

**"UNDER SEAL"
FILED**

CHARLOTTE, NC

JAN 16 2019

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NORTH CAROLINA
ASHEVILLE DIVISION

US DISTRICT COURT
WESTERN DISTRICT OF NC

UNITED STATES OF AMERICA)
)
)
)
v.)
)
)
MARK C. RAMSEY)
_____)

DOCKET NO.

1:19 CR 4-MR-WCM

BILL OF INDICTMENT

Violations:

15 U.S.C. §§ 78j(b) and 78ff

THE GRAND JURY CHARGES:

At times material to this Indictment:

Introduction

1. From in or about April 2008 through in or about September 2013, Defendant MARK C. RAMSEY operated various purported investment companies, including: Hypertrend; Cascade Investments; GH Gardner; Layton-McCall; Pandrox; and Good Living. RAMSEY falsely represented to investors that their money would be used to make legitimate investments, that they would receive a guaranteed return on their investments, and that their principal investments would not be at risk. Instead, investors' money was spent on Ponzi-style payments to other investors, trips to Las Vegas casinos, and other personal expenses. RAMSEY executed the scheme, in part, from Asheville, North Carolina.

2. In total, RAMSEY defrauded approximately dozens of investors out of approximately \$1,423,537.91. As a group, RAMSEY's investors lost approximately \$858,863.05. Many of the investors were at or near retirement age and used retirement funds for their investments with RAMSEY.

3. RAMSEY typically solicited his investors in person, often in their homes. During his solicitations, he concealed the fact that he was not registered to sell securities. RAMSEY also concealed the fact that the investment opportunities were not registered as required by North Carolina law. To several victim investors, he falsely represented that their money would be invested in, among other things, new corporations. RAMSEY falsely represented that such investments were safe and would yield good returns, and that they would, in some cases, bring guaranteed returns.

4. RAMSEY deceived some victim investors into wrongly believing that the investments would make money through loans of the invested funds at high interest rates.

RAMSEY lulled victim investors into believing that he had invested their money as promised by, among other things, making payments to them. In truth and fact, RAMSEY caused the victims' investments to be spent on Ponzi-style payments and personal expenses.

Victim Investors 1 and 2

5. For example, in or about the spring of 2008, RAMSEY told Victims Investors 1 and 2 that he was forming a new corporation called "Hypertrend." According to RAMSEY, Hypertrend would be an investment vehicle directed by RAMSEY. On or about April 30, 2008, Victim Investors 1 and 2 made their first investment with RAMSEY, namely an approximately \$8,000 investment in Hypertrend.

6. From on or about April 30, 2008 until on or about February 13, 2013, Victim Investors 1 and 2 invested approximately \$451,740.91 with RAMSEY through a series of investment vehicles, including Cascade Investments, Layton-McCall, and Good Living, Inc.

7. For each investment, RAMSEY falsely promised Victim Investors 1 and 2 that they would not lose their principal investment. RAMSEY also concealed the fact that he was not registered to sell securities and that the investment opportunity was not registered as required by North Carolina law. In total, Victim Investors 1 and 2 lost approximately \$428,211.93 of their \$451,740.91 investment with RAMSEY.

8. In particular, on or about February 7, 2013, Victim Investor 1 wired approximately \$50,000 to Good Living Inc.'s bank account. The same day, RAMSEY used approximately \$29,949.86 of Victim Investor 1's investment to repay other investors. By February 13, 2013, all but approximately \$1,154.44 of Victim Investor 1's investment was gone, mostly sent to other investors and spent on meals and travel.

9. Similarly, on or about February 13, 2013, Victim Investor 1 wired approximately \$75,000 to Good Living Inc.'s bank account. The next day, RAMSEY used approximately \$40,000 to repay another investor. By March 1, 2013, Good Living, Inc.'s account was overdrawn, with most of Victim Investor 1's investment sent to other investors and spent on travel. More than \$4,000 of Victim Investor 1's investment was withdrawn in cash at casinos in Las Vegas, Nevada on February 19 through March 1, 2013.

Victim Investors 3 and 4

10. As an additional example, in or about August 2011, RAMSEY solicited Victim Investors 3 and 4 to invest with GH Gardner, one of his purported investment companies. RAMSEY guaranteed that Victim Investors 3 and 4 would not lose their principal investment. According to RAMSEY, GH Gardner would loan money at a high interest rate to individuals with good credit. RAMSEY further stated that Victim Investors 3 and 4 would receive a guaranteed rate of return on their investment. On or about August 31, 2011, Victim Investors 3 and 4 invested approximately \$10,000 with RAMSEY.

11. From on or about August 31, 2011 through on or about April 6, 2012, Victim Investors 3 and 4 invested approximately \$220,000 with RAMSEY. This included approximately

\$100,000 held in a retirement account. They lost approximately \$171,475.14 of their investment with Ramsey.

12. In particular, on or about December 1, 2011, Victim 4 invested \$65,000 with Ramsey through Good Living, Inc. The following day, RAMSEY caused a check in the amount of \$10,000 to be paid to another investor. Less than two weeks later, approximately \$1,500 was withdrawn from the Good Living, Inc. account in cash in Las Vegas, Nevada casinos.

COUNT ONE

15 U.S.C. §§ 78j(b) and 78ff (Securities Fraud)

13. The Grand Jury incorporates paragraphs 1 through 12 of this Bill of Indictment and further alleges that:

14. From at least in or about April 2008 through in or about September 2013, in Buncombe County, within the Western District of North Carolina, and elsewhere, the defendant,

MARK C. RAMSEY

willfully, directly and indirectly, by use of the means and instrumentalities of interstate commerce and the mails, used and employed manipulative and deceptive devices and contrivances by (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices, and courses of business which operated and would and did operate as a fraud and deceit upon investors in connection with the sale of securities, to wit, investments in Hypertrend, Cascade Investments, Layton-McCall, GH Gardner, and Good Living, Inc.

All in violation of Title 15, United States Code Sections 78j(b) and 78ff; Title 17, Code of Federal Regulations, Section 240.10b-5; and Title 18, United States Code Section 2.

NOTICE OF FORFEITURE AND FINDING OF PROBABLE CAUSE

Notice is hereby given of 18 U.S.C. § 982 and 28 U.S.C. § 2461(c). Under Section 2461(c), criminal forfeiture is applicable to any offenses for which forfeiture is authorized by any other statute, including but not limited to 18 U.S.C. § 981 and all specified unlawful activities listed or referenced in 18 U.S.C. § 1956(c)(7), which are incorporated as to proceeds by Section 981(a)(1)(C). The following property is subject to forfeiture in accordance with Section 982 and/or 2461(c):

- a. All property which constitutes or is derived from proceeds of the violations set forth in this Bill of Indictment; and
- b. If, as set forth in 21 U.S.C. § 853(p), any property described in (a) cannot be located upon the exercise of due diligence, has been transferred or sold to, or deposited with, a third party, has been placed beyond the jurisdiction of the court, has been substantially

diminished in value, or has been commingled with other property which cannot be divided without difficulty, all other property of the defendant/s to the extent of the value of the property described in (a).

The Grand Jury finds probable cause to believe that the following is subject to forfeiture on one or more of the grounds set forth above: a forfeiture money judgment in the amount of at least approximately \$699,263.05, such amount constituting the net proceeds of the fraud alleged herein.

A TRUE BILL:


FOREPERSON

R. ANDREW MURRAY
UNITED STATES ATTORNEY


TAYLOR J. PHILLIPS
ASSISTANT UNITED STATES ATTORNEY