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IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA
HARRISBURG DIVISION

UNITED STATES OF AMERICA : CASE NO.
 :
 v. : 1:089CR-319-1
 :
 SEAN N. HEALY :
 :

TRANSCRIPT OF PROCEEDINGS
CHANGE OF PLEA

BEFORE: HON. SYLVIA H. RAMBO
DATE: November 23, 2009
11:00 a.m.
PLACE: Courtroom No. 3, 8th Floor
Federal Building
Harrisburg, Pennsylvania
BY: Wendy C. Yinger, RPR, CRR
U.S. Official Court Reporter

APPEARANCES:
BRUCE D. BRANDLER, ESQUIRE
Assistant United States Attorney
For the United States of America
THOMAS ANTHONY MARINO, ESQUIRE
WILLIAM C. COSTOPOULOS, ESQUIRE
For the Defendant

1 THE COURT: Mr. Brandler, Mr. Marino.

2 MR. BRANDLER: Your Honor, this is the case of the
3 United States of America versus Sean N. Healy, criminal number
4 1:09-CR-319. Last week, the United States filed a plea
5 agreement which was executed by Mr. Healy, his attorney, and
6 the Government, indicating that Mr. Healy wishes to change his
7 previously entered not guilty plea and plead guilty to Counts
8 2, 16, and 24 of the indictment. The United States is ready to
9 proceed on that.

10 THE COURT: Is it correct that he's going to be
11 entering a plea to Counts 2, 16, and 24 of the indictment?

12 MR. MARINO: Yes, Your Honor.

13 THE COURT: Mr. Healy, before I can accept your
14 change of plea, it will be necessary for me to establish for
15 the record that you understand your rights and the consequences
16 of your plea. You will be placed under oath and I will ask
17 questions of you. And you should be advised that if you give
18 me any false answers, you could be subject to further
19 prosecution for perjury or false swearing. Do you understand
20 that?

21 THE DEFENDANT: Yes, Your Honor.

22 THE COURT: Do you further understand that you are
23 entitled to maintain a plea of not guilty and proceed to a jury
24 trial in this matter? At that trial, you could not be forced
25 to take the witness stand and testify against yourself.

1 Because you're entering pleas to three counts, I must establish
2 for the record your involvement in these counts. I will ask
3 questions of you to which you must respond thereby giving up
4 your right against self-incrimination. Do you understand that?

5 THE DEFENDANT: Yes, Your Honor.

6 Whereupon,

7 **SEAN N. HEALY**

8 having been duly sworn, testified as follows:

9 **EXAMINATION**

10 BY THE COURT:

11 Q. How old are you?

12 A. I just turned 39.

13 Q. How far have you gone in school?

14 A. Almost three years, three years of college.

15 Q. Have you taken any drugs or alcohol before coming into
16 court today?

17 A. No, sir -- no, ma'am.

18 Q. That's all right.

19 A. I'm sorry.

20 Q. Are you undergoing any psychological or psychiatric
21 counseling of any kind?

22 A. No, Your Honor.

23 Q. Now your counsel is privately retained. Do you understand
24 that if, at any stage of these proceedings, if you can no
25 longer afford to retain his services, that the Court, on proper

1 application, will consider the appointment of a public defender
2 to represent you without cost?

3 A. Yes, Your Honor.

4 Q. Are you satisfied with the representation you've received
5 from him to date?

6 A. Yes, Your Honor.

7 Q. Now as I've indicated, you may persist in a not guilty
8 plea and proceed to a jury trial in this matter in which you
9 and counsel would select a jury consisting of 12 persons. At
10 the trial, the Government would have the responsibility of
11 proving each and every element of the crime charged against you
12 beyond a reasonable doubt, and you're presumed innocent until
13 that burden is met.

