

Newsday

Dozens Claim They Lost \$11M In Dead Lawyer's Ponzi Scam

By Anthony M. Destefano and Michael Amon

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More than three dozen people who say they have lost about \$11 million have filed complaints against the Hempstead lawyer at the center of a Ponzi scheme probe launched after he jumped to his death from his eight-story office building's roof last week, authorities said Monday.

Nassau District Attorney Kathleen Rice said investigators removed documents Monday from the 50 Clinton St. office of Jay Korn, 70, who was found mortally injured on a first-floor awning Wednesday, authorities said. He died about a half-hour later at 10:44 a.m. at Mercy Medical Center in Rockville Centre.

Rice said her office was investigating "a possible multimillion-dollar Ponzi scheme." She wouldn't comment on Korn's role in the alleged scheme.

"Since Mr. Korn's death last week we have received complaints on behalf of 39 victims, stating losses of more than \$11 million," Rice said, asking people to come forward if they have information about the alleged scheme.

Police said Monday Korn's death appeared to be a suicide. Korn, who had kept an office in that location for years, made

arrangements Wednesday to get access to the roof, police said.

"There's no indication that he could have been pushed," said police spokesman, Det. Sgt. Anthony Repalone, adding that detectives "are looking into his business transactions, his personal transactions."

Police were awaiting autopsy and toxicology test results.

Korn's family did not return calls Monday. In addition to his wife, Ellen, he is survived by two daughters, Laurie Mika and Wendy Rosegarten of Roslyn.

A former Middle Bay Country Club president with strong ties to Nassau's South Shore, Korn's death and the subsequent investigation have shocked friends and family. He was scheduled to travel Wednesday with his wife to Florida where they keep a second home, said friend Howard Siegel, 76, of Westhampton.

"His interest was his family," Siegel said. "He was just a super guy."

Many were unaware he had any business besides his law firm, Korn and Spirn. Asked about the Ponzi scheme allegations, Korn's

law partner, Arthur Spirn, said, "I have no clue really what went on." Spirn said he turned over records to prosecutors. Rice's office has said neither the law firm nor Spirn is a target of the investigation.

According to three attorneys with clients who gave Korn money, Korn told people he was selling stakes in real estate deals. Investors got checks adding up to 12 to 15 percent a year of their principal.

Jerome Reisman, a Garden City attorney for two clients of Korn, said Korn got investors through country club connections and personal ties.

Two other Manhattan attorneys with clients who gave Korn money, **Richard A. Roth** and Lawrence Cline, said their clients invested a total of \$13 million but aren't sure what happened. Said **Roth**, whose clients have spoken to prosecutors: "All we know is there is a lawyer dead and a lot of people wondering about their investments.

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