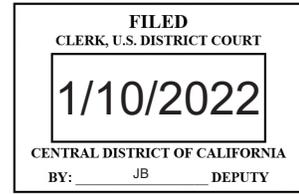


1 TRACY L. WILKISON
United States Attorney
2 SCOTT M. GARRINGER
Assistant United States Attorney
3 Chief, Criminal Division
MELISSA MILLS (Cal. Bar No. 248529)
4 J. JAMARI BUXTON (Cal. Bar No. pending)
SUSAN S. HAR (Cal. Bar No. 301924)
5 Assistant United States Attorneys
Public Corruption and Civil Rights Section
6 1500 United States Courthouse
312 North Spring Street
7 Los Angeles, California 90012
Telephone: (213) 894-0627
8 Facsimile: (213) 894-7631
E-mail: Melissa.Mills@usdoj.gov
9 Jamari.Buxton@usdoj.gov
Susan.Har@usdoj.gov



10 Attorneys for Plaintiff
11 UNITED STATES OF AMERICA

12 UNITED STATES DISTRICT COURT

13 FOR THE CENTRAL DISTRICT OF CALIFORNIA

14 UNITED STATES OF AMERICA,

15 Plaintiff,

16 v.

17 THOMAS H. PETERS,

18 Defendant.

No. CR 2:22-cr-00009-PA

PLEA AGREEMENT FOR DEFENDANT
THOMAS H. PETERS

19
20 1. This constitutes the plea agreement between THOMAS H.
21 PETERS ("defendant") and the United States Attorney's Office for the
22 Central District of California ("the USAO") in the above-captioned
23 case. This agreement is limited to the USAO and cannot bind any
24 other federal, state, local, or foreign prosecuting, enforcement,
25 administrative, or regulatory authorities.

26 DEFENDANT'S OBLIGATIONS

27 2. Defendant agrees to:
28

1 a. Give up the right to indictment by a grand jury and,
2 at the earliest opportunity requested by the USAO and provided by the
3 Court, appear and plead guilty to a one-count information in the form
4 attached to this agreement as Exhibit A or a substantially similar
5 form, which charges defendant with Aiding and Abetting Interference
6 with Commerce By Extortion, in violation of 18 U.S.C. § 1951(a) and
7 18 U.S.C. § 2.

8 b. Not contest facts agreed to in this agreement.

9 c. Abide by all agreements regarding sentencing contained
10 in this agreement.

11 d. Appear for all court appearances, surrender as ordered
12 for service of sentence, obey all conditions of any bond, and obey
13 any other ongoing court order in this matter.

14 e. Not commit any crime; however, offenses that would be
15 excluded for sentencing purposes under United States Sentencing
16 Guidelines ("U.S.S.G." or "Sentencing Guidelines") § 4A1.2(c) are not
17 within the scope of this agreement.

18 f. Be truthful at all times with the United States
19 Probation and Pretrial Services Office and the Court.

20 g. Pay the applicable special assessment at or before the
21 time of sentencing unless defendant has demonstrated a lack of
22 ability to pay such assessments.

23 3. Defendant further agrees to cooperate fully with the USAO,
24 the Federal Bureau of Investigation ("FBI"), and, as directed by the
25 USAO, any other federal, state, local, or foreign prosecuting,
26 enforcement, administrative, regulatory, or licensing authority,
27 including the Bar of any state. This cooperation requires defendant
28 to:

1 a. Respond truthfully and completely to all questions
2 that may be put to defendant, whether in interviews, before a grand
3 jury, or at any trial or other court proceeding.

4 b. Attend all meetings, grand jury sessions, trials or
5 other proceedings at which defendant's presence is requested by the
6 USAO or compelled by subpoena or court order.

7 c. Produce voluntarily all documents, records, or other
8 tangible evidence relating to matters about which the USAO, or its
9 designee, inquires.

10 d. If requested to do so by the USAO, act in an
11 undercover capacity to the best of defendant's ability in connection
12 with criminal investigations by federal, state, local, or foreign law
13 enforcement authorities, in accordance with the express instructions
14 of those law enforcement authorities. Defendant agrees not to act in
15 an undercover capacity, tape record any conversations, or gather any
16 evidence except after a request by the USAO and in accordance with
17 express instructions of federal, state, local, or foreign law
18 enforcement authorities.

19 4. For purposes of this agreement: (1) "Cooperation
20 Information" shall mean any statements made, or documents, records,
21 tangible evidence, or other information provided, by defendant
22 pursuant to defendant's cooperation under this agreement or pursuant
23 to the letter agreement previously entered into by the parties dated
24 January 28, 2020 (the "Letter Agreement"); and (2) "Plea Information"
25 shall mean any statements made by defendant, under oath, at the
26 guilty plea hearing and the agreed to factual basis statement in this
27 agreement.

28

1 sentencing proceeding in any criminal case that may be brought
2 against defendant by the USAO, any Cooperation Information.
3 Defendant agrees, however, that the USAO may use both Cooperation
4 Information and Plea Information: (1) to obtain and pursue leads to
5 other evidence, which evidence may be used for any purpose, including
6 any criminal prosecution of defendant; (2) to cross-examine defendant
7 should defendant testify, or to rebut any evidence offered, or
8 argument or representation made, by defendant, defendant's counsel,
9 or a witness called by defendant in any trial, sentencing hearing, or
10 other court proceeding; and (3) in any criminal prosecution of
11 defendant for false statement, obstruction of justice, or perjury.

12 b. Not to use Cooperation Information against defendant
13 at sentencing for the purpose of determining the applicable guideline
14 range, including the appropriateness of an upward departure, or the
15 sentence to be imposed, and to recommend to the Court that
16 Cooperation Information not be used in determining the applicable
17 guideline range or the sentence to be imposed. Defendant
18 understands, however, that Cooperation Information will be disclosed
19 to the United States Probation and Pretrial Services Office and the
20 Court, and that the Court may use Cooperation Information for the
21 purposes set forth in U.S.S.G § 1B1.8(b) and for determining the
22 sentence to be imposed.

