



IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
NORFOLK DIVISION

UNITED STATES OF AMERICA)	
)	CRIMINAL NO. 2:18cr 154
v.)	
)	18 U.S.C. § 1341
EDWARD LEE MOODY, JR.,)	Mail Fraud
)	(Count 1)
Defendant.)	
)	18 U.S.C. § 1957
)	Engaging in Monetary Transactions in
)	Criminally Derived Property
)	(Count 2)
)	
)	Forfeiture

CRIMINAL INFORMATION

THE UNITED STATES ATTORNEY CHARGES THAT:

COUNT ONE

During the period from in or about April 2005 to June 2018, in the Eastern District of Virginia, EDWARD LEE MOODY, JR., the defendant, did devise and intend to devise a scheme and artifice to defraud persons who had transferred monies to him for the purpose of making investments on their behalf, and to obtain money from said persons by means of materially false and fraudulent pretenses, representations and promises, which scheme and artifice was in substance as follows:

1. At all material times, EDWARD LEE MOODY, JR., the defendant, was the sole owner and operator of CM Capital Management LLC (“CM Capital”), an investment firm with its principal office located in Virginia Beach, Virginia. The defendant was registered with the Virginia State Corporation Commission as an investment adviser and was the only investment adviser representative of CM Capital.

2. The object of the scheme and artifice devised by the defendant was to obtain monies for himself by embezzling, misappropriating and converting to his own use monies received from persons solicited by the defendant to transfer funds to him based on false and fraudulent pretenses, representations and promises.

3. It was a part of the defendant's fraudulent scheme and artifice that he made false and fraudulent statements and representations to persons in order to induce them to transfer money to him and CM Capital. Among the false and fraudulent statements and representations made by the defendant was that he would profitably invest their assets in securities on their behalf and manage those investments on an ongoing basis.

4. It was a further part of the defendant's fraudulent scheme and artifice that in some instances, investors signed an Investment Management Agreement presented to them by the defendant, who signed the agreement on behalf of CM Capital. Under this agreement, an investor granted CM Capital the authority to buy and sell securities on the investor's behalf, and CM Capital represented that it would manage the investor's account "in accordance with the investment mandates" of the investor. In fact, in most instances CM Capital did not manage the accounts of the investors or buy and sell securities on behalf of the investors, and did not open individual brokerage accounts for the investors.

5. Based on his false and fraudulent pretenses, representations and promises, the defendant solicited and collected approximately \$6.1 million from 53 investors, at least 13 of whom were elderly persons who liquidated assets from their existing, legitimate retirement accounts in order to provide funds to the defendant that they expected he would invest on their behalf.

6. It was a further part of the defendant's fraudulent scheme and artifice that he deposited monies received from investors into one of seven bank accounts that he controlled and were held in the name of CM Capital or G.E. Holdings Corporation, a Wyoming corporation that was incorporated by the defendant. The defendant transferred investor monies between these accounts, but they were not used for the benefit of the investors. In fact, the defendant did not open individual brokerage accounts in the names of any of the investors with regard to the money deposited by the defendant in CM Capital or G.E. Holdings Corporation accounts.

7. It was a further part of the defendant's fraudulent scheme and artifice that defendant did not invest any of the monies he received from investors on their behalf, but instead diverted investor monies for his own personal benefit and to enrich himself. Among other things, the defendant, without the knowledge or approval of the investors, used approximately \$1.4 million of investor monies for business expenses and to purchase a house, make car loan payments, shop, and travel to Las Vegas and other destinations. He also used additional investor monies in the approximate amount of \$885,000 to buy and sell securities on his own behalf.

8. In order to perpetuate the fraudulent scheme and artifice, and to lull the investors into a false sense of security, the defendant:

a. Used money received from new investors to make return payments to earlier investors, creating the false impression that he had made profitable investments for them. The defendant used approximately \$1.5 million that he received from new investors to make such periodic lulling payments to earlier investors; and

b. Provided investors with fraudulent monthly account statements that falsely stated the investors' funds had been invested in securities and had earned returns. The defendant modeled these fraudulent statements after the standard brokerage account statements of

Scottrade, a brokerage firm. He changed the name “Scottrade” to “G.E. Holdings” and included the following language that appeared in Scottrade’s statements: “All Products and Services Offered – Member FINRA/SIPC.” FINRA (Financial Industry Regulatory Authority) and SIPC (Security Investor Protection Corporation) are self-regulatory organizations whose members are broker-dealers or individuals associated with broker-dealers. In fact, neither CM Capital or G.E. Holdings was ever a member of FINRA or SIPC. These fraudulent monthly account statements falsely represented that securities had been purchased on behalf of the investor when no securities had actually been purchased, and listed a brokerage account balance when in fact there was no account balance.

9. On or about January 29, 2018, in the Eastern District of Virginia, EDWARD LEE MOODY, JR. for the purpose of executing the aforesaid scheme and artifice and attempting to do so, did knowingly cause to be delivered by Federal Express, a commercial interstate carrier, according to the direction thereon, an envelope containing Check No. 020244, drawn on the IRA Settlement Account of Individual P.C. at Sunwest Trust Inc., payable to G.E. Holdings in the amount of \$1,033,000.00.

(In violation of Title 18, United States Code, Section 1341).

