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UNITED STATES DISTRICT COURT FOR THE DISTRICT OF PUERTO RICO

UNITED STATES OF AMERICA, Plaintiff,

v.

[4] JAIME SERRANO-CARDONA, Defendant.

CASE NO. 14-754(DRD)

PLEA AGREEMENT

(Pursuant to Rule 11(c)(1)(A)&(B)FRCP)

TO THE HONORABLE COURT:

COMES NOW the United States of America through its counsel Rosa Emilia Rodríguez-Vélez, United States Attorney for the District of Puerto Rico, José Capó-Iriarte, Assistant United States Attorney, Chief, Criminal Division, Myriam Fernández-González, Assistant U.S. Attorney, Deputy Chief, Financial Fraud and Corruption Unit, Eugenio A. Lomba-Ortiz, Special Assistant U.S. Attorney, defendant's counsel, Juan R. Acevedo, Esq. and the defendant Jaime Serrano-Cardona, pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure, state to this Honorable Court, that they have reached an agreement, the terms and conditions of which are as follows:

1. COUNTS TO WHICH DEFENDANT PLEADS GUILTY

The defendant agrees to plead guilty to: COUNT ONE and COUNT FOUR of the Indictment.

Count One (1) of the Indictment charges: From in or about 2008, the exact date being unknown to the Grand Jury, and continuing up to and until the date of the return of the instant indictment, from the countries of Venezuela, Colombia, Dominican Republic and elsewhere, and within the jurisdiction of this Court, JAIME SERRANO-CARDONA, and others, did knowingly

and intentionally combine, conspire, confederate and agree together and with each other, and with diverse other persons known and unknown to the Grand Jury, to commit an offense against the United States: that is, to intentionally and knowingly import into the United States five (5) kilograms or more of a mixture or substance containing a detectable amount of cocaine, a Schedule II Narcotic Drug Controlled Substance; and five (5) kilograms or more of a mixture or substance containing a detectable amount of heroin, a Schedule I Narcotic Drug Controlled Substance. All in violation of Title 21, United States Code, Sections 952, 960 and 963.

Count Four (4) of the Indictment charges: From in or about 2008, the exact date being unknown to the Grand Jury, and continuing up to and until the date of the return of the instant indictment, in the District of Puerto Rico and elsewhere within the jurisdiction of this Court, JAIME SERRANO-CARDONA, and others, did knowingly and willfully combine, conspire, and agree with each other and with other persons known and unknown to the Grand Jury to commit offenses against the United States in violation of Title 18, <u>United States Code</u>, Sections 1956 and 1957, to wit,

(a) to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce and foreign commerce, which transactions involved the proceeds of specified unlawful activity, that is, the felonious manufacture, importation, receiving, concealment, buying, selling, or otherwise dealing in controlled substances (as defined in section 102 of the Controlled Substances Act), set forth in Title 18, <u>United States Code</u>, Section 1961, punishable under any law of the United States including Title 21, <u>United States Code</u>, Sections 841(a)(1), 846, 952, 960, and 963, knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the property

involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, <u>United States Code</u>, Section 1956(a)(1)(B)(I);

(b) to knowingly engage and attempt to engage, in monetary transactions by, through or to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, such property having been derived from a specified unlawful activity, that is, the felonious manufacture, importation, receiving, concealment, buying, selling, or otherwise dealing in controlled substances (as defined in section 102 of the Controlled Substances Act), set forth in Title 18, <u>United States Code</u>, Section 1961, punishable under any law of the United States including Title 21, <u>United States Code</u>, Sections 841(a)(1),846, 952, 960, and 963, in violation of Title 18, United States Code, Section 1957.

2. MAXIMUM PENALTIES

The penalty for the offense charged in **Count One of the Indictment** is a term of imprisonment which shall not be less than ten (10) years and up to life, a fine not to exceed ten million dollars (\$10,000,000.00) and a term of supervised release of not less than five (5) years in addition to any term of incarceration, pursuant to Title 21, <u>United States Code</u>, Sections 952, 960 and 963.

The penalty for the offense charged in **Count Four of the Indictment** is a maximum term of term of imprisonment of twenty (20) years; a maximum fine of \$500,000.00, or twice the value of the monetary instruments or funds involved, whichever is greater, and a term of supervised release of not more than three (3) years, all pursuant to Title 18, <u>United States Code</u>, Section 1956(h).

