FILED
CHARLOTTE, N. C.
JAN 29 2007
U. S. DISTRICT COURT
W. DIST. OF N. C.

UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF NORTH CAROLINA CHARLOTTE DIVISION

UNITED STATES OF AMERICA	)	DOCKET NO. 3:06CR74-Britt
	)	
v.	)	
	)	**PLEA AGREEMENT**
(4) VERNICE CHAITAN WOLTZ	)	
	)	

NOW COMES the United States of America, by and through Gretchen C.F. Shappert, United States Attorney for the Western District of North Carolina (Matthew T. Martens and Kurt W. Meyers, Assistant United States Attorneys, appearing), and the defendant, Vernice C. Woltz, in person and through counsel, J. Kirk Osborn, Esq., and respectfully inform the Court that they have reached the following agreement:

I. Plea

1. The defendant agrees to enter a voluntary plea of guilty to Count Ten as set forth in the Bill of Indictment, and admits to being in fact guilty as charged in that count. A factual statement summarizing the defendant's conduct is attached hereto as Exhibit 1.

2. If the Court finds the defendant's plea to be voluntarily and knowingly made, and accepts the plea, then this Office will move at the appropriate time to dismiss the remaining counts of the Bill of Indictment as they apply to the defendant. In addition, this Office hereby agrees that it will not prosecute the defendant for offenses fully disclosed as of the date of this Plea Agreement.

3. The defendant agrees that the Court may consider any such dismissed counts and all pertinent information as "relevant conduct," *United States Sentencing Guidelines* [U.S.S.G.] § 1B1.3. The Court may also consider any dismissed count as a "conviction" for purposes of 28 U.S.C. §§ 1918 (costs of prosecutions, including fines and forfeitures) and 1920 (court costs, including fees for interpreters), as well as for purposes of forfeiture and restitution.

II. Sentence

4. The defendant is aware that the statutory maximum sentences for the relevant count is as follows:

Count Ten (obstruction): a $250,000 fine, no more than ten (10) years imprisonment, or both, and no more than three (3) years supervised release.

5. The defendant understands that supervised release is a term of supervision that runs consecutively to any sentence of incarceration and that if the Court imposes a term of supervised release, the United States Probation Office will supervise her during that term and

will require that she make regular reports and visits to its office. The defendant understands that a violation of the conditions of supervised release may subject her to an additional period of incarceration up to the maximum term of years imposed as supervised release.

6. The defendant is aware that the Court will consider the *United States Sentencing Guidelines* in determining the appropriate sentence, and that the sentence will be without parole. The defendant is further aware that the Court has not yet determined the sentence, that any estimate from any source, including defense counsel, of the likely sentence is a prediction rather than a promise, and that the Court has the final discretion to impose any sentence up to the statutory maximum for each count. The defendant further understands that no recommendations or agreements by the United States are binding upon the Court.

7. With regard to the Sentencing Guidelines, the defendant and the United States, pursuant to Fed.R.Crim.P. 11(c)(1)(B), stipulate and agree to recommend to the Court as follows:

a. The offense level for the subject offense is as follows:

Base Offense Level [U.S.S.G. § 2J1.2(a)]: **14**

Specific offense characteristics:

Extensive in scope [USSG § 2J1.2(b)(3)] + 2

Adjusted Offense Level: **16**

b. Provided that the defendant clearly demonstrates acceptance of responsibility for her criminal conduct by, among other things, acknowledging to the Government, the Probation Office, and the Court the nature and extent of all relevant criminal conduct, the Government will recommend a two-level reduction in offense level pursuant to U.S.S.G. § 3E1.1(a). Provided that the defendant has further assisted authorities in the investigation or prosecution of her own misconduct by timely notifying authorities of her intention to enter a plea of guilty, the Government will move for an additional one-level reduction in offense level pursuant to U.S.S.G. § 3E1.1(b). The United States will determine in its sole discretion whether to move for the additional one-level reduction. However, the defendant understands that any reduction in offense level is ultimately for the Court's determination.

c. The defendant and the United States agree that the appropriate sentence is one within "the applicable guideline range" (U.S.S.G. § 5C1.1) and that neither party will seek, suggest, or otherwise argue in favor of a variance or departure from that range.

d. No other Chapter 2, 3, 4, or 5 enhancements or reductions apply.

