

**IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION**

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|---------------------------|---|-----------|
| UNITED STATES OF AMERICA, |) | |
| |) | |
| Plaintiff, |) | |
| |) | |
| v. |) | No. _____ |
| |) | |
| EDWARD D. HALLIBURTON, |) | |
| |) | |
| Defendant. |) | |

PLEA AGREEMENT

Pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure, the parties described below have entered into the following plea agreement:

1. The Parties. The parties to this agreement are the United States Attorney’s Office for the Western District of Missouri (otherwise referred to as “the Government” or “the United States”), represented by Beth Phillips, United States Attorney, and Dan Nelson, Assistant United States Attorney, and the defendant, Edward D. Halliburton (“the defendant”), represented by Gary Stone.

The defendant understands and agrees that this plea agreement is only between him and the United States Attorney for the Western District of Missouri, and that it does not bind any other federal, state, or local prosecution authority or any other government agency, unless otherwise specified in this agreement.

2. Defendant’s Guilty Plea. The defendant agrees to and hereby does plead guilty to a one-count information charging him with a violation of 18 U.S.C. § 371, that is, conspiracy to commit securities fraud in violation of 15 U.S.C. § 77q, and wire fraud in violation of 18 U.S.C. § 1343. The defendant also agrees to forfeit to the United States the property described in the

Forfeiture Allegation of the information. By entering into this plea agreement, the defendant admits that he knowingly committed this offense, and is in fact guilty of this offense.

3. Factual Basis for Guilty Plea. The parties agree that the facts constituting the offense to which he is pleading guilty are as follows:

Isreal Owen Hawkins began an unregistered and non-exempt offering of stock in Petro America Corp. in or around June 2008. Petro's headquarters was located in Kansas City, Missouri, in the Western District of Missouri. On November 12, 2008, the State of Missouri issued a cease and desist (C&D) order against Petro America, its CEO, Owen Hawkins, and Martin Roper, barring the sale of unregistered Petro stock to investors. Rev. Edward D. Halliburton read the order online. It was widely discussed among the Petro-friendly "Minister's Alliance," which Halliburton was a member of. Following issuance of the order, Hawkins, Teresa Brown, Johnny Heurung, Edward Halliburton, and others, voluntarily and intentionally devised a plan to obtain money by "gifting" shares to parties not listed in the C&D order, and selling the unregistered Petro stock to investors, including by willfully making material misrepresentations and omissions. Many of these misrepresentations and omissions were made via interstate communications. From October 2009 through October 2010, Halliburton sold at least \$369,605 in Petro America stock to over 100 investors in the United States and Canada, including in the Western District of Missouri. Halliburton provided undisclosed kick-backs of approximately \$50,000 to co-conspirators including Hawkins and Charles Hooker. Halliburton kept and used the remaining proceeds for his benefit.

Edward Halliburton has lived in the Kansas City area for 30 years and has been a pastor for over 20 years. He has worked as a full time janitor at Fairfax Elementary in Kansas City,

Kansas for 18 years. Halliburton held bank accounts at Argentine Santa Fe Credit Union, Midwest Regional Credit Union, Mainstreet Credit Union and Bank of America. He has never been licensed to sell stock.

Halliburton first became involved with Petro America around September 2008 through Pastor Arthur Perkins. Based on information provided by Perkins and others, Halliburton decided to invest. Initially, he paid for his shares. Halliburton's first purchase was \$200 for 200,000 shares. He paid Allen Collins, and he received a stock certificate. He began attending Tuesday shareholder meetings, which, early on, had approximately 60 people in attendance and were held at a church off Blue Ridge Boulevard. At one early meeting, Halliburton listened to a lengthy presentation by John Hammonds touting Petro. Hammonds said he had a background in stocks.

CEO Owen Hawkins attended about half of the shareholder meetings, and he conducted Thursday shareholder conference calls every week. Hawkins frequently said that Petro was about to "go public" and its stock would open at \$24 a share. Ten thousand people were going to become millionaires or billionaires. Hawkins said Petro was worth \$284 billion, bigger than Wal-Mart, and this value was from gold mines and a couple of oil fields. Petro would help the community and bring jobs to the people. Speakers at the Tuesday meetings explained how the shareholders could create trust accounts and corporations to prepare for the time when Petro went public and they became wealthy. Teresa Hill and Allen Collins collected money for Hawkins at the meetings.

Following his initial purchase, Halliburton began making additional purchases every two weeks of 100,000 shares for \$100. Halliburton was told that if he brought in 10 new investors,

he would be gifted 1,000,000 Petro shares. Halliburton learned from Wells Fargo that the shares were not trading and were unregistered and Halliburton could not cash them.

Halliburton began selling Charles Hooker's Petro shares sometime in late 2009. He split the proceeds 50-50 with Hooker. Halliburton told people at his church about Petro, and he mentioned it at other churches he visited. Nobody knew Halliburton was selling Hooker's shares, and Halliburton did not tell buyers where the shares came from. Halliburton never disclosed to any buyers the risks of investing in Petro or that the stock was unregistered. He did not disclose what he had learned from Wells Fargo. If a prospective buyer did not already know, Halliburton did not tell them about the state regulatory actions, nor did he provide a copy of the C&D orders. He never offered a prospectus to the buyers.

