

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

3	UNITED STATES OF AMERICA,)	
4	Plaintiff,)	
5	vs.)	No. 12 CR 567-2
6	DOUG ALLEN,)	Chicago, Illinois
7	Defendant.)	February 8, 2016 10:30 a.m.

TRANSCRIPT OF PROCEEDINGS - SENTENCING
BEFORE THE HONORABLE RONALD A. GUZMAN

APPEARANCES:

11	For the Plaintiff:	HON. ZACHARY T. FARDON
12		United States Attorney
13		BY: MR. DEREK OWENS
14		MR. STEVEN J. DOLLEAR
15		219 South Dearborn Street, Suite 500
16		Chicago, Illinois 60604
17		(312) 353-5300
18		derek.owens@usdoj.gov
19		steven.dollear@usdoj.gov

17	For the Defendant:	SCHIFF HARDIN LLP
18		BY: MS. VALARIE HAYS
19		MS. SHAWNA S. BOOTHE
20		233 South Wacker Drive, Suite 6600
21		Chicago, Illinois 60606
22		(312) 258-5500
23		vhays@schiffhardin.com
24		sbooth@schiffhardin.com

ALSO PRESENT: MR. ZAKARY FREEZE, Probation Officer

23	Official Court Reporter:	NANCY L. BISTANY, CSR, RPR, FCRR
24		219 South Dearborn Street, Room 1706
25		Chicago, Illinois 60604
		(312) 435-7626
		nancy_bistany@ilnd.uscourts.gov

1 (Proceedings heard in open court:)

2 THE CLERK: 12 CR 567, Defendant 2, United States of
3 America versus Allen.

4 MR. OWENS: Good morning, Your Honor.

5 Derek Owens and Steven Dolllear on behalf of the
6 United States.

7 MS. HAYS: Good morning, Your Honor.

8 Valarie Hays and Shawna Boothe on behalf of the
9 defendant, Doug Allen, who is present in court.

10 THE COURT: Good morning. Are we prepared to proceed
11 to the sentencing?

12 MS. HAYS: Yes, Your Honor.

13 MR. OWENS: Yes, Your Honor.

14 THE COURT: Okay. Mr. Allen, have you had an
15 opportunity to review the Presentence Investigation Report with
16 your attorney?

17 THE DEFENDANT: Yes, I have, Your Honor.

18 THE COURT: Very well. There are some significant
19 differences with respect to the guideline calculations.

20 Who wants to go first?

21 MR. OWENS: Your Honor, the government will go first.

22 The government believes that the correct
23 calculations, based on the 2015 amendments to the United States
24 Sentencing Guidelines as well as our reassessment of the loss
25 amount, would be a total offense level of 29.

1 And the changes that were made from the government's
2 version are twofold. One was the number of victims -- the
3 victim enhancement, I should say, that under the amendments is
4 decreased from four to a two.

5 THE COURT: Okay.

6 MR. OWENS: And then our -- or I should say, our loss
7 amount, the level for that is decreased from a 16 in the
8 government's version to a 14 in the government's sentencing
9 memorandum.

10 THE COURT: Give me the last one again.

11 MR. OWENS: The total -- the loss calculation --

12 THE COURT: Yes.

13 MR. OWENS: -- the loss amount went from a level 16,
14 which was in the government's version, and now we're
15 recommending a 14 for the loss amount, which would be a loss
16 between \$550,000 and 1.5 million.

17 I believe the parties agree on that particular --

18 THE COURT: And that change is because of the change
19 in the guidelines?

20 MR. OWENS: No. The guidelines did adjust -- the
21 numbers adjusted, but that change is due, well, partially to
22 the adjustment in the -- with the amendments, but also our
23 reevaluation of some of the loss figures.

24 THE COURT: Okay. So the actual calculation.

25 And that's intended loss?

1 MR. OWENS: That's correct, Your Honor.

2 THE COURT: Okay. Defense.

3 MS. HAYS: We do not -- we agree with the government
4 on those two points.

5 THE COURT: So I want to see if I understand this
6 correctly then.

7 We're in agreement that the base offense level is 7.
8 The enhancement for intended loss is 14. Enhancement for the
9 number of victims is 2. Role in the offense, organizer/leader
10 4, and obstruction of justice 2, for a total offense level of
11 29?

12 MR. OWENS: That's correct, Your Honor.

13 THE COURT: That's the government's calculations?

14 MR. OWENS: That's the government's calculation.

15 THE COURT: Defense, you're in agreement with that?

16 MS. HAYS: No, Your Honor. We are in agreement with
17 the loss and the number of victims.

18 It's our position that role of offense should be
19 increased by 3 for manager/supervisor. And we do not believe
20 the obstruction of justice enhancement applies and that
21 acceptance -- we should receive the 3 points for acceptance.

22 THE COURT: Okay. I will hear you on the enhancement
23 for the role and for the obstruction of justice calculations.
24 Those are the only two disagreements; is that correct?

25 MS. HAYS: Correct, Your Honor.

1 THE COURT: Okay.

2 MS. HAYS: So we believe, Your Honor, and we agreed
3 in the plea agreement that Mr. Allen should receive 3 points
4 for organizer -- or excuse me -- for manager/supervisor. We
5 believe that Mastro, who received the leadership enhancement,
6 it was an appropriate enhancement for Mastro and not Mr. Allen.
7 Mastro was the owner and the CEO of Mastro Auctions during the
8 entire course of the scheme. He received all of the profit,
9 Judge, from the scheme. Mr. Allen did not receive any profit.
10 He was just a salaried employee.

11 This was Mastro's scheme from the beginning. He came
12 up with the idea. He recruited the people to join, and he was
13 in charge of executing it throughout the time. And all of this
14 happened long before Mr. Allen even became involved.

15 And Mastro wasn't just the behind-the-scenes guy. He
16 was the most active skill bidder over the years. He placed the
17 most skill bids, significantly more than any of the other skill
18 bidders listed in the government's chart.

19 The government's main argument for why Doug should
20 get the leadership enhancement is that there are emails in
21 which he's directing employees what to do. And we would argue,
22 Judge, that that is the role of the supervisor.