14 At a trial, you would have the right to cross-examine any
15 witnesses the Government would present. You, in turn, would
16 have the right to subpoena witnesses and evidence on your own
17 behalf, although you're not required to do so. Any finding of
18 guilt by a jury would have to be unanimous; that is, all 12
19 jurors would have to agree. If you give up your right to a
20 jury trial, you give up your right to present any defenses that
21 you may have or the right to appeal any pretrial motions. Do
22 you understand your right to a jury trial?

23 A. Yes, Your Honor.

24 Q. Is it your desire to give up your right to a jury trial
25 and enter a plea of guilty to Counts 2, 16, and 24 of the

1 indictment?

2 A. Yes, Your Honor.

3 THE COURT: There is a plea agreement in this matter.
4 I would ask Mr. Brandler to state the essence of the plea
5 agreement for the record.

6 MR. BRANDLER: Yes, Your Honor. The highlights of
7 the plea agreement are as follows: Both parties understand
8 that the advisory sentencing commission guidelines will apply
9 to the offenses for which the Defendant is pleading guilty as
10 those offenses occurred after the implementation date of the
11 sentencing guideline system.

12 The Defendant agrees to plead guilty to Counts 2, 16,
13 and 24 of the indictment. Count 2 of the indictment charges
14 the Defendant with a violation of Title 18, United States Code,
15 Section 1343, wire fraud. The maximum penalty for that offense
16 is imprisonment for a period of up to 20 years, a fine of up to
17 \$250,000.00, or twice the gross gain or loss, a maximum term of
18 supervised release of up to three years to be determined by the
19 Court, which shall be served at the conclusion of and in
20 addition to any term of imprisonment, as well as the costs of
21 prosecution, imprisonment, probation or supervised release
22 order, denial of certain federal benefits, and an assessment in
23 the amount of \$100.00.

24 Count 16 of the indictment charges the Defendant with
25 a separate count of wire fraud in violation of Title 18, United

1 States Code, Section 1343. The maximum penalties for that
2 offense are the same that I just previously outlined with
3 respect to Count 2.

4 Count 24 of the indictment charges the Defendant with
5 a violation of Title 18, United States Code, Section 1957, that
6 is engaging in unlawful monetary transactions. The maximum
7 penalty for that offense is imprisonment for a period of up to
8 10 years, a fine of up to \$250,000.00, or twice the gross gain
9 or loss, a maximum term of supervised release of up to three
10 years to be determined by the Court, which shall be served at
11 the conclusion of and in addition to any term of imprisonment,
12 as well as the costs of prosecution, imprisonment, probation or
13 supervised release order, denial of certain federal benefits,
14 and an assessment in the amount of \$100.00.

15 The Defendant understands that the total maximum
16 possible sentence for all the charges, the combination of the
17 penalties that I just described, that is 50 years in prison,
18 fines totaling \$750,000.00, or twice the amount of criminally
19 derived property, or twice the amount of gross gain or loss, a
20 term of supervised release to be determined by the Court, the
21 costs of prosecution, denial of certain federal benefits, and
22 assessments totaling \$300.00.

23 In exchange for the Defendant's guilty plea, the
24 United States has agreed that it will not bring any other
25 criminal charges against the Defendant directly arising out of

1 his involvement in the offenses described in the indictment.

2 In addition, the United States Attorney's office has
3 agreed that it will not bring any criminal charges against his
4 wife, Shalese R. Healy, directly arising out of her involvement
5 in the offenses described in the indictment.

6 Nothing in the agreement limits prosecution for
7 criminal tax charges, if any, arising out of those offenses.
8 At the time of sentencing, the United States has agreed that it
9 will recommend that the Court give the Defendant a three-level
10 reduction for acceptance of responsibility pursuant to the
11 sentencing guidelines.

12 That recommendation is based upon discussions that
13 we've had with Mr. Healy to date as well as representations by
14 his counsel that he will continue to accept responsibility for
15 these offenses. He understands that, that recommendation as
16 well as any other recommendations the Government makes are not
17 binding upon the probation department or the Court.

18 Furthermore, with respect to the sentencing, the
19 United States has agreed that it will make a specific
20 recommendation within the applicable guideline range and
21 preserves the right to recommend the maximum sentence within
22 that range.

