

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
BEFORE THE HONORABLE WILLIAM ALSUP, JUDGE

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.) NO. CR 10-0860 (WHA)
)
 ANNABEL McCLELLAN,)
)
 Defendant.)
 _____)

San Francisco, California
Tuesday, April 5, 2011

TRANSCRIPT OF PROCEEDINGS

APPEARANCES:

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Reported By: CHRISTINE TRISKA, CSR 12826
Pro-Tem

1 Tuesday, April 5, 2011

2 2:09 P.M.

3 P R O C E E D I N G S

4 **THE CLERK:** Calling criminal 10-860, the United States
5 versus Annabel McClellan.

6 **MR. REEVES:** Adam Reeves for the United States. Good
7 afternoon, your Honor.

8 **THE COURT:** Good afternoon.

9 **MS. CLARENCE:** Good afternoon, your Honor. Nanci
10 Clarence and Nicole Neubert appearing on behalf of Ms.
11 McClellan, who is before the Court.

12 **THE COURT:** Welcome, Ms. McClellan. How are you?

13 **THE DEFENDANT:** Fine, thank you.

14 **THE COURT:** All right. So my note said we had a long,
15 long -- Ms. Clarence talked me into a very long continuance
16 before. My notes say today we are going to set a full schedule.
17 So do we have a proposal?

18 **MR. REEVES:** Your Honor, I believe that parties have
19 used the time effectively. We've worked out a plea agreement.
20 We submitted a courtesy copy of it to the Court on Friday --

21 **THE COURT:** Really? I never got that. Is that true?

22 **MS. CLARENCE:** Yes.

23 **THE COURT:** So there's going to be a plea today?

24 **MS. CLARENCE:** Yes, your Honor.

25 **THE COURT:** My goodness. I didn't get it. I'm sorry.

1 **MS. CLARENCE:** Can I hand the Court up a copy?

2 **THE COURT:** If you can hand it to me, that's fine.

3 Is it all signed?

4 **MR. REEVES:** Here is the signed version, your Honor.

5 This is a courtesy copy, and I'm giving an executed copy to
6 counsel.

7 (Whereupon, Mr. Reeves hands the
8 documents to the Court.)

9 **THE COURT:** Just a second. Let me -- all right here.
10 It's signed, signed, signed. Okay. Well, that means we don't
11 have to set a full schedule if this goes through.

12 So 11(c)(1) -- is this what we want to do today is
13 enter a plea?

14 **MS. CLARENCE:** Yes, your Honor.

15 **THE COURT:** Well, let me familiarize myself with this
16 for a second.

17 (Pause in proceedings.)

18 **THE COURT:** So total offense level is Number 12;
19 right?

20 **MR. REEVES:** Correct, your Honor.

21 **THE COURT:** And the criminal history category I assume
22 is Number One?

23 **MS. CLARENCE:** Yes, your Honor.

24 **THE COURT:** So what does that translate to in terms of
25 the guideline range?

1 **MS. CLARENCE:** Into 16 months.

2 **MR. REEVES:** Into 16, your Honor.

3 **THE COURT:** So what you all are agreeing to is 10 and
4 not more than 16?

5 **MS. CLARENCE:** That's the agreement. Yes, your Honor.

6 **THE COURT:** Three years supervised release -- no. I
7 misread that. One to three years. All right. 30,000 to 250.
8 One hundred dollar special assessment.

9 **MS. CLARENCE:** Yes.

10 **THE COURT:** So to go back to what -- it's a pretty
11 long statement. I apologize for not knowing that this had been
12 submitted. Bear with me a sec.

13 (Pause in proceedings.)

14 **THE COURT:** Is there any cooperation clause in here?
15 It looks like there's not.

16 **MR. REEVES:** There is, your Honor.

17 **THE COURT:** There is.

18 **MR. REEVES:** Yes.

19 **THE COURT:** I see it; yes.

20 **MR. REEVES:** It is under the Government's Promises,
21 paragraph 17 on page seven.

22 **THE COURT:** So how would that work?