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3. APPLICABILITY OF SENTENCING GUIDELINES

Defendant acknowledges that the Court may impose a sentence in accordance with the applicable provision(s) of the Sentencing Guidelines, Title 18 <u>United States Code</u>, Section 3551, *et seq.* (hereinafter Guidelines), which are now advisory. Further, the defendant acknowledges being aware that parole has been abolished and the imposition of sentence may not be suspended.

4. SPECIAL MONETARY ASSESSMENT

Prior to defendant's change of plea hearing, the defendant shall pay a special monetary assessment of one hundred dollars (\$100.00) per count of conviction.

5. FINES AND RESTITUTION

The defendant is aware that the Court may, pursuant to Section 5E1.2 of the Sentencing Guidelines Manual, order the defendant to pay a fine sufficient to reimburse the government for the costs of any imprisonment, probation or supervised release ordered and also the Court may impose restitution. As part of this Plea Agreement, the defendant agrees to produce complete information regarding all restitution victims and defendant agrees to execute a financial statement to the United States (OBD Form 500). The United States will make no recommendations as to the imposition of fines or restitution.

6. **RULE 11(c)(1)(B) WARNINGS**

The defendant is aware that the defendant's sentence is within the sound discretion of the sentencing judge and the advisory Sentencing Guidelines (including the <u>Guidelines Policy Statements</u>, <u>Application</u>, and <u>Background Notes</u>). The defendant understands and acknowledges that the Court is not a party to this Plea Agreement and thus, is not bound by this agreement or the sentencing calculations and/or recommendations contained herein. Defendant specifically acknowledges and admits that the Court has jurisdiction and authority to impose any sentence

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within the statutory maximum set for the offense to which the defendant pleads guilty. Defendant is aware that the court may accept or reject the Plea Agreement, or may defer its decision whether to accept or reject the Plea Agreement until it has considered the pre-sentence report. Should the Court impose a sentence up to the maximum established by statute, the defendant cannot, for that reason alone, withdraw the guilty plea, and will remain bound to fulfill all of the obligations under this Plea Agreement.

7. SENTENCING GUIDELINES CALCULATIONS

Although the Guidelines are now advisory, <u>United States v. Booker</u>, 125 S. Ct. 738, 744, 160 L.Ed.2d 621 (2005), makes clear the sentencing court is required to consider the Guidelines "sentencing range established for... the applicable category of offense committed by the applicable category of defendant" in imposing sentence. <u>Booker</u>, 125 S.Ct. At 744. Therefore, the United States and the defendant submit the following advisory Sentencing Guidelines calculations:

Sentencing Guidelines Calculations Table COUNT ONE Title 21, U.S.C., Section 952, 960 and 963 U.S.S.G. Sec. 2D1.1					
Base Offense Level	[U.S.S.G. Sections 2D2.1(c)(3), at least 50 Kilograms but less than 150 Kilograms of Cocaine]	34			
	[U.S.S.G. Sections 3B1.1(c), If the defendant was an organizer, leader, manager or supervisor in any criminal activity other than described in (a) or (b), increase by 2 levels]	2			
Total	-	36			

	Sentencing Guidelines Calculations Table COUNT FOUR Title 18, U.S.C., Section 1956(h) U.S.S.G. Sec. 2S1.1	
Base Offense Level	[U.S.S.G. Sections 2S1.1 ((8 plus the number of offense levels from table in Sec. 2B1.1(b)(1)(G) (Theft, Property, Destruction, and Fraud) corresponding to the value of the laundered funds, otherwise)): More than \$250,000, add 14 levels))]	20
Specific Offense Characteristics	U.S.S.G. Sec. 2S1.1(b)(1)(i) [If the defendant knew or believed laundered funds were proceeds of, or were intended to promote (i) an	6



	offense including the manufacture, importation, distribution of controlled substances]				
	[U.S.S.G. Sec. 2S1.1(b)(2)(B) [If the defendant was convicted under 1 U.S.C. Sec. 1956, increase by 2 levels]				
	-	(E)			
Total		28			

	Sente	GRO	uideline UPING (S.S.G. S	OF COU	NTS	able			
Combined Adjusted Offense Level	Section 3I Related C		Offense L	evel Ap	olicable t	o Each Gr	oup of Clo	sely	36
Acceptance	Acceptance of responsibility (Offense level is 16 or more) (-3)							-3	
Sentencing Ranges	TOTAL CHC CHC CHC CHC CHC CHC Total Offense						33		
	33 135-168 151-188 168-210 188-235 210-262 235-93 Le					Level			

8. SENTENCE RECOMMENDATIONS

After due consideration of the relevant factors enumerated in 18 U.S.C. Sec. 3553(a), the parties agree to recommend a sentence of imprisonment within the applicable guideline range at a combined offense level of thirty-three (33).