23 With respect to the sentencing guideline range, the
24 United States has agreed to recommend to the Court and to the
25 probation department that if the Defendant is found to have a

1 criminal history of category one, that we would recommend a
2 guideline sentencing range of 121 to 151 months imprisonment.

3 Furthermore, if the Defendant forfeits all of his
4 interests in all property, real and personal, that constitutes
5 or is derived from proceeds traceable to the commission of the
6 offenses described in the indictment, as outlined in Counts 54
7 and 55 of the indictment and is further discussed in the plea
8 agreement in paragraphs 16 through 20, that the United States
9 would recommend a sentence at the bottom of the guideline
10 range. That would be 121 months imprisonment.

11 He understands, as I said earlier, that that's just a
12 recommendation from the Government and that the Court and the
13 probation department are free to make other calculations and
14 sentence -- the Court is at liberty to sentence him up to the
15 maximum statutory sentence which I previously discussed.

16 With regard to substantial assistance, the Defendant
17 has had discussions with the Government regarding providing
18 information about the unlawful activity of others. If that
19 information is of substantial assistance to the Government,
20 pursuant to the sentencing guidelines, the Government may
21 request the Court to depart below the calculated guideline
22 range.

23 However, he understands that the decision whether or
24 not to recommend a departure on that basis is the Government's
25 alone and we may decline to exercise our discretion and

1 recommend a departure if we believe that there was no
2 substantial assistance.

3 The other important aspect has to do with the
4 forfeitures. Attached to the plea agreement is a very lengthy
5 document which we've denoted as Exhibit A. Exhibit A has more
6 than 300 items that have been categorized, most of which are
7 being currently held by a receiver in a parallel civil case
8 where the SEC has sued Mr. Healy in connection with these
9 events.

10 The forfeiture, which starts -- we talk about it in
11 paragraph 16 of the plea agreement. Basically, it's indicating
12 that the Defendant has agreed to forfeit all of the property
13 that's listed in Exhibit A to the United States and to consent
14 to a preliminary order of forfeiture regarding all items in
15 Exhibit A. He also indicated he has no other assets worth
16 \$5000.00 or more other than those that may be itemized in
17 Exhibit A.

18 Finally, he understands that, besides the
19 forfeitures, there could be fines in this case, and besides the
20 fines, there's a mandatory restitution act, and at the time of
21 sentencing, the Court must impose a sentence which includes
22 restitution to any victims who may have lost money in
23 connection with these offenses. I believe those are the
24 highlights, Your Honor.

25 THE COURT: Is that your understanding of the plea

1 agreement?

2 THE DEFENDANT: Yes, Your Honor.

3 THE COURT: Have there been any threats against you
4 or any member of your family to enter into this plea agreement?

5 THE DEFENDANT: No, Your Honor.

6 THE COURT: Have there been any promises made to you
7 of any kind by anyone that haven't been set forth in this plea
8 agreement?

9 THE DEFENDANT: No, Your Honor.

10 THE COURT: Has anyone promised you what your
11 sentence would be?

12 THE DEFENDANT: No, Your Honor.

13 THE COURT: In that regard, do you understand on
14 Count 1, the maximum --

15 MR. BRANDLER: Count 2.

16 THE COURT: Excuse me. Count 2 and Count 16, the
17 maximum penalty for that offense could be 20 years
18 imprisonment, a fine of \$250,000.00, or twice the gross gain or
19 loss, a term of supervised release of up to three years, costs
20 of prosecution, denial of certain federal benefits, and a
21 special assessment on each count of \$100.00.

22 On Count 24 of the indictment, involving unlawful
23 monetary transaction, that carries a penalty of up to 10 years
24 imprisonment, a fine of \$250,000.00, or twice the gross gain or
25 loss, a term of supervised release up to three years, costs of

1 prosecution, denial of certain federal benefits, and a special
2 assessment of \$100.00.

