

**U.S. Department of Justice**

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PRESS RELEASE

United States Attorney P. Michael Patterson, Northern District of Florida, announced today that a jury in Pensacola, Florida, convicted William Harry West of Niceville, Florida, Kenneth Brian Cobb of Phoenix, Arizona, David M. Bishara of New York, New York, Melody L. Rose of Memphis, Tennessee, Phillip L. Nesmith of Phoenix, Arizona, and Jeffrey A. Matz of Phoenix, Arizona for their roles in a world-wide Ponzi scheme based in Bluewater Bay, Florida. Each were convicted of conspiracy to commit wire fraud, securities fraud and money laundering. West, Bishara and Rose were also convicted of several counts of money laundering as charged in the indictment.

The trial began on March 5, 2001, and lasted six weeks. Federal District Court Judge Lacey Collier presided over the trial in Pensacola.

The defendants created and operated three bogus trading programs called Hammersmith Trust, Microfund and Luxor Capital Markets, which purported to offer high yield, no risk opportunities for high dollar investors. The defendants swindled over \$64 million from investors world-wide from 1996 through early 1999. West and Cobb ran the operation from an office in Bluewater Bay, Florida, through a company called Bridgeport Alliance. Bishara and Rose also ran an offshore banking business called Continental Management, located next door to Bridgeport. Bishara operated an offshore "bank" called AMPAC, which the defendants used to launder stolen funds offshore and away from the investors and regulators.

Nesmith and Matz sold interests in Hammersmith Trust through misrepresentations to investors of the safety and legitimacy of the program.

B. David Gilliland, originally indicted with the defendants, pled guilty on August 21, 2000, and is awaiting sentencing.

The jury acquitted two Memphis attorneys, David Johnson and Mark D. Talley.

Michael Patterson commended the cooperative efforts of United States Customs, the Florida Department of Banking and Finance, the Federal Bureau of Investigation, the Internal Revenue Service, and the Arizona Corporation Commission, which led to the convictions of seven people responsible for the fraudulent scheme.

Sentencing is scheduled for June 26, 2001, at 9:00 a.m. before District Court Judge Lacey Collier.