



**UNITED STATES ATTORNEY'S OFFICE**  
*Southern District of New York*



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**FORMER CHAIRMAN AND CEO OF WEST END FINANCIAL  
ADVISORS PLEADS GUILTY IN MANHATTAN FEDERAL COURT  
TO SECURITIES FRAUD**

Preet Bharara, the United States Attorney for the Southern District of New York, announced that WILLIAM LANDBERG, former Chairman and Chief Executive Officer (“CEO”) of West End Financial Advisors, LLC (“West End”), pled guilty today in Manhattan federal court to a one-count Information charging him with securities fraud in connection with an \$8.7 million investment scheme.

According to the Information filed today:

West End was a boutique financial services firm located in New York, New York, specializing in alternative investment opportunities and traditional asset management for various types of clients, including institutions and high net worth individuals. West End served as the investment manager for various partnerships it established as investment vehicles or investment funds and raised money for them through the sale of limited partnership interests. In addition to serving as West End's Chairman, CEO, and Manager, LANDBERG also served as the Chairman of Sentinel Investment Management Corporation (“Sentinel”), an investment adviser registered with the U.S. Securities and Exchange Commission (the “SEC”) that shared office space with West End.

Among the funds managed by West End was the West End/Mercury Short Term Mortgage Fund LP (the “Hard Money Fund”). According to a private placement memorandum issued to investors by the Hard Money Fund (the “Hard Money Fund PPM”), the objective of the Hard Money Fund was to “achieve short term, high-yield interest income through the making, servicing, purchasing, selling and repurchasing, and purchasing and selling participation in, mortgage loans” (the “Mortgage Loans”). According to the Hard Money Fund PPM, the Hard Money Fund would sell mortgage loans on particular properties to MCC Funding, Inc. (“MCC Funding”), a wholly owned subsidiary of the Hard Money Fund. MCC Funding would purchase the Mortgage Loans using capital contributions made to MCC Funding by Hard Money Fund investors, as well as principal and interest advances it received from the New York branch of West LB AG (“West LB”), a bank headquartered in Germany. In return, West LB would receive the Mortgage Loans as collateral for the fund advances.

The Hard Money Fund PPM specifically stated that MCC Funding would use the proceeds from West LB “only to purchase Mortgage Loans from the [Hard Money] Fund and to satisfy reserve and fee obligations under the Credit and Security Agreement.” Instead, and in furtherance of his scheme to defraud Hard Money Fund investors, from January 2009 to April 2009, LANDBERG obtained three loan advances from West LB totaling \$8.7 million – all purportedly for Hard Money Fund transactions – and diverted the funds to other uses, including for his own benefit. He also put some of the money into a separate fund managed by West End.

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LANDBERG, 59, of New York, New York, faces a maximum sentence of 20 years in prison and a maximum fine of \$5 million or twice the gross gain or gross loss from the offense. Pursuant to the plea agreement, LANDBERG also agreed to forfeit \$8.7 million, which is the amount he misappropriated during the scheme. LANDBERG is scheduled to be sentenced by U.S. District Judge Laura Taylor Swain on March 16, 2012, at 11:00 a.m.

Mr. Bharara praised the work of the Federal Bureau of Investigation and thanked the SEC for its assistance in the investigation.

This case was brought in coordination with President Barack Obama’s Financial Fraud Enforcement Task Force, on which Mr. Bharara serves as a Co-Chair of the Securities and Commodities Fraud Working Group. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

Assistant United States Attorneys Virginia Chavez Romano and Rebecca Ricigliano are in charge of the prosecution.