



*United States Attorney
Southern District of New York*

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

**REFCO CFO PLEADS GUILTY
TO \$2.4 BILLION FRAUD**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced today the guilty plea of ROBERT C. TROSTEN, the former Chief Financial Officer of Refco, to a \$2.4 billion fraud. TROSTEN, 38, of Sarasota, Florida, pleaded guilty before United States District Judge NAOMI REICE BUCHWALD to five counts charged in the superseding indictment (the "Indictment") arising out of his role in the collapse of the former financial services company. According to the Indictment and statements made during today's guilty plea proceeding:

Refco was a large, Manhattan-based financial services company that offered securities, derivatives and commodities brokerage services to investors. From as early as the mid-1990s, Refco, which was then privately held, sustained hundreds of millions of dollars of losses through its own and its customers' trading. In order to hide the existence of those losses, TROSTEN and others transferred many of them to appear as a debt owed to Refco by Refco Group Holdings, Inc. ("RGHI"), the holding company that controlled Refco and was in turn controlled by Refco's former part-owner and Chief Executive Officer, PHILLIP R. BENNETT. BENNETT pleaded guilty last week to charges related to his role in the fraud.

To the same end, TROSTEN, Refco's former CEO, and others directed that losses suffered by certain Refco customers in connection with the Asian Debt Crisis of 1998 be transferred temporarily out of Refco to RGHI and then to one or more third parties not affiliated with Refco over Refco's fiscal year-end. The purpose of these transactions, which occurred over every fiscal year-end from February 28, 1998 through February 29, 2004, was to hide the existence of the related-party receivable, and the underlying causes of its existence, from auditors, banks,

investors and others.

In addition, TROSTEN and others caused the following expense-shifting and revenue-padding transactions, among others: approximately \$4.8 million of computer expenses moved out of Refco and into RGHI; and at least approximately \$34 million in proprietary trading losses suffered at Refco and transferred to RGHI.

In August 2004, Thomas H. Lee Partners, L.P., purchased a majority interest in Refco, financed by an approximately \$1.9 billion leveraged buyout transaction. In connection with that transaction, Refco sold approximately \$600 million of notes to the public and borrowed approximately \$800 million from a syndicate of banks. In August 2005, Refco conducted an initial public offering of approximately \$583 million of Refco's common stock.

On October 10, 2005, Refco issued a press release announcing, in substance, that it had discovered that it was owed a debt of approximately \$430 million by an entity controlled by Refco's former CEO. Following release of this information, the market price of Refco stock plummeted, and Refco's stock was subsequently delisted by the New York Stock Exchange. Refco Inc. and many of its subsidiaries filed petitions in bankruptcy on October 17, 2005.

TROSTEN pleaded guilty to charges of conspiracy, securities fraud, wire fraud, bank fraud, and money laundering. The following chart summarizes the charges to which TROSTEN pleaded guilty and the corresponding maximum penalties:

Count	Charge	Penalty
1	Conspiracy To Commit Securities Fraud, Wire Fraud, Bank Fraud, To Make Material Misstatements To Auditors, To Make False Filings With The SEC, And To Commit Money Laundering	5 yrs prison, fine of the greater of \$250,000 or twice the gross gain or loss from the offense, 3 yrs supervised release

2	Securities Fraud	20 yrs prison, fine of the greater of \$5 million or twice the gross gain or loss from the offense, 3 yrs supervised release
7	Wire Fraud	20 yrs prison fine of the greater of \$250,000 or twice the gross gain or loss from the offense, 3 yrs supervised release
15	Bank Fraud	30 yrs prison, fine of the greater of \$1,000,000 or twice the gross gain or loss from the offense, 5 yrs supervised release
17	Money Laundering	10 yrs prison, fine of the greater of \$250,000 or twice the gross gain or loss from the offense, 3 yrs supervised release

Mr. GARCIA, a member of the President's Corporate Fraud Task Force, praised the efforts of the United States Postal Inspection Service, and thanked the Securities and Exchange Commission and the Commodity Futures Trading Commission for their assistance in the investigation of this case. The Criminal Investigators of the United States Attorney's Office also investigated the case.

Assistant United States Attorneys NEIL M. BAROFSKY, CHRISTOPHER L. GARCIA and RUA KELLY are in charge of the prosecution.

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