8. The defendant and the Government agree, in accordance with U.S.S.G. § 1B1.8, that any information the defendant provides pursuant to this agreement, that was previously unknown to the Government, shall not be used against her to increase her sentence. However, such information may be used (a) as proof of the charges to which she shall plead guilty, (b) to determine the amount of restitution due or the amount of tax, interest and penalties due; or (c) in connection with any federal, state, or local prosecution of other persons or for investigative leads. Notwithstanding the above, the defendant understands and agrees that if she should fail to fulfill completely each and every one of her obligations under this Plea Agreement, then the Government will be free from its obligations under the Plea Agreement and the defendant shall be fully subject to criminal prosecution as if this Plea Agreement had never existed. In any such prosecution, the prosecuting authorities, whether federal, state, or local, shall be free to use against her, without limitation, any and all information, in whatever form, that she has provided pursuant to this Plea Agreement or otherwise. The defendant shall not assert any claim under the United States Constitution, any statute, Fed.R.Crim.P. 11(f), Fed.R.Evid. 410, or any other provision of law, to attempt to bar such use of the information. The defendant may, however, claim in a court of competent jurisdiction that she has not breached the agreement as a bar to the use of information provided by her.

9. The defendant agrees to pay full restitution, regardless of the resulting loss amount, which restitution will be included in the Court's Order of Judgment. The defendant agrees that such restitution will include all victims directly or indirectly harmed by the defendant's "relevant conduct," including conduct pertaining to any dismissed counts or uncharged conduct, as defined by U.S.S.G. § 1B1.3, regardless of whether such conduct constitutes an "offense" under 18 U.S.C. §§ 3663 or 3663A. The defendant consents to a civil judgment in state or federal court concerning a claim filed by a "victim" as defined in 18 U.S.C. §§ 3663(a)(2) and 3663A(a)(2). The defendant understands that with a Judgment and Commitment Order that requires the payment of restitution, a lien will be filed on her property. Defendant also understands that her obligation to make restitution shall last for twenty years after the entry of the judgment, release from imprisonment, or until her death. 18 U.S.C. § 3613.

For the preparation of her Presentence Report, the defendant agrees to cooperate fully with and make a full disclosure of all current and projected assets and property to the United States Probation Office. If the defendant is ordered to serve a term of supervised release or probation, she agrees to make a full disclosure of her assets and property to the United States Probation Office prior to the termination of her supervised release or probation. If the defendant should fail to make the aforementioned full disclosures, then the United States will be relieved of its obligations under the Plea Agreement, but the defendant will not be allowed to withdraw her guilty plea.

10. The parties agree that the Court shall set the amount of fine and shall consider the Fine Table in U.S.S.G. § 5E1.2 as advisory.

11. If more than $500.00 in restitution, fines, and/or assessment is owed to the United States government, a lien will be filed. The defendant understands that if a lien is filed against her property, her obligation to pay restitution shall last for twenty years after any imprisonment

ordered or until her death. 18 U.S.C. § 3613.

12. The defendant hereby agrees to pay the total amount required for assessment ($100) to the Clerk, United States District Court, before 5:00 p.m. on the date of sentencing. The defendant further agrees to participate in the Inmate Financial Responsibility Program to the extent necessary to fulfill all financial obligations due and owing under this agreement and the law.

III. Procedure

13. The defendant agrees that a duly-qualified federal Magistrate Judge may conduct the hearing required by Fed. R. Crim. P. 11.

14. The defendant stipulates that there is a factual basis for the plea of guilty and that the Court may use the offense conduct set out in the Presentence Report, except any facts to which the defendant has objected, to establish a factual basis for the defendant's plea.

