

FILED IN UNITED STATES DISTRICT COURT, DISTRICT OF UTAH

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D. MARK JONES, CLERK

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IN THE UNITED STATES DISTRICT COURT  
DISTRICT OF UTAH, CENTRAL DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

JULIEANN PALMER MARTIN,

Defendant.

Case No. 2:15-cr-00469-CW

STATEMENT BY DEFENDANT IN  
ADVANCE OF PLEA OF GUILTY  
AND PLEA AGREEMENT PURSUANT  
TO FED. R. CRIM. P. 11(c)(1)(C)

Judge Clark Waddoups

I hereby acknowledge and certify that I have been advised of and that I understand the following facts and rights, and that I have had the assistance of counsel in reviewing, explaining, and entering into this agreement:

1. As part of this agreement with the United States, I intend to plead guilty to Count 1 of the Felony Information. My attorney has explained the nature of the charge against me, and I have had an opportunity to discuss the nature of the charge with my attorney. I understand the charge and what the government is required to prove in order to convict me.

The elements of Count 1, in violation of 18 U.S.C. § 4, Misprision of Felony, are:

First, someone other than me committed Wire Fraud (in violation of 18 U.S.C. § 1343), a felony under federal law;

Second, I had actual knowledge of that fact;

Third, I failed to notify the appropriate authorities; and

Fourth, I deliberately took an affirmative step to conceal the crime.

2. I know that the maximum possible penalty provided by law for count 1 of the Felony Information, a violation of 18 U.S.C. § 4 (Misprision of Felony), is a term of imprisonment of 36 months, a fine of \$250,000, a term of supervised release of 36 months, and any applicable forfeiture. I understand that if I violate a term or condition of supervised release, I can be returned to prison for the length of time provided in 18 U.S.C. § 3583(e)(3).

a. Additionally, I know the Court is required to impose an assessment in the amount of \$100 for the offense of conviction, pursuant to 18 U.S.C. § 3013. Furthermore, restitution to the victim of my offense shall be ordered pursuant to 18 U.S.C. § 3663A.

b. I understand that, if I am not a United States citizen, I may be removed from the United States, denied citizenship, and denied admission to the United States in the future.

3. I know that the sentencing procedures in this case and the ultimate sentence will be determined pursuant to 18 U.S.C. § 3553(a), and that the Court must consider, but is not bound by, the United States Sentencing Guidelines, in determining my sentence. I have discussed these procedures with my attorney. I also know that the final calculation of my sentence by the Court may differ from any calculation the United States, my attorney, or I may have made, and I will not be able to withdraw my plea if this occurs. However, because my plea of guilty is being entered pursuant to Rule 11(c)(1)(C), as explained below, I know that I will be able to withdraw my plea if the Court does not accept the terms of this agreement.

4. I know that I can be represented by an attorney at every stage of the proceeding, and I know that if I cannot afford an attorney, one will be appointed to represent me.

5. I know that I have a right to plead "Not Guilty" or maintain my earlier plea of "Not Guilty" and can have a trial on the charges against me.

6. I know that I have a right to a trial by jury, and I know that if I stand trial by a jury:

a. I have a right to the assistance of counsel at every stage of the proceeding.

b. I have a right to see and observe the witnesses who testify against me.

c. My attorney can cross-examine all witnesses who testify against me.

d. I can call witnesses to testify at trial, and I can obtain subpoenas to require the attendance and testimony of those witnesses. If I cannot afford to pay for the appearance of a witness and mileage fees, the government will pay them.

e. I cannot be forced to incriminate myself, and I do not have to testify at any trial.

f. If I do not want to testify, the jury will be told that no inference adverse to me may be drawn from my election not to testify.

g. The government must prove each and every element of the offense charged against me beyond a reasonable doubt.

h. It requires a unanimous verdict of a jury to convict me.

i. If I were to be convicted, I could appeal, and if I could not afford to appeal, the government would pay the costs of the appeal, including the services of appointed counsel.

7. If I plead guilty, I will not have a trial of any kind.

8. I know that 18 U.S.C. § 3742(c)(1) sets forth the circumstances under which I may appeal my sentence. However, fully understanding my right to appeal my sentence, and in consideration of the concessions and/or commitments made by the United States in this plea agreement, I knowingly, voluntarily and expressly waive my right to appeal as set forth in paragraph 12 below.

9. I know that, under 18 U.S.C. § 3742(c)(2), the United States may only appeal my sentence if it is less than the sentence set forth in this agreement.

10. I know that under a plea of guilty the judge may ask me questions under oath about the offense. The questions, if asked on the record and in the presence of counsel, must be answered truthfully and, if I give false answers, I can be prosecuted for perjury.

