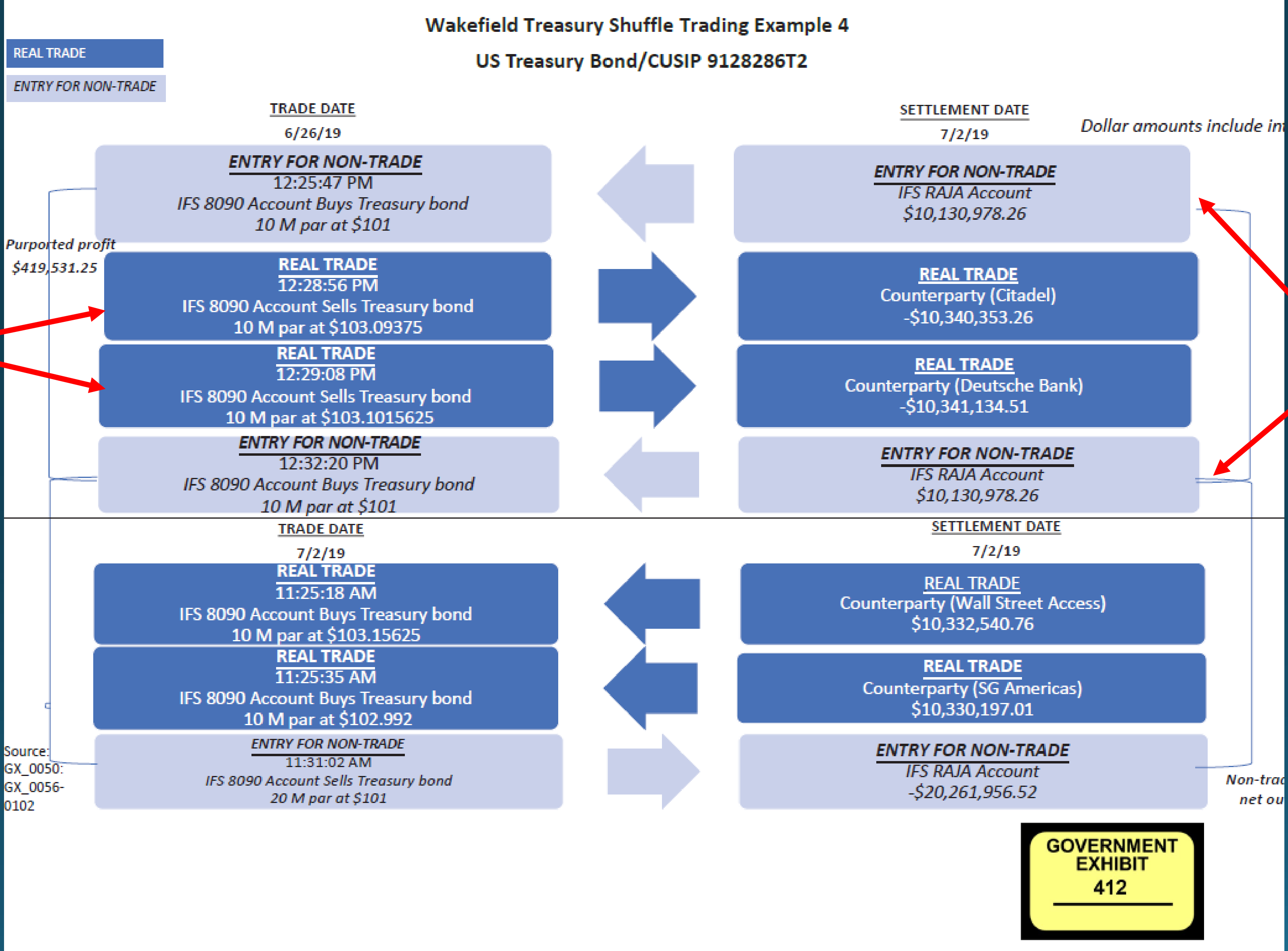

Fake Pair-Off Trade 1
DEFENDANT
FAKE BUY
Real Sell
Customer 1
Customer 2

WAKEFIELD …then I’d put on a trade -or fake trade you can say- for three or four days in the future. Uhm, where I would put in a legitimate sale in, uhm, but the buy might be the buy from eight, from Ray Jay, uhm, three points lower or something like that. Right?

GX_0103, Tr. Pg. 15

Shuffle Trade 5

“legitimate sale”



“the buy from eight, from Ray Jay, three points lower or something like that”

Right? So, so, so if you want to think in terms of, think fraudulent here. If you want to think in terms of fake gains, the initial thing that I did to solve this is a gain that's three or four days in the future. Right? Uhm,

GX_0103, Tr. Pg. 16


Bond Trade: Profit = Spread
DEFENDANT
$9 Buy
$10 Sell
True Profit: $1
Customer 1
Customer 2
INFLATED PROFIT: $20

TRADE 6 – June 2019

IFS buys:

CUSIP	Party 1	Buy/Sell	Amount	Price	Principal Amount	Party 2
30229BXA0	IFS	Buys	32,000,000	99.35577778	$31,793,848.89	EXON MOBIL

IFS sells:

CUSIP	Party 1	Buy/Sell	Amount	Price	Principal Amount	Party 2
30229BXA0	IFS	Sells	32,000,000	99.36155556	$31,795,697.78	IL HOUSING DEV

Actual Profit: $1,848.89

Defendant's Portion of Actual Profit: $1,109.33

Claimed Profit: $64,000

Defendant's Portion of Claimed Profit: $38,400

GOVERNMENT EXHIBIT 406

Sources: GX_20, GX_295

The Charges Against Defendant

Count 1 – Securities Fraud

Counts 2 to 4 – Wire Fraud

Securities Fraud (Count 1)

1. The defendant employed a device, scheme, or artifice with the intent to defraud in connection with the purchase or sale of a security;

2. The defendant acted willfully; and

3. The defendant knowingly used, or caused to be used, the internet, which is a means and instrumentality of interstate commerce

Wire Fraud (Counts 2 – 4)

1. The defendant knowingly devised or participated in a scheme to defraud, as described in Count 1;

2. The defendant did so with the intent to defraud;

3. The scheme to defraud involved a materially false or fraudulent pretense, representation, or promise; and

4. For the purpose of carrying out the scheme, the defendant caused interstate wire communications to take place in the manner charged in the particular count

- For purposes of Count One, a “device, scheme, or artifice” is a plan or course of action formed with the intent to accomplish some purpose.

