



U.S. Department of Justice

*United States Attorney
District of New Jersey*

970 Broad Street, Suite 700
Newark, NJ 07102

973/645-2700

2009R00773/BV

September 21, 2012

Stacy A. Biancamano, Esq.
Arleo, Donohue & Biancamano
622 Eagle Rock Avenue
West Orange, NJ 07052

Re: Plea Agreement with Frederick "Freddie" Grippo

12 cr 775

Dear Ms. Biancamano:

This letter sets forth the plea agreement between your client, Frederick "Freddie" Grippo ("the Defendant"), and the United States Attorney for the District of New Jersey ("this Office"). To accept the offer of this plea agreement, the Defendant must return a fully executed copy by 11:00 a.m. Monday, September 24, 2012, as this plea offer will then expire.

Charge

Conditioned on the understandings specified below, this Office will accept a guilty plea from the Defendant to a 1-count Information, which charges conspiracy to commit wire fraud, in violation of 18 U.S.C. § 1349. If Frederick "Freddie" Grippo enters a guilty plea and is sentenced on this charge, and otherwise fully complies with all of the terms of this agreement, this Office will not initiate any further criminal charges against Frederick "Freddie" Grippo for his involvement in a wire fraud conspiracy between 2005 and 2010 whose object was mortgage fraud. However, in the event that a guilty plea in this matter is not entered for any reason or the judgment of conviction entered as a result of this guilty plea does not remain in full force and effect, Frederick "Freddie" Grippo agrees that any dismissed charges and any other charges that are not time-barred by the applicable statute of limitations on the date this agreement is signed by the Defendant may be commenced against him, notwithstanding the expiration of the limitations period after the Defendant signs the agreement.

Sentencing

The violation of 18 U.S.C. § 1349 to which Frederick "Freddie" Grippo agrees to plead guilty carries a statutory maximum prison sentence of 30 years and a statutory maximum fine of \$1,000,000.

The sentence to be imposed upon Frederick "Freddie" Grippo is within the sole discretion of the sentencing judge, subject to the provisions of the Sentencing Reform Act, 18 U.S.C. § 3551-3742, and the sentencing judge's consideration of the United States Sentencing Guidelines. The United States Sentencing Guidelines are advisory, not mandatory. The sentencing judge may impose any reasonable sentence up to and including the statutory maximum term of imprisonment and the maximum statutory fine. This Office cannot and does not make any representation or promise as to what guideline range may be found by the sentencing judge, or as to what sentence Frederick "Freddie" Grippo ultimately will receive.

Further, in addition to imposing any other penalty on Frederick "Freddie" Grippo, the sentencing judge: (1) will order Frederick "Freddie" Grippo to pay an assessment of \$100 pursuant to 18 U.S.C. § 3013, which assessment must be paid by the date of sentencing; (2) must order Frederick "Freddie" Grippo to pay restitution pursuant to 18 U.S.C. § 3663 et seq. (3) may order Frederick "Freddie" Grippo, pursuant to 18 U.S.C. § 3555, to give notice to any victims of his offenses; (4) must order forfeiture, pursuant to 18 U.S.C. § 982, and (5) pursuant to 18 U.S.C. § 3583 may require Frederick "Freddie" Grippo] to serve a term of supervised release of not more than 5 years, which will begin at the expiration of any term of imprisonment imposed. Should Frederick "Freddie" Grippo be placed on a term of supervised release and subsequently violate any of the conditions of supervised release before the expiration of its term, he may be sentenced to not more than 5 years' imprisonment in addition to any prison term previously imposed, regardless of the statutory maximum term of imprisonment set forth above and without credit for time previously served on post-release supervision, and may be sentenced to an additional term of supervised release.

In addition, Frederick "Freddie" Grippo agrees to make full restitution for all losses resulting from the offense of conviction or from the scheme, conspiracy, or pattern of criminal activity underlying that offense, to the financial institutions currently owning the fraudulently obtained loans in the amount of \$1,319,721.

