

New lawsuit and sworn deposition testimony accuse Lennar (NYSE:LEN) and its CEO Stuart Miller of conspiracy to defraud

Sub Title: FDI releases recently uncovered secret Lennar plan, orchestrated by its senior management, to defraud joint venture partner; outlines multiple misrepresentations

For Immediate Release

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The Fraud Discovery Institute, Inc. (www.frauddiscovery.net) today released a lawsuit filed in San Diego Superior Court that documents a well-orchestrated attempt by Lennar Corporation (NYSE:LEN) and its senior management to avoid the upcoming trial dealing with their joint venture development The Bridges.

The lawsuit and two days of sworn testimony by one of the alleged conspirators (who was named as a defendant in the suit), outlines in great detail how Stuart Miller and COO Jon Jaffe flew from Florida to San Diego and met secretly with him. The eight hour meeting was with executives of an investment fund that had contributed funds to a partnership with plaintiff Nick Marsch. The partnership was established to help fund Mr. Marsch's upcoming trial against Lennar.

During this meeting, Mr. Miller and Mr. Jaffe conspired to eliminate all of Mr. Marsch's claims against Lennar by attempting to purchase the investment fund's interest in the litigation. Essentially, this cleverly devised plan backfired when Lennar offered the investment fund cash and a 10% stake in The Bridges, which is the very same project that they have refused to disburse "profits" from based on a their contention that the project lost money. "If the Marsch case is not material in terms of what it can and will do to Lennar financially, why did Stuart Miller personally fly out to orchestrate the entire ordeal?" asks Barry Minkow, the Co-founder of the Fraud Discovery Institute, Inc.

"How in the world can Lennar, who has consistently argued that there was no value in the Bridges, turn around and offer a 10% stake in this alleged losing venture? The only thing worse than this blatant contradiction is just how far Lennar is willing to go to prevent Mr. Marsch's claims from ever reaching a courtroom," added Mr. Minkow.

In fact, in one excerpt from the deposition of the investment fund executive, Mr. Marsch's attorney asks: "**Question:** 'And lastly, you represented to Mr. Marsch the Saturday following the Friday meeting that Mr. Petrocelli said that it has essentially been Lennar's campaign to outspend Mr. Marsch and they know the detailed extent of his financial condition and they have him right where they want him in the litigation in terms of not being able to go forward: is that right?' **Answer:** I think that it's Mr. Marsch's assertion to which I believe is true."

According to FDI, this latest attempt by Lennar to thwart the upcoming trial that is days away from commencing, illustrates just how far the company is willing to go to avoid accountability for their actions.

“Although our report summary that we just released provides much more detail along with the lawsuit and depositions to corroborate our assertions, it is clear that Lennar (1) Approached the entity from which Mr. Marsch secured financing and with which he shared his Lennar litigation strategy, (2) As part of this offer, Lennar attributed value to The Bridges project they had previously said numerous times had no value, and (3) Indicated their willingness to do whatever it takes to gather information about Mr. Marsch’s personal finances and leverage that knowledge to ensure he could not make it to trial.”

“Again, the unanswerable question remains, if the Marsch case is not material in terms of what it can and will do to Lennar financially, why did Stuart Miller personally fly out to orchestrate the entire ordeal?”