



*United States Attorney  
Southern District of New York*

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**PRESIDENT OF REAL ESTATE INVESTMENT FIRM  
INDICTED ON MULTI-MILLION DOLLAR FRAUD CHARGES**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced the indictment of WILSON JAMES BASTON, JR., a/k/a "Wil James," a/k/a "Will James," by a Federal Grand Jury in Manhattan earlier today. The Indictment alleges that, over the past five years, BASTON defrauded victims out of millions of dollars through Will James Equity Partners, Inc., which purported to be a real estate investment program which purchased distressed properties in the New York City area as investment vehicles for long and short-term investors. According to the Indictment:

From 2002 to the present, BASTON recruited over seventy investors through false promises of guaranteed short-term, high rates of return on investments in distressed properties, with additional guarantees on the principal investment. BASTON recruited investors in Will James Equity Partners, Inc., through a variety of means including "word-of-mouth" referrals, classified advertisements in newspapers such as the New York Times, and promotional literature. According to a promotional brochure, Will James Equity Partners, Inc., purchased so-called "pre-foreclosure" property using funds from "a variety of equity partners," with terms determined on an individualized, venture-by-venture basis. The brochure stated that, "equity partners are securitized by first mortgages on the property; paid interest at above market rates; and receive their full equity loan in a balloon payment together with an agreed upon bonus at the sale of the renovated property." BASTON documented the terms of these investments in "Promissory Notes," in which he promised to pay interest rates, often as high as twenty or thirty percent, to the investors along with a guaranteed return on their principal balance within short periods of time, often thirty days or less.

On many occasions, BASTON initially repaid both the invested principal and interest as promised, which served to entice his investors to continue investing in Will James Equity

Partners, Inc., and in most cases, to invest additional, larger sums of money. To make these initial payments to new victims, BASTON used monies from other investors, rather than from purchasing, renovating, and "flipping" or reselling "pre-foreclosure" properties as he had described to investors. Because the victims believed these initial "investments" to be successful, many victims thereafter agreed to roll-over their invested funds into new investments, or often invested additional, larger sums of money in the scheme.

Once the victims invested a significant amount of money in Will James Equity Partners, Inc., BASTON ceased paying them the promised interest and did not return their principal. Eventually, when the victims began to complain to BASTON that he had deceived them, BASTON employed a variety of lulling tactics and avoided responding to their calls and inquiries. BASTON specifically instructed his remaining staff members to deflect inquiries from victims in order to avoid them. When BASTON was unable to avoid these victims, he gave false explanations as to why they had not been paid. Despite his claims to victims that Will James Equity Partners, Inc., had financial difficulties and was unable to pay back its current investors, BASTON continued to recruit new investors in Will James Equity Partners, Inc., by falsely representing the enterprise's success. In some instances, BASTON paid the most vocal victims with the funds he received from these newer investors.

The Indictment alleges that BASTON obtained over \$10 million from his victims pursuant to this scheme, and charges BASTON with eleven counts of mail fraud and six counts of wire fraud. If convicted on all counts charged in the Indictment, BASTON faces a maximum of 85 years' imprisonment.

BASTON was arrested on a Complaint issued on June 7, 2007, and is presently in federal custody pending trial.

Mr. GARCIA praised the efforts of the United States Postal Inspection Service, the Federal Bureau of Investigation, and the Criminal Investigators of the United States Attorney's Office in the investigation of this case.

Assistant United States Attorney GLEN G. MCGORTY is in charge of the prosecution.

The charges contained in the Complaint and Indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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