



05-CR-00166-LTR

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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

MICHAEL ALAN CASSINI,
a/k/a Jeffrey Michael Leavitt

Defendant.

NO. CR05-166MJP

PLEA AGREEMENT

The United States of America, by and through John McKay, United States Attorney for the Western District of Washington, Norman M. Barbosa, Special Assistant United States Attorney, and Mark Parrent, Assistant United States Attorney for said District, and the Defendant, MICHAEL ALAN CASSINI, and his attorneys, John Henry Browne and Jessica J. Riley, enter into the following Agreement, pursuant to Federal Rule of Criminal Procedure 11(c):

1. The Charges. Defendant, having been advised of the right to have this matter tried before a jury, agrees to waive that right and enter a plea of guilty to the following charges contained in the Superseding Indictment:

a. Bank Fraud, as charged in Counts 1 through 10, in violation of Title 18, United States Code, Section 1344.

1 b. Wire Fraud, as charged in Count 29, in violation of Title 18, United
2 States Code, Section 1343.

3 By entering these pleas of guilty, Defendant hereby waives all objections to the
4 form of the charging document. Defendant further understands that before entering his
5 pleas of guilty, Defendant will be placed under oath. Any statement given by
6 Defendant under oath may be used by the government in a prosecution for perjury or
7 false statement.

8 2. Elements of the Offenses.

9 a. The elements of the offense of Bank Fraud as charged in Counts 1
10 through 10, in violation of Title 18, United States Code, Section 1344, are as follows:

11 First, the Defendant knowingly carried out a scheme or plan to
12 obtain money or property from a bank by making false statements or promises;

13 Second, the Defendant knew that the statements or promises were
14 false;

15 Third, the statements or promises were material, that is, they
16 would reasonably influence a bank to part with money or property;

17 Fourth, the Defendant acted with the intent to defraud; and,

18 Fifth, the bank was federally insured at the time Defendant
19 devised, executed, and aided and abetted the scheme.

20 b. The elements of the offense of Wire Fraud as charged in Count 29,
21 in violation of Title 18, United States Code, Section 1343, are as follows:

22 First, the Defendant made up a scheme or plan for obtaining
23 money or property by making false promises or statements;

24 Second, the Defendant knew that the promises or statements were
25 false;

26 Third, the promises or statements were material, that is, they
27 would reasonably influence a person to part with money or property;

28 Fourth, the Defendant acted with the intent to defraud; and

1 Fifth, the Defendant used, or caused to be used, the wires in
2 interstate or foreign commerce to carry out or attempt to carry out an essential part of
3 the scheme.

4 3. The Penalties.

5 Defendant understands that the statutory penalties for the offenses of Bank
6 Fraud, as charged in Counts 1 through 10, and Wire Fraud as charged in Count 29, are
7 as follows:

8 a. Counts 1 through 10 (Bank Fraud): as to each count, a term of
9 imprisonment of up to thirty (30) years, a fine of up to one million dollars
10 (\$1,000,000), a period of supervision following release of up to five (5) years, and a
11 penalty assessment of one hundred dollars (\$100).

12 b. Count 29 (Wire Fraud): a term of imprisonment of up to twenty
13 (20) years, a fine of up to two hundred fifty thousand dollars (\$250,000), a period of
14 supervision following release from prison of not more than three (3) years, and a
15 penalty assessment of one hundred dollars (\$100).

16 Defendant agrees that the penalty assessment shall be paid at or before the time
17 of sentencing. Defendant understands that, in addition to any term of imprisonment
18 and/or fine that is imposed, the Court may order Defendant to pay restitution to any
19 victim of the offenses, as required by law. Defendant further understands that a
20 consequence of pleading guilty may include the forfeiture of certain property, either as
21 a part of the sentence imposed by the Court, or as a result of civil judicial or
22 administrative process.

23 Defendant agrees that any monetary penalty the Court imposes, including
24 the special assessment, fine, costs, or restitution, is due and payable immediately, and
25 further agrees to submit a completed Financial Statement of Debtor form as requested
26 by the United States Attorney's Office.

27 Defendant understands that supervised release is a period of time
28 following imprisonment during which he will be subject to certain restrictions and

1 requirements. Defendant further understands that if supervised release is imposed and
2 he violates one or more of its conditions, he could be returned to prison for all or part
3 of the term of supervised release that was originally imposed. This could result in
4 Defendant's serving a total term of imprisonment greater than the statutory maximum
5 stated above.

6 4. Rights Waived by Pleading Guilty. Defendant understands that, by
7 pleading guilty, he knowingly and voluntarily waives the following rights:

- 8 a. The right to plead not guilty, and to persist in a plea of not guilty;
- 9 b. The right to a speedy and public trial before a jury of Defendant's
10 peers;
- 11 c. The right to the effective assistance of counsel at trial, including, if
12 Defendant could not afford an attorney, the right to have the Court appoint one for
13 Defendant;
- 14 d. The right to be presumed innocent until guilt has been established
15 at trial, beyond a reasonable doubt;
- 16 e. The right to confront and cross-examine witnesses against
17 Defendant at trial;
- 18 f. The right to compel or subpoena witnesses to appear on
19 Defendant's behalf at trial;
- 20 g. The right to testify or to remain silent at trial, at which trial such
21 silence could not be used against Defendant; and
- 22 h. The right to appeal a finding of guilt or any pretrial rulings.

