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BROKERAGE PRESIDENT SENTENCED TO 9 YEARS FOR SECURITIES FRAUD AND EVIDENCE TAMPERING

MICHAEL J. GARCIA, United States Attorney for the Southern District of New York, announced today that DOMINIC ANTONUCCI, the president of Platinum Investment Corporation ("Platinum"), was sentenced on Friday, January 5, 2007, to 9 years in prison for his role in organizing two separate securities fraud schemes at Platinum and then attempting to destroy evidence once the United States Securities and Exchange Commission (the "SEC") began investigating the schemes. ANTONUCCI was sentenced by United States District Judge SHIRA A. SCHEINDLIN.

According to the charges, court submissions, and statements made in court:

Platinum's headquarters were located in Rochester, New York, with branch offices in Manhattan and Fort Lauderdale, Florida. ANTONUCCI orchestrated two separate schemes that defrauded Platinum customers of more than $2.5 million between August 2001 and July 2002. In the first scheme, Platinum sold more than $1.69 million worth of stock in a shell company called Platinum Investment Holding Corporation ("PIHC"). According to two offering memoranda distributed to investors, PIHC was raising funds to, among other things, acquire an equity stake in Platinum and other brokerage firms, and to provide additional funds for the research and development of a proprietary trading program called IntelliTrend XL that Platinum was developing. ANTONUCCI caused brokers to misrepresent -- among other false and misleading statements -- that an initial public offering for PIHC was imminent, and that following that supposed public offering the share price for PIHC would skyrocket and trade at many multiples of the initial offering price. In fact, the private placement of PIHC stock was unregistered and ANTONUCCI did not take any steps necessary for an initial public offering, such as retaining an underwriter or filing a prospectus with the SEC. In addition, the PIHC private placement memoranda falsely represented that no more than 10% of the proceeds of the offering would be used to pay commissions to Platinum brokers selling the stock. To induce

Platinum brokers to join the scheme, however, ANTONUCCI secretly paid bribes ranging from 20-40% of the proceeds from each sale.

The second fraudulent scheme involved New Focus Capital Partners ("New Focus"), a hedge fund operated by Platinum. Based on account statements sent to investors and representations made by Platinum brokers, New Focus purported to earn a monthly return on investment of 5-10%. Contrary to those representations, however, New Focus never earned those returns and, shortly after its start-up, steadily lost money each month it was operating. The losses in the New Focus fund were partly attributable to ANTONUCCI's routine misappropriation of New Focus proceeds to pay Platinum business expenses, including rent for Platinum's office space, the cost of computer trading monitors, and salaries. In addition, ANTONUCCI frequently authorized brokers to shift trading losses in their personal trading accounts--which were subaccounts under the main Platinum trading account--into the New Focus trading account. Brokers also directed Platinum's traders to cancel money-losing trades from their personal accounts and simply re-bill them to the New Focus account, further depressing the fund's actual performance. Brokers and traders at Platinum, acting at ANTONUCCI's direction, fabricated account statements that falsely reported consistently positive returns for investors. As a result of these inflated performance returns, Platinum raised approximately $790,000 for the New Focus fund.

When the SEC began investigating investor complaints and issued subpoenas to Platinum and several of its employees, ANTONUCCI directed Platinum's brokers to destroy incriminating evidence, including documents and other material that could expose their fraudulent conduct. Following ANTONUCCI's orders, the brokers did in fact destroy various internal records.

On May 19, 2005, ANTONUCCI pleaded guilty to a Criminal Information charging him with one count of securities fraud, one count of evidence tampering, and one count of conspiracy to commit securities fraud, wire fraud, and mail fraud.

ANTONUCCI, age 39 and a resident of Rochester, is the eighth defendant to be convicted and sentenced in the investigation, which resulted in the charging of nine former Platinum employees, all of whom pleaded guilty prior to trial. On September 13, 2005, MARCOS MARTINEZ, the branch manager for the Fort Lauderdale office, was sentenced to thirty-seven months' imprisonment. On September 27, 2005, ANDREW ANTONUCCI (DOMINIC ANTONUCCI's brother) was sentenced to fifty-seven months' imprisonment. On November 7, 2005, BRET STEINHART was sentenced to a year and a day in prison. On December 1, 2005, EUGENE CABRERA was sentenced to thirty months' imprisonment. On December 29, 2005, SEAN BEARD was sentenced to a year and a day in prison. On

January 17, 2006, RICHARD DEARCOP was sentenced to fifteen months' imprisonment. On February 15, 2006, STEPHEN BLOOD -- who cooperated with the Government -- was sentenced to six months' imprisonment. MATTHEW BEAULIEU is the only Platinum defendant remaining to be sentenced.

In addition to the 9 year prison sentence, Judge SCHEINDLIN also sentenced ANTONUCCI to three years' supervised release and ordered restitution in an amount to be determined. Judge SCHEINDLIN ordered that ANTONUCCI surrender to the Bureau of Prisons to begin serving his sentence within 60 days.

MR. GARCIA, a member of the President's Corporate Fraud Task Force, praised the investigative efforts of both the United States Postal Inspection Service and the SEC.

Assistant United States Attorney WILLIAM STELLMACH is in charge of the prosecution.

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