23 **MR. REEVES:** If the defendant renders substantial
24 assistance in the investigation or prosecution of another person
25 who has committed an offense, then the government agrees to

1 recommend a sentence of between 16 months in prison but not less
2 than 10 months in prison.

3 In other words, the defendant would be cooperating
4 down from the high end of the guideline range to the low end.

5 **THE COURT:** How is that different from the other 10 to
6 16 range that we already have?

7 **MR. REEVES:** Essentially it represents a promise by
8 the government to consider her cooperation and incorporate a
9 decision about whether she has cooperated and provided
10 substantial assistance in our recommendation.

11 It does not bind the Court. It would be -- and the
12 defendant acknowledges that it does not bind the Court on the
13 next page.

14 **THE COURT:** Okay. Well, I think I understand what
15 your proposal is. Everyone knows that I can't make a final
16 decision on whether to -- what the sentence ought to be until we
17 go through the presentence report process.

18 But I think the thing to do today, if you want to
19 plead guilty under this plea agreement, is to go ahead and do
20 that.

21 **MS. CLARENCE:** We would, your Honor, and apologies to
22 the Court -- we know the Court has been extremely busy -- for
23 catching the Court off guard this way, but this has been well
24 vetted over the months by both sides, and we are prepared to go
25 forward today.

1 **THE COURT:** Well, good.

2 Ms. McClellan, what I need to do is ask you some
3 questions, so please swap positions with Ms. Clarence, and
4 you need to speak now into the microphone a little.

5 Why don't you move that microphone around so it
6 catches your voice, and raise your right hand? The clerk
7 will swear you in.

8 (The defendant was sworn.)

9 **THE DEFENDANT:** Yes, I do.

10 **THE COURT:** Okay. So Ms. McClellan, let's start by
11 asking you your full and correct name.

12 **THE DEFENDANT:** Annabel McClellan.

13 **THE COURT:** You know you are under oath now; correct?

14 **THE DEFENDANT:** Yes, your Honor.

15 **THE COURT:** That means you got to tell the whole truth
16 and the full truth in response to questions; right?

17 **THE DEFENDANT:** Yes, your Honor.

18 **THE COURT:** How old are you?

19 **THE DEFENDANT:** I'm 38, your Honor.

20 **THE COURT:** And how far did go in school?

21 **THE DEFENDANT:** I have a degree from England.

22 **THE COURT:** Okay. Do -- degree from college?

23 **THE DEFENDANT:** Yes. A law degree.

24 **THE COURT:** What kind of a degree? A law degree?

25 Okay. All right.

1 Are you thinking clearly today?

2 **THE DEFENDANT:** Yes, your Honor.

3 **THE COURT:** Are you under the influence of any
4 alcohol, medicine or narcotic?

5 **THE DEFENDANT:** No, your Honor.

6 **THE COURT:** Are you -- any medicine you should have
7 taken but forgot to take?

8 **THE DEFENDANT:** No, your Honor.

9 **THE COURT:** Are you mentally ill or being treated for
10 any mental illness?

11 **THE DEFENDANT:** No, your Honor.

12 **THE COURT:** Okay. Did you read the charges against
13 you in this case?

14 **THE DEFENDANT:** Yes, your Honor.

15 **THE COURT:** And have you gone over those charges with
16 your lawyer?

17 **THE DEFENDANT:** Yes, your Honor.

18 **THE COURT:** What is the name of your lawyer?

19 **THE DEFENDANT:** It's Nanci Clarence and Nicole
20 Neubert.

21 **THE COURT:** Yes. And have you discussed with her all
22 the ways to defend against this case?

23 **THE DEFENDANT:** Yes, your Honor.

24 **THE COURT:** All right. Are you fully satisfied with
25 her advice and counsel?

1 **THE DEFENDANT:** Yes, your Honor.

2 **THE COURT:** I understand that your willingness to
3 plead guilty is the result of a discussion between your lawyer
4 and the government lawyer that led up to this plea agreement;
5 true?

6 **THE DEFENDANT:** Yes, your Honor.

7 **THE COURT:** Did you read the agreement?

8 **THE DEFENDANT:** Yes, your Honor.

9 **THE COURT:** Did you sign it?

10 **THE DEFENDANT:** Yes, your Honor.

