

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

WOODBRIIDGE GROUP OF
COMPANIES, LLC, *et al.*,¹

Remaining Debtors.

Chapter 11

Case No. 17-12560 (BLS)

(Jointly Administered)

Objection Deadline: November 18, 2019 at 4:00 p.m. (ET)
Hearing Date: November 25, 2019 at 10:30 a.m. (ET)

**LIQUIDATION TRUST'S MOTION FOR AN ORDER PURSUANT TO BANKRUPTCY
RULE 2004 DIRECTING APPEARANCE FOR ORAL EXAMINATION**

The Woodbridge Liquidation Trust (the "Liquidation Trust"), formed pursuant to the confirmed and effective *First Amended Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and its Affiliated Debtors* [Docket No. 2397] (the "Plan") in the jointly-administered chapter 11 bankruptcy cases (the "Chapter 11 Cases") of Woodbridge Group of Companies, LLC and its affiliated debtors and debtors in possession (collectively, the "Debtors"), by and through its counsel, respectfully moves (this "Motion") this Court, pursuant to sections 105 and 1103 of title 11 of the United States Code (the "Bankruptcy Code"), Rule 2004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 2004-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District Court of Delaware (the "Local Rules"), for the entry of an order authorizing the Liquidation Trust to conduct an examination of Robert Shapiro ("Shapiro"). In support of this Motion, the Liquidation Trust respectfully states as follows:

PRELIMINARY STATEMENT

1. The Debtors were part of a group of affiliated entities (collectively, the "Woodbridge Entities") formed by, and formerly controlled by, Shapiro. As previously alleged

¹ The Remaining Debtors and the last four digits of their respective federal tax identification numbers are as follows: Woodbridge Group of Companies, LLC (3603) and Woodbridge Mortgage Investment Fund 1, LLC (0172). The Remaining Debtors' mailing address is 14140 Ventura Boulevard #302, Sherman Oaks, California 91423.

by the Debtors, the Securities and Exchange Commission (the “SEC”), and the United States Attorneys’ Office for the Southern District of Florida (the “Government”), and as found by this Court, Shapiro used the prepetition Debtors to perpetrate an elaborate Ponzi scheme by which he defrauded thousands of innocent investors for the purpose of enriching himself, his family, and other insiders. *See* Docket No. 2903, at ¶ NN.

2. In April 2019, Shapiro and two others were indicted by a Grand Jury sitting in the Southern District of Florida and charged with a litany of crimes relating to the Ponzi scheme, including conspiracy, wire fraud, mail fraud, money laundering, and tax evasion. In August 2019, Shapiro entered into a Plea Agreement with the Government pursuant to which, among other things, he agreed (i) to plead guilty to conspiracy to commit mail fraud and wire fraud as well as tax evasion, and (ii) to forfeit “any property, real or personal, which constitutes or is derived from proceeds traceable to the offense of conviction” (including bank accounts, specified jewelry, and other assets).

3. On October 16, 2019, Shapiro was sentenced to 25 years in prison. Shapiro is currently in the custody of the United States Bureau of Prisons (“BOP”). According to the BOP’s “inmate locator,” Shapiro is currently located at the Miami, Florida Federal Detention Center (the “Miami FDC”).²

4. Pursuant to its duty to investigate and, if appropriate, pursue causes of action belonging to the Debtors’ estates, the Liquidation Trust seeks to examine Shapiro to ascertain the identities of individuals and entities who had knowledge of and/or participated in Shapiro’s fraud, as well as the scope of the involvement of such individuals and entities. This information could assist the Liquidation Trust in pursuing causes of action against such third parties for the

² *See* <https://www.bop.gov/inmateloc/>.

ultimate benefit of the Debtors' creditors. Shapiro, as the orchestrator of the Woodbridge enterprise, likely possesses unique and relevant information concerning such topics.

JURISDICTION AND VENUE

5. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding under 28 U.S.C. § 157(b). Venue of the Debtors' Chapter 11 Cases and this Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein are sections 105 and 1103 of the Bankruptcy Code, Bankruptcy Rule 2004, and Rule 2004-1 of the Local Rules.