23 So for those reasons, we believe that the 3-level
24 enhancement is appropriate, not 4.

25 With respect --

1 THE COURT: Let me just stop you for a second to
2 inquire.

3 Most of your argument seems to be about what
4 Mr. Mastro did. What did your client do?

5 MS. HAYS: Mr. Allen did exactly what he had set
6 forth in the plea agreement. He was involved on a daily basis
7 in interacting with a lot of the customers. He was aware that
8 the consign -- that the skill bids were happening. He was
9 aware that --

10 THE COURT: Did he take any part in the skill
11 bidding?

12 MS. HAYS: A few, Judge, but not -- not anywhere
13 compared to the number as many as Mr. Mastro did.

14 THE COURT: Did he direct employees in the skill
15 bidding process?

16 MS. HAYS: Yes, at times he did.

17 THE COURT: Okay. What was his position within the
18 organization?

19 MS. HAYS: He was the president, but it was -- our
20 position is, Judge, it was a title only. He had no real
21 control. Everything had to be approved through Mastro. And,
22 you know, as case law points out, a title is not controlling in
23 this assessment.

24 THE COURT: Okay. Go ahead. I'm sorry.

25 MS. HAYS: With respect to the obstruction of justice

1 enhancement, Mr. Allen admits -- you know, the full scope of
2 the acts, it's laid out in his plea agreement. We are in no
3 way challenging the facts of the government's allegations with
4 respect to the obstruction.

5 He absolutely deserved to lose his cooperation deal
6 and get a higher sentence as a result of interfering with the
7 government's investigation. He acknowledges that, and he feels
8 terribly about what he did. He's apologized in person to both
9 the AUSAs and the agents who were involved in the
10 investigation. But it's not obstruction as defined by the
11 guidelines.

12 This is purely a legal argument. The guidelines are
13 very clear that for it to be obstruction, it has to be related
14 to the offense of conviction or related conduct. And here it's
15 just not. We cited in our sentencing submission controlling
16 Seventh Circuit case law that we feel is right on point.

17 The government in contrast cites one unpublished
18 clearly distinguishable case. And I'm not going to go through
19 all the cases, Judge. They're in the sentencing submission,
20 but I do want to touch a few main points.

21 In *U.S. versus Romano* -- that's the Seventh Circuit
22 main case -- they held that the obstruction enhancement should
23 not apply in a very similar situation where the defendant was
24 cooperating to try to get a reduced sentence in a federal case,
25 and he was cooperating in an unrelated case -- or actually, in

1 that case, he was involved in the subsequent investigation, but
2 it wasn't the offense of conviction. And he lied during the
3 course of that cooperation so they wouldn't find out about his
4 involvement.

5 And the Seventh Circuit said that's not obstruction
6 because it wasn't related to the offense of conviction or
7 relevant conduct.

8 THE COURT: It's not the same as what's alleged in
9 this case, though, is it?

10 MS. HAYS: I think it's very similar. Here we have a
11 situation where Mr. Allen was not interfering for the purposes
12 of benefiting himself in his -- in his own case. In fact, it's
13 quite the opposite. There was no benefit to him for the
14 interference with the investigation. Quite the opposite.

15 The benefit to him would have been if he'd continued
16 to cooperate. But instead, he interfered. He told a friend
17 who he felt guilty about cooperating against about the
18 investigation. There was no benefit to him, and that's why
19 this case is distinguishable from the *Harweger* case that the
20 government cites.

21 If the government's interpretation was correct, the
22 government's interpretation is that the cooperation itself is
23 the link that can make the obstruction enhancement apply. That
24 would be directly against the decision in *Romano* which said the
25 cooperation isn't enough to tie it to the offense of

1 conviction.

2 So on that point --

3 THE COURT: Okay. Government, do you wish to respond
4 to that?

5 MR. OWENS: Organizer/leader first, Your Honor.

6 The defendant was more than the president, and we
7 noted this in our memo. He was the CEO -- COO of the company,
8 chief operating officer. He's listed as that title in the
9 catalogs, and he's listed with that title, president and COO,
10 of one of the emails that we attach to our government's
11 version.

12 THE COURT: Yes. But, you know, you can list anyone
13 as the president or a CEO or a COO. None of it makes any
14 difference. What really counts is what he or she actually did.

15 MR. OWENS: And what did he in this case was, he
16 directed employees of the company underneath him to shill bid
17 and then to modify bidding records, to hide other shill bidding
18 that took place, all in furtherance of this fraud scheme. And
19 he did that for years.

20 Defendant notes that Mastro was the most prolific
21 shill bidder over the years. We don't really know that for
22 sure, because what we're missing is records for at least five
23 years during the scheme that were destroyed by Mastro and some
24 other employees that would have told us exactly who was shill
25 bidding.

1 THE COURT: The missing records doesn't help you,
2 because if I'm going to make an inference from missing records,
3 it's not going to be against the defendant, right?

4 MR. OWENS: That's true. That's true. But all I'm
5 trying to say is that we don't know for sure who was the most
6 prolific shill bidder during that time.

7 What we do know is the defendant was shill bidding
8 during the times that we do have records for, and he held a
9 position in the company of leadership role. And under 3B1.1,
10 the factors in particular to this defendant that the guidelines
11 instruct us to consider are the exercise of decision-making
12 authority, which he did.

13 We attach some settlement agreements for the Elvis
14 hair that was returned to the buyer in that case. And it
15 wasn't Doug -- or it wasn't Bill Mastro who was signing those
16 settlement agreements. It was the defendant who was signing
17 those agreements.

18 We attached correspondence with the victim of the
19 trophy ball. It wasn't Bill Mastro who was corresponding with
20 that particular victim and agreeing to return money to that
21 victim. It was the defendant, Doug Allen, who was
22 corresponding with that person.

23 And, in fact, one month after that email that we
24 attached, that same fraudulent trophy ball was then sold to
25 another victim. And it wasn't Bill Mastro who was leading

1 that. It was the defendant, because in the email it says, "We
2 believe this ball is still authentic. We are the ones who sold
3 it to you years ago."

4 The guidelines also note that the Court should
5 consider the nature of the defendant's participation in the
6 commission of the offense, the degree of participation in
7 planning and organizing, and the nature and the scope of the
8 illegal activity. And the Court should also consider the
9 degree of control or authority exercised over others.

10 And one of the grand jury transcripts that was
11 attached to the government's version, Employee Number 1 talks
12 about how the defendant was the one who was instructing that
13 particular witness and other employees to modify bidding
14 records to cover up the shill bidding.

15 The defendant -- also one of the largest factors to
16 show his leadership in this is the code of conduct that he
17 actually authorized. It wasn't Bill Mastro who authorized
18 that, who authored it and put it out there. It was the
19 defendant.

20 The defendant went out into public, published this
21 code of conduct to give assurances to customers and bidders
22 that this was an honest organization and that they were
23 truthful when, in fact, they definitely were not. The
24 defendant took the lead on this, not Bill Mastro.

25 Because of all of this, we believe that the

1 organizer/leader enhancement applies for this particular
2 defendant.