11 **THE COURT:** Did you also discuss this one with your
12 lawyer?

13 **THE DEFENDANT:** What? Sorry?

14 **THE COURT:** Did you discuss it fully with your lawyer
15 before you signed it?

16 **THE DEFENDANT:** Yes, your Honor.

17 **THE COURT:** Okay. Does this plea agreement contain
18 all of the promises that the government has made to you?

19 **THE DEFENDANT:** Yes, your Honor.

20 **THE COURT:** So let's go over what the -- first of all
21 what you would be pleading guilty to.

22 It would be obstruction -- obstruction of justice or
23 what?

24 **MR. REEVES:** It's obstruction in violation of 18 USC,
25 Section 1505, your Honor.

1 **THE COURT:** All right. So that's what you are charged
2 with, and the elements are -- these are the elements that the
3 government would be required to prove if we went to trial.

4 First element, that on or about the date set forth in
5 the indictment, a proceeding was pending before the Securities
6 and Exchange Commission, and that you knew it was proceeding
7 before that agency; that you corruptly endeavored to influence,
8 obstruct and impede the due and proper administration of the law
9 under which the proceeding was being conducted.

10 So those are the elements.

11 Do you understand those elements?

12 **THE DEFENDANT:** Yes, your Honor.

13 **THE COURT:** The maximum prison sentence for that is
14 five years under the statute. The maximum fine is \$250,000. It
15 says "minimum."

16 That can't be. Don't you mean maximum there --
17 supervised release term?

18 **MR. REEVES:** I think you are correct, your Honor.

19 **THE COURT:** Is that right, Ms. Clarence?

20 **MS. CLARENCE:** It is, your Honor.

21 **THE COURT:** Do you mind if I write that in with my
22 pen?

23 **MR. REEVES:** It would be more accurate that way.
24 Thank you, your Honor.

25 **THE COURT:** Change "minimum" to "maximum."

1 So supervised release -- do you know what
2 supervised release is?

3 **THE DEFENDANT:** Yes, your Honor.

4 **THE COURT:** That could be up to three years.
5 Mandatory special assessment \$100. Then restitution in an
6 amount to be determined by the Court; okay?

7 **THE DEFENDANT:** Yes, your Honor.

8 **THE COURT:** All right. Now, I realize you have a
9 proposed agreement with the government for less than five years.
10 I understand that. We will come to that in a minute, but I am
11 obligated to let you know what the maximums are under the
12 statute. Do you understand?

13 **THE DEFENDANT:** Yes, your Honor.

14 **THE COURT:** All right. Okay. Now, the way we would
15 go about -- this would work is if you pled guilty I would refer
16 it to the Probation Department for a presentence report, and we
17 can come back here in 90 days or so for a sentencing hearing.

18 At the sentencing hearing the question for everyone
19 is, what is a fair sentence?

20 And the Court has to consider the guidelines --
21 sentencing guidelines. The Court has to consider and follow the
22 criteria that Congress has set forth for making sentencing
23 decisions.

24 Just to give you one example, the need to provide
25 for deterrence is one of those factors. The Court hears

1 argument from all the lawyers and from you. You get to say
2 whatever you would like, and then the judge is supposed to
3 make a sentencing decision that is the lowest possible
4 sentence that will carry out all those objectives, and I
5 can't tell you right now what that will be because we haven't
6 even gone through the process.

7 Now, we are helped in this regard because we have --
8 at least we know what your agreement calls for, and that helps
9 put some limit on what both sides can ask for. So in that sense
10 there's some clarity.

11 But at the same time, since I haven't gone through
12 that process yet I can't tell you for sure that I will
13 approve your deal, but, you know, you will have to wait and
14 see whether -- how the process works out, and if I think that
15 you are in the ballpark of what is a fair sentence, taking
16 the guidelines and so forth into account, then the Court is
17 going to go along with your proposal.

18 But we are not there yet; understand?

19 **THE DEFENDANT:** Yes, your Honor.