3 So the maximum penalty that you are facing is a term
4 of imprisonment of 50 years, fines totaling \$750,000.00, or
5 both, or twice the amount of criminally deprived property, or
6 twice the amount of the gross gain or loss, a term of
7 supervised release to be determined by the Court, costs of
8 prosecution, denial of certain federal benefits, and special
9 assessments totaling \$300.00.

10 The term of supervised release is a term that is
11 served after any prison term. And should there be a violation
12 of the term of supervised release, you could be returned to
13 prison. Do you understand that?

14 THE DEFENDANT: Yes, Your Honor.

15 THE COURT: Now in addition, you have agreed to
16 forfeiture of assets which are set forth in Exhibit A of this
17 plea agreement. Have you reviewed Exhibit A?

18 THE DEFENDANT: Yes, Your Honor.

19 THE COURT: And do you agree to forfeit all the
20 property that's listed therein?

21 THE DEFENDANT: Yes, Your Honor.

22 THE COURT: Any recommendation made by the Government
23 concerning the proposed guideline sentencing range that they
24 are proposing is not binding on me. Do you understand that?

25 THE DEFENDANT: Yes, Your Honor.

1 THE COURT: Now the amount of restitution set forth
2 in the agreement is between 7 million and 20 million. There is
3 also in paragraph 21 an agreement that you will perform
4 community service as imposed by the Court or as directed by the
5 probation officer in addition to any other sentence imposed by
6 the Court until the value of the services is equal to either
7 the full amount of restitution or the difference between the
8 full restitution and the amount of restitution ordered to be
9 paid. Do you understand that?

10 THE DEFENDANT: Yes, Your Honor.

11 THE COURT: You have also, in the event that you do
12 not plead guilty or the plea is not accepted by the Court and
13 the plea is withdrawn, that you agree that any admissions of
14 plea discussions and cooperation will be available to the
15 Government. Is that correct?

16 MR. MARINO: Yes, Your Honor.

17 THE DEFENDANT: Yes.

18 THE COURT: Now in order to determine an appropriate
19 sentence for you, the Court must first start at what we call
20 the sentencing guidelines. And that's all they are. They are
21 guidelines. But I must begin by looking at the sentencing
22 guidelines before I determine the actual sentence for you. Has
23 anyone -- if anyone has estimated what they believe your
24 guideline would be, it's not binding on this Court, and should
25 I find your guideline to be different than what has been

1 advised to you, you can't withdraw your guilty plea. Do you
2 understand that?

3 THE DEFENDANT: Yes, Your Honor.

4 THE COURT: Now in addition to the guideline, I must
5 consider certain sentencing factors under 18 U.S.C. Section
6 3553(a). And they are, I must consider the nature and
7 circumstances of the offense, the seriousness of the offense.
8 I must devise a sentence that will provide just punishment,
9 adequate deterrence of criminal conduct. I need to devise a
10 sentence that will protect the public from further crimes.

11 I must determine whether you need any necessary care,
12 training, or correctional treatment. I must consider your
13 history and characteristics, the kinds of sentences available.
14 I must avoid unwarranted sentencing disparities, and I need to
15 provide restitution to victims. Do you understand that those
16 are all factors that go in to a determination of a sentence for
17 you?

18 THE DEFENDANT: Yes, Your Honor.

19 THE COURT: I show you a document entitled plea
20 agreement. Have you reviewed each and every paragraph of that
21 agreement with your counsel?

22 THE DEFENDANT: Yes, Your Honor.

23 THE COURT: Could you go to the tab that's there?

24 (Complied.)

25 THE COURT: Is that your signature?

1 THE DEFENDANT: Yes, Your Honor.

2 THE COURT: Do you have any question of me concerning
3 anything in that document?

4 THE DEFENDANT: No, Your Honor.

5 THE COURT: Now you're charged in the indictment that
6 from on or about 2003 to May of 2009, that you devised and
7 executed a scheme and artifice to defraud numerous victims
8 throughout the United States by soliciting and obtaining
9 millions of dollars under false pretenses by failing to invest
10 the fraudulently obtained funds as promised, and by failing to
11 purchase and/or sell or transfer stock, commodities, as
12 promised, and by misappropriating and converting the
13 fraudulently obtained funds to your own use without knowledge
14 or authorization of the individuals who provided the funds, and
15 that you caused the wires to be used in executing that wire
16 transfer of funds. Would you take, I was going to say a count
17 at a time, so I can question him?

