



Department of Justice

United States Attorney Melinda Haag
Northern District of California

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SARATOGA ATTORNEY SENTENCED TO SEVEN YEARS IN PRISON FOR INVESTMENT FRAUD SCHEME

Victim-Investors Lost Homes, Retirement Savings, and Children's College Education Funds as a result of David Prince's Fraud

SAN FRANCISCO – David Boyer Prince was sentenced yesterday to seven years in prison and ordered to pay restitution on investment fraud related charges, United States Attorney Melinda Haag announced.

Following a three week trial, a federal jury on Oct. 5, 2011, convicted David Boyer Prince, 49, an attorney from Saratoga, Calif., of five counts of wire fraud in violation of Title 18, United States Code, Section 1343. The jury did not reach a verdict on two other wire fraud counts with which Prince was charged. Evidence at trial showed that Prince carried out an investment fraud scheme from August 2005 to January 2007, in which he defrauded more than 30 victims of \$1.1 million. Prince recruited investors to invest in two investment funds—MJE Invest! and the Leopard Fund. Prince lied to investors by promising them that their principal would be guaranteed, by assuring them that they would receive rates of return as high as five to 25 percent a month, by promising them their money would be invested in the stock market and by reassuring them about the legality of his investment funds because he is an attorney. Prince also made false statements to the Texas State Securities Board regarding his investment activities. Ultimately, Prince lost most of the investors money through risky options

trading. Evidence at trial showed that Prince intentionally used investor money to make payments to prior investors. Prince also converted investors' funds into cash and for his personal use, such as credit card payments and the leasing of a Mercedes automobile.

Evidence at sentencing showed that Prince's fraud caused some of his investors to lose their homes, their children's college education funds, and their chance of retirement. In sentencing Prince, United States District Court Judge Charles R. Breyer emphasized Prince's attorney status and the extremely vulnerable nature of his victims as aggravating factors in imposing his sentence. Judge Breyer also sentenced the defendant to a three-year period of supervised release. Judge Breyer ordered Prince to self-surrender by 4 p.m. yesterday to begin serving his sentence.

Assistant United States Attorneys Joseph Fazioli and Allison Danner prosecuted the case with the assistance of Legal Assistants Kamille Singh and Nina Williams and Paralegal Specialists Alycee Lane and Lakisha Holliman. The prosecution is the result of a multi-year investigation by the Federal Bureau of Investigation.

Further Information:

Case #: 10-00153 CRB

A copy of this press release may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at www.cand.uscourts.gov.

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