Halliburton sold about 50,000,000 of Hooker's shares for around \$50,000, and he gave Hooker around \$25,000 in cash. The sales price was usually \$100 for 100,000 shares, which later became \$1,000 for 1,000,000 shares, although Halliburton did not disclose the basis for setting the price at those levels. Halliburton painted a rosy picture about Petro's chances for success, including the many assets that Petro supposedly had, and how the company's value would greatly increase when the company soon went public. In addition to the Missouri order, early in 2010, Hawkins told Halliburton about an additional C&D order that had been issued by the State of Kansas. However, Halliburton did not disclose this second order to investors either. Halliburton stopped selling Hooker's stock on April 22, 2010, although Hooker continued selling shares.

Halliburton first heard about the "Minister's Alliance" from Pastor McGowan. The Minister's Alliance prayed for the company and many members of the Minister's Alliance also

sold Petro shares to their congregants and to others. If you were a minister and involved with Petro, then you were automatically welcome in the Minister's Alliance. There were 15 main members who met once a month at a Denny's restaurant to talk about Petro. They also met approximately five times at 5 p.m. before the 6 p.m. weekly Tuesday shareholder meetings. Members included Martin Roper, Pastor Perkins, Allen Collins, Michael Warren, Pastor Ricky Tyler, Bishop Tyler, Anthony Johnson, Curtis White, Kevin Jackson from Maryland, and Charles Hooker. Hawkins gave each of the Minister's Alliance members, and a couple other Petro supporters who were not ministers, a box containing a white Fedora hat. They began calling themselves the "White Hat Guys."

Petro CEO Owen Hawkins carefully choreographed his entrance to the shareholder meetings. Hawkins entered first and the White Hat Guys walked in behind him. After the Thursday night conference calls, on about 25 occasions, Hawkins and the White Hat Guys went to Brio Tuscan Grille on the Plaza. Marcia Parker frequently went along. After Brio, many in the group went to the Epicurean Night Club for music and cocktails, where Hawkins would frequently play chess.

Pastor McGowan, the original President of the Minister's Alliance, was receiving money from Hawkins. Sometime before April 2010, Halliburton told Hawkins that he wanted more Petro stock, and he would like to become the new President of the Minister's Alliance. Hawkins made Halliburton the President of the Minister's Alliance and gifted him 100,000,000 shares of Petro stock. Hawkins said any shares Halliburton sold would be replaced so Halliburton's total shares would not fall below 100,000,000. Subsequently, Halliburton sold the shares and funneled about 10% of the proceeds back to Hawkins. Halliburton told buyers that the shares

were his, and he did not disclose that he had not paid for them. Halliburton never told purchasers about the kick-backs to Hawkins.

For one example, On June 28, 2010, Halliburton received \$12,000 consisting of four \$3,000 Western Union Money Orders from Canadian residents C.E. and J.E. in exchange for Petro stock. Halliburton did not disclose that he had not paid for the shares, or that Hawkins would receive a kick-back of approximately \$1,200, and he did not disclose any material negative information about Petro.

Halliburton was aware that other persons who had been gifted Petro stock would also give part of the proceeds from sales to Hawkins. Halliburton estimates that he gave Hawkins \$25,000 to \$30,000 in cash. As far as he knows, none of the money from Halliburton's sale of Petro shares actually went back to Petro. Halliburton saw Collins giving money to Hawkins on several occasions, usually in an envelope. Curtis White and Roper told Halliburton they also gave money to Hawkins.

Halliburton heard Martin Roper say that the state of Missouri had barred Roper from selling Petro shares. But Roper was trying to get around the C&D Order, so he would tell prospective buyers that someone else would sell them Petro shares. Roper was getting money from somewhere, so he may have been getting a referral fee. Allen Collins said he did a Petro stock sale deal with Roper and they split the proceeds. Collins told Halliburton he was also selling his own shares. Collins bought a Mercedes and purchased a \$5,000 electronic gate for his house. Collins also bought a black truck for \$17,000 along with nice wheels for it. He put down a large deposit. Curtis White bought a black 2000 S420 Mercedes.

Owen Hawkins and Johnny Heurung were the public face of Petro America. Hawkins gave Petro money to numerous people, including Hammonds, Collins and Alvin Sykes, a local community activist. Halliburton saw a list where Hawkins gave \$335,000 to people. Hawkins gave everyone positive things to say about Petro. Hawkins told everybody numerous times to post positive messages about Petro America on IHUB, an online message board. One time, at a Tuesday meeting, Owen Hawkins said that Petro's accounts had been frozen. Hawkins claimed it was "government intervention" and said "we have this but it was interference." This "fired up" the people at the meeting.