Rights of This Office Regarding Sentencing

Except as otherwise provided in this agreement, this Office reserves its right to take any position with respect to the appropriate sentence to be imposed on Frederick "Freddie" Grippo by the sentencing judge, to correct any misstatements relating to the sentencing proceedings, and to provide the sentencing judge and the United States Probation Office all law and information relevant to sentencing, favorable or otherwise. In addition, this Office may inform the sentencing judge and the United States Probation Office of: (1) this agreement; and (2) the full nature and extent of Frederick "Freddie" Grippo's activities and relevant conduct with respect to this case.

Stipulations

This Office and Frederick "Freddie" Grippo agree to stipulate at sentencing to the statements set forth in the attached Schedule A, which hereby is made a part of this plea agreement. This agreement to stipulate, however, cannot and does not bind the sentencing judge, who may make independent factual findings and may reject any or all of the stipulations entered into by the parties. To the extent that the parties do not stipulate to a particular fact or legal conclusion, each reserves the right to argue the existence of and the effect of any such fact or conclusion upon the sentence. Moreover, this agreement to stipulate on the part of this Office is based on the information and evidence that this Office possesses as of the date of this agreement. Thus, if this Office obtains or receives additional evidence or information prior to sentencing that it determines to be credible and to be materially in conflict with any stipulation in the attached Schedule A, this Office shall not be bound by any such stipulation. A determination that any stipulation is not binding shall not release either this Office or Frederick "Freddie" Grippo from any other portion of this agreement, including any other stipulation. If the sentencing court rejects a stipulation, both parties reserve the right to argue on appeal or at post-sentencing proceedings that the sentencing court was within its discretion and authority to do so. These stipulations do not restrict this Office's right to respond to questions from the Court and to correct misinformation that has been provided to the Court.

Waiver of Appeal and Post-Sentencing Rights

As set forth in Schedule A, this Office and Frederick "Freddie" Grippo waive certain rights to file an appeal,

collateral attack, writ, or motion after sentencing, including, but not limited to, an appeal under 18 U.S.C. § 3742 or a motion under 28 U.S.C. § 2255.

Forfeiture

Frederick "Freddie" Grippo agrees that as part of his acceptance of responsibility and pursuant to 18 U.S.C. § 982 Frederick "Freddie" Grippo will consent to the entry of a forfeiture money judgment in the amount of \$1,319,721 in United States currency (the "Forfeiture Money Judgment"). Frederick "Freddie" Grippo acknowledges that the \$1,319,721 is subject to forfeiture as property constituting, or derived from, proceeds obtained, directly or indirectly, as the result of a violation of a conspiracy to violate 18 U.S.C. § 1343.

Payment of the Forfeiture Money Judgment shall be made by certified or bank check, with the criminal docket number noted on the face of the check, payable to the United States Marshals Service. On or before the date he enters his plea of guilty pursuant to this agreement, Frederick "Freddie" Grippo shall cause said check to be hand-delivered to the Asset Forfeiture and Money Laundering Unit, United States Attorney's Office, District of New Jersey, 970 Broad Street, Newark, New Jersey 07102.

If the Forfeiture Money Judgment is not paid on or before the date Frederick "Freddie" Grippo enters his her plea of guilty pursuant to this agreement, interest shall accrue on any unpaid portion thereof at the judgment rate of interest from that date. Furthermore, if Frederick "Freddie" Grippo fails to pay any portion of the Forfeiture Money Judgment on or before the date of his guilty plea, [Frederick "Freddie" Grippo] consents to the forfeiture of any other property alleged to be subject to forfeiture in the Information, including substitute assets, in full or partial satisfaction of the money judgment, and remains responsible for the payment of any deficiency until the Forfeiture Money Judgment is paid in full.

Frederick "Freddie" Grippo further agrees to waive all interest in the Forfeitable Property in any administrative or judicial forfeiture proceeding, whether criminal or civil, state or federal. Frederick "Freddie" Grippo agrees to consent to the entry of orders of forfeiture for the Forfeiture Money Judgment and waives the requirements of Rules 32.2 and 43(a) of the Federal Rules of Criminal Procedure regarding notice of the forfeiture in the charging instrument, announcement of the forfeiture at sentencing, and incorporation of the forfeiture in the judgment. Frederick "Freddie" Grippo understands that the

forfeiture of Forfeiture Money Judgment is part of the sentence that may be imposed in this case and waives any failure by the court to advise him of this pursuant to Rule 11(b)(1)(J) of the Federal Rules of Criminal Procedure at the guilty plea proceeding.

