

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

Securities And Exchange Commission

Plaintiff,

v.

Case No.

John S. Morgan, Marian I. Morgan, Morgan,
European Holdings ApS a/k/a/ Money Talks, Inc.,
ApS, Stephen E. Bowman, Bowman Marketing
Group, Inc., and Thomas D. Woodcock, Jr.

Defendants

PLAINTIFF'S COMPLAINT SEEKING INJUNCTIVE AND OTHER RELIEF

Plaintiff Securities and Exchange Commission, for its complaint, alleges:

I. SUMMARY

1. From at least April, 2006, through the present, defendants John S. Morgan, Marian I. Morgan, Morgan European Holdings, ApS a/k/a/ Money Talks, Inc., ApS ("MEH"), Stephen E. Bowman, Bowman Marketing Group, Inc. ("BMG"), and Thomas D. Woodcock, Jr. received millions of dollars from defrauding investors by offering and selling investments in a fictitious prime bank instrument trading program.
2. Defendants John Morgan, Marian Morgan and Stephen Bowman also made lulling statements to investors, representing that the trading program was successful and that payments to investors were imminent.

3. Some investors have received Ponzi payments from other investors' investments. Other investors have neither recouped their investments nor received the promised returns on their investments.

II. JURISDICTION AND VENUE

4. The SEC brings this action pursuant to the authority conferred upon it by Section 20(b) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77t(b)] and Sections 21(d) and (e) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78u(d) and (e)].

5. This Court has jurisdiction over this action pursuant to Securities Act Section 22(a) [15 U.S.C. § 77v(a)] and Exchange Act Sections 21(e) and 27 [15 U.S.C. §§ 78u(e) and 78aa]. Venue lies in this Court pursuant to Securities Act Section 22(a) and Exchange Act Section 27 [15 U.S.C. §§ 77v(a) and 78aa].

6. In connection with the transactions, acts, practices, and courses of business described in this Complaint, the Defendants, directly and indirectly, have made use of the means or instrumentalities of interstate commerce, of the mails, and/or of the means and instruments of transportation or communication in interstate commerce.

7. Certain of the transactions, acts, practices, and courses of business constituting the violations of law alleged herein occurred within this district.

III. DEFENDANTS

8. John S. Morgan is a resident of Sarasota, Florida, and the husband of Marian Morgan. John Morgan is the “Fund Manager” for Morgan European Holdings. He is not associated with any registered broker dealer.
9. Marian I. Morgan is a resident of Sarasota, Florida, and the wife of John Morgan. She is the “Managing Director” of Morgan European Holdings. She is not associated with any registered broker dealer.
10. Morgan European Holdings, ApS is a Danish entity that is also known as MoneyTalks Inc. ApS. Morgan European Holdings has an address in Stenlose, Denmark, and in Sarasota, Florida, where the Morgans reside. Morgan European Holdings has not registered any securities or securities offerings with the Commission, and has never been registered with the Commission in any capacity.
11. Stephen E. Bowman, is a resident of Omaha, Nebraska. He is the only principal of BMG. He is not associated with any registered broker dealer.
12. Bowman Marketing Group, Inc, a Nebraska corporation, has its principal place of business in Omaha, Nebraska. On its website, www.bowmanmktg.com, BMG claims to be in the business of assisting companies with marketing and raising capital. BMG has not registered any securities or securities offerings with the Commission and has never been registered with the Commission in any capacity. On March 12, 2009, the Nebraska Department of Banking and Finance

issued a cease-and-desist order against BMG, Stephen Bowman, and their affiliates, for violations of Nebraska securities and broker-dealer registration laws.

13. Thomas D. Woodcock, Jr., is a resident of Rockwall, Texas. Woodcock was the “managing partner” of Woodberry Capital Enhancement Group, Inc. (“Woodberry”), which is now defunct. He is not associated with any registered broker dealer.

IV. SUMMARY OF VIOLATIONS

14. Defendants have engaged in violations of the anti-fraud provisions of the securities laws, Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder.

15. Defendants have engaged in violations of the securities registration provisions of the securities laws, Section 5(a) and 5(c) of the Securities Act.

16. Defendants John Morgan, Marian Morgan, Bowman, and Woodcock have engaged in violations of the broker dealer registration provision of the securities laws, Section 15(a) of the Exchange Act.

V. STATEMENT OF FACTS

A. The Investments

17. In 2006, Thomas D. Woodcock solicited investments in a fraudulent prime bank program through an entity called MTD Group, LLC.

18. Woodcock raised approximately \$7.79 million from at least 150 investors nationwide through the MTD Group program.

19. Woodcock distributed offering materials to investors which described the investment.

20. The offering materials distributed by Woodcock describe the operation of a classic prime bank scheme. For example, some of these materials describe how the “top fifty financial institutions” or the U.S. Federal Reserve trade with each other to “artificially inflate the money supply” available for international commerce.

