



*United States Attorney  
Southern District of New York*

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**FORMER OWNERS OF AMERINDO FOUND GUILTY  
OF MULTI-MILLION DOLLAR FRAUD**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced today that ALBERTO W. VILAR and GARY A. TANAKA, the former owners of Amerindo Investment Advisors, were convicted after a nine-week jury trial in Manhattan federal court on charges relating to a multi-million dollar scheme to defraud investors.

According to the evidence at trial:

Amerindo Investment Advisors was a financial services company that offered investment adviser services to institutional and private investors. Beginning in 1986, VILAR and TANAKA engaged in a fraudulent investment scheme involving three entities: Amerindo US; Amerindo UK; and Amerindo Panama; and encouraged many investors to invest funds in, among other things, a product known as the "Guaranteed Fixed Rate Deposit Account" ("GFRDA"). While doing so, VILAR and TANAKA represented to investors that the GFRDA would provide a fixed-rate of interest for a fixed-term, and that the majority of the GFRDA funds would be invested in high quality, short-term deposits, including United States Treasury bills and other safe debt securities. Based on these representations, numerous investors invested millions of dollars in GFRDAs. Contrary to these representations, VILAR and TANAKA invested all of the GFRDA investors' funds in risky, volatile high technology and biotechnology stocks. Following the "bursting" of the Internet bubble in the fall of 2000, VILAR and TANAKA were unable to repay GFRDA investors. As a consequence, several investors lost millions of dollars.

In June 2002, VILAR induced Lily Cates, a long-standing client of VILAR and TANAKA, to invest \$5 million in a purported Amerindo Small Business Investment Company ("SBIC"). Shortly

after, in order to meet personal and corporate obligations, VILAR and TANAKA misappropriated Ms. Cates' \$5 million investment. Specifically, VILAR and TANAKA transferred \$1 million to a personal bank account held by VILAR, and VILAR used that money for a variety of personal expenses including a \$540,000 charitable contribution to Vilar's college alma mater. VILAR and TANAKA used approximately \$650,000 to pay for various Amerindo U.S. business expenses; and, VILAR and TANAKA wired approximately \$2.85 million to an account in Luxembourg to repay a GFRDA investor, named Beulah Birrd, with whom VILAR and TANAKA had entered into a settlement agreement involving the repayment of her \$6 million investment in an Amerindo GFRDA.

In September 2003, TANAKA ordered his assistant to cut-and-paste the signature of Lily Cates from one document onto another document, in order to make it appear as if Ms. Cates had authorized the transfer of \$250,000 from her account into an account controlled by the defendants. The next day, TANAKA moved that money into one of VILAR's personal bank accounts. Further, in August 2004, VILAR and TANAKA stole an additional \$175,000 from Ms. Cates through an unauthorized wire transfer.

In May 2005, following Ms. Cates' earlier complaint to the Securities and Exchange Commission ("SEC") regarding VILAR and TANAKA's theft of her funds, VILAR sent a letter to the SEC falsely stating that VILAR and TANAKA did not own Amerindo's Panamanian subsidiary, and that Ms. Cates had never been a client of VILAR and TANAKA.

VILAR was convicted of all twelve of the counts with which he was charged: two counts of securities fraud; two counts of wire fraud; four counts of money laundering; investment adviser fraud; mail fraud; making false statements; and participating in a conspiracy to commit securities fraud, investment adviser fraud; wire fraud, mail fraud; and money laundering. TANAKA was convicted of three of the twelve counts with which he was charged: securities fraud; investment adviser fraud; and conspiring to commit securities fraud; investment adviser fraud; wire fraud; mail fraud; and money laundering.

VILAR faces the following maximum penalties:

Count (s)	Charge	Penalty
1	Conspiracy To Commit Securities Fraud, Investment Adviser Fraud, Wire Fraud, Mail Fraud, And Money Laundering	5 yrs in prison, \$250,000 fine or twice the gross gain or loss from the offense, 3 yrs supervised release

2 and 3	Securities Fraud	20 yrs in prison, \$5 million fine or twice the gross gain or loss from the offense, 3 yrs supervised release
4	Investment Adviser Fraud	5 yrs in prison, \$10,000 fine, 3 yrs supervised release
5	Mail Fraud	20 yrs in prison, \$250,000 fine or twice the gross gain or loss from the offense, 3 yrs supervised release
6 and 7	Wire Fraud	20 yrs in prison, \$250,000 fine or twice the gross gain or loss from the offense, 3 yrs supervised release
8-11	Money Laundering	10 yrs in prison, \$250,000 fine or twice the gross gain or loss from the offense, 3 yrs supervised release,
12	False Statements	5 yrs in prison, \$250,000 fine, 3 yrs supervised release

TANAKA faces the following maximum penalties:

Count (s)	Charge	Penalty
1	Conspiracy To Commit Securities Fraud, Investment Adviser Fraud, Wire Fraud, Mail Fraud, And Money Laundering	5 yrs in prison, \$250,000 fine or twice the gross gain or loss from the offense, 3 yrs supervised release
3	Securities Fraud	20 yrs in prison, \$5 million fine or twice the gross gain or loss from the offense, 3 yrs supervised release

4	Investment Adviser Fraud	5 yrs in prison, \$10,000 fine, 3 yrs supervised release
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VILAR, 68, resides in New York City. TANAKA, 65, resides outside London in the United Kingdom.

Mr. GARCIA, a member of the President's Corporate Fraud Task Force, praised the work of the United States Postal Inspection Service, the International Assistance Unit of the United Kingdom Metropolitan Police in London, the Public Ministry of the Republic of Panama, and thanked the SEC for their assistance in the investigation of this case.

VILAR and TANAKA are scheduled to appear for a bail hearing on November 26, 2008 before United States District Judge RICHARD SULLIVAN, who presided over the trial. No sentencing date has been set.

Assistant United States Attorneys MARC LITT, JOSHUA KLEIN, and BENJAMIN NAFTALIS are in charge of the prosecution.

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