

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA  
IN AND FOR THE COUNTY OF MARICOPA

THE STATE OF ARIZONA,

*Plaintiff,*

v.

**CRAIG ALLEN SCHERF**

(Date of Birth: [REDACTED]),

*Defendant.*

Case No: CR 2017-001440-001

**PLEA AGREEMENT**

Page 1 of 4

The State of Arizona and the Defendant hereby agree to the following disposition of this case:

Plea: The defendant agrees to plead **GUILTY** to:

**Count 13: Fraudulent Schemes and Artifices, a Class 2 Felony, in violation of A.R.S. §§ 13-2310, 13-2301, 13-701, 13-702, and 13-801, 13-804 committed on or between 1/1/15 and 1/7/17.**

**Count 16: Illegal Control of an Enterprise, a Class 3 Felony, in violation of A.R.S. §§ 13-2312, 2301, 13-701, 13-702, and 13-801, 13-804 committed on or between 1/1/15 and 1/7/17.**

These are **non-dangerous, non-repetitive** offenses under the criminal code.

***THIS OFFER EXPIRES AND IS REVOKED IF NOT ENTERED IN COURT BY 8/9/2017.***

Terms: On the following understandings, terms and conditions:

C15 1. **Count 13:** The crime carries a presumptive sentence of 5 years; a minimum sentence of 4 years (3 years if trial court makes exceptional circumstances finding); and a maximum sentence of 10 years (12.5 years if trial court makes exceptional circumstances finding). Probation **IS** available, pursuant to stipulation of the parties. Restitution of economic loss to the victim and waiver of extradition for probation revocation procedures are required. The maximum fine that can be imposed is **\$150,000.00** plus an **84%** surcharge (plus a \$20.00 probation surcharge pursuant to A.R.S. § 12-114.01 and a \$13.00 penalty assessment pursuant to A.R.S. § 12-116.04). If the defendant is sentenced to prison, the defendant shall also be sentenced to serve a term of community supervision equal to one-seventh of the prison term to be served consecutively to the actual period of imprisonment. If the defendant fails to abide by the conditions of community supervision, the defendant can be required to serve the remaining term of community supervision in prison. Special conditions regarding sentence imposed by statute (if any) are:

**Within 30 days of being sentenced, the defendant must submit to Deoxyribonucleic Acid (DNA) testing for law enforcement identification purposes, pursuant to A.R.S. § 13-610.**

**Count 16:** The crime carries a presumptive sentence of 3.5 years; a minimum sentence of 2.5 years (2 years if trial court makes exceptional circumstances finding); and a maximum sentence of 7 years (8.75 years if trial court makes exceptional circumstances finding). Probation **IS** available, pursuant to stipulation of the parties. Restitution of economic loss to the victim and waiver of extradition for probation revocation procedures are required. The maximum fine that can be imposed is **\$150,000.00** plus an **84%** surcharge (plus a \$20.00 probation surcharge pursuant to A.R.S. § 12-114.01 and a \$13.00 penalty assessment pursuant to A.R.S. § 12-116.04). If the defendant is sentenced to prison, the defendant shall also be sentenced to serve a term of community supervision equal to one-seventh of the prison term to be served consecutively to the actual period of imprisonment. If the defendant fails to abide by the conditions of community supervision, the defendant can be required to serve the remaining term of community supervision in prison. Special conditions regarding sentence imposed by statute (if any) are:

Within 30 days of being sentenced, the defendant must submit to Deoxyribonucleic Acid (DNA) testing for law enforcement identification purposes, pursuant to A.R.S. § 13-610.

CAS 2. The parties stipulate to the following additional terms, subject to court approval at sentencing:

**Count 13:** The defendant shall be sentenced to a term in the Department of Corrections. Defendant shall pay restitution for all economic loss to all victims and/or their insurance companies for all counts, including dismissed counts and counts the State has agreed not to file, in an amount not to exceed \$100,000. There are no additional agreements.

**Count 16:** The defendant shall be sentenced to a term of Supervised Probation to include White Collar Terms to begin upon his actual release from confinement in Count 13. Should Defendant reject probation, any term of incarceration shall run consecutive to the term imposed in Count 13. Defendant shall pay restitution for all economic loss to all victims and/or their insurance companies for all counts, including dismissed counts and counts the State has agreed not to file, in an amount not to exceed \$100,000.

CAS 3. The following charges are dismissed, or if not yet filed, shall not be brought against the defendant by the Arizona Attorney General's Office:

**Counts 1-12; 14-15, and 17-29.** The State agrees not to charge the Defendant with additional charges arising from (1) the defendant's use of Dr. Shyuler McHenry's identifying information to purchase medication between 1/1/2015 and 1/4/2017 or (2) defendant's misrepresentations regarding his licensure and ability to bill insurance for chiropractic services between 1/1/2012 and 1/1/2015.

CAS 4. This agreement serves to amend the complaint, indictment or information to charge the offense to which the defendant pleads, without the filing of any additional pleading. However, if the plea is rejected by the court or withdrawn by either party, or if the conviction is subsequently reversed, the original charges and any charges that are dismissed by reason of this plea agreement are automatically reinstated.

