PRESS RELEASE

# North Carolina Man Charged With Scheme To Fraudently Obtain Hundreds Of Millions Of Shares Of Technology Company

Thursday, June 11, 2026

**For Immediate Release**

U.S. Attorney's Office, Southern District of New York

## Charles Cole Fraudulently Obtained Over 200 Million Shares From Infinite Reality, Inc., a/k/a Napster

United States Attorney for the Southern District of New York, Jay Clayton, and the Inspector in Charge of the New York Field Office of the U.S. Postal Inspection Service ("USPIS"), Ketty Larco-Ward, announced today the unsealing of an Indictment charging CHARLES COLE with wire fraud, conspiracy to commit wire fraud, and conspiracy to commit securities fraud. COLE was presented this morning in the Western District of North Carolina. The case has been assigned to U.S. District Judge Vernon S. Broderick.

> ***"Fraud is fraud, whether in our public markets or our private markets," said U.S. Attorney Jay Clayton. "Our private markets are essential engines of growth and ingenuity, and this Office will purse vigorously those who abuse securities markets—public or private, venture, growth, mid-cap or large-cap. As alleged,***

> ***Charles Cole built a fiction of wealth using fake bank records, sham correspondence, and a fraudulent bank website, then used that fiction to obtain hundreds of millions of shares with no intention of paying for them."***

"Mr. Cole allegedly defrauded an unsuspecting company through a series of lies and misrepresentations," said USPIS Inspector in Charge Ketty Larco-Ward. "The hard work from our Postal Inspectors that led to this indictment shows the U.S Postal Inspection Service's commitment to protecting individuals and companies from being defrauded."

As alleged in the Indictment:

From June 2024 through March 2026, COLE perpetrated a scheme to fraudulently obtain at least 239 million shares from Infinite Reality, now known as Napster. As part of that scheme, COLE, and others acting at his direction, repeatedly lied to Infinite Reality about his ability to pay for the shares — fabricating bank records, creating sham correspondence, and establishing a fake website to mirror that of a foreign bank — to deceive Infinite Reality into believing that COLE had billions of dollars he was prepared to invest in the company. Based on those misrepresentations, Infinite Reality issued shares to COLE and entities he controlled. But COLE, who had no intention of paying for the shares, never invested in Infinite Reality. Instead, he used his fraudulently obtained shares as collateral to obtain or try to obtain loans from third parties, fabricated bank records to acquire still more shares of Infinite Reality based on further misrepresentations, and persisted in his efforts to deceive Infinite Reality until it ultimately rescinded the shares it had issued to COLE and his entities.

* * *

COLE, 57, of Mooresville, North Carolina, is charged with one count of wire fraud, which carries a maximum sentence of 20 years in prison; one count of conspiracy to commit wire fraud, which carries a maximum sentence of 20 years in prison; and one count of conspiracy to commit securities fraud, which carries a maximum sentence of five years in prison.

The maximum potential sentences in this case are prescribed by Congress and provided here for informational purposes only, as any sentencing of the defendant will be determined by the judge.

Mr. Clayton praised the outstanding work of USPIS and the Iredell County Sheriff's Office. Mr. Clayton further thanked the U.S. Securities and Exchange Commission.

This case is being handled by the Office's Securities and Commodities Fraud Task Force. Assistant U.S. Attorneys Courtney L. Heavey, David J. Robles, and Justin V. Rodriguez are in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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   As the introductory phrase signifies, the entirety of the text of the Indictment and the description of the Indictment set forth herein constitutes only allegations and every fact described should be treated as an allegation.

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*Updated June 11, 2026*

**Attachment**

u.s._v._cole_indictment.pdf [PDF, 209 KB]

**Topic**

**SECURITIES, COMMODITIES, & INVESTMENT FRAUD**

**Component**

USAO - New York, Southern

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June 5, 2026

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