Around March 2010, Johnny Heurung spearheaded taking a number of Petro investors and potential investors on a cruise. After the cruise ended, Halliburton, Hooker and Teresa Hill started getting phone calls from all over the country because people on the cruise spread their names to friends and relatives. Halliburton does not know Heurung well but he has met him a couple of times. Heurung was an investment guy, and when he finished talking, listeners would think that Petro was going public. Heurung held an additional weekly conference call after the Thursday Petro call. Heurung sent a couple of people to Halliburton to purchase stock after April 2010. Heurung said Petro had seven gold mines and one or two granite mines. Heurung said one of the gold mines had tapped into a vein and possibly might be worth three to four trillion dollars.

Teresa Brown sent emails updating and summarizing the Petro meetings and conference calls. Brown had a huge amount of Petro shares, which she often sold. Hawkins said that Brown should not have been selling shares. Hawkins never said if he was getting some of the money from Brown's stock sales.

In June 2010, Hawkins passed around a letter at the Minister's Alliance meeting which was from a CPA, Clarence Moore. Hawkins indicated that the CPA had signed off and everything was legitimate. Hawkins showed a letter from Moore at the regular shareholder meeting, but did not pass it around.

Whenever he sold stock, Halliburton would send an email to Marcia Parker so that the Petro database could be updated with the new owners' information.

During this time frame, any money deposited into Halliburton's bank accounts that was related to Petro was for stock sales. Halliburton formed Getting Wealth Corp. in February 2010, and he deposited some Petro stock sales money into the account. In July 2010, Halliburton purchased a 2004 S500 Mercedes for \$20,000. Some of the money came from Petro proceeds. Halliburton used \$81,000 in proceeds to satisfy the mortgage on his house, located at 8741 Cleveland, Kansas City, Kansas, including a \$75,000 wire transfer to Saxon Mortgage on June 22, 2010, from his Argentine Santa Fe Credit Union account, which contained Petro proceeds. He also bought a lot of clothes, a tennis bracelet for his wife, he spent about \$10,000 on travel, and he spent approximately \$17,000 remodeling his residence. He purchased a rental property, at 656 Rowland Ave, Kansas City, Kansas for \$5,000. Halliburton also purchased a doctorate degree from Tabernacle Bible College for \$1,794. To obtain the degree, Halliburton was asked to write a resume, listing the things he did over the years as a pastor. Halliburton feels he did not have to do much work to obtain the doctorate, so he does not feel comfortable telling people about it. Pastor Perkins also purchased a doctorate from Tabernacle. On one occasion, Halliburton mentioned his doctorate to Hawkins after a meeting at Denny's.

Halliburton's last Petro stock sale was in October 2010. He stepped away from Petro on October 28, 2010, after speaking with a criminal defense attorney. Halliburton has refunded money to some of the people he sold stock to. Halliburton did not claim the Petro stock sales on his 2009 tax return and was unsure of how to report it on his 2010 tax return.

Halliburton genuinely believed that Petro America was a company and that there was a chance that it could become publicly-traded. While much of the time Halliburton simply repeated information to investors that he had heard from others, he knew that it was incomplete and potentially misleading. He admits that he has never been licensed to sell securities. He is not knowledgeable about all of the rules, including disclosure rules, required under federal and state law in order to sell securities. He admits that he did not take steps to learn from state and federal authorities whether his sale of Petro America stock was lawful. The reason for this is that he wanted to sell and profit from the sale of Petro America stock. Further, he admits that he intentionally did not provide certain material information to investors, including the that the stock was unregistered, that he paid kick-backs to Hawkins and Hooker, and information contained in the C&D orders.

By entering into this plea agreement, Halliburton admits that the foregoing facts, and the facts in the Information to which he is pleading guilty, are true and correct, and that jurisdiction and venue are properly found in the Western District of Missouri.

4. Use of Factual Admissions and Relevant Conduct. The defendant acknowledges, understands and agrees that the admissions contained in Paragraph 3 and other portions of this plea agreement will be used for the purpose of determining his guilt and advisory sentencing range under the United States Sentencing Guidelines ("U.S.S.G."), including the calculation of

the defendant's offense level in accordance with U.S.S.G. § 1B1.3(a)(2). The defendant acknowledges, understands and agrees that the conduct charged in any dismissed counts of the information as well as all other uncharged related criminal activity may be considered as "relevant conduct" pursuant to U.S.S.G. § 1B1.3(a)(2) in calculating the offense level for the charge to which he is pleading guilty.

5. Statutory Penalties. The defendant understands that upon his plea of guilty to Count One of the information charging him with conspiracy to commit unregistered securities fraud and wire fraud, the maximum penalty the Court may impose is not more than 5 years imprisonment, a \$250,000 fine, 3 years of supervised release, an order of restitution and a \$100 mandatory special assessment per felony count of conviction which must be paid in full at the time of sentencing. The defendant further understands that this offense is a Class D felony.