IV. Waivers

15. The defendant understands and agrees that if she should fail to specifically perform or to fulfill completely each and every one of her obligations under this Plea Agreement, then the United States will be relieved of its obligations under the agreement, but the defendant will not be allowed to withdraw her guilty plea.

16. The defendant also understands that this Plea Agreement is expressly conditioned on the execution of the Plea Agreement, and the entry and acceptance of a guilty plea pursuant to that agreement, by co-defendant Howell W. Woltz (hereafter, "H. Woltz") in this matter. In addition, as a condition of this Plea Agreement, the Government has agreed to recommend immediately the release of V. Woltz, upon acceptance of her guilty plea, from pre-trial detention, subject to appropriate conditions of release (including reasonable travel authorization). This recommendation is made at the request of H. Woltz. Accordingly, if the defendant subsequently violates the terms of her plea agreement, including any effort to withdraw her guilty plea, then the defendant agrees that the United States will be relieved of its obligations under this Plea Agreement, but defendant H. Woltz will not be allowed to withdraw his guilty plea.

17. The defendant is aware that the law provides certain limited rights to withdraw a plea of guilty. The defendant has discussed these rights with defense counsel and knowingly and expressly waives any right to withdraw the plea once the Magistrate Judge has accepted it.

18. The defendant acknowledges that Federal Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410 are rules which ordinarily limit the admissibility of statements made by a defendant in the course of plea discussions or plea proceedings if a guilty plea is later withdrawn. The defendant knowingly and voluntarily waives the rights which arise under these Rules. As a result of this waiver, she understands and agrees that any statements which are made in the course of her guilty plea or in connection with her cooperation pursuant to this plea agreement will be admissible against her for any purpose in any criminal or civil proceeding if

her guilty plea is subsequently withdrawn.

19. The defendant understands and agrees that by pleading guilty, she is expressly waiving the following rights:

a. to be tried by a jury;
b. to be assisted by an attorney at trial;
c. to confront and cross-examine witnesses; and,
d. not to be compelled to incriminate herself.

20. Defendant and defendant's counsel warrant that they have discussed: (1) defendant's rights pursuant to 18 U.S.C. § 3742, 28 U.S.C. § 2255, and similar authorities to contest a conviction and/or sentence through an appeal or post-conviction after entering into a plea agreement; (2) whether or not there are potential issues which might be relevant to an appeal or post-conviction action; and (3) the possible impact of any such issue on the desirability to the defendant of entering into this plea agreement. Defendant, in exchange for the concessions made by the United States in this plea agreement, waives all such rights to contest the conviction and/or the sentence except for: (1) claims of ineffective assistance of counsel; or (2) prosecutorial misconduct. Also, in exchange for the concessions made by the United States, defendant agrees that the United States preserves all its rights and duties with respect to appeal as set forth in 18 U.S.C. § 3742(b), while the defendant waives all rights to appeal or collaterally attack the sentence of conviction with the two exceptions set for above. This agreement does not limit the United States in its comments in or responses to any appellate or post-conviction matters.

21. The defendant waives all rights, whether asserted directly or by a representative, to request or to receive from any department or agency of the United States any records pertaining to the investigation or prosecution of this case, including without limitation any records that may be sought under the Freedom of Information Act, 5 U.S.C. § 552, or the Privacy Act of 1974, 5 U.S.C. § 552a.

22. The defendant stipulates that any sentence that falls within the applicable guideline range as determined by the United States Probation Office and pursuant to any departures from the applicable range as recommended by the government is *per se* reasonable. The defendant waives any right to contest such a sentence on the basis that the Court's imposition of such a sentence was unreasonable or an abuse of its discretion.

