



*United States Attorney
Southern District of New York*

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**INVESTMENT FUND TRADER PLEADS GUILTY TO DEFRAUDING
INVESTORS OF OVER \$7 MILLION**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced today the guilty plea of BRET A. GREBOW, co-manager and trader of an investment fund known as HMC International LLC ("HMC"), for defrauding investors of more than \$7 million. GREBOW pleaded guilty before United States Magistrate Judge RONALD L. ELLIS to a one-count Superseding Information charging him with investment adviser fraud. According to the Complaint previously filed in the matter, the Information, and statements made during today's guilty plea proceedings:

GREBOW established HMC around 2001 to pool investor funds for the purpose of engaging in so-called "momentum trading" in the U.S. equity markets. GREBOW represented to investors that HMC achieved significant returns on investment, including purported returns of (a) 68% in 2001, (b) 70% in 2002, (c) in excess of 30% in 2003, and (d) in excess of 30% in 2004. In fact, HMC had no substantial returns during those periods, and no trading had taken place in HMC's main brokerage account after approximately March 2003. On the contrary, GREBOW operated HMC as a classic Ponzi scheme, using new investor funds to pay distributions and redemptions to existing investors.

GREBOW pleaded guilty to one count of investment adviser fraud, which carries a maximum term of imprisonment of five years, a maximum fine of the greatest of \$250,000, twice the pecuniary gain derived from the offense, or twice the pecuniary loss to persons other than the defendant resulting from the offense, and a maximum term of supervised release of three years.

GREBOW, 32, resides in Highland Beach, Florida.

GREBOW is scheduled to be sentenced before the Honorable United States District Judge BARBARA S. JONES on January 22, 2009.

Mr. GARCIA praised the work of the U.S. Postal Inspection Service and thanked the Securities and Exchange Commission for their assistance in the investigation of this case. The Criminal Investigators of the United States Attorney's Office also investigated the case. Mr. GARCIA said the investigation is continuing.

Assistant United States Attorney CHRISTOPHER L. GARCIA is in charge of the prosecution.

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