



U.S. Department of Justice

United States Attorney  
Western District of Pennsylvania

U.S. Post Office & Courthouse  
700 Grant Street  
Suite 4000  
Pittsburgh, Pennsylvania 15219

412/644-3500

February 16, 2017

Michael Bolton, Esquire  
Suite 250, 1122 Mainland Street  
Vancouver, BC, Canada

Re: United States of America v.  
Quantum Solutions, SRL  
Criminal No. 17-

Dear Mr. Bolton:

This letter sets forth the agreement by which your client, Quantum Solutions SRL, will enter a plea of guilty in the above-captioned case. The letter represents the full and complete agreement between Quantum Solutions SRL and the United States Attorney for the Western District of Pennsylvania. Except as stated in Paragraph C.5. of this letter, the agreement does not apply to or bind any other federal, state, or local prosecuting authority.

Upon the filing of the Information (a draft copy of which is attached as Exhibit A) Quantum Solutions SRL will execute a form consenting to the preparation of a pre-plea Presentence Report, and execute all documentation requested by the U.S. Probation Office. Upon entering a plea of guilty, it will be sentenced under the Sentencing Reform Act, 18 U.S.C. § 3551, et seq. and 28 U.S.C. § 991, et seq. The Sentencing Guidelines promulgated by the United States Sentencing Commission will be considered by the Court in imposing sentence. The facts relevant to sentencing shall be determined initially by the United States Probation Office and finally by the United States District Court by a preponderance of the evidence.

A. The defendant, Quantum Solutions SRL, agrees to the following:

1. The defendant will waive prosecution by indictment and enter a plea of guilty to Counts 1 and 2 of the Information (a draft copy of which is attached as Exhibit A) at Criminal No. 17-\_\_\_, charging it in Count 1 with violating 18 U.S.C. § 371, conspiracy to distribute wholesale quantities of misbranded prescription drugs made for the foreign market, in violation of 21 U.S.C. §§ 331(t) and 333(a)(2), and in Count 2 with



violating 18 U.S.C. § 1956(h), conspiracy to money launder, pursuant to Rule 11 of the Federal Rules of Criminal Procedure.

2. The defendant will provide to the Court and to the United States written evidence in the form of a notarized resolution of the Board of Directors with both notary and corporate seals, certifying that the defendant corporation is authorized to plead guilty to the felony charges set forth in the Information, and to enter into and comply with all provisions of this agreement. The resolution shall further certify that the person representing the defendant corporation is authorized to take these actions and that all corporate formalities, including but not limited to, approval by the defendant's directors, required for such authorization, have been observed.
3. The defendant shall not, through a change of name, business reorganization, sale or purchase of assets, divestiture of assets, or any similar action, seek to avoid the obligations and conditions set forth in this plea agreement. This plea agreement, together with all of the obligations and terms hereof, shall inure to the benefit of and bind partners, assignees, successors-in-interest, or transferees of the defendant.
4. The defendant will voluntarily forfeit and tender to the United States \$4,235,000, and all right title, and interest to the website domains identified on Exhibit B through a criminal forfeiture action at the above captioned criminal case number pursuant to 18 U.S.C. § 982(a)(7), and pay that full amount on or before the date of the sentencing hearing in two simultaneous, separate and equal payments of \$2,117,500, with the first payment payable to the U.S. Treasury Department and the second payment payable to the U.S. Marshals Service.
5. The defendant acknowledges that the \$4,235,000 and property described in paragraph A.4. and Exhibit B are presently the subject of a criminal forfeiture action and it herewith voluntarily consents to the Court entering an order of forfeiture of said property to the United States.
6. The defendant acknowledges that the above-described monies and property constitute proceeds obtained either directly or indirectly as a result of its offenses and/or the monies constitute the value of the merchandise that was introduced into the United States.
7. The defendant agrees to pay a criminal fine of \$100,000 on or before the sentencing hearing.
8. At the time Quantum Solutions SRL enters its plea of guilty, it will deposit a special assessment of \$800.00 in the form of cash, or check or money order payable to "Clerk, U.S. District Court". In the event that sentence is not ultimately imposed, the special assessment deposit will be returned.

9. Quantum Solutions SRL waives the right to take a direct appeal from its conviction or sentence under 28 U.S.C. § 1291 or 18 U.S.C. § 3742, subject to the following exceptions:

- (a) If the United States appeals from the sentence, Quantum Solutions SRL may take a direct appeal from the sentence.
- (b) If (1) the sentence exceeds the applicable statutory limits set forth in the United States Code, or (2) the sentence unreasonably exceeds the guideline range determined by the Court under the Sentencing Guidelines, Quantum Solutions SRL may take a direct appeal from the sentence.

Nothing in the foregoing waiver of appellate rights shall preclude the defendant from raising a claim of ineffective assistance of counsel in an appropriate forum, if otherwise permitted by law. The defendant understands that the government retains its right to oppose any such claim on procedural or substantive grounds.