6. Sentencing Procedures. The defendant acknowledges, understands and agrees to the following:

a. in determining the appropriate sentence, the Court will consult and consider the United States Sentencing Guidelines promulgated by the United States Sentencing Commission; these Guidelines, however, are advisory in nature, and the Court may impose a sentence either less than or greater than the defendant's applicable Guidelines range, unless the sentence imposed is "unreasonable";

b. the Court will determine the defendant's applicable Sentencing Guidelines range at the time of sentencing;

c. in addition to a sentence of imprisonment, the Court may impose a term of supervised release of up to 3 years; that the Court must impose a period of supervised release if a sentence of imprisonment of more than one year is imposed;

d. if the defendant violates a condition of his supervised release, the Court may revoke his supervised release and impose an additional period of

imprisonment of up to 2 years without credit for time previously spent on supervised release. In addition to a new term of imprisonment, the Court also may impose a new period of supervised release, the length of which cannot exceed 3 years, less the term of imprisonment imposed upon revocation of the defendant's first supervised release;

e. the Court may impose any sentence authorized by law, including a sentence that is outside of, or departs from, the applicable Sentencing Guidelines range;

f. any sentence of imprisonment imposed by the Court will not allow for parole;

g. the Court is not bound by any recommendation regarding the sentence to be imposed or by any calculation or estimation of the Sentencing Guidelines range offered by the parties or the United States Probation Office;

h. the defendant may not withdraw his guilty plea solely because of the nature or length of the sentence imposed by the Court;

i. The defendant agrees that the United States may institute civil, judicial or administrative forfeiture proceedings against all forfeitable assets in which the defendant has an interest, and that he will not contest any such forfeiture proceedings;

j. The defendant agrees to forfeit all interests he owns or over which he exercises control, directly or indirectly, in any asset that is subject to forfeiture to the United States either directly or as a substitute for property that was subject to forfeiture but is no longer available for the reasons set forth in 21 U.S.C. § 853(p) (which is applicable to this action pursuant to 18 U.S.C. § 982(b)(1) and 28 U.S.C. § 2461(c), including but not limited to the following specific property: a 2004 S500 Mercedes; and his home at 8741 Cleveland, Kansas City, Kansas (or, in the alternative, a cash payment that sufficiently satisfies the government's interest in this property, in an amount determined by the U.S. Attorney, which payment must be made prior to sentencing);

k. The defendant agrees to fully and truthfully disclose the existence, nature and location of all additional assets forfeitable to the United States, either directly or as a substitute asset, in which she, his co-defendants and his co-conspirators have or had any direct or indirect financial interest, or exercise or exercised control, directly or indirectly, during the period from October 1, 2009, to the present. The defendant also agrees to fully and completely assist the United States in the recovery and forfeiture of all such forfeitable assets;

l. The defendant agrees not to contest the transfer of the property identified in subparagraph j from the applicable state or local agency to the United States and to take whatever steps are necessary to facilitate that transfer. The defendant specifically agrees and authorizes any state or local law enforcement agency having possession of property subject to federal forfeiture to release the property to a federal agency either prior to or after entry of an order forfeiting the defendant's interest in such property. Further, the defendant agrees to hold harmless any state or local law enforcement agency which releases such property to any federal agency for federal forfeiture proceedings;

m. The defendant agrees to take all necessary steps to comply with the forfeiture matters set forth herein before his sentencing;

n. The defendant states that he and his wife are the sole and rightful owners of the property identified in subparagraph j, and that to the best of his knowledge no one else has any ownership or other interest in the property. In the event any federal, state or local law enforcement agency having custody of the property decides not to pursue forfeiture of the property due to its minimal value, the defendant hereby abandons any interest he has in such property and consents to the destruction or any other disposition of the property by the federal, state or local agency without further notice or obligation whatsoever owing to the defendant; and

o. Within 10 days of the execution of this plea agreement, at the request of the USAO, the defendant agrees to execute and submit (1) a Tax Information Authorization form; (2) an Authorization to Release Information; (3) a completed financial disclosure statement; and (4) copies of financial information that the defendant submits to the U.S. Probation Office. The defendant understands that the United States will use the financial information when making its recommendation to the Court regarding the defendant's acceptance of responsibility.

p. At the request of the USAO, the defendant agrees to undergo any polygraph examination the United States might choose to administer concerning the identification and recovery of forfeitable assets and restitution.

7. Government's Agreements. Based upon evidence in its possession at this time, the United States Attorney's Office for the Western District of Missouri, as part of this plea agreement, agrees not to bring any additional charges against defendant for any federal criminal

offenses related to conspiracy to commit unregistered securities fraud and wire fraud for which it has venue and which arose out of the defendant's conduct described above.

The defendant understands that this plea agreement does not foreclose any prosecution for an act of murder or attempted murder, an act or attempted act of physical or sexual violence against the person of another, or a conspiracy to commit any such acts of violence or any criminal activity of which the United States Attorney for the Western District of Missouri has no knowledge.