BACKGROUND

A. The Chapter 11 Cases and Formation of the Liquidation Trust

6. On December 4, 2017, 279 of the Debtors commenced voluntary cases under chapter 11 of title 11 of the Bankruptcy Code. Thereafter, on February 9, 2018, March 9, 2018, March 23, 2018, and March 27, 2018, an additional 27 affiliated Debtors commenced voluntary cases under chapter 11 of the Bankruptcy Code.

7. Information about the Debtors' operations, capital structure and the events leading up to the commencement of these Chapter 11 Cases is set forth in the *Disclosure Statement for the First Amended Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and its Affiliated Debtors* [Docket No. 2398].

8. The Effective Date under the Plan occurred on February 15, 2019. On February 25, 2019, the Court entered the *Final Decree Closing Certain Cases and Amending Caption of Remaining Cases* [Docket No. 3440] which closed all of the Debtors' cases other than those of debtors Woodbridge Group of Companies, LLC and Woodbridge Mortgage Investment Fund 1, LLC (the "Remaining Debtors").

9. The Liquidation Trust was formed on the Effective Date of the Plan. Pursuant to the Plan, all avoidance actions and causes of action held by the Debtors or their estates automatically vested in the Liquidation Trust. *See* Plan §§ 1.76, 1.78 & 5.4.3. In addition, the Liquidation Trust holds causes of action contributed by creditors who elected to contribute their “Contributed Claims” to the Liquidation Trust pursuant to the Plan. *See id.*

B. Shapiro’s Fraudulent Scheme

10. From July 2012 through December 1, 2017, Shapiro used the Woodbridge Entities to conduct a massive Ponzi scheme raising more than \$1.22 billion from over 10,000 unsuspecting investors nationwide.

11. Shapiro’s scheme involved outright deception of the investors under false pretenses. The scheme is described in (i) the *Motion by the U.S. Securities and Exchange Commission for Order Directing the Appointment of a Chapter 11 Trustee* [Docket No. 157]; (ii) the *Disclosure Statement for the First Amended Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* [Docket No. 2284] at 16-30; and (iii) the *Indictment* handed up by the Grand Jury in Shapiro’s criminal case in the U.S. District Court for the Southern District of Florida (the “Florida District Court”).³

12. In its order confirming the Plan, this Court found that:

NN. Conduct of a Ponzi Scheme. The evidence demonstrates, and the Bankruptcy Court hereby finds, that (i) beginning no later than July 2012 through December 1, 2017, Robert H. Shapiro used his web of more than 275 limited liability companies, including the Debtors, to conduct a massive Ponzi scheme raising more than \$1.22 billion from over 8,400 unsuspecting investors nationwide; (ii) the Ponzi scheme involved the payment of purported returns to existing investors from funds contributed by new investors; and (iii) the Ponzi scheme was discovered no later than December 2017.

³ A copy of the indictment is attached as Exhibit B to the *Liquidation Trust’s Motion for an Order Pursuant to Bankruptcy Rule 2004 Directing Production of Documents and Materials and Appearance for Oral Examination* directed toward Shapiro’s wife, Jeri Shapiro (the “Jeri Shapiro 2004 Motion”). *See* Docket No. 3869-3.

Docket No. 2903, at ¶ NN.

13. The Liquidation Trust incorporates by reference the recitation of facts set forth in each of the foregoing documents as if set forth herein.

14. On August 7, 2019, Shapiro and the Government entered into a *Plea Agreement*.⁴ By its terms, Shapiro agreed to plead guilty to two counts – conspiracy to commit mail fraud and wire fraud and income tax evasion – with a statutory maximum term of imprisonment of up to 25 years.

15. Shapiro and the Government agreed to jointly recommend that the Florida District Court make certain findings and conclusions as to the sentence to be imposed, including that (i) the actual loss to investors was between \$250-550 million (although Shapiro reserved the right to contest this amount and assert that a lesser sentence should be imposed because the defendant’s gain was between \$25-65 million); (ii) the offense involved sophisticated means; (iii) Shapiro was “an organizer or leader of a criminal activity that involved five or more participants or was otherwise extensive;” and (iv) the Government could argue that “a victim of the offense was a vulnerable victim.” *See* Docket No. 3869-4, ¶ 11.

