



*United States Attorney
Southern District of New York*

**FOR IMMEDIATE RELEASE
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**FUND TRADER CHARGED WITH DEFRAUDING
INVESTORS OF \$5.8 MILLION**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced the arrest today of BRET A. GREBOW, co-manager and trader of an investment fund known as HMC International LLC ("HMC"), on a three-count Complaint filed in Manhattan federal court that charges GREBOW with defrauding investors of approximately \$5.8 million.

The Complaint alleges that GREBOW and his co-manager - a person not named in the Complaint - established HMC in or around 2001 to pool investor funds for the purpose of engaging in "momentum trading" in the U.S. equity markets. GREBOW and his co-manager are alleged to have represented to investors that they achieved significant returns on investment, including purported returns of (1) 68% in 2001, (2) 70% in 2002, (3) in excess of 30% in 2003, and (4) in excess of 30% in 2004. In fact, according to the Complaint, HMC had no substantial returns during that period, and no trading had taken place in HMC's main brokerage account since approximately March 2003.

In addition, the Complaint charges that GREBOW and his co-manager diverted approximately \$5.8 million of HMC investor's funds to their own personal use. The Complaint further alleges that GREBOW and his co-manager operated HMC as a "classic Ponzi scheme," using new investor funds to pay distributions and redemptions to existing investors.

GREBOW, 30, resides in New Rochelle, New York.

Mr. GARCIA praised the efforts of the U.S. Postal Inspection Service, and thanked the Securities and Exchange Commission for their assistance in the investigation of this case. He said the investigation is continuing.

Assistant United States Attorney LAWRENCE GERSCHWER is in charge of the prosecution.

The charges contained in the Complaint are merely

accusations, and the defendant is presumed innocent unless and until proven guilty.

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