

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA San Diego, California

***United States Attorney
Karen P. Hewitt***

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For Immediate Release

NEWS RELEASE SUMMARY - December 4, 2008

United States Attorney Karen P. Hewitt announced that Clementine Estrada was sentenced in federal court on December 3, 2008, by United States District Judge Barry T. Moskowitz, following her conviction on one count of conspiracy to commit mail fraud and wire fraud related to two fraudulent high-yield investment programs she managed and operated in Escondido, California: the Crystal Rose and Sterling Rose Capitalization Programs. Estrada was sentenced to serve 50 months in custody and three years of supervised release following her guilty plea pursuant to a plea agreement. Estrada was ordered to pay approximately \$1,800,000 in restitution to the victims of her crime. A hearing to determine the final amount of the restitution is scheduled for December 23, 2008, before Judge Moskowitz. Estrada was remanded into custody immediately after receiving her sentence.

In the plea agreement, Estrada admitted that between December 2001 and August 2004, she conspired to defraud 68 investors out of nearly \$2,000,000 through these fraudulent investment programs. Estrada promised investors high rates of returns, up to 90% per month in some cases, while guaranteeing the

investors' principal. However, her promises and guarantees to the investors were false. She admitted in the plea agreement that she made false representations to the investors to induce them to participate in her investment programs, which she then misappropriated and dissipated the investors' money, and that she provided false and misleading reports to the investors about bogus fund recovery efforts.

Estrada further admitted that she attempted to obstruct justice during the Government's investigation of her activities and agreed that her criminal conduct violated the terms of a permanent injunction previously entered against her in the Southern District of California following an action brought by the Securities and Exchange Commission.

United States Attorney Hewitt said, "The United States Attorney's Office remains fully committed to the prosecution of individuals who commit economic crimes of the sort in which this defendant engaged. The victims deserve full justice, a measure of which was achieved with this sentence."

FBI Special Agent in Charge Keith Slotter commented, "The case against Ms. Estrada represents precisely the type of criminal behavior we warn the public about. Anyone contemplating investing with someone who promises such outrageous rates of return should consider the extreme risk they are taking in doing so. As always, people should fully understand that there are no guaranteed returns with these types of investments."

DEFENDANT

Case Number: 07CR1465-BTM

Clementine A. Estrada

SUMMARY OF CHARGES

Title 18, United States Code, Section 371 - Conspiracy

AGENCY

Federal Bureau of Investigation