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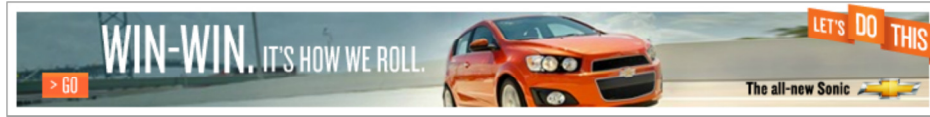
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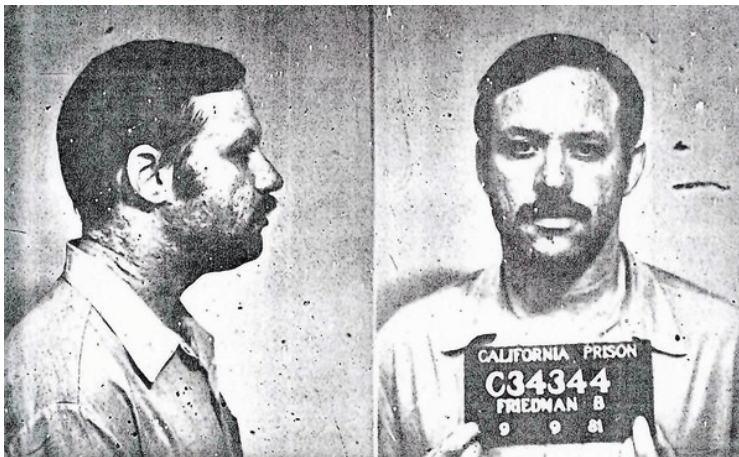
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Investors await extradition of fraud suspect Bruce Fred Friedman

Southern California investors in Bruce Fred Friedman's alleged Ponzi scheme wonder when he will be extradited to the U.S. to stand trial, more than a year after his arrest by French police.

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Bruce Fred Friedman spent two years in prison in the 1980s after stealing from his employer, a company now called Avery Dennison Corp. Now, he remains jailed in France, after a federal grand jury in Los Angeles indicted him on 23 charges related to an alleged Ponzi scheme involving real-estate loans. Friedman has opposed efforts to stand trial in Los Angeles for more than 13 months. (California Department of Corrections and / June 9, 2010)

By Stuart Pfeifer, Los Angeles Times
December 22, 2011

Investors cheered when they learned French police had arrested accused Southern California con man Bruce Fred Friedman in the seaside resort town of Cannes.

But more than one year later, Friedman remains in France and the hundreds of investors in his alleged Ponzi scheme — authorities pegged it at \$228 million — are beginning to wonder whether they'll ever see him in a U.S. courtroom.

For more than 13 months, Friedman has opposed efforts to stand trial in Los Angeles. French courts have authorized his extradition to the United States, but the matter now awaits a final decision by the French government, said Thom Mrozek, a spokesman for the U.S. attorney's office in Los Angeles. No decision is expected until next year.

Mrozek provided few details about Friedman's incarceration in France. A spokesman for the French Ministry of Justice did not respond to an email seeking comment. U.S. officials in Paris confirmed that Friedman is jailed in Cannes, but declined to release further details.

"The judicial extradition process is done. The matter now resides with the French government," Mrozek said.

Friedman, 61, persuaded investors from across the United States to invest in a private investment

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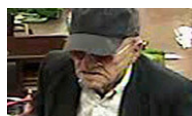
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Floyd Mayweather Jr.

fund he operated out of stylish office space in Sherman Oaks from 2004 until 2009, when the Securities and Exchange Commission got a judge to shut down his company.

Along the way, Friedman snapped up a fleet of luxury cars, expensive jewelry and artwork and won praise for his philanthropy. He donated so much money to the Los Angeles Dodgers' charity that the team invited him to throw out a ceremonial pitch before more than 115,000 fans at the Los Angeles Memorial Coliseum in 2008.

The praise didn't last long.

In September 2010, French police, acting at the request of U.S. authorities, arrested Friedman outside his hotel in Cannes, pending extradition to the United States. A federal grand jury in Los Angeles indicted Friedman on 23 charges related to an alleged Ponzi scheme involving real estate loans. The charges carry a possible maximum sentence of 390 years in federal prison.

Several of Friedman's former clients said they hold little hope of recovering their investments so watching Friedman held accountable in criminal court is about all they have. The extradition delay has been aggravating, they said.

"I want him to go to the worst jail he could go to for the rest of his life," said Patricia Hank, a Calabasas resident who invested her \$300,000 retirement account with Friedman and fears she has lost it all. "He doesn't want to come back. Would you want to come back if you've done what he's done?"

Some investors speculated that Friedman may want to stay in France because the conditions there are better than he would face in the United States.

"I think he should come here and face the music," investor Maria Pimentel said. "I think that's why he's fighting, because he has it better there."

That may not be the case. A 2006 report by the Council of Europe's human rights commissioner described conditions in some French prisons as overcrowded, unsanitary and "on the borderline of human dignity."

Friedman could not be reached for comment. Richard Drooyan, a Los Angeles attorney who represented Friedman in a civil case brought by the SEC, said he knows little about Friedman's legal battle in France, only that Friedman remains in custody.

Prosecutors have accused Friedman of falsely claiming his firm, Diversified Lending Group, made significant profit by leasing apartments and making real estate loans. He offered "guaranteed" returns of up to 12% annually and said some investments were insured.

But he didn't own the investment properties he claimed and used money from later investors to pay returns to early investors, prosecutors said.

He also spent millions of dollars on luxuries for himself, friends and family, according to the indictment. Among the items he is accused of purchasing with stolen money: a \$245,000 Bentley automobile, a \$100,000 Lexus and an \$89,000 Mercedes-Benz.

Investors described Friedman's sales pitch as believable. The returns were not astronomical enough to raise a red flag, they said.

The deal sounded good enough that dozens of investors moved their retirement funds to Diversified Lending Group and took out loans against their homes to invest, pocketing returns each month until the checks suddenly stopped arriving.

The first sign of trouble came in December 2008, when Friedman sent a letter to investors, acknowledging for the first time that he had been imprisoned in the 1980s after stealing from his employer, a company now called Avery Dennison Corp.

It all caught investors such as Pimentel by surprise. She had met with Friedman in person before investing and became convinced he was trustworthy.

Hank said she was pleased when she learned of Friedman's arrest, but has grown worried as the months pass with no word of when, or if, he'll be brought back to Los Angeles.

"I thought he would automatically be brought back here and stand trial," she said. "I would just like to look him in the face and give him a piece of my mind."

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Special correspondent Kim Willsher in Paris contributed to this report.

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