Frederick "Freddie" Grippo hereby waives any and all claims that this forfeiture constitutes an excessive fine and agrees that this forfeiture does not violate the Eighth Amendment.

Frederick "Freddie" Grippo represents that he has disclosed all of his assets to the United States on the Financial Disclosure Statement dated September 24, 2012. Frederick "Freddie" Grippo agrees that if this Office determines that Frederick "Freddie" Grippo has intentionally failed to disclose assets on that Financial Disclosure Statement, that failure constitutes a material breach of this agreement. In addition, Frederick "Freddie" Grippo consents to the administrative, civil, and/or criminal forfeiture of his interests in any assets that he failed to disclose on the Financial Disclosure Statement. Should undisclosed assets that the Frederick "Freddie" Grippo owns or in which the Frederick "Freddie" Grippo has an interest be discovered, Frederick "Freddie" Grippo knowingly and voluntarily waives his right to any required notice concerning the forfeiture of said assets. Frederick "Freddie" Grippo further agrees to execute any documents necessary to effectuate the forfeiture of said assets.

Other Provisions

This agreement is limited to the United States Attorney's Office for the District of New Jersey and cannot bind other federal, state, or local authorities. However, this Office will bring this agreement to the attention of other prosecuting offices, if requested to do so.

This agreement was reached without regard to any civil or administrative matters that may be pending or commenced in the future against Frederick "Freddie" Grippo. This agreement does not prohibit the United States, any agency thereof (including the Internal Revenue Service), or any third party from initiating or prosecuting any civil or administrative proceeding against Frederick "Freddie" Grippo.

No Other Promises

This agreement constitutes the plea agreement between Frederick "Freddie" Grippo and this Office and supersedes any previous agreements between them. No additional promises, agreements, or conditions have been made or will be made unless set forth in writing and signed by the parties.

Very truly yours,

PAUL J. FISHMAN
United States Attorney



By: BOHDAN VITVITSKY
Assistant U.S. Attorney

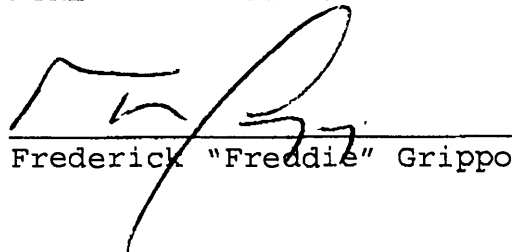
APPROVED:



Unit Chief, Economic Crimes Unit

I have received this letter from my attorney, Stacy A. Biancamano, Esq. I have read it. My attorney and I have discussed it and all of its provisions, including those addressing the charges, sentencing, stipulations, waiver and forfeiture. I understand this letter fully. I hereby accept its terms and conditions and acknowledge that it constitutes the plea agreement between the parties. I understand that no additional promises, agreements, or conditions have been made or will be made unless set forth in writing and signed by the parties. I want to plead guilty pursuant to this plea agreement.

AGREED AND ACCEPTED:



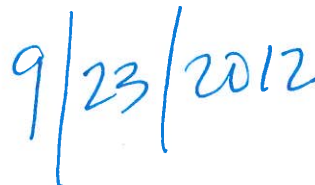
Frederick "Freddie" Grippo

Date: 9/23/12

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


Stacy A. Biancamano, Esq.

Date:



Plea Agreement With Frederick "Freddie" Grippo

Schedule A

1. This Office and Frederick "Freddie" Grippo recognize that the United States Sentencing Guidelines are not binding upon the Court. This Office and Frederick "Freddie" Grippo nevertheless agree to the stipulations set forth herein, and agree that the Court should sentence Frederick "Freddie" Grippo within the Guidelines range that results from the total Guidelines offense level set forth below. This Office and Frederick "Freddie" Grippo further agree that neither party will argue for the imposition of a sentence outside the Guidelines range that results from the agreed total Guidelines offense level.