23 5. United States Sentencing Guidelines. Defendant understands and
24 acknowledges that, at sentencing, the Court must consider the sentencing range
25 calculated under the United States Sentencing Guidelines, together with the other
26 factors set forth in Title 18, United States Code, Section 3553(a), including: (1) the
27 nature and circumstances of the offenses; (2) the history and characteristics of the
28 Defendant; (3) the need for the sentence to reflect the seriousness of the offense, to

1 promote respect for the law, and to provide just punishment for the offense; (4) the
2 need for the sentence to afford adequate deterrence to criminal conduct; (5) the need for
3 the sentence to protect the public from further crimes of the Defendant; (6) the need to
4 provide the Defendant with educational and vocational training, medical care, or other
5 correctional treatment in the most effective manner; (7) the kinds of sentences
6 available; (8) the need to provide restitution to victims; and (9) the need to avoid
7 *unwarranted sentence disparity among defendants involved in similar conduct who have*
8 similar records. Accordingly, Defendant understands and acknowledges that:

9 a. The Court will determine Defendant's applicable Sentencing
10 Guidelines range at the time of sentencing;

11 b. After consideration of the Sentencing Guidelines and the other
12 factors in 18 U.S.C. 3553(a), the Court may impose any sentence authorized by law,
13 up to the maximum term authorized by law;

14 c. The Court is not bound by any recommendation regarding the
15 sentence to be imposed, or by any calculation or estimation of the Sentencing
16 Guidelines range offered by the parties, or by the United States Probation Department;
17 and

18 d. Defendant may not withdraw a guilty plea solely because of the
19 sentence imposed by the Court.

20 6. Ultimate Sentence. Defendant acknowledges that no one has promised or
21 guaranteed what sentence the Court will impose.

22 7. Restitution. Defendant shall make restitution to the following victims
23 with credit for any amounts already paid:

24 a. The Commerce Bank of Washington in the amount of seven
25 hundred ninety-three thousand, six hundred fifty dollars (\$793,650);

26 b. Silicon Valley Bank in the amount of one million, five hundred
27 fifty-six thousand, four hundred thirty-seven dollars (\$1,556,437);
28

1 c. Sovereign Bank in the amount of three hundred ninety-two
2 thousand, one hundred eighty-four dollars (\$392,184);

3 d. Key Bank in the amount of seventy-four thousand, six hundred
4 ninety-five dollars (\$74,695);

5 e. MBNA America Bank in the amount of two hundred two thousand,
6 one hundred dollars (\$202,100);

7 f. American Express Credit Card Services in the amount of one
8 hundred eighty thousand, two hundred ninety-four dollars (\$180,294);

9 g. Charles Schwab in the amount of twenty-eight thousand dollars
10 (\$28,000);

11 h. Vigilant Insurance Company in the amount of twenty-three
12 thousand, nine hundred sixty-six dollars (\$23,966);

13 i. David Benoliel in the amount of two hundred seventy-five thousand
14 dollars (\$275,000).

15 Said amounts shall be due and payable immediately and shall be paid in
16 accordance with a schedule of payments as set by the United States Probation Office
17 and ordered by the Court.

18 8. Forfeiture

19 Defendant agrees to forfeit to the United States immediately all of his right, title,
20 and interest in any and all property, real or personal, constituting, or derived from, any
21 proceeds Defendant obtained, directly or indirectly, as the result of the above listed
22 offenses, that are subject to forfeiture pursuant to 18 U.S.C. § 982(a)(2)(A)
23 981(a)(1)(C) and 28 U.S.C. § 2461(c), including the following assets:

24 A. FUNDS FROM BANK ACCOUNTS

25 a. All funds held in account number 3300436061 at Silicon Valley
26 Bank in the name of Michael Cassini;

27 b. All funds held in account number 3300436057 at Silicon Valley
28 Bank in the name of Michael Cassini;

1 c. All funds held in account number 3300438981 at Silicon Valley
2 Bank in the name of Aventura Corporation;

3 d. All funds held in account number 3300438977 at Silicon Valley
4 Bank in the name of Aventura Corporation Money Market;

5 e. All funds held in account number 3300457178 at Silicon Valley
6 Bank in the name of Mac Automotive Depository;

7 f. All funds held in account number 1100778191 at Columbia State
8 Bank in the name of Michael A. Cassini;

9 g. All funds held in account number 1100778205 at Columbia State
10 Bank in the name of Michael A. Cassini;

11 h. All funds held in account number 7000377452 at Columbia State
12 Bank in the name of Michael A. Cassini DBA Mac Automotive Depository, LLC;

13 i. All funds held in account number 7000377437 at Columbia State
14 Bank in the name of Aventura Corporation/Michael A. Cassini;

15 j. All funds held in account number 7000377445 at Columbia State
16 Bank in the name of Aventura Corporation/Michael A. Cassini;

