



*United States Attorney
Southern District of New York*

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**PRINCIPAL OF FINANCIAL CONSULTING FIRM
PLEADS GUILTY TO INSIDER TRADING**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that JOHN MARSHALL, a principal at derivatives consulting and financial engineering firm Marshall Tucker & Associates, LLC, ("MTA") pleaded guilty today to a million-dollar insider trading scheme involving the International Securities Exchange. According to the Information to which MARSHALL pleaded guilty, the Complaint, and statements made during today's guilty plea proceeding before United States Magistrate Judge DOUGLAS F. EATON in Manhattan federal court:

MARSHALL, in addition to being a principal at MTA, based in Port Jefferson, New York, also served as a professor in the fields of finance and economics at several business schools in the New York City metropolitan area. MARSHALL also served as Vice Chairman of the Board of Directors, Chairman of the Audit and Finance Committee, and a member of the Executive Committee of International Securities Exchange ("ISE") -- a Manhattan-based options and stock exchange.

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 and provide it to his co-conspirator and partner ALAN TUCKER. In doing so, MARSHALL violated his fiduciary duties to ISE and ISE's stockholders. At MARSHALL's direction, TUCKER used that information to make trades in ISE stocks and stock options ahead of the market.

Specifically, MARSHALL obtained material, non-public information regarding the ISE-Eurex merger from meetings of the ISE Board of Directors and Executive Committee in the months preceding the April 2007 announcement of the merger. Upon receiving 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 "out-of-the-money" ISE call options -- options with strike prices higher than the then-current market price of the underlying security.

After the announcement of the ISE-Eurex merger, the value of the purchased options increased dramatically, resulting in a profit of over \$1 million.

MARSHALL pleaded guilty today to one count of conspiracy to commit securities fraud, and is scheduled to be sentenced by United States District Judge LAURA TAYLOR SWAIN on December 15, 2008. MARSHALL faces a maximum potential sentence of five years in prison, mandatory restitution, and criminal forfeiture of at least \$1 million.

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

Mr. GARCIA, a member of the President's Corporate Fraud Task Force, praised the investigative 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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