

DEPARTMENT OF JUSTICE

**Acting United States Attorney Edward R. Ryan
Western District of North Carolina**

**FOR IMMEDIATE RELEASE
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MOORESVILLE, NC MAN SENTENCED FOR SECURITIES FRAUD AND TAX EVASION IN CONNECTION WITH SONSHINE TOURS & TRAVEL, INC. Paul Stephen Young, Jr. Sentenced to Two Years in Federal Prison CHARLOTTE, NC—Paul Stephen Young, Jr., 42, of Mooresville, NC, was sentenced today in U.S. District Court in Statesville to serve a federal prison sentence of 24 months for his involvement in a securities fraud and tax evasion scheme he executed through a company he owned and operated. He was also ordered to pay restitution of \$527,987 to the victims of the scheme and was ordered to serve 3 years of supervised release following the completion of his sentence. Young’s business was a travel agency named Sonshine Tours & Travel, Inc., located in Mooresville, N.C., which operated from 1997 to August 2007. Today’s announcement is made by Acting U.S. Attorney Edward R. Ryan for the Western District of North Carolina.

Acting U.S. Attorney Edward Ryan said, “Mr. Young victimized, among others, senior citizens, by taking their hard-earned money and failing to book the trips and vacations they saved for. In doing so, he violated the trust of the most vulnerable members of our community. This sentence sends an unequivocal message that this type of fraud will not be tolerated.” Ryan is joined in making today’s announcement by Special Agent in Charge of FBI Operations in North Carolina, Owen Harris, and Special Agent in Charge of IRS Criminal Investigations Division Jeannine Hammett. Young was sentenced by U.S. District Judge Richard L. Voorhees.

Young previously entered guilty pleas in U.S. District Court in May 2008 to (1) committing fraud upon investors and others in connection with the sale of securities, to wit: Sonshine Stock Sales Certificates, and (2) tax evasion for the 2005 tax year. According to information provided in official court documents and evidence brought forth at today’s sentencing hearing, Paul Stephen Young, Jr. owned and operated a travel agency named Sonshine Tours & Travel, Inc., located in Mooresville, N.C., from 1997 to August 2007.

Through Sonshine Tours & Travel, Young provided travel agency services to, among others, senior citizen and church groups. Information presented in court today showed that beginning about July 1999 and continuing through May 2007, Young advertised sale of Sonshine Stock to the public through mailings to clients and existing shareholders. In these mailings Young falsely promised that all shareholders would receive guaranteed dividends of 8% a year. Young not only misled investors by claiming his business was profitable and growing when it was not, but when he received proceeds from the stock sale, he deposited the funds into Sonshine’s operating account and used the funds to continue to operate his failing business and pay his personal living expenses.

In addition, evidence presented in court today showed that Young falsely accepted fees from Sonshine clients for future travel reservations. The evidence showed, however, that Young failed to book these travel reservations and instead the customers lost all of their fees. Information was presented in court today that Young collected more than \$120,000 from investors during the course of the scheme. Many investors failed to receive any dividends, and when Sonshine went out of business in August 2007, Young failed to return any investment principal to the individuals who purchased Sonshine stock. As part of his plea agreement, Young agreed to provide full restitution to the victims harmed by the entirety of his conduct, including those who purchased stock in the securities fraud scheme and customers who paid for travel packages that they never received.

Acting U.S. Attorney Edward Ryan commended the FBI and IRS CID for their work in the investigation that

resulted in the filing of these charges. Ryan specifically credited the Mooresville Police Department for its assistance in the investigation. The prosecution was handled for the government by Assistant U.S. Attorney Mark T. Odulio of the U.S. Attorney's Criminal Division in Charlotte.

US v. Paul Stephen Young, Jr., Docket Number 5:08cr22

Paul Stephen Young, Jr.

42 years of age

Mooresville, NC

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