



Riverside County District Attorney

# **NEWS RELEASE**

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## **JURY CONVICTS RIVERSIDE MAN IN \$5 MILLION REAL ESTATE PONZI SCHEME**

RIVERSIDE – A Riverside man has been convicted in a real estate Ponzi scheme case totaling nearly \$5 million in losses and involving victims across Southern California as well as in Arizona and Colorado.

On Thursday, Oct. 3, 2013, a Riverside County jury found Ryan Edward Rude, DOB: 3-18-73, guilty of 41 counts of securities fraud, grand theft, burglary and selling unqualified securities. He is scheduled to return before Judge Thomas Kelly on Nov. 14, 2013, to be sentenced. Rude faces more 20 years in state prison.

In late 2009, several victims notified multiple agencies, including the California Department of Corporations (now the Department of Business Oversight), about Rude's possible illegal activities. The Department of Corporations completed its investigation in late 2011, issued a desist-and- refrain order, and forwarded the investigation to the Riverside County District Attorney's Office. The DA's Office conducted an investigation until September 2012 after which Rude was arrested and charged.

Rude was a real estate agent and, from 2007 through 2009, he raised, according to the forensic investigation, \$4.8 million from victims in his Ponzi scheme through his company, Investor Alliance Group. The victims were promised secured interests in property development projects in Riverside and San Bernardino counties. However, a substantial amount of the money Rude schemed from his victims was instead used to pay previous investors or given to Rude's friends or family, or transferred to other accounts he had. Any money Rude actually did spend to acquire properties was done in his name in risky financial deals.

Victim losses ranged from \$30,000 to \$500,000 and they were encouraged to withdraw funds from life savings and retirement accounts as well as to take out lines of credit against their own homes.

Ultimately, Rude's Ponzi scheme collapsed and all of the properties purchased were lost to foreclosure and Rude defaulted on his payments to investors and declared bankruptcy.

The case, RIF1206689, was prosecuted by Deputy District Attorney David Allen of the DA's Real Estate Fraud Unit.