



*United States Attorney  
Southern District of New York*

**FOR IMMEDIATE RELEASE**  
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**MANHATTAN INVESTMENT ADVISER FOUND GUILTY**  
**IN \$11 MILLION PONZI SCHEME**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, announced that Manhattan investment adviser HAYIM REGENSBERG was found guilty today following a five-day jury trial before United States District Judge VICTOR MARRERO on securities and wire fraud charges stemming from an \$11 million investment fraud and Ponzi scheme.

As established by the evidence at trial:

REGENSBERG raised money from investors by representing he would invest their funds in one of two ways: by investing in foreign initial public offerings that would purportedly deliver returns of between approximately 5 percent and 15 percent, with little or no risk; and by lending invested funds to trading firms that would use the funds merely as collateral and that would purportedly return a high fixed annual rate of return of up to 18 percent, subject only to the low risk that a trading firm might collapse.

In fact, REGENSBERG made no such investments. Instead, REGENSBERG invested and lost large portions of investor money in highly speculative and risky trading, such as domestic options trading, completely unrelated to the investment strategies he represented he would employ. REGENSBERG also paid out to earlier investors monies he took in from later investors, thereby perpetrating a Ponzi scheme. REGENSBERG also diverted significant amounts of investor funds to himself and his relatives. Late in the course of the fraud scheme, when some investors demanded that REGENSBERG prove the location of their money, he provided a forged bank statement purporting to show he had approximately \$9 million of investor funds in his bank account. In fact, the account contained only approximately

\$9,000. REGENSBERG's scheme caused investor losses totaling more than \$11 million between 2004 and September 2007.

REGENSBERG was found guilty of two counts of securities fraud and seven counts of wire fraud. Each count carries a maximum sentence of 20 years in prison. On the securities fraud counts, REGENSBERG faces a fine of the greatest of \$5,000,000 or twice the gross gain or loss from the offense, and on each of the wire fraud counts he faces a fine of the greatest of \$250,000 or twice the gross gain or loss from the offense. He also faces mandatory restitution to the victims of his crimes.

REGENSBERG, 44, resides in Manhattan.

Mr. DASSIN praised the Criminal Investigators of the United States Attorney's Office for the Southern District of New York for their work in this case.

Assistant United States Attorneys MARC P. BERGER and JOAN M. LOUGHNANE are in charge of the prosecution.

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