20 **THE COURT:** At least the good part for you is if I
21 were to give you a more harsh sentence that was called for by
22 your agreement you would have an option. You could either
23 accept the more harsh sentence, or you could say, "I don't like
24 that sentence. I want to take my chances at trial," and you
25 could take back your guilty plea and have a jury trial and see

1 what happens. Okay?

2 **THE DEFENDANT:** Yes, your Honor.

3 **THE COURT:** On the other hand, if the Court does go
4 along with your proposal you are stuck with it. You are giving
5 up your rights to appeal, and you are just stuck with whatever
6 the sentence is as long as it's in this frame you are talking
7 about; okay?

8 **THE DEFENDANT:** Yes, your Honor.

9 **THE COURT:** Now, this is -- by the way, are you a
10 citizen?

11 **THE DEFENDANT:** Yes, your Honor.

12 **THE COURT:** Of the USA? So I don't have to worry
13 about deportation.

14 You know this is a felony you would be pleading to?

15 **THE DEFENDANT:** Yes, your Honor.

16 **THE COURT:** Whatever sentence you would get, there's
17 no such thing as parole. You understand?

18 **THE DEFENDANT:** Yes, your Honor.

19 **THE COURT:** That's in the state court system, but we
20 don't have that in the federal system.

21 All right. And this would affect your ability to
22 serve on a jury and to hold certain public positions.

23 Understand that part?

24 **THE DEFENDANT:** Yes, your Honor.

25 **THE COURT:** Supervised release. I want to make sure

1 that you understand what that's all about. When somebody comes
2 out of custody they are on a period kind of like a trial period
3 to make sure that everything is going okay, and it's -- they are
4 under strict supervision. They have to report to a probation
5 officer.

6 The probation officer may call them up and say,
7 "You got to go do some tests," and you got to do it. You got
8 to follow their directions and be under their supervision for
9 whatever the term is it could be.

10 Under your agreement it looks like one to three
11 years; right? Is that it?

12 **MR. REEVES:** Yes, your Honor.

13 **THE COURT:** All right. So -- and then if you were to
14 goof up on your supervised release, the penalties for that run
15 from anywhere from not much of a penalty all the way to going
16 back to prison for some more time, and there are people who go
17 back to prison for violating supervised release, so you would
18 not want to do that.

19 But I need to make sure you understand that this is
20 a requirement -- supervised release would be a requirement.

21 Understand?

22 **THE DEFENDANT:** Yes, your Honor.

23 **THE COURT:** All right. So now I want to change the
24 subject and go over your right to go to trial.

25 So the great thing about a trial is you don't have to

1 prove you are innocent. You could be as guilty as possible. It
2 wouldn't matter. You have the right to go to trial and make the
3 government prove the case. And sometimes the government just
4 can't prove the case because they don't have enough evidence,
5 and you have the right to put them to their proof.

6 Another great thing about a trial is the easy way to
7 prove anyone is guilty is to call them to the stand and
8 cross-examine them, but not here. And under our Constitution
9 the government cannot do it the easy way. They can't call you
10 to the stand. You have a right not to be called to the stand.
11 They have to do it the hard way, which is to bring in other
12 witnesses.

13 And in addition, you have the right to be present
14 and to hear all of the witnesses against you, to see those
15 witnesses and to work with your lawyer, Ms. Clarence, for the
16 best possible cross-examination of those witnesses.

17 If you ran out of money, no problem. We would appoint
18 you a free lawyer at no expense to you.

19 When the government rests its case, you would have the
20 right to put on a defense, but you don't have to if you chose
21 not to put on a defense. That's fine. We would tell the jury
22 you have a right not to testify, and they can't hold it against
23 you.

24 Also if you chose to bring in witnesses, we'll
25 subpoena them and would place them under oath to make them

1 tell the truth; okay?

2 **THE DEFENDANT:** Yes.

3 **THE COURT:** You understand all of that?

4 **THE DEFENDANT:** Yes, your Honor.

5 **THE COURT:** Now, after all the evidence was before the
6 jury, the jury would go back here in the jury room and ask this
7 question: Has the government proven each and every element of
8 the offense beyond a reasonable doubt?

9 And if all 12 people on the jury said "Yes, the
10 government has done that," the jury would be obligated to
11 convict you.