    - A person acts with intent to defraud if he acts knowingly and with the intent to deceive or cheat in order to cause a gain of money or property to the defendant or another or the potential loss of money or property to another.

- For purposes of Counts Two through Four, a “scheme” is a plan or course of action formed with the intent to accomplish some purpose. A “scheme to defraud” is a scheme that is intended to deceive or cheat another and to obtain money or property or cause the potential loss of money or property to another by means of materially false or fraudulent pretenses, representations, or promises.

Scheme = Plan or course of action formed with the intent to accomplish some purpose

Intent to Defraud = To act knowingly and with the intent to deceive or cheat in order to cause a gain of money or property to the defendant or another or the potential loss of money or property to another

Mr. Wakefield's Fraudulent Scheme

Defendant's Fraud:

1. Claimed inflated, unearned profits on bond trades.

2. Engaged in prohibited high-risk bond trades and concealed it.

FAKE TRADES:

1. Made at-risk trading falsely appear to be riskless.
2. Generated fake profits on the books.

Defendant Claimed Inflated, Unearned Commissions To Steal IFS's Money

Defendant Claimed Inflated Commissions To Steal IFS's Money

886737	6/28/2019	6/28/2019	B	30229BXA0	32,000,000	$31,795,697.78	$64,000.00	60%	$38,400.00	$15.00	$38,385.00	EXXON MOBIL CORP COMMERCIAL PAPER DISCOUNTED DUE 10/10/19

GX_020, at pg. 5

Government Demonstrative 332 – Mr. Sheedy then walked you through how he found the other side of this trade, showing Mr. Wakefield's inflated commission on this and other trades.

RepNo	AcctNo	Cusip	TradeDate	AsOfDate	SettleDate	Quantity	Price	BuySell	PrincipalAbs	Commission	Net Difference (sell minus buy)	House Loss
	8090	30229BXA0	6/27/2019	6/27/2019	6/28/2019	32,000,000.00	99.36	Buy	31,793,848.89	0.00		
39	8090	30229BXA0	6/28/2019	6/27/2019	6/28/2019	32,000,000.00	99.36	Sell	31,795,697.78	64,000.00	1848.89	-62,151.11

Defendant Claimed Inflated, Unearned Commissions To Steal IFS's Money

Government Exhibit 407 – Special Agent Malloy detailed several examples of Mr. Wakefield's inflated commissions from April 2019 to June 2019, the same time period Mr. Wakefield was accumulating millions in losses.

April 2019 – June 2019 Trade Examples

Trade Example	Month	CUSIP	Trade Amount	Claimed Profit	Actual Profit
Trade 1	April	313384FA2	1,200,000	$12,000	-$2.50
Trade 2	April	62479MX16	4,559,000	$34,192.50	$543.28
Trade 3	May	313384FQ7	800,000	$11,750	$0
Trade 4	May	313384HY8	10,000,000	$20,000	$0
Trade 5	June	6117P5U13	1,374,000	$13,740	$2.29
Trade 6	June	30229BXA0	32,000,000	$64,000	$1,848.89

Sources: GX_21, GX_22, GX_20, GX_295

Defendant Claimed Inflated, Unearned Commissions To Steal IFS's Money

Government Exhibit 408 – Special Agent Malloy detailed several examples of Mr. Wakefield's inflated commissions from 2017 and 2018.

2017 and 2018 Trade Examples

Trade Date	CUSIP	Trade Amount	Claimed Profit	Actual Profit
January 23, 2017	313385BW5	2,508,000	$18,810	$7.31
May 24, 2017	313589GH0	1,400,000	$20,000	$0
August 31, 2017	313385LJ3	2,000,000	$29,000	$0
January 3, 2018	313385RJ7	6,000,000	$20,500	$0
March 20, 2018	313385UN4	2,700,000	$27,000	$1.13
July 27, 2018	313385A55	2,000,000	$20,000	$0

Sources: GX_1, GX_4, GX_8, GX_13, GX_26, GX_17, GX_295

Defendant Claimed Inflated, Unearned Commissions To Steal IFS's Money

May, but I don't really know that we had any huge losses that, where I was hiding in May, but I would say in May we definitely had losses. That, that's when the losses started, but I, uh,…

GX_0103, Tr. Pg. 4

WAKEFIELD -I'm sorry, four or five ten million pieces of ten year. Right?

GX_0103, Tr. Pg. 6

right. So, so I come back at 8 pm and looking to close the shorts and the market's like up…

SHEEDY Yeah.

WAKEFIELD …like a half a point or a point. It was up something obnoxious like you know…

GX_0103, Tr. Pg. 7

Defendant Claimed Inflated, Unearned Commissions To Steal IFS's Money

Commission/Fee Statement

B539 (4BH8): Keith Wakefield

May 31, 2019

Rate Basis	*Rate*	*Comm Basis*	*Commission*
$74,903.59	60%	$74,903.59	$44,327.15
$0.00	n/a	($16,880.38)	($16,880.38)
$74,903.59	0.5%	$74,903.59	($374.52)

Commission Earned	$43,752.64
Advance	$0.00
Draw	$0.00
Prior Balance	$0.00
Commission Paid	**$27,072.26**
Ending Balance	$0.00

GOVERNMENT EXHIBIT 21

Commission/Fee Statement

B539 (4BH8): Keith Wakefield

June 30, 2019

Rate Basis	*Rate*	*Comm Basis*	*Commission*
$77,805.83	60%	$77,805.83	$46,308.50
$0.00	n/a	($26,950.19)	($26,950.19)
$77,805.83	0.5%	$77,805.83	($389.03)

Commission Earned	$45,719.47
Advance	$0.00
Draw	$0.00
Prior Balance	$0.00
Commission Paid	**$18,969.28**
Ending Balance	$0.00

GOVERNMENT EXHIBIT 20

Taking High-Risk Naked Short Positions And Concealing His Positions

Taking High-Risk Naked Short Positions And Concealing His Positions

Government Exhibit 300 – IFS's Written Supervisory Procedures impose basic rules on Mr. Wakefield

Designated Supervising Principal

Our Head of Trading, working with Senior Management, is responsible for ensuring that we have developed sufficient internal controls and risk management systems to prevent unauthorized, or rogue, trading which could lead to substantial losses to this firm.