17 **B. REAL PROPERTY**

18 The condominium apartment located at 11305 N.E. 68th Street, Unit 1305,
19 Kirkland, Washington, 98033, together with its appurtenances, improvements, fixtures,
20 attachments, and easements, more particularly described as:

21 Unit 11305 of Tessera, a condominium, survey map and plans recorded in
22 volume 155 of condominiums, pages 83 through 86, inclusive, condominium
23 declaration recorded under recording number(s) 9905101944 in King County,
24 Washington

25 **C. CONVEYANCES**

- 26 a. a 2004 Ferrari 360 Modena, VIN #ZFFYU51A040138415;
- 27 b. a 2003 Porsche 911 Turbo, VIN #WP0AB29993S686348;
- 28 c. a 2005 Lotus Elise, VIN #SCCPC11105HL30277;
- d. a 2000 Beechcraft Bonanza A36, FAA Tail Number N615M, serial

number E-3344, and all log books;

1 e. a 2003 Cobalt 293 boat, VIN #1142980, and HIN
2 #FGE29010J203;

3 f. a 2001 BMW C1, VIN #WB10191AXYYA04563;

4 g. a 2002 SeaDoo RXDI, VIN #ZZN56226L102;

5 h. a 2003 Mini Boat Trailer, VIN #1MDCDYJ143A227782;

6 D. PERSONAL PROPERTY

7 a. A painting by Frank Charron, described more particularly as: a
8 painting of a Ferrari interior by Frank Charron;

9 b. An IBM Computer Server, serial number KP-PRM60;

10 c. An IBM Computer Server, serial number KP-PRN75;

11 d. An IBM Computer Server, serial number KP-PRN55;

12 e. An Ultrium computer tape drive, serial number 07-8405-2103-
13 017074 and ID number 11549P324BYJ1NWP011216;

14 f. Five (5) computer tapes with the following serial numbers:
15 J24415002707; J24415003607; J24415004007; J24415004507; J24415004505;

16 g. An IBM Thinkpad computer, serial number 99-KZ8B6;

17 h. An IBM Thinkpad computer, serial number 99KZ721;

18 i. A Macintosh I-Mac computer, serial number W84202KUOB7;

19 j. An IBM Think Center computer, serial number KCND9AF;

20 k. An IBM Think Center computer, serial number KCPM4VW;

21 l. An IBM Think Center computer, serial number KCPM4LP;

22 m. An IBM Think Center computer, serial number KCPM1BL;

23 n. A Dell computer, serial number 4YVBR21;

24 o. A Compaq I-Paq computer, serial number 4G29KVL2L0PL;

25 p. A Compaq computer battery unit, serial number 8Y27KD52V87L;

26 q. A Compaq computer docking station, serial number
27 4G29KD54H197;

1 r. A Compaq computer bluetooth wireless card, serial number
2 11509N9867ZJ1HVZ106810;

3 s. Two Sony Flat Panel computer monitors;

4 t. An IBM Thinkpad port replicator, serial number 98-WW431;

5 u. A Bose Wave radio, serial number 022373C41405602AC.

6 v. A Jaeger Lecoultre watch, Master Geographique, stainless steel,
7 silver dial, leather strap with stainless steel folding buckle.

8 w. A Girard Perregaux watch, World Time Edition from the Ferrari
9 collection, stainless steel with cream colored dial with sub dials, style number
10 498000116146B, serial number A239/249.

11 x. All right, title, and interest in the Contract for Purchase of one
12 Piaggio P180 Airplane including, but not limited to, the \$150,000.00 in U.S. Currency
13 deposit required by contractual obligations for the purchase of the Piaggio P180
14 airplane.

15 Defendant agrees that each of the listed assets are the proceeds of unlawful bank
16 fraud activity or wire fraud activity or was used or intended to be used to facilitate
17 unlawful bank fraud activity or wire fraud activity, or involved in money laundering
18 violations as set forth in Counts 16 through 28 of the Superseding Indictment.

19 Defendant agrees to fully assist the United States in the forfeiture of the listed
20 assets and to take whatever steps are necessary to pass clear title to the United States,
21 including but not limited to: surrendering title and executing any documents necessary
22 to effectuate such forfeiture; assisting in bringing any assets located outside the
23 United States within the jurisdiction of the United States; and taking whatever steps are
24 necessary to ensure that assets subject to forfeiture are not sold, disbursed, wasted,
25 hidden, or otherwise made unavailable for forfeiture. Defendant agrees not to file a
26 claim to any of the listed property in any civil forfeiture proceeding, administrative or
27 judicial, which may be initiated.

1 Defendant further agrees to provide a truthful statement regarding all of his
2 assets and to make a full and complete disclosure of all assets in which Defendant has
3 any interest or over which Defendant exercises control and those which are held or
4 controlled by a nominee(s). Defendant further agrees to submit to a polygraph
5 examination on the issue of assets if it is deemed necessary by the United States.

6 The United States reserves its right to proceed against any remaining assets not
7 identified in this Plea Agreement, including any property in which Defendant has any
8 interest or control, if said assets, real or personal, tangible or intangible constitute or
9 are traceable to proceeds or facilitated violations of, or were involved in violations of,
10 18 U.S.C. §§ 1956 or 1957.