3 Regarding obstruction, the *Romano* case is cited by
4 the defendant. That case is different than what we have here.

5 This case is closer to *Harweger*, and here's why. In
6 *Harweger*, the defendant was trying to get his girlfriend to
7 essentially cover up some state convictions so they wouldn't be
8 used in his federal sentencing.

9 This case is very similar. The defendant was talking
10 to Subject A, who was wearing a recording device unbeknownst to
11 the defendant. And they made an agreement where they wouldn't
12 tell the prosecutors or the FBI about their conversations with
13 each other and how the defendant was tipping off Subject A
14 about the government's investigation and the search that took
15 place at his house.

16 I'm going to play a recording in a little while, not
17 a long recording, but a couple clips from the recording that
18 was made of the defendant when he was talking to Subject A.
19 And some of the highlights of that at 1 minute 35, the
20 defendant said, "The only conversation that I had with him,"
21 the FBI agent, "about you at this point in the process is if I
22 want to, to help myself."

23 To help myself, meaning his cooperation in this case
24 so he could walk into this courtroom and tell Your Honor that
25 he gave the government substantial cooperation towards this

1 case and the sentence that he's going to receive in this case.

2 That is a very strong connection between that
3 obstructive conduct and this case, the sentencing for this
4 case, which the guidelines reference it can be as part of the
5 offense conduct -- the obstruction can be as part of the
6 offense conduct or part of the sentencing for this case.

7 At a minute 40, the defendant says, "You have to
8 swear" -- I'm sorry -- Subject A says, "You have to swear on
9 everything that you're never going to tell them that you told
10 me anything."

11 The defendant says, "Subject A, Subject A, it hurts
12 me more than it hurts you," meaning it'll hurt me with my
13 cooperation deal more than it would hurt you.

14 At a minute 43, the defendant says, "Under no
15 circumstance could I ever tell them," the FBI, "that I -- that
16 you and I have had these conversations, because I would be F'd.
17 It -- my whole cooperation's out the window. Obstruction of
18 justice, yeah."

19 Later in the recording, Subject A says, "As long as
20 you don't say shit about -- shit that you -- that you were
21 tipping me off."

22 The defendant says, "Never, Subject A, Subject A, not
23 just for you, not just for you. For me, man, never."

24 This recording shows that he was making an agreement
25 with Subject A not to tell the FBI, so neither of them would

1 tell the FBI that the defendant was actually trying to sabotage
2 the FBI's investigation rather than providing substantial
3 assistance to the government.

4 And based on that, we believe the obstruction of
5 justice enhancement applies under the guidelines.

6 THE COURT: So the government's argument seems to
7 make sense to me in that case. If your client reached an
8 agreement with or urged one of his co-schemers to hide
9 information from the Court, the government and the Court, in
10 order to affect a change in his sentence, in order to give
11 himself a credit for cooperation that he would not have had,
12 wouldn't that be an obstruction of justice with respect to his
13 sentencing?

14 MS. HAYS: No, Judge. Really bad conduct, that's an
15 aggravating factor, but not obstruction as defined in the
16 guidelines. And it's exactly the same as *Romano* in the sense
17 that in *Romano* it's the exact same situation where the
18 defendant was cooperating in a federal case to try to get a
19 benefit in the instant federal case, just like here. It's
20 exactly the same.

21 And what the Seventh Circuit said is, bad conduct but
22 it's not obstruction because it wasn't obstructing the instant
23 case. It was obstructing an unrelated case, so it's not
24 related to the offense of conviction. It's exactly the same as
25 *Romano* in that sense.

1 THE COURT: But is it not affecting his sentence?

2 MS. HAYS: No, no.

3 THE COURT: I mean, if his co-conspirator tells the
4 FBI what's going on, his sentence would be changed, would it
5 not?

6 MS. HAYS: If the co-conspirator --

7 THE COURT: One of his sentencing factors would be
8 changed, and that is --

9 MS. HAYS: But not to his benefit. The obstructive
10 conduct was not to his benefit, which is what distinguishes it
11 from *Harweger*. *Harweger* was --

12 THE COURT: I see two obstructing conducts here,
13 frankly. I see him obstructing an investigation of a
14 co-schemer. That's one, because he was double-crossing the
15 FBI.

16 And the other is he's agreeing with the co-schemer
17 that they're not going to share that information with the FBI
18 so that his sentence will not be adversely affected.

19 MS. HAYS: But Mr. Allen was cooperating in a
20 completely unrelated investigation. So it wasn't a situation
21 where he's saying, "Hey, co-schemer, hide this information in
22 my -- that I'm involved in because that's going to affect my --
23 my, you know, sentence with the Court in the federal case."

24 It would be a different situation if the case that
25 Doug was cooperating in was related to bad conduct that he was

1 involved in, a scheme he was involved in. And he wasn't.

2 This was completely unrelated, a new investigation
3 that he put forth and gave the government information on.

4 THE COURT: Okay. Anything else?

5 MR. OWENS: It's amended, Your Honor.

6 THE COURT: All right. The Court is in agreement
7 with the base offense level being 7, in agreement with the
8 14-point enhancement based upon the intended loss. We're in
9 agreement with the 2-point enhancement for the number of
10 victims.

11 We're in agreement with the enhancement for organizer
12 or leader. I think the defendant's conduct here went way
13 beyond simply managing a scheme. He took lead roles,
14 specifically his publication of a code of conduct, which was
15 nothing more than a screen for the underlying conduct that he
16 was actually engaging in. It goes beyond that of someone who
17 is simply managing somebody else's scheme, along with his
18 day-to-day control over the execution of the scheme through the
19 employees. So there will be a 4-point enhancement for that.

20 I'm not convinced about the obstruction of justice,
21 so I'm not going to apply the 2-point enhancement for
22 obstruction of justice.

23 That leaves us with a total offense level of 27,
24 Criminal History Category of I, guideline range of 70 to 87
25 months.

1 MS. HAYS: Judge, we haven't addressed acceptance.

2 THE COURT: I'm sorry?

3 MS. HAYS: We haven't addressed acceptance. I don't
4 know if you were going to get to that later, but if we got
5 acceptance, it would actually reduce it further.

6 And my understanding that the government's position
7 on acceptance was only because of the application of the
8 obstruction enhancement. And if that's not going to apply, I
9 think we would agree on acceptance.

10 MR. OWENS: Right, Your Honor. We are obviously
11 asking for the obstruction enhancement. And because of the
12 obstruction enhancement, when it does apply, a defendant is not
13 entitled to acceptance.

14 So if the Court does not find that the obstruction
15 enhancement applies, then, in turn, under the cases, acceptance
16 would be appropriate in this case.

