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Contact: Laura S. Scharf
216.861.6616
lscharf@bakerlaw.com
or
Tracy Hager
202.861.1601
thager@bakerlaw.com

PRESS RELEASE OF JOHN J. CARNEY, RECEIVER

RECEIVER SECURES ORDER FREEZING ASSETS, FOR ACCOUNTING AND OTHER RELIEF, INCLUDING RETURN OF A MERCEDES-BENZ, AGAINST FRANCISCO ILLARRAMENDI

New Haven, CT, August 9, 2012 – Granting the motion brought by John J. Carney, Receiver for the Michael Kenwood Group, LLC, the United States District Court for the District of Connecticut ordered Francisco Illarramendi and his wife Maria Josephina Gonzalez-Miranda to freeze and turn over to the Receivership Estate approximately \$637,000 that was received by Illarramendi from a State of Connecticut tax refund.

According to the motion filed by the Receiver, "Illarramendi applied for and received a tax refund of \$637,576 from the State of Connecticut for the year 2010, where the taxes had been paid with money that Illarramendi had taken from Receivership Entities." Illarramendi then used the money "to discharge a lien on a Mercedes-Benz, to make gifts and/or loans to family and friends, and to pay a lawyer to defend him and his wife in a civil suit brought by the Receiver." The court filing also alleges that Illarramendi used the ill-gotten funds "to live lavishly while on bond awaiting sentencing and while availing himself of the services of a court paid criminal attorney."

"We are pleased that we were successful in securing the return of the \$637,000 tax refund for the benefit of the investors and the other victims of this fraud. We will continue to diligently pursue other assets that properly belong to the victims of this multi-year fraud," noted Carney.

Since being appointed, the Receiver has filed actions against more than 34 individuals and entities seeking to recover assets in excess of \$680 million. In July, the Receiver settled with telecommunications company Movilway for more than \$5 million, the full amount sought in the complaint against that company.

More information on the Receiver's recovery efforts can be found at <http://michaelkenwoodgroupreceivership.com/>

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