Such controls and systems will be based on manual reviews and automated surveillance tools, as appropriate for the level of risk perceived by our proprietary trading activities. Such controls and systems will include password security and other systems protections, as appropriate.

Supervisory Review Procedures and Documentation

Our Head of Trading and CEO will maintain documentation of the program adopted by this firm to address issues raised in FINRA's Regulatory Notice 08-18. This program is intentionally NOT included in these WSPs to ensure that information about our surveillance and monitoring systems is not widely known, thereby limiting the possibility of employees circumventing those systems.

Our CEO and Head of Trading, and other appropriate Senior Management, will meet at least annually to review this program and determine its effectiveness, implementing additional controls as deemed necessary. Our CCO will maintain documentation of these meetings and any subsequent action.

The Firm currently prohibits the Trading Desk from taking positions over 1MM in face value for longer than two (2) days.

GX_0300, pg. 587

Taking High-Risk Naked Short Positions And Concealing His Positions

Government Exhibit 301 – IFS's CFO, Leighton O'Sullivan, sends email to Mr. Wakefield on February 26, 2019, making clear that Mr. Wakefield is not permitted to speculatively trade beyond 1MM

9. Ensure each trader is kept to within their limits so the overall limit of 12MM is not exceeded, LO needs this report daily to see all applicable traders books to ensure compliance.
    a. (Kevin-5MM, Eddie-3MM, Brian-3MM, Keith+Danny- 1MM, Competitive Business-3MM)
10. LO to review inventory for required haircuts and send to Ken George routinely
11. LO to send Ken George all Good Faith Deposits and the same refundings

Regards,
Leighton O'Sullivan, CPA

CFO
IFS Group, Inc

Monarch Plaza
3414 Peachtree Road, NE
Suite 1020
Atlanta, Georgia 30326

GOVERNMENT EXHIBIT 301

Taking High-Risk Naked Short Positions And Concealing His Positions

Government Exhibit 103 – Mr. Wakefield admits he was not supposed to be speculating

WAKEFIELD	Yeah no I definitely, I've definitely speculated before, uhm, I was not supposed to be speculating now. Uh, but what I was doing, was I was putting in treasuries for like a lot of people and…
SHEEDY	Yeah.
WAKEFIELD	…uhm, and I was…
SHEEDY	Hide it in the mix.
WAKEFIELD	…(UI) you got it. Kind of just jumping on, right?

GX_0103, at 38:50

Taking High-Risk Naked Short Positions And Concealing His Positions

IFS's Total Long Monetary Value on August 6, 2019

– GX_0415

Mr. Wakefield's Naked Short Position on August 5, 2019 (only certain counterparties)

– GX_0417

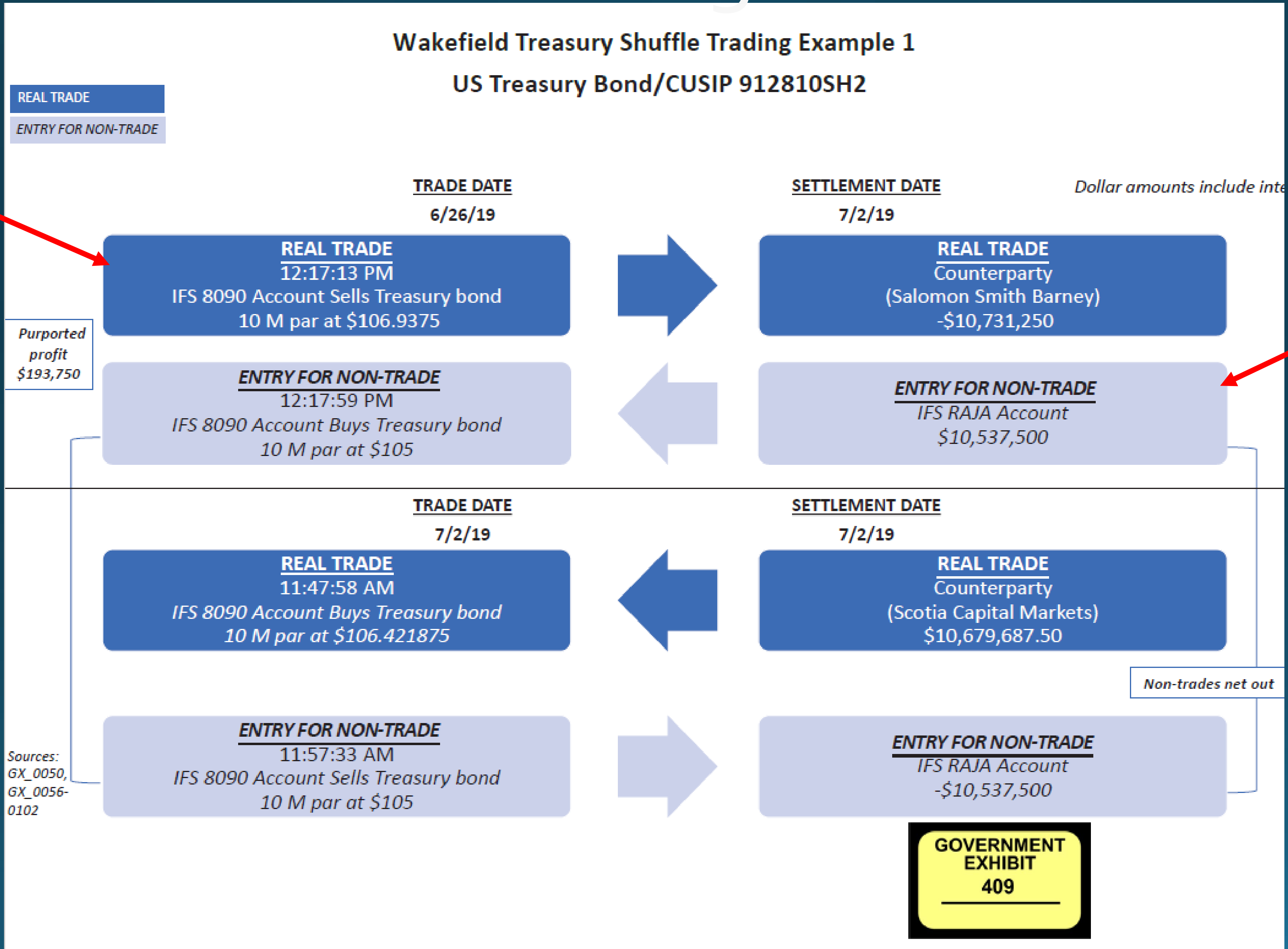
Taking High-Risk Naked Short Positions And Concealing His Positions

WAKEFIELD …then I'd put on a trade -or fake trade you can say- for three or four days in the future. Uhm, where I would put in a legitimate sale in, uhm, but the buy might be the buy from eight, from Ray Jay, uhm, three points lower or something like that. Right?