9. WAIVER OF APPEAL

The defendant knowingly and voluntarily waives the right to appeal the judgment and sentence in these cases, provided that the defendant is sentenced in accordance with the terms and conditions set forth in the Sentence Recommendation provisions of this Plea Agreement.

10. NO FURTHER ADJUSTMENTS OR DEPARTURES

The United States and the defendant agree that no further adjustment or departures to the defendant's base offense level shall be sought by the parties. Any request by the defendant for a sentence below the agreed upon guidelines calculation or for an adjustment or departure shall constitute a material breach of this plea agreement.



11. NO STIPULATION AS TO CRIMINAL HISTORY CATEGORY

The parties do not stipulate any assessment as to the defendant's Criminal History Category.

12. DISMISSAL OF REMAINING COUNTS

At sentencing, the United States agrees to move for the dismissal of the remaining counts against the defendant in Criminal Case 14-754(DRD), pursuant to Rule 11(c)(1)(A) of the Federal Rules of Criminal Procedure.

13. SATISFACTION WITH COUNSEL

The defendant represents to the Court to be satisfied with defendant's counsel, Juan R. Acevedo, Esq., and indicates that counsel has rendered effective legal assistance.

14. RIGHTS SURRENDERED BY DEFENDANT THROUGH GUILTY PLEA

Defendant understands that by entering into this agreement, defendant surrenders certain rights as provided in this agreement. Defendant understands that the rights of criminal defendants include the following:

- a. If the defendant had persisted in a plea of not guilty to the charges, defendant would have had the right to a speedy jury trial with the assistance of counsel. The trial may be conducted by a judge sitting without a jury if the defendant, the United States and the judge agree.
- b. If a jury trial is conducted, the jury would be composed of twelve lay persons selected at random. The defendant and the defendant's attorney would assist in selecting the jurors by removing prospective jurors for cause where actual bias or other disqualification is shown, or by removing prospective jurors without cause by exercising peremptory challenges. The jury would have to agree, unanimously, before it could return a verdict of either guilty or not guilty. The jury would be instructed that the defendant is presumed innocent, that it could not convict the

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defendant unless, after hearing all the evidence, it was persuaded of the defendant's guilt beyond a reasonable doubt, and that it was to consider each charge separately.

- c. If a trial is held by the judge without a jury, the judge would find the facts and, after hearing all the evidence and considering each count separately, determine whether or not the evidence established the defendant's guilt beyond a reasonable doubt.
- d. At a trial, the United States would be required to present its witnesses and other evidence against the defendant. The defendant would be able to confront those witnesses and defendant's attorney would be able to cross-examine them. In turn, the defendant could present witnesses and other evidence on defendant's own behalf. If the witnesses for the defendant would not appear voluntarily, defendant could require their attendance through the subpoena power of the Court.
- e. At a trial, the defendant could rely on the privilege against self-incrimination to decline to testify, and no inference of guilty could be drawn from the defendant's refusal to testify. If the defendant desired to do so, the defendant could testify on the defendant's own behalf.

15. FORFEITURE ALLEGATIONS

The defendant accepts the forfeiture allegations and voluntarily waives any right he may have as to the personal and real property contained in the Indictment, including all properties listed and described on the Bills of Particulars filed with the Court, including Bill of Particulars filed at Docket Nos. 101, 200, 221, 300, 467, 881, and 578, including but not limited to:

a. One (1) 2010 BMW X6 M with VIN #: 5YMGZ0C53ALK13222, Puerto Rico Registration
 No. 7242436 and Puerto Rico License Plate HNO-260.

