



U.S. Department of Justice

*United States Attorney
Southern District of New York*

*The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, New York 10007*

October 13, 2009

Stanislao A. German, Esq.
122 E. 42nd Street
New York, NY 10168

Re: Roomy Khan, 09 Cr. ___

Dear Mr. German:

On the understandings specified below, the Office of the United States Attorney for the Southern District of New York ("this Office") will accept a guilty plea from Roomy Khan ("Khan" or the "defendant") to a three-count criminal information ("Information").

Count One of the Information charges Khan with conspiracy to commit securities fraud, in violation of Title 18, United States Code, Section 371. This charge carries a maximum sentence of five years' imprisonment; a maximum term of three years' supervised release; a maximum fine, pursuant to Title 18, United States Code Section 3571, of the greatest of \$250,000, twice the gross pecuniary gain derived from the offense, or twice the gross pecuniary loss to a person other than the defendant as a result of the offense; and a mandatory \$100 special assessment.

Count Two of the Information charges Khan with securities fraud, in violation of Title 15, United States Code, Sections 78j(b) & 78ff; Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2; and Title 18, United States Code, Section 2. This charge carries a maximum sentence of twenty years' imprisonment; a maximum term of three years' supervised release; a maximum fine, pursuant to Title 18, United States Code Section 3571, of the greatest of \$5,000,000, twice the gross pecuniary gain derived from the offense, or twice the gross pecuniary loss to a person other than the defendant as a result of the offense; and a mandatory \$100 special assessment.

Count Three of the Information charges Khan with obstruction of justice, in violation of Title 18, United States Code, Section 1505, and Title 18, United States Code, Section 2. This charge carries a maximum sentence of five years' imprisonment, a maximum term of three years' supervised release, a maximum fine, pursuant to Title 18, United States Code Section 3571, of the greatest of \$250,000, twice the gross pecuniary gain derived from the offense, or twice the gross pecuniary loss

to a person other than the defendant as a result of the offense, and a mandatory \$100 special assessment.

The total maximum sentence of incarceration on all three counts in the Information is 30 years' imprisonment.

It is further understood that Khan shall make restitution in an amount to be specified by the Court in accordance with 18 U.S.C. §§ 3663, 3663A, and 3664. This amount shall be paid according to a plan established by the Court.

The defendant furthermore admits the forfeiture allegations with respect to Counts One and Two of the Information and agrees to forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the securities fraud offenses. In addition, the defendant agrees that she will not file a claim or a petition in any forfeiture proceeding and will not cause or assist anyone else in doing so. It is further understood that the defendant will not file or assist anyone in filing a petition for remission or mitigation with the Department of Justice. It is further understood that any forfeiture of the defendant's assets shall not be treated as satisfaction of any fine, restitution, cost of imprisonment, or any other penalty the Court may impose upon her in addition to forfeiture.

It is understood that Khan (a) shall truthfully and completely disclose all information with respect to the activities of herself and others concerning all matters about which this Office inquires of her, which information can be used for any purpose; (b) shall cooperate fully with this Office, the Federal Bureau of Investigation, and any other law enforcement agency designated by this Office; (c) shall attend all meetings at which this Office requests her presence; (d) shall provide to this Office, upon request, any document, record, or other tangible evidence relating to matters about which this Office or any designated law enforcement agency inquires of her; (e) shall truthfully testify before the grand jury and at any trial and other court proceeding with respect to any matters about which this Office may request her testimony; (f) shall bring to this Office's attention all crimes which she has committed, and all administrative, civil, or criminal proceedings, investigations, or prosecutions in which she has been or is a subject, target, party, or witness; and, (g) shall commit no further crimes whatsoever. Moreover, any assistance Khan may provide to federal criminal investigators shall be pursuant to the specific instructions and control of this Office and designated investigators.

It is understood that this Office cannot, and does not, agree not to prosecute Khan for criminal tax violations. However, if Khan fully complies with the understandings specified in this Agreement, no testimony or other information given by her (or any other information directly or indirectly derived therefrom) will be used against her in any criminal tax prosecution. Moreover, if Khan fully complies with the understandings specified in this Agreement, she will not be further prosecuted criminally by this Office for any crimes, except for criminal tax violations, related to her participation in (i) insider trading, and conspiracy to commit the same, from in or about 2004 to in or about 2007, as charged in Counts One and Two of the Information, and (ii) obstruction of justice, as charged in Count Three of the Information, to the extent that she has disclosed such participation

to this Office as of the date of this Agreement. This Agreement does not provide any protection against prosecution for any crimes except as set forth above.

It is understood that this Agreement does not bind any federal, state, or local prosecuting authority other than this Office. This Office will, however, bring the cooperation of Khan to the attention of other prosecuting offices, if requested by her.