23 c. In connection with defendant's sentencing, to bring to
24 the Court's attention the nature and extent of defendant's
25 cooperation.

26 d. If the USAO determines, in its exclusive judgment,
27 that defendant has both complied with defendant's obligations under
28 paragraphs 2 and 3 above and provided substantial assistance to law

1 enforcement in the prosecution or investigation of another
2 ("substantial assistance"), to move the Court pursuant to U.S.S.G.
3 § 5K1.1 to fix an offense level and corresponding guideline range
4 below that otherwise dictated by the sentencing guidelines, and to
5 recommend a sentence at the low end of or below this reduced range.

6 DEFENDANT'S UNDERSTANDINGS REGARDING COOPERATION

7 7. Defendant understands the following:

8 a. Any knowingly false or misleading statement by
9 defendant will subject defendant to prosecution for false statement,
10 obstruction of justice, and perjury and will constitute a breach by
11 defendant of this agreement.

12 b. Nothing in this agreement requires the USAO or any
13 other prosecuting, enforcement, administrative, or regulatory
14 authority to accept any cooperation or assistance that defendant may
15 offer, or to use it in any particular way.

16 c. Defendant cannot withdraw defendant's guilty plea if
17 the USAO does not make a motion pursuant to U.S.S.G. § 5K1.1 for a
18 reduced guideline range or if the USAO makes such a motion and the
19 Court does not grant it or if the Court grants such a USAO motion but
20 elects to sentence above the reduced range.

21 d. At this time the USAO makes no agreement or
22 representation as to whether any cooperation that defendant has
23 provided or intends to provide constitutes or will constitute
24 substantial assistance. The decision whether defendant has provided
25 substantial assistance will rest solely within the exclusive judgment
26 of the USAO.

27 e. The USAO's determination whether defendant has
28 provided substantial assistance will not depend in any way on whether

1 the government prevails at any trial or court hearing in which
2 defendant testifies or in which the government otherwise presents
3 information resulting from defendant's cooperation.

4 NATURE OF THE OFFENSE

5 8. Defendant understands that for defendant to be guilty of
6 the crime charged in the sole count of the Information, namely,
7 aiding and abetting Interference with Commerce by Extortion
8 ("extortion"), in violation of 18 U.S.C. § 1951(a) and 18 U.S.C. § 2,
9 the following must be true:

10 a. Person A committed extortion;

11 b. The defendant aided, counseled, commanded, induced, or
12 procured Person A with respect to at least one element of extortion;

13 c. The defendant acted with the intent to facilitate
14 extortion; and

15 d. The defendant acted before the crime was committed.

16 9. Defendant understands that for Person A to be guilty of
17 extortion, the following must be true:

18 a. Person A induced victim Paul Kiesel to part with
19 property by wrongful threat of economic harm or reputational harm;

20 b. Person A acted with the intent to obtain the property;
21 and

22 c. Commerce from one state to another was or would have
23 been affected in some way.

24 PENALTIES

25 10. Defendant understands that the statutory maximum sentence
26 that the Court can impose for a violation of Title 18, United States
27 Code, Sections 1951(a) and 2, is: 20 years' imprisonment; a 3-year
28 period of supervised release; a fine of \$250,000 or twice the gross

1 gain or gross loss resulting from the offense, whichever is greatest;
2 and a mandatory special assessment of \$100.

3 11. Defendant understands that supervised release is a period
4 of time following imprisonment during which defendant will be subject
5 to various restrictions and requirements. Defendant understands that
6 if defendant violates one or more of the conditions of any supervised
7 release imposed, defendant may be returned to prison for all or part
8 of the term of supervised release authorized by statute for the
9 offense that resulted in the term of supervised release, which could
10 result in defendant serving a total term of imprisonment greater than
11 the statutory maximum stated above.

12 12. Defendant understands that, by pleading guilty, defendant
13 may be giving up valuable government benefits and valuable civic
14 rights, such as the right to vote, the right to possess a firearm,
15 the right to hold office, and the right to serve on a jury.
16 Defendant understands that he is pleading guilty to a felony and that
17 it is a federal crime for a convicted felon to possess a firearm or
18 ammunition. Defendant understands that the conviction in this case
19 may also subject defendant to various other collateral consequences,
20 including but not limited to revocation of probation, parole, or
21 supervised release in another case and suspension or revocation of a
22 professional license. Defendant understands that unanticipated
23 collateral consequences will not serve as grounds to withdraw
24 defendant's guilty plea.

25 13. Defendant understands that, if defendant is not a United
26 States citizen, the felony conviction in this case may subject
27 defendant to: removal, also known as deportation, which may, under
28 some circumstances, be mandatory; denial of citizenship; and denial

1 of admission to the United States in the future. The Court cannot,
2 and defendant's attorney also may not be able to, advise defendant
3 fully regarding the immigration consequences of the felony conviction
4 in this case. Defendant understands that unexpected immigration
5 consequences will not serve as grounds to withdraw defendant's guilty
6 plea.

7 FACTUAL BASIS

8 14. Defendant admits that defendant is, in fact, guilty of the
9 offense to which defendant is agreeing to plead guilty. Defendant
10 and the USAO agree to the statement of facts attached to this
11 agreement as Attachment A and agree that this statement of facts is
12 sufficient to support a plea of guilty to the charge described in
13 this agreement and to establish the Sentencing Guidelines factors set
14 forth in paragraph 16 below but is not meant to be a complete
15 recitation of all facts relevant to the underlying criminal conduct
16 or all facts known to either party that relate to that conduct.