The defendant recognizes that the United States' agreement to forego prosecution of all of the criminal offenses with which the defendant might be charged is based solely on the promises made by the defendant in this agreement. If the defendant breaches this plea agreement, the United States retains the right to proceed with the original charges and any other criminal violations established by the evidence. The defendant expressly waives his right to challenge the initiation of the dismissed or additional charges against him if he breaches this agreement. The defendant expressly waives his right to assert a statute of limitations defense if the dismissed or additional charges are initiated against him following a breach of this agreement. The defendant further understands and agrees that if the Government elects to file additional charges against him following his breach of this plea agreement, he will not be allowed to withdraw his guilty plea.

8. Preparation of Presentence Report. The defendant understands the United States will provide to the Court and the United States Probation Office a government version of the offense conduct. This may include information concerning the background, character, and conduct of the defendant, including the entirety of his criminal activities. The defendant

understands these disclosures are not limited to the counts to which he has pleaded guilty. The United States may respond to comments made or positions taken by the defendant or the defendant's counsel and to correct any misstatements or inaccuracies. The United States further reserves its right to make any recommendations it deems appropriate regarding the disposition of this case, subject only to any limitations set forth in this plea agreement. The United States and the defendant expressly reserve the right to speak to the Court at the time of sentencing pursuant to Rule 32(i)(4) of the Federal Rules of Criminal Procedure.

9. Cooperation. The defendant agrees to cooperate fully and truthfully with the United States as follows:

a. The defendant agrees to provide all information concerning his knowledge of, and participation in, the offenses charged in the information, and any other crimes about which he has knowledge.

b. The defendant agrees that he will not falsely implicate any person or entity and will not protect any person or entity through omission or false or misleading information and that all information provided will be truthful, complete and accurate.

c. The defendant agrees to testify as a witness before any grand jury, hearing, or trial when requested to do so by the United States.

d. The defendant agrees to hold himself reasonably available for any interviews the United States may require. The defendant waives any right to the presence of counsel at such meetings, debriefings, or pretrial preparation sessions. The parties agree that no prior consultation with defense counsel shall be necessary to conduct these meetings, debriefings or interviews, unless his attorney specifically requests such notice.

e. The defendant agrees to provide the United States with all documents or other items under his control that may pertain to any criminal violations.

f. The defendant understands that his cooperation shall be provided to any local, state, and federal law enforcement agency deemed appropriate by the United

States and that he may be called upon as a witness by any authority that has been provided his cooperation.

g. The defendant agrees and understands that this plea agreement requires that his cooperation continue even after the time he is sentenced. Failure to continue to cooperate after sentence is imposed constitutes a basis to void this agreement by the United States and will allow the Government to re-institute charges that were previously dismissed pursuant to this agreement.

h. The defendant agrees that if the United States determines that he has not provided full and truthful cooperation, or has committed any local, state, or federal crime between the date of this plea agreement and his sentencing, or has otherwise violated any other provision of this plea agreement, or has violated the terms and conditions of his release while on bond as required by the Court, the plea agreement may be voided by the United States and the defendant shall be subject to prosecution for any federal crime of which the United States has knowledge including, but not limited to, perjury, obstruction of justice, and any substantive offenses arising from this investigation. Such prosecution may be based upon any information provided by the defendant during the course of his cooperation, or upon leads derived therefrom, and this information may be used as evidence against her. In addition, the defendant's previously entered plea of guilty will remain in effect and cannot be withdrawn. Further, any prosecution which is not barred by the applicable statute of limitations on the date of the signing of this plea agreement may be commenced against the defendant in accordance with this plea agreement, notwithstanding the expiration of the statute of limitations between the time of signing this agreement and the commencement of the prosecution. It is the specific intent of this plea agreement to waive any and all defenses based upon the statute of limitations with respect to any prosecution which is not barred by the statute of limitations on the date this plea agreement is signed by the defendant.

i. The defendant understands and agrees that if he commits a local, state or federal crime (whether a felony or misdemeanor) or violates any conditions of his bond while he is cooperating with the United States, a motion for downward departure will not be filed by the Government on his behalf.

10. Substantial Assistance. "Substantial assistance" within the meaning of 18 U.S.C.

§ 3553(e) has not yet been provided by the defendant. Upon the determination by the United States Attorney for the Western District of Missouri that the defendant has provided "substantial assistance," the United States, pursuant to 28 U.S.C. § 994(n) and 18 U.S.C. § 3553(e), will

request the Court to reduce the sentence the defendant would otherwise receive under the applicable statutes, or will request a sentence reduction pursuant to § 5K1.1 of the Sentencing Guidelines, or reductions under both the applicable statutes and the Guidelines. The United States reserves the right to make the sole determination as to whether and when the defendant has provided such substantial assistance and further whether to request a reduction generally or a specific sentence or sentence reduction.