It is understood that the sentence to be imposed upon Khan is within the sole discretion of the Court. This Office cannot, and does not, make any promise or representation as to what sentence Khan will receive, and will not recommend any specific sentence to the Court. However, this Office will inform the Probation Department and the Court of (a) this Agreement; (b) the nature and extent of Khan's activities with respect to this case and all other activities of Khan which this Office deems relevant to sentencing; and (c) the nature and extent of Khan's cooperation with this Office. In so doing, this Office may use any information it deems relevant, including information provided by Khan both prior to and subsequent to the signing of this Agreement. In addition, if this Office determines that Khan has provided substantial assistance in an investigation or prosecution, and if she has fully complied with the understandings specified in this Agreement, this Office will file a motion, pursuant to Section 5K1.1 of the Sentencing Guidelines, requesting the Court to sentence Khan in light of the factors set forth in Section 5K1.1(a)(1)-(5). It is understood that, even if such a motion is filed, the sentence to be imposed on Khan remains within the sole discretion of the Court. Moreover, nothing in this Agreement limits this Office's right to present any facts and make any arguments relevant to sentencing to the Probation Department and the Court, or to take any position on post-sentencing motions. Khan hereby consents to such adjournments of her sentence as may be requested by this Office.

It is understood that, should this Office determine either that Khan has not provided substantial assistance in an investigation or prosecution, or that Khan has violated any provision of this Agreement, such a determination will release this Office from any obligation to file a motion pursuant to Section 5K1.1 of the Sentencing Guidelines, but will not entitle Khan to withdraw her guilty plea once it has been entered.

It is understood that, should this Office determine, subsequent to the filing of a motion pursuant to Section 5K1.1 of the Sentencing Guidelines and/or 18 U.S.C. §3553(e), that Khan has violated any provision of this Agreement, this Office shall have the right to withdraw such motion.

It is understood that, should Khan commit any further crimes or should it be determined that she has given false, incomplete, or misleading testimony or information, or should she otherwise violate any provision of this Agreement, Khan shall thereafter be subject to prosecution for any federal criminal violation of which this Office has knowledge, including perjury and obstruction of justice. Any such prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against Khan, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement 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.

It is understood that in the event that it is determined that Khan has committed any further crimes, given false, incomplete, or misleading testimony or information, or otherwise violated any provision of this Agreement, (a) all statements made by Khan to this Office or other designated law enforcement agents, and any testimony given by Khan before a grand jury or other tribunal, whether prior to or subsequent to the signing of this Agreement, and any leads from such statements or testimony shall be admissible in evidence in any criminal proceeding brought against Khan; and (b) Khan shall assert no claim under the United States Constitution, any statute, Rule 410 of the Federal Rules of Evidence, or any other federal rule that such statements or any leads therefrom should be suppressed. It is the intent of this Agreement to waive all rights in the foregoing respects.

It is further understood that this Office will not object to the defendant's release on the bail conditions to be determined by the Court. This Office reserves the right to move without notice to the defendant for a revocation or modification of the bail conditions should it determine that the defendant has violated any provision of this Agreement or condition of her release, or should it determine that such a revocation or modification is otherwise appropriate. The defendant hereby consents to any such revocation or modification.


The defendant hereby acknowledges that she has accepted this Agreement and decided to plead guilty because she is in fact guilty. By entering this plea of guilty, the defendant waives any and all right to withdraw her plea or to attack her conviction, either on direct appeal or collaterally, on the ground that the Government has failed to produce any discovery material, *Jencks* Act material, exculpatory material pursuant to *Brady v. Maryland*, 373 U.S. 83 (1963), other than information establishing the factual innocence of the defendant, and impeachment material pursuant to *Giglio v. United States*, 405 U.S. 150 (1972), that has not already been produced as of the date of the signing of this Agreement.

By entering this plea of guilty, the defendant also waives any and all right the defendant may have, pursuant to 18 U.S.C. §3600, to require DNA testing of any physical evidence in the possession of the Government. The defendant fully understands that, as a result of this waiver, any physical evidence in this case will not be preserved by the Government and will therefore not be available for DNA testing in the future.

This Agreement supersedes any prior understandings, promises, or conditions between this Office and Khan. No additional understandings, promises, or conditions have been entered into other than those set forth in this Agreement, and none will be entered into unless in writing and signed by all parties.

Very truly yours,

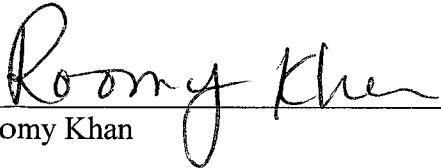
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APPROVED:



BOYD JOHNSON *BJ*
Deputy United States Attorney

AGREED AND CONSENTED TO:


Roomy Khan

10-19-09
DATE

APPROVED:


Stanislaw A. German, Esq.
Attorney for Roomy Khan

10/19/09
DATE