VC:LRC
F.#9705076
INFAMN.001

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
- - - - - - - - - - - - - - - - - -X

UNITED STATES OF AMERICA

- against -

ANN MARIE NOEL,

Defendant.

- - - - - - - - - - - - - - - - - -X

I N F O R M A T I O N

Cr. No. 98 CR 299 (ARR)
(T. 18, U.S.C., §§ 371, 3551 et seq.; T. 15, U.S.C. §§ 78j(b) and 78(ff))

THE UNITED STATES ATTORNEY CHARGES:

## INTRODUCTION

### The Defendant and the Brokerage Firms

1. During the period covered by this information, the defendant ANN MARIE NOEL was employed by and associated with various securities brokerage firms. From approximately July 1994 through June 1995, NOEL was employed by J.J. Morgan & Company, which later was known as First Cambridge Securities Corp. ("JJM/First Cambridge"), a brokerage firm located in Manhattan. From approximately late June 1995 through December 1995, NOEL was employed by Marsh, Block & Co., Inc. ("Marsh, Block"), a brokerage firm located in Manhattan. From approximately January 1996 through September 1996, NOEL was employed by Norfolk Securities Corp. ("Norfolk"), another Manhattan brokerage firm. Finally, from

approximately October 1996 until June 1997, NOEL was employed by PCM Securities, Ltd. ("PCM"), also a Manhattan brokerage firm.

2. JJM/First Cambridge, Marsh, Block, Norfolk and PCM all were subject to the rules and regulations of the United States Securities and Exchange Commission ("SEC") and the National Association of Securities Dealers ("NASD").

3. The NASD operates the National Association of Securities Dealers Automated Quotation System ("NASDAQ"), a stock market in which trades are executed through the use of computers. Once a trade is executed in a NASDAQ security, it must be reported to NASDAQ within ninety seconds. This report to NASDAQ is accomplished by entering the information concerning the trade into the trader's NASDAQ work station, from which it travels via interstate data communications lines to NASDAQ's main computer in Connecticut. From there, it is disseminated via interstate communications lines to all NASDAQ work stations throughout the world, including in all fifty states and the Eastern District of New York.

Relevant Securities Law Matters

4. A primary purpose of the federal securities laws is to protect investors from fraud in connection with the purchase and sale of securities. Among the practices which the law prohibits is "market manipulation", which is conduct designed to deceive investors by artificially controlling or fraudulently affecting the market price of a stock. For example, by causing specific purchases of a stock to be made and by fraudulently reducing the

supply or fraudulently increasing the demand for a stock, an individual or entity can deliberately maintain or inflate the market price of the stock. When market manipulation occurs, the price that an investor pays for the stock generally is not an accurate reflection of the stock's true market value.

5. The law also requires brokers and brokerage firms to make full disclosure to customers of any compensation they receive from or on behalf of companies whose stock they recommend for purchase or sale. This is so that customers can make a fully informed decision whether to rely on the recommendation of a broker or brokerage firm.

6. While employed by or associated with (i) JJM/First Cambridge and Marsh, Block and (ii) Norfolk and PCM, the defendant ANN MARIE NOEL regularly participated with others in schemes designed to manipulate the market price of the stock of certain companies whose stock was traded on the NASDAQ.

7. Pursuant to the scheme, ANN MARIE NOEL and others fraudulently obtained compensation, in the form of cash, free or deeply discounted stock, or stock warrants, from or on behalf of the companies or others. In return, NOEL and others recommended stocks of the companies to brokerage firm customers. NOEL and the others did not disclose to customers that they had received or been promised compensation in return for recommending the stock.

COUNT ONE

8. The factual allegations contained in paragraphs 1 through 7 are hereby repeated, realleged, and incorporated as if fully set forth herein.