11 9. Statement of Facts. The parties agree on the following facts in support of
12 Defendant's guilty plea and sentencing. Defendant admits he is guilty of the charged
13 offenses.

14 Sometime in or around May 2003, MICHAEL ALAN CASSINI, also known as
15 JEFFREY MICHAEL LEAVITT, knowingly and willfully devised a scheme and
16 artifice to defraud banks by obtaining loans based on false statements regarding his
17 assets and the assets of his businesses, as well as false statements regarding his income,
18 employment, and businesses. Between May 2003 and March 2005, CASSINI used this
19 scheme to obtain successively larger loans from Key Bank, Pacific Northwest Bank
20 (later known as Wells Fargo Bank), Cowlitz Bank (dba Bay Bank), The Commerce
21 Bank of Washington (hereinafter Commerce Bank), Silicon Valley Bank, and Sovereign
22 Bank ("the banks"), all financial institutions the deposits of which were then insured by
23 the Federal Deposit Insurance Corporation. By obtaining successively larger loans,
24 CASSINI sometimes paid off older loans with the proceeds of newer loans, thereby
25 perpetuating the scheme and artifice to defraud.

26 The scheme began in May 2003 when CASSINI applied for a \$250,000 line of
27 credit from Key Bank in Seattle, Washington. At that time, CASSINI used his former
28 name of Jeffrey Michael Leavitt and falsely claimed that: 1) he had a total net worth of

1 approximately \$12.3 million; 2) he had an annual income of \$400,000 in salary and
2 \$300,000 in commissions and bonuses; 3) he owned \$3 million in stocks, bonds, and
3 mutual funds; 4) he owned an account holding \$8 million at Barclay's Bank; 5) he had
4 \$952,000 in accounts receivable, and; 6) he owned \$85,000 in real estate. To support
5 these false claims, CASSINI provided Key Bank with false tax returns in his former
6 name, a false letter purportedly from Barclay's Bank verifying \$8 million in assets, and
7 false brokerage statements purportedly from Credit Suisse First Boston that showed he
8 had approximately \$5 million in assets at that bank. CASSINI knew these items were
9 false when he submitted them because he did not in fact own any of the assets he
10 claimed on the loan application and in fact had no legitimate income whatsoever.

11 In addition, because his credit report in his former name of Jeffrey Michael
12 Leavitt contained several adverse notations from creditors, CASSINI told Key Bank
13 that he had been the victim of identity theft. He falsely reported to Key Bank
14 representatives that his brother had stolen his identity and ruined his credit. To
15 perpetuate his false claim of identity theft and distance himself from his poor credit
16 record, in August 2003, CASSINI changed his name from Jeffrey Michael Leavitt to
17 MICHAEL ALAN CASSINI and, in October 2003, he obtained a new Social Security
18 number by falsely reporting to the Social Security Administration that he had been a
19 victim of identity theft.

20 Based in part on CASSINI's false representations, Key Bank approved the line of
21 credit application and disbursed approximately \$298,000. CASSINI used the proceeds
22 of this loan to purchase a 2003 Porsche 911 Turbo, VIN # WP0AB29993S686348, as
23 well as numerous other luxury items. After the loan from Key Bank became delinquent
24 in November 2003, CASSINI, in an effort to prolong and perpetuate the scheme,
25 falsely told Key Bank representatives that his delay in making loan payments was due to
26 logistical problems in moving money from his offshore account at Barclay's Bank to a
27 Merrill Lynch account. This representation was false because, as CASSINI well knew,
28 he did not have any money in an offshore account at Barclay's Bank. Based in part on

1 CASSINI's false representations, Key Bank extended a second loan for the outstanding
2 balance of the first loan on January 9, 2004, with the loan due on February 1, 2004. In
3 an attempt to conceal his scheme to defraud Key Bank, CASSINI paid off the Key Bank
4 loan on May 21, 2004, using the proceeds of a loan fraudulently obtained from
5 Commerce Bank as described below.

6 While in default on his loan from Key Bank in November of 2003, CASSINI
7 applied to Pacific Northwest Bank for a \$250,000 business line of credit for his
8 company Aventura Corporation. In support of this loan application, CASSINI falsely
9 claimed that: 1) he had a total net worth of approximately \$12.5 million; 2) he had an
10 annual income including \$405,000 in salary and \$300,000 in commissions and bonuses;
11 3) he owned \$3.7 million in stocks, bonds, and mutual funds; 4) he had an account with
12 a balance of \$7.3 million at "Barkleys"; 4) he had \$852,000 in accounts receivable; and
13 5) he owned \$85,000 worth of real estate in Montana. CASSINI, who still did not have
14 any legitimate income or assets, knew these claims were false. In addition, CASSINI
15 falsely claimed his business, Aventura Corporation, had contracts with well-known
16 companies including Adobe, L.L. Bean, and Toyota Motor Sales and that Aventura's
17 customers owed the company \$842,935 as of December 17, 2003. CASSINI knew
18 when he made these claims that they were false as his company did not have contracts
19 with these companies and these companies did not owe him or Aventura Corporation
20 any money.

