

For Immediate Release

Title: FDI: Lennar (NYSE:LEN) fails to pay state tax lien of \$88,000 at the same time they await a 320 million dollar federal tax refund. Lennar is a walking contradiction.

Sub Title: FDI also points out the recent, record stock option gifts given to Lennar (NYSE:LEN) senior management at the same time the company stacks up losses

Thursday, January 14th, 2009 San Diego CA

The Fraud Discovery Institute, Inc. today released evidence of an outstanding \$88,000.00 state corporate tax lien leveled against Lennar in the very state they do business, Florida. Meanwhile and simultaneously Lennar (NYSE:LEN) awaits a federal 320 million dollar tax refund. Lennar closed its November 30th quarter with what appeared to be profit for the first time since early 2007. Wall Street expected a loss, and shares rose on the news of the profit. But was it really a profit? Not really. The company had a loss of \$285 million, but thanks to \$320 million in tax refunds the company was gifted by the U.S. Government (based on the opportunity to carry back some losses), they were able to show a \$35 million profit for the quarter. The company posted a \$417 million loss for the year (including the \$320 million gift), which is really a \$737 million loss without that gift from the taxpayers. A gift they clearly do not deserve based on the fact that the State they do business, Florida, had to go to the extent of filing a tax lien on past corporate taxes which to date has not been satisfied.

Moreover, the Lennar executives believe their behavior should be rewarded for failing to pay taxes and creating substantial losses as evidenced by the hefty amounts of stock given to certain executives on November 30, 2009. This despite the company failing to generate a profit and the number of shares gifted is the highest award granted since 2006.

The total number of shares awarded was 1.16 million, with a market value of almost \$15 million on the day they were awarded. And with the upcoming news of a “profit” for the quarter—all due to a clever slight of hand tax refund of \$320 million. A refund they clearly do not deserve as they have failed to pay their own state a measly \$88,000. The share price jumped up over 12% the day of the press release, adding millions to the value of the shares Lennar executives were granted.

“Do the Lennar executives really deserve a raise, considering the performance of the company over the last three years?” asks Barry Minkow, the Co-Founder of the Fraud Discovery Institute, Inc. “When was the last time Lennar actually made any money from the building and selling of homes? At least back to early 2007, yet they award themselves millions of dollars of stock shares thanks to the magic of tax refunds which in my opinion they should not receive.” The Fraud Discovery Institute, Inc. released a chart showing these stock grants on their website www.frauddiscovery.net.