the federal case in light of the difficulty of determining the loss
24 caused by Defendant's conduct to the victims. See 18 USC §
25 3553A(c)(3)(B). However, any agreement as to restitution herein
26 applies only to the federal case and not the state case. The
27 defendants understand that restitution may be ordered in the state
28 case pursuant to Defendant Ruben Martinez's guilty plea in that
matter.

29 3. Fine

30 The parties do not recommend imposition of a fine upon Defendant
31 Ruben Martinez due to this defendant's limited financial prospects and
32 because the cost of collection, even taking into account the inmate
33 Plea Agreement

1 Responsibility Program, likely would exceed the amounts that could
2 reasonably be expected to be collected. As outlined above, the
3 parties will recommend that Defendant Desert Blue Moon pay a fine of
4 \$20,000 within 60 months of pleading guilty. These fines shall be
5 paid through the Office of the Clerk of the District Court by bank or
6 cashier's check or money order made payable to the "Clerk, United
7 States District Court."

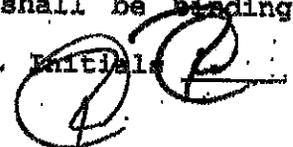
7 4. Forfeiture

8 Defendants agree to forfeit \$29,987.28 in funds from the Wells
9 Fargo bank account xxx-0510 in the name of Defendant Desert Blue Moon,
10 Inc. as proceeds of their illegal conduct. Defendants consent and
11 agree to the entry of an Order of forfeiture for such property and
12 waive the requirements of Federal Rules of Criminal Procedure 32.2 and
13 43(a) regarding notice of the forfeiture in the charging instrument,
14 announcement of the forfeiture at sentencing, and incorporation of the
15 forfeiture in the judgment. Defendants understand that the forfeiture
16 of assets is part of the sentence that may be imposed in this case and
17 waives any failure by the Court to advise Defendants of this, pursuant
18 to Rule 11(b) (1) (J), at the time the Court accepts the guilty plea.

19 Defendants further agree to waive all constitutional and
20 statutory challenges in any manner (including direct appeal, habeas
21 corpus, or any other means) to any forfeiture carried out in
22 accordance with this agreement on any grounds, including that the
23 forfeiture constitutes an excessive fine or punishment. Defendants
24 agree to take all steps as requested by the United States to pass
25 clear title to forfeitable assets to the United States, and to testify
26 truthfully in any judicial forfeiture proceeding.

27 Defendants agree that the forfeiture provisions of this plea
28 agreement are intended to, and will, survive Defendants,
notwithstanding the abatement of any underlying criminal conviction
after the execution of this agreement. The forfeitability of any
particular property pursuant to this agreement shall be determined as
if Defendant had survived, and that determination shall be binding

Plea Agreement

Def. Initials 

1 upon Defendants' heirs, successors and assigns until the agreed
2 forfeiture is collected in full.

3 H. SUPERVISED RELEASE

4 If the Court imposes a term of supervised release as to Defendant
5 Ruben Martinez, the parties agree that Defendant Ruben Martinez will
6 not seek to reduce or terminate early the term of supervised release.

7 XI

8 DEFENDANT WAIVES APPEAL AND COLLATERAL ATTACK

9 A. WAIVER OF RIGHT TO APPEAL CONVICTION

10 In exchange for the concessions by the USAO and SDCDAO in this
11 plea agreement, Defendants Ruben Martinez and Desert Blue Moon waive,
12 to the full extent of the law, any right to appeal the convictions and
13 sentence in either the federal or state cases.

14 B. WAIVER OF RIGHT TO COLLATERAL ATTACK

15 Defendants Ruben Martinez and Desert Blue Moon waive, to the full
16 extent of the law, any right to collaterally attack the conviction
17 and/or sentence, except for a post-conviction collateral attack based
18 on a claim of ineffective assistance of counsel.

19 C. OBJECTIONS TO UNITED STATES' RECOMMENDATION

20 If Defendants Ruben Martinez or Desert Blue Moon believes the
21 recommendation by the USAO or SDCDAO is not in accord with this plea
22 agreement, the defendants will object at the time of sentencing;
23 otherwise the objection will be deemed waived.

