

**NEWS RELEASE:**

Guy A. Lewis, United States Attorney for the Southern District of Florida, Hector M. Pesquera, Special Agent in Charge, Federal Bureau of Investigation, Miami Field Division, and Jose Marrero, Chief, Criminal Investigation Division, Internal Revenue Service, Southeast Region, Plantation announced today that in Case Number 99- 8125-Cr-Hurley, an attorney, **JEFFREY PAINE**, has pled guilty to conspiring to commit mail fraud in connection with the \$117 million viatical investment fraud involving Frederick C. Brandau, and Financial Federated Title & Trust, Inc., and Asset Security Corporation.

PAINE pled guilty to a felony count that provides for a maximum period of five years' incarceration, and a fine of up to \$250,000, and possible restitution. PAINE served as an attorney who supposedly independently vouched for the viatical investments when in truth he merely rubber stamped documents received by him from Financial Federated, and performed no independent verification that FINANCIAL FEDERATED actually bought insurance policies or assignments of policies. Prosecutors stated in court that PAINE received \$646,000 for his role in the massive fraud. PAINE's guilty plea marks the first admission from a professional attorney concerning his own role in a massive fraudulent scheme that defrauded thousands of investors from around the United States, including South Florida. FREDERICK C. BRANDAU was earlier sentenced to 55 years in prison following his conviction last summer in federal district court in West Palm Beach.

PAINE will be sentenced April 20, 2001. Trial of the remaining defendants is set for April 2, 2001 in West Palm Beach, FL.

Mr. Lewis commended the efforts of Federal Bureau of Investigation Special Agents Gary Van Eerde, Anthony L. Yanketis, Gary Hellmer, Stephen Lucchesi, and Internal Revenue Service Special Agent Klaus Hurme and Suzanne Kalwara for their detailed efforts in uncovering the massive scheme that led to the indictment. The case is being prosecuted by Assistant United States Attorneys Ellen Cohen and Steve Carlton in West Palm Beach, Florida.