



Department of Justice

United States Attorney Carter M. Stewart
Southern District of Ohio

FOR IMMEDIATE RELEASE
FRIDAY, SEPTEMBER 3, 2010
<http://www.usdoj.gov/usao/ohs>

CONTACT: Fred Alverson
614-469-5715

**GAHANNA COUPLE ARRESTED ON CHARGES OF FRAUD, CONSPIRACY,
MONEY LAUNDERING**

Indictment alleges \$25 million fraud against more than 50 victims

COLUMBUS – A federal grand jury has charged Michael Spillan, 43, of Gahanna, and his wife, Melissa Spillan, 40, in a 47-count indictment alleging that they defrauded more than 50 victims out of more than \$25 million in losses through a series of fraudulent stock-based loan schemes.

Carter M. Stewart, United States Attorney for the Southern District of Ohio, Keith Bennett, Special Agent in Charge, Federal Bureau of Investigation (FBI), and Daniel M. McDermott, U.S. Trustee for Region 9, announced the indictment returned yesterday.

FBI agents arrested the couple at their home this morning. They will have an initial appearance before U.S. Magistrate Judge Elizabeth Preston Deavers at 11:45 a.m.

The indictment alleges that the Spillans owned several companies including One Equity Corporation, Triangle Equities Group, Inc., Victory Management Group, Inc., and Dafcan Finance, Inc. The Spillans would entice investors to participate in stock-based loan and other financing agreements from their offices in Westerville, Ohio. The defendants would lend funds in exchange for the receipt of shares of stock as collateral for the repayment of the loan. The indictment alleges that the Spillans, unbeknownst to the borrowers, generally sold all the shares that they received and used the proceeds for their personal gain.

The indictment alleges that between 2003 and 2006 the defendants generated approximately \$25 million in proceeds from at least 50 victims.

The indictment also charges that Michael Spillan recruited investors for a “stock option investment program” in which investors would typically give him between \$5,000 and \$20,000 that he promised would be pooled with others investors’ funds and buy stock options from corporate executives who wanted to cash out stock options they had received as part of their compensation packages. Spillan is accused of not investing the money in stock options, paying returns on only a few investments, and keeping the remainder of the money for his personal use and benefit.

The indictment also accuses the Spillans of making false statements in a bankruptcy filing on May 6, 2009, by substantially understating their income for 2007.

Conspiracy to commit securities fraud and wire fraud is punishable by up to five years imprisonment. The indictment contains eleven counts of securities fraud, seven counts of wire fraud, two of which are against Michael Spillan only, and 13 counts of mail fraud, two of which are against Michael only, each punishable by up to 20 years imprisonment. The indictment

charges 14 counts of money laundering, punishable by up to ten years imprisonment. Making a false oath under bankruptcy is punishable by up to five years imprisonment.

Stewart commended the investigation conducted by FBI agents. Stewart also commended Financial Crimes Chief Brenda Shoemaker and Special Assistant U.S. Attorney Dean P. Wyman with the U.S. Trustees Office, who are prosecuting the case.

An indictment is merely an accusation. A defendant should be presumed innocent unless and until proven guilty in court.

#