24 XII

25 BREACH OF THE PLEA AGREEMENT

26 A. MATERIAL BREACH OF PLEA AGREEMENT

27 Defendants Ruben Martinez and Desert Blue Moon acknowledge,
28 understand, and agree that if the defendants violate or fail to
perform any of their obligations under this agreement, such violation
or failure to perform will constitute a material breach of this
agreement.

1 Defendants Ruben Martinez and Desert Blue Moon acknowledge,
2 understand, and agree further that the following non-exhaustive list
3 of conduct by the defendants unquestionably constitutes a material
4 breach of this plea agreement:

- 5 1. Failing to plead guilty pursuant to this agreement;
- 6 2. Withdrawing the guilty plea or attempting to withdraw
7 the guilty plea;
- 8 3. Failing to fully accept responsibility as established
9 in Section X, paragraph B, above;
- 10 4. Failing to appear in court;
- 11 5. Failing to abide by any lawful court order related to
12 this case;
- 13 6. Appealing or collaterally attacking the sentence or
14 conviction in violation of Section XI of this plea
15 agreement; or
- 16 7. Engaging in additional criminal conduct from the time
17 of arrest until the time of sentencing.

18 **B. CONSEQUENCES OF BREACH**

19 In the event of a material breach by either defendant of this
20 plea agreement, Defendants Ruben Martinez and Desert Blue Moon will
21 not be able to enforce any of its provisions, and the USAO and SDCDAO
22 will be relieved of all obligations under this plea agreement. For
23 example, the USAO or SDCDAO may pursue any charges including those
24 that were dismissed, promised to be dismissed, or not filed as a
25 result of this agreement. Defendants Ruben Martinez and Desert Blue
26 Moon agree that any statute of limitations relating to such charges is
27 tolled as of the date of this agreement; Defendants Ruben Martinez and
28 Desert Blue Moon also waive any double jeopardy defense to such
charges. In addition, the USAO or SDCDAO may move to set aside the
defendants' guilty pleas. Defendants Ruben Martinez and Desert Blue
Moon may not withdraw their guilty pleas based on the pursuit of
remedies for their breach by the USAO or SDCDAO.

XIII

20

Plea Agreement

Def. Initials 

COMPLETE WAIVER OF PLEA-DISCUSSION EXCLUSION RIGHTS

1 In exchange for the concessions in this agreement, Defendants
2 Ruben Martinez and Desert Blue Moon agree that: (i) the stipulated
3 factual basis statements in this agreement; (ii) any statements made
4 by the defendants, under oath, at the guilty plea hearings in federal
5 and state court; and (iii) any evidence derived from such statements,
6 are admissible against either defendant in the prosecution's case-in-
7 chief and at any other stage of the proceedings in any prosecution of
8 or action against either defendant on the current charges and/or any
9 other charges that the USAO or SDCDAO may pursue against the
10 defendants. Additionally, Defendants Ruben Martinez and Desert Blue
11 Moon knowingly, voluntarily, and intelligently waive any argument
12 under the United States Constitution, any statute, Federal Rule of
13 Evidence 410, Federal Rule of Criminal Procedure 11(f), and/or any
14 other federal or California rule, that these statements or any
15 evidence derived from these statements should be suppressed or are
16 inadmissible. The waiver of the aforementioned rights by Defendants
17 Ruben Martinez and Desert Blue Moon is effective as soon as the
18 parties sign this agreement, and is not contingent upon a federal or
19 state court ultimately accepting the defendants' guilty pleas.

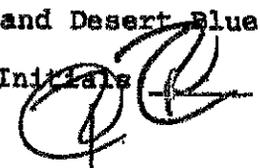
XIV

SUBSTANTIAL ASSISTANCE

19 A. If Defendants Ruben Martinez and Desert Blue Moon attempt to
20 assist in the investigation and prosecution of others, there is no
21 guarantee that this future cooperation, if any, will be deemed
22 "substantial," or whether it will merit a downward departure from the
23 Sentencing Guidelines.