11. Cooperation Stipulations. In exchange for the defendant's agreement to cooperate with the United States, the United States agrees not to use new information that the defendant might provide about his own criminal conduct except as specifically authorized by § 1B1.8 of the United States Sentencing Guidelines. As such, this information may be revealed to the Court but may not be used against the defendant in determining the defendant's applicable Guidelines range or departing above his Guidelines range. The defendant understands and agrees, however, that under U.S.S.G. § 1B1.8, there shall be no such restrictions on the use of the information: (1) previously known to the United States; (2) revealed to the United States by, or discoverable through, an independent source; (3) in a prosecution for perjury or giving a false statement; (4) in the event there is a breach of this agreement; or (5) in determining whether and to what extent a downward departure as a result of a government motion pursuant to 18 U.S.C. § 3553(e) and U.S.S.G. § 5K1.1 is warranted.

12. Withdrawal of Plea. Either party reserves the right to withdraw from this plea agreement for any or no reason at any time prior to the entry of the defendant's plea of guilty and its formal acceptance by the Court. In the event of such withdrawal, the parties will be restored to their pre-plea agreement positions to the fullest extent possible. However, after the plea has

been formally accepted by the Court, the defendant may withdraw his plea of guilty only if the Court rejects the plea agreement or if the defendant can show a fair and just reason for requesting the withdrawal. The defendant understands that if the Court accepts his plea of guilty and this plea agreement but subsequently imposes a sentence that is outside the defendant's applicable Sentencing Guidelines range, or imposes a sentence that the defendant does not expect, like or agree with, he will not be permitted to withdraw his plea of guilty.

13. Agreed Guidelines Applications. With respect to the application of the Sentencing Guidelines to this case, the parties stipulate and agree as follows:

- a. The Sentencing Guidelines do not bind the Court and are advisory in nature. The Court may impose a sentence that is either above or below the defendant's applicable Guidelines range, provided the sentence imposed is not "unreasonable";
- b. The applicable Guidelines Manual is the one that took effect on November 1, 2010;
- c. The applicable Guidelines section for the offense of conviction is U.S.S.G. § 2B1.1, which provides for a base offense level of 6;
- d. The defendant and the government agree that 12 levels of enhancement are applicable because the loss attributable to Halliburton's conduct was \$369,605 under § 2B1.1(a)(1)(G);
- e. The defendant admits that an enhancement of 4 levels is appropriate under § 2B1.1(b)(2)(B), because he sold stock to over 50 victims but less than 250 victims;
- f. The defendant has admitted his guilt and clearly accepted responsibility for his actions, and 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 the Government to avoid preparing for trial and permitting the Government and the Court to allocate their resources efficiently. Therefore, he is entitled to a 3-level reduction pursuant to § 3E1.1(b) of the Sentencing Guidelines. The Government, at the time of sentencing, will file a written motion with the Court to that effect, unless the defendant (1) fails to abide

by all of the terms and conditions of this plea agreement and his pretrial release; or (2) attempts to withdraw his guilty plea, violates the law, or otherwise engages in conduct inconsistent with his acceptance of responsibility;

g. There is no agreement between the parties regarding the defendant's criminal history category. The parties agree that the Court will determine his applicable criminal history category after receipt of the presentence investigation report prepared by the United States Probation Office;

h. The defendant understands that the estimate of the parties with respect to the Guidelines computation set forth in the subsections of this paragraph does not bind the Court or the United States Probation Office with respect to the appropriate Guidelines levels. Additionally, the failure of the Court to accept these stipulations will not, as outlined in Paragraph 12 of this plea agreement, provide the defendant with a basis to withdraw his plea of guilty;

i. The United States agrees not to seek an upward departure from the Guidelines or a sentence outside the Guidelines range, and defendant agrees to not seek a downward departure from the Guidelines or a sentence outside the Guidelines range. The agreement by the parties to not seek a departure from the Guidelines is not binding upon the Court or the United States Probation Office and the Court may impose any sentence authorized by law, including any sentence outside the applicable Guidelines range that is not "unreasonable";

j. The defendant consents to judicial fact-finding by a preponderance of the evidence for all issues pertaining to the determination of the defendant's sentence, including the determination of any mandatory minimum sentence (including the facts that support any specific offense characteristic or other enhancement or adjustment), and any legally authorized increase above the normal statutory maximum. The defendant waives any right to a jury determination beyond a reasonable doubt of all facts used to determine and enhance the sentence imposed, and waives any right to have those facts alleged in the information. The defendant also agrees that the Court, in finding the facts relevant to the imposition of sentence, may consider any reliable information, including hearsay; and

k. The defendant understands and agrees that the factual admissions contained in Paragraph 3 of this plea agreement, and any admissions that he will make during his plea colloquy, support the imposition of the agreed-upon Guidelines calculations contained in this agreement.

14. Effect of Non-Agreement on Guidelines Applications. The parties understand, acknowledge and agree that there are no agreements between the parties with respect to any

Sentencing Guidelines issues other than those specifically listed in Paragraph 13, and its subsections. As to any other Guidelines issues, the parties are free to advocate their respective positions at the sentencing hearing.

