

MSF NEWS ALERT

Hedge Fund Owner's Sentence Reversed on Appeal and Restitution Judgment Reduced from \$19 Million to \$0

Today, the United States Court of Appeals for the Second Circuit issued a sweeping rejection of the sentence imposed on MSF's client, Murray Huberfeld, former partner and co-owner of the Platinum Partners hedge fund.

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The Second Circuit vacated the judgment against Mr. Huberfeld and reversed the \$19 million restitution judgment entered by the federal district court. Mr. Huberfeld will be re-sentenced in the district court under strict guidance by the Second Circuit to adhere to much lower advisory Sentencing Guidelines. Also, stunningly, the Second Circuit wiped out the entire \$19 million restitution judgment entered against Mr. Huberfeld. The Court ruled that the labor union to whom the district court mandated payment was not a "victim" of Mr. Huberfeld's conduct under the Mandatory Victims Restitution Act. Mr. Huberfeld was represented by MSF partners Henry E. Mazurek and Evan L. Lipton at trial in the United States District Court for the Southern District of New York. That case resulted in a mistrial due to a hung jury. Before retrial, MSF partners Mazurek and Lipton negotiated a plea to a lesser fraud offense involving a loss amount of \$60,000, with

Guidelines of 6-12 months imprisonment and no restitution. The District Court later ignored the plea agreement and sentenced Mr. Huberfeld to 30 months and ordered him to pay \$19 million to the NYC Corrections Officers labor union. The decision by the Second Circuit today was a complete rebuke of the District Court's actions and returned Mr. Huberfeld to his original position at the time of his plea agreement with the government.

MSF assisted attorneys at Paul Weiss Riffkind Wharton & Garrison LLP in Mr. Huberfeld's appeal to the United States Court of Appeals for the Second Circuit. MSF will continue to represent Mr. Huberfeld in remanded proceedings in the Southern District of New York. Congratulations to Henry E. Mazurek and Evan L. Lipton in their successes in this groundbreaking "white collar" federal litigation.

For more information or if you have any questions about these new developments, please contact a member of our MSF Criminal Defense Team.



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