



***United States Attorney
Southern District of New York***

**FOR IMMEDIATE RELEASE
AUGUST 14, 2009**

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**CHAIRMAN AND CEO OF MAYFAIR CAPITAL GROUP, LLC ARRESTED
ON SECURITIES FRAUD AND WIRE FRAUD CHARGES**

PREET BHARARA, the United States Attorney for the Southern District of New York, and JOSEPH F. DEMAREST, JR., the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced that STEPHEN R. GREEN, 45, of Locust Valley, New York, was arrested yesterday afternoon by agents of the FBI on securities fraud and wire fraud charges. According to the four-count Complaint filed today in Manhattan federal court:

GREEN, based on false representations to an institutional client ("Institution 1") that he would invest its funds in limited partnership vehicles, defrauded Institution 1 of approximately \$2.75 million. In late 2005, GREEN -- the Chairman and CEO of Mayfair Capital Group ("MCG"), which he managed in Manhattan -- represented to Institution 1 that he was starting Mayfair Group, an investment company that planned to invest in the hospitality industry, and more specifically restaurant franchises. In March 2006, Institution 1 invested approximately \$1 million in Mayfair Group. Next, in late 2007, GREEN represented to Institution 1 that another investor ("Investor 2") was prepared to invest \$18 million in Mayfair Group, and explained to Investor 1 that its stake would be diluted unless it invested an additional \$1 million. GREEN also provided Investor 1 with a Restated Agreement of Limited Partnership which falsely represented that the new investor had invested \$18 million with MCG. On November 20, 2007, Investor 1 transferred an additional \$1 million to MCG's bank account.

GREEN further solicited Institution 1 to invest in Mayfair India, a subsidiary of MCG purportedly formed solely to invest in Copal Partners L.P. ("Copal"). In 2006, GREEN

represented falsely to Institution 1 that he held warrants in Copal, a limited partnership with an ownership interest in a financial services research and analytic services business. He further represented that Copal would "go public" on the London Stock Exchange by the end of 2006, and that the warrants could be converted into shares of Copal provided that he could obtain \$2 million to finance the warrant-to-shares transaction. GREEN also asserted falsely that MCG would invest \$1 million, that GREEN would personally invest \$250,000, and that he was seeking a \$750,000 investment from Institution 1. In addition, GREEN provided Institution 1 with a private placement memorandum and limited partnership agreement that represented falsely that MCG and GREEN had invested these amounts. On August 7, 2006, Institution 1 invested approximately \$750,000 in Mayfair India, after which GREEN falsely represented to Institution 1 that it owned approximately a 7% equity interest in Copal, and that the investment had "doubled or trebled in value." Contrary to his representations, GREEN never made an investment in Copal on behalf of MCG, Mayfair India, himself or Institution 1, and no Copal shares were ever issued to GREEN, MCG, or any of its subsidiaries.

GREEN is expected to be presented today before United States Magistrate Judge FRANK MAAS in Manhattan federal court.

GREEN is charged with two counts of securities fraud and two counts of wire fraud. Each securities fraud count carries a maximum sentence of 20 years in prison and a maximum fine of \$5 million, or twice the gross gain or loss from the offense. Each wire fraud count carries a maximum sentence of 20 years in prison and a maximum fine of \$250,000, or twice the gross gain or loss from the offense.

Mr. BHARARA praised the investigative work of the FBI. He added that the investigation is continuing.

Assistant United States Attorney JULIAN J. MOORE is in charge of the prosecution.

The charges contained in the Complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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