18 MR. BRANDLER: Yes.

19 THE COURT: Well, 2 and 16 can probably be --

20 MR. BRANDLER: I'd like to give some historical
21 background before I address the specific counts. I think
22 putting the specific counts in context will be helpful to the
23 Court.

24 THE COURT: All right.

25 MR. BRANDLER: If the case had proceeded to trial,

1 the United States would have proved the following facts beyond
2 a reasonable doubt: In sum, Mr. Healy executed an investment
3 type ponzi scheme between approximately 2003 and May of 2009.
4 Mr. Healy claimed to numerous investors who were located
5 throughout the United States that he was a very successful day
6 trader of stocks and commodities who retired to Florida after
7 making millions of dollars on Wall Street.

8 Mr. Healy offered these investors the opportunity to
9 join with him as a partner in his current trading activities
10 and share his wealth. Mr. Healy told the investors that he
11 would invest their money by buying and selling various stocks
12 and commodities. Sometimes he told the investors that he would
13 pool their money with his own and other investors that he was
14 partnering with.

15 Mr. Healy named these investment partnerships;
16 Innercircle Capital was supposedly run by an individual by the
17 name of Rich Bonocore and Pride Rock was supposedly run by an
18 individual by the name of Phil Lundy.

19 THE COURT: Is that Pride Rock?

20 MR. BRANDLER: Pride Rock. R-O-C-K.

21 THE COURT: Right. P-R-I-D-E?

22 MR. BRANDLER: Yes.

23 THE COURT: One word or two?

24 MR. BRANDLER: One word.

25 THE COURT: Sorry. Go ahead.

1 MR. BRANDLER: Mr. Healy communicated with the
2 investors about their investments frequently via e-mail, fax,
3 telephone, and in person, depending on where that person was
4 located and the particular circumstances.

5 When he communicated via e-mail, he used the e-mail
6 address of snh12@aol.com. The investors also received e-mails
7 from e-mail address rbonocore@innercirclecapital.com, who was
8 supposed to be Rich Bonocore, and from another e-mail address
9 called upticker4u@aol.com. That was supposed to be Mr. Phil
10 Lundy's e-mail address.

11 These communications generally advised the investors
12 of the tremendous profits they were making, requested more
13 money from them, or attached what were represented to be
14 account statements reflecting the profits or other official
15 looking forms that had to be filled out and submitted to third
16 parties in order to execute a transaction or receive funds.

17 If an investor requested a payout of his profits, Mr.
18 Healy, Rich Bonocore, or Phil Lundy, would usually advise the
19 investor of some unfortunate happenstance that was delaying the
20 payout. For example, one investor was told by Phil Lundy in an
21 e-mail that he couldn't get his money because Phil had to
22 travel to Austria to visit his mother who had just found out
23 she had a brain tumor.

24 However, the investor was informed in the e-mail that
25 the delay was a good thing, because it would result in a 35

1 percent increase in his account. In reality, Mr. Healy didn't
2 invest any of these investor funds and simply used the money to
3 fund a lavish lifestyle or pay back earlier investors who sued
4 him or threatened to report him to law enforcement authorities.

5 Mr. Healy pretended to be Rich Bonocore and Phil
6 Lundy and sent the e-mails which supposedly came from those
7 individuals. Mr. Healy also created the phony account
8 statements to make it appear that the funds were invested as
9 promised. This scheme unraveled in approximately March or
10 April of 2009 -- actually March of 2009, when a Pennsylvania
11 investor named Al Madeira sued Mr. Healy in federal district
12 court in Florida.