17 SENTENCING FACTORS

18 15. Defendant understands that in determining defendant's
19 sentence the Court is required to calculate the applicable Sentencing
20 Guidelines range and to consider that range, possible departures
21 under the Sentencing Guidelines, and the other sentencing factors set
22 forth in 18 U.S.C. § 3553(a). Defendant understands that the
23 Sentencing Guidelines are advisory only, that defendant cannot have
24 any expectation of receiving a sentence within the calculated
25 Sentencing Guidelines range, and that after considering the
26 Sentencing Guidelines and the other § 3553(a) factors, the Court will
27 be free to exercise its discretion to impose any sentence it finds
28

1 appropriate up to the maximum set by statute for the crime of
2 conviction.

3 16. Defendant and the USAO agree to the following applicable
4 Sentencing Guidelines factors:

5	Base Offense Level:	9	U.S.S.G. § 2B3.3
6	Amount obtained exceeded \$550,000:	+14	U.S.S.G. § 2B1.1(b) (H)

7
8 Defendant and the USAO reserve the right to argue that additional
9 specific offense characteristics, adjustments, and departures under
10 the Sentencing Guidelines are appropriate.

11 17. Defendant understands that there is no agreement as to
12 defendant's criminal history or criminal history category.

13 18. Defendant and the USAO reserve the right to argue for a
14 sentence outside the sentencing range established by the Sentencing
15 Guidelines based on the factors set forth in 18 U.S.C. § 3553(a) (1),
16 (a) (2), (a) (3), (a) (6), and (a) (7).

17 WAIVER OF CONSTITUTIONAL RIGHTS

18 19. Defendant understands that by pleading guilty, defendant
19 gives up the following rights:

- 20 a. The right to persist in a plea of not guilty.
- 21 b. The right to a speedy and public trial by jury.
- 22 c. The right to be represented by counsel - and if
23 necessary have the Court appoint counsel - at trial. Defendant
24 understands, however, that, defendant retains the right to be
25 represented by counsel - and if necessary have the Court appoint
26 counsel - at every other stage of the proceeding.

1 (a) the procedures and calculations used to determine and impose any
2 portion of the sentence; (b) the term of imprisonment imposed by the
3 Court; (c) the fine imposed by the Court, provided it is within the
4 statutory maximum; (d) to the extent permitted by law, the
5 constitutionality or legality of defendant's sentence, provided it is
6 within the statutory maximum; (e) the term of probation or supervised
7 release imposed by the Court, provided it is within the statutory
8 maximum; and (f) any of the following conditions of probation or
9 supervised release imposed by the Court: the conditions set forth in
10 Second Amended General Order 20-04 of this Court; the drug testing
11 conditions mandated by 18 U.S.C. §§ 3563(a)(5) and 3583(d); and the
12 alcohol and drug use conditions authorized by 18 U.S.C. § 3563(b)(7).

13 22. The USAO agrees that, provided (a) all portions of the
14 sentence are at or below the statutory maximum specified above, the
15 USAO gives up its right to appeal any portion of the sentence.

16 RESULT OF WITHDRAWAL OF GUILTY PLEA

17 23. Defendant agrees that if, after entering a guilty plea
18 pursuant to this agreement, defendant seeks to withdraw and succeeds
19 in withdrawing defendant's guilty plea on any basis other than a
20 claim and finding that entry into this plea agreement was
21 involuntary, then (a) the USAO will be relieved of all of its
22 obligations under this agreement, including in particular its
23 obligations regarding the use of Cooperation Information; (b) in any
24 investigation, criminal prosecution, or civil, administrative, or
25 regulatory action, defendant agrees that any Cooperation Information
26 and any evidence derived from any Cooperation Information shall be
27 admissible against defendant, and defendant will not assert, and
28 hereby waives and gives up, any claim under the United States

1 Constitution, any statute, or any federal rule, that any Cooperation
2 Information or any evidence derived from any Cooperation Information
3 should be suppressed or is inadmissible; and (c) should the USAO
4 choose to pursue any charge that was either dismissed or not filed as
5 a result of this agreement, then (i) any applicable statute of
6 limitations will be tolled between the date of defendant's signing of
7 this agreement and the filing commencing any such action; and
8 (ii) defendant waives and gives up all defenses based on the statute
9 of limitations, any claim of pre-indictment delay, or any speedy
10 trial claim with respect to any such action, except to the extent
11 that such defenses existed as of the date of defendant's signing this
12 agreement.

13 RESULT OF VACATUR, REVERSAL OR SET-ASIDE

14 24. Defendant agrees that if the count of conviction is
15 vacated, reversed, or set aside, both the USAO and defendant will be
16 released from all their obligations under this agreement.

17 EFFECTIVE DATE OF AGREEMENT

18 25. This agreement is effective upon signature and execution of
19 all required certifications by defendant, defendant's counsel, and an
20 Assistant United States Attorney.

21 BREACH OF AGREEMENT

22 26. Defendant agrees that if defendant, at any time after the
23 signature of this agreement and execution of all required
24 certifications by defendant, defendant's counsel, and an Assistant
25 United States Attorney, knowingly violates or fails to perform any of
26 defendant's obligations under this agreement ("a breach"), the USAO
27 may declare this agreement breached. For example, if defendant
28 knowingly, in an interview, before a grand jury, or at trial, falsely

1 accuses another person of criminal conduct or falsely minimizes
2 defendant's own role, or the role of another, in criminal conduct,
3 defendant will have breached this agreement. All of defendant's
4 obligations are material, a single breach of this agreement is
5 sufficient for the USAO to declare a breach, and defendant shall not
6 be deemed to have cured a breach without the express agreement of the
7 USAO in writing. If the USAO declares this agreement breached, and
8 the Court finds such a breach to have occurred, then:

9 a. If defendant has previously entered a guilty plea
10 pursuant to this agreement, defendant will not be able to withdraw
11 the guilty plea.