GX_0103, Tr. Pg. 15

Taking High-Risk Naked Short Positions And Concealing His Positions

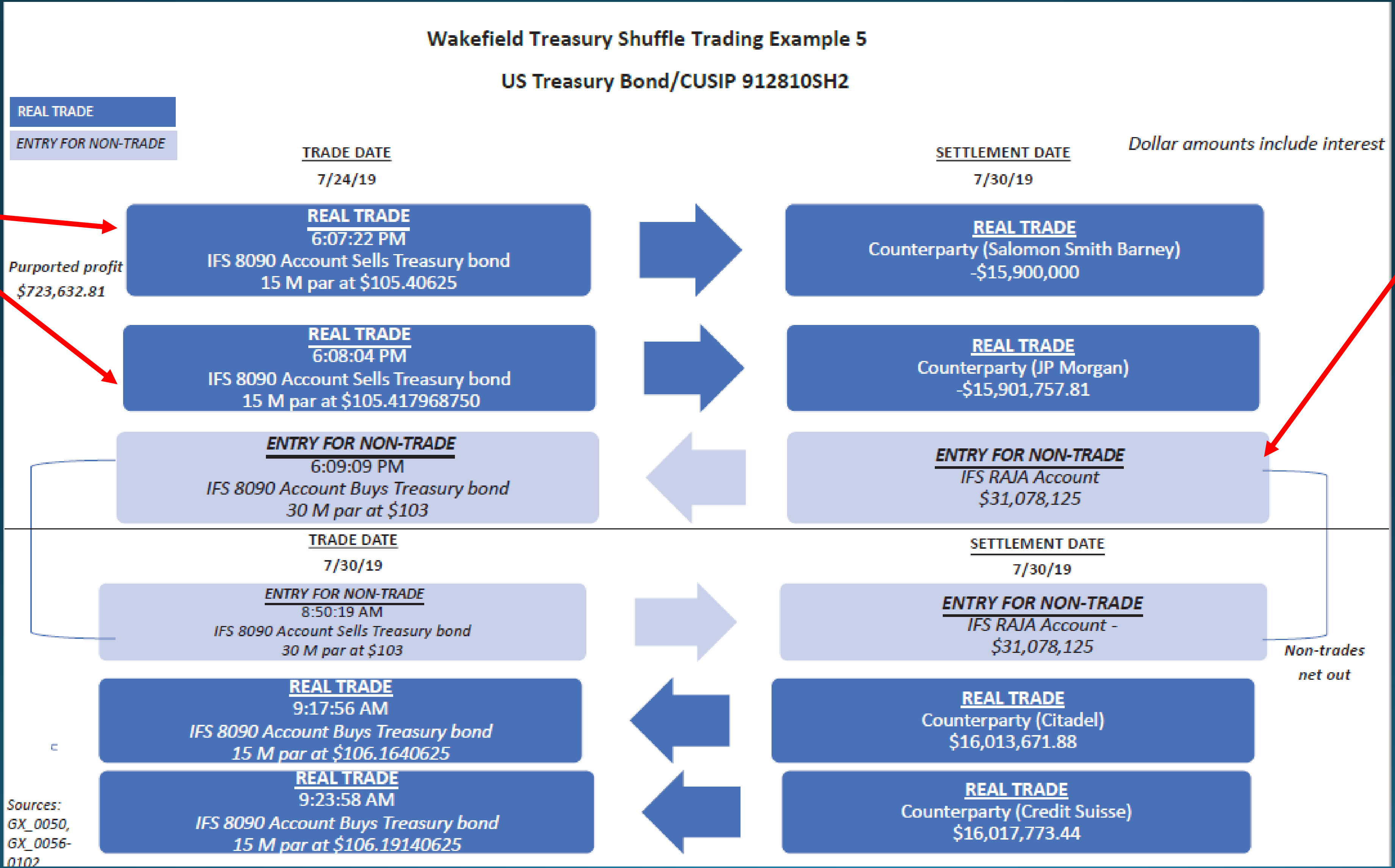
"legitimate sale"



"the buy from eight, from Ray Jay, three points lower or something like that"

Taking High-Risk Naked Short Positions And Concealing His Positions

"legitimate sale"



"the buy from eight, from Ray Jay, three points lower or something like that"

GX_0413

In considering whether the government has proven the scheme charged in Count 1, the government must prove that one or more allegations charged in the portion of the indictment describing the scheme beyond a reasonable doubt. The government, however, is not required to prove them all.

Count 1:

A person acts "willfully" if he acts knowingly and with the intent to do something he or she knows is against the law. The government is not required to prove that the defendant knew that his or her actions violated any particular law.

Counts 2 -4:

A person acts "knowingly" if he realizes what he is doing and is aware of the nature of his conduct, and does not act through ignorance, mistake, or accident.

"willfully"

"willfully"

Right? So, so, so if you want to think in terms of, think fraudulent here. If you want to think in terms of fake gains, the initial thing that I did to solve this is a gain that's three or four days in the future. Right? Uhm,

GX_0103, Tr. Pg. 16

"in connection with the purchase or sale of a security"

The "in connection with the purchase or sale of securities" element is satisfied if you find there was some nexus or relation between the allegedly fraudulent conduct and the purchase or sale of the security specified in the count you are considering. Fraudulent conduct may be "in connection with" the purchase or sale of securities if you find that the alleged fraudulent conduct touched upon a securities transaction.