16. On October 15, 2019, the Florida District Court held a sentencing hearing. The Florida District Court sentenced Shapiro to the maximum sentence of 25 years in prison and ordered him to pay restitution. *See Amended Judgment in a Criminal Case* (the “Judgment”) (a copy of which is attached hereto as **Exhibit B**). Although Shapiro is currently in BOP custody at the Miami FDC, the Florida District Court “recommend[ed] the defendant be designated to a facility located near Los Angeles, California.” *Judgment* at 2.

⁴ A copy of the plea agreement is attached as Exhibit C to the Jeri Shapiro 2004 Motion. *See* Docket No. 3869-4.

RELIEF REQUESTED

17. The Liquidation Trust seeks entry of an order, substantially in the form of the Proposed Order annexed hereto as **Exhibit A** (the “Proposed Order”), authorizing the Liquidation Trust to conduct an oral examination of Shapiro.

BASIS FOR RELIEF

18. The Liquidation Trust seeks an examination of Shapiro in order to determine whether Shapiro has any information concerning (i) the names, roles, and scope of involvement of any individuals or entities who had knowledge of or participated in the affairs of the Debtors prior to December 4, 2017; or (ii) assets owned or possessed by third parties that were transferred by or otherwise derived from the Debtors.

19. An examination pursuant to Bankruptcy Rule 2004 “can be ordered ‘on motion of any party in interest.’” *In re Lifeco Inv. Group, Inc.*, 173 B.R. 478, 480 (Bankr. D. Del. 1994) (quoting FED. R. BANKR. P. 2004(a)). Rule 2004 further provides that the Court may order an examination concerning any matter that relates “to the acts, conduct, or property or to the liabilities and financial condition of the debtor, or to any matter which may affect the administration of the debtor’s estate, or . . . any matter relevant to the case or the formulation of a plan.” FED. R. BANKR. P. 2004(b). To that end, “[t]hird parties having knowledge of the debtor’s affairs, as well as a debtor itself, are subject to examination.” *In re Valley Forge Plaza Assoc.*, 109 B.R. 669, 674 (Bankr. E.D. Pa. 1990).

20. The scope of a Rule 2004 examination is “exceptionally broad,” as the plain language of the rule indicates. *See* COLLIER ON BANKRUPTCY ¶ 2004.01[1] (Richard Levin & Henry J. Sommer eds., 16th ed.) (quoting *In re Duratech Indus., Inc.*, 241 B.R. 283, 289 (E.D.N.Y. 1988)). Courts have repeatedly recognized the scope of Bankruptcy Rule 2004 examinations “as broad, unfettered and in the nature of a ‘fishing expedition.’” *See, e.g., In re*

Countrywide Home Loans, Inc., 384 B.R. 373, 400 (Bankr. W.D. Pa. 2008) (citation omitted). Indeed, Bankruptcy Rule 2004 affords parties-in-interest an extremely broad right of discovery and “is even broader than that of discovery permitted under [the Federal Rules of Civil Procedure], which themselves contemplate broad, easy access to discovery.” *Valley Forge*, 109 B.R. at 674 (citations omitted).

21. Rule 2004 relief is necessary and appropriate here. The Liquidation Trust seeks to recover all assets wrongfully transferred from the Debtors by Shapiro and his co-conspirators and to bring estate claims against third parties who facilitated, aided and abetted, or otherwise participated in the fraud. Shapiro, as the primary perpetrator of the criminal enterprise, is likely to have unique knowledge of such topics, which are plainly relevant to the discharge of the Liquidation Trust’s duties.

22. Upon entry of an order granting this Motion, counsel for the Liquidation Trust will coordinate with the BOP and/or the United States Marshals Service, as applicable, to arrange a mutually agreeable date, time, and location for the examination, consistent with the protocol set forth in Section V.F.6(a) of the *Legal Resource Guide to the Federal Bureau of Prisons (2019)* (“BOP Legal Guide”) published by the BOP.

RESERVATION OF RIGHTS

23. The Liquidation Trust reserves all of its rights, claims, defenses, and remedies, including, without limitation, the right to amend, modify, or supplement this Motion.

