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**HOTEL EXECUTIVE PLEADS GUILTY AND AGREES TO PAY
RESTITUTION AND FORFEITURE IN CONNECTION
WITH TAX EVASION SCHEME**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that STANLEY S. TOLLMAN pleaded guilty today to tax fraud charges relating to his participation in a multimillion-dollar tax evasion scheme utilizing foreign bank accounts.

According to Court records and his guilty plea to a one-count criminal Information, TOLLMAN served as an executive with Tollman-Hundley Hotels, a private company based in New York, which owned and managed various Days Inn hotels throughout the United States, and held management positions with The Travel Corporation, a British Virgins Island company that was and is the parent company of several travel and tourism companies, including Trafalgar Tours International, Trafalgar Tours - USA, and the Red Carnation Group of hotels.

TOLLMAN admitted as part of his guilty plea that from 1994-1999, he and his wife, through Guernsey, Channel Islands, bank accounts, received from The Travel Corporation and its subsidiaries and affiliated companies approximately \$18 million in income that he knowingly failed to report to the Internal Revenue Service ("IRS").

TOLLMAN, 78, agreed as part of his plea to pay \$60,381,691 in restitution to the IRS in the form of back taxes, interest, and fraud penalties. TOLLMAN also agreed to pay \$44.7 million to settle a separate civil forfeiture action brought by the United States relating to the allegations in a 2002 Indictment charging TOLLMAN and six others with various fraud offenses. Just before that Indictment was filed, TOLLMAN fled the United States, and the United States sought his extradition from England. Earlier this year, English courts ruled that extradition of TOLLMAN would be oppressive, citing the health condition of his wife.

TOLLMAN's four co-defendants -- MONTY HUNDLEY, SANFORD FREEDMAN, JAMES CUTLER, and HOWARD ZUKERMAN -- were convicted in February 2004, after a two-month jury trial before United States District Judge LORETTA A. PRESKA. TOLLMAN's son, BRETT TOLLMAN, who was later added to the Indictment, pleaded guilty to tax evasion charges in September 2003. The investigation previously resulted in the guilty plea of RICHARD MASEFIELD, formerly an executive at Trafalgar Tours - USA, based on his use of Channel Islands bank accounts to hide millions of dollars of income.

The United States also sought the extradition of TOLLMAN's wife, BEATRICE NINA TOLLMAN, 77, who was separately charged with tax fraud in 2003. Also earlier this year, English courts ruled that the extradition of Mrs. TOLLMAN to the United States would be oppressive due to her health.

TOLLMAN, who entered his plea from London, England, via video-link, was sentenced at the time of his plea to a one-day term of probation. Consistent with the plea agreement between TOLLMAN and the Government, the Court dismissed the open bank fraud and other remaining counts in the 2002 Indictment, and the pending Complaint against Mrs. TOLLMAN.

In addition, earlier this week, GAVIN TOLLMAN pleaded guilty to failing to supply information to the IRS on tax returns that he filed, specifically, the authority he had with respect to two foreign bank accounts. GAVIN TOLLMAN, who pleaded to this misdemeanor tax offense before Judge PRESKA in Manhattan federal court, agreed to file certain amended tax returns and was similarly sentenced to a one-day term of probation.

Mr. GARCIA praised the investigative work of the IRS and the Federal Bureau of Investigation. He also thanked law enforcement officials in Guernsey, the Channel Islands, for their extensive efforts in helping to obtain evidence that assisted in uncovering the massive tax fraud scheme. Mr. GARCIA also thanked the Department of Justice, Criminal Division, Office of International Affairs.

Assistant United States Attorneys STANLEY J. OKULA and BARBARA A. WARD are in charge of the prosecution.