15. Change in Guidelines Prior to Sentencing. The defendant agrees that if any applicable provision of the Guidelines changes after the execution of this plea agreement, then any request by defendant to be sentenced pursuant to the new Guidelines will make this plea agreement voidable by the United States at its option. If the Government exercises its option to void the plea agreement, the United States may charge, reinstate, or otherwise pursue any and all criminal charges that could have been brought but for this plea agreement.

16. Government's Reservation of Rights. The defendant understands that the United States expressly reserves the right in this case to:

- a. oppose or take issue with any position advanced by defendant at the sentencing hearing which might be inconsistent with the provisions of this plea agreement;
- b. comment on the evidence supporting the charge in the information;
- c. oppose any arguments and requests for relief the defendant might advance on an appeal from the sentences imposed and that the United States remains free on appeal or collateral proceedings to defend the legality and propriety of the sentence actually imposed, even if the Court chooses not to follow any recommendation made by the United States; and
- d. oppose any post-conviction motions for reduction of sentence, or other relief.

17. Waiver of Constitutional Rights. The defendant, by pleading guilty, acknowledges that he has been advised of, understands, and knowingly and voluntarily waives the following rights:

- a. the right to plead not guilty and to persist in a plea of not guilty;
- b. the right to be presumed innocent until his guilt has been established beyond a reasonable doubt at trial;
- c. the right to a jury trial, and at that trial, the right to the effective assistance of counsel;
- d. the right to confront and cross-examine the witnesses who testify against her;
- e. the right to compel or subpoena witnesses to appear on his behalf; and
- f. the right to remain silent at trial, in which case his silence may not be used against her.

The defendant understands that by pleading guilty, he waives or gives up those rights and that there will be no trial. The defendant further understands that if he pleads guilty, the Court may ask him questions about the offense or offenses to which he pleaded guilty, and if the defendant answers those questions under oath and in the presence of counsel, his answers may later be used against him in a prosecution for perjury or making a false statement. The defendant also understands he has pleaded guilty to a felony offense and, as a result, will lose his right to possess a firearm or ammunition and might be deprived of other rights, such as the right to vote or register to vote, hold public office, or serve on a jury.

18. Waiver of Appellate and Post-Conviction Rights.

a. The defendant acknowledges, understands and agrees that by pleading guilty pursuant to this plea agreement he waives his right to appeal or collaterally attack a finding of guilt following the acceptance of this plea agreement, except on grounds of (1) ineffective assistance of counsel; or (2) prosecutorial misconduct.

b. The defendant expressly waives his right to appeal his sentence, directly or collaterally, on any ground except claims of (1) ineffective assistance of counsel; (2) prosecutorial misconduct; or (3) an illegal sentence. An “illegal sentence” includes a sentence imposed in excess of the statutory maximum, but

does *not* include less serious sentencing errors, such as a misapplication of the Sentencing Guidelines, an abuse of discretion, or the imposition of an unreasonable sentence. However, if the United States exercises its right to appeal the sentence imposed as authorized by 18 U.S.C. § 3742(b), the defendant is released from this waiver and may, as part of the Government's appeal, cross-appeal his sentence as authorized by 18 U.S.C. § 3742(a) with respect to any issues that have not been stipulated to or agreed upon in this agreement.

19. Financial Obligations. By entering into this plea agreement, the defendant represents that he understands and agrees to the following financial obligations:

a. The Court must order restitution to the victims of the offense to which the defendant is pleading guilty. The defendant agrees that the Court may order restitution in connection with the conduct charged in any counts of the information which are to be dismissed and all other uncharged related criminal activity.

b. The United States may use the Federal Debt Collection Procedures Act and any other remedies provided by law to enforce any restitution order that may be entered as part of the sentence in this case and to collect any fine.

c. The defendant will fully and truthfully disclose all assets and property in which he has any interest, or over which the defendant exercises control directly or indirectly, including assets and property held by a spouse, nominee or other third party. The defendant's disclosure obligations are ongoing, and are in force from the execution of this agreement until the defendant has satisfied the restitution order in full.

d. Within 10 days of the execution of this plea agreement, at the request of the USAO, the defendant agrees to execute and submit (1) a Tax Information Authorization form; (2) an Authorization to Release Information; (3) a completed financial disclosure statement; and (4) copies of financial information that the defendant submits to the U.S. Probation Office. The defendant understands that compliance with these requests will be taken into account when the United States makes a recommendation to the Court regarding the defendant's acceptance of responsibility.

e. At the request of the USAO, the defendant agrees to undergo any polygraph examination the United States might choose to administer concerning the identification and recovery of substitute assets and restitution.

f. The defendant hereby authorizes the USAO to obtain a credit report

pertaining to him to assist the USAO in evaluating the defendant's ability to satisfy any financial obligations imposed as part of the sentence.

g. The defendant understands that a Special Assessment will be imposed as part of the sentence in this case. The defendant promises to pay the Special Assessment of \$100 by submitting a satisfactory form of payment to the Clerk of the Court prior to appearing for the sentencing proceeding in this case. The defendant agrees to provide the Clerk's receipt as evidence of his fulfillment of this obligation at the time of sentencing.

