

News from Attorney General Robert Abrams

Department of Law
Two World Trade Center
New York, NY 10047

Department of Law
The State Capitol
Albany, NY 12224

For Further Information Contact
Timothy Gilles
212/488-3334—518/474-7330

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ABRAMS ANNOUNCES ARREST OF COMMODITY POOL OPERATORS

Attorney General Robert Abrams announced today (Wednesday) the arrest of a husband and wife charged with engaging in fraudulent securities operations while members of the New York Futures Exchange, resulting in losses of more than \$300,000 to investors across the country. Mr. Abrams said the couple operated a "boiler room," selling interests in commodity pools to the general public over the telephone, and converting the investment funds to their own use.

Michael Edward Charrier, 38, and Trudy Monica Charrier, 38, of 164 Lexington Avenue, New York City, operated under several variations of the corporate name "Hardwick and Wells" between 1980 and 1983. They were jointly charged in a 58-count indictment filed in Manhattan Supreme Court this morning including 31 counts of falsifying business records, 15 counts of grand larceny, engaging in a scheme to defraud, and criminal contempt of a New York County Grand Jury for their failure to produce subpoenaed corporate records.

Mr. Abrams said that the Charriers used several aliases in their business transactions, including the names Michael Xavier Murphy, Nancy Ayres, and Elizabeth Andrea Alexandre-Thyssen, the latter name intended to give the impression that Trudy Monica Charrier was related to a prominent West German family engaged in the steel business.

He charged that the Charriers sold securities by concealing material facts, including the risks involved, their own business background, the operating history of the Hardwick and Wells companies, the failure of earlier commodity pools they had managed, their own true identities, and the identities of firms involved in the transactions.

The indictment charged that funds investors paid to Hardwick and Wells Commodities were reported by the Charriers to have been transferred to a related firm, when in truth the related firm was non-existent and the funds had been stolen by the Charriers.

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The Charriers also submitted false documents as part of their application to obtain a seat on the New York Futures Exchange, and in order to open accounts with Merrill Lynch, ContiCommodity Services, Rudolf Wolff Commodity Brokers, Brody White (now known as Mocatta Futures), the European American Bank and the Bank of New York, the Attorney General alleged.

A former Hardwick and Wells salesman, George Wilson Glass, was sentenced on March 23 to one-to-four years in prison after he pleaded guilty to charges stemming from his sales activities with the company. Additional former company salespeople are still sought, the Attorney General said.

The Charriers were scheduled to be arraigned this afternoon in Supreme Court in Manhattan before Justice Ernst Rosenberger. If convicted, they could face up to seven years in prison on each of the counts of grand larceny in the second degree and lesser sentences on other charges..

The matter was handled for the Attorney General by Assistant Attorney General Howard W. Newman under the supervision of ~~Gregory N. [redacted]~~ ~~Magaly~~, chief of the Bureau of Investor Protection and Securities.