

IN THE DISTRICT COURT OF THE UNITED STATES
DISTRICT OF SOUTH CAROLINA
GREENVILLE DIVISION

UNITED STATES OF AMERICA	:	CRIMINAL NO.:	<u>8:18-cr-296</u>
	:	18 U.S.C. § 1348	
	:		
	:		
vs.	:		
	:		
	:		
MELVIN LEE WIMMER, JR.	:	<u>INFORMATION</u>	

COUNT 1
(Securities Fraud)

THE UNITED STATES ATTORNEY CHARGES:

At all times relevant to this Information:

1. The Defendant, **MELVIN LEE WIMMER, JR.**, lived in Greenwood, S.C. and was the owner of Cornerstone Capital of Greenwood. Cornerstone Capital was an investment firm that **WIMMER** founded in 2007.
2. Beginning in 2010 through 2017, in the District of South Carolina and elsewhere, **WIMMER** knowingly and willfully devised a scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations, and promises in connection with the purchase and sale of a commodity for future delivery, an option on a commodity for future delivery, and a security of an issuer with a class of securities registered under section 12 of the Securities and Exchange Act of 1934.
3. It was part of the scheme to defraud that approximately twenty-five (25) individuals

invested \$3.6 million with **WIMMER** for him to trade securities, securities futures, and securities options on their behalf. It was part of the scheme that **WIMMER** falsely represented the expected gains from such trading, including the past performance of his trading.

4. It was further part of the scheme that **WIMMER** failed to adequately inform the investors of the high risk of trading securities, securities futures, and securities options even though some of the investors' money came from retirement savings.
5. **WIMMER** lost money from trading from the outset of the scheme. It was part of the scheme that instead of reporting these trading losses to the investors, **WIMMER** manufactured fraudulent account statements that falsely showed consistent gains of 8-10 percent on an annualized basis. **WIMMER** emailed these fraudulent account statements to the investors on a monthly basis throughout the duration of the scheme.
6. As a result of the scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations, and promises in connection with the purchase and sale of a commodity for future delivery, an option on a commodity for future delivery, and a security of an issuer with a class of securities registered under section 12 of the Securities and Exchange Act of 1934, the Defendant, **MELVIN LEE WIMMER, JR.**, lost more than \$3 million of the investors' money.

In violation of Title 18, United States Code, Section 1348.

FORFEITURE

A. **SECURITIES FRAUD:**

Upon conviction for violation of Title 18, United States Code, Section 1348 as charged in this Information, the Defendant, **MELVIN LEE WIMMER, JR.**, shall forfeit to the United States any property, real or personal, constituting, derived from or traceable to proceeds the Defendant obtained directly or indirectly as a result of such offenses.

B. **PROPERTY:**

Pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), the property which is subject to forfeiture upon conviction of the Defendant for the offense charged in this Information includes, but is not limited to, the following:

CASH PROCEEDS/MONEY JUDGMENT:

A sum of money equal to all proceeds the Defendant obtained, directly or indirectly, from the offense charged in this Information, and all interest and proceeds traceable thereto, as the result of his violation of 18 U.S.C. § 1348.

C. **SUBSTITUTE ASSETS:**

If any of the property described above as being subject to forfeiture, 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 or sold to, or deposited with, a third person;
- (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 which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by 28 U.S.C. § 2461(c), to seek forfeiture of any other property of the said Defendant up to the value of the above described forfeitable property;

Pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

s/BETH DRAKE
BETH DRAKE (MRD)
UNITED STATES ATTORNEY