B. In consideration of and entirely contingent upon the provisions of Parts A and C of this agreement, the United States Attorney for the Western District of Pennsylvania agrees to the following:

- 1. The United States Attorney retains the right of allocution at the time of sentencing to advise the sentencing Court of the full nature and extent of the involvement of Quantum Solutions SRL in the offenses charged in the Information and of any other matters relevant to the imposition of a fair and just sentence.
- 2. The United States Attorney will take any position she deems appropriate in the course of any appeals from the sentence or in response to any post-sentence motions.

C. Quantum Solutions SRL and the United States Attorney further understand and agree to the following:

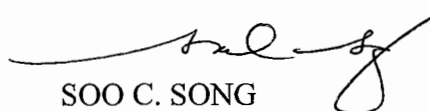
- 1. The penalty that may be imposed upon Quantum Solutions SRL for 18 U.S.C. § 371 is:
  - (a) A term of probation of 5 years (18 U.S.C. §3561(c) );
  - (b) A fine of \$500,000 (18 U.S.C. § 3571(c)(3));  
Or an alternative fine in an amount not more than the greater of twice the gross pecuniary gain to any person or twice the pecuniary loss to any person other than the defendant, unless the imposition of this alternative fine would unduly complicate or prolong the sentencing process (18 U.S.C. § 3571(d)).
  - (c) A special assessment under 18 U.S.C. § 3013 of \$400.00;

- (d) Any or all of the above.
2. The penalty that may be imposed upon Quantum Solutions SRL for 18 U.S.C. § 1956(h) is:
    - (a) A term of probation of 5 years (18 U.S.C. §3561(c) );
    - (b) A fine of \$500,000 (18 U.S.C. § 3571(c)(3));  
Or an alternative fine in an amount not more than the greater of twice the gross pecuniary gain to any person or twice the pecuniary loss to any person other than the defendant, unless the imposition of this alternative fine would unduly complicate or prolong the sentencing process (18 U.S.C. § 3571(d)).
    - (c) A special assessment under 18 U.S.C. § 3013 of \$400.00;
    - (d) Any or all of the above.
  2. Pursuant to Rule 11(c)(1)(C), the parties stipulate and agree that the appropriate sentence in this case is a fine of \$100,000, forfeiture of \$4,235,000, no term of probation and a special assessment of \$800.
  3. Consistent with Rule 11(c)(1)(C), the Court may accept the plea agreement, reject the plea agreement, or defer a decision until it reviews the presentence report. If the Court rejects the plea agreement, consistent with Rule 11(c)(5), the defendant will have the opportunity to withdraw its guilty plea and the government will be prohibited from using the defendant's statements during the plea proceeding, or any statements of defendant's counsel, for any purpose, including in any extradition proceedings.
  4. The parties further agree that no other enhancements, departures or variances are applicable or appropriate.
  5. The Government agrees that this plea agreement resolves all criminal charges currently pending or that could be brought by a United States Attorney's Office or a litigating section of the United States Department of Justice against the defendant for conduct directly related to or stemming from the defendant's operation of and involvement in Quantum Solutions SLR for the conduct described in the attached Information. Accordingly, pursuant to this plea agreement, the defendant shall not be subject to federal criminal prosecution in any federal court other than the United States District Court for the Western District of Pennsylvania for any charge that could result from the above-described conduct.
  6. The parties recognize and acknowledge the terms set forth in letter from Catherine Hermsen, Acting Director, Office of Criminal Investigations, U.S. Food and Drug Administration, attached hereto as Exhibit C.



This letter sets forth the full and complete terms and conditions of the agreement between Quantum Solutions SRL and the United States Attorney for the Western District of Pennsylvania, and there are no other agreements, promises, terms or conditions, express or implied other than the agreement set forth in Exhibit "C".

Very truly yours,



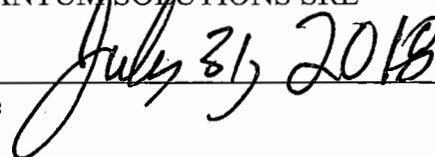
SOO C. SONG  
ACTING UNITED STATES ATTORNEY

I have received this letter from my attorney, Michael Bolton, Esquire, have read it and discussed it with him, and I hereby accept it and acknowledge that it fully sets forth my agreement with the Office of the United States Attorney for the Western District of Pennsylvania. I affirm that there have been no additional promises or representations made to me by any agents or officials of the United States in connection with this matter.

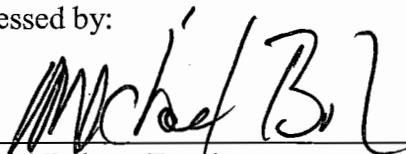


QUANTUM SOLUTIONS SRL

Date



Witnessed by:



Michael Bolton, Esquire  
Counsel for Quantum Solutions SRL