



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

FOR IMMEDIATE RELEASE

March 17, 2009

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

**MARC DREIER CHARGED WITH MONEY LAUNDERING IN
SUPERSEDING INDICTMENT**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, announced the return today of a Superseding Indictment against MARC DREIER, the former Managing Partner of the New York law firm Dreier LLP. The Superseding Indictment contains new allegations concerning the total value of the fictitious promissory notes DREIER sold, and DREIER's laundering of money through his law firm. It also lists additional assets that the Government seeks to forfeit.

Specifically, the Superseding Indictment alleges that from 2004 through December 2008, DREIER sold approximately \$700 million worth of fictitious promissory notes. In order to carry out the fraud, DREIER directed victims to wire those funds into a Dreier LLP attorney trust bank account, from which he later disbursed the funds both to reap the benefits of the fraud and to continue its operation. The Superseding Indictment also contains new allegations about the manner in which DREIER sold the notes. According to the previous Indictment and the Superseding Indictment returned today in Manhattan federal court:

DREIER was the founder and managing partner of Dreier LLP, a law firm that, along with its affiliates, employed 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 note-sale scheme 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 directed his victims to wire funds into an attorney trust account at Dreier LLP, from which he disbursed those funds both to himself and to promote the fraud. 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. During the course of the scheme, DREIER sold more than \$700 million in fictitious promissory notes, for which he paid back a portion of the principal and interest. 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 Superseding Indictment filed today charges DREIER with one count of conspiracy to commit securities and wire fraud; one count of securities fraud; five counts of wire fraud; and one count of money laundering. The Superseding 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 Superseding Indictment. The money laundering count added today carries a maximum sentence of 20 years in prison and a fine of the greater of \$500,000 or twice the value of the property involved in the money laundering. DREIER faces a total maximum term of imprisonment of 145 years on all eight counts of the Superseding Indictment.

DREIER, 58, resides in New York, New York. He is scheduled to appear again before the Honorable JED S. RAKOFF at 10:00 am on March 19, 2009.

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 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.