12 b. The USAO will be relieved of all its obligations under
13 this agreement; in particular, the USAO: (i) will no longer be bound
14 by any agreements concerning sentencing and will be free to seek any
15 sentence up to the statutory maximum for the crime to which defendant
16 has pleaded guilty; (ii) will no longer be bound by any agreements
17 regarding criminal prosecution, and will be free to criminally
18 prosecute defendant for any crime, including charges that the USAO
19 would otherwise have been obligated not to criminally prosecute
20 pursuant to this agreement; and (iii) will no longer be bound by any
21 agreement regarding the use of Cooperation Information and will be
22 free to use any Cooperation Information in any way in any
23 investigation, criminal prosecution, or civil, administrative,
24 regulatory, or licensing action.

25 c. The USAO will be free to criminally prosecute
26 defendant for false statement, obstruction of justice, and perjury
27 based on any knowingly false or misleading statement by defendant.

28

1 d. In any investigation, criminal prosecution, or civil,
2 administrative, or regulatory action: (i) defendant will not assert,
3 and hereby waives and gives up, any claim that any Cooperation
4 Information was obtained in violation of the Fifth Amendment
5 privilege against compelled self-incrimination; and (ii) defendant
6 agrees that any Cooperation Information and any Plea Information, as
7 well as any evidence derived from any Cooperation Information or any
8 Plea Information, shall be admissible against defendant, and
9 defendant will not assert, and hereby waives and gives up, any claim
10 under the United States Constitution, any statute, Rule 410 of the
11 Federal Rules of Evidence, Rule 11(f) of the Federal Rules of
12 Criminal Procedure, or any other federal rule, that any Cooperation
13 Information, any Plea Information, or any evidence derived from any
14 Cooperation Information or any Plea Information should be suppressed
15 or is inadmissible.

16 27. Following the Court's finding of a knowing breach of this
17 agreement by defendant, should the USAO choose to pursue any charge
18 that was either dismissed or not filed as a result of this agreement,
19 then:

20 a. Defendant agrees that any applicable statute of
21 limitations is tolled between the date of defendant's signing of this
22 agreement and the filing commencing any such action.

23 b. Defendant waives and gives up all defenses based on
24 the statute of limitations, any claim of pre-indictment delay, or any
25 speedy trial claim with respect to any such action, except to the
26 extent that such defenses existed as of the date of defendant's
27 signing this agreement.

28

1 COURT AND UNITED STATES PROBATION AND PRETRIAL SERVICES

2 OFFICE NOT PARTIES

3 28. Defendant understands that the Court and the United States
4 Probation and Pretrial Services Office are not parties to this
5 agreement and need not accept any of the USAO's sentencing
6 recommendations or the parties' agreements to facts or sentencing
7 factors.

8 29. Defendant understands that both defendant and the USAO are
9 free to: (a) supplement the facts by supplying relevant information
10 to the United States Probation and Pretrial Services Office and the
11 Court, (b) correct any and all factual misstatements relating to the
12 Court's Sentencing Guidelines calculations and determination of
13 sentence, and (c) argue on appeal and collateral review that the
14 Court's Sentencing Guidelines calculations and the sentence it
15 chooses to impose are not error, although each party agrees to
16 maintain its view that the calculations in paragraph 16 are
17 consistent with the facts of this case. While this paragraph permits
18 both the USAO and defendant to submit full and complete factual
19 information to the United States Probation and Pretrial Services
20 Office and the Court, even if that factual information may be viewed
21 as inconsistent with the facts agreed to in this agreement, this
22 paragraph does not affect defendant's and the USAO's obligations not
23 to contest the facts agreed to in this agreement.

24 30. Defendant understands that even if the Court ignores any
25 sentencing recommendation, finds facts or reaches conclusions
26 different from those agreed to, and/or imposes any sentence up to the
27 maximum established by statute, defendant cannot, for that reason,
28 withdraw defendant's guilty plea, and defendant will remain bound to

1 fulfill all defendant's obligations under this agreement. Defendant
2 understands that no one -- not the prosecutor, defendant's attorney,
3 or the Court -- can make a binding prediction or promise regarding
4 the sentence defendant will receive, except that it will be within
5 the statutory maximum.

6 NO ADDITIONAL AGREEMENTS

7 31. Defendant understands that, except as set forth herein,
8 there are no promises, understandings, or agreements between the USAO
9 and defendant or defendant's attorney, and that no additional
10 promise, understanding, or agreement may be entered into unless in a
11 writing signed by all parties or on the record in court.

12 ///

13 ///

14 ///

15

16

17

18

19

20

21

22

23

24

25

26

27

28

1 PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

2 32. The parties agree that this agreement will be considered
3 part of the record of defendant's guilty plea hearing as if the
4 entire agreement had been read into the record of the proceeding.

5 AGREED AND ACCEPTED

6 UNITED STATES ATTORNEY'S OFFICE
7 FOR THE CENTRAL DISTRICT OF
8 CALIFORNIA

9 TRACY L. WILKISON
 United States Attorney

10 _____
11 MELISSA MILLS
12 SUSAN S. HAR
13 J. JAMARI BUXTON
14 Assistant United States Attorneys

_____ Date

15 _____
16 THOMAS H. PETERS
17 Defendant

_____ Date

18 _____
19 JEFFREY RUTHERFORD
20 Attorney for Defendant
21 THOMAS H. PETERS

_____ Date

CERTIFICATION OF DEFENDANT

I have read this agreement in its entirety. I have had enough time to review and consider this agreement, and I have carefully and thoroughly discussed every part of it with my attorney. I understand the terms of this agreement, and I voluntarily agree to those terms. I have discussed the evidence with my attorney, and my attorney has advised me of my rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. No promises, inducements, or representations of any kind have been made to me other than those contained in this agreement. No one has threatened or forced me in any way to enter into this agreement. I am satisfied with the representation of my attorney in this matter, and I am pleading guilty because I am guilty of the charge and wish to take advantage of the promises set forth in this agreement, and not for any other reason.