17 THE COURT: That's a 3-point reduction for acceptance
18 then. Total offense level of 24, Criminal History Category of
19 I, gives us a guideline sentencing range of 51 to 63 months.

20 Any other objections to the Presentence Investigation
21 Report by either side?

22 MR. OWENS: No, Your Honor.

23 MS. HAYS: No, Your Honor.

24 THE COURT: Okay. I'll hear the government with
25 respect to sentencing.

1 MR. OWENS: Thank you, Your Honor.

2 The government has -- and as part of this, I'm
3 actually going to play part of the recording. And I'm going to
4 use the laptop, which is right over to my left here.

5 MS. HAYS: Should we sit down, Your Honor, for the
6 recording?

7 THE COURT: I'm sorry?

8 MS. HAYS: Should we sit down while the recording is
9 played?

10 THE COURT: If you wish.

11 MR. OWENS: Your Honor, the recording is going to be
12 marked as Government Exhibit Recording.

13 (Government Exhibit Recording marked for identification.)

14 MR. OWENS: And I'm only going to play a few brief
15 snippets of the recording in a few minutes. But as part of our
16 sentencing recommendation in this case, the government weighed
17 all the 3553 factors as well as the U.S. Sentencing Guidelines.

18 And some of the 3553 factors that we thought required
19 the most attention were, of course, the nature and
20 circumstances of the offense, the history and characteristics
21 of the defendant, and then also the need in this case to
22 promote respect for the law and also the need to provide
23 adequate deterrence, both general and specific deterrence, in
24 this particular case.

25 And after weighing all these factors with the

1 evidence in this case, we believe that a 57-month term of
2 custody is appropriate. That's squarely within the guidelines
3 that the Court has found apply to this case, and we believe
4 that it is an appropriate sentence.

5 In this case, the defendant, Doug Allen, lied and
6 defrauded customers and bidders of his company for years. And
7 then he lied to and essentially defrauded the FBI when he
8 agreed to cooperate with them to investigate other cases.

9 And now he comes before Your Honor, and he asks you
10 to give him credit for his, what he calls, substantial
11 assistance.

12 Nothing is further from the truth, Your Honor.
13 Rather than assisting the government's investigation, he
14 impeded that investigation. And some of the factors that we
15 looked at in this, the nature of the underlying offense, the
16 fraud scheme, it was lengthy, and it was extensive. It
17 involved numerous individuals from his company, and it
18 defrauded many, many different customers and bidders of the
19 company.

20 The fraud scheme was serious because it not only had
21 an impact on those individual victims who were victimized by
22 the defendant and his co-schemers, but it also created a lack
23 of trust by other individuals in the community who would be
24 customers or bidders in online auctions or even online sales of
25 whatever it is. It created a distrust amongst people.

1 How can people now feel the same way about bidding
2 online for particular items, whether it's eBay, another sports
3 memorabilia auction house, or even purchasing something online,
4 when the president and the COO -- somebody who has been put out
5 there as the president and COO of the company comes out with
6 this code of conduct trying to reassure customers and bidders,
7 "No, we're on the up and up; here's what we're doing to make
8 sure we have honest and truthful auctions here. Here's what
9 we're doing. We're taking these steps," when in reality behind
10 the scenes he was doing the opposite?

11 Just like when he was double-crossing the FBI, he was
12 double-crossing his customers. He was telling them they were
13 trustworthy when, in fact, behind the scenes they were scheming
14 to shill bid, cover up prices, modify bidding records, and sell
15 fraudulent merchandise.

16 The government has looked at the history and
17 characteristics of the defendant as well, particularly the
18 facts laid out in the Presentence Report. And we acknowledge
19 and note that the defendant has a strong family, strong family
20 support, and he has been involved in some degree of community
21 service over the years. I believe he has several, numerous
22 supporters in the courtroom today.

23 However, these -- this network of family support was
24 there when he was committing the fraud for years, 2002 to 2009.
25 They were there. It didn't stop him from committing fraud.

1 He was involved in some level of community service
2 during that time. That didn't stop him from committing the
3 fraud.

4 And one thing we noted in our sentencing memo that --
5 regarding the characteristics of the defendant, the Detroit
6 Public Library. This is a man who still has not paid the
7 Detroit Public Library. Whether it was fraud or not, he still
8 has an outstanding obligation to that library.

9 If there's anybody in the United States not to scam,
10 it's Detroit. And if there's anybody in Detroit not to scam,
11 it's the public library. But the defendant still hasn't paid
12 them for their baseball cards. It's ridiculous, Your Honor.

13 Some of the aggravating factors that the government
14 looked at in coming to the 57-month recommendation were that in
15 2007 when various news outlets published that the FBI was on to
16 Mastro Auctions, he was informed -- he knew about the FBI
17 investigation, but it still didn't stop him from committing
18 fraud.

19 Also in 2007, he published the code of conduct that I
20 talked about, but that didn't stop him from committing fraud.
21 And then the -- I think the elephant in the room as far as
22 aggravating factors in this case is his deception with the FBI.
23 That was in 2013 and '14. He obstructed their investigation.
24 And I don't want to understate this particular point, that when
25 informing a target of an investigation and somebody whose house

1 and business is going to be searched, informing them that the
2 FBI is going to come knocking with a search warrant, puts the
3 FBI agents at risk. It puts the FBI Agent Brian Brusokas, who
4 is sitting here at the table with me, put him at risk when he
5 went into that house in 2014 when the defendant, Subject A --
6 or, I should say, the target, Subject A, knew the FBI was
7 coming.

8 The FBI and other law enforcement offices -- agencies
9 put considerable amount of time and planning into the execution
10 of search warrants, and they do that for a reason. It's
11 because bad things can happen when the bad guy knows the FBI is
12 coming in.

13 And the defendant was extremely reckless and
14 obstructive in telling Subject A that the FBI was coming.

15 And when he asked this Court for some kind of benefit
16 for his assistance, think about what lengths the FBI had to go
17 through to find out that their cooperator was actually
18 double-crossing them. The FBI actually had to wire up a
19 different individual, a different cooperator, to make
20 recordings on our own cooperator to prove that he was
21 double-crossing us, to prove that he was essentially sabotaging
22 our investigation into Subject A. It allowed Subject A to
23 create false exculpatory evidence that was then conveyed to the
24 FBI.

25 This is a very serious conduct, and I believe that

1 it's aggravating when it comes to determining the sentence in
2 this case. And these facts show that there is a need for this
3 particular defendant, a need to show him that respect for the
4 law is required and also to provide a deterrence, again both
5 specific and general, specific to this defendant, because he is
6 still a figure in this industry. The sports memorabilia
7 industry, online auctioning sales, he is still a significant
8 figure in this industry. He's actually a heavy-weight in this
9 industry, as was Bill Mastro. Bill Mastro essentially dropped
10 out of the industry after this case. The defendant did not.

