PLEA AND COOPERATION AGREEMENT

1. This is the Plea and Cooperation Agreement ("Agreement") between the District Attorney of the County of New York ("the District Attorney") and Raymond Lavallee ("the Defendant"). This Agreement constitutes the entire Agreement between the Defendant and the District Attorney with respect to the criminal case. There are no promises, agreements, or conditions, express or implied, other than those set forth in this document. No modification, deletion or addition to this Agreement will be valid or binding on any party unless put into writing and signed by all parties.

2. This Agreement will take effect when and if approved by the Court presiding over People v. Raymond Lavallee, New York County Indictment Numbers 00201/2014, 00739/2014, and 00745/2014. The Defendant understands that the People will move to consolidate all three indictments prior to the execution of this Agreement.

3. In satisfaction of the charges against him, as detailed in Indictment Numbers 00201/2014, 00739/2014, and 00745/2014, the Defendant agrees to enter a plea of guilty to one count of Conspiracy in the Fourth Degree, in violation of New York Penal Law Section 105.10, a Class E felony. The maximum permissible sentence for the crime of Conspiracy in the Fourth Degree is an indeterminate sentence of one and one-third to four years imprisonment.

4. The Defendant's cooperation shall be as set forth in this paragraph. Failure to comply with this paragraph, in any respect, shall be a violation of this Agreement.

    a. The Defendant shall fully, fairly, and truthfully disclose all information and produce any and all records and other evidence in the Defendant's possession, custody, or control which are: (i) relevant to any criminal conduct whatsoever about which the Defendant has any knowledge or information, whether such conduct has occurred before or after this Agreement has become effective, and whether or not the Defendant is questioned about such conduct; or (ii) relevant to any inquiry made by the District Attorney. The Defendant shall provide such disclosures and evidence to the District Attorney and to such investigators, inspectors, detectives, or staff persons of government agencies and self-regulatory organizations as the District Attorney may direct.

    b. The Defendant shall fully, fairly, and truthfully testify before the grand jury, at any trial, and at any other proceeding, at any date and time that the District Attorney may direct. Whenever directed by the District Attorney to testify at any proceeding, the Defendant shall not assert any privilege

against self-incrimination, and if directed to testify before a grand jury, the Defendant shall waive immunity pursuant to Criminal Procedure Law §190.45.

c. The Defendant shall actively participate in ongoing investigations by the District Attorney, the Social Security Administration, the Office of the Inspector General of the Social Security Administration, and any other agency as directed by the District Attorney. Active participation shall be as the District Attorney directs and only as the District Attorney directs. Active participation may include, but is not limited to, communicating with third-parties, attending meetings with respect to other Social Security Disability Insurance ("SSDI") applicants that utilized the services of the Defendant's law practice to obtain SSDI, and making telephone calls. In addition, active participation may also include working with the Office of the Inspector General of the Social Security Administration concerning the investigation of applicants that were not subject to criminal charges in New York County, but who may have submitted fraudulent SSDI applications. The Defendant consents to the recording of any meetings, communications, and telephone calls as directed by the District Attorney.

d. Upon request by the District Attorney, at any time, the Defendant shall provide accurate and complete written disclosure of the Defendant's financial condition, including disclosure of all assets, liabilities, sources of income, and expenses. The District Attorney may direct that such disclosure be sworn to and made on a form provided by the District Attorney. The Defendant's obligation shall include, but not be limited to: (a) the disclosure of any and all interests, direct or indirect, in any and all real or personal property, whether tangible or intangible, including all interests in property held by or in the names of other persons or entities, wherever located; (b) taking all steps necessary to obtain disclosure of financial information from other persons if requested by the District Attorney; and (c) providing any and all supplemental financial disclosure requested by the District Attorney, including but not limited to providing documents and other tangible items.

e. The Defendant shall commit no further crimes.

f. The Defendant shall not make any statement or commit any act that might compromise the safety or identity of any investigator, or the confidentiality of any investigation.

g. The Defendant shall meet, whenever requested by the District Attorney, with any assistant district attorneys, investigators, inspectors, detectives, or

staff persons of government agencies and self-regulatory organizations as the District Attorney may direct.

5. The Defendant and the District Attorney agree that Indictment Numbers 00201/2014, 00739/2014, and 00745/2014 will be superseded prior to the execution of this Agreement by a new consolidated indictment which will relate to all of the facts underlying Indictment Numbers 00201/2014, 00739/2014, and 00745/2014.