THOMAS H. PETERS
Defendant

Date

//
//
//
//
//
//
//

1 PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

2 32. The parties agree that this agreement will be considered
3 part of the record of defendant's guilty plea hearing as if the
4 entire agreement had been read into the record of the proceeding.

5 AGREED AND ACCEPTED

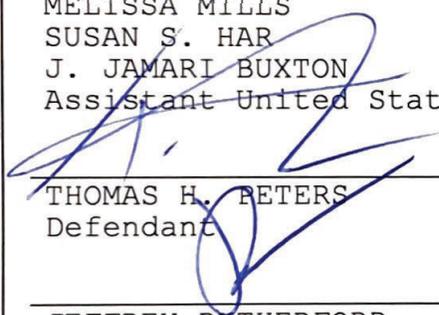
6 UNITED STATES ATTORNEY'S OFFICE
7 FOR THE CENTRAL DISTRICT OF
8 CALIFORNIA

9 TRACY L. WILKISON
10 United States Attorney

11 
12 _____
13 MELISSA MILLS
14 SUSAN S. HAR
15 J. JAMARI BUXTON
16 Assistant United States Attorneys

01-03-2022

Date

17 
18 _____
19 THOMAS H. PETERS
20 Defendant

11-24-21

Date

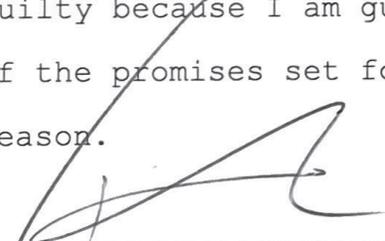
21 _____
22 JEFFREY RUTHERFORD
23 Attorney for Defendant
24 THOMAS H. PETERS

11/24/2021

Date

CERTIFICATION OF DEFENDANT

I have read this agreement in its entirety. I have had enough time to review and consider this agreement, and I have carefully and thoroughly discussed every part of it with my attorney. I understand the terms of this agreement, and I voluntarily agree to those terms. I have discussed the evidence with my attorney, and my attorney has advised me of my rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. No promises, inducements, or representations of any kind have been made to me other than those contained in this agreement. No one has threatened or forced me in any way to enter into this agreement. I am satisfied with the representation of my attorney in this matter, and I am pleading guilty because I am guilty of the charge and wish to take advantage of the promises set forth in this agreement, and not for any other reason.



THOMAS H. PETERS
Defendant

11.24.21

Date

//
//
//
//
//
//
//

Attachment A

1 ATTACHMENT A

2 FACTUAL BASIS

3 **I. THE COLLUSIVE LITIGATION**

4 **A. BACKGROUND ON THE LADWP BILLING LITIGATION**

5 1. From on or about February 18, 2014, until on or about March
6 25, 2019, defendant THOMAS H. PETERS was the Chief of the Civil
7 Litigation Branch of the Los Angeles City Attorney's Office (the
8 "City Attorney's Office"). In that role, defendant PETERS was
9 responsible for supervising all civil litigation matters handled by
10 the Civil Litigation Branch of the City Attorney's Office.

11 2. In 2013, the Los Angeles Department of Water and Power
12 ("LADWP"), a proprietary department of the City of Los Angeles (the
13 "City"), implemented a new billing system, which it had procured from
14 an outside vendor, PricewaterhouseCoopers ("PwC"). After LADWP
15 implemented the new billing system, hundreds of thousands of LADWP
16 ratepayers received inaccurate utility bills, which ranged from
17 massively inflated bills to those that undercharged ratepayers to the
18 financial detriment of LADWP.

19 3. By in or around December 2014, the City and LADWP were
20 facing multiple class action lawsuits by ratepayers alleging various
21 claims based on LADWP's faulty billing system. The City Attorney's
22 Office represented the City and LADWP in those class action lawsuits.
23 The City Attorney's Office was also aided in the defense of those
24 class actions by attorneys from an outside law firm ("Class Action
25 Counsel").

26 4. On December 16, 2014, defendant PETERS and another senior
27 member of the City Attorney's Office ("City Attorney Official") met
28 with two outside attorneys, Paul Paradis and Paul Kiesel. Kiesel was

Defendant's Initials: 

1 defendant PETERS's former law partner, and Paradis was a New York
2 attorney whom Kiesel knew. Paradis and Kiesel were requesting the
3 City's help with a potential lawsuit that they intended to bring on
4 behalf of Paradis's client, an LADWP ratepayer named Antwon Jones,
5 against PwC. At this meeting, City Attorney Official asked Paradis
6 and Kiesel to represent the City as Special Counsel in an affirmative
7 lawsuit against PwC, and they agreed.

8 5. In January and February 2015, the City Attorney's Office,
9 along with Paradis and Kiesel, pursued a strategy whereby Paradis and
10 Kiesel would represent both the City and Jones in parallel lawsuits
11 against PwC (the "parallel litigation strategy"). In furtherance of
12 the parallel litigation strategy, in January of 2015, Paradis drafted
13 a complaint, styled *Antwon Jones v. PwC*, and circulated it among
14 members of the City Attorney's Office for their review and feedback.
15 The City's parallel litigation strategy also entailed convincing
16 counsel for the plaintiffs in the existing class action lawsuits
17 already pending against the City to toll and dismiss their claims and
18 join the City and Jones in coordinated litigation against PwC.

19 6. Because the LADWP billing debacle and the resulting class
20 action lawsuits had generated substantial negative publicity for the
21 City and LADWP, defendant PETERS and others in the City Attorney's
22 Office saw the prospect of getting the existing lawsuits dismissed
23 and teaming up with the ratepayers against PwC as a way to cast the
24 City and LADWP in a more favorable light. Defendant PETERS also knew
25 that City leaders were displeased with the negative publicity
26 surrounding the billing debacle and the attendant litigation, and
27 defendant PETERS understood that tolling and dismissing the existing
28

1 lawsuits against the City while putting the City on the offensive
2 against PwC would enhance his reputation and professional prospects.