21 To support the false claims he made to Pacific Northwest Bank, CASSINI
22 provided the bank with numerous false documents, including some of the same
23 documents he had submitted to Key Bank in May 2003. These included the false tax
24 returns in his former name, a false letter purportedly from Barclay's bank verifying
25 \$8 million in assets, and false brokerage statements purportedly from Credit Suisse
26 First Boston. CASSINI also submitted what purported to be a 2002 corporate income
27 tax return for Aventura Corporation showing \$4,090,764 in total income and
28 \$1,595,365 in taxable income. CASSINI had caused this false tax return to be

1 prepared by an accountant at a well-known accounting firm in Bellevue, Washington,
2 based on false information. CASSINI obtained tax returns from this accounting firm
3 because he knew that providing tax returns from a respected accounting firm would
4 lend credibility to his false claims. Based on CASSINI's false representations, Pacific
5 Northwest Bank approved the line of credit application and disbursed \$240,000 on or
6 about January 7, 2004. CASSINI did not make payments as agreed on the Pacific
7 Northwest Bank loan. In an attempt to conceal his scheme to defraud Pacific
8 Northwest Bank, CASSINI paid off the Pacific Northwest Bank loan on May 18, 2004,
9 using the proceeds of a loan fraudulently obtained from Commerce Bank as described
10 below.

11 Between November 2003 and March 2004, CASSINI obtained three loans from
12 Cowlitz Bank totaling approximately \$187,000. In order to obtain the three loans from
13 Cowlitz Bank, CASSINI provided false information to the bank about the value of his
14 assets, including personal financial statements that falsely showed his net worth to be
15 approximately \$12.1 million to \$12.8 million. As part of the application process,
16 CASSINI submitted false personal income tax returns, including returns prepared by
17 the Bellevue accounting firm. CASSINI also submitted a false brokerage account
18 statement from Credit Suisse First Boston showing that he owned securities valued at
19 \$4,102,567.10 as of March 16, 2004. In an attempt to conceal his scheme to defraud
20 Cowlitz Bank, CASSINI paid off the Cowlitz Bank loans on or about May 18 and May
21 22, 2004, using the proceeds of a loan fraudulently obtained from Commerce Bank as
22 described below.

23 In April 2004, CASSINI applied for a \$1 million revolving business line of
24 credit from Commerce Bank for his company, Aventura Corporation. At
25 approximately the same time, CASSINI applied for a \$50,000 personal automobile loan
26 from Commerce Bank. In support of these loan applications, CASSINI falsely claimed
27 that: 1) he had a total net worth of approximately \$16 million; 2) he had an annual
28 income including \$405,000 in salary and \$300,000 in commissions and bonuses; 3) he

1 owned \$4.2 million in U.S. Government and marketable securities held at "CSFB"; 4)
2 he owned \$9 million in nonmarketable securities at Barclay's; and 5) he owned a \$1.6
3 million property in Whitefish, Montana. CASSINI falsely represented that he would be
4 able to pay off the business line of credit from Commerce Bank with the proceeds of
5 Aventura Corporation's accounts receivable. To support this false representation,
6 CASSINI submitted a list of Aventura Corporation's purported accounts receivable to
7 Commerce Bank. The list of accounts receivable included amounts allegedly owed by
8 such well known companies as Nike, L.L. Bean, Toyota Motor Sales, and Adobe.
9 CASSINI falsely represented to Commerce Bank that Aventura Corporation's accounts
10 receivable totaled \$854,956 as of March 20, 2004. CASSINI knew when he made
11 these claims that they were false as his company did not have contracts with these
12 companies and these companies did not owe him or Aventura Corporation any money.

13 To support his loan applications with Commerce Bank, CASSINI provided the
14 bank with many of the same false documents he had provided to Key Bank, Pacific
15 Northwest Bank, and Cowlitz Bank. These included false tax returns prepared by the
16 Bellevue accounting firm, false brokerage statements purportedly from Credit Suisse
17 First Boston, and false letters purportedly from Barclays Bank. Based on CASSINI's
18 representations, Commerce Bank approved the loan applications. He used the proceeds
19 of this loan to purchase, among other things: 1) a 2001 BMW C1, VIN
20 WB10191AXYYA04563; 2) a 2002 Sea Doo Bombardier RXDI, VIN ZZN56226L102;
21 and 3) a 2003 Mini Boat Trailer (Sea Doo Trailer), VIN 1MDCDYJ143A227782. He
22 also used the proceeds of this loan to pay off his loan from Key Bank that was
23 originally used to purchase the 2003 Porsche 911 Turbo, VIN #WPOAB29993S686348.

24 CASSINI did not pay down the Commerce Bank business line of credit with
25 accounts receivable as he had promised. In an effort to perpetuate the scheme, in June
26 2004 CASSINI caused a package to be delivered to Commerce Bank via Federal
27 Express. The package was empty when it arrived at Commerce Bank. CASSINI
28 falsely told Commerce Bank representatives that the package had contained checks from

1 various Aventura Corporation clients that were supposed to have been deposited into an
2 account at Commerce Bank for credit against the loan balance. As CASSINI well
3 knew, the package never contained any checks from Aventura Corporation clients
4 because such checks did not exist. CASSINI represented to Commerce Bank that his
5 company's clients would need 180 days to replace the purportedly lost checks.