13 Mr. Madeira, along with about 40 other investors in
14 and around Pennsylvania and Virginia, wired about \$15 million
15 to a bank account in Mr. Healy's wife's name, that's Shalese R.
16 Healy, an account which she held at the Bank of America in
17 Florida in between May of 2008 and February of 2009. That
18 money was to be used by Mr. Healy for investment purposes such
19 as purchasing stock, primarily Ruth Chris stock, and also gold,
20 silver, and oil futures contracts.

21 By August of 2008, Mr. Healy led Mr. Madeira to
22 believe that he was entitled to about \$40 million that was
23 being held in trading accounts managed by people Mr. Healy
24 named Matt and Andy. Mr. Madeira never met Matt and Andy, and
25 as he later learned, those individuals did not exist. Mr.

1 Healy also indicated that regulators had put restrictions on
2 the Matt and Andy accounts, and Mr. Healy requested additional
3 funds from Mr. Madeira to lift the restrictions and to make
4 additional trades which would be supposedly guaranteed to make
5 profits because in these gold future contracts, Mr. Healy
6 indicated they had already hit the strike price and, therefore,
7 were guaranteed to be profitable.

8 Mr. Madeira had no more funds to invest personally at
9 that time, so he began to borrow money from friends, family,
10 and third parties to send to Mr. Healy. Mr. Madeira's
11 attorney, an individual named Tom Ahrens, actually drafted
12 promissory notes and joint venture agreements between Mr.
13 Madeira and these third parties for this purpose.

14 Mr. Ahrens also invested his own money and recruited
15 his clients to lend Mr. Madeira money for this purpose.
16 Sometimes Mr. Ahrens personally guaranteed these transactions
17 himself. Some of these third parties, which we're calling the
18 Madeira related parties in this indictment, some of these third
19 parties wired funds directly to Mr. Healy's bank accounts at
20 Bank of America in Florida, but most provided the money to Mr.
21 Ahrens or Mr. Madeira directly.

22 As a result of all this new infusion of money, Mr.
23 Madeira and Mr. Ahrens were told that they could expect huge
24 payouts by the end of the year. That would be the end of 2008.
25 When the payouts never materialized, Mr. Madeira and Mr. Ahrens

1 became suspicious and Healy -- Mr. Healy gave various excuses
2 for the delays, including needing more money from Mr. Madeira
3 to lift the regulators' restrictions or Matt's mother died and
4 he couldn't process the transactions in time and just a lot of
5 other excuses.

6 Eventually, Mr. Madeira sued Mr. Healy on March 16th
7 of 2009 in the Southern District of Florida and contacted law
8 enforcement authorities in Harrisburg, including the postal
9 inspectors. Mr. Healy was deposed in connection with the
10 Florida lawsuit on April 7th of 2009 and falsely claimed that
11 Mr. Madeira and the other Pennsylvania investors' money was
12 invested as promised but lost because Mr. Madeira failed to
13 provide additional funds.

14 Mr. Healy disavowed any knowledge of any Matt or Andy
15 and claimed that the trades were made through an individual he
16 named Mike Hein, H-E-I-N, who supposedly lived in New York and
17 executed the trades through a brokerage house that he named
18 PCF. In support of these false claims, Mr. Healy created
19 fraudulent bank statements from the Bank of America account
20 showing approximately \$23 million in wire transfers to PCF in
21 New York.

22 Mr. Healy also created fraudulent PCF records and
23 other fraudulent records from a brokerage house named
24 Interactive Brokers, which he claims proved that the trades
25 were actually made.

1 When the authentic Bank of America records were
2 obtained by the Government, they showed that there were no wire
3 transfers to PCF and that Mr. Healy and his wife simply spent
4 the money on expensive cars, jewelry, a home, and other items.
5 Mr. Healy also used the money to pay back about 20 investors he
6 had previously defrauded prior to Mr. Madeira.