3 7. After the City's Class Action Counsel distributed, on
4 February 17, 2015, a memo advising against the parallel litigation
5 strategy for a variety of ethical and practical reasons, the City
6 Attorney's Office decided to abandon the strategy.

7 **B. THE CITY DIRECTS PARADIS AND KIESEL TO FIND COUNSEL FOR A**
8 **FRIENDLY LAWSUIT AGAINST THE CITY, AND TO SUE PWC ON BEHALF**
9 **OF THE CITY**

10 8. During the spring of 2015, defendant PETERS learned the
11 following information from City Attorney Official:

12 a. In late February or early March 2015, City Attorney
13 Official discussed with Paradis and Kiesel how to proceed in lieu of
14 the abandoned parallel litigation strategy, and particularly how to
15 continue shifting the spotlight away from LADWP's problems and toward
16 PwC as the cause of those problems. Paradis proposed that he and
17 Kiesel could find outside counsel that would be friendly to the City
18 and its litigation goals to file a class action lawsuit against the
19 City with Jones as the class representative. City Attorney Official
20 authorized and directed Paradis and Kiesel to pursue that strategy.
21 This was sometimes referred to as the "white-knight" approach,
22 reflecting the understanding that the white-knight plaintiff would
23 not be truly adverse to the City but would save the City from a long
24 and costly battle over the existing LADWP-billing-related claims by
25 serving as a vehicle for the City to settle all of those claims on
26 the City's desired terms.

27 b. After the white-knight approach was authorized,
28 Paradis recruited an Ohio attorney ("Ohio Attorney"), and Kiesel
recruited a California attorney to jointly function with Ohio

Defendant's Initials: TP

1 Attorney as Jones's counsel of record in the friendly class action
2 lawsuit against the City.

3 9. On March 6, 2015, the City filed a civil lawsuit against
4 PwC ("City v. PwC"), which generally alleged that PwC was responsible
5 for LADWP's billing debacle. That same day, the City Attorney held a
6 press conference and alleged that PwC had caused the City to sustain
7 "perhaps hundreds of millions of dollars" in damages.

8 10. Paradis and Kiesel represented the City in *City v. PwC* for
9 approximately four years before resigning at the City's request on
10 March 6, 2019.

11 11. At some point after the *City v. PwC* complaint was filed,
12 defendant PETERS became directly responsible for overseeing that
13 matter.

14 **C. THE CITY QUICKLY SETTLES WITH OHIO ATTORNEY TO RESOLVE ALL
15 LADWP BILLING CLAIMS**

16 12. On April 1, 2015, Ohio Attorney caused the filing of the
17 *Jones v. City* complaint in Los Angeles Superior Court, as expected by
18 members of the City Attorney's Office. Within two days of the
19 filing, members of the City Attorney's Office began communicating
20 with Ohio Attorney about a potential settlement, and the City quickly
21 began working towards a global settlement of all claims related to
22 the LADWP billing debacle with *Jones v. City* as the settlement
23 vehicle.

24 13. During the summer of 2015, Paradis and others on behalf of
25 the City participated in multiple confidential mediation sessions
26 with Ohio Attorney. Defendant PETERS attended at least a portion of
27 one such session on behalf of the City. The other class action
28 plaintiffs were excluded from these sessions. Following mediation,

Defendant's Initials: 

1 the mediator issued a proposal that would cap plaintiff attorneys'
2 fees at \$13,000,000. The City's Class Action Counsel raised concerns
3 to the City that the \$13,000,000 proposed attorney-fee cap was
4 unjustifiably high, particularly because Ohio Attorney had done
5 "little demonstrative work to advance the interests of the class."
6 Defendant PETERS, among others at the City Attorney's Office,
7 believed that Ohio Attorney's contributions to the case had been too
8 minimal to justify the significant fee proposal, including because
9 Ohio Attorney had been involved only for a short time and had filed
10 no motions and propounded no discovery. Nonetheless, on August 20,
11 2015, the City and Ohio Attorney filed a stipulated agreement that
12 would provisionally resolve all claims against the City related to
13 the LADWP billing debacle and cap plaintiff attorneys' fees at
14 \$13,000,000. In the fall of 2016, the City agreed to raise the cap
15 on plaintiff attorneys' fees to approximately \$19,000,000.

16 14. On July 20, 2017, the Los Angeles County Superior Court
17 judge overseeing the class actions issued a final approval of an
18 approximately \$67,000,000 settlement agreement in *Jones v. City*. The
19 settlement agreement also provided for approximately \$19,000,000 in
20 plaintiff attorneys' fees, approximately \$10,300,000 of which was
21 awarded to Ohio Attorney and his law firm.

22 15. In early 2017, PwC learned of the existence of the draft
23 *Jones v. PwC* complaint that Paradis had prepared at the City's
24 direction and sought an order from the court compelling the City to
25 produce it. Defendant PETERS, among others on behalf of the City,
26 was aware that production of the *Jones v. PwC* draft complaint would
27 reveal the undisclosed collusive origins of the *Jones v. City* case.
28 For that reason, defendant PETERS and others on behalf of the City

Defendant's Initials: 

1 vigorously fought against producing this document to PwC. After
2 months of increasingly contentious litigation, in the fall of 2017,
3 the court set a hearing on PwC's motion to compel production of the
4 document for December 4, 2017.

