



Department of Justice

**United States Attorney Melinda Haag
Northern District of California**

FOR IMMEDIATE
RELEASE
September 15, 2011
6599

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**FORMER WALNUT CREEK FINANCIAL ADVISOR SENTENCED TO MORE THAN FIVE YEARS IN
PRISON FOR STEALING FROM CLIENTS**

OAKLAND, Calif. – A former financial advisor for the United Bank of Switzerland Financial Services, Inc. (UBS), was sentenced yesterday to 65 months in prison, followed by three years of supervised release, for a fraudulent scheme in which he converted more than \$5.4 million of his clients' funds to his personal bank accounts for his own benefit, United States Attorney Melinda Haag announced.

Steven Kobayashi, 39, of Livermore, Calif., was charged by Information on March 3, 2011, with one count of wire fraud and one count of money laundering. Under the plea agreement, Kobayashi pleaded guilty to both counts.

According to the plea agreement, between 2006 and 2009, Kobayashi was employed at UBS' Walnut Creek office. As a financial advisor, he had access to his client's UBS accounts and routinely made financial trades on behalf of his clients when authorized to do so. Beginning in the latter part of 2006, without the knowledge or proper authorization from the affected clients, Kobayashi began to transfer funds from his clients' UBS accounts to his own bank accounts. At times he received authorization to withdraw funds from investors' accounts by falsely representing to the investors that the withdrawals were required to purchase investments. At other times, he forged investors' signatures on the authorization forms, or

copied documents bearing investors' signatures and pasted the signatures to documents authorizing withdrawals.

Between 2006 and 2009, Kobayashi fraudulently transferred \$5,431,600 from his clients' UBS accounts to his own. He has failed to return any portion of the funds to the rightful owners. The full amount of restitution Kobayashi will be ordered to pay to the victims will be decided at a court hearing scheduled for Oct. 19, 2011.

Stephen Corrigan is the Assistant U.S. Attorney who is prosecuting the case with the assistance of supervisory legal technician Kathleen Turner. The prosecution is the result of an investigation by the Federal Bureau of Investigation and Internal Revenue Service, Criminal Investigation, with the assistance of the Securities and Exchange Commission.

This case was brought in coordination with President Barack Obama's Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

Further Information:

Case #: CR 11-00106 CW

A copy of this press release may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at www.cand.uscourts.gov.

All press inquiries to the U.S. Attorney's Office should be directed to Jack Gillund at (415) 436-6599 or by email at Jack.Gillund@usdoj.gov.

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