24 B. If requested by the USAO or SDCDAO, Defendants Ruben
25 Martinez agrees to be interviewed again by federal and state law
26 enforcement agents and attorneys and to tell everything Defendants
27 Ruben Martinez and Desert Blue Moon knows about every person involved
28 presently or in the past in the charged criminal offense(s), as well
as other violations of law. Defendants Ruben Martinez and Desert Blue

Plea Agreement

Def. Initials 

1 Moon also agrees to produce all documents and other evidence in their
2 possession or control related to these violations.

3 C. Defendant Ruben Martinez agrees not to do any undercover
4 work or tape record any conversations or gather evidence unless
5 instructed by the agent assigned to Defendant. Defendants Ruben
6 Martinez and Desert Blue Moon can be prosecuted for any criminal
7 activity undertaken without instruction.

8 D. Defendant Ruben Martinez agrees to provide statements under
9 penalty of perjury and to testify before any federal or state grand
10 jury, and at any pretrial, trial, or post-trial proceedings in federal
11 or state court. Defendant will provide complete, truthful, and
12 accurate information and testimony. Defendant agrees to submit to a
13 polygraph examination to test the truthfulness of Defendant's
14 statements, upon request by the USAO or SDCDAO.

15 E. As discussed in section XIII above, the factual admissions
16 in this plea agreement and any statements made by Defendants Ruben
17 Martinez and Desert Blue Moon at any guilty plea hearings (as well as
18 any evidence derived from them) are admissible against the defendants
19 in this and all future proceedings. However, the USAO and SDCDAO agree
20 that, if the defendants fully comply with this plea agreement, the
21 USAO and SDCDAO will not make use of any of their statements to law
22 enforcement in the course of cooperation and during the period of
23 post-plea cooperation in any further prosecution of the defendants for
24 any offense, or in Defendant's sentencing as provided in USSG § 1B1.8.
25 If Defendants Ruben Martinez and Desert Blue Moon do not fully comply
26 with this plea agreement, all statements made by the defendants
27 before, during, and after this plea agreement, and any leads or
28 evidence derived from such statements, can be used against the
defendants and are admissible in court.

F. Statements made by Defendants Ruben Martinez and Desert Blue
Moon pursuant to this plea agreement are not statements "made in the
course of any proceedings under Rule 11 of the Federal Rules of

1 Criminal Procedure" and are not statements "made in the course of plea
discussions."

2 G. If the USAO decides that Defendants Ruben Martinez and
3 Desert Blue Moon have provided additional substantial assistance after
4 the date of this agreement, and have fully complied with this plea
5 agreement, it will file a motion for a downward departure under
6 18 U.S.C. § 3553 and/or USSG § 5K1.1. Defendants Ruben Martinez and
7 Desert Blue Moon understand that the starting point for any
8 substantial assistance departure will be the pre-departure Guidelines
9 range. Defendants Ruben Martinez and Desert Blue Moon acknowledge
10 that even if the USAO makes a motion, the Court may reject the USAO's
11 motion and recommendation for departure and refuse to depart downward,
and neither defendant would be allowed to withdraw their guilty pleas.

12 H. If the USAO's decides to make a substantial assistance
13 motion, it will inform the sentencing judge of: (1) this plea
14 agreement; (2) the nature and extent of any assistance provided by
15 Defendants Ruben Martinez and Desert Blue Moon in the federal and
16 state cases; and (3) all information in the possession of the USAO
relevant to sentencing.

17 I. If Defendants Ruben Martinez or Desert Blue Moon provide
18 materially false, incomplete, or misleading testimony or information,
19 or breach this plea agreement in any other way, the USAO or SDCDAO may
20 prosecute the defendants in connection with all criminal violations of
21 which the USAO and SDCDAO are aware, as set forth in Section XII
22 above, including a prosecution for false statements, perjury, and/or
23 obstruction of justice. The USAO may also pursue any other remedy for
24 breach of the plea agreement, as set forth in Section XII above. Any
25 prosecution or sentence resulting from a breach of this plea agreement
may be based on information provided by Defendants Ruben Martinez and
Desert Blue Moon.

26 XV

27 ENTIRE AGREEMENT

28 Plea Agreement

23

Def. Initials 

1 The plea agreement in the state case, which is incorporated
2 herein, together with the plea agreement in the federal case embody
3 the entire agreement between the parties and supersede any other
4 agreement, written or oral.

