



*United States Attorney
Southern District of New York*

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**MANHATTAN U.S. ATTORNEY CHARGES OPERATOR
OF BROOKLYN HEIGHTS MOVIE THEATER
WITH INVESTMENT SCHEME**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced today that NORMAN ADIE, the operator of the Brooklyn Heights Cinema, was arrested and charged with securities fraud and wire fraud, in connection with a scheme to obtain money from movie theater investors by falsely claiming that the money would be used for movie theaters and other specified purposes.

According to the Complaint unsealed today in Manhattan federal court:

NORMAN ADIE was the Managing Member of Heights Cinema, LLC, the Managing Member of Brooklyn Arts Cinemas, LLC, and the Managing Member of Westfall Cinema, LLC, (collectively, the "Adie Companies"). From 2007 to the present, ADIE solicited more than \$530,000 from various investors and creditors on the false representations that he would use the investors' money to develop and operate the Adie Companies. Specifically, ADIE promised investors that, among other things, their investments would be used in connection with real estate development for certain of the Adie Companies, and ADIE promised certain investors regular payments in return for their investments. In truth and in fact, however, ADIE misappropriated hundreds of thousands of dollars of investor funds and used investor funds to pay the operating costs of businesses other than those in which the investor invested, as well as for ADIE's own purposes.

ADIE, 53, of Manhattan, is charged with two counts of securities fraud and two counts of wire fraud. He faces a statutory maximum sentence of 80 years in prison on all counts: 20 years on each of Counts One and Two (Securities fraud); and 20 years on each of Counts Three and Four (Wire fraud). ADIE also

faces a fine on Counts One and Two of the greater of \$5 million, or twice the gross gain or gross loss from the offense, and on Counts Three and Four of the greater of \$250,000, or twice the gross gain or gross loss from the offense.

ADIE was arrested today and was presented in Manhattan federal court before U.S. Magistrate Judge THEODORE KATZ.

Mr. BHARARA praised the work of the Criminal Investigators of the U.S. Attorney's Office for the Southern District of New York.

This case was brought in coordination with President BARACK OBAMA's Financial Fraud Enforcement Task Force, on which Mr. BHARARA serves as a Co-Chair of the Securities and Commodities Fraud Working Group. President OBAMA established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

Assistant U.S. Attorneys JILLIAN BERMAN and BRIAN JACOBS are 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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