23. Should this Plea Agreement be violated by the defendant or the defendant's conviction following her guilty plea pursuant to this agreement be vacated for any reason, then any prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this agreement (including any counts that the Government has agreed to dismiss at sentencing pursuant to this agreement) may be commenced or reinstated against the defendant, notwithstanding the expiration of the statute of limitation between the signing of this agreement and the commencement or reinstatement of such prosecution. It is the intent of this agreement to waive all defenses based on the statute of limitations with respect to any prosecution that is not time-barred on the date that this agreement is signed.

24. The defendant waives any and all venue objections, pursuant to Federal Rule of Criminal Procedure 18, the United States Constitution, or otherwise, and expressly consents to the prosecution of this matter in the Western District of North Carolina.

25. The defendant agrees to waive any rights under the Speedy Trial Act and understands and agrees that sentencing may be delayed until the cooperation phase has been completed and title to all assets have fully vested in the United States. This waiver is necessary so that the Court will have the benefit of all relevant information at sentencing.

V. Assistance to Government

26. If requested by the United States (including, but not limited to, the Commodity Futures Trading Commission and the Securities & Exchange Commission), but only if so requested, the defendant agrees to cooperate with the United States, including but not limited to the following:

a. The defendant will provide truthful information about the subject charges and about any other criminal activity within the defendant's knowledge to any government agent or agency that the United States designates.

b. The defendant will testify truthfully in any trial, hearing, or grand jury proceeding, including, but not limited to, testimony against any co-defendants as the United States designates.

c. The defendant hereby waives any attorney-client privilege or work-product protection with regard to attorneys involved in the transactions under investigation. This agreement to waive such privileges and protections shall not apply with regard to the defendant's criminal defense counsel.

d. The defendant will truthfully disclose all monies, negotiable instruments, securities, or other things of value that are proceeds of or have been involved in, or have been used or intended to be used to facilitate a violation of state or federal law. The defendant further agrees to voluntarily forfeit said property to the United States.

e. In the event that the defendant's cooperation includes testifying, the defendant hereby waives payment of any witness fees or expenses to which she may be otherwise entitled pursuant to 28 U.S.C. § 1821.

f. The defendant understands that the United States desires only truthful and accurate information and testimony and, in fact, that knowingly giving false information or testimony can be prosecuted as an additional criminal offense. Further, if the defendant knowingly gives false testimony, the United States will be relieved of its obligations under this Plea Agreement, except that the defendant's plea of guilty and the resulting guilty verdict will stand.

g. The defendant will not violate any federal, state, or local law, or any order of any court, including any conditions of pretrial, pre-sentence, or post-sentence release.

h. Nothing that the defendant discloses pursuant to this Plea Agreement will be used against her in any other criminal proceeding, subject to the following exceptions:

1.) the United States or other jurisdiction may use any and all relevant information regarding crimes of violence;

2.) the United States may use any and all information as necessary in a prosecution for perjury, or in any trial for impeachment or rebuttal;

3.) if the defendant withdraws her plea of guilty, the United States may use any and all disclosures in any subsequent trials or criminal proceedings;

4.) if the defendant violates any of the terms of this Plea Agreement, including the obligation to provide truthful information, then the United States may use any and all disclosures in subsequent trials or criminal proceedings; and,

5.) the United States may make indirect use of any information that the defendant provides, including investigative leads or other witnesses.

i. The defendant's obligation under this section is a continuing one, and will continue after sentencing until all investigations and/or prosecutions to which the defendant's cooperation may be relevant have been completed. This provision is a material condition of this Plea Agreement and of all benefits that accrue to the defendant pursuant to this agreement.

j. In the interests of fulfilling all obligations under this section, the defendant agrees to waive all rights under Chapters 213 and 208 of Title 18 until such time as the United States determines that all relevant investigations and/or prosecutions have been completed.

k. The defendant fully understands that any breach of this agreement, including but not limited to withholding information, misleading the United States or any law enforcement officer, or failing to testify truthfully at any trial, grand jury, or other judicial proceeding, will allow the government, in its sole discretion, to withdraw from its obligations under this Plea Agreement. In such event, the United States will be free to proceed on any properly-filed pending, superseding, or additional charges, including any charges dismissed pursuant to this agreement.