"in connection with the purchase or sale of a security"

Stipulation 25.b:

b. On July 25 and 31, and August 5, 2019, the defendant entered into the following four U.S. Treasury securities transactions with Citibank via Bloomberg, wherein Mr. Wakefield agreed to deliver certain U.S. Treasury securities to Citibank on a date certain in the future (the "Citibank Transactions"):

CUSIP	Citibank Buy/Sell	Quantity	Price	Trade Date	Settlement Date
9128286ZA	Buy	10,000,000	99.496	7/25/19	7/31/19
912810SH2	Buy	10,000,000	107.406	7/31/19	8/6/19
912810SH2	Buy	10,000,000	112.128	8/5/19	8/9/19
9128286T2	Buy	10,000,000	105.441	8/5/19	8/9/19

Securities Fraud (Count 1):

Three Elements

1. The defendant employed a device, scheme, or artifice with the intend to defraud in connection with the purchase or sale of a security;✓

2. The defendant acted willfully; and ✓

3. The defendant knowingly used, or caused to be used, the internet, which is a means and instrumentality of interstate commerce

"*The defendant knowingly used, or caused to be used, the internet, which is a means and instrumentality of interstate commerce*"

- You must find that the defendant knew this use would actually occur, or that the defendant knew that it would occur in the ordinary course of business, or that the defendant knew facts from which that use could reasonably have been foreseen. However, the government does not have to prove that the defendant knew that the internet was an instrumentality of interstate commerce.

- Although the use of the internet need not itself contain a fraudulent representation or promise or a request for money, it must carry out or attempt to carry out the scheme.

"The defendant knowingly used, or caused to be used, a means and instrumentality of interstate commerce"

Stipulation 25.b:

b. On July 25 and 31, and August 5, 2019, the defendant entered into the following four U.S. Treasury securities transactions with Citibank via Bloomberg, wherein Mr. Wakefield agreed to deliver certain U.S. Treasury securities to Citibank on a date certain in the future (the "Citibank Transactions"):

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9128286ZA	Buy	10,000,000	99.496	7/25/19	7/31/19
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912810SH2	Buy	10,000,000	112.128	8/5/19	8/9/19
9128286T2	Buy	10,000,000	105.441	8/5/19	8/9/19

Stipulation 27:

Count One Interstate Facility Use

27. On August 5, 2019, the defendant used his Bloomberg terminal to communicate with Citibank to execute two separate short sales of United States Treasury bonds with a par value of $10,000,000 (*i.e.*, the August 5, 2019 Citibank Trades reflected in para. 25.b above). By doing so, Mr. Wakefield directly used a facility of interstate commerce, namely, the internet, to send an interstate wire communication in the manner charged in Count 1 of the Indictment. This interstate wire communication travelled in interstate commerce, namely, travelling from Illinois to Bloomberg servers located in New York and New Jersey.

Securities Fraud (Count 1):

Three Elements

1. The defendant employed a device, scheme, or artifice with the intent to defraud in connection with the purchase or sale of a security; ✓

2. The defendant acted willfully; and ✓

3. The defendant knowingly used, or caused to be used, the internet, which is means and instrumentality of interstate commerce ✓

Wire Fraud (Counts 2 to 4)

1. The defendant knowingly devised or participated in a scheme to defraud, as described in Count 1 ✓

2. The defendant did so with the intent to defraud ✓

3. The scheme to defraud involved a materially false or fraudulent pretense, representation, or promise; and

4. For the purpose of carrying out the scheme, the defendant caused interstate wire communications to take place in the manner charged in the particular count

Wire Fraud - Element 3

"materially false or fraudulent pretense, representation, or promise"

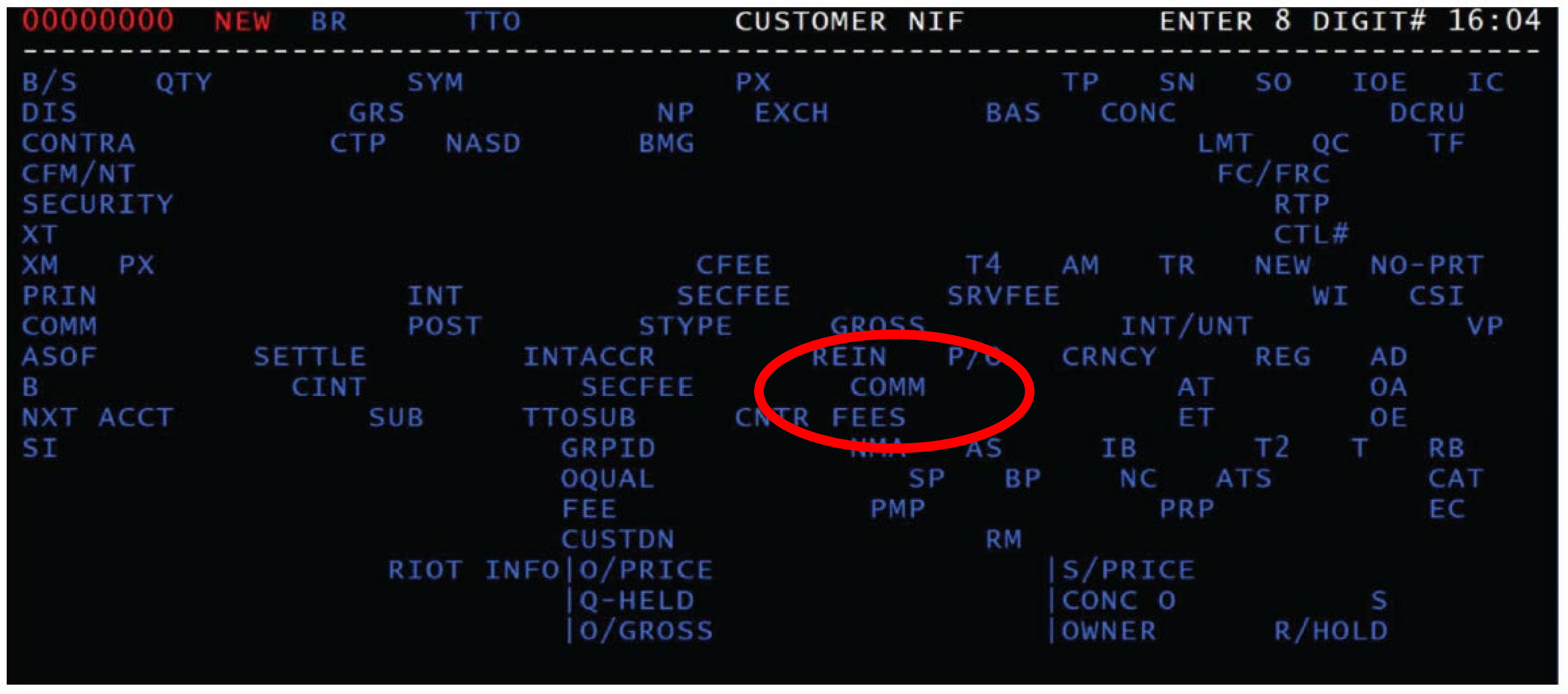
material means "capable of influencing the decision of the person to whom it is addressed"

may be accomplished by an omission or the concealment of material information

Wire Fraud - Element 3

"materially false or fraudulent pretense, representation, or promise"

