



Fraud Discovery Institute, Inc. Says Lennar Corporation CEO Stuart Miller Built A Fraudulent Foundation In Response Provided CNBC Live Interview

Consumer advocate group says Lennar (NYSE:LEN) executive failed to disclose the material fact of how much cash the company received while thousands of others lost in LandSource failure.

For Immediate Release

SAN DIEGO/EWORLDWIRE/Jan. 12, 2009 --- The Fraud Discovery Institute Inc. (FDI) today released transcripts and documents that it affirms demonstrate that Lennar Corporation (NYSE:LEN) (LNR) CEO Stuart Miller was not being particularly candid in a Friday, Jan. 9, 2009, live interview on CNBC.

The question came as the result of the Fraud Discovery Institute Inc. revealing in its recently released Top 10 Red Flags for Fraud at Lennar Corporation that the company boasted on Dec. 18, 2008, of a cash increase from \$642 million in 2007 to approximately \$1.1 billion in 2008. The report argued that a difficult housing market did not improve Lennar's cash position, so instead the company appears to have achieved the goal at the expense of a 5,000 person bankruptcy in which even the California Employee Pension Fund (CALPERS) lost approximately \$1.2 billion.

According to a transcript of Miller's interview with CNBC, he stated the following about the LandSource bankruptcy: "That deal has been vetted both in the press, and it has been looked at pretty carefully. The fact is it's a premier parcel of land that has gotten caught up in the market downturn that I don't think anybody predicted would be as severe as it's been. At the end of the day it's a venture where all venture partners lost - and, have lost - and we continue to try to find ways to maximize value in a venture that is today in bankruptcy, as you noted."

The public record reveals that Lennar did not lose as clearly stated by Mr. Miller. Instead, Lennar and its sister company LNR each received \$700 million (for a total of \$1.4 billion) in cash when they sold off a majority of their interest in the LandSource deal to MW Housing Partners. Mr. Miller also benefited personally via his 20.4 percent ownership stake in LNR. Lennar earned additional money from the LandSource deal via management fees it charged. Together, this enabled Miller to later boast that while other builders lost cash in 2008, his company was uniquely well capitalized.

"This is a clear lie about losing money, which flies in the face of what Mr. Miller knew to be false at the time he made the above comment. We will do our best to educate all relevant law enforcement agencies about this misrepresentation," said Minkow.

Minkow further said that in FDI's original report, the company's paying client was clearly identified as a party who is currently in litigation with Lennar. "We were purposely clear about the issue of our client, yet it appears there was still some confusion. We want to emphasize that there was full disclosure in our report in footnote 6 on page 4, and in more than one addendum."

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