5 **XVI**

6 **MODIFICATION OF AGREEMENT MUST BE IN WRITING**

7 No modification of this plea agreement shall be effective unless
8 in writing signed by all parties.

9 **XVII**

10 **DEFENDANT AND COUNSEL FULLY UNDERSTAND AGREEMENT**

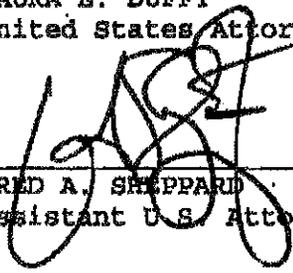
11 By signing this agreement, Defendants Ruben Martinez and Desert
12 Blue Moon certify that the defendants have read it. Defendants Ruben
13 Martinez and Desert Blue Moon have discussed the terms of this
14 agreement with defense counsel and fully understand its meaning and
15 effect.

16 **XVIII**

17 **DEFENDANT SATISFIED WITH COUNSEL**

18 Defendants Ruben Martinez and Desert Blue Moon have consulted
19 with counsel and are satisfied with counsel's representation. This is
20 the independent opinion of Defendants Ruben Martinez and Desert Blue
21 Moon, and their counsel did not advise the defendants about what to
22 say in this regard.

23 LAURA E. DUFFY
24 United States Attorney

25 
26 FRED A. SHEPPARD
27 Assistant U.S. Attorney

28 DATED

4/21/2016

1 4/21/2016
DATED

Valerie H. Chu
VALERIE H. CHU
Assistant U.S. Attorney

2
3 4/21/2016
4 DATED

Caroline P. Han
CAROLINE P. HAN
Assistant U.S. Attorney

5
6
7

BONNIE DUMANIS
San Diego County District Attorney

8 4/21/16
9 DATED

John Philpott
JOHN PHILPOTT
Deputy District Attorney

10
11 4/21/16
12 DATED

Genaro Ramirez
GENARO RAMIREZ
Deputy District Attorney

13
14 4/21/16
15 DATED

Pedro Bernal
PEDRO BERNAL
Deputy District Attorney

16
17 4/21/2016
18 DATED

Michael Berg
MICHAEL BERG
Defense Counsel

19
20

21 IN ADDITION TO THE FOREGOING PROVISIONS TO WHICH I AGREE, I SWEAR
22 UNDER PENALTY OF PERJURY THAT THE FACTS IN THE "FACTUAL BASIS" SECTION
23 ABOVE ARE TRUE.

24 4/21/2016
25 DATED

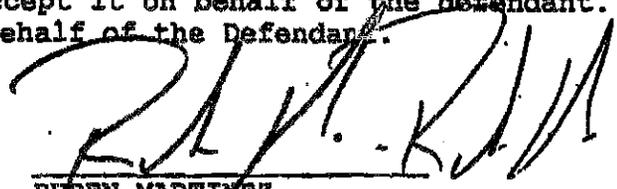
Ruben Martinez
RUBEN MARTINEZ
Defendant

26
27 Defendant's Signature: As corporate representative for Defendant Line
28 of Sight, I have consulted with counsel for the defendant and fully
understand all rights of the Defendant with respect to this Plea

1 Agreement. Further, I fully understand all rights with respect to 18
2 U.S.C. § 3553 and the provisions of the Sentencing Guidelines that may
3 apply in this case. I have read this Plea Agreement and carefully
4 reviewed every part of it with counsel for the defendant. I understand
5 this agreement and voluntarily accept it on behalf of the defendant. I
6 have valid authority to sign on behalf of the Defendant.

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
DATED

4/17/16



RUBEN MARTINEZ
President
DESERT BLUE MOON, INC.

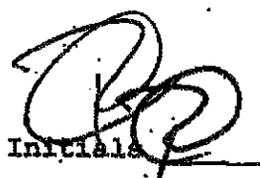


1 Defense Counsel's Signature: I am counsel for defendant Line of Sight
2 in this matter. I have fully explained to defendant's representative
3 the Defendant's rights with respect to this Plea Agreement. Further, I
4 have reviewed 18 U.S.C. § 3553 and the Sentencing Guidelines, and I
5 have fully explained to the defendant the provisions that may apply in
6 this case. I have carefully reviewed every part of this Plea Agreement
7 with the defendant. To my knowledge, the defendant's decision to enter
8 this agreement is an informed and voluntary one, and one by agent with
9 valid authority to sign on behalf of Defendant.

