

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA : INFORMATION  
- v. - : 22 Cr. \_\_\_\_ ( )

COOPER MORGENTHAU,  
Defendant.

23 CRIM 002

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COUNT ONE  
(Wire Fraud)

The United States Attorney charges:

Overview

1. Between in or about June 2021 and in or about August 2022, COOPER MORGENTHAU, the defendant, who was the chief financial officer of two special purpose acquisition companies ("SPAC-1" and "SPAC-2"), embezzled over \$5 million from the two companies. SPAC-1 had recently had its initial public offering ("IPO"), while SPAC-2 was raising money from private investors in preparation for its anticipated IPO. MORGENTHAU used the embezzled funds to trade equities and options of so-called "meme stocks" and cryptocurrencies, losing all of the money that he stole. To conceal and facilitate his embezzlement from SPAC-1, MORGENTHAU fabricated bank statements, which he provided to SPAC-1's accountant and auditor; made and caused to be made material misstatements in SPAC-1's public filings with the Securities and

Exchange Commission ("SEC"); and transferred some of SPAC-2's funds to SPAC-1 to cover up the funds he had misappropriated from SPAC-1.

### Background

2. At all times relevant to this Information, COOPER MORGENTHAU, the defendant, was the chief financial officer ("CFO") and a member of the board of directors of SPAC-1, and was the CFO of SPAC-2.

3. At all times relevant to this Information, SPAC-1 was a publicly traded special purpose acquisition company ("SPAC"), or blank check company, based in New York, New York, that was organized for the purpose of effecting a merger or other corporate transaction, focused on a target in the gold mining sector. On or about March 2, 2021, SPAC-1 raised approximately \$414 million in an IPO, and the funds were deposited into a trust bank account in New York, New York. SPAC-1 also maintained a separate operating bank account in New York, New York (the "SPAC-1 Account"), which was used to pay SPAC-1's expenses and to which COOPER MORGENTHAU, the defendant, had access as SPAC-1's CFO. SPAC-1's common stock and warrants traded on the New York Stock Exchange in New York, New York.

4. At certain times relevant to this Information, SPAC-2 was a SPAC, based in New York, New York, that was organized for the purpose of effecting a merger or other corporate

transaction, focused on a target in the global strategic metals, mining, and processing sector. Beginning in or about August 2021, COOPER MORGENTHAU, the defendant, and his partners began to raise money for SPAC-2 from private investors in anticipation of an IPO. Investors in SPAC-2 wired their investments either to MORGENTHAU's personal bank account in New York, New York, or, once one was established, to SPAC-2's bank account in New York, New York, to which MORGENTHAU had access as SPAC-2's CFO. Between in or about August 2021 and in or about August 2022, SPAC-2 raised approximately \$4 million from investors.

5. As SPAC-1's CFO, COOPER MORGENTHAU, the defendant, was required, pursuant to the Sarbanes-Oxley Act of 2002, to sign certifications that accompanied SPAC-1's quarterly and annual public reports with the SEC on Forms 10-Q and 10-K. Specifically, MORGENTHAU certified that (i) the public report complied with requirements of Section 13(a) and 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report "fairly presents, in all material respects, the financial condition and results of operations of [SPAC-1]."

#### **The Embezzlement Scheme**

6. Between in or about June 2021 and in or about August 2022, COOPER MORGENTHAU, the defendant, engaged in a scheme to embezzle over \$5 million from SPAC-1 and SPAC-2. MORGENTHAU used the embezzled funds to trade securities and cryptocurrencies,

losing all of the funds by in or about August 2022. To conceal and facilitate his embezzlement from SPAC-1, MORGENTHAU fabricated SPAC-1 Account statements; made and caused to be made material misstatements in SPAC-1's SEC filings; and transferred some of SPAC-2's funds to SPAC-1 to cover up the funds he had misappropriated from SPAC-1.

7. COOPER MORGENTHAU, the defendant, began to embezzle over approximately \$1 million from SPAC-1 beginning in or about June 2021, shortly after SPAC-1's IPO. For example, in or about June 2021, MORGENTHAU wired approximately \$1,125,200 -- approximately 85 percent of the cash then in the SPAC-1 Account -- from the SPAC-1 Account to his personal brokerage account. As a result, the SPAC-1 Account balance on or about June 30, 2021 -- the last day of the second quarter of 2021 -- was approximately \$101,303.

8. COOPER MORGENTHAU, the defendant, used the funds that he embezzled from SPAC-1 in or about June 2021 to trade securities in his personal brokerage accounts, including options and equities of what are commonly called "meme stocks" like AMC Entertainment Holdings, Inc., GameStop Corp., and Clover Health Investments, Corp. MORGENTHAU's trading resulted in losses of over approximately \$1 million, all of the money he had embezzled that month.

9. To conceal the withdrawals that COOPER MORGENTHAU, the defendant, improperly made from the SPAC-1 Account in or about June 2021, MORGENTHAU created a fake account statement that deleted his withdrawal transactions and falsely reflected that SPAC-1 still had approximately \$1,251,503 in the SPAC-1 Account as of June 30, 2021. MORGENTHAU provided this fake account statement to the SPAC's accountant and auditor (the "Accountant" and the "Auditor," respectively), knowing they would rely on it in preparing SPAC-1's financial statements and SEC filings.