CERTIFICATION OF COMPLIANCE WITH LOCAL RULE 2004-1

24. Pursuant to Local Rule 2004-1, the undersigned counsel to the Liquidation Trust hereby certifies that prior to the filing of this Motion, counsel to the Liquidation Trust attempted to confer with counsel to Shapiro with respect to an examination consistent with this Motion and no agreement was reached. On November 6, 2019, the undersigned counsel to the Liquidation

Trust, Colin R. Robinson, contacted criminal counsel for Shapiro, Mr. Ryan O'Quinn of DLA Piper, and met and conferred with Mr. O'Quinn telephonically regarding the relief requested in the Motion. Mr. O'Quinn stated that Shapiro does not consent to the relief requested herein.

NOTICE

25. In accordance with Local Rule 2004-1(c), notice of this Motion is being given to (a) Shapiro, (b) the Remaining Debtors, (c) the United States Trustee, and (d) those parties that have requested notice in these cases.

NO PRIOR REQUEST

26. No prior request for the relief requested herein has been presented to this or any other court.

[Remainder of page intentionally left blank.]

WHEREFORE, for the reasons discussed herein, the Liquidation Trust respectfully requests entry of an order, substantially in the form of the Proposed Order annexed hereto as Exhibit A: (i) granting the Motion in its entirety; (ii) authorizing the Liquidation Trust to request and conduct an examination of Shapiro; and (iii) granting such other and further relief as this Court deems just and proper under the circumstances.⁵

Dated: November 8, 2019
Wilmington, Delaware

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Colin R. Robinson

Richard M. Pachulski (CA Bar No. 90073)
Andrew W. Caine (CA Bar No. 110345)
Bradford J. Sandler (DE Bar No. 4142)
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-and-

KLEE, TUCHIN, BOGDANOFF & STERN LLP
Kenneth N. Klee (*pro hac vice*)
Michael L. Tuchin (*pro hac vice*)
David A. Fidler (*pro hac vice*)
Jonathan M. Weiss (*pro hac vice*)
1999 Avenue of the Stars, 39th Floor
Los Angeles, CA 90067
Tel: (310) 407-4000
Fax: (310) 407-9090

Counsel to the Liquidation Trust

⁵ The Liquidation Trust requests that the order granting this Motion clarify that the Liquidation Trust is granted leave to depose a deponent confined in prison pursuant to Rule 30(a)(2)(B) of the Federal Rules of Civil Procedure, to the extent applicable. *Cf.* BOP Legal Guide, § V.F.6(a) (“In matters pending in federal court, leave of a court of competent jurisdiction must be obtained prior to taking any deposition of a federal inmate. *See* FED. R. CIV. P. 30(a)(2)(B).”).

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

WOODBRIIDGE GROUP OF
COMPANIES, LLC, *et al.*,¹

Remaining Debtors.

Chapter 11

Case No. 17-12560 (BLS)

(Jointly Administered)

Objection Deadline: November 18, 2019 at 4:00 p.m. (ET)
Hearing Date: November 25, 2019 at 10:30 a.m. (ET)

NOTICE OF MOTION

TO: (I) THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE;
(II) THE LIQUIDATION TRUST AND ITS COUNSEL; (III) ROBERT SHAPIRO
AND (IV) ANY PERSON FILING A SPECIFIC REQUEST FOR NOTICES AND
PAPERS ON AND AFTER THE EFFECTIVE DATE

PLEASE TAKE NOTICE that on November 8, 2019, the Woodbridge Liquidation Trust (the "Liquidation Trust") filed the *Liquidation Trust's Motion for an Order Pursuant to Bankruptcy Rule 2004 Directing Appearance for Oral Examination* (the "Motion") with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, Wilmington, Delaware 19801 (the "Bankruptcy Court"). A copy of the Motion is attached hereto.

PLEASE TAKE FURTHER NOTICE that any response or objection to the entry of an order with respect to the relief sought in the Motion must be filed with the Bankruptcy Court on or before **November 18, 2019 at 4:00 p.m. prevailing Eastern Time** (the "Objection Deadline").

PLEASE TAKE FURTHER NOTICE that at the same time, you must also serve a copy of the response or objection upon the undersigned counsel on or prior to the Objection Deadline.

