

Colo. adviser charged in Ponzi scheme

by UPI

DENVER -- U.S. regulators sued a Colorado investment manager, alleging he ran a Ponzi scheme and used investor money to buy classic cars and Rembrandt masterpieces.

Shawn Merriman, 46, of Aurora, Colo., fraudulently took about \$20 million from at least 38 investors in Colorado, Minnesota, Utah through his Market Street Advisers, the Securities and Exchange Commission said in a lawsuit filed at federal district court in Denver.

"Merriman repeatedly deceived investors, many of whom considered him a personal friend, by sending them fictitious account statements showing annual rates of return of 7 to 20 percent," Donald Hoerl, director of the SEC's Denver office, said in a statement.

Merriman purchased artwork by Rembrandt, Pablo Picasso, Peter Paul Rubens and other masters, the SEC complaint alleged.

He also used investor money to buy classic cars, including a 1930 Lincoln Model L Sport Touring car, the complaint charged. Merriman's sports collection allegedly included baseball gloves signed by Lou Gehrig and Josh Gibson and jerseys from Willie Mays, Cal Ripken and Hank Aaron.

In its lawsuit, the SEC sought an emergency court order to freeze Merriman's assets. It also asked the court to force Merriman and his firm to forfeit their "ill-gotten gains" and pay unspecified penalties.

Merriman attorney Patrick Ridley said Merriman contacted federal prosecutors and gave them a breakdown of his business operations for the last 15 years, USA Today reported.

"He has personally contacted each of his clients to whom he has made full disclosure of his actions and apologized," Ridley told the newspaper.

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