

[ABA Journal - Law News Now](#)

**ABAJOURNAL**  
Law News Now

**FREE Daily Newsletters**

ABAJOURNAL  
Subscribe

[Home](#) » [News](#) » Proskauer Lawyer Raised 'Red Flag' in Billionaire Probe

Legal Ethics

## Proskauer Lawyer Raised 'Red Flag' in Billionaire Probe

Posted Feb 18, 2009, 06:08 am CST

By [Debra Cassens Weiss](#)

The Securities and Exchange Commission accused a Texas investment manager in an \$8 billion fraud just days after his lawyer raised a red flag by disaffirming everything he had told authorities.

The [civil complaint by the SEC claims](#) billionaire Robert Allen Stanford and businesses he controlled sold \$8 billion in certificates of deposit based on unsubstantiated claims that the CDs had been generating double-digit annual returns since 1995. The complaint also claims investors were misled about how their money was invested.

The lawyer, identified by [Bloomberg News](#) as [Thomas Sjoblom](#) at Proskauer Rose in Washington, D.C., represented the Antigua affiliate of Stanford's investment advisory firm. Sjoblom disavowed everything he told authorities as Stanford ignored subpoenas seeking to account for the \$8 billion in depositor money, the story says.

Peter Henning, a criminal and securities law professor at Wayne State, told Bloomberg that the withdrawal "is a massive red flag" that "screams fraud."

"If the SEC hadn't turned up the heat by that point, it did then," Henning told the wire service. Sjoblom joined Proskauer Rose in 1999 after working 20 years for the SEC, according to [Times Online](#).

A separate story by [Bloomberg](#) highlights a different legal problem for Stanford. Stanford University filed a trademark infringement suit last year that claimed Stanford Financial Group Co. was capitalizing on the school's name, the story says. A hearing in the case is set for March 20.

---

Copyright 2009 American Bar Association. All rights reserved.