IF NO OBJECTIONS ARE TIMELY FILED AND SERVED IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED BY THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

PLEASE TAKE FURTHER NOTICE THAT A HEARING TO CONSIDER THE RELIEF SOUGHT IN THE MOTION WILL BE HELD BEFORE THE BEFORE THE

¹ The Remaining Debtors and the last four digits of their respective federal tax identification numbers are as follows: Woodbridge Group of Companies, LLC (3603) and Woodbridge Mortgage Investment Fund 1, LLC (0172). The Remaining Debtors' mailing address is 14140 Ventura Boulevard #302, Sherman Oaks, California 91423.

HONORABLE BRENDAN L. SHANNON, UNITED STATES BANKRUPTCY JUDGE, IN
THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE,
824 N. MARKET STREET, 6TH FLOOR, COURTROOM NO. 1, WILMINGTON, DE 19801
ON **NOVEMBER 25, 2019 AT 10:30 A.M. (PREVAILING EASTERN TIME)**.

Dated: November 8, 2019
Wilmington, Delaware

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Colin R. Robinson

Richard M. Pachulski (CA Bar No. 90073)

Andrew W. Caine (CA Bar No. 110345)

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-and-

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Kenneth N. Klee (*pro hac vice*)

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Counsel to the Liquidation Trust

EXHIBIT A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

WOODBRIIDGE GROUP OF
COMPANIES, LLC, *et al.*,¹

Remaining Debtors.

Chapter 11

Case No. 17-12560 (BLS)

(Jointly Administered)

Ref. Docket No. ____

**ORDER PURSUANT TO BANKRUPTCY RULE 2004
DIRECTING APPEARANCE FOR ORAL EXAMINATION**

Upon consideration of *Woodbridge Liquidation Trust's Motion for an Order Pursuant to Bankruptcy Rule 2004 Directing Appearance for Examination* (the "Motion")² and any responses thereto; and after a hearing on the Motion; and upon the record thereof; and after due deliberation thereon; and good and sufficient cause existing therefor, it is hereby

ORDERED that:

1. The Motion is granted in its entirety.
2. The Woodbridge Liquidation Trust is authorized to take an oral examination of Robert Shapiro (the "Examination") concerning the following topics: (i) the names, roles, and scope of involvement of any individuals or entities who had knowledge of or participated in the affairs of the Debtors prior to December 4, 2017; and (ii) assets owned or possessed by third parties that were transferred by or otherwise derived from the Debtors.
3. The Examination shall be conducted at a date, time, and location that is mutually acceptable to the Liquidation Trust and the Bureau of Prisons.

¹ The Remaining Debtors and the last four digits of their respective federal tax identification numbers are as follows: Woodbridge Group of Companies, LLC (3603) and Woodbridge Mortgage Investment Fund 1, LLC (0172). The Remaining Debtors' mailing address is 14140 Ventura Boulevard #302, Sherman Oaks, California 91423.

² Capitalized terms not defined herein shall have the meanings set forth in the Motion.

4. To the extent the BOP declines to make Shapiro available for the Examination or the Liquidation Trust is otherwise unable to take the Examination absent issuance of a writ of *habeas corpus ad testificandum*, the Liquidation Trust is authorized to seek issuance of such a writ from a United States District Court.

5. This Order constitutes leave to depose a deponent confined in prison pursuant to Rule 30(a)(2)(B), to the extent applicable.

6. The Liquidation Trust's rights are reserved to request additional discovery and/or examination in connection with this matter, including, without limitation, requests based on any information that may be revealed as a result of the examination authorized pursuant to this Order.

7. This Court retains jurisdiction and authority to resolve any disputes arising under or related to this Order, including any discovery disputes that may arise between or among the parties, and to interpret, implement, and enforce the provisions of this Order.

EXHIBIT B

Amended Judgment in Criminal Case

United States District Court
Southern District of Florida
 MIAMI DIVISION

UNITED STATES OF AMERICA

AMENDED JUDGMENT IN A CRIMINAL CASE

v.

