

# NEWS RELEASE

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**Luis A. Valentin, Prosecutor**

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## **FORMER OCEAN TOWNSHIP RESIDENT AND HIS FINANCIAL INVESTMENT FIRM INDICTED IN CONNECTION WITH \$1,000,000 FRAUD**

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On January 4, 2010, a Monmouth County Grand Jury returned an indictment charging Samuel S. Franco, 58, of Brooklyn, N.Y., formerly of the Oakhurst section of Ocean Township, N.J., with one count each of second degree Failure to Make Required Disposition of Property Received, second degree Misconduct by a Corporate Official and second degree Misapplication of Entrusted Property. The indictment also charges Franco's limited liability company, Signature Investment Holdings, L.L.C., with second degree Failure to Make Required Disposition of Property Received. The charges relate to Franco's receipt on behalf of Signature Investment Holdings, L.L.C., of a \$1,000,000 client investment which Franco utilized for personal expenditures.

The indictment follows an investigation which was conducted by the Monmouth County Prosecutor's Office after being contacted by an attorney representing the victim. The investigation revealed that Franco established Signature Investment Holdings, L.L.C., a financial investment firm, in 2001. Franco maintained sole control of the company. In August 2005, Franco solicited a relative to invest \$1,000,000 with Signature Investment Holdings, L.L.C., in exchange for a guaranteed return of twenty percent by December 2005.

A written agreement was signed by Franco and the victim pursuant to which Franco and Signature Investment Holdings agreed to use the victim's \$1,000,000 to invest in the purchase and sale of European bank instruments. Despite the written agreement, Franco did not invest the funds as he agreed to do, and Franco did not return any money to the victim in 2005. In 2006, Franco made numerous representations that he would return the

**initial \$1,000,000, plus profits made as a result of the alleged investment, to the victim. The victim has yet to receive any money from Franco or Signature Investment Holdings.**

**An audit of the bank account associated with Signature Investment Holdings, L.L.C., revealed that none of the monies provided to Franco and his company by the victim were deposited into any investment accounts. Furthermore, the audit revealed that Franco utilized the Signature Investment Holdings, L.L.C., account to pay personal expenses such as for the remodeling of a condominium in Aventura, Florida, and monthly payments to Mercedes Benz and American Express.**

**Franco resided in the Oakhurst section of Ocean Township, N.J., during the time span that the crimes contained in the indictment are alleged to have been committed, and the registered address for Signature Investment Holdings, L.L.C., was Franco's residence at that time.**

**Following the indictment, Franco's surrendered to the Monmouth County Prosecutor's Office accompanied by his attorney, Robert A. Honecker, Jr., Esquire, of Ocean Township, N.J. Monmouth County Superior Court Judge Ira E. Kreizman set Franco's bail at \$100,000. Conditions of Franco's bail include that Franco surrender his passport. Franco posted bail, surrendered his passport and was released.**

**If convicted of any of the second degree crimes charged, Franco faces a maximum potential custodial sentence of up to a 10 year State Prison term. If convicted of the second degree crime of Failure to Make Required Disposition of Property Received, Signature Investment Holdings, L.L.C., faces the potential of a \$450,000 fine and court-ordered dissolution.**

**Despite these charges, every defendant is presumed innocent, unless and until found guilty beyond a reasonable doubt, following a trial at which the defendant has all of the trial rights guaranteed by the U.S. Constitution and State law.**

**The case is assigned to Assistant Monmouth County Prosecutor Nicole Colucci. Franco is represented by Robert A. Honecker, Jr., Esquire, of Ocean Township, N.J.**

**Released: January 4, 2010**