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The defendant further agrees to waive all interest in the asset(s) in any administrative or

judicial forfeiture proceeding, whether criminal or civil, state or federal. The defendant agrees to

consent to the entry of orders of forfeiture for such property and waives the requirements of Federal

Rules of Criminal Procedure 32.2 and 43(a) regarding notice of the forfeiture in the charging

instrument, announcement of the forfeiture at sentencing, and incorporation of the forfeiture in the

judgment. The defendant understands that the forfeiture of assets is part of the sentence that may

be imposed in this case.

The defendant further agrees to waive all constitutional and statutory challenges in any

manner (including direct appeal, habeas corpus, or any other means) to any forfeiture carried out

in accordance with this Plea Agreement on any grounds, including that the forfeiture constitutes

an excessive fine or punishment. The defendant also waives any failure by the Court to advise the

defendant of any applicable forfeiture at the time the guilty plea is accepted as required by Rule

11 (b)(1)(J). The defendant agrees to take all steps as requested by the United States to pass clear

title to forfeitable assets to the United States, and to testify truthfully in any judicial forfeiture

proceeding. The defendant understands and agrees that the property covered by this agreement, is

subject to forfeiture as property involved in illegal conduct giving rise to forfeiture.

16. STATEMENT OF FACTS

The accompanying Statement of Facts signed by the defendant is hereby incorporated into

this Plea Agreement. Defendant adopts the Statement of Facts and agrees that the facts therein are

accurate in every respect and, had the matter proceeded to trial, that the United States would have

proven those facts beyond a reasonable doubt.

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17. LIMITATIONS OF PLEA AGREEMENT

This plea agreement binds only the United States Attorney's Office for the District of Puerto Rico and the defendant; it does not bind any other federal district, state or local authorities.

18. ENTIRETY OF PLEA AGREEMENT

This written agreement constitutes the complete Plea Agreement between the United States, the defendant, and the defendant's counsel. The United States has made no promises or representations except as set forth in writing in this plea agreement and deny the existence of any other term and conditions not stated herein.

19. AMENDMENTS TO PLEA AGREEMENT

No other promises, terms, conditions will be entered unless in writing, signed by all parties.

20. VOLUNTARINESS OF GUILTY PLEA

The defendant acknowledges that no threats have been made against the defendant and that the defendant is pleading guilty freely and voluntarily because the defendant is guilty.

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21. BREACH AND WAIVER

The defendant understands and agrees that if the defendant breaches the plea agreement, the defendant may be prosecuted and sentenced for all of the offenses the defendant may have committed. The defendant agrees that if the defendant breaches this plea agreement, the Government reserves the right to take whatever steps are necessary to nullify the plea agreement, including the filing of a motion to withdraw from the plea agreement and/or to set aside the conviction and sentence. The defendant also agrees that if he is in breach of this plea agreement, the defendant is deemed to have waived any objection to the reinstatement of any charges under the indictment, information, or complaint which may have previously been dismissed or which may have not been previously prosecuted.

RESPECTFULLY SUBMITTED.
ROSA EMILIA RODRIGUEZ-VELEZ
United States Attorney

José Capó-Iriarte

Assistant U.S. Attorney

Chief, Criminal Division

Dated: 3/10 /

Myriam Fernández-González

Assistant U.S. Attorney

Deputy Chief, Financial Fraud and

Corruption Unit

Dated: 2 10 10

Eugenio A. Lomba-Ortiz

Special Assistant U.S. Attorney

Dated: 3/9

Juan R. Acevedo, Esq.

Counsel for Defendant

Dated:

Jaime Serrano-Cardona

Defendant

Dated:

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I have consulted with my counsel and fully understand all of my rights with respect to the

Indictments pending against me. Further, I have consulted with my attorney and fully understand

my rights with respect to the provisions of the Sentencing Guidelines, Policy Statements,

Application, and Background Notes which may apply in my case. I have read this Plea Agreement

and carefully reviewed every part of it with my attorney. My counsel has translated the plea

agreement to me in the Spanish language and I have no doubts as to the contents of the agreement.

I fully understand this agreement and I voluntarily agree to it.

Date:

Jaime Serrano-Cardo

Defendant

I am the attorney for the defendant. I have fully explained to the defendant his rights with

respect to the pending Indictment. Further, I have reviewed the provisions of the Sentencing

Guidelines, Policy Statements, Application, and Background Notes, and I have fully explained to

the defendant the provisions of those guidelines which may apply in this case. I have carefully

reviewed every part this Plea Agreement with the defendant. I have translated the plea agreement

and explained it in the Spanish language to the defendant who has expressed having no doubts as

to the contents of the agreement. To my knowledge, the defendant is entering into this agreement

voluntarily, intelligently and with full knowledge of all consequences of defendant's plea of guilty.