CAS 5. If the defendant is charged with a felony, he hereby waives his rights to a preliminary hearing or other probable cause determination on the charges to which he pleads. The defendant agrees that this agreement shall not be binding on the State should the defendant be charged with or commit a crime between the time of this agreement and the time for sentencing in this cause; nor shall this agreement be binding on the State until the State confirms all representations made by the defendant and his attorney, to-wit:

**Defendant avows that he has 3 prior felony convictions in any jurisdiction under any name and that he was not on probation, parole, community supervision or release at the time of the offense.**

If the defendant fails to appear for sentencing, the court may disregard the stipulated sentence and impose any lawful sentence which is the same as or exceeds the stipulated sentence in the plea agreement. In the event the court rejects the plea, or either the State or the defendant withdraws the plea, the defendant hereby waives and gives up his right to a preliminary hearing or other probable cause determination on the original charges.

CAS 6. Unless this plea is rejected by the court or withdrawn by either party, the defendant hereby waives and gives up any and all motions, defenses, objections, or requests which he has made or raised, or could assert hereafter, to the court's entry of judgment against him and imposition of a sentence upon him consistent with this agreement. By entering this agreement, the defendant further waives and gives up the right to appeal (A.R.S. § 13-4033) and agrees that the only available review is pursuant to Rule 32, Rules of Criminal Procedure.

CAS 7. The parties hereto fully and completely understand and agree that by entering into a plea agreement, the defendant consents to judicial fact-finding by preponderance of the evidence as to any aspect or

enhancement of sentence, and that any sentence either stipulated to or recommended herein in paragraph 2 is not binding on the court. In making the sentencing determination, the court is not bound by the rules of evidence. If after accepting this plea the court concludes that any of the plea agreement's provisions regarding the sentence or the term and conditions of probation are inappropriate, it can reject the plea. If the court decides to reject the plea agreement provisions regarding the sentencing, it must give both the state and the defendant an opportunity to withdraw from the plea agreement. In case this plea agreement is withdrawn, all original charges will automatically be reinstated. The defendant in such case waives and gives up his right to a probable cause determination on the original charges.

CAS 8. If the court decides to reject the plea agreement provisions regarding sentencing and neither the state nor the defendant elects to withdraw the plea agreement, then any sentence either stipulated to or recommended herein in paragraph 2 is not binding upon the court, and the court is bound only by the sentencing limits set forth in paragraph 1 and the applicable statutes.

VS 9. This plea agreement does not in any way compromise, or provide any protection or defense with regard to, any civil action, whether by or on behalf of a victim or any government entity, and whether previously or later filed, including but not limited to an action pursuant to A.R.S. Title 13, Chapter 23 or §§ 13-4301-4315; nor does it abrogate or limit the provisions of A.R.S. § 13-2314(H) or A.R.S. § 13-4310(C), or in any other way adversely affect the State in any current or future forfeiture proceeding or other civil action pursuant to A.R.S. § 13-2314, § 13-4301-4315, or § 32-1993, if applicable.

CAS 10. I understand that if I am not a citizen of the United States that my decision to go to trial or enter into a plea agreement may have immigration consequences. Specifically, I understand that pleading guilty or no contest to a crime may affect my immigration status. Admitting guilt may result in deportation even if the charge is later dismissed. My plea or admission of guilt could result in my deportation or removal, could prevent me from ever being able to get legal status in the United States, or could prevent me from becoming a United States citizen. I understand that I am not required to disclose my legal status in the United States to the court.

CAS 11. I have read and understand all of the provisions on all of the pages of this agreement, and I have discussed the case and my constitutional rights with my lawyer. I understand that, by pleading GUILTY, I will be waiving and giving up my right to a determination of probable cause; to a trial by jury; to confront, cross-examine, and compel the attendance of witnesses; to present evidence and witnesses on my behalf; my right to remain silent, my privilege against self-incrimination, presumption of innocence, my right to a trial by jury on facts used to aggravate a sentence, and my right to appeal. I agree to enter my plea as indicated above on the terms and conditions set forth herein. I fully understand that if, as part of this plea agreement, I am granted probation by the court, the terms and conditions thereof are subject to modification at any time during the period of probation. I understand that if I violate any of the written conditions of my probation, my probation may be terminated and I can be sentenced to any term or terms stated above in paragraph 1, without limitation.

I have personally and voluntarily placed my initials in each of the above boxes and signed the signature line below to indicate I read, or had read to me, understood and approved all of the previous paragraphs in this agreement, both individually and as a total binding agreement. My plea is voluntary and is not the result of force, or threat, or promises other than those contained in this plea agreement.

Date 8.9.17

Craig Scherf  
Craig Allen Scherf  
Defendant

I have discussed this case with my client in detail and advised him of his constitutional rights and all possible defenses. I believe that the defendant's plea is knowing, intelligent, and voluntary and that the plea and disposition are consistent with law. I concur in the entry of the plea as indicated above and on the terms and conditions set forth herein.

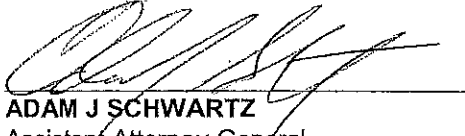
Date 8.9.17

Garrett Smith  
Garrett Smith  
Attorney for Defendant

I have reviewed this matter and concur that the plea and disposition set forth herein are appropriate and are in the interests of justice.

Date

8/9/17

  
ADAM J SCHWARTZ  
Assistant Attorney General