



Department of Justice

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Northern District of New York

FOR IMMEDIATE RELEASE
WEDNESDAY OCTOBER 12, 2011
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PRESS RELEASE

United States Attorney Richard S. Hartunian and Special Agent-in-Charge Clifford C. Holly of the Albany Division of the Federal Bureau of Investigation announced that MATTHEW JOHN RYAN, age 46, of Troy, New York, was sentenced to imprisonment for a total of one hundred and twenty-one (121) months, in connection with RYAN's previous plea to one count of securities fraud, in violation of 15 U.S.C. §§ 78j(b), 78ff, 18 U.S.C. § 2, as well as 17 C.F.R. § 240.10b-5. His sentence also included a period of supervised release, forfeiture and payment of restitution. RYAN was sentenced in Federal District Court in Albany, New York by Chief District Judge Norman A. Mordue.

As part of his guilty plea, MATTHEW JOHN RYAN admitted that, from 2002 through 2010, as charged in the Indictment, he was the founder, owner and sole managing member of Prime Rate and Return, LLC ("Prime Rate") and American Integrity Financial Co. ("American Integrity"). Neither Prime Rate nor American Integrity was registered in any capacity with the Securities and Exchange Commission ("Commission").

RYAN also admitted that he solicited and received money from investors as a representative of American Integrity. Defendant offered and sold investors contracts with American Integrity, which American Integrity promised to pay a "guaranteed" fixed rate of interest on the initial investment. These contracts were for a fixed term, usually three years, after which the investor could either withdraw his or her investment or roll the investment over into

another fixed term with a fixed rate of return. Defendant offered rates of return that varied from investor to investor and ranged from 3.85% to 9.35% annually.

RYAN further admitted that:

- a. to give the appearance of legitimacy to American Integrity, he falsely represented to investors that American Integrity was a substantial Manhattan-based financial services firm with numerous employees and for which he was merely a representative. Defendant's communications with investors and prospective investors gave the firm address as 208 East 51st Street in midtown Manhattan. In fact, the address was simply a mail drop to create the false impression that American Integrity had an office in Manhattan. To reinforce the false impression that American Integrity was a substantial firm, defendant created fictitious American Integrity employees and used their names in correspondence with investors;
- b. he made false representations to a number of investors that their investments were safe, by representing that investments were insured up to specific dollar amounts;
- c. he made false representations to a number of investors that American Integrity was qualified to serve as a custodian of individual retirement accounts ("IRA") and other tax-deferred investments and to receive roll-overs from such tax-deferred investments and preserve their tax-deferred status; and
- d. he used more than \$4.8 million that investors invested in American Integrity for multiple purposes he concealed from investors, including (i) to repay loans for the purchase or refinancing of real estate held in Prime Rate's name; (ii) to pay other investors' purported returns or interest using the principal investments of other investors; and (iii) to pay his own personal expenses.

The case was investigated by the Federal Bureau of Investigation, Albany Division, and the U.S. Securities and Exchange Commission, Northeast Regional Office, and was prosecuted by the United States Attorney's Office for the Northern District of New York.

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