7 The investigation revealed that Mike Hein and PCF did
8 not exist. With respect to the Interactive Brokerage records,
9 those were real records, but we interviewed the owners of those
10 accounts, and they indicated that they had no knowledge of Mr.
11 Healy and had no idea how he got those records. Mr. Healy,
12 through his lawyer, an individual by the name of Allan Ross in
13 Florida --

14 THE COURT: Roth or Ross?

15 MR. BRANDLER: Ross, R-O-S-S, not only provided these
16 fraudulent records to Mr. Madeira's lawyers in Florida in
17 connection with that civil lawsuit, but also gave them to the
18 U.S. Attorney's office here in Harrisburg that was conducting a
19 grand jury investigation of Mr. Healy's activities with the
20 Pennsylvania investors. And those records were provided to the
21 grand jury in connection with their investigation.

22 Now with respect to the specific counts of the
23 indictment that Mr. Healy is pleading guilty to, Count 2
24 pertains to a document Mr. Healy faxed from Florida to Mr.
25 Madeira in Pennsylvania on June 18th, 2008, which falsely

1 listed various trades that Healy claimed that he had made with
2 Mr. Madeira's money.

3 With respect to Count 16, it refers to Mr. Madeira
4 wiring \$1.6 million on October 15th, 2008, to Mr. Healy for
5 investments that Healy never conducted and that never occurred.
6 The money came from Mr. Madeira's account at F&M Trust in
7 Pennsylvania and were wired to the Bank of America account in
8 Florida.

9 With respect to Count 24, it relates to Mr. Healy's
10 purchase of his residence in Florida, the address being 2672
11 Riviera Manor in Weston, W-E-S-T-O-N, Florida, on October 10th
12 of 2008, for \$2.2 million. And he used the proceeds of the
13 fraud to conduct that transaction. Mr. Healy caused his bank,
14 that is the Bank of America, to wire the funds to Sun Trust
15 Bank, which was the bank that had an account in the name of the
16 title and escrow company that was handling the closing on that
17 residence.

18 In sum, the facts would show that the losses in this
19 case are somewhere between 15 and 20 million dollars, and there
20 were over 50 victims, including the third party lenders who
21 loaned Mr. Madeira money from the money that he sent down to
22 Mr. Healy. Those would be the facts, Your Honor.

23 THE COURT: Mr. Healy, did you devise a scheme to
24 defraud and obtain money or property under false or fraudulent
25 pretenses or promises?

1 THE DEFENDANT: Yes, Your Honor.

2 THE COURT: You intended to defraud those people?

3 THE DEFENDANT: Yes, Your Honor.

4 THE COURT: And you used the wire or caused the wire
5 to be used in order to effect the fraud?

6 THE DEFENDANT: Yes, Your Honor.

7 THE COURT: And with regard to the monetary
8 transaction, did you knowingly engage or attempt to engage in
9 the transaction from money that was criminally obtained?

10 THE DEFENDANT: Yes, Your Honor.

11 THE COURT: And you invested it in, in particular,
12 the property in Florida on 10/10/08 in the amount of 2.2
13 million?

14 THE DEFENDANT: Yes, Your Honor.

15 THE COURT: Do you have any dispute with the facts as
16 related by Mr. Brandler concerning Counts 2, 16, and 24?

17 THE DEFENDANT: No, Your Honor.

18 THE COURT: And in particular, Count 2 was a document
19 faxed from Pennsylvania to Florida; is that correct.

20 MR. BRANDLER: It was faxed from Florida to
21 Pennsylvania.

22 THE COURT: From Florida to Pennsylvania, from Mr.
23 Healy to Mr. Madeira?

24 MR. BRANDLER: Correct.

25 THE COURT: And on 16, Mr. Madeira transmitted \$1.6

1 million from F&M Trust in Pennsylvania to a bank in Florida, is
2 that correct?