11. I stipulate and agree that the following facts accurately describe my conduct. These facts provide a basis for the Court to accept my guilty plea:

From January 2007 through June 2012, Wayne Palmer, my cousin, owned and controlled National Note of Utah and affiliated entities (collectively "NNU"). Wayne Palmer solicited investors to invest in NNU's business of loaning funds to real estate based companies. Specifically, Wayne advised investors that their money would be used to loan funds to real estate based businesses at a rate of 18% per annum wherein NNU

would retain 6% per annum for profit and overhead, and would pay a 12% per annum return to investors.

I was employed at National Note from 1995 until the Receiver took it over in 2012 as a bookkeeper for the company. I also was the primary contact person for National Note's investors and prospective investors when Wayne Palmer was not available. National Note had two bank accounts that held investor funds. The first was at JP Morgan Chase, account no. xxxx-3907 and was titled "Investor Trust Account." Investor funds were deposited into this account. The second National Note bank account that held investor funds was maintained at Wells Fargo, account no. xxxx-5954, the Investor Distribution Account." Payments of principal and/or interest were distributed out to investors from this account. I had online access to both accounts, monitored the balance regularly and was a signatory,

Because I monitored the Chase Investor Trust and Wells Fargo Investor Distribution accounts, at any given time I knew whether National Note had adequate funds in these two bank accounts to meet its obligations. I frequently updated Palmer on the status of the accounts.

Beginning in March 2010, I knew that National Note was having difficulty returning principal to investors whose notes had matured. Beginning in July 2011 and continuing through that summer, I knew that National Note was unable to bring in new investor funds sufficient to pay its operating expenses. I began updating Wayne Palmer nearly every day regarding the funds needed in the Chase Investor Trust and Wells Fargo Distribution Accounts to pay the promised returns to investors and to cover operating expenses.

After National Note developed financial problems and after it stopped making investor payments, I knew that Wayne Palmer continued to solicit new investors. As part of Wayne Palmer's solicitations to investors, he omitted telling investors:

- New investor funds would not be deployed to NNU's real estate projects as promised, but were being used to pay: (1) older investors' return of principal and interest payments; and (2) the operating expenses of NNU;
- NNU had failed to return some investor's principal after investors' request upon note maturity;
- NNU and affiliated entities, in the aggregate, had insufficient operating revenues to pay investors and operating expenses.

I knew that each of the above misrepresentations and omissions were material to investors and their decision to invest with NNU and I accepted investor money under those circumstances.

I did not notify law enforcement or any regulatory agency about Wayne Palmer's fraud. Instead, I took steps to conceal the crime by lulling both new and prior investors into a false sense of security that NNU's business was turning a profit and making timely returns to investors.

For example, on or about August 12, 2011, I saw that Wayne was in a meeting with investors R.A. and his wife. Earlier that day, NNU had received several investments from new investors which were used, in part, to pay returns to old investors. I purposely avoided interrupting the meeting and advising Wayne of these new investments and use of funds, thus concealing from R.A. and his wife NNU's true financial state. Instead, I emailed Wayne later that day summarizing the day's investment and payment activities.

On or about October 28, 2011, and in execution of the scheme alleged in the Indictment, investor F.T.H.T. wire transferred \$299,982 from its account at Royal Bank of Canada in Canada, account number XXX4251, to NNU's account at J.P. Morgan Chase Bank in Utah, account number XXXXX3907.

The above acts occurred in the District of Utah and elsewhere.

12. The only terms and conditions pertaining to this plea agreement between me and the United States are as follows:

a. **Guilty Plea.** I will plead guilty to Count 1 of the Felony Information.

b. **Dismissal of Counts.** I understand the United States will dismiss all counts of the Indictment against me at the time of sentencing.

c. **Stipulated Sentence.** Pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure, the sentence imposed by the Court will be within a range of 0 to 24 months, which I agree is a reasonable sentence.

(1) I understand that this agreement, including my plea, the agreed upon sentence, and all other terms referenced herein, are subject to the approval of, and acceptance by the Court. I further understand that the Court may order the preparation of a Presentence Report to assist in the determination of whether this plea and the agreement are appropriate, and I agree to fully cooperate in the preparation of the Presentence Report.