5 **II. THE EXTORTION SCHEME**

6 **A. DEFENDANT PETERS LEARNS THAT PERSON A THREATENED TO REVEAL
7 THE CITY'S COLLUSION UNLESS KIESEL PAID HER**

8 16. On or about November 16, 2017, defendant PETERS was
9 informed by Paradis that a recently terminated employee of Kiesel
10 ("Person A") had stolen or improperly retained from Kiesel's law firm
11 certain documents that would show the City's undisclosed collusion
12 with Ohio Attorney in the *Jones v. City* lawsuit (the "Sensitive
13 Documents"). Paradis further informed defendant PETERS that Person A
14 had threatened to reveal the Sensitive Documents if Kiesel did not
15 pay her to return the Sensitive Documents. In addition, Paradis told
16 defendant PETERS that Person A had alleged various employment-related
17 claims against Kiesel, and that Person A had tied those claims to her
18 threatened release of the documents. Defendant PETERS, who knew
19 Person A from when he had previously worked at Kiesel's law firm,
20 understood that Person A had demanded over a million dollars from
21 Kiesel. Paradis specifically informed defendant PETERS that Person A
22 had threatened to appear at the next hearing in the *City v. PwC* case,
23 which was scheduled for December 4, 2017. Defendant PETERS knew that
24 at this hearing, the court was set to hear arguments on PwC's motion
25 to compel the *Jones v. PwC* draft complaint.

26 17. Defendant PETERS feared that if Person A carried out her
27 threat to publicly reveal that the City's \$67,000,000 settlement with
28 Ohio Attorney was the result of undisclosed collusion, rather than

Defendant's Initials: TP

1 the arms-length adversarial proceeding that it purported to be, the
2 City's litigation position in the related *City v. PwC* case would be
3 seriously compromised, and the recently finalized *Jones v. City*
4 settlement would also be jeopardized. In addition, defendant PETERS
5 knew that public disclosure of the information that Person A
6 threatened to reveal would be highly damaging to the reputation of
7 the City Attorney's Office.

8 **B. DEFENDANT PETERS DIRECTS KIESEL TO SATISFY PERSON A'S**
9 **MONETARY DEMANDS IF NECESSARY**

10 18. On November 17, 2017, defendant PETERS met with Kiesel and
11 Paradis and discussed Person A's threats and monetary demands.
12 Kiesel complained that Person A's threats and demands constituted
13 "extortion," and Kiesel expressed reluctance to pay the sum that
14 Person A demanded. Defendant PETERS expressed anger at Kiesel for
15 not telling him about the situation earlier and advised that he and
16 others at the City Attorney's Office needed to know about problems of
17 this magnitude that could impact the reputation of the City
18 Attorney's Office, imperil the *Jones v. City* settlement, and
19 jeopardize the City's expected success in *City v. PwC*. Defendant
20 PETERS directed Kiesel to resolve the situation — including, if
21 necessary, by satisfying Person A's monetary demands and getting the
22 documents back — or else defendant PETERS would advocate to have
23 Kiesel fired as the City's Special Counsel. Defendant PETERS did not
24 have direct authority to fire Kiesel or Paradis.

25 19. On November 29, 2017, defendant PETERS met with Kiesel
26 again. Kiesel expressed that he was worried about being fired from
27 the Special Counsel job because of Person A's threats and demands.
28 Kiesel described his prior efforts to negotiate with Person A,

1 including a failed "mediation" at the LADWP cafeteria wherein Person
2 A had lowered her demand to \$900,000 and Kiesel had counteroffered
3 \$60,000. Defendant PETERS told Kiesel that Kiesel would not be fired
4 at that time. However, defendant PETERS reiterated that Kiesel
5 needed to take care of the Person A problem, by which defendant
6 PETERS meant that Kiesel needed to get the Sensitive Documents back
7 even if that required Kiesel to pay her monetary demand.

8 20. Late in the afternoon on Friday, December 1, 2017,
9 defendant PETERS met with other senior members of the City Attorney's
10 Office and provided an update on the status of the Person A
11 situation, including her threat to appear at the *City v. PwC* hearing
12 the following Monday and reveal the Sensitive Documents. Defendant
13 PETERS stated that he did not know exactly what Person A was planning
14 to do, but that he thought she might either give the Sensitive
15 Documents to the court or to PwC's lead counsel, and that she might
16 have arranged for press coverage. Defendant PETERS conveyed that
17 Kiesel had described Person A's threats as "extortion." Defendant
18 PETERS was directed to take care of the situation, and he stated that
19 he would do so. Defendant PETERS further advised that he would
20 personally attend the *City v. PwC* hearing the following Monday.
21 Defendant PETERS feared that if Person A made good on her threats to
22 reveal the Sensitive Documents, he would be personally blamed for the
23 fallout and would lose his Branch Chief position and future
24 employment prospects.

25 21. On December 1, 2017, after the meeting, defendant PETERS
26 sent a text message to Paradis relaying that senior leadership at the
27 City Attorney's Office was "not firing anyone at this point" —
28 meaning that a decision to seek termination of the Special Counsel

Defendant's Initials: TP

1 contract had not been made at the meeting — but warning that others
2 were concerned about “the prospect of a sideshow” with respect to
3 Person A’s threat to appear in court the following Monday and reveal
4 the Sensitive Documents.

5 **C. PERSON A APPEARS IN COURT WITH THE SENSITIVE DOCUMENTS**

6 22. On the afternoon of December 4, 2017, defendant PETERS
7 attended the scheduled hearing in *City v. PwC*. Paradis, Kiesel, and
8 Paradis’s law partner also attended on the City’s behalf. Kiesel had
9 also arranged for two colleagues, who were friendly with Person A and
10 whom defendant PETERS also knew, to attend in the event Kiesel needed
11 their help intervening with Person A.

12 23. During the hearing, defendant PETERS saw and recognized
13 Person A in the courtroom. Defendant PETERS watched Person A attempt
14 to give documents to a court employee, who did not accept them.
15 Defendant PETERS then watched Person A approach PwC’s lead attorney
16 with documents and exchange business cards with him. Defendant
17 PETERS understood that by these actions, Person A was conveying that
18 she would fulfill her threat to reveal the Sensitive Documents
19 showing the City’s collusion unless Kiesel satisfied her monetary
20 demands.

