



# Courthouse News Service



Thursday, February 06, 2014 Last Update: 10:22 AM PT

## Ex Aldus Partner Scorches Deutsche Bank

By DAVID LEE

Like Tweet [g+1](#) ShareThis

DALLAS (CN) - A former partner with defunct private equity firm Aldus Capital accuses Deutsche Bank of helping Aldus founder Saul Meyer in a massive "pay-to-play" kickback scheme involving politically connected people and public pension funds.

Marcus Antoine Taylor sued the Deutsche Bank, DBAH Capital LLC and DB Investment Managers in Federal Court.

Dallas-based Aldus folded in 2010 amid allegations of securities fraud against Meyer, who pleaded guilty in December 2012 in New York County Supreme Court. He [admitted](#) wrongfully obtaining kickbacks on investments for the New York State Common Retirement Fund, New Mexico State Investment Council and New Mexico Educational Retirement Board.

DBAH Capital had acquired a controlling interest in Aldus in 2006.

"Rather than comply with its fiduciary duties to Mr. Taylor as Aldus' controlling member, Deutsche Bank instead placed profits over the law, and actively assisted Mr. Meyer's illegal conduct even after Mr. Taylor warned Deutsche Bank that Mr. Meyer was accepting illegal 'pay-to-play' kickbacks from a disgraced private equity placement agent named Marc Correra," the new complaint states.

"When Mr. Taylor opted to leave Aldus rather than associate himself with Aldus' illicit investment schemes, Deutsche Bank tortiously interfered with Mr. Taylor's separation agreement with Aldus by encouraging still more illegal Aldus investments, which ultimately caused the company's downfall."

Taylor claims Deutsche Bank had known for years of Correra's illegal activity by the time New York Governor Andrew Cuomo - then the New York attorney general - indicted Meyer for the scheme. The SEC also [charged](#) Aldus Partners and Meyer in 2009.

Correra served as campaign fund raiser for former New Mexico Governor Bill Richardson and Meyer used him as a third-party placement agent to gain access to the highly competitive public pension market in return for a typical 2 percent fee. "For Aldus, the average capital commitment to a private equity fund was approximately \$25 million," the complaint states. "Thus, the average fee for placement agents representing private equity funds that received capital commitments from Aldus was \$500,000."

Taylor claims that in 2005, Meyer formed close relationships with Correra and Hank Morris, chief campaign fund raiser for New York State Comptroller Alan Hevesi, who had sole discretion over the state's \$120 billion public pension retirement fund. "Unbeknownst to the other Aldus partners, Mr. Meyer began systematically diverting most of his investment recommendations for both New York Retirement and New Mexico Retirement toward private equity funds that were represented by" the placement agents, the complaint states.

"Because private equity fund candidates were not required to disclose placement agent representation, Aldus' other partners and pension fund employees had no idea that Mr. Meyer's investment recommendations were directly enriching" the agents by tens of millions of dollars, according to the lawsuit.

Taylor claims Morris made more than \$19 million in placement fees and Correra more than \$22 million, mostly from investment decisions made by Meyer.

Taylor says he quit in 2007 after Aldus was taken over because he was unwilling to participate in securities law violations.

"To be sure, the fact that Deutsche Bank required Aldus to reinstate Mr. Meyer even after being told of his illegal conduct emboldened Mr. Meyer," the complaint states. "After his reinstatement, he continued to steer investments toward private equity funds represented by" the placement agents.

Taylor says that when the firm was closed in February 2010, it defaulted on more than \$4 million it owed him under a separation agreement.


He claims he has suffered "extreme reputational damage" due to his association with the firm. He says he was about to secure an investment of up to \$10 million in a new private equity consulting firm he was setting up when it was terminated after Meyer's indictment.

"In the years since, Mr. Taylor has found it impossible to raise capital for any new venture or even find employment in the financial services sector," the complaint states. "The stain of his association with Aldus and Deutsche Bank has ruined his reputation and prospects for a career as an investment advisor for public pension funds."

Deutsche Bank did not respond to a request for comment Wednesday.

In 2010, a class of investors sued several investment firms, including [Aldus](#), accusing them of losing an entire \$40 million investment from the New Mexico Educational Retirement Fund.

Taylor seeks actual damages and punitive damages for fraud, fraudulent inducement, breach of fiduciary duty, tortious interference, conspiracy, and aiding and abetting.

He is represented by Todd Harlow with Cowles Thompson. 



[Home](#) [Back to Top](#)

[Courthouse News Service](#) [Privacy Policy](#) [Terms of Use](#) [Search](#) [RSS](#) [About Us](#)