Mr. Wakefield's false representations to IFS:



GX_0296

Wire Fraud - Element 3

"materially false or fraudulent pretense, representation, or promise"

Mr. Wakefield's false representations to IFS caused IFS to pay him significant inflated commissions:

April 2019 – June 2019 Trade Examples

Trade Example	Month	CUSIP	Trade Amount	Claimed Profit	Actual Profit
Trade 1	April	313384FA2	1,200,000	$12,000	-$2.50
Trade 2	April	62479MX16	4,559,000	$34,192.50	$543.28
Trade 3	May	313384FQ7	800,000	$11,750	$0
Trade 4	May	313384HY8	10,000,000	$20,000	$0
Trade 5	June	6117P5U13	1,374,000	$13,740	$2.29
Trade 6	June	30229BXA0	32,000,000	$64,000	$1,848.89

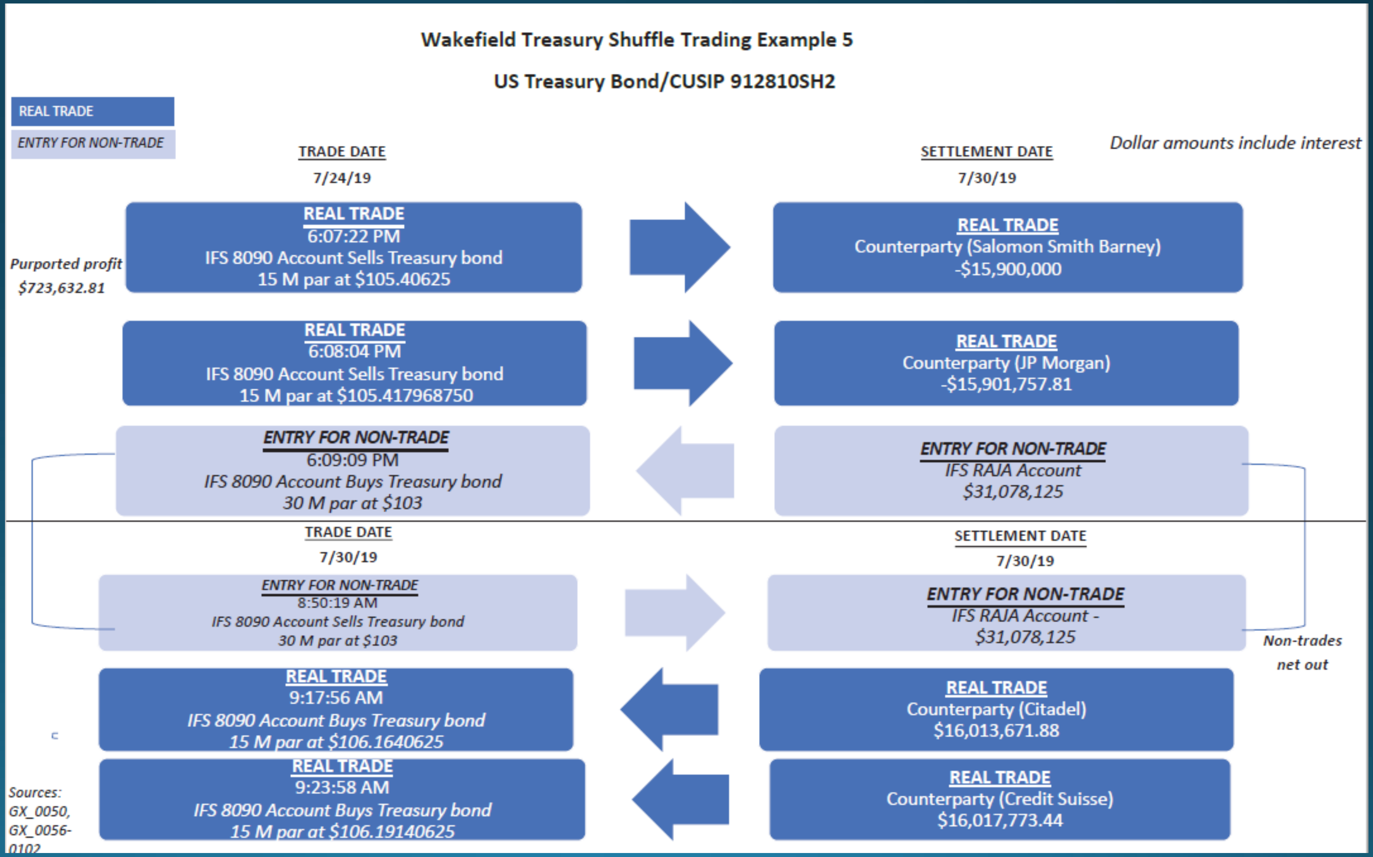
Sources: GX_21, GX_22, GX_20, GX_295

GX_0407

Wire Fraud - Element 3

"materially false or fraudulent pretense, representation, or promise"

Mr. Wakefield's false representations to IFS and INTL FC Stone, and concealment of information from Raymond James:



GX_0413

Wire Fraud - Element 3

"materially false or fraudulent pretense, representation, or promise"

Mr. Wakefield's false representations to IFS and INTL FC Stone, and concealment from Raymond James, hid his significant his naked short positions:

Bank of America

Trade Date	Settlement Date	CUSIP	B/S	Par	Price	Transaction Amount
8/1/2019	8/7/2019	912810SH2	Buy	10,000,000	$107.31250000	$10,796,875
8/2/2019	8/6/2019	912810SH2	Buy	10,000,000	$109.53125000	$11,017,968.75
8/5/2019	8/9/2019	9128286T2	Buy	10,000,000	$105.56640625	$10,612,143.34