Case Number - 1:19-20178-CR-ALTONAGA-1

ROBERT SHAPIRO

USM Number: 77952-112

Counsel for Defendant: Ryan Dwight O'Quinn and Elan Abraham Gershoni
 Counsel for the United States: Roger Cruz and Lisa H. Miller
 Court Reporter: Stephanie McCarn

Date of Original Judgment: October 15, 2019

Reason for Amendment: Modification of Restitution Order (18 U.S.C. § 3664)

The defendant pled guilty to Counts 1 and 10 of the Indictment.
 The defendant is adjudicated guilty of the following offenses:

<u>TITLE/SECTION NUMBER</u>	<u>NATURE OF OFFENSE</u>	<u>OFFENSE ENDED</u>	<u>COUNT</u>
18 U.S.C. § 1349	Conspiracy to Commit Mail Fraud and Wire Fraud	December 2017	1
26 U.S.C. § 7201	Evasion of Payment of Federal Income Taxes	April 2019	10

The defendant is sentenced as provided in the following pages of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

All remaining counts are dismissed on the motion of the United States.

It is ordered that the defendant must notify the United States Attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant must notify the court and United States Attorney of any material changes in economic circumstances.

Date of Imposition of Sentence:
 October 15, 2019


CECILIA M. ALTONAGA
 UNITED STATES DISTRICT JUDGE

November 4, 2019

DEFENDANT: ROBERT SHAPIRO
CASE NUMBER: 1:19-20178-CR-ALTONAGA-1

IMPRISONMENT

The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a term of **300 months**. This term consists of 240 months as to Count 1, and 60 months as to Count 10, to run consecutively.

The Court makes the following recommendations to the Bureau of Prisons:

The Court recommends the defendant be designated to a facility located near Los Angeles, California.

The defendant is remanded to the custody of the United States Marshal.

RETURN

I have executed this judgment as follows:

Defendant delivered on _____ to _____
at _____, with a certified copy of this judgment.

UNITED STATES MARSHAL

By: _____
Deputy U.S. Marshal

DEFENDANT: ROBERT SHAPIRO
CASE NUMBER: 1:19-20178-CR-ALTONAGA-1

SUPERVISED RELEASE

Upon release from imprisonment, the defendant shall be on supervised release for a term of **3 years** as to each of Counts 1 and 10, with all such terms to run concurrently.

The defendant must report to the probation office in the district to which the defendant is released within 72 hours of release from the custody of the Bureau of Prisons.

The defendant shall not commit another federal, state or local crime.

The defendant shall not unlawfully possess a controlled substance. The defendant shall refrain from any unlawful use of a controlled substance. The defendant shall submit to one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter, as determined by the court.

The defendant shall not possess a firearm, ammunition, destructive device, or any other dangerous weapon.

The defendant shall cooperate in the collection of DNA as directed by the probation officer.

If this judgment imposes a fine or restitution, it is a condition of supervised release that the defendant pay in accordance with the Schedule of Payments sheet of this judgment.

The defendant must comply with the standard conditions that have been adopted by this court as well as any additional conditions on the attached page.

STANDARD CONDITIONS OF SUPERVISION

1. The defendant shall not leave the judicial district without the permission of the court or probation officer;
2. The defendant shall report to the probation officer and shall submit a truthful and complete written report within the first fifteen days of each month;
3. The defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
4. The defendant shall support his or her dependents and meet other family responsibilities;
5. The defendant shall work regularly at a lawful occupation, unless excused by the probation officer for schooling, training, or other acceptable reasons;
6. The defendant shall notify the probation officer **at least ten (10) days prior** to any change in residence or employment;
7. The defendant shall refrain from the excessive use of alcohol and shall not purchase, possess, use, distribute, or administer any controlled substance or any paraphernalia related to any controlled substances, except as prescribed by a physician;
8. The defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered;
9. The defendant shall not associate with any persons engaged in criminal activity and shall not associate with any person convicted of a felony, unless granted permission to do so by the probation officer;
10. The defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view by the probation officer;
11. The defendant shall notify the probation officer within **seventy-two (72) hours** of being arrested or questioned by a law enforcement officer;
12. The defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the court; and
13. As directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics and shall permit the probation officer to make such notifications and to confirm the defendant's compliance with such notification requirement.

