

news release

Contact (Los Angeles): James H. Donell • 310.207.8481 • James.Donell@fedreceiver.com

Federal Court Appoints James H. Donell As Receiver in \$20 Million Radio Host Fraud Scheme

Donell will handle all aspects of case targeting popular L.A. Radio Host John Farahi

LOS ANGELES, Calif. (January 12, 2010) – A U.S. Federal Court judge in Los Angeles today appointed James H. Donell as receiver in the case of popular L.A. radio host John Farahi, who is accused of swindling investors out of more than \$20 million.

The host Persian-language radio talk show, Farahi is accused by the U.S. Securities and Exchange Commission of defrauding investors as part of a long-running investment scheme that targeted the Iranian American community.

In a lawsuit filed January 11, 2010 in federal court in Los Angeles, the SEC accused John Farahi; his wife, Gissou Rastegar Farahi; and their company, NewPoint Financial Services, of losing millions of dollars in volatile investments they had promoted as safe.

The Farahis also transferred clients' money to bank accounts the couple controlled and used some of the money to build a multimillion-dollar home in Beverly Hills, the SEC contended.

Farahi, 52, has hosted a daily financial talk show, "Economy Today," for about eight years on KIRN-AM (670).

About Mr. Donell

Since 1990, Mr. Donell has been appointed as a federal and state court receiver in more than 200 cases in California, Arizona, and Nevada. Mr. Donell has also been appointed in federal court as the receiver in numerous United States Securities and Exchange Commission and other government enforcement actions involving business fraud both in California and in Nevada. Mr. Donell has extensive experience in residential and commercial real estate, asset and business liquidations, oil and gas partnerships, post judgment enforcement actions, as well as other types of receivership appointments.

About FedReceiver.com

With decades of experience in the administration of receivership cases involving real estate and businesses cases, FedReceiver is the single source of service for distressed assets, businesses, entertainment and government enforcement cases. With extensive experience in matters ranging from income property to complex litigation involving Ponzi schemes, construction completion and partnership dissolution, our team of professionals is uniquely qualified to provide highly specialized solutions to even the most challenging receivership case.

FedReceiver.com News Release

January 12, 2010

Page 2

Inquiries regarding northern California operations should be directed to Jeff Leon 415.981.3600 ext. 318 • Jeff.Leon@fedreceiver.com