Deutsche Bank

Trade Date	Settlement Date	CUSIP	B/S	Par	Price	Transaction Amount
7/30/2019	7/31/2019	912810SH2	Buy	10,000,000	$106.1718750	$10,617,187.50
7/30/2019	7/31/2019	912810SH2	Buy	10,000,000	$106.3437500	$10,634,375.00
8/5/2019	8/6/2019	912810SH2	Buy	500,000	$112.3398438	$5,616,992.19
8/5/2019	8/6/2019	912810SH2	Buy	500,000	$112.3125000	$5,615,625.00
8/5/2019	8/6/2019	912810SH2	Buy	500,000	$112.3359375	$5,616,796.88
8/5/2019	8/6/2019	912810SH2	Buy	500,000	$112.3789063	$5,618,945.31
8/2/2019	8/3/2019	912810SH2	Buy	10,000,000	$110.6132813	$11,061,328.13

Amherst Pierpont

Trade Date	Settlement Date	CUSIP	B/S	Par	Price	Transaction Amount
07/30/2019	07/31/2019	912810SH2	Buy	10,000,000	$106.1562500	$10,675,781.25
07/30/2019	07/31/2019	912810SH2	Buy	10,000,000	$106.2500000	$10,685,156.25
07/30/2019	07/31/2019	912810SH2	Buy	5,000,000	$105.8632813	$5,323,242.19
08/05/2019	08/09/2019	912810SH2	Buy	10,000,000	$112.4296875	$11,310,156.25

Citibank

Trade Date	Settlement Date	CUSIP	B/S	Par	Price	Transaction Amount
7/25/2019	7/31/2019	9128286Z8	Buy	10,000,000	$99.49609375	$9,949,609.38
7/31/2019	8/6/2019	912810SH2	Buy	10,000,000	$107.40625000	$10,740,625.00
8/5/2019	8/9/2019	912810SH2	Buy	10,000,000	$112.12890625	$11,212,890.63
8/5/2019	8/9/2019	9128286T2	Buy	10,000,000	$105.44140625	$10,544,140.63

JP Morgan

Trade Date	Settlement Date	CUSIP	B/S	Par	Price	Transaction Amount
7/31/2019	8/7/2019	912810SH2	Buy	5,000,000	$107.08984375	$5,387,304.69
8/1/2019	8/7/2019	912810SH2	Buy	10,000,000	$107.78125000	$10,843,750.00
8/1/2019	8/7/2019	912810SH2	Buy	10,000,000	$108.39062500	$10,904,687.50
8/4/2019	8/9/2019	912810SH2	Buy	10,000,000	$112.04296875	$11,271,484.38
8/5/2019	8/9/2019	912810SH2	Buy	10,000,000	$112.35546875	$11,302,734.38

Citadel Securities

Trade Date	Settlement Date	CUSIP	B/S	Par	Price	Transaction Amount
7/29/2019	7/31/2019	912810SH2	Buy	10,000,000	$106.2226563	$10,622,265.63
7/31/2019	8/6/2019	912810SH2	Buy	10,000,000	$107.3476563	$10,734,765.63
8/1/2019	8/7/2019	9128286T2	Buy	10,000,000	$104.1953125	$10,419,531.25

GX_0417

Total Naked Short Position = $249,136,362

Wire Fraud - Element 3

"materially false or fraudulent pretense, representation, or promise"

Mr. Wakefield's false representations to IFS and INTL FC Stone hid his significant losses:

Certain Counterparty Failed Trades Losses Summary

Broker-Dealer Counterparty	Loss
JP Morgan Securities	$3,868,165
Amherst Pierpont Securities	$3,172,995
BofA Securities	$2,192,544.16
Citadel Securities	$2,035,937.50
Citibank	$2,321,519
Deutsche Bank	$3,500,273.43
TOTAL	$17,091,434.09

Source: GX_106, GX_0109, counterparty records

GX_0418

Wire Fraud - Element 3

"materially false or fraudulent pretense, representation, or promise"

Mr. Wakefield's false representations to counterparties:

SHEEDY	It's just seemed like between that and the fake deliv-. And like the changing the delivery instructions to kinda like change where they were going. It just seemed like you were-
WAKEFIELD	That's exactly r-.
SHEEDY	-trying to buy time and…
WAKEFIELD	To buy time. That's exactly right. So,

GX_103, Tr. Pg. 20

WAKEFIELD	…with, by letting tra- and some trades I put in at wrong prices, uhm, so, uhm, so…

GX_103, Tr. Pg. 23

Wire Fraud - Element 3

"materially false or fraudulent pretense, representation, or promise"

Mr. Wakefield's false representations to counterparties:

From: Keith Wakefield <keith.wakefield@ifssecurities.com>
Sent: Wednesday, August 07, 2019 8:01 AM
To: Olenski, Morgan <Morgan.Olenski@citadel.com>
Cc: Micah E. Fallaw <MICAH.FALLAW@intlfcstone.com>; DG-CL Fail Control <DG-CLFailControl@intlfcstone.com>; DG-CL Settlement <DG-CLSettlement
<amanda.karchmer@ifssecurities.com>; Seiders, Brian <Brian.Seiders@citadel.com>
Subject: [EXT] Re: Citadel Fail from 7/31 and new 10mm for 08/06 not booked

Morgan this should be at our other clearing agent, JPMChase NYC/Raymond James

On Wed, Aug 7, 2019 at 7:43 AM Olenski, Morgan <Morgan.Olenski@citadel.com> wrote:

> Hi, any update here? Do you know the trade now?
>
> **Morgan Olenski**
> O: 312-395-5348
>
> ---
>
> **From:** Micah E. Fallaw <MICAH.FALLAW@intlfcstone.com>
> **Sent:** Tuesday, August 06, 2019 1:45 PM
> **To:** Olenski, Morgan <Morgan.Olenski@citadel.com>; DG-CL Fail Control <DG-CLFailControl@intlfcstone.com>; DG-CL Settlement <I
> <keith.wakefield@ifssecurities.com>; Amanda Karchmer <amanda.karchmer@ifssecurities.com>
> **Cc:** Seiders, Brian <Brian.Seiders@citadel.com>
> **Subject:** [EXT] RE: Citadel Fail from 7/31 and new 10mm for 08/06 not booked
>
> HI Morgan,
>
> We finally settled the 10mm from 07/31 today. Unfortunately, nothing has been booked for today settle yet. I have copied in IFS to advise.

