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Media Release
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Attorney General's Office Secures 15-Count Securities Indictment Delaware resident was allegedly defrauded out of $73,000

Wilmington – Following an investigation by the Delaware Department of Justice Securities Unit, a New Jersey man has been indicted on 15 counts of securities fraud and theft for soliciting $73,000 from a Delaware resident, Attorney General Beau Biden announced today. On June 20, John J. Papaneri, 37, was charged with 15 counts of fraud and theft connected to his receipt of $73,000 from a 62-year-old Delaware woman last year for a purported business investment.

"Victims of fraudulent investment schemes have experienced a breach of trust and a loss of resources that can have a devastating effect on their lives," said Attorney General Biden. "We will aggressively prosecute the perpetrators of these scams and secure justice for victims of financial crime."

The DOJ investigation revealed that Papaneri, of Mount Laurel, NJ, met the victim in the Las Vegas airport in February, 2010, at which time he informed her that he was a partner in WeCube, LLC, a company that sells energy-efficient refrigeration units. The victim reported that approximately one week after they met, Papaneri contacted her at home in Delaware and asked her to invest $15,000 in WeCube for a promised return of $3,000 in interest over the next three months, as well as the return of her initial investment. On March 5, 2010, the victim gave Papaneri $15,000 in cash. Over the next several weeks, Papaneri contacted the victim repeatedly and solicited additional funds with the assurance that she would receive greater interest payments. Between March 8 and April 8, 2010 the victim gave Papaneri an additional $58,000 to invest in WeCube.

Although she was scheduled to receive her first interest payment in April, 2010, the victim alleges that she has received no money from Papaneri or WeCube to date. Repeated attempts by both the victim and Papaneri's business partner to obtain an explanation from Papaneri have been unsuccessful. The victim contacted the Attorney General's Office in early 2011, at which time an investigation was initiated. During that investigation, DOJ learned that Papaneri was not properly registered to sell securities in Delaware, and that WeCube, LLC had not registered any securities in the state. Papaneri was arrested by DOJ Securities Unit Special Investigator Kevin Lange on May 18, 2011.

The Attorney General's Office encourages any investors who believe they may be a victim of investment fraud to contact its Securities Unit at (302) 577-8424. The Office also reminds the public that an indictment is merely an allegation and is not evidence of guilt. Defendants are presumed

innocent and are entitled to a jury trial at which the state bears the burden of proving each charge beyond a reasonable doubt.

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