(2) If, after receiving all relevant information, the Court rejects the plea agreement and determines that a sentence outside of the agreed upon sentencing range of 0 to 24 months will be imposed, I will have the right to withdraw the plea of guilty and the terms of this agreement will become null and void.

d. **Relevant Conduct.** I understand and agree that the Presentence Report may include descriptions of conduct I engaged in which either was not charged against me, will not be pleaded to by me, or both. I understand and agree that the Court will take these facts into consideration in determining the reasonableness of the stipulated sentence.

e. **Appeal Waiver.**

(1) Fully understanding my limited right to appeal my sentence, as explained above in paragraph 8, and in consideration of the concessions and/or commitments made by the United States in this plea agreement, I knowingly, voluntarily, and expressly waive my right to appeal any sentence imposed upon me, except that I do not waive the right to appeal as set forth in 18 U.S.C. § 3742(c)(1), which states that I may not file a notice of appeal unless the sentence imposed is greater than the sentence set forth in this agreement.

(2) I also knowingly, voluntarily, and expressly waive my right to challenge my sentence, unless the sentence imposed is greater than the sentence set forth in this agreement, in any collateral review motion, writ or other procedure, including but not limited to a motion brought under 28 U.S.C. § 2255, except on the issue of ineffective assistance of counsel.

(3) I understand that this waiver of my appeal and collateral review rights concerning my sentence shall not affect the government's right to appeal my sentence pursuant to 18 U.S.C. §§ 3742(c)(2), (b)(1), and (b)(2).

(4) I further understand and agree that the word "sentence" appearing throughout this waiver provision is being used broadly and applies to all aspects of the Court's sentencing authority, including, but not limited to: (1) sentencing determinations; (2) the imposition of imprisonment, fines, supervised release, probation, and any specific terms and conditions thereof; and (3) any orders of restitution.

f. **Restitution.**

(1) I understand that the total amount of restitution and the schedule of payments will be determined as a part of the sentencing proceedings in accordance with the provisions of 18 U.S.C. § 3664. I agree to pay all restitution as ordered by the Court. I understand the payment of restitution is governed by 18 U.S.C. § 3664, and my lawyer has explained the consequences of an order of restitution.

(2) I understand and agree that payment of any restitution owed, pursuant to the schedule set by the Court at sentencing, should be a condition of my 36 months on supervised release. I know that if I fail to pay restitution as ordered, the failure can be considered a violation of supervised release and, pursuant to 18 U.S.C. § 3614, the



Court can resentence me to any sentence which might originally have been imposed in my case.

13. I understand and agree that this plea agreement is solely between me and the United States Attorney for the District of Utah and does not bind any other federal, state, or local prosecuting, administrative, or regulatory authorities.

14. I understand that I have a right to ask the Court any questions I wish to ask concerning my rights about these proceedings and the plea.

\* \* \* \*

I make the following representations to the Court:

1. I am 48 years of age. My education consists of Associate Degree I can read and understand English.
2. This Statement in Advance contains all terms of the agreements between me and the government; if there are exceptions, the Court will be specifically advised, on the record, at the time of my guilty plea of the additional terms. I understand the government and I cannot have terms of this plea agreements that are not disclosed to the Court.
3. No one has made threats, promises, or representations to me that have caused me to plead guilty, other than the provisions set forth in this agreement.
4. Neither my attorney nor the government has promised me that I would receive probation or any other form of leniency because of my plea.
5. I have discussed this case and this plea with my lawyer as much as I wish, and I have no additional questions.
6. I am satisfied with my lawyer.
7. My decision to enter this plea was made after full and careful thought; with the advice of counsel; and with a full understanding of my rights, the facts and circumstances of the case and the consequences of the plea. I was not under the influence of any drugs, medication, or intoxicants when I made the decision to enter the plea, and I am not now under the influence of any drugs, medication, or intoxicants.
8. I have no mental reservations concerning the plea.


9. I understand and agree to all of the above. I know that I am free to change or delete anything contained in this statement. I do not wish to make changes to this agreement because I agree with the terms and all of the statements are correct.

DATED this 21 day of February, 2017.

  
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JULIEANN PALMER MARTIN  
Defendant

I certify that I have discussed this plea agreement with the defendant, that I have fully explained his rights to him, and that I have assisted him in completing this written agreement. I believe that he is knowingly and voluntarily entering the plea with full knowledge of his legal rights and that there is a factual basis for the plea.

DATED this 21 day of February, 2017.

  
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REBECCA HYDE-SKORDAS  
Attorney for Defendant

I represent that all terms of the plea agreement between the defendant and the government have been, or will be at the plea hearing, disclosed to the Court, and there are no undisclosed agreements between the defendant and the United States.

DATED this 21<sup>st</sup> day of February, 2017.

JOHN H. HUBER  
United States Attorney

  
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MARK Y. HIRATA  
AMANDA A. BERNDT  
Assistant United States Attorneys