Date

gan R. Acevedo, Esq.

Counsel for Defendant

STATEMENT OF FACTS

In conjunction with the submission of the accompanying Plea Agreement in this case, the United States of America submits the following summary setting forth the version of the facts leading to defendant's acceptance of criminal responsibility.

The defendant accepts that as to Count One, From in or about 2008, the exact date being unknown to the Grand Jury, and continuing up to and until the date of the return of the instant indictment, from the countries of Venezuela, Colombia, Dominican Republic and elsewhere, and within the jurisdiction of this Court, [4] JAIME SERRANO-CARDONA, and others, did knowingly and intentionally combine, conspire, confederate and agree together and with each other, and with diverse other persons known and unknown to the Grand Jury, to commit an offense against the United States: that is, to intentionally and knowingly import into the United States five (5) kilograms or more of a mixture or substance containing a detectable amount of cocaine, a Schedule II Narcotic Drug Controlled Substance; and five (5) kilograms or more of a mixture or substance containing a detectable amount of heroin, a Schedule I Narcotic Drug Controlled Substance. All in violation of Title 21, United States Code, Sections 952, 960 and 963.

It was an object of the conspiracy to import into the United States multi-kilograms of cocaine and heroin for distribution, all for significant financial gain and profit. It was part of the manner and means of the conspiracy that the leaders of this organization would maintain contact with suppliers of narcotics in Colombia, Venezuela, Dominican Republic, and other places with the purpose of purchasing from them large shipments of narcotics (cocaine, heroin) and smuggling them into Puerto Rico and the Continental United States for its distribution for profit. Furthermore, it was further part of the manner and means of the conspiracy that the leaders of this conspiracy would provide smuggling services of large shipments of narcotics to other narcotics' trafficking

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organizations operating within the island of Puerto Rico. Additionally, it was part of the manner

and means of the conspiracy that its leaders would recruit and maintain a group of individuals with

special skills in the handling of vessels and weapons to facilitate the smuggling and distribution of

narcotics. It was part of the manner and means of the conspiracy that its members would act in

different roles in order to further the goals of the conspiracy, to wit: leaders, managers/drug

owners, enforcers, suppliers, money launderers, and facilitators.

[4] JAIME SERRANO-CARDONA acted as a manager, drug supplier/distributor and

money laundering facilitator for the DTO. As manager for the DTO he was in charge of the

administrative aspect of the drug trafficking business. Managers were in charge of receiving the

money proceeds from the drug trafficking activities and of the accounting for other members of

the organization. At some point during the span of the conspiracy managers assumed the decisional

powers of leaders when they were absent. Managers would conduct and attempt to conduct

financial transactions involving the proceeds derived from the members of the conspiracy drug

trafficking activities in order to conceal and disguise them as legitimate income derived from the

activities of otherwise legitimate businesses.

As a drug supplier/distributor for the DTO, [4] JAIME SERRANO-CARDONA would

perform or carry out several acts within the conspiracy, including but not limited to, purchasing

and transporting wholesale amounts of narcotics and delivering them to the leaders and other

members of the drug trafficking organization for further distribution, uploading and offloading

narcotics into and out of vessels and vehicles for distribution, and in some cases stashing narcotics

for the drug trafficking organization.

Money laundering facilitators would recruit and maintain several known business men in

Puerto Rico to facilitate the laundering of the proceeds of the narcotics' distribution. Money

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laundering facilitators would launder the illegal proceeds derived from the conspiracy by, amongst

other ways, the following: construction and development of urbanizations and housing complexes;

construction and leasing of a regional campus for a university in Puerto Rico; purchasing real

estate property; purchasing vehicles and vessels; making structured cash deposits in financial

institutions; and exchanging cash for supermarket checks. Some money laundering facilitators

would use their relatives, friends and others to register assets obtained with the proceeds of illegal

narcotics' trafficking activities. Some money laundering facilitators would also create corporations

to facilitate the laundering of the proceeds of their illegal narcotics' trafficking activities and

disguise the true ownership of these proceeds. Money laundering facilitators would also conduct

and attempt to conduct financial transactions involving proceeds derived from the conspiracy's

drug trafficking activities in a manner and in order to conceal and disguise them as legitimate

income derived from the activities of otherwise legitimate businesses or transactions. Money

laundering facilitators would also conduct financial transactions and engaged in actions to further

the drug trafficking activities of the conspiracy.

