



# ***NEWS RELEASE***

OFFICE OF ATTORNEY GENERAL HENRY McMASTER  
STATE OF SOUTH CAROLINA

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## **Beaufort County Man Pleads Guilty To Securities Fraud**

**Columbia, S.C.** – Attorney General Henry McMaster announced today that William P. Garomon, 61, of 522 Porpoise Drive, St. Helena Island pleaded guilty on May 23, 2005 to eight (8) counts of Securities Fraud.

The first (1<sup>st</sup>) count is Scheme to Commit Securities Fraud, a felony violation of §35-1-1210(1) of the Code of Laws, and punishable to ten (10) years imprisonment and a \$50,000 fine. The remaining seven (7) counts are Securities Fraud, a felony violation of §35-1-12-10(2) of the Code of Laws. Specifically, two (2) of the Securities Fraud counts represent a loss to an investor greater than \$20,000, and carry a maximum penalty of ten (10) years imprisonment and a \$50,000 fine each. The remaining five (5) Securities Fraud counts represent a loss to an investor greater than \$1,000 and less than \$20,000, and carry a maximum penalty of five (5) years imprisonment and a fine in the discretion of the court.

As General Manager of The Lowcountry Group, LLC, Garomon acted as an agent and promoter of investments through The Lowcountry Group, LLC. Garomon has never been licensed in South Carolina as a broker-dealer or a broker-dealer agent, and is not authorized to solicit securities business or effect securities transactions in or from this state. He is also not authorized to receive fees or any other remuneration for effecting transactions or providing financial advice. Likewise, The Lowcountry Group, LLC is not and has never been registered as a broker-dealer or investment advisor authorized to employ agents or representatives to conduct business in or from this state.

On or around November 1, 2002 until on or around August 1, 2003, Garomon acted on behalf of himself and as an agent of TLG, LLC and solicited investors to place money with him for guaranteed results, and represented to investors that all money invested would be used to trade stocks. Depending on the amount invested, returns of 10 to 14% were guaranteed by Garomon. Investors were told that the terms of their investments were unlimited, and that all or part of those investments could be withdrawn with one week's notice at the first of every month. Following Garomon's solicitations, at least seven (7) investors placed a combined total of \$130,000 with Garomon and TLG, LLC.

In or around August 2003, interest checks from TLG, LLC began to bounce, prompting several investors to complain. Garomon responded by issuing a letter to investors dated August 18, 2003 which froze all

accounts, citing a temporary short-term cash flow problem. Upon receipt of the letter, several investors gave written notice to withdraw their investment. The requests were not honored.

By issuing a Cease and Desist Order in January 2004, Attorney General McMaster ordered Garomon and The Lowcountry Group, LLC, as well as every agent, affiliate, employee, etc. to immediately cease and desist from offering or selling securities in or from the State of South Carolina, and from otherwise violating the South Carolina Uniform Securities Act.

Indictments from the State Grand Jury followed on October 19, 2004.

Judge Perry Buckner, presiding over the General Sessions Court of Beaufort County, heard Garomon's guilty plea, and granted his request to defer sentencing until the week of August 29, 2005 to allow the Department of Probation, Pardon, and Parole to conduct a pre-sentence investigation. Garomon was allowed to remain on bond under strict supervision requirements and only after signing a waiver of extradition.

This case was investigated by SLED and the Securities Section of the Attorney General's Office, and prosecuted by the Attorney General's Office.

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