6 In an effort to further conceal and perpetuate the scheme, CASSINI obtained a
7 new loan from Silicon Valley Bank as detailed below and, on or about September 13,
8 2004, used \$250,000 in proceeds from the Silicon Valley Bank loan to pay down the
9 Commerce Bank business line of credit and to pay off the \$50,000.00 personal
10 automobile loan. CASSINI failed to make additional payments on the Commerce Bank
11 business line of credit as promised, however, and in October 2004 Commerce Bank
12 filed a lawsuit against CASSINI to recover its funds.

13 In a further effort to perpetuate the scheme against Commerce Bank, CASSINI
14 caused two false Declarations to be filed in connection with the lawsuit filed by
15 Commerce Bank. CASSINI caused the first Declaration to be filed on or about
16 November 24, 2004, in case number 04-2-27339-1 SEA in the Superior Court for King
17 County, Washington. In that Declaration, signed by CASSINI, CASSINI falsely
18 claimed that an agent for his company, Aventura Corporation, had sent a Federal
19 Express package containing checks from Aventura Corporation customers to Commerce
20 Bank. CASSINI knew that no agent for Aventura Corporation sent checks from
21 Aventura Corporation customers to Commerce Bank. CASSINI caused a second false
22 Declaration to be filed in the Superior Court case on or about November 24, 2004.
23 The second Declaration, purportedly signed by a client of Aventura Corporation,
24 falsely claimed that the client's company had issued a check to "Michael
25 CASSINI/Aventura Corporation" in the amount of \$250,000. The Declaration further
26 asserted that the client had placed a stop-payment order on the check when CASSINI
27 reported the check as being lost. CASSINI knew the Declaration was false when he
28 caused it to be filed with the court.

1 In August 2004, CASSINI applied for a \$1.5 million personal line of credit from
2 Silicon Valley Bank. In support of this loan application, CASSINI falsely claimed that:
3 1) he had a total net worth of approximately \$17.6 million; 2) he owned \$9,041,278 in
4 certificates of deposit; 3) he owned \$5,674,300 in stocks, bonds, and mutual funds; 4)
5 he owned real estate in Whitefish, Montana, worth \$1.6 million; and 5) he had
6 \$1,031,720 in accounts receivable. Once again, CASSINI provided numerous false
7 documents in support of his loan application, including false tax returns prepared by the
8 Bellevue accounting firm, false brokerage statements purportedly from Credit Suisse
9 First Boston, and false letters purportedly from Barclays Bank. Based on CASSINI's
10 representations, Silicon Valley Bank approved the loan application. CASSINI used the
11 proceeds of this loan to purchase, among other things: 1) a 2004 Ferrari 360 Modena,
12 VIN #ZFFYU51A040138415; 2) a 2001 Ferrari 360 Challenge Race car, VIN
13 #ZFFYR51B000122917; 3) a 2005 Lotus Elise, VIN #SCCPC11105HL30277; 4) a
14 2003 Cobalt 293 boat, VIN #1142980, and HIN #FGE29010J203; 5) a 2000
15 Beechcraft Bonanza A36, FAA Tail Number N615M, serial number E-3344, and; 5) a
16 painting of a Ferrari interior by Frank Charron.

17 In September 2004, CASSINI, on behalf of his company, Aventura Corporation,
18 applied for a \$368,000 aircraft loan from Sovereign Bank. In support of this loan
19 application, CASSINI made the same false claims regarding his assets and income as he
20 had made to Silicon Valley Bank a month earlier. He also submitted all of the same
21 false documents, including the false tax returns, the false letter purportedly from
22 Barclays Bank, and the false brokerage statements purportedly from Credit Suisse First
23 Boston. This loan was also approved based on CASSINI's false statements and used to
24 purchase a 2000 Beechcraft Bonanza A36, FAA Tail Number N615M, serial number
25 E-3344.

26 On or about the dates listed below, within the Western District of Washington,
27 for the purpose of executing and attempting to execute his scheme and artifice to
28 defraud the banks, MICHAEL ALAN CASSINI, also known as JEFFREY MICHAEL

1 LEAVITT, did knowingly and willfully sign promissory notes for the following loans
2 at the banks listed below:

Count	Approximate Date	Loan or Account Number	Bank and Location	Amount
1	May 27, 2003	N3113796830	Key Bank, Bellevue, Washington	\$250,000.00
2	October 30, 2003	10008009	Cowlitz Bank, Bellevue, Washington	\$85,000.00
3	October 30, 2003	1105736	Cowlitz Bank, Bellevue, Washington	\$37,116.00
4	December 31, 2003	1000058279	Pacific Northwest Bank, Tukwila, Washington	\$250,000.00
5	January 9, 2004	N3113816158	Key Bank, Bellevue, Washington	\$249,806.28
6	March 23, 2004	1105767	Cowlitz Bank, Bellevue, Washington	\$66,210.00
7	May 14, 2004	724008001	Commerce Bank, Seattle, Washington	\$1,000,000.00
8	May 14, 2004	724032001	Commerce Bank, Seattle, Washington	\$50,000.00
9	September 7, 2004	1100142532	Silicon Valley Bank, Kirkland, Washington	\$1,500,000.00
10	September 17, 2004	051569148	Sovereign Bank, Seattle, Washington	\$368,000.00