11 This Court should send a message to this defendant
12 that his type of fraud, his types of reckless, obstructive
13 actions will be met with a significant period of -- significant
14 period of time in jail.

15 As far as the general deterrence, the sports
16 memorabilia industry is a very broad and active and, for lack
17 of a better word, intense industry. There are some very
18 passionate individuals in this industry. And the news of this
19 particular case spread like wild fire. It spread across the
20 countless blogs, websites, and thousands and thousands of web
21 postings regarding sports memorabilia in this particular case
22 and the defendants in this case, including Doug Allen.

23 It's being watched closely by the industry because,
24 again, the defendant is a -- is a leading figure in the
25 industry. And the Court should send a message through this

1 sentence today to the industry that if you choose to try to
2 take advantage of the trust of customers and bidders and choose
3 to defraud on the massive scale that the defendant and the
4 auction house did, then you will go to jail for a substantial
5 period of time.

6 And for these reasons, Your Honor, we believe that a
7 sentence of 57 months, which is right in the heart of the
8 guideline range, is appropriate in this case. Thank you.

9 THE COURT: Defense?

10 MR. OWENS: Your Honor, I'm sorry. I wanted to play
11 a few snippets from the recording. And these go to the conduct
12 that I just mentioned with regard to Subject A, and this is
13 from Government Exhibit Recording.

14 (Said audio recording played in open court.)

15 MR. OWENS: The government doesn't need the screen,
16 if it matters.

17 And, Your Honor, the snippets that we're playing are
18 actually contained in the government's sentencing memo.

19 (Said audio recording played in open court.)

20 MR. OWENS: I have a transcript of the parts that
21 we're playing. I can pass them up to you.

22 (Said audio recording played in open court.)

23 MR. OWENS: Now we're coming up at the 1:35:53 point.

24 (Said audio recording played in open court.)

25 MR. OWENS: And the next clip that I'm going to play

1 is at 1:40:50, the 1 hour 40 minute and 50 second mark.

2 (Said audio recording played in open court.)

3 MR. OWENS: And I'm going to play the 1:43:30 mark.

4 (Said audio recording played in open court.)

5 MR. OWENS: All right, Your Honor. That is the
6 presentation of the government's portion of the recording that
7 shows that the defendant was effectively agreeing with the
8 Subject A at that point to not alert the FBI about the
9 obstructive conduct undertaken by the defendant.

10 And with that, in summary, the government believes
11 that the defendant's conduct in the case and then after being
12 charged in this case merits a sentence of 57 months of
13 imprisonment.

14 Thank you, Your Honor.

15 THE COURT: Thank you.

16 Defense?

17 MS. HAYS: Your Honor, we don't dispute that Doug's
18 participation in the shill bidding scheme caused great harm,
19 both in terms of financial loss to victims and discrediting the
20 online auction industry.

21 Nothing I say today is meant to minimize the
22 seriousness of the offense and the intended loss not as
23 substantial.

24 That being said, I'd like to point out the probation
25 officer, Mr. Freeze's description of the crime, because I think

1 he accurately captures the gray areas. And, again, this is
2 going to the nature and circumstances of the offense, Judge.

3 Mr. Freeze writes: While it is a conservative
4 estimate of intended loss, the actual harm of the instant
5 scheme is perhaps further mitigated by the fact that the actual
6 loss was much lower and that unlike most fraud schemes, the
7 victims actually gained something of value.

8 He goes on and notes that: It is possible that a
9 number of the victim bidders might have spent the same amount
10 of money absent the fraud.

11 And this is consistent, Your Honor, with the findings
12 of Bryan Dec, the defense's expert, who concluded that the
13 items he evaluated sold at or below market value even when
14 shell bidders were participating in the auctions.

15 And the government itself has conceded that there are
16 challenges in trying to calculate the loss in this case. And I
17 do think those factors weigh in favor of the lower sentence.

18 With respect to Doug's history and characteristics,
19 there's so much more to Doug than the mistakes that have been
20 the focus of this case. He couldn't have as much love and
21 support as he has in this courtroom unless he'd done some
22 things right. You've gotten over 50 letters of others who
23 supported him, and they've pointed to a lot of good that he's
24 brought to their lives and a lot of good things he's done.

25 He's been a devoted husband, married for over 32

1 years to his wife Amy, who loves him dearly and is in court
2 here today. His three children adore him. He's been a good
3 friend to many, many people. And he has done a lot of
4 community service, as detailed in our written submissions to
5 Your Honor.

6 I briefly want to talk about the accusation, since it
7 came up today, with respect to the Detroit Public Library,
8 because that's one that, you know, from our perspective, really
9 gets us, because it's -- you know, Doug's admitted to the
10 things he's done wrong. And this -- this could be, I guess, a
11 mini trial within itself. It's not something the government
12 included as relevant conduct in the plea agreement. It's just
13 coming up now.

14 This is something the government has known about back
15 from the time when Mr. Allen was cooperating with them. And,
16 in fact, the agent actually helped him try to negotiate and
17 work this out with the Detroit Public Library. Even Mr. Owens
18 said today, you know, whether it was fraud or not, the check
19 hasn't been paid. The government is even alleging or going so
20 far as to say this was fraud, because it wasn't. And, in fact,
21 as the agent knows who was trying to help Mr. Allen, Mr. Allen
22 has handed a check over to the Detroit Public Library, the
23 individual, Mark Bowden, tried to pay them back several times,
24 and he rejects the check.

25 So there's nothing more Mr. Allen can do. And the

1 government's been aware of it and, again, did not include it as
2 relevant conduct, didn't revoke his cooperation deal as a
3 result of that. So I'm not sure why that's a focus, but we
4 really don't think it should be something that's considered
5 here.

6 In terms of the recording, you know, this is
7 certainly nothing that we think rights the serious wrong
8 Mr. Allen did, but we do think it's worth noting that the
9 government had someone wire up on Doug to try to also get him
10 to obstruct in his own case. And when it would actually
11 benefit Doug, when he could have tried to obstruct in his own
12 case, he refused.

13 And, in fact, in this recording that we have, Doug
14 tells the undercover informant, who, of course, he doesn't know
15 is wired up on him, over 25 times in a 45-minute recording to
16 just tell the truth and not to lie to the government.

17 And we have an excerpt of that recording. If we can
18 hear it better than the last one, I'll play it. If we can't, I
19 think we've made the point anyway. And it's very short, Judge.

20 Doug is the softer voice.

21 (Said audio recording played in open court.)

