

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA

San Diego, California

*United States Attorney
Karen P. Hewitt*

For Further Information, Contact: Assistant U.S. Attorneys William P. Cole (619)557-7859 or John B. Owens (619) 557-5629

For Immediate Release

NEWS RELEASE SUMMARY - February 28, 2008

United States Attorney Karen P. Hewitt announced today that Donald Manning, a fugitive wanted on fraud charges filed against him nearly two years ago, was apprehended by Nicaraguan officials earlier this week and was turned over to the Federal Bureau of Investigation yesterday in Nicaragua. Today, Manning made his first appearance in federal court in San Diego, where he was arraigned before United States Magistrate Judge Nita L. Stormes.

On May 11, 2006, a federal grand jury sitting in San Diego handed up an indictment charging Manning and others with 11 counts of wire fraud and one count of conspiracy to commit wire fraud, all arising out of their operation of a company named The Brixon Group Ltd. ("Brixon"), through which they fraudulently solicited over \$10 million from members of the public, supposedly for participation in high-yield investment programs. The indictment alleges that the defendants induced people to invest their retirement accounts and other funds in Brixon by falsely representing that the investments would generate returns of 10 percent per month, that the investors' principal was insured, and that co-defendant Joseph McCool was a

banking expert who, prior to working with Brixon, had successfully managed a large private trust in Europe. According to the indictment, however, the defendants intentionally concealed from investors the fact that most of the money invested in Brixon would not be placed into investments, and that new funds received from investors would be used to make payments to earlier investors. The indictment further alleges that the defendants intentionally concealed from potential investors the fact that just prior to operating Brixon, McCool had served over two years in federal prison for conspiracy to commit wire fraud and conspiracy to traffic in counterfeit goods.

The indictment also alleges that the defendants converted hundreds of thousands of dollars of investors' funds to their own personal use and benefit.

According to Assistant United States Attorneys William P. Cole and John B. Owens, who are prosecuting the case, Nicaraguan law enforcement officers apprehended Manning when he traveled to Nicaragua by boat.

United States Attorney Hewitt stated, "We appreciate the cooperation of Nicaraguan law enforcement in apprehending Manning. We also applaud the FBI's tireless efforts to locate and capture fugitives from federal justice, wherever they may be hiding."

At the arraignment today, Judge Stormes ordered Manning held pending further proceedings. Manning is scheduled to appear before Judge Stormes on March 4, 2008 at 10:00 a.m., for a detention hearing.

DEFENDANTS

Criminal Case No. 06-CR-1021-BTM

Donald Manning (in custody)

Joseph Wayne McCool (fugitive)

SUMMARY OF CHARGES

Count 1

Title 18, United States Code, Section 371 - Conspiracy to Commit Offenses Against the United States
Maximum penalties: 5 years in prison and a \$250,000 fine

Counts 2-12

Title 18, United States Code, Section 1343 - Wire Fraud
Maximum penalties (per count): 5 years in prison and a fine equal to twice the gross loss caused to persons by the offense.

PARTICIPATING AGENCY

Federal Bureau of Investigation

An indictment itself is not evidence that the defendants committed the crimes charged. The defendants are presumed innocent until the Government meets its burden in court of proving guilt beyond a reasonable doubt.