

# ***NEWS RELEASE***



## ***OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA San Diego, California***

***United States Attorney  
Laura E. Duffy***

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***For Immediate Release***

### **NORTH COUNTY MAN SENTENCED IN DAY TRADING SCHEME**

#### **NEWS RELEASE SUMMARY - May 22, 2012**

United States Attorney Laura Duffy announced that today United States District Court Judge Irma E. Gonzalez sentenced John Clement, age 65, a resident of Encinitas, California, to serve 24 months in custody for his participation in a scheme to defraud investors out of more than \$4.9 million through his operation of a Ponzi scheme under the name Edgefund Capital, LLC ("Edgefund"). Clement was also ordered to pay \$4.9 million in restitution and to serve three years supervised release.

According to court records, Clement pled guilty in September 2011 to a criminal information charging him with one count of wire fraud. According to admissions in a plea agreement and other court records, beginning in March 2007, Clement falsely represented to investors that Edgefund was a successful hedge fund that specialized in trading stocks on a daily basis and that investors would make between 1.5% and 2% per month with little or no risk involved. Clement also falsely induced investors not to withdraw their funds or to send money to Edgefund, and not to withdraw their funds, by issuing

false account statements indicating that investors were routinely earning substantial positive returns when, in fact, Clement knew that the high returns paid to investors came from new investor money and not from profits.

United States Attorney Duffy praised the efforts of the Federal Bureau of Investigation who conducted this investigation.

**DEFENDANT**      **Case Number: 11cr4198IEG**

John Clement

**SUMMARY OF CHARGES**

Title 18, United States Code, Section 1343 (Wire Fraud)

**INVESTIGATING AGENCY**

Federal Bureau of Investigation