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
4/18/16

DATED

Michael Berg
Counsel for Defendant
DESERT BLUE MOON, INC.

Def. Initials 

1
2
3
4
5
6
7
8 **IN THE UNITED STATES DISTRICT COURT**
9 **FOR THE SOUTHERN DISTRICT OF CALIFORNIA**

10
11 UNITED STATES OF AMERICA,

12 Plaintiff,

13 V.

14 RUBEN MARTINEZ (4),

15 Defendant.
16

Criminal Case No. 15CR2821-BAS

ORDER

17
18 No objections having been filed, **IT IS ORDERED** that the Findings and
19 Recommendation of the Magistrate Judge are adopted and this Court accepts
20 Defendant's plea of guilty to Count One (1) of the Superseding Information.
21

22
23 Dated: May 5, 2016

24 
25 Cynthia Bashant
26 United States District Judge
27
28

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN DIEGO		MAY 26 2010 <small>For Court Use Only</small>
PEOPLE vs Ruben Marcial Martinez,	Defendant	CLERK OF THE SUPERIOR COURT M. ALLEY
PLEA OF GUILTY/NO CONTEST - FELONY		Court Number: SCD255519 DA Number: ADY479

I, the defendant in the above-entitled case, in support of my plea of Guilty/No Contest, personally declare as follows:

1. Of those charges now filed against me in this case, I plead GUILTY to the following offenses and admit the enhancements, allegations and prior convictions as follows:

COUNT	CHARGE	ENHANCEMENT/ALLEGATION
2, 5, 37, 53	LC 3215 x 4	N/A
30	PC 550(b)(3)	N/A
PRIORS: (LIST ALLEGATION SECTION, CONVICTION DATE, COUNTY, CASE NUMBER, AND CHARGE)		

2. I have not been induced to enter this plea by any promise or representation of any kind, except: (State any agreement with the District Attorney.)
See Attachment "A" attached hereto: Federal Plea Agreement in Case Number 15CR2821-BAS

3. I am entering my plea freely and voluntarily, without fear or threat to me or anyone closely related to me.

4. I understand that a plea of No Contest is the same as a plea of Guilty for all purposes.

5. I am sober and my judgment is not impaired. I have not consumed any drug, alcohol or narcotic within the past 24 hours.

CONSTITUTIONAL RIGHTS

6a. I understand that I have the right to be represented by a lawyer at all stages of the proceedings. I can hire my own lawyer or the Court will appoint a lawyer for me if I cannot afford one.

I understand that as to all charges, allegations and prior convictions filed against me, and as to any facts that may be used to increase my sentence, now or in the future, I also have the following constitutional rights, which I now give up to enter my plea of guilty/no contest:

- 6b. I have the right to a speedy and public trial by jury. I now give up this right.
- 6c. I have the right to confront and cross-examine all the witnesses against me. I now give up this right.
- 6d. I have the right to remain silent (unless I choose to testify on my own behalf). I now give up this right.
- 6e. I have the right to present evidence in my behalf and to have the court subpoena my witnesses at no cost to me. I now give up this right.

Defendant:
Ruben Marcial Martinez

CASE NUMBER:
SCD555519

CONSEQUENCES OF PLEA OF GUILTY OR NO CONTEST

7a. I understand that I may receive this maximum punishment as a result of my plea: 7y 8mo years imprisonment or imprisonment plus a term of mandatory supervision; \$90,000 fine; and 4 years parole or post-release community supervision, with return to custody for every violation of a condition thereof. If I am not sentenced to imprisonment, I may be granted probation for a period up to 5 years or the maximum term of imprisonment, whichever is greater. As conditions of probation I may be given up to a year in jail custody, plus the fine, and any other conditions deemed reasonable by the Court. I understand that if I violate any condition of probation I can be sentenced to imprisonment for the maximum term as stated above.