21. According to the offering materials distributed by Woodcock, participants were to provide money to supply “the margin” for a trader to pass a “debenture or treasury” to the end user, generating returns through the leveraging of financial instruments.

22. The materials distributed by Woodcock stated that these programs were secret but real, even though the “official position” of the U.S. government was that such trading programs did not exist so as “to increase the participation in traditional investments and reduce the flight of capital from the United States.”

23. Woodcock’s materials stated that Stephen Bowman would act as the “Administrator” for the investment.

24. At some point, Woodcock decided not to continue with managing the investment. Instead he offered investors the opportunity to transfer their investment to Bowman’s entity, Bowman Marketing Group, Inc. or another entity.

25. Bowman assured investors that money transferred to BMG would be invested in the same type of bank trading program as described in the MTD offering materials.

26. The MTD investors transferred at least \$5.86 million to BMG.

27. Over 2006 and 2007, primarily through telephonic meetings, Bowman raised at least another \$6 million by soliciting additional funds from these same investors and new investors in the bank trading program.

28. Investors transferring their investment from MTD and new investors solicited by Bowman received written agreements from BMG signed by Bowman.

29. The BMG agreements stated that the investor was agreeing to "loan" money "to participate in investment activity" for a limited period, with a projected "Return on Investment" of 14% to 70% per month. The agreements also included a "guarantee of principal provided by the bank, fund manager or both."

30. BMG entered into a written agreement with Morgan European Holdings ("MEH"), stating that it was providing funds as a "Private Loan" to be used "primarily for Loan Provisioning for use in participation of a bank trade program[.]"

31. The written agreement between BMG and MEH states that the yield was to be 200% plus principal, to be paid within 90 to 120 days from the start of the program. The agreement also stated that, "Principal is never put at risk and is held in escrow for the duration of the transaction."

32. Bowman signed the agreements on behalf of BMG, and John Morgan was identified as the signer on behalf of MEH.

33. John Morgan, Marian Morgan and MEH have offered other investors investments in prime bank programs.

34. Prime bank trading programs such as those offered by Woodcock, Bowman, BMG, the Morgans and MEH are fictitious. The Securities and Exchange Commission, the Federal Reserve Bank, the International Monetary Fund and numerous other federal and international authorities have all publicly denounced these bank instrument trading program frauds in easily obtainable information.

B. Investor Funds

35. When investors converted their MTD investment to BMG, or invested directly with BMG, their funds were initially deposited in a BMG bank account.

36. It appears that some of the funds deposited by investors in BMG's account were used to pay Bowman's expenses, including gambling expenses, to pay commissions and to make Ponzi payments to some investors.

37. In addition, Bowman wired \$4.5 million to a Danish bank account for the benefit of MEH.

38. The Danish account was managed by an attorney in Denmark who made disbursements at the Morgans' request.

39. Millions of dollars have been transferred by the Danish attorney from Danish accounts to bank accounts in the United States which are controlled by the Morgans. The Morgans have used these funds to pay mortgages on real property and for other purposes.

40. The Morgans have also disbursed funds from their domestic accounts to Bowman.

41. Investors have not received any returns from the prime bank program, though some have been repaid their principal using funds contributed by other investors.

42. None of the investor funds have been used in bank trading programs.

C. Ongoing Lulling

43. After the original investments were made and up until at least June, 2009, Marian Morgan continued to lull investors into remaining complacent by claiming that fabulous returns on their investments were imminent, but that administrative problems were causing delays.

44. Until at least May, 2009, Bowman continued to lull investors by making similar statements.

45. Bowman and the Morgans also urged investors not to cooperate with the Commission or other authorities.

46. From late 2006 through June, 2009, investors complained to Bowman and the Morgans that the investors had not received any payments.

47. Bowman, John Morgan, and Marian Morgan all reassured investors that the trading program was completed, their funds were safe, and they would be paid as soon as various administrative issues have been resolved.

48. John Morgan, Marian Morgan and Bowman claimed that investors' distributions would be made after payments were made to certain humanitarian project participants.

49. The Morgans claimed that payments of returns were delayed until principal was repaid, and that these wires were delayed by such problems as Patriot Act scrutiny or their lawyer's vacation schedule.

50. The Morgans also placed responsibility on the purported "Trade Bank" for the payments.

FIRST CLAIM FOR RELIEF
Fraud – Violations of Securities Act Section 17(a)(1)
[15 U.S.C. § 77q(a)(1)]

51. The SEC realleges paragraphs 1 through 50 above.

52. Defendants John Morgan, Marian Morgan, MEH, Bowman, BMG, and Woodcock directly and indirectly, with scienter, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, employed a device, scheme, or artifice to defraud.

53. Defendants John Morgan, Marian Morgan, MEH, Bowman, BMG, and Woodcock violated and unless restrained and enjoined will in the future violate Securities Act Section 17(a)(1).

