

The United States Attorney's Office

Southern District of Florida

Press Release

BUSINESS OPPORTUNITY SALESMAN SENTENCED TO PRISON IN DVD VENDING MACHINE SCAM

January 4, 2007

FOR IMMEDIATE RELEASE

R. Alexander Acosta, United States Attorney for the Southern District of Florida, and Henry Gutierrez, Inspector in Charge, Miami Division, United States Postal Inspection Service, announced today that a salesman was sentenced to nine years in prison for selling a fraudulent business opportunity involving DVD vending machines.

United States District Court Judge Jose E. Martinez on Thursday also ordered the defendant, **Edmond Grigorian**, to pay \$3.1 million in restitution to the victims.

Grigorian was a sales representative at American Entertainment Distributors, Inc. ("AED"), a company based in Hollywood, Florida, which fraudulently sold more than \$19 million of DVD vending machines to more than 400 consumers across the United States in 2003-2004. To sell the machines, AED used wildly exaggerated profit projections, falsely promised to secure good locations for the machines, falsely claimed that the machines were reliable and easy to use, exaggerated the company's longevity, and used phony references.

After a two-week trial in October 2006, a jury found Grigorian guilty of two counts of mail fraud, three counts of wire fraud, and one count of conspiracy.

The AED prosecution is part of a crackdown by the U.S. Attorney's Office, Department of Justice, Postal Inspection Service, and Federal Trade Commission on business opportunity fraud. "Business opportunities" are generally advertised on cable television commercials and classified newspaper ads as pre-packaged businesses in which the offering company will provide the buyer with a machine, a good location for the machine, technical support, and other assistance in operating the business. During the last two years, forty-six individuals have been convicted in the crackdown.

Grigorian is one of nine defendants who have been convicted in the AED prosecution, including two more defendants who are scheduled to be sentenced on Friday (1/5/07) morning by Judge Martinez. A tenth defendant fled the United States shortly after being indicted, and now is in custody in Costa Rica, awaiting extradition to the United States.

Mr. Acosta commended the investigative efforts of the United States Postal Inspection Service. This case is being prosecuted by Patrick Jasperse and Douglas Stearn, Trial Attorneys, United States Department of Justice, Office of Consumer Litigation.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.

Technical comments about this website can be e-mailed to the Webmaster. PLEASE NOTE: The United States Attorney's Office does not respond to non-technical inquiries made to this website. If you wish to make a request for information, you may contact our office at 305-961-9001, or you may send a written inquiry to the United States Attorney's Office, Southern District of Florida, 99 NE 4th Street, Miami, FL.

22122