7b. I understand that I must pay a restitution fine (\$200 - \$10,000), that I will also be subject to a suspended fine in the same amount, and that I must pay full restitution to all victims.

7c. I understand that my conviction in this case will be a serious/violent felony ("strike") resulting in mandatory denial of probation, substantially increased penalties, and a term in State Prison in any future felony case.

7d. I understand that if I am not a U.S. citizen, this plea of Guilty/No Contest ^{will} may result in my removal/deportation, exclusion from admission to the U.S. and denial of naturalization. Additionally, if this plea is to an "Aggravated Felony" listed on the back of this form, then I will be deported, excluded from admission to the U.S., and denied naturalization.

7e. I understand that my plea of Guilty or No Contest in this case could result in revocation of my probation, mandatory supervision, parole or post-release supervision in other cases, and consecutive sentences.

7f. My attorney has explained to me that other possible consequences of this plea may be:
(Circle applicable consequences.)

- | | | |
|--|--|--|
| <input checked="" type="checkbox"/> (1) Consecutive sentences | <input checked="" type="checkbox"/> (9) Prison prior | a. Limited local credits (290/serious/prior) |
| <input checked="" type="checkbox"/> (2) Loss of driving privileges | <input type="checkbox"/> (10) Mandatory imprisonment | b. Violent Felony (No credit or max. 15%) |
| <input checked="" type="checkbox"/> (3) Commitment to Youth Authority | <input type="checkbox"/> (11) Mandatory State Prison | c. Prior Strike(s) (No credit to max. 20%) |
| <input checked="" type="checkbox"/> (4) Lifetime registration as an arson / sex offender | <input type="checkbox"/> (12) Presumptive imprisonment | d. Murder on/after 6/3/98 (No credit) |
| <input checked="" type="checkbox"/> (5) Registration as a narcotic / gang offender | <input type="checkbox"/> (13) Presumptive State Prison | <input checked="" type="checkbox"/> (17) Loss of public assistance |
| <input checked="" type="checkbox"/> (6) Cannot possess firearms or ammunition | <input type="checkbox"/> (14) Sexually Violent Predator Law | <input checked="" type="checkbox"/> (18) AIDS education program |
| <input checked="" type="checkbox"/> (7) Blood test and saliva sample | <input type="checkbox"/> (15) Possible/Mandatory hormone suppression treatment | <input type="checkbox"/> (19) Other: _____ |
| <input checked="" type="checkbox"/> (8) Priorable (increased punishment for future offenses) | <input type="checkbox"/> (16) Reduced conduct/work credits | |

8. (Appeal Rights) I give up my right to appeal the following: 1) denial of my 1538.5 motion, 2) issues related to strike priors (under PC sections 867(b)-(f) and 1170.12), and 3) any sentence stipulated herein.

9. (Harvey Waiver) The sentencing judge may consider my prior criminal history and the entire factual background of the case, including any unfilled, dismissed or stricken charges or allegations or cases when granting probation, ordering restitution or imposing sentence.

10. (Blakely waiver) I understand that as to any fact in aggravation that may be used to increase my sentence on any count or allegation to the upper or maximum term provided by law, I have the constitutional rights listed in paragraphs 6b-6e. I now give up those rights and agree that the sentencing judge may determine the existence or non-existence of any fact in aggravation, either at the initial sentencing or at any future sentencing in the event my probation is revoked.

11. (Cruz Waiver) Negotiated Disposition pursuant to PC 1192.5: I understand that if pending sentencing I am arrested for or commit another crime, violate any condition of my release, or willfully fail to appear for my probation interview or my sentencing hearing, the sentence portion of this agreement will be cancelled. I will be sentenced unconditionally, and I will not be allowed to withdraw my guilty/no contest plea(s).

12. (Arbuckle Waiver) I give up my right to be sentenced by the judge who accepts this plea.

13. (Probation Report) I give up my right to a full probation report before sentencing.

AGGRAVATED FELONIES

ANY CONVICTION OF A NON-CITIZEN FOR AN "AGGRAVATED FELONY" AS DEFINED UNDER 8 U.S.C. 1101(a)(43), WILL RESULT IN REMOVAL/DEPORTATION, EXCLUSION, AND DENIAL OF NATURALIZATION.