6. If the Defendant fully complies with this Agreement, as determined solely by the District Attorney, the District Attorney will inform the Court of the nature and extent of the Defendant's cooperation and will make a sentencing recommendation to the Court.

7. In the event that the Defendant has provided full cooperation, the People will recommend that the Defendant be sentenced to serve a term of one year imprisonment, in full satisfaction of Indictment Numbers 00201/2014, 00739/2014, and 00745/2014, or the superseding Indictment as described in paragraph 5. Due the anticipated length of the cooperation period, the method by which the sentence will be served will revisited by both parties at the end of the cooperation period. The determination as to the when the cooperation period concludes shall be determined solely by the District Attorney's office. The Defendant understands, however, that the Court has the authority to impose any lawful sentence pursuant to his guilty plea. The Defendant further agrees that his guilty plea may not be withdrawn in the event the Court imposes a sentence other than the above-mentioned sentence. In addition, in regard to the Defendant's sentence, the parties agree that the District Attorney will support any application by defense counsel on behalf of the Defendant for a Certificate of Relief from Civil Disabilities.

8. If the Defendant violates this Agreement in any respect, as determined solely by the District Attorney:

   a. The District Attorney may request that the Court impose sentence forthwith or at any time upon the plea described in this Agreement. The District Attorney may request that the sentence on the Defendant's plea under Indictments 00201/2014, 00739/2014, and 00745/2014, be the maximum sentence authorized by law, which is set forth above in paragraph "3". The District Attorney may request, if necessary, that the sentence be imposed in the Defendant's absence. The Defendant understands that the Court has the authority to impose any lawful sentence.

b. The District Attorney may prosecute the Defendant for any crime committed. Any such prosecution will not be limited by the description of criminal conduct in paragraph "3", above, if it should appear that the Defendant has engaged in any criminal conduct not set forth therein.

c. In any prosecution, or at any sentencing hearing pursuant to subparagraph "8(a)" or "8(b)", the District Attorney may offer, in the People's case-in-chief, in any defense case, in rebuttal, or in any presentation to the court, any statement or testimony the Defendant has made or given, and any property the Defendant has produced, whether before or after the date of this Agreement. The Defendant waives all claims under the United States and New York State Constitutions and Statutes and rules of evidence, and all other legal claims that any statement, testimony, evidence, or leads derived therefrom should be suppressed.

d. As to any prosecution brought by the District Attorney pursuant to this paragraph, for any offense committed within five years prior to the date of this Agreement, or for any offense committed on or after the date of this Agreement, the Defendant waives any claim that such prosecution is time barred on grounds of speedy trial, speedy arraignment, the statute of limitations, or delayed prosecution.

9. At the time of the plea of guilty, the Defendant shall waive his right of appeal to this conviction directly and collaterally in both New York State and Federal Courts, and sign a "Waiver of Right to Appeal" form as provided by the District Attorney. In addition, the Defendant knowingly and voluntarily agrees to waive the right to appeal this judgment of conviction, the Defendant agrees to relinquish his appellate rights because he is receiving a favorable plea and sentence Agreement, and he understands that his appellate rights are separate and apart from those rights he is automatically forfeiting by his guilty plea. In relation to this conviction, the Defendant shall also waive any applicable statutes of limitations, and waive any challenges to New York County venue. At the time of the plea of guilty, this Agreement shall be made part of the record, and the parties will request the Court's approval thereof. This Agreement will become effective only upon the Court's approval.

10. At the time of his guilty plea, the Defendant will allocute under oath to the following facts:

Between approximately January 1988 and December 18, 2013, in the County of New York and elsewhere, with intent that conduct constituting a class B and class C felony, to wit, Grand Larceny in the First Degree and Grand Larceny in the Second Degree, be performed, I Raymond Lavallee did agree with one or more persons to engage in and cause the

performance of such conduct to wit larceny by false pretense from the Social Security Administration through the submission of fraudulent applications to the Social Security Disability Insurance Program.
In furtherance of the conspiracy and to effect its objectives and in conjunction with co-conspirators I caused to be committed certain overt acts including the following:

I collected monies in excess of the legally prescribed fee allowed by the Social Security Administration for the facilitation of Social Security Disability Insurance Applications, some of which I knew were fraudulent.

11. As a condition of this Agreement and at the time of his plea, the Defendant agrees to pay the amount of $2,000,000 as follows:

    a. The Defendant will pay $1,800,000, which represents the amount of loss suffered by the United States Social Security Administration.

    b. The Defendant also agrees to pay the amount of $200,000, which represents the civil monetary penalty owed to the Social Security Administration.

