

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
970 Broad Street, Seventh Floor
Newark, New Jersey 07102



Christopher J. Christie, U.S. Attorney

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Assistant U.S. Attorney:
CRAIG CARPENITO
973-645-2891

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FOR IMMEDIATE RELEASE
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Bergen County Man Sentenced to 33 Months for Investment Scam

(More)

Public Affairs Office
Michael Drewniak, PAO

973-645-2888

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NEWARK – A Bergen County man who purported to be an investment advisor was sentenced today to 33 months in federal prison for defrauding numerous New Jersey investors of more than \$500,000, U.S. Attorney Christopher J. Christie announced.

U.S. District Judge William J. Martini also ordered Frederic William Melendez, 42, of Wyckoff, to make restitution to victims of his fraud in the amount of \$529,153.60.

On April 20, 2007, Melendez pleaded guilty before Judge Martini to a one-count Information charging mail fraud. According to the Information, Melendez purported to operate an investment company named R&R Partners and an investment vehicle called The Garden State Fund. Melendez told investors that The Garden State Fund invested in the common stock of the top 100 public companies that are headquartered in New Jersey. However, the Information alleges that Melendez solicited investor money under the false pretense that it would be invested, then Melendez converted the money for his personal use.

At his plea hearing, Melendez admitted that he made false and misleading statements to investors to convince them to invest money in The Garden State Fund. Melendez further admitted that once he obtained investor funds, instead of investing it in New Jersey's top companies, he used it to pay his personal expenses. Specifically, Melendez admitted that he used investor money to make mortgage and credit card payments, and to write checks payable to cash and to Melendez' family members without the knowledge or consent of the investors.

As part of his guilty plea, Melendez consented to the forfeiture of \$375,000 previously seized from Melendez by the United States and currently held by the United States Marshal's Service. The \$375,000 will be applied toward Melendez' restitution obligation and returned to victim investors.

Christie credited Special Agents of the FBI in Newark, under the direction of Special Agent in Charge Weysan Dun, and the U.S. Postal Inspection Service, under the direction of Acting Postal Inspector in Charge Eddie C. Woodson, with developing the case against Melendez.

Melendez is being prosecuted by Assistant U.S. Attorney Craig Carpenito of the Securities and Health Care Fraud Unit of the Criminal Division of the U.S. Attorney's Office in Newark.

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Defense Counsel: Carl J. Herman, Esq.