

Dealscape

Dreier disclosures deadline set

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Published May 6, 2009 at 10:32 AM



Three judges overseeing the legal proceedings related to disgraced lawyer Marc S. Dreier have set a May 8 deadline for the Securities and Exchange Commission and U.S. Attorney's Office to reveal information regarding a global settlement that would resolve outstanding bankruptcy and forfeiture issues.

Two judges from the U.S. District Court for the Southern District of New York, Miriam Goldman Cedarbaum and Jed S. Rakoff, and bankruptcy judge, Stuart M. Bernstein, of the same district, issued a joint order on Monday demanding that the agencies of the federal government that are prosecuting Dreier's cases pick up the pace regarding outstanding bankruptcy and forfeiture issues.

Just what are those issues? Prosecutors on Dreier's civil and criminal cases have demanded that he hand over more than \$700 million -- the amount of proceeds he received for his alleged fraudulent activity. In addition, the government wants to seize several luxury yachts and cars, bank accounts and real estate properties that can be linked to Dreier's fraud offenses, court documents filed with the U.S. District Court in Manhattan indicated.

Uncertainty remains, however, over whether Chapter 11 trustee, Sheila Gowan, overseeing the bankruptcy of Dreier's ill-fated law firm, Dreier LLP, is empowered to conduct an auction of the very assets that the feds are trying to recapture from Dreier. It's this dilemma that the global resolution between the agencies and the trustee would help resolve.

Gowan has already overseen the auction of Dreier LLP's office and designer furniture for the benefit of creditors on March 26. Now she will auction off three of Marc Dreier's real estate properties, including a luxury Manhattan condominium, in June through auctioneer David R. Maltz & Co.

It was Gowan, who was appointed trustee of the law firm's bankruptcy on Dec. 30, that put Dreier himself into Chapter 7 involuntarily on Jan. 26. - *Carolyn Okomo*

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