19
20 In February 2005, CASSINI devised a new scheme to defraud Vigilant Insurance
21 Company. This scheme involved the submission of a false insurance claim for items
22 that were purportedly stolen from CASSINI, but were in fact still in his possession. As
23 part of this scheme, on or about February 22, 2005 CASSINI submitted an insurance
24 claim with Vigilant Insurance Company for the theft of a Jaeger Lecoulre watch, a
25 Girard Perregaux watch, and a Toshiba laptop computer. In order to perpetuate this
26 scheme to defraud, on or about February 24, 2005 CASSINI filed a false police report
27 with the Bellevue, Washington Police Department, stating that on February 11, 2005 he
28 discovered two watches and some computer equipment were missing from a warehouse

1 he leased in Bellevue, Washington. On or about February 28, 2005, within the
2 Western District of Washington, for the purpose of executing and attempting to execute
3 this scheme and artifice to defraud, CASSINI knowingly transmitted, in interstate
4 commerce by means of a wire communication, certain signs, signals, and sounds, that
5 is, a facsimile transmission from Bellevue, Washington, to Deer Valley, Arizona.
6 Based on the false statements CASSINI made in connection with this insurance claim,
7 Vigilant Insurance Company paid CASSINI \$23,966.

8 9. Relevant Conduct. The parties agree that the following facts constitute
9 relevant conduct for purposes of restitution, forfeiture, and calculating the base offense
10 level of the sentencing guidelines.

11 In addition to the schemes described above, CASSINI devised and executed
12 numerous other schemes to defraud various banks and individuals. For example, in
13 August 2001, CASSINI, using his former name of Jeffrey Michael Leavitt, opened a
14 brokerage account with Charles Schwab. After several months in which CASSINI
15 made very few transactions in the account, CASSINI deposited a check in the amount
16 of \$35,000 purportedly from an account in his name at Citibank. As CASSINI well
17 knew, this account was closed and did not contain funds to cover the amount written on
18 the check. Before the check was returned to Charles Schwab as unpayable, CASSINI
19 withdrew approximately \$28,000 from the Charles Schwab account.

20 In November 2001, CASSINI obtained an American Express card for his
21 business Giat Technologies in his former name of Jeffrey Michael Leavitt based on
22 false statements regarding his income and assets. Using this American Express card,
23 CASSINI charged a total of \$12,363.04. In February 2003, CASSINI obtained a new
24 American Express card for his business, Prospira Technologies, again using his former
25 name of Jeffrey Michael Leavitt and again based on false statements regarding his
26 income and assets. Using this second American Express Card, CASSINI charged a
27 total of \$103,309.57. Finally, in October 2004, after changing his name and Social
28 Security number, CASSINI obtained a third American Express Card based on similar

1 false statements regarding his income and assets. Using this card, CASSINI charged an
2 additional \$64,621.67. In order to perpetuate his fraud on American Express,
3 CASSINI submitted documents purportedly from Credit Suisse First Boston that
4 showed he owned securities valued at over \$6 million. He also submitted copies of the
5 same false tax returns that he had submitted to many of the banks mentioned above.
6 Although CASSINI made occasional payments to these credit card accounts using the
7 proceeds of other fraudulent schemes, he knew the statements he made in support of
8 these credit card applications were false and knew that he would not make payments as
9 promised toward the debt he incurred on these cards.

10 In August 2004, CASSINI also obtained a credit card from MBNA America
11 Bank based on false statements regarding his income and assets. Based on these false
12 statements, MBNA America Bank approved a \$125,000 line of credit for CASSINI.
13 Using this card between August 2004 and January 2005, CASSINI charged
14 \$122,517.52 knowing that he would not make payments as promised. In February
15 2005, CASSINI caused the posting of two electronic payments towards his MBNA
16 account for a total of \$75,000. CASSINI knew these payments were not valid and that
17 MBNA would not receive any payments towards his account. Before the payments
18 were reversed as unpaid, CASSINI made additional purchases and cash advances,
19 including a cash advance for \$30,000 on February 25, 2005. Altogether, CASSINI
20 charged \$202,099.78 on his MBNA card knowing that he would not make payments as
21 promised on the account.

22 In December 2004, CASSINI also obtained a \$275,000 loan from a private party
23 named David Benoliel. In order to obtain this loan, CASSINI told Mr. Benoliel that he
24 was a wealthy technology consultant with a successful business and that he owned
25 millions of dollars in marketable securities. CASSINI knew these statements were
26 false. In support of these false claims, CASSINI provided Mr. Benoliel with false tax
27 returns in his former name, a false letter purportedly from Barclay's bank verifying \$8
28 million in assets, and false brokerage statements purportedly from Credit Suisse First

1 Boston. CASSINI knew these items were false when he submitted them because he did
2 not in fact own any of the assets he claimed on the loan application and in fact had no
3 legitimate income whatsoever.

