

North Carolina Department of the Secretary of State

NEWS

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For Immediate Release

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Secretary of State

Case Against Former Forsyth County Investment Adviser Concludes with Guilty Plea, Lengthy Sentence

RALEIGH – A multi-year investigation led by law enforcement agents with the North Carolina Secretary of State’s Securities Division with the assistance of the US Postal Inspection Service ended Tuesday with Forsyth County Superior Court Judge David Hall sentencing Russell Joseph Mutter to a minimum of 16 years, 3 months and a maximum of 22 years, 5 months in prison for a scam in which 12 victims – most of them elderly – lost over \$3.3 million.

Mutter was charged with 41 counts of Investment Adviser Fraud, Financial Exploitation of an Older Adult, and Obtaining Property by False Pretenses. Judge Hall consolidated those charges into three Class C felony counts for sentencing purposes. Mutter was sentenced to a minimum of 65 months and a maximum of 90 months for each of those three counts, with those sentences to be served consecutively. Mutter will get credit towards this sentence for the time he has served since his arrest.

“Mr. Mutter utterly disregarded his fiduciary responsibility to act in his clients’ best interests,” said NC Secretary of State Elaine Marshall. “He targeted retirees – including his own father – and instead of protecting their finances he misled them, used their faith against them to gain their trust, and ultimately created a Ponzi scheme to cover up his losses with funds from new investors while converting clients’ money for his personal use.”

Investigators say Mutter defrauded 12 victims in Forsyth County and outside of North Carolina – many of them elderly – out of \$3,339,047.23 between January of 2009 and December of 2017. Mutter removed funds from his clients’ accounts without their authorization, invested some of his clients’ funds in high risk securities without their knowledge, and misused client funds. When these speculative investments failed, Mutter sought to hide the losses by fabricating fraudulent account statements.

Secretary Marshall thanked Forsyth County District Attorney Jim O’Neill and Assistant District Attorney Jessica Spencer for the successful prosecution of this case.

The Secretary of State's Securities Division issued a temporary Cease and Desist Order in February of 2018 prohibiting Mutter from operating RJM Financial, and issued a [Final Order](#) on April 17, 2018 permanently revoking his license to act as an investment adviser in North Carolina.

Investors are urged to always call the Secretary of State's North Carolina Investor Hotline at 800-688-4507 to find out whether anyone offering an investment opportunity is registered to sell securities in North Carolina, and whether the investment opportunity itself is registered.

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