DEFENDANT: ROBERT SHAPIRO
CASE NUMBER: 1:19-20178-CR-ALTONAGA-1

SPECIAL CONDITIONS OF SUPERVISION

The defendant shall also comply with the following additional conditions of supervised release:

Cooperation with the IRS - The defendant shall cooperate fully with the Internal Revenue Service in determining and paying any tax liabilities. The defendant shall provide to the Internal Revenue Service all requested documents and information for purposes of any civil audits, examinations, collections, or other proceedings. It is further ordered that the defendant file accurate income tax returns and pay all taxes, interest, and penalties due and owing by him/her to the Internal Revenue Service.

No New Debt Restriction - The defendant shall not apply for, solicit or incur any further debt, included but not limited to loans, lines of credit or credit card charges, either as a principal or cosigner, as an individual or through any corporate entity, without first obtaining permission from the United States Probation Officer.

Self-Employment Restriction - The defendant shall obtain prior written approval from the Court before entering into any self-employment.

Unpaid Restitution, Fines, or Special Assessments - If the defendant has any unpaid amount of restitution, fines, or special assessments, the defendant shall notify the probation officer of any material change in the defendant's economic circumstances that might affect the defendant's ability to pay.

DEFENDANT: ROBERT SHAPIRO
CASE NUMBER: 1:19-20178-CR-ALTONAGA-1

CRIMINAL MONETARY PENALTIES

The defendant must pay the total criminal monetary penalties under the schedule of payments on the Schedule of Payments sheet.

<u>Total Assessment</u>	<u>Total Fine</u>	<u>Total Restitution</u>
\$200.00	0	\$478,912,763.00

Restitution with Imprisonment -

It is further ordered that the defendant shall pay restitution in the amount of **\$478,912,763.00**. During the period of incarceration, payment shall be made as follows: (1) if the defendant earns wages in a Federal Prison Industries (UNICOR) job, then the defendant must pay 50% of wages earned toward the financial obligations imposed by this Judgment in a Criminal Case; (2) if the defendant does not work in a UNICOR job, then the defendant must pay a minimum of \$50.00 per quarter toward the financial obligations imposed in this order.

Upon release of incarceration, the defendant shall pay restitution at the rate of 15% of monthly gross earnings, until such time as the court may alter that payment schedule in the interests of justice. The U.S. Bureau of Prisons, U.S. Probation Office and U.S. Attorney’s Office shall monitor the payment of restitution and report to the court any material change in the defendant’s ability to pay. These payments do not preclude the government from using other assets or income of the defendant to satisfy the restitution obligations.

The defendant must make restitution (including community restitution) to the following payees in the amount listed below.

If the defendant makes a partial payment, each payee shall receive an approximately proportioned payment, unless specified otherwise in the priority order or percentage payment column below. However, pursuant to 18 U.S.C. § 3664(I), all nonfederal victims must be paid before the United States is paid.

<u>Name of Payee</u>	<u>Total Amount of Loss</u>	<u>Amount of Restitution Ordered</u>	<u>Priority Order or Percentage of Payment</u>
TO BE PROVIDED BY THE UNITED STATES PROBATION OFFICE	\$478,912,763.00	\$478,912,763.00	

*Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18, United States Code, for offenses committed on or after September 13, 1994, but before April 23, 1996.

DEFENDANT: ROBERT SHAPIRO
CASE NUMBER: 1:19-20178-CR-ALTONAGA-1

SCHEDULE OF PAYMENTS

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties is due as follows:

- A. Lump sum payment of **\$200.00** due immediately.

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the clerk of the court.

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

The assessment/fine/restitution is payable to the CLERK, UNITED STATES COURTS and is to be addressed to:

**U.S. CLERK'S OFFICE
ATTN: FINANCIAL SECTION
400 NORTH MIAMI AVENUE, ROOM 8N09
MIAMI, FLORIDA 33128-7716**

The assessment/fine/restitution is payable immediately. The U.S. Bureau of Prisons, U.S. Probation Office and the U.S. Attorney's Office are responsible for the enforcement of this order.

Defendant shall pay restitution jointly and severally with the codefendants in this case in an amount to be determined.

The defendant shall forfeit the defendant's interest in the following property to the United States:

The defendant's right, title and interest to the property identified in the preliminary order of forfeiture, which has been entered by the Court and is incorporated by reference herein, is hereby forfeited.

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) fine interest, (6) community restitution, (7) penalties, and (8) costs, including cost of prosecution and court costs.