12 On the other hand, if even one person on the jury
13 thought the government had fallen short on even one element
14 of the offense, then that jury could not convict you.

15 Understand?

16 **THE DEFENDANT:** Yes, your Honor.

17 **THE COURT:** If you were convicted you would have the
18 right to appeal both the verdict as well as the sentence.

19 Do you understand all of those rights?

20 **THE DEFENDANT:** Yes, your Honor.

21 **THE COURT:** You know if you plead guilty today you
22 will be giving up all of those rights under this agreement?

23 Do you understand?

24 **THE DEFENDANT:** Yes, your Honor.

25 **THE COURT:** So that's an important decision. I want

1 to make sure -- have you thought carefully about that?

2 **THE DEFENDANT:** Yes, your Honor.

3 **THE COURT:** Have you discussed that with your lawyer?

4 **THE DEFENDANT:** Yes, your Honor.

5 **THE COURT:** And have you -- do you want to give up
6 those rights and plead guilty of your own free will?

7 **THE DEFENDANT:** Yes, your Honor.

8 **THE COURT:** Is anyone putting pressure on you to do
9 that?

10 **THE DEFENDANT:** No, your Honor.

11 **THE COURT:** All right. So now, let's go over
12 this -- this is a pretty long statement, so I'm going to
13 paraphrase if you don't mind, but I want to make sure that this
14 is accurate.

15 So I'm trying to paraphrase. It says that in October
16 of '09 you tried to obstruct an SEC investigation into an
17 insider trading scheme that involved you, your sister, Miranda
18 Sanders and her husband, James Sanders.

19 True?

20 **THE DEFENDANT:** Yes, your Honor.

21 **THE COURT:** And you obstructed the SEC investigation
22 by lying under oath when you made a statement to the SEC; true?

23 **THE DEFENDANT:** Yes, your Honor.

24 **THE COURT:** When you did that you knew that the SEC
25 was a federal securities regulator for the USA; true?

1 **THE DEFENDANT:** Yes, your Honor.

2 **THE COURT:** Among other falsehoods you lied to the SEC
3 by falsely denying that you did not get the confidential
4 information from your husband; true?

5 **THE DEFENDANT:** Yes, your Honor.

6 **THE COURT:** You also falsely denied that you had
7 learned about the company's -- sorry.

8 You falsely denied that you learned about the
9 company's -- your husband's clients wanting to acquire before
10 the acquisition was publicly announced.

11 Is that true?

12 **THE DEFENDANT:** Yes, your Honor.

13 **THE COURT:** You falsely denied that you had ever
14 talked to James Sanders about Kronos. True?

15 **THE DEFENDANT:** Yes, your Honor.

16 **THE COURT:** Is that the way you say it? Kronos?
17 Kronos?

18 **MR. REEVES:** Kronos.

19 **THE COURT:** How?

20 **MR. REEVES:** Kronos.

21 **THE COURT:** And you falsely denied that you had ever
22 talked to James Sanders about Getty Images; true?

23 **THE DEFENDANT:** Yes, your Honor.

24 **THE COURT:** You lied to the SEC to prevent the SEC
25 from learning about your role in the insider trading scheme and

1 to avoid responsibility and punishment for the wrongdoing; true?

2 **THE DEFENDANT:** Yes, your Honor.

3 **THE COURT:** Now, about three years earlier in about
4 October of '06 your sister Miranda Sanders and your
5 brother-in-law, James Sanders, were visiting in San Francisco
6 from their home in London, and that you knew he was involved in
7 a trading business in London; true?

8 **THE DEFENDANT:** Yes, your Honor.

9 **THE COURT:** During the visit he asked you to provide
10 him with the names of target companies involved in corporate
11 transactions on which your husband, Arnold McClellan was
12 working; true?

13 **MS. CLARENCE:** Yes, your Honor.

14 **THE COURT:** You knew that if you gave James Sanders
15 that confidential information he would then make securities
16 trades based on that information; true?

17 **THE DEFENDANT:** Yes, your Honor.

18 **THE COURT:** You knew that your husband, Arnold
19 McClellan possessed material, non-public information about
20 corporate transactions involved in publicly traded companies by
21 virtue of his work advising private equity firms and other
22 clients of his business; true?