SECOND CLAIM FOR RELIEF
Fraud – Violations of Securities Act Sections 17(a)(2) and 17(a)(3)
[15 U.S.C. § 77q(a)(2) and (3)]

54. The SEC realleges paragraphs 1 through 50 above.

55. Defendants John Morgan, Marian Morgan, MEH, Bowman, BMG, and Woodcock, directly and indirectly, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, obtained money or property by means of untrue statements of material fact or omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or engaged in transactions, practices, or courses of business which have been or are operating as a fraud or deceit upon the purchasers of the securities.

56. Defendants John Morgan, Marian Morgan, MEH, Bowman, BMG, and Woodcock violated and unless restrained and enjoined will in the future violate Securities Act Section 17(a)(2) and (3).

THIRD CLAIM FOR RELIEF
Fraud – Violations of Exchange Act Section 10(b) and Rule 10b-5
[15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5]

57. The SEC realleges paragraphs 1 through 50 above.

58. Defendants John Morgan, Marian Morgan, MEH, Bowman, BMG, and Woodcock, directly or indirectly, with scienter, in connection with the purchase or sale of securities, by the use of means or instrumentalities of interstate commerce, the mails, or any facility of a national securities exchange, employed devices, schemes, or artifices to defraud; made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

or engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon any person; in violation of Exchange Act Section 10(b) and Rule 10b-5.

59. Defendants John Morgan, Marian Morgan, MEH, Bowman, BMG, and Woodcock violated and unless restrained and enjoined will in the future violate Exchange Act Section 10(b) and Rule 10b-5.

FOURTH CLAIM FOR RELIEF
Offers and Sales of Unregistered Securities -
Violations of Securities Act Sections 5(a) and 5(c)
[15 U.S.C. §§ 77e(a) and 77e(c)]

60. The SEC realleges paragraphs 1 through 50 above.

61. Defendants John Morgan, Marian Morgan, MEH, Bowman, BMG, and Woodcock, directly or indirectly, have made use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell securities, when no registration statement was in effect with the Commission as to such securities, and have made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell such securities when no registration statement had been filed with the Commission as to such securities.

62. There were no applicable exemptions from registration, and Defendants John Morgan, Marian Morgan, MEH, Bowman, BMG, and Woodcock therefore violated, and unless restrained and enjoined will in the future violate Sections 5(a) and 5(c) of the Securities Act.

FIFTH CLAIM FOR RELIEF
Offers and Sales of Securities by an Unregistered Broker-Dealer
Violations of Exchange Act Section 15(a)
[15 U.S.C. § 78o(a)]

63. The SEC realleges paragraphs 1 through 50 above.

64. Defendants John Morgan, Marian Morgan, Bowman, and Woodcock, while engaged in the business of effecting transactions in securities for the account of others, made use of the mails or the means or instrumentalities of interstate commerce to effect transactions in, or to induce or attempt to induce the purchase or sale of, a security without being registered in accordance with Section 15(a) of the Exchange Act.

65. Defendants John Morgan, Marian Morgan, Bowman, and Woodcock, have violated, and unless restrained and enjoined will in the future violate Section 15(a) of the Exchange Act.

PRAYER FOR RELIEF

The SEC respectfully requests that this Court:

I.

Enter an Order finding that Defendants John Morgan, Marian Morgan, MEH, Bowman, BMG, and Woodcock committed the violations alleged in this complaint, and unless restrained will continue to do so.

II.

Enter an Injunction, pursuant to Rule 65(d) of the Federal Rules of Civil Procedure, permanently restraining and enjoining Defendants John Morgan,

Marian Morgan, MEH, Bowman, BMG, and Woodcock from further violations of the law and rules alleged in this complaint.

III.

Enter an Order requiring Defendants John Morgan, Marian Morgan, MEH, Bowman, BMG, and Woodcock to prepare accountings of all funds received from investors identifying the name of each investor, the dollar amount received, date of receipt, and how those funds were spent.

IV.

Enter an Order requiring Defendants John Morgan, Marian Morgan, MEH, Bowman, BMG, and Woodcock to disgorge all ill-gotten gains in the form of any benefits of any kind derived from the illegal conduct alleged in this complaint, together with prejudgment and post judgment interest and to repatriate to the registry of the Court any investor funds being held in foreign jurisdictions.

V.

Enter an Order requiring Defendants John Morgan, Marian Morgan, MEH, Bowman, BMG, and Woodcock to pay third tier civil money penalties pursuant to Securities Act Section 20(d) [15 U.S.C. § 77t(d)] and Exchange Act Section 21(d) [15 U.S.C. § 78u(d)].

VI.

Order such other relief as this Court deems necessary and appropriate.

DATED: June 11, 2009

Respectfully submitted,

s/ Polly Atkinson
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