



Department of Justice

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Middle District of Florida

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SARASOTA MAN PLEADS GUILTY TO INVESTMENT SCAM

Tampa, FL - United States Attorney Robert E. O'Neill announces that John S. Morgan (52, Sarasota) today pleaded guilty to conspiracy to commit various crimes associated with a fraudulent investment scheme and money laundering. Morgan faces a maximum penalty of five years in federal prison on the conspiracy charge and ten years on the money laundering charge.

According to the plea agreement, from about March 2005 through August 2009, John S. Morgan, his wife Marian I. Morgan and others perpetrated an investment fraud scheme through a Danish entity, which the Morgans had formed named Morgan European Holdings APS ("MEH"). MEH was purportedly in the business of investments commonly called "prime bank instrument trading programs." John Morgan knew that such programs did not exist; indeed, never engaged in such trading, and never met with a trader engaged in such trading. John Morgan and others nevertheless falsely represented to investors that MEH trading programs would yield returns of 30-70% per month or 200% per 90-120 day period, and that the investors' funds would never be put at risk. He, along with others, explicitly promised investors that their funds would be held in escrow in a Danske Bank account for MEH and maintained by Danish attorney Eli Hecksher, who has been charged as a co-conspirator in the scheme. Instead of safeguarding the investor funds in escrow,

John Morgan and others disposed of the funds by: 1) paying fees and expenses associated with the fraud; 2) providing refunds of principal to select investors; and 3) stealing and converting monies for their own personal benefit. When investors did not receive the promised investment returns, and became concerned about the trading program, John Morgan and others provided a litany of excuses, assuring the investors that their funds were still on deposit and the delays were caused by circumstances beyond their control.

In all, John Morgan and others caused investors to transfer more than \$27 million to MEH accounts. Approximately \$10.7 million of this total was then used by John Morgan and others for their personal benefit.

This case was investigated by the Federal Bureau of Investigation and the Internal Revenue Service-Criminal Investigation. It is being prosecuted by Assistant United States Attorneys Cherie L. Krigsman and Robert T. Monk.