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**FORMER CURRENCY TRADER SENTENCED TO 5 MORE
YEARS FOR \$3 BILLION PONZI SCHEME**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that MARTIN A. ARMSTRONG, a former currency trader and former head of Princeton Economics International, was sentenced today in Manhattan federal court to 60 months in prison on his conviction for conspiracy to commit securities fraud, commodities fraud and wire fraud, stemming from his \$3 Billion "Ponzi" scheme involving securities known as "Princeton Notes." United States District Judge JOHN F. KEENAN, who imposed the sentence, also ordered ARMSTRONG to pay restitution in the amount of \$80 million. According to the Superseding Indictment filed against ARMSTRONG (the "Indictment") in 2004:

During the course of the scheme, from 1992 through 1999, approximately 139 victims -- primarily corporate investors -- were fraudulently induced to purchase more than \$3 billion in so-called "Princeton Notes," or certain securities purportedly issued by a holding company called Princeton Global Management, Ltd. As is typical in "Ponzi" schemes, earlier investors were repaid through funds contributed by later investors and, by the time the scheme collapsed, investors had suffered losses in excess of \$700 million. The fraudulent conduct included: (1) making numerous fraudulent representations concerning the value of assets in accounts that ARMSTRONG controlled; (2) fraudulent misrepresentations of ARMSTRONG's trading performance; and (3) wrongful commingling of investor funds.

In January 2002, Republic Securities, a broker-dealer the accounts of which ARMSTRONG used to carry out his scheme, entered a plea of guilty to conspiracy and securities fraud charges in connection with its participation in the Princeton Note scheme, and was sentenced in February 2002. In connection with sentencing, Republic Securities paid approximately \$569 million in restitution to victims. In addition, in 2004, three of ARMSTRONG's co-conspirators, including two former employees of

Republic Securities, WILLIAM ROGERS, MARIA TOCZLOWSKI, and a former employee of ARMSTRONG's, HAROLD LUDWIG, each pleaded guilty to conspiracy, securities fraud and commodities fraud charges.

On August 17, 2006, in pleading guilty before Judge KEENAN to one count of conspiracy to commit securities fraud, commodities fraud and wire fraud, ARMSTRONG admitted that he defrauded investors by fraudulently misrepresenting his trading performance track record to investors, and by wrongfully commingling investor funds, contrary to the representations to investors.

ARMSTRONG, 56, has been incarcerated since 2000, having been found in civil contempt of an asset disgorgement order of the United States District Judge RICHARD OWEN in connection with a related proceeding brought by the Commodity Futures Trading Commission (the "CFTC") and United States Securities and Exchange Commission (the "SEC").

At ARMSTRONG's sentencing today on the conspiracy charge, Judge KEENAN sentenced ARMSTRONG to 60 months imprisonment -- the maximum allowable sentence under the statute to which ARMSTRONG pleaded guilty. Judge KEENAN ordered the 60-month sentence to commence after ARMSTRONG's incarceration on the civil contempt charge has been resolved -- i.e. consecutive to the civil contempt.

Mr. GARCIA praised the efforts of the Federal Bureau of Investigation in the investigation of this case. Mr. GARCIA also thanked the CFTC and the SEC for their extraordinary assistance in this matter.

Assistant United States Attorneys ALEXANDER H. SOUTHWELL and DAVID M. SIEGAL are in charge of the prosecution.

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