



*United States Attorney
Southern District of New York*

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**PRESIDENT OF MANHATTAN INVESTMENT FIRMS SENTENCED TO
100 MONTHS IN PRISON FOR \$13 MILLION PONZI SCHEME**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, announced that HAYIM REGENSBURG, president of Manhattan investment firms, was sentenced today to 100 months in prison for operating a \$13 million investment fraud and Ponzi scheme. REGENSBURG was convicted on securities and wire fraud charges on April 3, 2009, following a five-day jury trial. United States District Judge VICTOR MARRERO imposed the sentence today in Manhattan federal court.

As established by the evidence at trial and statements made during today's sentencing proceeding:

From 2004 to September 2007, REGENSBURG raised money from investors by representing he would invest their funds in one of two ways: by investing in foreign initial public offerings that would purportedly deliver returns of between 5 percent and 15 percent, with little or no risk; and by lending invested funds to trading firms that would use the funds merely as collateral and that would purportedly return a high fixed annual rate of return of up to 18 percent, subject only to the low risk that a trading firm might collapse.

In fact, REGENSBURG made no such investments. Instead, he invested and lost large portions of investor money in highly speculative and risky trading, such as domestic options trading, completely unrelated to the investment strategies he represented he would employ; he also diverted significant amounts of investor funds to himself and his relatives. REGENSBURG also paid out to earlier investors monies he took in from later investors, thereby perpetrating a Ponzi scheme. Late in the course of his scheme, when some investors demanded that he prove where their money was located, REGENSBURG provided a forged bank statement purporting to show he had approximately \$9 million of investor funds in his

bank account. In fact, the account contained only approximately \$9,000. REGENSBERG's scheme caused investor losses totaling more than \$13 million between 2004 and September 2007.

REGENSBERG, 44, resides in Manhattan.

In addition to the prison term, Judge MARRERO ordered that REGENSBERG pay almost \$13.5 million in restitution to the victims of the crime.

Mr. DASSIN praised the Criminal Investigators of the United States Attorney's Office for the Southern District of New York for their work in this case.

Assistant United States Attorneys MARC P. BERGER and JOAN M. LOUGHNANE are in charge of the prosecution.

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