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Pa. Woman Pleads To \$54M Green Energy Ponzi Scheme

By **Alex Wolf**

Law360, New York (May 26, 2016, 5:36 PM ET) -- One of the founders of a failed Pennsylvania green energy company accused of running a \$54.5 million Ponzi scheme and selling bogus securities pled guilty in Pennsylvania federal court Tuesday to conspiracy and fraud charges, according to court documents. Amanda Knorr, who was one of three defendants named in a [September indictment](#) for allegedly carrying out a Ponzi scheme that tricked investors nationwide into sinking money in the group's failed green energy business plan, entered a guilty plea during a change of plea hearing Tuesday.

She and co-defendant Troy Wragg were the founders of Mantria Inc., while defendant Wayde McKelvy ran seminars and advertisements encouraging potential investors to liquidate their savings and invest in the green energy company.

Wragg, a Pennsylvania resident, and McKelvy, of Colorado, are scheduled to stand trial in September on charges of conspiracy to commit wire fraud, conspiracy to commit securities fraud, securities fraud, and seven counts of wire fraud.

Attorneys for Knorr, who is scheduled for sentencing in November, and McKelvy did not immediately respond to requests for comment Thursday.

Wragg's attorney, Joseph D. Mancano of Cedrone & Mancano LLC, who was granted a request Wednesday to access Knorr's sealed plea hearing transcripts, told Law360 on Thursday that based on the information he had, Knorr's plea deal "was not unexpected."

According to prosecutors, Mantria started out as a real estate business, and Wragg, Knorr and McKelvy did spend some of the investment money on land in Tennessee, purportedly creating a "carbon negative" housing community. But after making limited improvements to the land in order to create the appearance of development for investors, they moved toward green energy, and began investing in facilities to manufacture "biochar," a charcoal substitute made from organic waste.

But according to the indictment, the investments were limited. The one facility that was built lacked the logistical infrastructure to ever achieve profitability, and two other promised facilities were never built.

Still, the company managed to raise more than \$54 million, mainly because of the efforts of McKelvy, who operated what he called "Speed of Wealth" clubs. These entities advertised on television, radio and the Internet. They also held seminars for prospective investors, promising to make them rich.

The indictment says McKelvy taught investors to liquidate all their assets such as mutual funds and 401(k) plans, to take out as many loans out as possible, such as home mortgages and credit card debt, and invest all those funds in Mantria. During those seminars and other programs, Wragg, Knorr and McKelvy allegedly lied to prospective investors to dupe them into investing in Mantria and promised investment returns as high as 484 percent.

The scheme continued until November 2009 when the U.S. [Securities and Exchange Commission](#) initiated civil securities fraud proceedings against Mantria in Colorado. In September 2011, U.S. District Judge Christine M. Arguello found in favor of the SEC, ordering an injunction against the company and calling for more than \$37 million in disgorgement.

That figure stemmed from calculations that out of the \$54.5 million raised, the trio returned approximately \$17.5 million to investors. The indictment also said Wragg and Knorr paid McKelvy \$6.2 million in commissions for raising investor funds.

While the SEC investigation provided the basis for the criminal charges, the scheme also prompted another civil suit against Mantria affiliates who allegedly aided the deception. In July 2014, lead plaintiff Touchstone Group LLC — which invested \$235,000 in Mantria between August and December 2008 — saw its [\\$6.05 million settlement](#) with a series of defendants approved by Judge Arguello.

Knorr is represented by Glennis L. Clark.

Wragg is represented by Joseph D. Mancano of Cedrone & Mancano LLC.

McKelvy is represented by William J. Murray, Jr. and Walter S. Batty.

The case is being prosecuted by Assistant U.S. Attorney Robert J. Livermore.

The case is USA v. Wragg et al, case number [2:15-cr-00398](#), in the U.S. District Court for the Eastern District of Pennsylvania.

— Additional reporting by Dan Packel. Editing by Ben Guilfoy.

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