At times material to the Indictment, [4] JAIME SERRANO-CARDONA participated of

multiple drug smuggling ventures with members of the DTO.

Furthermore, [4] JAIME SERRANO-CARDONA accepts that on or about the year 2010,

[1] CARLOS MORALES-DAVILA, and others coordinated and imported to Puerto Rico a 1200

kilograms of cocaine load. The cocaine was smuggled through Arecibo, Puerto Rico via a cargo

vessel. These narcotics were received and distributed with the assistance of other members of the

DTO. [4] JAIME SERRANO-CARDONA participated of and assisted in this drug smuggling

venture.

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The defendant accepts as to Count Four (4) that, from in or about 2008, the exact date being

unknown to the Grand Jury, and continuing up to and until the date of the return of the instant

indictment, in the District of Puerto Rico and elsewhere within the jurisdiction of this Court, [4]

JAIME SERRANO-CARDONA, and others, did knowingly and willfully combine, conspire,

and agree with each other and with other persons known and unknown to the Grand Jury to commit

offenses against the United States in violation of Title 18, United States Code, Sections 1956 and

1957, to wit,

(a) to knowingly conduct and attempt to conduct financial transactions affecting

interstate commerce and foreign commerce, which transactions involved the proceeds of specified

unlawful activity, that is, the felonious manufacture, importation, receiving, concealment, buying,

selling, or otherwise dealing in controlled substances (as defined in section 102 of the Controlled

Substances Act), set forth in Title 18, United States Code, Section 1961, punishable under any law

of the United States including Title 21, United States Code, Sections 841(a)(1), 846, 952, 960, and

963, knowing that the transactions were designed in whole or in part to conceal and disguise the

nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and

that while conducting and attempting to conduct such financial transactions, knew that the property

involved in the financial transactions represented the proceeds of some form of unlawful activity,

in violation of Title 18, United States Code, Section 1956(a)(1)(B)(I);

(b) to knowingly engage and attempt to engage, in monetary transactions by,

through or to a financial institution, affecting interstate and foreign commerce, in criminally

derived property of a value greater than \$10,000, such property having been derived from a

specified unlawful activity, that is, the felonious manufacture, importation, receiving,

concealment, buying, selling, or otherwise dealing in controlled substances (as defined in section

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102 of the Controlled Substances Act), set forth in Title 18, United States Code, Section 1961,

punishable under any law of the United States including Title 21, United States Code, Sections

841(a)(1),846, 952, 960, and 963, in violation of Title 18, United States Code, Section 1957.

As to the money laundering conspiracy charge, it was the purpose and object of the

unlawful conspiracy to conceal and disguise the proceeds of drug trafficking activity derived by

the defendants, and others known and unknown to the Grand Jury, by conducting financial

transactions with the monies, including deposits, purchases, and transfers of money, in order to

create the appearance that the funds were of a legitimate origin, and were being used for a

legitimate purpose. It was further a purpose and object of the unlawful conspiracy that the

defendants would conceal the fact that the moneys were, in fact, the proceeds of drug trafficking

activities, in order to be able to freely enjoy the drug proceeds and the fruits thereof.

More specifically and in regards to the money laundering conspiracy, the defendant accepts

knowledge of the following:

On or about January 28, 2010, [12] JORGE BOBONIS-REXACH sold a residential real

estate property located at Paseo Los Corales I, 612 (G-19) Calle Mar Indigo, in Dorado, Puerto

Rico, to [1] CARLOS MORALES-DAVILA. The property was recorded in the name of Aguas

del Caribe, Inc., a corporation owned and controlled by [11] LUIS SANTANA-MENDOZA.

On or about August 5, 2010, [12] JORGE BOBONIS-REXACH sold to [1] CARLOS

MORALES-DAVILA a residential real estate property located at Multi-apartment Building and

Auto Marc (LOT) Carr. 2, Km 31.2, Bo Bajuras, Vega Alta, Puerto Rico. The property was

acquired by Aguas del Caribe, Inc., a corporation owned and controlled by [11] LUIS SANTANA-

MENDOZA, on behalf of [1] CARLOS MORALES-DAVILA.