22 MS. HAYS: So that's the end of the recording, Your
23 Honor.

24 I want to move on and talk about the need for the
25 sentence to reflect the seriousness of the offense and create

1 general deterrence.

2 This is a perfect example of a case in which
3 deterrence is accomplished by the conviction itself. This is a
4 small industry, and a lot of people in the industry are aware
5 of and following this case.

6 They aren't going to say, "Oh, you know, Mr. Allen
7 only got a felony conviction and 18 months in prison so I'm
8 going to keep skill bidding." This has had a serious impact on
9 this industry, and it serves the purpose of this deterrence,
10 just the fact of the conviction.

11 I'd also like to point out again what Mr. Freeze, the
12 probation officer, says about deterrence in this case.
13 Mr. Freeze actually interviewed the case agent for this matter,
14 who told him that this case "has already served as somewhat of
15 a cautionary tale for this industry."

16 Everyone now is trying to follow the bidding rules,
17 Judge, as a result of this case. The deterrence goal has
18 already been accomplished.

19 With respect to the need to avoid unwarranted
20 sentencing disparities, you know, again, Judge, Mr. Mastro got
21 20 months. He was the leader. He was the beneficiary of the
22 profits, all of the profits, and the mastermind behind the
23 scheme.

24 The government is seeking 57 months for Doug. That's
25 over a three-year difference. And that discrepancy can't just

1 be justified by Mastro's cooperation when you consider the
2 nature and the scope of Mastro's cooperation. He wouldn't
3 cooperate for months after the indictment. The government even
4 confirmed that in a filing they submitted to Your Honor that
5 only after you rejected his first plea did he agree to
6 cooperate, and by then there wasn't much left to do.

7 And it was Mastro who destroyed the bidding records
8 to hide what he was doing, records that would have been
9 valuable, as the government said, in their investigation. So
10 even with that factored in, he still only got 20 months.

11 Mr. Allen, therefore, respectfully requests 18
12 months, Judge. And we also agree with probation's
13 recommendation of a fine for 20,000.

14 Before we conclude, Judge, there's just two family
15 members of Mr. Allen's who want to give very brief statements,
16 and Mr. Allen would like to as well.

17 THE COURT: Sure.

18 MS. HAYS: Let's see. If we could have first, Fred
19 Colvin, who is Doug's brother-in-law.

20 MR. COLVIN: Thank you, Your Honor.

21 Yes, I am --

22 THE COURT: Good morning. Could you just start out
23 by giving us your name --

24 MR. COLVIN: Sure.

25 THE COURT: -- spelling your last name, and stating

1 for the record your relationship to the defendant, please.

2 MR. COLVIN: I am Fred Colvin. That's C-o-l-v-i-n.
3 And I am brother-in-law to Doug.

4 THE COURT: Proceed.

5 MR. COLVIN: So I have known him ever since he came
6 into the family. And I'm not sure, but I think it's 20-some
7 years now.

8 As you can see all of the people behind, I've been
9 asked to speak on behalf of the family. And the family cannot
10 all be here, but those that have come and friends and some
11 church members and others that have all high respect for Doug,
12 not just love and respect, but an appreciation for his
13 integrity and his honor.

14 We do acknowledge that good people sometimes do bad
15 things, and Doug has admitted and has expressed to us his
16 remorsefulness over what he has done. Yesterday alone over 40
17 people passed through his house giving support.

18 I have in the course of my activities -- and I've
19 done a little bit of transportation for Doug. From Long Island
20 to the Jersey Coast to downtown New York, I have had
21 experiences where people in the business have said to me face
22 to face that, you know, they highly respect him and wish him
23 well in this situation.

24 I know that he has had large collections come into
25 his company after the accusations were made public because of

1 the people that still had a lot of respect for him.

2 As to the individual himself, yeah, I have served on
3 voluntary boards with him, both for high schools, subcommittees
4 afterwards, and for a seminary. I've served -- he served in
5 the diaconate of our church, and he is still a member of our
6 church with good standing. And we still do believe in his
7 integrity in that regard.

8 He has done a number of things over the years from
9 flipping burgers for organizations in our church in
10 fund-raisers to more significant things in his life and
11 elsewhere.

12 He has two daughters from China. They decided to
13 adopt and decided not to, you know, go a quick, easy American
14 route but to go and, in effect, rescue a couple of young
15 ladies.

16 There was another situation in our family where we
17 had a member, a niece that is -- was in a -- the daughter of a
18 nephew who was in a very bad family situation. And Doug and
19 Amy were the ones that came to her rescue and arranged for an
20 adoption, and she is now a thriving young lady. That's the
21 kind of person that he really is.

22 And so things get caught up and things get -- occur
23 in one's life that one might not be proud of. But over the
24 course of this time in the eight years that this has been going
25 on, I've seen the pain and difficulties that he has gone

1 through and the pain in his family.

2 What you don't see behind me is his parents. His
3 father is in a wheelchair and not able to be here. His mother
4 is not able to be here either, but he is also one of their
5 primary caregivers. My parents, a little bit better off
6 physically, but still not able to be here.

7 And our family views him not as an in-law but as a
8 son and a brother and as an uncle. It's a large family.

9 Bottom line is, Doug has a lot of respect and from a
10 lot of people in all walks of life. And we have all come
11 together, and even those that are not here are praying for a
12 fair and honest, honest justice to be served. We do not want
13 justice to go unserved, but we do want to ask that you include
14 everything that you've seen and everything that you've heard
15 from both sides in the grand -- in the full scope of it, to be
16 lenient on him because we need him back.

17 Thank you.

18 THE COURT: Thank you.

19 MS. HAYS: And the second person you're going to hear
20 from, Your Honor, is Dale Huizenga, H-u-i-z-e-n-g-a. And
21 that's Doug's best friend.

22 MR. HUIZENGA: Good morning, Your Honor.

23 THE COURT: Good morning. I'm going to ask you also
24 just to state your name for the record, please, and tell us
25 your relationship to the defendant.

1 MR. HUIZENGA: My name is Dale Huizenga,
2 H-u-i-z-e-n-g-a, and I'm Doug's friend.

3 Thank you for the opportunity to address the Court
4 this morning on behalf of Doug.

5 I've known Doug for over 35 years, going back to our
6 days at Illiana Christian High School. It wasn't until the
7 last 30 years of our lives that I really got to know him on a
8 more personal basis. Our lives became connected through our
9 wives and our families, our church, our schools.

10 I've known each of Doug and Amy's children, Spencer
11 from the day he was born, Jada and Janna when they brought
12 them back from China.

