



*United States Attorney
Southern District of New York*

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**PRINCIPAL OF FINANCIAL CONSULTING FIRM SENTENCED TO
18 MONTHS IN PRISON FOR INSIDER TRADING CONSPIRACY**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, announced that JOHN MARSHALL, a former Vice Chairman of the Board of Directors of International Securities Exchange ("ISE"), and a principal at Marshall Tucker & Associates, LLC ("MTA"), was sentenced today to 18 months in prison by United States District Judge LAURA TAYLOR SWAIN. Judge SWAIN also ordered MARSHALL to serve 12 months of home confinement as part of three years' supervised release. MARSHALL previously pleaded guilty to participation in a securities fraud conspiracy which netted over \$1 million in profits. According to the Information and criminal Complaint previously filed in the case, and statements made in Manhattan federal court during his September 25, 2008, guilty plea and today's sentencing proceeding:

MARSHALL was Vice Chairman of the Board of Directors of ISE, a Manhattan-based options and stock exchange, where he also served as Chairman of ISE's Audit and Finance Committee and a member of the firm's Executive Committee. MARSHALL was also a principal at MTA, a derivatives consulting and financial engineering firm based in Port Jefferson, New York. In addition, MARSHALL was a professor in the fields of finance and economics at several business schools in the New York metropolitan area.

In 2006 and 2007, ISE became the target of a cash merger with Eurex Frankfurt AG ("Eurex"), a derivative exchange jointly operated by Deutsche Börse AG and SWX Swiss Exchange. Through his position at ISE MARSHALL was able to obtain material non-public information about the pending merger that he provided to his co-conspirator and partner at MTA, ALAN TUCKER. This was a violation of MARSHALL's fiduciary duties to ISE and ISE's stockholders. At MARSHALL's direction, TUCKER used the information to make trades in ISE stocks and stock options ahead of the market. Thus, in the months preceding the April 2007

announcement of the merger, and following receipt of the inside information from MARSHALL, TUCKER transferred almost half a million dollars in funds from an MTA bank account to a brokerage account at Ameritrade and used that account to purchase hundreds of ISE call options with strike prices higher than the then-current market price of the underlying security (known as "out-of-the-money" call options). Purchasers of such options are betting that the price of the underlying stock will rise. After the announcement of the ISE-Eurex merger, the value of the purchased options increased dramatically, resulting in a profit from the insider trading of over \$1 million.

In addition to the prison term and supervised release, Judge SWAIN also sentenced MARSHALL to full restitution and criminal forfeiture of \$1,054,009, which represents the profits earned by the MARSHALL and his co-conspirators from the insider trading scheme.

MARSHALL, 55, resides in Stony Brook, New York.

TUCKER pleaded guilty on September 22, 2008, to one count of conspiracy to commit securities fraud.

Mr. DASSIN praised the work of the Federal Bureau of Investigation and thanked the United States Securities and Exchange Commission for its assistance.

Assistant United States Attorney GLEN G. MCGORTY is in charge of the prosecution.

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