



# ***NEWS RELEASE***

OFFICE OF ATTORNEY GENERAL HENRY MCMASTER  
STATE OF SOUTH CAROLINA

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## **State Grand Jury Indicts Man For Securities Fraud**

**Columbia, S.C.** – Attorney General Henry McMaster announced today that the State Grand Jury has indicted William P. Garomon, 60, of 522 Porpoise Drive, St. Helena Island on 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.

The indictment alleges that 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.

The indictment also alleges that 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were told that the terms of their investments were unlimited, and that all or part of those investments could be withdrawn with one week's notice at the first of every month.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.

It is further alleged that 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

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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.

Attorney General McMaster stressed that all defendants are presumed innocent unless and until they are found guilty in a court of law.

Copies of the indictment are available upon request.

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