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On or about October 23, 2010, [17] CARLOS ALVARADO-ENCARNACION sold a real estate property located at Vistamar Marina A-7 El Ferrol Street, Carolina, Puerto Rico to [1] CARLOS MORALES-DAVILA. The property was recorded in the name of Aguas del Caribe, Inc., a corporation owned and controlled by [11] LUIS SANTANA-MENDOZA. [12] JORGE BOBONIS-REXACH and [11] LUIS SANTANA-MENDOZA both intervened in this transaction on behalf of [1] CARLOS MORALES-DAVILA.

On or about February, 2011, [11] LUIS SANTANA-MENDOZA acquired for development a real estate property located at Montemar Apartments (4 towers, 32 apartments), Bo. Canas, Carr. 2, Km. 255.5, Ponce, Puerto Rico, on behalf of [1] CARLOS MORALES-DAVILA. Desarrollos Montemar Perla, Inc., owned and controlled by [11] LUIS SANTANA-MENDOZA purchased Phase II-B (Fase II-B) of the original development and eventually built 4 towers of 32 apartments on approximately 1 acre of land. [11] LUIS SANTANA-MENDOZA made two checks to the seller, \$509,000 and \$191,000, respectively, from CAA, Inc.

On or about June 15, 2011, [11] LUIS SANTANA-MENDOZA acquired a property located at Montemar Apartments, A-1 Calle Aragon 803, La Rambla, Ponce, Puerto Rico, on behalf of [1] CARLOS MORALES-DAVILA. The property is recorded in the name of Desarrollos Montemar Perla, Inc., owned and controlled by [11] LUIS SANTANA-MENDOZA.

On or about March 1, 2012, [12] JORGE BOBONIS-REXACH acquired a real estate property located at 16653 SE, 19th Court Summerfield, Florida (Parcel #44805-001-02) on behalf of [1] CARLOS MORALES-DAVILA. [12] JORGE BOBONIS-REXACH, with proceeds provided by [1] CARLOS MORALES-DAVILA, through family and friends, coordinate the construction of a residential structure on the referred parcel of land.

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Criminal No. 14-754(DRD)

On or about August 8, 2012, [12] JORGE BOBONIS-REXACH acquired a real estate property located at Paramount Bay Condominium, 2020 N. Bay Shore Drive, Apt. 1501, Miami, Florida on behalf of [1] CARLOS MORALES-DAVILA. The property is recorded in the name of Mejoras del Caribe, Inc., owned and controlled by [12] JORGE BOBONIS-REXACH.

At times material to the Indictment, [4] JAIME SERRANO-CARDONA and others bought in cash (drug proceeds) a 2010 BMW X6 M VIN #: 5YMGZ0C53ALK13222, Puerto Rico Registration No. 7242436 and Puerto Rico License Plate HNO-260, as a present for [1] CARLOS MORALES-DAVILA. During the span of the conspiracy, the vehicle was registered in the name of different individuals, including [4] JAIME SERRANO-CARDONA in order to conceal the true ownership of the same.

Furthermore, at times material to the Indictment, [4] JAIME SERRANO-CARDONA and others assisted [1] CARLOS MORALES-DAVILA in counting and packaging millions of dollars (drug proceeds) at MORALES-DAVILA's residence at the time at Urb. Paseo Los Corales I, #612 (G-19) Calle Mar Indigo, Dorado, PR.

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Plea Agreement

United States v. [4] Jaime Serrano-Cardona

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At trial, the United States would have proven beyond a reasonable doubt that [4] JAIME

SERRANO-CARDONA is guilty as charged in Counts One and Four of the Indictment, by

presenting physical and documentary evidence, photographs, videos and the testimony of forensic

chemists as expert witnesses, cooperators, bank records and financial documents, as well as the

testimony of Homeland Security Investigations, Drug Enforcement Administration officers,

Federal Bureau of Investigations officers, and Police of Puerto Rico agents among others. Full

discovery has been provided to the defendant.

Eugenio A. Lomba-Ortiz

Special Assistant U.S. Attorney

Dated: 3 /8 /2017

Juan R. Acevedo, Esq. Counsel for Defendant

Dated:

Jaime Serrano-Cardona

Defendant

Dated: 4-3-17