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FOR IMMEDIATE RELEASE  
SEPTEMBER 29, 2006

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U.S. CHARGES ELEVEN MEN IN \$6.5 MILLION FOREIGN  
EXCHANGE "BOILER ROOM" FRAUD

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York and MARK J. MERSHON, the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced today the arrests of seven men and the unsealing of an Indictment charging 11 defendants with wire fraud, mail fraud, and conspiracy to commit wire and mail fraud, in a scheme that resulted in losses of more than \$6.5 million to more than 200 investors. Seven of the defendants were arrested this morning and are scheduled to be arraigned today before United States Magistrate Judge Henry Pitman. An eighth defendant, ALEXANDER DZEDETS, a/k/a "Sasha Dzedets," was recently arrested in Croatia, and the Government intends to seek his extradition to New York to face the charges.

The 28-count Indictment arises from the 11 defendants' work at a fraudulent foreign currency exchange ("forex") firm called Holston, Young, Parker & Associates ("Holston"), which operated in 2002 and 2003 from an office on William Street in Manhattan. According to the Indictment, BORIS SHUSTER, a/k/a "Robert Shuster," ALEXANDER DZEDETS, a/k/a "Sasha Dzedets," and VICTOR ALTMAN operated and managed Holston as a boiler room, where the employees lied to investors and prospective investors over the phone, and used high pressure sales techniques to solicit investments in Holston's purported foreign currency trading program. The defendants lied about the use to which the invested funds would be put, used false names when they telephoned potential investors throughout the United States, lied about their experience in the industry, lied about the company's history and success generating profits for clients, and lied

about their own client-base, it was charged. For example, according to the Indictment, one Holston employee falsely claimed to have celebrities and CEOs of Fortune 500 companies as his clients when, in fact, there were no such clients. The Indictment also alleged that almost all of the employees were given the title "Senior Vice-President," regardless of actual training or experience, to create the false impression that the investors were speaking with high-level, experienced employees.

According to the Indictment, funds raised from the investors through use of the false and misleading sales pitches and marketing materials were not used to make investments in the forex market, but were instead diverted to bank accounts in Cyprus and Russia, and misappropriated. It was further charged, that more than 200 victim-investors were defrauded of approximately \$6.5 million.

The Indictment charges one count of conspiracy to commit wire and mail fraud, 14 counts of wire fraud, and 13 counts of mail fraud. The defendants face a maximum sentence of 20 years in prison and a \$250,000 fine on each of the wire fraud and mail fraud counts, and a maximum sentence of 5 years in prison and a \$250,000 fine on the conspiracy count.

BORIS SHUSTER, a/k/a "Robert Shuster," 34, resides in Forest Hills, Queens.

ALEXANDER DZEDETS, a/k/a "Sasha Dzedets," 31, resides in Canada.

VICTOR ALTMAN, 38, resides in Brooklyn, New York.

VINCENT C. ARMATO, 24, resides in Staten Island, New York.

IGOR G. KOMET, a/k/a "Gary Komet," 31, resides in Brooklyn, New York.

ADAM LICHTENBAUM, 25, resides in Forest Hills, Queens.

DAVID LOZOVSKY, 30, resides in Forest Hills, Queens.

LARRY SHUSTER, 24, resides in Forest Hills, Queens.

EDWARD SHAROV, 24, resides in Brooklyn, New York.

BORIS TAGER, a/k/a "Bobby Tager," a/k/a "Robert Tanner," 34, resides in Brooklyn, New York.

PETER TORRALES, JR., 28, resides in Staten Island, New

York.

Mr. GARCIA praised the work of the Commodities and Futures Trading Commission ("CFTC") and the Federal Bureau of Investigation. He said the investigation is continuing.

Assistant United States Attorney STEVEN D. FELDMAN is in charge of the prosecution.

The charges contained in the indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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