



Department of Justice

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INVESTMENT MANAGER KIRK WRIGHT INDICTED, REMAINS DETAINED

Atlanta, GA - A federal grand jury today returned an indictment charging KIRK SEAN WRIGHT, 35, of Marietta, Georgia with mail fraud. WRIGHT, who had been the subject of a search by federal law enforcement, was also charged in a criminal complaint issued by a U.S. Magistrate Judge on March 10, 2006, relating to the collapse of investment funds operated by WRIGHT's companies, International Management Associates ("IMA") and International Management Associates Advisory Group ("IMAAG").

Law enforcement authorities arrested WRIGHT on May 17, 2006 in Miami, Florida and he is in custody of the United States Marshals Service. On May 23, a federal magistrate in Miami initially ruled that WRIGHT be eligible for release if he posted a \$1 million corporate surety bond, among other conditions. The United States Attorney's Office in Atlanta immediately appealed that possible release on bond. (NEWS MEDIA NOTE: an electronic copy of the government's motion is attached and below.) Yesterday U.S. District Court Judge Beverly Martin in Atlanta issued an order staying WRIGHT's possible release pending resolution of the appeal.

United States Attorney David E. Nahmias said, "Today's indictment is the next step in the case against Kirk Wright. We are seeking to have Wright detained pending trial because we firmly believe he is a significant flight risk and a danger to the community. We also continue to investigate all issues relating to the collapse of IMA and IMAAG and identify any other potential victims and witnesses in this case."

According to the indictment and other documents that have been filed in this case: WRIGHT was a principal owner of IMA and IMAAG, in Atlanta, Georgia. IMA and IMAAG operated a series of pooled investment funds, or "hedge funds," for various investors. WRIGHT allegedly retained principal if not sole authority for trading and investing at IMA/IMAAG.

In late 2005, WRIGHT allegedly represented to several clients that IMA/IMAAG had over \$150 million under management, in the custody of the brokerage firm Ameritrade, Inc. WRIGHT repeated these representations to staff of the United States

Securities and Exchange Commission (“SEC”) in 2006. In its most recent filings with the SEC, in 2006, IMA/IMAAG also purported to have over \$180 million in client funds under management. Throughout 2005, IMA/IMAAG sent quarterly statements to its investors purporting to show they were receiving positive investment returns, and in some cases had millions of dollars in their accounts.

When in September 2005, some investors expressed concerns about the integrity of their funds, WRIGHT allegedly displayed copies of what appeared to be Ameritrade statements, dated in or about August 2005. These documents purported to show that IMA/IMAAG had over \$150 million invested.

WRIGHT’s claims to his investors and the SEC are alleged to have been lies. The supposed Ameritrade statements were fabricated, reflecting accounts that did not exist, and balances more than 1,000 times the actual value of IMA/IMAAG’s accounts.

Specifically, Ameritrade had only two accounts associated with IMA/IMAAG from at least August 2005 through March 2006, which, in total, contained less than \$150,000. As for the statements allegedly displayed by WRIGHT, three of the four accounts did not exist, and the fourth pertained to an account unaffiliated with WRIGHT, IMA or IMAAG. The statements also contained a false address and telephone number for Ameritrade. Searches conducted by Ameritrade revealed no other active accounts for IMA/IMAAG.

The indictment charges mail fraud, executed via the mailing of a set of false asset statements to an IMA investor in September, 2006. The charge carries a maximum sentence of 20 years in prison and a fine of up to \$250,000. The investigation is continuing.

The case is being investigated by special agents of the FBI and the Internal Revenue Service-Criminal Investigation.

Assistant United States Attorneys Justin S. Anand and Paul N. Monnin, and Trial Attorney Rina C. Tucker Harris from the U.S. Department of Justice, are prosecuting the case.

Members of the public are reminded that the indictment contains only allegations. A defendant is presumed innocent of the charges. It will be the government's burden to establish to prove his guilt beyond a reasonable doubt at trial.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney or F. Gentry Shelnett, Chief, Criminal Division, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The

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