2. The version of the United States Sentencing Guidelines effective November 1, 2011, applies in this case. The applicable guideline is U.S.S.G. § 2B1.1(a)(1). This guideline carries a Base Offense Level of 7.

3. The Specific Offense Characteristic relating to loss, here a loss of more than \$1,000,000, applies. This Specific Offense Characteristic results in an increase of 16 levels. U.S.S.G. § 2B1.1(b)(1)(I)

4. The Specific Offense Characteristic relating to the offense involving 10 or more victims applies. This Specific Offense Characteristic results in an increase of 2 levels. U.S.S.G. § 2B1.1(b)(2)(A).

5. The Specific Offense Characteristic relating to the Defendant deriving more than \$1 million in gross receipts from one or more financial institutions as a result of the offense. This Specific Offense Characteristic results in an increase of 2 levels. U.S.S.G. § 2B1.1(b)(15)(A).

6. The total Group Offense Level is 27.

7. As of the date of this letter, Frederick "Freddie" Grippo has clearly demonstrated a recognition and affirmative acceptance of personal responsibility for the offenses charged. Therefore, a downward adjustment of 2 levels for acceptance of responsibility is appropriate if Frederick "Freddie" Grippo's acceptance of responsibility continues through the date of sentencing. See U.S.S.G. § 3E1.1(a).

8. As of the date of this letter, Frederick "Freddie" Grippo has assisted authorities in the investigation or prosecution of his own misconduct by timely notifying authorities of his intention to enter a plea of guilty, thereby permitting this Office to avoid preparing for trial and permitting this Office and the court to allocate their resources efficiently. At sentencing, this Office will move for a further 1 point reduction in Frederick "Freddie" Grippo's offense level pursuant to U.S.S.G. § 3E1.1(b) if the following conditions are met: (a) Frederick "Freddie" Grippo enters a plea pursuant to this agreement, (b) this Office in its discretion determines that Frederick "Freddie" Grippo's acceptance of responsibility has continued through the date of sentencing and Frederick "Freddie" Grippo therefore qualifies for a 2-point reduction for acceptance of responsibility pursuant to U.S.S.G. § 3E1.1(a), and (c) Frederick "Freddie" Grippo's offense level under the Guidelines prior to the operation of § 3E1.1(a) is 16 or greater.

9. In accordance with the above, the parties agree that the Total Guidelines Offense Level applicable to Frederick "Freddie" Grippo is 24 (the "agreed Total Guidelines Offense Level").

10. The parties agree not to seek or argue for any upward or downward departure, adjustment or variance not set forth herein. The parties further agree that a sentence within the Guidelines range that results from the agreed Total Guidelines Offense Level of 24 is reasonable.

11. Frederick "Freddie" Grippo knows that he has and, except as noted below in this paragraph, voluntarily waives, the right to file any appeal, any collateral attack, or any other writ or motion, including but not limited to an appeal under 18 U.S.C. § 3742 or a motion under 28 U.S.C. § 2255, which challenges the sentence imposed by the sentencing court if that sentence falls within or below the Guidelines range that results from the agreed Total Guidelines Offense Level of 24. This Office will not file any appeal, motion, or writ which challenges the sentence imposed by the sentencing court if that sentence falls within or above the Guidelines range that results from the agreed Total Guidelines Offense Level of 24. The parties reserve any right they may have under 18 U.S.C. § 3742 to appeal the sentencing court's determination of the criminal history category. The provisions of this paragraph are binding on the parties even if the Court employs a Guidelines analysis different from that stipulated to herein. Furthermore, if the sentencing court accepts a stipulation, both parties waive the right to file

an appeal, collateral attack, writ, or motion claiming that the sentencing court erred in doing so.

12. Both parties reserve the right to oppose or move to dismiss any appeal, collateral attack, writ, or motion barred by the preceding paragraph and to file or to oppose any appeal, collateral attack, writ or motion not barred by the preceding paragraph.