

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 96652 / January 12, 2023

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4369 / January 12, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-21273

In the Matter of

COOPER J. MORGENTHAU,

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO RULE 102(e) OF THE
COMMISSION’S RULES OF PRACTICE,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Cooper J. Morgenthau (“Respondent” or “Morgenthau”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any . . . accountant . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III, paragraph 3 below, which are admitted, Respondent consents to the entry of this Order Instituting Public Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Morgenthau, age 35, is a resident of New York, New York. He served as Chief Financial Officer of African Gold Acquisition Corp. ("African Gold") from October 2020 until his termination in August 2022.

2. African Gold was, at all relevant times, a publicly traded special purpose acquisition corporation ("SPAC") with its principal place of business in New York, New York. At all relevant times, African Gold's securities were registered with the Commission pursuant to Section 12(b) of the Securities Exchange Act of 1934, and trade on the New York Stock Exchange.

3. On January 3, 2023, the Commission filed a complaint against Morgenthau in *SEC v. Cooper J. Morgenthau* (Civil Action No. 23-cv-00022) in the U.S. District Court for the Southern District of New York. On January 6, 2023, the court entered a judgment permanently enjoining Morgenthau, by consent, from future violations of Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5, 13b2-1, 13b2-2(a), 13b2-2(b), and 13a-14 thereunder and Section 17(a) of the Securities Act of 1933 and barring him from serving as an officer or director of a publicly traded company. Morgenthau was also ordered to pay disgorgement of ill-gotten gains plus prejudgment interest and civil monetary penalties to be determined at a later date.

4. The Commission's complaint alleged, among other things, that Morgenthau engaged in a fraudulent scheme by embezzling money from African Gold's operating bank account and wiring it to his own personal bank and brokerage accounts to pay personal expenses and to trade in traditional and crypto asset securities. Morgenthau attempted to hide the embezzlement by erasing the personal wires and other incriminating transactional details on African Gold's bank account statements. Morgenthau then provided the fraudulent bank account statements to African Gold's external auditor and accountants. During the same general time period, Morgenthau raised money from investors for the purpose of launching another series of SPACs called Strategic Metals Acquisition Corp. I and Strategic Metals Acquisition Corp. II (together, "Strategic Metals"). Morgenthau made numerous false statements to investors regarding, among other things, the purposes for which the investment would be used. Morgenthau stole all of the money purportedly raised for Strategic Metals, transferring some of it to African Gold's bank account in order to help conceal his embezzlement of African Gold's funds, and using the rest to cover personal expenses and fund personal securities trading. As CFO of African Gold, Morgenthau certified that the financial statements in African Gold's annual report on Form 10-K

for the fiscal year ended December 31, 2021 and in its quarterly reports on Form 10-Q for the second and third quarters of 2021 and the first quarter of 2022 (the “Financial Filings”) contained no untrue statement of a material fact or omitted any material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading; fairly presented African Gold’s financial condition and cash flow in all material respects; and that he had disclosed any fraud involving management with a significant role in African Gold’s internal control over financial reporting to African Gold’s external auditor and audit committee. None of these representations were in fact true. As a result of Morgenthau’s embezzlement, African Gold has disclosed that the Financial Filings must be restated and should not be relied upon.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Morgenthau’s Offer.

Accordingly, it is hereby ORDERED, effective immediately, that:

- A. Morgenthau is suspended from appearing or practicing before the Commission as an accountant.

By the Commission.

Vanessa A. Countryman
Secretary