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BARRY MINKOW SENTENCED TO FIVE YEARS' IMPRISONMENT ON STOCK MANIPULATION CONSPIRACY

FOR IMMEDIATE RELEASE

July 21, 2011

Wifredo A. Ferrer, United States Attorney for the Southern District of Florida, and John V. Gillies, Special Agent in Charge, Federal Bureau of Investigation (FBI), Miami Field Office, announced that defendant **Barry Minkow**, 44, of San Diego, California, was sentenced today on one count of conspiracy to commit securities fraud, in violation of Title 18, United States Code, Section 371, for his participation in a scheme to manipulate the stock price of Lennar Corporation (Lennar) through false and misleading statements about Lennar's business operations and management. At today's hearing, U.S. District Court Judge Patricia A. Seitz sentenced Minkow to five years in prison, to be followed by three years of supervised release. In addition, the Court ordered Minkow to pay \$583,573,600 in restitution.

According to documents filed with the court, Minkow operated Fraud Discovery Institute, a for profit fraud investigation firm based in California. In this way, Minkow developed ties with federal law enforcement agencies as a purported fraud-finder. During his plea hearing, Minkow admitted making false and misleading statements alleging wide-spread improprieties in Lennar's financial reporting and business structure, and attacking the personal character of Lennar's management.

According to court documents, Minkow was hired to put economic pressure on Lennar to pay money demanded by a business partner in a prior land deal. To this end, beginning in January 2009, Minkow used the Internet, press releases, e-mail communications, Youtube.com videos, and the U.S. mail to broadcast false and misleading statements about Lennar, with the intent of artificially depressing Lennar's stock price. Minkow then used his relationship with federal law enforcement agencies to report false allegations of criminal conduct purportedly committed by Lennar and its management. Once Minkow confirmed that his allegations had successfully induced law enforcement to open a criminal investigation, Minkow used that knowledge and information to trade Lennar securities for his own benefit.

Mr. Ferrer commended the investigative efforts of the FBI and the cooperative efforts of the Miami Regional Office and the Washington DC Office of the Securities and Exchange Commission. This case is being handled by Assistant United States Attorney Cristina Perez Soto.

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A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.

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