27. When and if the defendant assists the government as described above:

a. For purposes of calculating the appropriate sentence under the *United States Sentencing Guidelines*, the United States, in its sole discretion, will determine whether said assistance has been substantial. The Government has determined that the

assistance provided by the defendant and his wife to date has been substantial. Furthermore, to the extent provided by law, the defendant's substantial assistance to the Government, if any, may be considered in the sentencing of her husband, H. Woltz.

b. Upon a determination that the defendant has rendered substantial assistance, the government may make a motion pursuant to U.S.S.G. § 5K1.1 for imposition of a sentence below the applicable Sentencing Guidelines. The United States may also, within its sole discretion, move the Court pursuant to 18 U.S.C. § 3553(e) to impose a sentence below any applicable statutory mandatory minimum.

The defendant recognizes that the Court cannot depart below the Sentencing Guidelines for substantial assistance [U.S.S.G. § 5K1.1] absent a motion from the United States. The defendant further recognizes that, even if the United States makes a recommendation pursuant to U.S.S.G. § 5K1.1, the Court cannot depart below the statutory minimum unless the United States also includes a specific recommendation pursuant to 18 U.S.C. § 3553(e).

c. Regardless of the nature and extent of any substantial assistance that the defendant renders, the United States will not move for a downward departure if the defendant also knowingly furnishes information that is materially false.

d. Any determination that the defendant has failed to provide substantial assistance or has knowingly provided false information is within the sole discretion of the United States, and the defendant waives all objections and rights of appeal or collateral attack of such a determination.

e. The defendant understands that if the United States makes a motion for downward departure, the motion is not binding on the District Court. The Court will determine in its discretion whether to grant or deny such departure and the extent of the departure.

VI. Forfeiture

28. The defendant agrees to truthfully complete a financial statement form provided by the United States Attorney. The defendant shall date said form and sign it under penalty of perjury, thereby acknowledging that her financial statement fully and completely discloses her financial condition as of the date it is signed. Defendant shall update the financial statement with any material changes to her financial condition. Defendant shall provide her signed and dated financial statement within 30 days of her signature on this Plea Agreement and any updates within seven days of the event changing her financial condition. Defendant understands and agrees that her financial statement will be used for the collection of any fine or restitution ordered by the Court, and the identification of property subject to forfeiture. The parties agree that the defendant's failure to timely and accurately complete and sign a financial statement and any update may, in addition to any other penalty or remedy authorized by law, constitute her failure to accept responsibility under U.S.S.G. § 3E1.1.

29. Attached hereto as Exhibit 2 is a list of the defendant's assets subject to forfeiture. The defendant agrees to the forfeiture of any interest she or any members of her family may have in the items in Exhibit 2. The defendant agrees to take whatever steps are necessary to pass clear title to the United States and to repatriate funds or property held outside the United States, regardless of whether such funds or property are held in the name of the defendant or entities that she controls and regardless of whether such funds or property are held for the benefit of the defendant or others. These steps include, but are not limited to, surrender of title, the signing of a consent decree, a stipulation of facts regarding the transfer and basis for the forfeitures, and signing any other documents necessary to effectuate such transfers. If and when requested to do so by the government, defendant agrees to ask any nominee holder of the property to execute a form waiving all rights to the property and consenting to forfeiture and/or use of the property for restitution. In addition, the defendant agrees to the entry of a preliminary order of forfeiture as to all of her interest in this property.

30. The United States and the defendant enter into this agreement on the basis of the defendant's express representation that she is making a full and complete disclosure of all assets she owns, controls, or in which she has a possessory or beneficial interest. If the United States later discovers that the defendant has not fully disclosed all such assets, the United States, in its sole discretion, may withdraw from its obligations under this Plea Agreement. However, the defendant's guilty plea will stand. Alternatively, the United States may seek the forfeiture of any subsequently-discovered assets, in which case the defendant agrees that any such undisclosed assets are subject to forfeiture under this Plea Agreement just as if they had been properly disclosed and listed herein.

