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**CO-CONSPIRATOR TO MARC DREIER PLEADS GUILTY IN
MANHATTAN FEDERAL COURT TO SELLING
\$44.7 MILLION FICTITIOUS NOTE**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced today that ROBERT MILLER pleaded guilty to one count of conspiracy and one count of securities fraud stemming from his participation with MARC DREIER in the attempted sale of a \$44.7 million fictitious promissory note to two hedge funds.

According to the criminal Information filed today against MILLER, other publicly filed documents, and statements made during MILLER's plea proceeding:

From 2002 through 2008, MARC DREIER, the founder and managing partner of the law firm Dreier LLP, sold hundreds of millions worth of fictitious promissory notes to various hedge funds and individuals. As part of that scheme, in November 2008, DREIER offered to sell a New York-based hedge fund a promissory note with a face value of \$44.7 million. DREIER falsely claimed that the promissory note was held by a hedge fund located in Iceland, was guaranteed by a pension plan located in Canada, and was issued by a company in Canada. At about that same time, as part of his effort to sell the note, DREIER contacted MILLER and asked him to impersonate a representative of the Canadian pension plan during a telephone call with the New York hedge fund. DREIER offered to pay MILLER \$100,000, gave him an outline of the proposed transaction, a copy of the deal documents, the name of the person MILLER was to impersonate, a fictitious email address where that person could be contacted, an annual report of the Canadian issuer, and detailed notes of what MILLER was to say during the call.

The following day, at DREIER's offices, MILLER received a call from representatives of the hedge fund on a cell phone DREIER gave him with a Canadian area code and phone number. During that call, MILLER impersonated a representative of the

Canadian pension plan and discussed the guarantee that the pension plan had supposedly issued for the \$44.7 million note. Shortly thereafter, DREIER wired \$100,000 into MILLER's bank account.

On November 26, 2008, a representative of the hedge fund told DREIER that the fund was unlikely to complete the deal over the next several days. On that same day, DREIER contacted a second New York hedge and offered to sell it the same fictitious \$44.7 million note. When a representative of the second hedge fund asked to speak with someone from the Icelandic hedge fund supposedly selling the note, DREIER again contacted MILLER and asked him to impersonate a representative of that Icelandic fund. DREIER prepared MILLER for the call, had one of his assistants look up the weather in Reykjavik, Iceland, and gave MILLER a European cell phone on which to make the call.

On November 29, and December 1, 2008, at DREIER's offices, MILLER impersonated a representative of the Icelandic fund during two phone calls. MILLER falsely answered questions about the structure of the fund, its reasons for selling the note, and the documents underlying the transaction. After those calls, a representative of the second hedge fund told DREIER that to complete the transaction, a representative of the Canadian pension plan would need to sign documents authorizing the sale during a face-to-face meeting. On December 2, 2008, DREIER traveled to Toronto, Canada, impersonated a representative of the Canadian pension plan in a meeting with a representative of the second hedge fund, and forged the signature of a representative of the Pension Plan.

MILLER pleaded guilty today before United States Magistrate Judge RONALD L. ELLIS to one count of conspiracy and one count of securities fraud. His case is assigned to United States District Judge KIMBA M. WOOD, who has scheduled MILLER's sentencing for February 5, 2010.

MILLER, 52, of Englewood, New Jersey, faces a maximum sentence of 5 years in prison on the conspiracy charge and a maximum sentence of 20 years in prison on the securities fraud charge. The conspiracy charge carries a maximum fine of \$250,000 or twice the gross gain or loss from the offense, while the securities fraud charge carries a maximum fine of \$5 million or twice the gross gain or loss from the offense. MILLER agreed as part of his plea to forfeit the \$100,000 he received from DREIER as payment for his fraudulent activities.

Following a guilty plea, DREIER was sentenced in July to 20 years in prison by Judge JED S. RAKOFF, and ordered to pay \$389,144,929.95 in restitution and to forfeit \$746,460,000 in proceeds of his offense. Another individual, KOSTA KOVACHEV, pleaded guilty before Judge NAOMI REICE BUCHWALD on November 2, 2009, to conspiring with DREIER.

United States Attorney BHARARA stated: "Robert Miller was one of the cast of characters who played a part in Marc Dreier's fraud. Today, he has accepted responsibility for his crimes."

Mr. BHARARA 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 ANNA ARREOLA are in charge of the prosecution.

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