

# NEWS

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United States Department of Justice  
U.S. Attorney, District of New Jersey  
401 Market Street, Fourth Floor  
Camden, New Jersey 08101

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***Christopher J. Christie, U.S. Attorney***

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***More Information?*** Contact the Assistant U.S. Attorney or other contact listed below to see if more information is available.

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FOR IMMEDIATE RELEASE  
Jan. 26, 2007

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## Cherry Hill Man Pleads Guilty in Stock Scheme That Swindled More Than \$15 Million From Investors

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(More)

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Greg Reinert , PAO : 856-757-5233  
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CAMDEN – A Cherry Hill man pleaded guilty today to his role in a stock fraud and money laundering scheme that cost public investors more than \$15 million in losses, U.S. Attorney Christopher J. Christie announced.

Thomas S. King, 48, of Cherry Hill, who was licensed to sell securities by the National Association of Securities Dealers (NASD), pleaded guilty before U.S. District Judge Jerome B. Simandle to a two-count Superseding Indictment that charges one count of conspiracy to commit securities and wire fraud and one count of conspiracy to commit money laundering. King also pleaded guilty to Count Five of a separate Indictment that charges him with failure to file an income tax return. Judge Simandle scheduled sentencing for May 25 at 9:30 a.m.

At his plea hearing, King admitted his involvement in securities and wire frauds involving the stock of TeleServices Internet Group, Inc. (TSIG), a publicly traded company. King admitted his responsibility for purchasing TSIG stock in his retail customers' accounts and failing to disclose to his customers that he was secretly being compensated in cash and free-trading TSIG stock by the chairman of TSIG and others for doing so. King also agreed to forfeit at least \$53,495, which represents proceeds derived from the scheme, that he used as a down payment on a residential property.

King and four co-conspirators originally were either arrested or surrendered voluntarily on a federal Indictment on Oct. 17, 2005.

According to the Superseding Indictment, King had served as the broker on a stock brokerage account maintained at DiMedio Kirchoff & Co., Inc., in the name of Visitors Services International Corp, which was controlled by co-defendant Robert P. Gordon.

King admitted that beginning in December 1996 and continuing through November 2001, he operated a scheme, along with his co-defendants and other unindicted cooperating co-conspirators and others, which used deceptive and manipulative practices in connection with the fraudulent issuance, purchase and re-sale of shares of stock of TSIG and Phoenix Information Systems, Inc. (Phoenix). The stock of those companies was publicly traded on the Over the Counter Electronic Bulletin Board System.

In pleading guilty, King admitted that he participated in the conspiracy in which the conspirators secretly gained control of nearly 100 million free-trading shares of TSIG stock and sold those shares in the public marketplace to unsuspecting investors.

The Superseding Indictment and a prior news release, dated Oct.17, 2005, can be found on the office web site at: [www.usdoj.gov/usao/nj](http://www.usdoj.gov/usao/nj)

Count One, which charges conspiracy to commit securities and wire fraud, carries a statutory maximum penalty of 5 years in prison and a fine of \$250,000 or twice the aggregate loss to the victims or gain to the defendants. Count Two, which charges conspiracy to commit money laundering, carries a statutory maximum penalty of 20 years in prison and a fine of \$500,000 or twice the aggregate loss to the victims or gain to the

defendants. The charge of failure to file a tax return carries a statutory maximum prison sentence of 1 year and a \$25,000 fine.

In determining an actual sentence, Judge Simandle will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Christie credited Special Agents of the FBI's Atlantic City Resident Agency, under the direction of Special Agent in Charge Leslie G. Wisner, Jr. in Newark, the IRS Criminal Investigation Division, under the direction of Special Agent in Charge Patricia J. Haynes, and the National Association of Securities Dealers, Washington, D.C., with the investigation.

The government is represented by Assistant U.S. Attorney R. Stephen Stigall and Deborah Prisenzano Mikkelsen of the Criminal Division in Camden.

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Defense Attorney: Robert G. Stahl, Esq. Westfield