13 Doug and Amy have known my children as well. My
14 children call them aunt and uncle. In many ways, I am as close
15 to the Allens as my own family. Our families grew up together.
16 I feel as though I could just as well be addressing this Court
17 today as a family member rather than a friend.

18 Over the years I've attended the same church,
19 worshiped alongside Doug and his family, served on many
20 volunteer opportunities at school, at church. I've been on
21 fishing trips with Doug, family vacations, countless family
22 vacations, the kind of things that you spend time with somebody
23 and you get to know who they really are.

24 I know Doug Allen. I know that he has been the same
25 person over all the years that we've been friends, a person who

1 sees the needs of others and places those ahead of his own, the
2 same man no matter what level of success or challenges faced in
3 life. Doug is the type of friend who puts others before
4 himself.

5 In January of 2010, my wife passed away suddenly.
6 Without warning, my life and the life of my children was thrown
7 into a place I never thought could happen.

8 Doug was there immediately to support me for that day
9 and many days after that. It was Doug who would call me or
10 text me to check on me. It was Doug and Amy who would invite
11 me to dinner to make sure I wasn't alone, to spend his time
12 with me many nights to talk and to let me get out what I was
13 feeling and to give me good advice. Doug placed my needs
14 before other things and situations going on during his life at
15 that time, situations such as the one that brings us all here
16 today.

17 In hindsight, I can look back at those days and
18 realize Doug's friendship helped me in so many ways, ways that
19 likely kept me from a greater depression and sadness. He
20 encouraged me, and his friendship helped strengthen me and
21 benefited my family as well.

22 I've seen firsthand the remorse that Doug feels for
23 what he has done. He has expressed so many times to me the
24 stress and sadness that he's caused for his family that they've
25 known over this process, his deep regret of letting them down

1 and others. I've also seen the strengthening of his family and
2 his faith.

3 Doug has been and always will be my friend. In fact,
4 he is my best friend.

5 I respectfully ask for the mercy of the Court and
6 lenience in the sentencing today. While I personally do not
7 understand how society benefits from a longer or shorter
8 sentence in this case, I know that Doug's friends and families
9 and those who love him, they will not benefit.

10 Thank you.

11 THE COURT: Thank you.

12 MS. HAYS: Your Honor, Mr. Allen would like to speak
13 now.

14 THE COURT: Very well. Sir, you understand you're
15 not required to make a statement.

16 THE DEFENDANT: I do understand that, Your Honor.

17 THE COURT: All right. Proceed.

18 THE DEFENDANT: Okay. Good morning, Your Honor. I
19 appreciate the opportunity to say a few words.

20 I'm going to ask you to excuse me for reading my
21 words, but I just wanted to make sure that they expressed what
22 I really do feel today.

23 The first thing that I want to say is that I'm sorry.
24 I'm sorry that I caused considerable loss to my former
25 customers at Mastro Auctions. I realize that -- that we as a

1 company were an industry leader and had responsibility to the
2 public and to our customers, and we let them down. There's not
3 a day that goes by that I don't regret those actions and those
4 decisions that were made in those years.

5 I've personally have had the opportunity and been
6 gratified at the ability to apologize to many of those former
7 customers, and I'm grateful to those who have given me a second
8 chance to prove it and even have stood up to support me.

9 I'm deeply sorry to my family and friends for the
10 pain and suffering I caused them. My brother-in-law mentioned
11 they were parading through my house yesterday. It really gave
12 me an opportunity to open up to them about that, although I
13 have for the past years but in a more focused way. I feel so,
14 so fortunate that they're here today to support me.

15 After seven years of this investigation, the case
16 weighing on them, it comes as a surprise to many of them that I
17 tell them that I'm actually happy that today finally arrived.
18 It will help myself and my family begin the healing process,
19 whatever the outcome.

20 With the support of my -- my wife Amy of 32 years and
21 my three amazing kids, who I'm just so proud of, I'm ready to
22 face the consequences of my actions.

23 Second, I am sorry for the actions as it related to
24 informing this other individual of the government's
25 investigation into his activities. I'm sorry for the damage

1 that I caused to their investigation, and I truly regret
2 interfering with the work of what are honest government
3 employees, who were just basically doing their job. They gave
4 me the opportunity to try to right some of my wrongs, and I
5 failed miserably.

6 Your Honor, I hope that I've explained how badly I
7 feel about these past actions. If you give me a chance to
8 return to my family as soon as possible, I will not disappoint
9 you, and I will not disappoint anyone. I'll work every day to
10 make you, my family, and my friends proud of me again.

11 Thank you, Your Honor, for the opportunity to speak.

12 THE COURT: Thank you.

13 Is there anything else from the government?

14 MR. OWENS: No, Your Honor.

15 THE COURT: Defense?

16 MS. HAYS: No, Your Honor.

17 THE COURT: Very well.

18 The Court has reviewed the Presentence Investigation
19 Report, the supplemental reports, the submissions of the
20 attorneys, the letters we've received from victims expressing
21 their outrage. I take into account the testimony that was
22 given here today by the defendant's friends and family and the
23 defendant's statement as well.

24 As usual in this type of case, there is a significant
25 schism between a defendant's private life --

1 (Brief interruption.)

2 THE COURT: Hopefully that doesn't mean we're going
3 to have a breakdown here.

4 (Continuing) -- and his business life. It appears
5 that the defendant has reserved all of his good traits, his
6 honesty, his decency, his caring for his personal life, and has
7 in his business dealings acted almost entirely the opposite of
8 that. He has schemed. He has deceived. He has lied. And he
9 has done it not once or twice but repetitively over a long
10 period of time. He has caused in that way as much hurt as he
11 has done good in his personal life. There's no denying that.

12 I take away a couple of points that are most
13 important to me in this case. One, as mentioned briefly by the
14 defendant, is his duplicitous conduct in, in essence,
15 double-crossing the FBI and the U.S. Attorney's Office by
16 agreeing to cooperate with their investigation while actually
17 attempting to damage that investigation. I find that a really
18 disturbing piece of conduct, showing a total lack, at that
19 point at least, of understanding of the degree of guilt and the
20 wrongfulness of his conduct.

21 It is unusual. I have been sitting on this bench for
22 many, many years, and I have yet to hear of someone who
23 actually goes out of his way while attempting -- while
24 pretending to be cooperating with the law enforcement to
25 sabotage the very investigation he's supposed to be helping

1 them with. I have great difficulty wrapping my mind around
2 that type of conduct, frankly. It shows, I think, a total lack
3 of respect for the legal process and the law.

