



*United States Attorney
Southern District of New York*

**FOR IMMEDIATE RELEASE
JANUARY 29, 2009**

**CONTACT: U.S. ATTORNEY'S OFFICE
YUSILL SCRIBNER
REBEKAH CARMICHAEL
JANICE OH
PUBLIC INFORMATION OFFICE
(212) 637-2600**

MARC DREIER INDICTED FOR INVESTMENT FRAUD

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, announced that MARC DREIER, the former Managing Partner of the New York law firm Dreier LLP, was indicted today on charges stemming from an alleged fraud against various investment funds and misappropriation of law firm client funds involving losses of more than \$400 million. According to the Indictment returned today in Manhattan federal court:

DREIER was the founder and managing partner of Dreier LLP, a law firm of more than 250 attorneys with its principal office in New York City and additional offices in Los Angeles and elsewhere in the country.

From approximately 2004 through December 2008, DREIER conspired to engage in securities and wire fraud involving (a) the sale of fake notes purportedly issued by a New York real estate developer; (b) the sale of fake notes purportedly issued by a Canadian pension plan and guaranteed by another Canadian company; (c) the sale of fake notes purportedly issued by the same Canadian company and guaranteed by the same Canadian pension plan; and (d) the embezzlement of Dreier LLP client funds. In furtherance of the various note-sale schemes DREIER, among other things, supplied purchasers or prospective purchasers with false documentation, including false financial statements, assignments and guarantees. In addition, DREIER also impersonated, or arranged for others to impersonate, representatives of the purported issuers and sellers in telephone conversations, e-mail exchanges and meetings, and to this end even gained unauthorized entry into the premises of the New York developer and the Canadian pension plan. DREIER also misappropriated funds from clients of Dreier LLP including, for example, money in an escrow account and funds obtained in the settlement of a client lawsuit. The total out-of-pocket losses suffered by purchasers of the various fake notes and by law firm clients whose funds were misappropriated exceed \$400 million.

The Indictment filed today charges DREIER with one count of conspiracy to commit securities and wire fraud; one count of securities fraud; and five counts of wire fraud. The Indictment also seeks forfeiture of the proceeds of the fraud offenses and property derived therefrom, including real estate, a yacht, and a number of works of art specified in the Indictment. The conspiracy count carries a maximum sentence of 5 years in prison and a maximum fine of the greater of \$250,000 or twice the gross gain or loss from the offense. The securities fraud count carries a maximum sentence of 20 years in prison and a fine of \$5 million. Each wire fraud count carries a maximum sentence of 20 years in prison and a fine of the greater of \$250,000 or twice the gross gain or loss from the offense.

DREIER, 58, who resides in New York, New York, has been detained since his arrest in this matter on December 7, 2008. The case has been assigned to United States District Judge JED S. RAKOFF.

Mr. DASSIN praised the work of the Criminal Investigators of the United States Attorney's Office and thanked the United States Securities and Exchange Commission for its assistance in the case.

Assistant United States Attorneys RAYMOND J. LOHIER, JONATHAN R. STREETER, and SHARON COHEN LEVIN are in charge of the prosecution.

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

09-014

###