4 10. Sentencing Factors. The parties agree and stipulate that the following
5 Sentencing Guidelines provisions apply to this case:

6 a. The parties agree that the appropriate section of the United States
7 Sentencing Guidelines manual is Section 2B1.1, which specifies a base offense
8 level of 7;

9 b. The parties agree that the specific offense level should be increased by 18
10 because the loss amount is greater than \$2,500,000, but less than \$7,000,000 pursuant
11 to Section 2B1.1(b)(1);

12 c. The parties agree that Section 2B1.1(b)(2)(A)(i) is applicable under the
13 facts of this case because the offenses involved 10 or more victims. This results in a
14 two-(2)-level increase in Defendant's total offense level;

15 d. The parties agree that Section 2B1.1(b)(9) is applicable under the facts of
16 this case because the offenses involved sophisticated means. This results in a two-(2)-
17 level increase in Defendant's total offense level;

18 e. The parties agree that Section 2B1.1(b)(13)(A) is applicable under the
19 facts of this case because the Defendant derived more than \$1,000,000 in gross receipts
20 from one or more financial institutions as a result of the offenses. This results in a
21 two-(2)-level increase in Defendant's total offense level;

22 11. Acceptance of Responsibility. The United States acknowledges that
23 Defendant has assisted the United States by timely notifying the authorities of his
24 intention to plead guilty, thereby permitting the United States to avoid preparing for
25 trial and permitting the Court to allocate its resources efficiently. If, at the time of
26 sentencing, the United States remains satisfied that Defendant has accepted
27 responsibility, then it will recommend a sentence that takes this acceptance of
28 responsibility into consideration. Defendant understands and agrees that the United

1 States will base its recommendation on factors set forth in the United States Sentencing
2 Guidelines, including Section 3E1.1.

3 12. Non-Prosecution of Additional Offenses. As part of this Plea Agreement,
4 the United States Attorney's Office for the Western District of Washington agrees to
5 move to dismiss the remaining counts in the Superseding Indictment at the time of
6 sentencing and not to prosecute Defendant for any additional offenses known to it as of
7 the time of this Agreement that are based upon evidence in its possession at this time,
8 or that arise out of the conduct giving rise to this investigation. In this regard,
9 Defendant recognizes that the United States has agreed not to prosecute all of the
10 criminal charges that the evidence establishes were committed by Defendant solely
11 because of the promises made by Defendant in this Agreement. Defendant
12 acknowledges and agrees, however, that for purposes of preparing the Presentence
13 Report, the United States Attorney's Office will provide the United States Probation
14 Office with evidence of all relevant conduct committed by Defendant.

15 Defendant agrees and acknowledges that any charges to be dismissed before or at
16 the time of sentencing were substantially justified in light of the evidence available to
17 the United States, were not vexatious, frivolous, or taken in bad faith, and do not
18 provide Defendant with a basis for any future claims under the "Hyde Amendment,"
19 Pub.L. No. 105-119(1997).

20 13. Voluntariness of Plea. Defendant acknowledges that he has entered into
21 this Plea Agreement freely and voluntarily, and that no threats or promises, other than
22 the promises contained in this Plea Agreement, were made to induce Defendant to enter
23 these pleas of guilty.

24 14. Statute of Limitations. In the event that this Agreement is not accepted by
25 the Court for any reason, or Defendant has breached any of the terms of this Plea
26 Agreement, the statute of limitations shall be deemed to have been tolled from the date
27 of the Plea Agreement to: (1) 30 days following the date of non-acceptance of the Plea
28

1 Agreement by the Court; or (2) 30 days following the date on which a breach of the
2 Plea Agreement by Defendant is discovered by the United States Attorney's Office.

3 15. Post-Plea Conduct. Defendant understands that the terms of this Plea
4 Agreement apply only to conduct that occurred prior to the execution of this
5 Agreement. If, after the date of this Agreement, Defendant should engage in illegal
6 conduct, or conduct that is in violation of his/her conditions of release (examples of
7 which include, but are not limited to: obstruction of justice, failure to appear for a court
8 proceeding, criminal conduct while pending sentencing, and false statements to law
9 enforcement agents, the Pretrial Services Officer, Probation Officer or Court), the
10 United States is free under this Agreement to seek a sentence that takes such conduct
11 into consideration. Such a sentence could include a sentencing enhancement under the
12 United States Sentencing Guidelines or an upward departure from the applicable
13 sentencing guidelines range.

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1 16. Completeness of Agreement. The United States and Defendant
2 acknowledge that these terms constitute the entire Plea Agreement between the parties.
3 This Agreement only binds the United States Attorney's Office for the Western District
4 of Washington. It does not bind any other United States Attorney's Office or any other
5 office or agency of the United States, or any state or local prosecutor.

6 Dated this 27 day of July, 2005.

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8 
9 MICHAEL ALAN CASSINI
Defendant

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11 
12 JOHN HENRY BROWNE
Attorney for Defendant

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14 
15 LAWRENCE LINCOLN
Assistant United States Attorney

16
17 
18 MARK PARRENT
Assistant United States Attorney

19
20 
21 NORMAN M. BARBOSA
Special Assistant United States Attorney