31. This agreement does not bind the Internal Revenue Service or affect its authority to collect taxes. The defendant agrees to take all necessary steps to file promptly any an all federal and state individual and corporate income tax returns not filed for previous tax years and to pay any and all taxes, penalties, and interest due as a result of the filing of such.

32. The defendant agrees to a pre-plea investigation by the United States government for the purpose of assessing the value of each and every asset. The defendant agrees to undergo full debriefing in order to accomplish this end.

VII. Conclusion

33. As a condition of this Plea Agreement, the Government has agreed to recommend the release of the defendant from pre-trial detention upon entry of her guilty plea, subject to appropriate conditions of release.

34. The defendant understands that if she breaches this Plea Agreement, or violates any federal, state or local law, or any order of any court, including any condition of pre-trial or pre-sentence, or post-sentence release, the United States will be relieved of its obligations under this Plea Agreement, but the defendant will not be allowed to withdraw her guilty plea. The United States will be free to proceed on any properly-filed dismissed, pending, superseding, or additional charges.

35. There are no agreements, representations, or understandings between the parties in this case, other than those explicitly set forth in this Plea Agreement and none will be entered into unless executed in writing and signed by all parties.

SO AGREED:

GRETCHEN C.F. SHAPPERT, UNITED STATES ATTORNEY

Matt T. Martens — DATED: 1/26/07

Matthew T. Martens, Assistant United States Attorney

Vernice Woltz — DATED: JAN 26, 2007

Vernice C. Woltz, Defendant

Acknowledgment of Attorney

I have read each of the pages constituting this plea agreement, reviewed them with my client, and discussed the provisions of this agreement with my client fully. These pages accurately and completely sent forth the entire plea agreement.

J. Kirk Osborn — DATED: Jan 26, 2007

J. Kirk Osborn, Attorney for Defendant

EXHIBIT 1

FACTUAL BASIS FOR THE PLEA
OF VERNICE C. WOLTZ

This statement is submitted to provide a factual basis for my plea of guilty to the conspiracy charge filed against me:

Relevant People and Entities

1. Sterling Trust Ltd. (hereafter, "Sterling Trust") was an Anguillan corporation that maintained offices in Anguilla, British West Indies.

2. Sterling ACS Ltd. (hereafter, "Sterling ACS") was a Bahamian corporation in the business of incorporating off-shore entities and providing related financial services.

3. Howell Way Woltz (hereafter, "H. Woltz"), a co-conspirator elsewhere indicted, was the president, a director, and a shareholder of Sterling Trust. In addition, H. Woltz was the president and a director of Sterling ACS.

4. I, Vernice C. Woltz am the wife of H. Woltz, a certified public accountant, a director of Sterling Trust, a director and chief financial officer of Sterling ACS, and was nominated as a director of Sterling Bank.

5. Ricky Edward Graves was an attorney licensed to practice law in the State of North Carolina.

6. Samuel T. Currin was an attorney licensed to practice law in the State of North Carolina who represented Mr. J in various capacities. In addition, Currin was a shareholder and director of Sterling Bank.

7. Mr. Y, an unindicted co-conspirator, was an attorney licensed to practice law in the State of North Carolina.

8. Bovee Enterprises LLC (hereafter, "Bovee") was an Anguillan company incorporated by Sterling ACS and controlled by Mr. J.

9. Jasmine Takamine, Sdn Bhd (hereafter, "Jasmine") was an Anguillan company incorporated by Sterling ACS and controlled by Mr. K.

10. Oasis Ltd. (hereafter, "Oasis") was an Anguillan company incorporated by Sterling ACS.

11. Trident Enterprises, LLC (hereafter, "Trident") was an Anguillan company incorporated by Sterling ACS and controlled by Mr. DH and Mrs. AH.