"AGGRAVATED FELONIES" include, but are not limited to, the following crimes and any attempt or conspiracy to commit such crimes, even if the conviction is a misdemeanor under state law: [The only exception to the applicability of state misdemeanors is where the offense (as listed below) specifically requires a felony conviction.]

1. ANY CRIME OF VIOLENCE*
(Includes any offense that has as an element the use, attempted use, or threatened use of physical force against the person or property of another, or any felony offense that, by its nature, involves a substantial risk that physical force against the person or property of another may be used in the course of committing the offense. (18 U.S.C. §16).)
2. BURGLARY (Except vehicle or vessel unless used as a residence.) *
3. CHILD PORNOGRAPHY OFFENSES
4. CONTROLLED SUBSTANCES:
 - a) FELONY POSSESSION OF ANY CONTROLLED SUBSTANCE.
 - b) MISDEMEANOR POSSESSION OF ANY CONTROLLED SUBSTANCE when the defendant has previously been convicted of any drug related offense.
 - c) POSSESSION FOR SALE OF ANY CONTROLLED SUBSTANCE
 - d) SALE OF ANY CONTROLLED SUBSTANCE
 - e) TRANSPORTATION OF ANY CONTROLLED SUBSTANCE
 - f) MANUFACTURE/DISTRIBUTION OF ANY CONTROLLED SUBSTANCE AND CULTIVATION OF MARIJUANA
5. FELONY D.U.I. (Any type.)*
6. FAILURE TO APPEAR ON A FELONY CASE
7. FORGERY *
8. FRAUD (Where loss to victim or victims exceeds \$10,000.)
9. MONEY LAUNDERING (If amount over \$10,000.)
10. MURDER
11. PERJURY/SUBORNATION of Perjury or Bribery of a Witness*
12. PIMPING/PANDERING/OPERATING A PROSTITUTION BUSINESS
13. RAPE
14. RECEIVING STOLEN PROPERTY *
15. ROBBERY *
16. SEXUAL ABUSE OF A MINOR (Touching is not required, e.g.: Indecent Exposure.)
17. THEFT (Any type or amount)*
18. TRAFFICKING IN FIREARMS AND EXPLOSIVES.
19. TRAFFICKING IN VEHICLES WITH ALTERED VINS*
20. DEMAND FOR OR RECEIPT OF RANSOM

* Where the term imposed is at least one year, whether or not any or all of that term is stayed or suspended at the time of sentencing.

CERTIFICATE OF SERVICE BY MAIL
(C.C.P. section 1013(a), 2015.5)

I am over the age of 18 years and not a party to the entitled action. My business address is 1515 Clay Street, 18th Floor, Oakland, California 94612.

I served the following documents:

- **Notice of Provider Suspension – Workers’ Compensation**
- **Indictment in *United States of America v. Ruben Martinez* (Case No. 15 CR 2821 BAS) - U.S. District Court (Southern District of California)**
- **Federal Plea Agreement in *United States of America v. Ruben Martinez* (Case No. 15 CR2821 BAS) – U.S. District Court (Southern District of California) (which incorporates plea of guilty/no contest in state case)**
- **Order in *United States of America v. Ruben Martinez* (Case No. 15 CR 2821 BAS) – U.S. District Court (Southern District of California)**
- **Plea of Guilty/No contest – Felony in *People v. Ruben Martinez* (Case No. SCD 255519) – Superior Court of California, San Diego County**

on the following person(s) at the following address(es):

**Ruben Martinez
38775 Cobblestone Circle
Murrieta, CA 92563**

The documents were served by the following means:

(BY U.S. CERTIFIED MAIL) I enclosed the documents in a sealed envelope or package addressed to the person(s) at the address(es) listed above and:

Placed the envelope or package for collection and mailing, following our ordinary business practices. I am readily familiar with the firm’s practice for collection and processing correspondence for mailing. Under that practice, on the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the U.S. Postal Service, in a sealed envelope or package with the postage fully prepaid.

I declare under penalty of perjury under the laws of State of California that the above is true and correct.

Executed on March 28, 2017, at Oakland, California.



CATHY FUJITA-LAM