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For Immediate Release

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CANADIAN MAN GETS 25 YEARS IN PRISON FOR MULTI-MILLION DOLLAR INTERNATIONAL STOCK FRAUD RING

PHILADELPHIA - George Georgiou, 40, of Camp Bell Ville, Ontario, Canada, was sentenced today for his role in an international stock fraud conspiracy that resulted in more than \$55 million in actual losses and potentially over one hundred million dollars in intended losses, announced United States Attorney Zane David Memeger. A federal jury convicted Georgiou February 12, 2010, of conspiracy, securities fraud, and wire fraud, after hearing how Georgiou and his co-conspirators sought to manipulate the markets for four stocks publicly traded on the Pink OTC Markets Inc. (commonly known as the "Pink Sheets"), and the OTC bulletin board ("OTCBB"). Those stocks were Neutron Inc., Avicena Group, Inc., Hydrogen Hybrid Technologies Inc., and Northern Ethanol, Inc.

In addition to the prison term, U.S. District Court Judge Robert F. Kelly ordered Georgiou to pay more than \$55 million in restitution. Judge Kelly stated when imposing sentence that the evidence was overwhelming and that the defendant's perjury was stunning.

Georgiou and his co-conspirators opened brokerage accounts in various locations including Canada, the Bahamas, and Turks and Caicos in various names which they then used to engage in manipulative trading in the stocks. By trading the stocks among and between the various accounts they controlled, they artificially inflated the prices of the stocks and falsely made it appear that there was an active market for the stocks. Georgiou and his co-conspirators sold their shares at inflated prices for a profit and also used the artificially inflated stocks as collateral to fraudulently obtain "margin" and other cash loans of millions of dollars from three Bahamian brokerage firms. When Georgiou caused trading losses in these accounts, the Bahamian brokerage firms were left with virtually worthless stocks as collateral. As a result, one of the firms was forced to liquidate its business, resulting in \$22 million in losses, which were absorbed by more than 60 clients of the firm, many of whom lost their retirement savings. Georgiou, who was a registered investment professional in Canada until he was banned from acting as broker in 1995, was arrested after agreeing to pay an undercover FBI agent a kickback to bribe brokers to purchase \$10 million worth of Northern Ethanol stock in their clients' accounts.

The case was investigated by the Federal Bureau of Investigation and the United States Securities and Exchange Commission. It was prosecuted by Assistant United States Attorneys Derek A. Cohen and Louis D. Lappen.

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