12. Pacific Trust was an off-shore trust formed by Sterling Trust. Pacific Testamentary Trust was also an off-shore trust formed by Sterling Trust and was the beneficiary of Pacific Trust. Pacific Trust owned the shares of Bovee. Mr. J and his father were the beneficiaries of Pacific Testamentary Trust. Mr. J controlled this trust arrangement through Currin, who was the "trust protector."

13. St. Lawrence Trust was an off-shore trust formed by Sterling Trust. St. Lawrence Testamentary Trust was also an off-shore trust formed by Sterling Trust and was the beneficiary of St. Lawrence Trust. St. Lawrence Trust owned the shares of Jasmine. Mr. K was a beneficiary of St. Lawrence Testamentary Trust. Mr. K controlled this trust arrangement as the "trust protector."

14. Alpha Trust was an off-shore trust formed by Sterling Trust. Omega Trust was also an off-shore trust formed by Sterling Trust and was the beneficiary of Alpha Trust. Alpha Trust owned the shares of Oasis. Mr. Ru was to be the beneficiary of Omega Trust. Currin was the "trust protector."

15. Kemplar Trust was an off-shore trust formed by Sterling Trust. Harbor Family Trust was also an off-shore trust formed by Sterling Trust and was the beneficiary of Kempler Trust. Kempler Trust owned the shares of Trident. Mr. DH and Mrs. AH were the beneficiaries of Harbor Family Trust. Mr. DH and Mrs. AH controlled this trust arrangement through Mr. Y and Graves, who were the "trust protectors."

16. The Oxford Corporation (hereafter, "Oxford") was an Anguillan company incorporated by Sterling ACS and controlled by Currin, who possessed a debit card issued by First Curacao International Bank in the name of Oxford.

Obstruction of the CFTC Investigation

17. On or about April 1, 2004, the Commodity Futures Trading Commission (hereafter, the "CFTC") filed a civil complaint in federal district court against Tech Traders, Inc. (hereafter, "Tech Traders") and others, alleging fraud in the solicitation of investors (hereafter, the "CFTC Suit"). That same day, the federal district judge hearing the matter issued an order appointing a receiver to account for and distribute the assets of Tech Traders.

18. On or about April 12, 2004, I, along with H. Woltz and others, appeared at the home of Tech Traders' accountant in Gastonia, North Carolina to review his records regarding Tech Traders.

19. On or about April 30, 2004, Sterling Trust, Sterling Bank Ltd. (hereafter, "Sterling Bank"), and other related entities (hereafter, collectively, the "Sterling entities") obtained an order to show cause why they should not be allowed to intervene in the CFTC's Suit to obtain release of funds they had purportedly invested with Tech Traders. A hearing was held on that order on May 7, 2004, in federal district court in Camden, New Jersey. During my sworn testimony in that hearing, I gave false and misleading answers to questions posed to me. Specifically, I gave the following underscored false testimony:

"Q: Have you since all this happened, since the complaint was filed and the Court entered its order on April 1st, have you been in touch with [Tech Traders' accountant]?"

"A: We have tried."

"Q: And what has occurred?"

"A: He refuses to, to speak with us." (Tr. at 45).

At the end of the hearing, the district judge denied the Sterling entities' request for the release of funds, stating that he was not "even slightly persuaded that these relationships between the Tech Traders groups and the Sterling groups are entirely arms length."

20. On or about September 22, 2004, H. Woltz and others filed claims in the CFTC Suit on behalf of the Sterling entities for funds purportedly invested with Tech Traders. The claim form filed on behalf of Sterling Bank asserted that H. Woltz and I had a beneficial interest in the funds Sterling Bank invested with Tech Traders. Thus, it was material to the resolution of those claims, and therefore to the CFTC Suit, whether additional individuals or entities had a beneficial interest in the funds, what the source of the funds was, what the nature of the Sterling entities' business was, who was involved in that business, and what relationship if any existed between the Sterling entities and Tech Traders.