h. The defendant certifies that he has made no transfer of assets or property for the purpose of (1) evading financial obligations created by this Agreement; (2) evading obligations that may be imposed by the Court; nor (3) hindering efforts of the USAO to enforce such financial obligations. Moreover, the defendant promises that he will make no such transfers in the future.

i. In the event the United States learns of any misrepresentation in the financial disclosure statement, or of any asset in which the defendant had an interest at the time of this plea agreement that is not disclosed in the financial disclosure statement, and in the event such misrepresentation or nondisclosure changes the estimated net worth of the defendant by ten thousand dollars (\$10,000.00) or more, the United States may at its option: (1) choose to be relieved of its obligations under this plea agreement; or (2) let the plea agreement stand, collect the full forfeiture, restitution, and fines imposed by any criminal or civil judgment, and also collect 100% (one hundred percent) of the value of any previously undisclosed assets. The defendant agrees not to contest any collection of such assets. In the event the United States opts to be relieved of its obligations under this plea agreement, the defendant's previously entered pleas of guilty shall remain in effect and cannot be withdrawn.

20. Waiver of FOIA Request. The defendant waives all of his rights, whether asserted directly or by a representative, to request or 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.

21. Wavier of Right to Challenge Venue. The defendant expressly consents to venue in the Western District of Missouri for all of the conduct charged in the Information, and for all

of the conduct alleged in paragraph 3 of this plea agreement. By entering into this plea agreement, the defendant expressly waives any rights that he may otherwise have to challenge venue in the Western District of Missouri. The defendant agrees that if he subsequently raises a claim of improper venue, at the Government's option, the Government may deem such a claim to constitute a material breach of this plea agreement.

22. Waiver of Claim for Attorney's Fees. The defendant waives all of his claims under the Hyde Amendment, 18 U.S.C. § 3006A, for attorney's fees and other litigation expenses arising out of the investigation or prosecution of this matter.

23. Defendant's Breach of Plea Agreement. If the defendant commits any crimes, violates any conditions of release, or violates any term of this plea agreement between the signing of this plea agreement and the date of sentencing, or fails to appear for sentencing, or if the defendant provides information to the Probation Office or the Court that is intentionally misleading, incomplete, or untruthful, or otherwise breaches this plea agreement, the United States will be released from its obligations under this agreement. The defendant, however, will remain bound by the terms of the agreement, and will not be allowed to withdraw his plea of guilty.

The defendant also understands and agrees that in the event he violates this plea agreement, all statements made by him to law enforcement agents subsequent to the execution of this plea agreement, any testimony given by him before a grand jury or any tribunal or any leads from such statements or testimony shall be admissible against him in any and all criminal proceedings. The defendant waives any rights that he might assert under the United States Constitution, any statute, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the

Federal Rules of Evidence, or any other federal rule that pertains to the admissibility of any statements made by him subsequent to this plea agreement.

24. Defendant's Representations. The defendant acknowledges that he has entered into this plea agreement freely and voluntarily after receiving the effective assistance, advice and approval of counsel. The defendant acknowledges that he is satisfied with the assistance of counsel, and that counsel has fully advised him of his rights and obligations in connection with this plea agreement. The defendant further acknowledges that no threats or promises, other than the promises contained in this plea agreement, have been made by the United States, the Court, his attorneys or any other party to induce him to enter his plea of guilty.

25. No Undisclosed Terms. The United States and defendant acknowledge and agree that the above-stated terms and conditions, together with any written supplemental agreement that might be presented to the Court in camera, constitute the entire plea agreement between the parties, and that any other terms and conditions not expressly set forth in this agreement or any written supplemental agreement do not constitute any part of the parties' agreement and will not be enforceable against either party.

26. Standard of Interpretation. The parties agree that, unless the constitutional implications inherent in plea agreements require otherwise, this plea agreement should be interpreted according to general contract principles and the words employed are to be given their normal and ordinary meanings. The parties further agree that, in interpreting this agreement, any

drafting errors or ambiguities are not to be automatically construed against either party, whether or not that party was involved in drafting or modifying this agreement.

Beth Phillips
United States Attorney

Dated: _____

Daniel M. Nelson
Assistant United States Attorney

I have consulted with my attorney and fully understand all of my rights with respect to the offense charged in the information. Further, I have consulted with my attorney and fully understand my rights with respect to the provisions of the Sentencing Guidelines. I have read this plea agreement and carefully reviewed every part of it with my attorney. I understand this plea agreement and I voluntarily agree to it.

Dated: _____

Edward Halliburton
Defendant

I am defendant Edward Halliburton's attorney. I have fully explained to him his rights with respect to the offense charged in the information. Further, I have reviewed with him the provisions of the Sentencing Guidelines which might apply in this case. I have carefully reviewed every part of this plea agreement with him. To my knowledge, Mr. Halliburton's decision to enter into this plea agreement is an informed and voluntary one.

Dated: _____

Gary Stone, Esq.
Attorney for Defendant