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August 14, 2013
FOR IMMEDIATE RELEASE
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**CARROLL COUNTY COMPANY FOUNDER SENTENCED TO OVER 3 YEARS IN
PRISON FOR \$1.9 MILLION SECURITIES FRAUD**

*Founder and Former President of Gargoyles, Inc. Misrepresented
Company Sales and Customers to Investors*

Baltimore, Maryland - U.S. District Judge Richard D. Bennett sentenced John F. “Jef” Curran, III, age 44, of Westminster, Maryland today to 37 months in prison, followed by three years of supervised release, for securities fraud, in connection with the sale of \$1.9 million worth of stock in his company, Gargoyles, Inc. Judge Bennett also ordered that Curran forfeit \$1,963,065, and pay restitution of \$1,250,768 to repay victims for the money they invested in Gargoyles, Inc.

The sentence was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Special Agent in Charge Stephen E. Vogt of the Federal Bureau of Investigation; and Postal Inspector in Charge Gary R. Barksdale of the U.S. Postal Inspection Service - Washington Division.

According to the statement of facts that is part of his plea agreement, Curran was the founder, president and single largest shareholder of Gargoyles, Inc., located in Westminster, Maryland. Gargoyles was a self-described “advanced materials application company,” purportedly doing business with customers in a variety of settings including the military and law enforcement.

From January 2009 to September 2010, Curran sold approximately \$1.9 million worth of Gargoyles stock to investors. Curran admitted that he falsely represented to investors and potential investors that Gargoyles had customers, sales contracts and purchase orders for its products when, in fact, it did not. Curran also misrepresented his education to investors.

Today’s announcement is part of efforts underway by President Obama’s Financial Fraud Enforcement Task Force (FFETF) which was created in November 2009 to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. With more than 20 federal agencies, 94 U.S. Attorneys’ offices and state and local partners, it’s the broadest

coalition of law enforcement, investigatory and regulatory agencies ever assembled to combat fraud. Since its formation, the task force has made great strides in facilitating increased investigation and prosecution of financial crimes; enhancing coordination and cooperation among federal, state and local authorities; addressing discrimination in the lending and financial markets and conducting outreach to the public, victims, financial institutions and other organizations. Over the past three fiscal years, the Justice Department has filed more than 10,000 financial fraud cases against nearly 15,000 defendants including more than 2,700 mortgage fraud defendants. For more information on the task force, visit www.stopfraud.gov.

United States Attorney Rod J. Rosenstein thanked the FBI and U.S. Postal Inspection Service for their work in the investigation and thanked the Securities Division of the Office of the Maryland Attorney General for its assistance in the case. Mr. Rosenstein praised Assistant U.S. Attorney Leo Wise, who prosecuted the case.