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Alleged Boiler-Room Operators Indicted Tuesday

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WASHINGTON -(Dow Jones)- Two alleged boiler room operators were indicted in New York Tuesday on fraud charges involving stock in Fargo Holdings Inc., which claimed to import blue jeans and provide financial services, including day-trading.

Federal prosecutors charged Michael Nnebe, 40, of Orange, N.J., and Nelson Walker, 47, of Brooklyn, N.Y., with three counts of conspiracy, securities, mail and wire fraud. Nnebe was also charged with perjury.

According to the indictment unsealed by the U.S. District Court for the Southern District of New York, Nnebe ran a Wall Street boiler room that used high-pressure sales calls to sell more than \$2 million of stock in Fargo Holdings.

Investors were allegedly told an initial public offering was imminent, but Fargo hadn't taken any steps to conduct an IPO and the company itself was a sham, prosecutors allege.

A companion civil suit filed by the Securities and Exchange Commission named Nnebe, Walker and three other individuals who weren't charged in the criminal case, alleging they told "blatant falsehoods" about Fargo. The company abruptly closed its office in November 1998.

"This is another story of investors who were lured into what they thought was an attractive company," said

Barry Rashkover, associate regional director in the SEC's New York office.

Nnebe allegedly used investors' funds to buy a Rolls Royce, pay credit card bills and expenses, including pool cleaning. He also is alleged to have transferred at least \$300,000 to Nigeria. Under oath, Nnebe said he used proceeds to pay personal expenses only when they related to Fargo Holdings.

Walker, using aliases such as "Steve Wilson" and "Darrell Marshall," supervised boiler room calls and allegedly lied to investors and neglected to mention a prior indictment on securities-fraud charges. Walker pleaded guilty to conspiracy in connection with selling stock in ConnecTechnologies and Vital Signs Inc., and is currently incarcerated, said assistant U.S. attorney Nancy Kestenbaum.

Nnebe was arraigned Tuesday and pleaded not guilty. His attorney, Neil Checkman, didn't return a phone call seeking comment. Walker's attorney wasn't available to comment.

The SEC's suit also names Steven Bocchino, 30, of East Stroudsburg, Pa., and Daniel Coyle, Jr., 27, of Brooklyn, N.Y. Both men were formerly employed at Pacific Continental Securities Corp. and **Seaboard Securities** Inc., and are alleged to have lied to investors while selling Fargo stock from the fall of 1998 until sometime in 1999.

"We believe the allegations are without merit," said Coyle's attorney, David Sayid.

Bocchino's attorney declined to comment on the SEC suit, saying he had not yet seen it.

Luis Colon, Jr., 28, of New York, was named as a relief defendant in the SEC's civil suit. The agency alleges he received at least \$153,000 from the Fargo stock sales. His attorney didn't return a phone call.

The SEC is seeking an order requiring the defendants to return their allegedly ill-gotten gains, plus interest, and pay a civil fine. If convicted on criminal charges, Nnebe and Walker could face fines and imprisonment.

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