21. Accordingly, the CFTC sought to depose both H. Woltz and me and to subpoena documents from me as custodian of records for the Sterling entities. I sought to evade service of a subpoena in the CFTC Suit. When the process server went to my residence in Advance, North Carolina on or about November 4, 2004, I hid behind the door in my residence while H. Woltz falsely advised the process server that I was not present.

22. On or about May 5, 2005, the U.S. Customs Service served me with a subpoena when I flew into Charlotte-Douglas International Airport. This subpoena called for the production of various documents and items and testimony in the U.S. Attorney's Office in Charlotte. I failed to appear on the date set forth in the subpoena.

23. On or about June 30, 2005, the CFTC filed a motion in the federal district court in Charlotte seeking an order to show cause why I should not be held in contempt for my failure to appear. I filed no response to that motion.

24. Ultimately, I, through my counsel, agreed to appear for a deposition in Chicago, Illinois. On or about August 9, 2005, I appeared in Chicago for my deposition, but failed to produce any of the subpoenaed documents or items. In addition, during my sworn deposition testimony, I gave false and misleading answers to questions posed to me. Specifically, I gave the following underscored materially false testimony:

"Q: And do any of the Sterling entities have any of the documents that are requested in this Attachment A that have not been produced to the CFTC?"

"A: I don't know. I think we have provided, when I was there records were provided to the receiver. Records were provided to you through [counsel]. It may have encompassed a lot of records we have sent to you, but I don't know where these records would be or where the records are, who has them in their possession."

"Q: So you haven't made any search for any of the records that we subpoenaed that we have required production of."

"A: I don't have access to those records."

"Q: Why don't you have access to those records?"

"A: Because I don't have them on me personally."

"Q: You live in the Bahamas now, is that correct?"

"A: That's correct."

"Q: Are there records in the Bahamas that are responsive to this subpoena?"

"A: Not in my home."

"Q: Are there records that are responsive to the subpoena in the Sterling business offices?"

"A: Maybe. I don't know."

"Q: You have not made a search, is that correct?"

"A: I have not made a search because I don't have access to their records."

"Q: Who has access to their records?"

"A: The people who work there."

"Q: Who are they?"

"A: Ms. Mohan, Mr. Storr, Mr. Adderley."

"Q: Anybody else have access to those records?"

"A: I guess Mr. Woltz would have access to them."

"Q: You are representing you do not have access to those records."

"A: That's what I'm representing."

"Q: And how long has it been since you have not had access to these records?"

"A: Since September."

"Q: Since September 2004."

"A: Yes." (Tr. at 51-53).

The preceding statement is a summary of the facts relevant to the tax fraud conspiracy and obstruction of justice conspiracy in which I engaged. It does not include all of the facts known to me concerning criminal activity in which I and others engaged or in which others engaged without my knowledge at the time of my participation. I make this statement knowingly and voluntarily.

Date: Jan 26, 2007

Vernice C. Woltz, defendant

J. Kirk Osborn, Esq.

EXHIBIT 2

ASSETS TO BE FORFEITED

I, Vernice C. Woltz, hereby agree to forfeit the following assets to the United States Government:

1. $90,000 held for Sterling ACS at First Caribbean International Bank

2. The sum of $50,000 held for Sterling Trust Ltd. at Merrill Lynch International

3. All funds held in a BB&T bank account under the names of Howell & Vernice Woltz.

4. All funds held in the BB&T bank account under the name of Vernice Woltz.

5. All funds held in an RBC bank account under the name of Vernice Woltz.

6. Equity interest in Sterling Trust Ltd.

7. Equity interest in Sterling ACS Ltd.

8. Equity interest in Sterling Precious Metals Ltd.

9. Any additional property which is traceable, directly or indirectly, to proceeds of specified unlawful activity or otherwise involved in specified unlawful activity, whether or not I have pled guilty to such.

Date: JAN 26, 2007

Vernice C. Woltz, defendant

J. Kirk Osborn, Esq.