4 In doing that, he not only affected the
5 investigation, but he wasted government resources to a
6 tremendous extent. And as pointed out by the government, you
7 know, these agents, they have a tough job. It is dangerous.
8 You never know what's going to happen. And to set them up in
9 that way, with either particularly evil or -- again, shows a
10 really lack of understanding of the wrongfulness of his
11 conduct.

12 And it's part of a somewhat disturbing pattern, as I
13 see it here. You know, it's one thing to engage in a fraud
14 over the internet. It's another thing to, while you're doing
15 that, publish a code of good conduct that you're professing to
16 all of your victims that you intend to follow. That also is
17 duplicitous in the same manner as his actions with respect to
18 the FBI investigation.

19 There's a disturbing similarity there which must be
20 taken into account.

21 And finally, the need for deterrence in the general
22 sense in this case is, I think, frankly greater than in most.
23 The internet is the bold new sort of wild west of commerce. It
24 is quickly becoming a huge marketplace, which carries with it
25 certain risks, the disconnect between the customers and the

1 vendors. The lack of any personal interchange, the lack of
2 proximity, the lack of being able to identify really sometimes
3 who you're dealing with or know anything about them or know
4 anything about their reputations makes the customers on the
5 internet, I think, much more vulnerable and much more in need
6 of protection than someone who is dealing with a corner grocer,
7 the pharmacy across the street, or a retail outlet with which
8 you've had many personal experiences over many years.

9 And for that reason, I think that the -- there is a
10 need for deterrence in the general sense in this case more so
11 than in most.

12 Having said all of that, I'm still faced with the
13 need to balance the defendant's obviously -- obvious creditable
14 personal life with his, frankly, atrocious conduct in any moral
15 sense in this crime.

16 I believe that a sentence within the guideline range
17 is the appropriate sentence in this case. It is a sentence
18 that I have come to after considering all of the propositions
19 of all of the parties and, frankly, is largely detached from
20 the guideline range determination itself.

21 In other words, I feel this is the appropriate
22 balance regardless of what the precise guideline range
23 determination turns out to be in this case. Therefore, the
24 Court intends to enter the following sentence:

25 Pursuant to the Sentencing Reform Act of 1984, it is

1 the judgment of the Court that the defendant is hereby
2 committed to the custody of the Bureau of Prisons to be
3 imprisoned for a total term of 57 months on Count I. The
4 defendant is ordered to pay a fine of \$20,000. The Court
5 imposes, as it must by statute, the \$100 special assessment
6 fee. Both of those monetary sanctions are due and payable
7 immediately.

8 The probation report does not recommend a period of
9 supervised release, and I agree with that. I don't see any
10 need for rehabilitation in the sense of social life, drug
11 abuse, mental issues, employment, family life, any of those
12 things. And Lord knows, the probation department has enough to
13 do with people who actually are in dire need of those services.
14 Therefore, the Court will not impose a period of supervised
15 release.

16 We'll waive costs of incarceration, and the Court
17 will waive interest on the payment of the fine.

18 Are there -- first of all, are there any questions
19 about the Court's intended sentence?

20 MS. HAYS: No, Your Honor.

21 MR. OWENS: No, Your Honor.

22 THE COURT: Are there other counts?

23 MR. OWENS: Yes, Your Honor. The remaining counts
24 regarding this defendant, the government would move to dismiss
25 those counts.

1 THE COURT: Okay. All the other counts are
2 dismissed.

3 Date for commencement of the sentencing.

4 THE CLERK: May 9th before 2:00 p.m.

5 THE COURT: Okay. Sir, it is your duty to report to
6 whatever institution the Bureau of Prisons designates for you
7 to serve your term at on May 9th before 2:00 o'clock in the
8 p.m. You can find out what institution that is from your
9 attorney, from the government's attorney, or from the probation
10 officer. It is your responsibility to do so and to be there at
11 that time. Should you fail to appear, a warrant will be issued
12 for your arrest. You will be deemed a fugitive and likely will
13 face further charges.

14 Do you understand that?

15 THE DEFENDANT: I do, Your Honor.

16 MS. HAYS: Your Honor, we do have a request. If you
17 could make a recommendation to the BOP for the Terre Haute,
18 Indiana, facility, it's close to Doug's family.

19 THE COURT: I won't do that. I don't do it. The
20 Bureau of Prisons has enough difficulty placing people in the
21 correct institution. I only do it in cases where there is some
22 dire family need, somebody who is dying, somebody who is very
23 ill, something of that nature.

24 MS. HAYS: His parents --

25 THE COURT: I won't make that recommendation.

1 MS. HAYS: His parents are very elderly, and that's
2 the closest to where they live.

3 THE COURT: I'm afraid I just won't make that
4 recommendation. I'm sorry.

5 Sir, it's my duty to advise you that you have the
6 right to appeal your guilty plea if you feel there is something
7 wrong or impermissible with your guilty plea. You'll also have
8 the right to appeal the sentence itself if you feel that that
9 sentence is contrary to the law.

10 You have the right to appeal *in forma pauperis*, which
11 means without having to pay the usual fee. And the Clerk of
12 the Court will prepare and file a notice of appeal for you if
13 you request it.

14 With few exceptions, any notice of appeal that you
15 file must be filed within 14 days of the date that I actually
16 enter the judgment I have announced I intend to enter in this
17 case.

18 Do you have any questions about your right to appeal?

19 MS. HAYS: No, Your Honor.

20 THE COURT: Okay. Anything else?

21 MR. OWENS: No, Your Honor.

22 THE COURT: Okay.

23 MR. FREEZE: Judge, for the record, Zakary Freeze,
24 probation office.

25 Are there going to be any modifications to bond,

1 Judge?

2 THE COURT: I'm sorry?

3 MR. FREEZE: Will there be any modifications to the
4 defendant's bond, or will the bond conditions remain?

5 THE COURT: The bond will stand until he -- as is,
6 the same conditions until he turns himself in.

7 MR. FREEZE: Thank you, Judge.

8 THE COURT: You're welcome.

9 That's the Court's order.

10 MS. HAYS: Thank you, Your Honor.

11 MR. OWENS: Thank you, Your Honor.

12 THE CLERK: The court stands recessed.

13 (Proceedings concluded.)

14

15 C E R T I F I C A T E

16 I, Nancy L. Bistany, do hereby certify that the
17 foregoing is a complete, true, and accurate transcript of the
18 proceedings had in the above-entitled case before the HONORABLE
19 RONALD A. GUZMAN, one of the Judges of said Court, at Chicago,
20 Illinois, on February 8, 2016.

21

22 /s/ Nancy L. Bistany, CSR, RPR, FCRR

February 15, 2016

23 Official Court Reporter
24 United States District Court
25 Northern District of Illinois
Eastern Division

Date