NEWS

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FOR IMMEDIATE RELEASE
Sept. 24, 2007

Indiana Man admits $2.8 Million Bank Securities Fraud Conspiracy

(More)

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NEWARK – An Indiana businessman pleaded guilty today to conspiracy to commit securities fraud in connection with initial public offerings involving 23 mutual banks in New Jersey, Connecticut and across the country, U.S. Attorney Christopher J. Christie announced.

Mark Ristow, 62, a graduate of Harvard Business school and Indiana businessman, admitted that he organized a complex scheme to circumvent applicable federal and state banking regulations that require mutual banks to apportion shares issued in IPOs to depositors, restrict the maximum number of shares offered to such depositors, and prevent depositors from transferring their shares to other depositors.

A mutual bank is a bank owned by depositors. The depositors are entitled to have the opportunity to buy shares in a bank when it converts to a publicly traded company. By secretly and fraudulently amassing shares to which he was not entitled and selling them, Ristow and his co-conspirators defrauded eligible depositors and the banks of more than $2.8 million. Approximately that amount is being forfeited to the government by Ristow.

Ristow resides in Indianapolis, Ind.

In a parallel civil proceeding today, the Securities and Exchange Commission charged Ristow and two others with violating federal securities laws by fraudulently acquiring stock in 23 public offerings conducted by converting banks. The SEC complaint also charged that Ristow and the others realized more than $3.0 million in illegal profits from the sale of the fraudulently obtained shares.

Ristow admitted before U.S. District Judge Peter G. Sheridan that beginning in 1994 and continuing to about Feb. 13, 2007, he implemented a scheme to defraud various mutual savings banks, including, Provident Bank headquartered in Jersey City.

Ristow admitted that he directed at least two others to open depository accounts at Provident and other banks that he identified as likely to offer its depositors shares in IPOs. Upon announcement by Provident that they were offering shares to eligible depositors, Ristow directed others to complete stock purchase order forms that falsely represented that the others were purchasing the shares for their own accounts, when, in reality, they were purchasing the shares with Ristow's money for, in part, Ristow's benefit.

Ristow further admitted that he directed at least two others to sell the shares on the open market and wire the proceeds him.

The defendant pleaded guilty to one count of conspiracy to commit securities fraud, which carries a maximum penalty of five years in prison and a $250,000 fine.

Under the terms of his plea agreement, Ristow agreed to forfeit to the government more than $2.8 million representing the proceeds of his illegal activities. The government calculates Ristow's sentence under the advisory U.S. Sentencing Guidelines to be between 46 and 57 months. Judge Sheridan, however, has wide discretion in imposing sentence, and can impose a sentence within or outside of that range.

Judge Sheridan scheduled sentencing for Jan. 4. Ristow is free on $100,000 bond.

Christie credited Special Agents of the Internal Revenue Service Criminal Investigation Division, the Federal Deposit Insurance Corporation, the U.S. Postal Inspection Service, and the Federal Bureau of Investigation for their investigation of the securities fraud conspiracy case. Christie also credited the Securities and Exchange Commission for their participation in the investigation.

The case is being prosecuted by Assistant U.S. Attorney Karl H. Buch of the U.S. Attorney's Securities and Health Care Fraud Unit.

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Defense Counsel:
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