21 **D. DEFENDANT PETERS AGAIN DEMANDS THAT KIESEL SATISFY PERSON
22 A’S MONETARY DEMANDS OR BE FIRED**

23 24. After the hearing, defendant PETERS sent a series of text
24 messages to Kiesel relaying defendant PETERS’s observations of Person
25 A’s actions in court. In the text exchange, defendant PETERS stated,
26 “I need you to take care of this,” by which he meant that Kiesel
27 needed to satisfy Person A’s demands in order to obtain the return of
28

Defendant’s Initials: 

1 the Sensitive Documents. Defendant PETERS and Kiesel then arranged
2 via text message to meet in defendant PETERS's office.

3 25. Around 4:00 p.m. on December 4, 2017, defendant PETERS,
4 Kiesel, Paradis, and Paradis's law partner met in defendant PETERS's
5 office. Defendant PETERS reiterated that Kiesel needed to satisfy
6 Person A's demands in order to obtain the return of the Sensitive
7 Documents, or he would be fired. Kiesel acknowledged that the
8 situation was now very serious and that he would be terminated if he
9 did not comply, and he told defendant PETERS that he would reinitiate
10 negotiations with Person A and "get this done." Kiesel then left the
11 meeting.

12 26. After Kiesel left, Paradis remained in defendant PETERS's
13 office. Paradis commented to defendant PETERS, "Maybe [Ohio
14 Attorney] should kick in." Defendant PETERS understood this to
15 convey Paradis's belief that Ohio Attorney should contribute to
16 Kiesel's extortion payment to Person A, because Ohio Attorney would
17 also financially benefit from keeping the collusion concealed and the
18 settlement intact.

19 27. Shortly thereafter, defendant PETERS received a text
20 message from Kiesel advising that he had arranged to meet Person A
21 that evening and that he intended to "get this done."

22 28. Later that evening, defendant PETERS engaged in a text
23 exchange with Kiesel, wherein Kiesel informed defendant PETERS that
24 Kiesel had agreed to pay Person A \$800,000, and that Person A would
25 return the Sensitive Documents. Defendant PETERS replied, "Good
26 job," and he directed Kiesel to ensure that there was a strong
27 confidentiality agreement with Person A regarding the \$800,000
28 payment and return of the Sensitive Documents.

Defendant's Initials: 

1 29. By the conduct described herein, Person A committed
2 extortion. By his threats that Kiesel's Special Counsel contract
3 would most likely be terminated if Kiesel did not obtain the return
4 of the Sensitive Documents, which defendant PETERS knew would require
5 Kiesel to satisfy Person A's monetary demands, defendant PETERS aided
6 and abetted Person A's extortion before it was completed. Defendant
7 PETERS induced Kiesel to part with property by wrongful threat of
8 economic or reputational harm, and he did so with the intent to
9 obtain Kiesel's property for Person A and to facilitate Person A's
10 extortion. Kiesel had a national law practice that could have been
11 impacted by the loss of his Special Counsel contract and the release
12 of the Sensitive Documents. Accordingly, defendant PETERS's and
13 Person A's conduct affected or could have affected interstate
14 commerce.

15 30. Defendant PETERS knew that Person A's conduct constituted
16 extortion and that the conduct was a felony. Despite this knowledge,
17 defendant PETERS failed to report this crime to any law enforcement
18 authority. Instead, defendant PETERS acted affirmatively to conceal
19 the extortion, as well as the underlying collusion that she had
20 threatened to reveal, including by instructing Kiesel to obtain a
21 confidentiality agreement.

22 **E. MAY 2019: DEFENDANT PETERS CONTINUES TO CONCEAL PERSON A'S**
23 **EXTORTION OF KIESEL IN RESPONSE TO INQUIRIES BY THE CITY**

24 31. During late April and early May of 2019, PwC deposed
25 multiple current and former attorneys for the City, including
26 defendant PETERS and Kiesel, in an effort to learn more about the
27 collusion between the City and Ohio Attorney in *Jones v. City*, which
28 by then had been revealed. By that time, defendant PETERS was no

1 longer employed by the City Attorney's Office, and he was represented
2 by a personal attorney.

3 32. On or about May 6, 2019, the City Attorney's Office
4 inquired of defendant PETERS (through respective counsel) what
5 defendant PETERS recalled about a dispute that Kiesel had negotiated
6 at LADWP headquarters in 2017. Defendant PETERS understood that the
7 inquiry about this long-ago "settlement" related to Kiesel's payment
8 of Person A's extortionate demands to conceal the City's collusion.
9 Defendant PETERS further understood that the inquiry was intended to
10 determine whether defendant PETERS would reveal, if asked by someone
11 outside the City, the extortion scheme or the underlying collusion
12 that was concealed by the extortion scheme.

13 33. In order to convey that he would continue to conceal his
14 knowledge of Person A's extortion of Kiesel and the City Attorney's
15 Office's role in it, defendant PETERS falsely and misleadingly
16 replied to the City through his personal attorney that the dispute
17 had involved only an employment claim by Person A. Defendant PETERS
18 intentionally omitted: (1) that Person A had threatened to reveal the
19 Sensitive Documents exposing the undisclosed collusion unless Kiesel
20 satisfied her demands, which Kiesel had ultimately done by paying
21 Person A \$800,000 to obtain the return of the Sensitive Documents;
22 (2) that defendant PETERS had directed Kiesel to satisfy Person A's
23 demands or be fired from Kiesel's role as Special Counsel; and (3)
24 that defendant PETERS had discussed the situation with and received
25 direction from senior members of the City Attorney's Office.

26 34. By his false and misleading reply to the City's inquiry,
27 defendant PETERS again acted affirmatively to conceal Person A's
28 extortion, as well as the underlying undisclosed collusion.

Defendant's Initials: 