23 **THE DEFENDANT:** Yes, your Honor.

24 **THE COURT:** At home you overheard your husband
25 discussing confidential details of the corporate transactions on

1 which he was working that you knew he had obtained as a result
2 of the relationship of trust and confidence between him and his
3 clients; true?

4 **THE DEFENDANT:** Yes, your Honor.

5 **THE COURT:** In that way you were able to get
6 confidential information about publicly traded companies in this
7 country, and that that was valuable information because it was
8 material to the price of the securities involved, and it was
9 non-public because the information was not yet known to the
10 investing public; true?

11 **THE DEFENDANT:** Yes, your Honor.

12 **THE COURT:** Around January of '07, knowing it was
13 illegal and wrong to do so, you began to convey confidential
14 information to James Sanders about deals on which your husband
15 was working; right?

16 **THE DEFENDANT:** Yes, your Honor.

17 **THE COURT:** You did so with the intent that James
18 Sanders would trade securities on the basis of the material,
19 non-public information that you gave him, and you believed that
20 he did so; true?

21 **THE DEFENDANT:** Yes, your Honor.

22 **THE COURT:** You also believed that he would use
23 brokers to execute the trades; true?

24 **THE DEFENDANT:** Yes, your Honor.

25 **THE COURT:** Among other confidential information, you

1 told James Sanders the names of public companies that your
2 husband's clients were negotiating to acquire and details about
3 whether or not you thought special deals were going forward;
4 correct?

5 **THE DEFENDANT:** Yes, your Honor.

6 **THE COURT:** Often you conveyed whether or not a deal
7 was going forward by initially identifying the name of the
8 acquisition target and later telling James Sanders and Miranda
9 Sanders whether or not your husband was still busy; true?

10 **THE DEFENDANT:** Yes, your Honor.

11 **THE COURT:** You communicated the confidential
12 information to James Sanders and Miranda Sanders by telephone
13 from the USA to the United Kingdom; correct?

14 **THE DEFENDANT:** Yes, your Honor.

15 **THE COURT:** You also communicated the confidential
16 information to James Sanders and Miranda Sanders in person when
17 you traveled to the UK; true?

18 **THE DEFENDANT:** Yes, your Honor.

19 **THE COURT:** In '07 and '08 you discussed aspects of
20 your insider trading scheme with your sister, Miranda Sanders,
21 and during the scheme when you expressed anxiety about what you
22 were doing. Miranda Sanders told you in substance not to worry
23 because James Sanders would not tell anyone; true?

24 **THE DEFENDANT:** Yes, your Honor.

25 **THE COURT:** You specifically remember providing

1 material, non-public information to James and Miranda Sanders
2 about Kronos and Getty Images; right?

3 **THE DEFENDANT:** Yes, your Honor.

4 **THE COURT:** You were aware that he traded the Kronos
5 and Getty Images based on the confidential information you gave
6 him; right?

7 **THE DEFENDANT:** Yes, your Honor.

8 **THE COURT:** You acknowledge and do not dispute that
9 the government would prove that James Sanders made approximately
10 552,967 pounds -- UK pounds on Kronos -- let me stop here.

11 True?

12 **THE DEFENDANT:** Yes, your Honor.

13 **THE COURT:** And approximately 396,851 pounds UK on
14 Getty Images; true?

15 **THE DEFENDANT:** Yes, your Honor.

16 **THE COURT:** You believe that you provided material and
17 non-public information to James Sanders about other corporate
18 transactions on which your husband was working and on which
19 James Sanders also traded.

20 You further acknowledge and do not dispute that the
21 government could prove that James Sanders made additional
22 profits on those and other securities trades; true?

23 **THE DEFENDANT:** Yes, your Honor.

24 **THE COURT:** All right. Anything more the government
25 would like to add by way of a factual basis?

1 **MR. REEVES:** No, your Honor. Thank you.

2 **THE COURT:** So Ms. McClellan, do you have any
3 questions for the Court?

4 **THE DEFENDANT:** No, your Honor.