10. As a result, SPAC-1 falsely reported on its Form 10-Q, filed on or about August 16, 2021, that it had approximately \$1,251,503 in cash in the SPAC-1 Account as of the quarter ending June 30, 2021. In connection with this SEC filing, COOPER MORGENTHAU, the defendant, falsely certified that the report "fairly present[ed], in all material respects, the financial condition and results of operations of [the SPAC]." As noted, the actual balance in the SPAC-1 Account was only approximately \$101,303 at the end of the quarter.

11. COOPER MORGENTHAU, the defendant, continued to embezzle funds from SPAC-1 through in or about August 2022, by which time the SPAC-1 Account was overdrawn. During the same period, MORGENTHAU used the funds that he embezzled to engage in securities and cryptocurrency trading in his personal accounts; created fake SPAC-1 Account statements that deleted the improper

transactions and falsely reflected that the SPAC-1 Account had more money than it in fact did; provided these fake statements to the Accountant and the Auditor; caused SPAC-1 to file quarterly and annual reports with the SEC that misstated the balance in the SPAC-1 Account; and signed false Sarbanes-Oxley certifications.

12. The below table compares the approximate cash balance in the SPAC-1 Account as falsely reported in SPAC-1's public SEC filings, and certified by COOPER MORGENTHAU, the defendant, with the approximate actual balance:

<u>Quarter</u>	<u>SPAC-1 Account Balance</u>	
	<u>Publicly Reported</u>	<u>Actual</u>
Q2 2021	\$1,251,503	\$101,303
Q3 2021	\$932,771	\$104,371
Q4 2021	\$544,103	\$544,103
Q1 2022	\$432,819	-\$1,761

13. To further conceal and facilitate the embezzlement from SPAC-1, COOPER MORGENTHAU, the defendant, also misappropriated approximately \$4 million from SPAC-2 beginning in or about August 2021 and continuing through in or about August 2022. MORGENTHAU wired some of the money that he embezzled from SPAC-2 to the SPAC-1 Account, including to create a temporary impression that the SPAC-1 Account had the full amount of funds that it was supposed to have at the time. MORGENTHAU used the

majority of the stolen funds to trade securities and cryptocurrencies in his personal accounts, all of which he had lost by in or about August 2022.

14. For example, as of on or about December 13, 2021, the SPAC-1 Account had a negative total balance of -\$4,798. On or about December 31, 2021 -- the last day of the fourth quarter of 2021 -- COOPER MORGENTHAU, the defendant, wired approximately \$549,146 that he had embezzled from SPAC-2 into the SPAC-1 Account. As a result, the balance in the SPAC-1 Account on or about December 31, 2021 was approximately \$544,103.

15. COOPER MORGENTHAU, the defendant, also created fake SPAC-1 Account statements that reflected that the balance in the SPAC-1 Account as of December 31, 2021 was approximately \$544,103, but that omitted the improper withdrawals and deposits. MORGENTHAU provided these fake statements to the Accountant and the Auditor. By wiring money into the SPAC-1 Account and creating fake statements, MORGENTHAU was able to hide his embezzlement from the Auditor during its year-end verification of the balance in the SPAC-1 Account.

16. As a result, SPAC-1 reported on its Form 10-K, filed on or about April 15, 2022, that it had approximately \$544,103 in cash in the SPAC-1 Account as of December 31, 2021, which report COOPER MORGENTHAU, the defendant, certified "fairly present[ed],

in all material respects, the financial condition and results of operations of [the SPAC].”

17. When the first quarter of 2022 began, COOPER MORGENTHAU, the defendant, wired the funds from the SPAC-1 Account (which, as noted, had been embezzled from SPAC-2) to his personal accounts, and subsequently lost those funds trading securities and cryptocurrency.

18. On or about August 26, 2022, SPAC-1 publicly disclosed on Form 8-K that it had determined that improper withdrawals had been made from the SPAC-1 Account in 2021 and 2022; that it had terminated COOPER MORGENTHAU, the defendant, for making improper withdrawals; and that its financial statements should not be relied upon.

#### **Statutory Allegation**

19. From in or about June 2021 through in or about August 2022, in the Southern District of New York and elsewhere, COOPER MORGENTHAU, the defendant, knowingly having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, transmitted and caused to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to wit, using emails and other interstate

communications, some of which were transmitted through the Southern District of New York, MORGENTHAU engaged in a scheme to defraud by embezzling over approximately \$5 million from SPAC-1 and SPAC-2, and by making and causing to be made false and misleading statements to investors in SPAC-1's SEC filings, and to the Accountant, the Auditor, and SPAC-2 investors.

(Title 18, United States Code, Sections 1343 and 2.)

**FORFEITURE ALLEGATION**

20. As a result of committing the offense alleged in Count One of this Information, COOPER MORGETHAU, the defendant, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of said offense, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offense.

**Substitute Assets Provision**

21. If any of the above-described forfeitable property, as a result of any act or omission of COOPER MORGENTHAU, the defendant:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty,

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

(Title 18, United States Code, Section 981;  
Title 21, United States Code, Section 853;  
and Title 28, United States Code, Section 2461.)

*Damian Williams*

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DAMIAN WILLIAMS  
UNITED STATES ATTORNEY

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

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COOPER MORGENTHAU,

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(18 U.S.C. §§ 1343 and 2.)

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DAMIAN WILLIAMS  
United States Attorney

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