9. In or about and between January 1995 and December 1995, within the Eastern District of New York and elsewhere, the defendant ANN MARIE NOEL, together with others employed by and associated with JJM/First Cambridge and Marsh, Block, did knowingly and wilfully conspire to use and employ manipulative and deceptive devices and contrivances and directly and indirectly (i) employ devices, schemes and artifices to defraud; (ii) make untrue statements of material fact and omit to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (iii) engage in acts, practices, and courses of business which would and did operate as a fraud and deceit upon the investing public, in connection with purchases and sales of securities, by use of instruments of interstate communication in interstate commerce and the mails, in violation of Title 15, United States Code, Section 78j(b) and Rule 10b-5 (Title 17, Code of Federal Regulations, Section 240.10b-5) of the rules and regulations of the SEC.

10. It was part of the conspiracy that, while employed at J.J. Morgan/First Cambridge, ANN MARIE NOEL and others manipulated the share prices of the stocks of Alter Sales Co., Inc. ("Alter"), and Pilot Transport, Inc. ("Pilot"), public companies whose stock was traded on the NASDAQ over-the-counter stock market.

11. It was further part of the conspiracy that, while employed at Marsh Block, ANN MARIE NOEL and others manipulated the share price of the stock PL Brands, Limited ("PL Brands"), a public company whose stock was traded on the NASDAQ over-the-counter stock market.

OVERT ACTS

12. In furtherance of the conspiracy and to effect the objects thereof, within the Eastern District of New York and elsewhere, the defendant ANN MARIE NOEL, together with others, did commit and cause to be committed the following overt acts, among others:

(a) On or about March 16, 1995, the defendant ANN MARIE NOEL, together with others, caused a customer of J.J. Morgan/First Cambridge to purchase 30,000 shares of Pilot stock.

(b) On or about March 21, 1995, the defendant ANN MARIE NOEL received a wire transfer in the amount of $32,500.

(c) On or about March 29, 1995, the defendant ANN MARIE NOEL, together with others, caused a customer of J.J. Morgan/First Cambridge to purchase 50,000 shares of Alter stock.

(d) On or about July 6, 1995, the defendant ANN MARIE NOEL, together with others, caused a customer of Marsh, Block to purchase 100,000 shares of PL Brands stock.

(e) In or about July 1995, the defendant ANN MARIE NOEL received a check for $36,000.

(Title 18, United States Code, Sections 371 and 3551 *et seq.*)

COUNT TWO

13. The factual allegations contained in paragraphs 1 through 7 are hereby repeated, realleged, and incorporated as if fully set forth herein.

14. In or about and between January 1996 and June 1997, within the Eastern District of New York and elsewhere, the defendant ANN MARIE NOEL, together with others employed by and associated with Norfolk and PCM, did knowingly and wilfully conspire to use and employ manipulative and deceptive devices and contrivances and directly and indirectly (i) employ devices, schemes and artifices to defraud; (ii) make untrue statements of material fact and omit to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (iii) engage in acts, practices, and courses of business which would and did operate as a fraud and deceit upon the investing public, in connection with purchases and sales of securities, by use of instruments of interstate communication in interstate commerce and the mails, in violation of Title 15, United States Code, Section 78j(b) and Rule 10b-5 (Title 17, Code of Federal Regulations, Section 240.10b-5) of the rules and regulations of the SEC.

15. It was part of the conspiracy that, while employed at Norfolk and PCM, ANN MARIE NOEL and others manipulated the share prices of the stocks of JJFN Holdings, Inc., First Colonial Ventures, Ltd., and Antares Resources, Inc., public companies whose shares were traded on the NASDAQ over-the-counter stock market.

OVERT ACTS

16. In furtherance of the conspiracy and to effect the objects thereof, within the Eastern District of New York and elsewhere, the defendant ANN MARIE NOEL, together with others, did commit and cause to be committed the following overt act, among others:

(a) On or about March 22, 1996, the defendant ANN MARIE NOEL, together with others, caused a customer of Norfolk to purchase 56,000 shares of Antares Resources Corp. stock.

(Title 18, United States Code, Sections 371 and 3551 *et seq*.)

ZACHARY W. CARTER
UNITED STATES ATTORNEY
EASTERN DISTRICT OF NEW YORK