COUNT TWO

On or about March 13, 2018, in the Eastern District of Virginia, EDWARD LEE MOODY, JR., the defendant, did knowingly engage and attempt to engage in a monetary transaction in criminally derived property of a value greater than \$10,000.00 and which was derived from specified unlawful activity, namely, mail fraud in violation of Title 18, United States Code, Section 1343, that is, the wire transfer, in and affecting interstate commerce, of

funds totaling \$364,235.85 from Xenith Bank to a law office, representing investor funds used by the defendant to purchase a house in the name of CM Capital.

(In violation of Title 18, United States Code, Section 1957.)

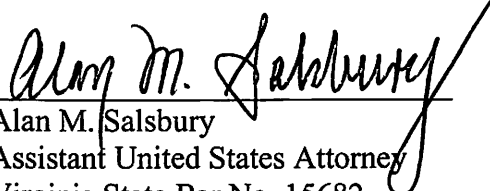
FORFEITURE

1. The defendant, if convicted of the violation alleged in Count One of this criminal information, shall forfeit to the United States, as part of the sentencing pursuant to Federal Rule of Criminal Procedure 32.2, any property, real or personal, which constitutes or is derived from proceeds traceable to the violation.
2. The defendant, if convicted of the violation alleged in Count Two of this criminal information, shall forfeit to the United States, as part of the sentencing pursuant to Federal Rule of Criminal Procedure 32.2, any property, real or personal, involved in the violation, or any property traceable to that property.
3. If any property that is subject to forfeiture above, as a result of any act or omission of the defendant, (a) cannot be located upon the exercise of due diligence, (b) has been transferred to, sold to, or deposited with a third party, (c) has been placed beyond the jurisdiction of the Court, (d) has been substantially diminished in value, or (e) has been commingled with other property that cannot be divided without difficulty, it is the intention of the United States to seek forfeiture of any other property of the defendant, as subject to forfeiture under Title 21, United States Code, Section 853(p).
4. The property subject to forfeiture includes, but is not limited to:
 - a. A monetary judgment in the amount of not less than \$6.1 million;
 - b. Real property and improvements located at 9300 Ramsgate Lane, North Chesterfield, Virginia;

- c. A 2011 Porsche 911 with VIN # WP0AB2A96BS720496;
- d. \$228,807.35 seized from Union Bank & Trust account 93181 on June 28, 2018;
- e. \$1,920.10 seized from Union Bank & Trust account 1010846013 on June 28, 2018;
- f. \$1,029,004.05 seized from Union Bank & Trust account 1010915115 on June 28, 2018;
- g. Union Bank & Trust account 8354187648.

(In accordance with Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(1); and Title 28, United States Code, Section 2461(c).)

G. Zachary Terwilliger
United States Attorney

By: 
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Criminal Case Cover Sheet

U.S. District Court

Place of Offense:		Under Seal: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Judge Assigned:
City: EDVA	Superseding Indictment:		Criminal Number: 2:18cr
County/Parish:	Same Defendant:		New Defendant: Edward Lee Moody, Jr.
Magistrate Judge Case Number:		Arraignment Date:	
Search Warrant Case Number:			
R 20/R 40 from District of _____			

Defendant Information:

Juvenile: Yes <input type="checkbox"/> No <input type="checkbox"/>	FBI#
Defendant: Edward Lee Moody, Jr.	Alias Name(s):
Address: [REDACTED] Chesterfield, VA [REDACTED]	
Birth Date: [REDACTED] 71	SS#: [REDACTED]
Sex: M	Race: B
Nationality: U.S.	Place of Birth:
Height: 5'11"	Weight: 215
Hair: BLK	Eyes: BRO
Scars/Tattoos:	
Interpreter: Yes <input type="checkbox"/>	
No <input checked="" type="checkbox"/>	List Language and/or dialect:
	State ID:

Location Status:

Arrest Date:	
<input type="checkbox"/> Already in Federal Custody as of: _____ in: _____.	
<input type="checkbox"/> Already in State Custody	<input type="checkbox"/> On Pretrial Release
<input checked="" type="checkbox"/> Not in Custody	
<input type="checkbox"/> Arrest Warrant Requested	<input type="checkbox"/> Fugitive
<input type="checkbox"/> Summons Requested	
<input type="checkbox"/> Arrest Warrant Pending	<input type="checkbox"/> Detention Sought
<input type="checkbox"/> Bond	

Defense Counsel Information:

Name: Laura Tayman	<input checked="" type="checkbox"/> Court Appointed
Address: 11815 Fountain Way, Suite 300 Newport News, VA 23606	<input type="checkbox"/> Retained
Telephone: 757-926-5277	<input type="checkbox"/> Public Defender
Email: laura@taymanlaw.net	[REDACTED]
	[REDACTED]

U.S. Attorney Information:

AUSA: Alan M. Salsbury	Telephone No. 757-441-6331	Bar #:
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Complainant Agency, Address & Phone Number or Person & Title:

Special Agent Jennifer Collins, (FBI)

U.S.C. Citations:

	Code/Section	Description of Offense Charged	Count(s)	Capital/Felony/Misd/Petty
Set 1	18 U.S.C. § 1341	Mail Fraud	1	Felony
Set 2	18 U.S.C. § 1957	Engaging in Monetary Transactions in Criminally Derived Property	2	Felony
Set 3				