3 THE DEFENDANT: Yes, Your Honor.

4 THE COURT: Do you have any question concerning the
5 facts as related by Mr. Brandler?

6 THE DEFENDANT: No, Your Honor.

7 THE COURT: Is it your desire then to enter a plea to
8 Counts 2, 16, and 24 of the indictment?

9 THE DEFENDANT: Yes, Your Honor.

10 THE COURT: Do you have any question about your
11 rights?

12 THE DEFENDANT: No, Your Honor.

13 THE COURT: Do you have any question about the facts
14 of the counts charging you?

15 THE DEFENDANT: No, Your Honor.

16 THE COURT: We'll enter this order:

17 AND NOW, this 23rd day of November, the year 2009,
18 the Court finds the Defendant is acting voluntarily and not as
19 a result of force or threats or promises apart from the plea
20 agreement, that he understands his rights, the consequences of
21 his plea, and voluntarily waives his right to trial. The Court
22 is satisfied that the plea has a basis in fact and contains all
23 the limits of the crime charged.

24 The Court, therefore, permits the revocation of the
25 not guilty plea, accepts the plea of guilty to Counts 2, 16,

1 and 24 of the indictment, and directs the entry of judgment of
2 guilty on the plea. Sentence is deferred pending receipt by
3 the Court of a pre-sentence report, which shall be disclosed no
4 later than January 18, 2010.

5 What is his bail status?

6 MR. BRANDLER: He is under pretrial services
7 supervision in the Eastern District of New York where he's
8 residing at his mother's residence.

9 THE COURT: Are you still there?

10 THE DEFENDANT: Yes, ma'am. Yes, Your Honor, I'm
11 sorry.

12 THE COURT: That's okay. He's continued on bail as
13 previously set?

14 MR. BRANDLER: Yes.

15 THE COURT: Anything further from you?

16 MR. MARINO: Your Honor, we do have a request.

17 THE COURT: Yes.

18 MR. MARINO: I am requesting on behalf of Mr. Healy
19 that he is residing with his mother and stepfather in New York.
20 They have a residence in Florida. Mr. Healy, in addition to
21 his two children in his second marriage here, has two older
22 children in Florida. The family is going to Florida for
23 Thanksgiving, and the family is going to Florida for Christmas.

24 THE COURT: Can you give me the dates that he'll be
25 absent and I will consent to it, provided the Government has no

1 objection.

2 MR. MARINO: Yes, Your Honor.

3 MR. BRANDLER: Yes, I have no objection to that. He
4 should check in with the pretrial services in Florida when he
5 arrived there, so for whatever time period he's going to be
6 there, he's still under their supervision, and then they can
7 transfer him back when he lives.

8 THE COURT: Do we know the dates?

9 THE DEFENDANT: Tomorrow. We're leaving tomorrow and
10 coming back January 8th.

11 THE COURT: Okay.

12 MR. MARINO: Leaving tomorrow, which is the 24th.

13 THE COURT: November 24th.

14 MR. MARINO: And coming back January 8th.

15 THE COURT: Oh, they're going to be down there the
16 whole time? They're not coming back between Thanksgiving and
17 Christmas?

18 MR. MARINO: The whole time, Your Honor.

19 THE COURT: And that's January 3rd?

20 MR. MARINO: 8th.

21 THE COURT: January 8th. We'll grant permission to
22 do that. Notify his pretrial service officer. But you will
23 have to contact a pretrial service officer in the district to
24 which you will be spending that period of time. And
25 presumably, can they tell him who to contact down there.

1 PROBATION OFFICER: We can make that arrangement,
2 Your Honor.

3 THE COURT: Fine. They'll make that and be in touch
4 with you.

5 THE DEFENDANT: Yes, Your Honor.

6 MR. MARINO: Thank you, Your Honor.

7 THE COURT: You're welcome. Court's in recess.

8 (Whereupon, the proceeding adjourned at 11:35 a.m.)
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CERTIFICATION

I hereby certify that the proceedings and evidence are contained fully and accurately in the notes taken by me on the within proceedings, and that this copy is a correct transcript of the same.

/s/ Wendy C. Yinger

Wendy C. Yinger, RPR, CRR
U.S. Official Court Reporter
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