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FOR IMMEDIATE RELEASE

Former Washington Township Investment Adviser Sentenced

State v. John Schmidt, 2018-CR-4108

DAYTON, OH (06/25/2019) – Prosecuting Attorney Mat Heck, Jr. announced today that **JOHN GREGORY SCHMIDT**, 68, of Bellbrook, was sentenced to a total of 5 years in prison after his conviction on 128 felony counts related to securities fraud from his work as a financial advisor.

The defendant operated Schmidt Investment Strategies Group on Paragon Road in Washington Township, while employed by Wells Fargo Advisors Financial since 2006. During this time, the defendant stole money from investment accounts in order to cover for stolen money in other investor's accounts – a "Ponzi" scheme. The defendant also created and falsified financial statements to investors in an effort to cover for the missing investments. In addition, the defendant sold securities without the knowledge or authorization of the investors and the defendant received commissions on those transactions of nearly a quarter-million dollars.

After the Ohio Department of Insurance noticed irregularities in the defendant's activity, a lengthy investigation was conducted by the Ohio Department of Insurance and the Ohio Department of Commerce.

The defendant entered a plea of no contest and was found guilty as charged on:

- 124 counts of Forgery
- Two counts of Theft From an Elderly or Disabled Adult >\$150,000
- One count of Telecommunications Fraud >\$150,000 but <\$1,000,000
- One count of Fraud or Deceit by Investment Advisor >\$150,000

In addition to the prison sentence, the defendant was ordered to pay one victim \$34,446 in restitution. Wells Fargo previously paid approximately \$3,700,000 to the victims of the defendant's thefts.

Prosecutor Heck continued, "For over a decade, this defendant defrauded investors, many of them elderly and disabled. In order for his criminal activity to go undetected, he had to keep stealing from more investors in order to cover for the thefts from other investors. The defendant has shown no remorse for his actions and certainly deserves this prison sentence."

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