

[Home](#) / [Newsroom](#) / [Press Releases](#) / Founder and Owner of Washington-Based Water Machine Manufacturer and Two Companies Charged in \$275 Million Fraud Scheme

## PRESS RELEASE

# Founder and Owner of Washington-Based Water Machine Manufacturer and Two Companies Charged in \$275 Million Fraud Scheme

Portfolio manager also charged with fraud in connection with private fund's investments in the scheme

**FOR IMMEDIATE RELEASE** | 2025-107

Washington D.C., Aug. 14, 2025 —The Securities and Exchange Commission today charged Ryan Wear, of Marysville, Washington, and his entities, Water Station Management LLC and Creative Technologies, Inc., for operating two related Ponzi-like schemes between September 2016 and February 2024 that raised more than \$275 million from more than 250 investors. In a separate action, the SEC also charged portfolio manager Jordan Chirico, of Carmel, Indiana, for violating his fiduciary duty by investing his private fund client in the scheme despite his undisclosed conflicts of interest and awareness of red flags.

“Wear’s alleged scheme spanned more than seven years and ensnared hundreds of investors, including veterans who were solicited with higher guaranteed returns and exclusive financing options,” said Corey Schuster, Chief of the Division of Enforcement’s Asset Management Unit. “Furthermore, it is fundamental to the advisory relationship that

investment advisers like Mr. Chirico act in their clients' best interests and disclose all material conflicts of interest. As alleged, Mr. Chirico failed to do so here while increasing his fund client's investments in Water Station in the face of red flags."

The SEC's complaint against Wear, Water Station, and Creative Technologies alleges that from September 2016 through September 2023, these defendants raised more than \$165 million, primarily from retail investors including veterans, by offering and selling investment contracts in which investors supposedly purchased water machines that would generate revenues. In reality, the complaint alleges, thousands of the water machines did not exist or had already been sold to other investors. The complaint further alleges that in a second, related scheme, these defendants raised more than \$110 million from institutional investors between April 2022 and February 2024 through the issuance of Water Station notes purportedly secured by water machines. As with the first scheme, most of the water machines did not exist or were not owned by Water Station, according to the complaint. These defendants also allegedly misappropriated over \$60 million of investor funds to make Ponzi-like payments to other investors and fund Wear's other business ventures, including Refreshing USA, LLC and Ideal Property Investments LLC, which are named in the complaint as relief defendants.

The SEC's separate complaint against Chirico alleges he violated his fiduciary duty to his private fund client, including by directing the fund client to purchase Water Station notes without disclosing his significant personal investment in the business. The complaint also alleges Chirico failed to act in the fund client's best interests by causing it to substantially increase its investments in the notes despite red flags that some of the purported water machine collateral may have been fabricated.

The SEC's complaints, filed in the U.S. District Court for the Southern District of New York, charge the defendants with violating antifraud provisions of the federal securities laws. They seek injunctive relief and civil penalties against the defendants, disgorgement of ill-gotten gains against the defendants and relief defendants, and an officer and director bar against Wear.

In a parallel action, the U.S. Attorney's Office for the Southern District of New York today announced criminal charges against Wear and Chirico.

The SEC's investigation was conducted by Heather L. Shaffer, Ming Ming Yang, and Brian Fitzpatrick, all of the Asset Management Unit, as well as David Zetlin-Jones, Jordan Baker, Neal Jacobson, and Patricia Schrage, all of the New York Regional Office. The investigation was supervised by Lee A. Greenwood and Mr. Schuster, also of the Asset Management

Unit. The litigation will be led by Mr. Zetlin-Jones, Ms. Shaffer, and Ms. Yang. The SEC appreciates the assistance of the U.S. Attorney's Office for the Southern District of New York, the U.S. Attorney's Office for the Western District of Washington, the U.S. Postal Inspection Service, the Federal Bureau of Investigation, the Internal Revenue Service Criminal Investigation, the Small Business Administration Office of Inspector General, the Federal Deposit Insurance Corporation Office of Inspector General, and the Washington State Department of Financial Institutions.

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Last Reviewed or Updated: Aug. 14, 2025

## RESOURCES

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- **SEC Complaint - Wear**
- **SEC Complaint - Chirico**