12. This civil monetary penalty should be processed in the same way restitution is processed. The Defendant understands and agrees that he is liable, as designated above, for the total sum of monies owed and that the failure to pay any part of the monies owed shall be deemed a material breach of this Agreement. In the event of the Defendant's death, the obligations of this Restitution Order shall not pass onto the estate of the Defendant or his legal heirs.

13. As a condition of this Agreement, the Defendant agrees to forfeit $300,000 to Cyrus R. Vance, Jr., District Attorney of the County of New York, in his capacity as Plaintiff-Claiming Authority, in a civil forfeiture action entitled Vance v. Lavallee, et al., New York County Index No. 450120/2014 ("the Civil Forfeiture Action"), that was brought pursuant to Article 13-A of the Civil Practice Law and Rules ("CPLR"). The forfeiture payment shall be made pursuant to a Forfeiture Stipulation and Order in the Civil Forfeiture Action. Defendant agrees to enter into such a stipulation. It is a condition of this Agreement that the Defendant shall comply fully with all promises and obligations set forth in the Forfeiture Stipulation and Order in the Civil Forfeiture Action. The forfeited funds shall be distributed to the United States Social Security Administration pursuant to CPLR 1349. The Defendant will not be sentenced prior to his having fulfilled his obligations under said Forfeiture Stipulation and Order.

14. The Defendant shall make the remaining portion of the restitution that is not covered by the $300,000 forfeiture payment described in paragraph 12 in accordance with the attached Restitution Order and schedule. At the time of his plea, the Defendant agrees to the conditions in the attached Restitution Order and to pay restitution to the United States Social Security Administration in the amount of $1,700,000, which includes the remaining balance of $1,500,000 in the loss suffered by the Social Security Administration attributable to the conduct of the Defendant and $200,000 in a civil monetary penalty fine.

15. The Defendant understands and agrees that he is liable, as designated above, for the total sum of monies owed and agrees to follow the conditions in this Agreement and the attached Restitution Order at the time of the Defendant's plea of guilty on this case. The Defendant also understands and agrees that his failure to abide by the conditions of the Agreement and the attached Restitution Order shall be deemed a material breach of this Agreement.

16. The Defendant waives each and every objection, defense, remedy, and/or right of appeal he may have under the constitutions, statutes, common law, and equitable doctrines of the United States and the State of New York in connection with the commencement, litigation, and disposition of the criminal prosecution and civil forfeiture action against them. The Defendant specifically waives any defense to the forfeiture and restitution of the amounts specified herein, including that the amounts are exempt from seizure, restraint, forfeiture, or restitution under any ERISA preemption or any other preemption of retirement funds.

17. The Defendant agrees that proof of income for purposes of either a restitution order or a forfeiture stipulation shall include but is not limited to pay stubs, checks, W2s, 1099s, Social Security benefits, other retirement benefits and any evidence of deposits into financial institutions.

18. The Defendant consents to any and all adjournments of sentencing and any other proceedings under the Indictment as may be requested by the District Attorney for the purpose of continuing the Defendant's cooperation pursuant to this Agreement.

19. This Agreement, including the Defendant's agreement to make restitution in the amount of $1,800,000 and to pay a civil monetary penalty fine in the amount of $200,000, will cover all claims and causes of action that the Social Security Administration's Office of the Inspector General would otherwise initiate against either the Defendant or his estate pursuant to Section 1129 of the Social Security Act ("the Act"), 42 U.S.C. §1320a-8 and implementing regulations 20 C.F.R. Part 498, for civil monetary penalties and assessments

arising out of the Defendant's improper receipt of Social Security benefits. For purposes of Section 1129 of the Act, the District Attorney has been informed by the SSA that the District Attorney is considered the prosecuting authority for this matter. A copy of the Agreement shall be forwarded to the Social Security Administration's Office of the Inspector General, the United States Social Security Administration and the New York State Office of Temporary and Disability Assistance.

20. The Defendant's and his counsel's signatures below constitute proof that the Defendant enters into this Agreement knowingly, intelligently and voluntarily after a full and sufficient opportunity to consult with his undersigned counsel.

Dated: February 27, 2015
New York, New York

Raymond Lavallee

Raymond Perini, Esq.
Attorney for Raymond Lavallee

Christopher Santora
Assistant District Attorney