5 **THE COURT:** Do you want to go forward now and plead
6 guilty, or do you want more time to think about it?

7 **THE DEFENDANT:** Go forward now, your Honor.

8 **THE COURT:** So I'm going to ask you the official
9 question. This is the one that counts.

10 So that's what you want to do?

11 **THE DEFENDANT:** Yes, your Honor.

12 **THE COURT:** All right. How do you plead to the
13 indictment charging you with obstruction in violation of 18 USC,
14 Section 1505? Guilty or not guilty?

15 **THE DEFENDANT:** Guilty, your Honor.

16 **THE COURT:** All right, Ms. McClellan, the Court will
17 do what you've asked it to do and find that you are fully
18 competent and capable of entering an informed plea, that you are
19 aware of the nature of the charges against you and the possible
20 consequences of pleading guilty.

21 Your plea of guilty is supported by a factual
22 basis. Your plea of guilty is voluntary and it's informed,
23 so the Court will accept your plea of guilty and adjudge you
24 convicted of violating Section 1505 as charged.

25 So now I refer you to the Probation Department, and we

1 will come back here in 90 days for a sentencing hearing, and at
2 that time we will see where we come out under your -- whether
3 the Court will agree with your range, and if so, where in that
4 range you should be.

5 **MS. CLARENCE:** Can I have one moment, your Honor?

6 **THE COURT:** Yes.

7 (There was a discussion off the record.)

8 **MS. CLARENCE:** Thank you, your Honor. Just on the
9 matter of setting dates, your Honor, Mr. Reeves and I discussed
10 that before court today.

11 And in light of the fact that this is an agreement
12 that contemplates cooperation, we've agreed to ask the Court
13 if the Court would consider lengthening the period between
14 the plea and the anticipated sentencing.

15 **THE COURT:** I goofed up. I forgot to ask questions
16 about the cooperation clause here. Can I just rely upon the
17 plea agreement itself, or do you want me to go back and ask more
18 questions? I'm fully -- well, what do you want me to do?

19 **MR. REEVES:** I think you can rely on the plea
20 agreement, your Honor.

21 **THE COURT:** How about that, Ms. Clarence?

22 **MS. CLARENCE:** I agree, your Honor.

23 **THE COURT:** Well, since I know that this defendant is
24 exceedingly well represented I'm going to do that.

25 So -- but it's not a problem really, Ms. McClellan.

1 I should have asked you some more questions about the
2 cooperation part, but I'm sure you've covered that.

3 Okay. Yes. More time to cooperate is fine. So --

4 **MS. CLARENCE:** We were --

5 **THE COURT:** What do you want to do? Give me a date
6 that you would like to come back.

7 **MS. CLARENCE:** Third week of September, your Honor.

8 **MR. REEVES:** That would be fine for the government if
9 it's convenient for the Court, your Honor.

10 **THE COURT:** How about September the 20th, 2 p.m.?

11 **MR. REEVES:** September 20th?

12 **THE COURT:** Uh-huh.

13 **MR. REEVES:** That's fine with us.

14 **MS. CLARENCE:** Thank you, your Honor.

15 **THE COURT:** All right. Ms. McClellan, 2 p.m.
16 September 20, and thank you.

17 **THE DEFENDANT:** Thank you, your Honor.

18 **MR. REEVES:** Thank you, your Honor.

19 **MS. CLARENCE:** Thank you, your Honor.

20 (The proceedings concluded at 2:40 p.m.)
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23
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CERTIFICATE OF REPORTER

I, CHRISTINE TRISKA, Pro-Tem Reporter for the United States Court, Northern District of California, hereby certify that the foregoing proceedings in Case No. CR10-00860 (WHA), UNITED STATES OF AMERICA versus ANNABEL MCCLELLAN, were reported by me, a certified shorthand reporter, and were thereafter transcribed under my direction into typewriting; that the foregoing is a full, complete and true record of said proceedings as bound by me at the time of filing.

The validity of the reporter's certification of said transcript may be void upon disassembly and/or removal from the court file.

_____/S/ Christine Triska_____

Christine Triska, CSR 12826, RPR

Wednesday, April 6, 2011