GX_337

Wire Fraud - Element 3

"materially false or fraudulent pretense, representation, or promise"

Mr. Wakefield's false representations to counterparties:

From: Amanda Karchmer [mailto:amanda.karchmer@ifssecurities.com]
Sent: Wednesday, August 07, 2019 11:58 AM
To: Tumer, Emre (VJOT 44); 'Joann Blanchfield'; 'Sarah Caggiano'; 'DG-CL Trading Support'; 'Micah E. Fallaw'; 'DG-CL Fail Control'
Cc: Salazar, Fernando (VJOT 45); DD GM Ops TM Sales Support - IRP; 'DG-IFSPTradeSettlements'; DD CSFB Govt Clearance
Subject: RE: CS Fails

Below are the settlement inst.
JPMChase NYC/Raymond James, 021000021
Regards

Amanda Karchmer
Fixed Income Sales Assistant
444 W Lake Street Chicago IL 60606
Suite 1700
amanda.karchmer@ifssecurities.com
(312)-646-3627

GX_336

For purposes of Counts Two through Four, in considering whether the government has proven a scheme to defraud, the government must prove that one or more of the false or fraudulent pretenses, representations, or promises charged in the portion of the indictment describing the scheme be proved beyond a reasonable doubt. The government, however, is not required to prove all of them.

Wire Fraud (Counts 2 to 4)

1. The defendant knowingly devised or participated in a scheme to defraud, as described in Count 1; ✓

2. The defendant did so with the intent to defraud ✓

3. The scheme to defraud involved a materially false or fraudulent pretense, representation, or promise; and ✓

4. For the purpose of carrying out the scheme, the defendant caused interstate wire communications to take place in the manner charged in the particular count

"interstate wire communication"

For purposes of Counts Two through Four, the government must prove that an interstate wiring was used to carry out the scheme, or was incidental to an essential part of the scheme.

In order to cause an interstate wire communication to take place, the defendant need not actually intend that use to take place. You must find that the defendant knew this use would actually occur, or that the defendant knew that it would occur in the ordinary course of business, or that the defendant knew from facts from which that use could reasonably have been foreseen. However, the government does not have to prove that the defendant knew that the wire communication was of an interstate nature.

Although an item communicated interstate need not itself contain a fraudulent representation or promise or a request for money, it must carry out or attempt to carry out the scheme.

Count 2 (Wire Fraud):

"interstate wire communication"

Bcc: keith.wakefield@ifssecurities.com[keith.wakefield@ifssecurities.com]
To: undisclosed-recipients:
From: Keith Wakefield (IFS SECURITIES INC)[kwakefield3@bloomberg.net]
Sent: Fri 6/28/2019 3:18:26 PM (UTC)
Subject: **Alert: Warning Rule ID: 3PTS

Alert: Warning Rule ID: 3PTS Type: Exclusion
Rule Name: price 3pts away from market?
Trdr #: 4 Name: 8090 Desc: HEDGE RISKLESS
Broker: 00653837

Ticket Writer: KWAKEFIELD3 Ticket Number: 18282
Security: 912810SH2 T 2 7/8 05/15/49
Buy: 9,000.00 Quote: 102.00 Mkt Val: 9,215,859.38
Application: B

Tolerance Price: 107.02 Source: BFV
Limit: PROHIBITED Test Val: 1

Pricing Number: 3401

GX_110

Stip. 13

13. Government Exhibit 110 is a true and accurate copy of an email that the defendant caused to be sent from Chicago, Illinois on or about June 28, 2019. The email contained in Government Exhibit 110 constituted an interstate wire communication, as it was sent from Illinois using a Bloomberg LP electronic platform and was routed through Bloomberg LP's servers in New York and New Jersey.

"interstate wire communication"

Count 3 (Wire Fraud):

To: Alex McKenzie[Alex McKenzie <alex.mckenzie@ifssecurities.com>]
From: Keith Wakefield[keith.wakefield@ifssecurities.com]
Sent: Fri 7/12/2019 11:29:04 AM (UTC)
Subject: My trades
30229BXA0 Ticket.pdf
6117P5U13 Ticket.pdf

Here are my commission trades from June. To be clear this and all my trades are on the Clearing Statement Trade Details tab.

GX_011

Stip. 14

14. Government Exhibit 111 is a true and accurate copy of an email and attachments that the defendant caused to be sent from Chicago, Illinois on or about July 12, 2019. The email contained in Government Exhibit 111 constituted an interstate wire communication, as it was sent by the defendant in Illinois to Alex McKenzie in Georgia.

Count 4 (Wire Fraud):

"interstate wire communication"

To: undisclosed-recipients:
Bcc: keith.wakefield@ifssecurities.com[keith.wakefield@ifssecurities.com]
From: Keith Wakefield (IFS SECURITIES INC)[kwakefield3@bloomberg.net]
Sent: Thur 7/18/2019 10:06:43 PM (UTC)
Subject: **Alert: Warning Rule ID: 3PTS

Alert: Warning Rule ID: 3PTS Type: Exclusion
Rule Name: price 3pts away from market?
Trdr #: 4 Name: 8090 Desc: HEDGE RISKLESS
Broker: 00653837

Ticket Writer: KWAKEFIELD3 Ticket Number: 19169
Security: 9128286T2 T 2 3/8 05/15/29
Sell: -20,000.00 Quote: 95.00 Mkt Val: -19,083,899.46
Application: TBLT

Tolerance Price: 102.97 Source: BFV
Limit: PROHIBITED Test Val: 1

Saved to Y: Drive

Pricing Number: 3401

GX_112

Stip. 15

15. Government Exhibit 112 is a true and accurate copy of an email that defendant caused to be sent from Chicago, Illinois on or about July 18, 2019. The email contained in Government Exhibit 112 constituted an interstate wire communication, as it was sent from Illinois using a Bloomberg LP electronic platform and was routed through Bloomberg LP's servers in New York and New Jersey.

Wire Fraud (Counts 2 to 4)

1. The defendant knowingly devised or participated in a scheme to defraud, as described in Count 1; ✓

2. The defendant did so with the intent to defraud; ✓

3. The scheme to defraud involved a materially false or fraudulent pretense, representation, or promise; and ✓

4. For the purpose of carrying out the scheme, the defendant caused interstate wire communications to take place in the manner charged in the particular count ✓