

Boston Scientific Founders Sell Half their Stake in the Firm

BOSTON (Bloomberg) — The men who built Boston Scientific Corp. into the world's biggest seller of heart stents have dumped \$484 million in shares to repay loans after other assets were frozen by the Lehman Brothers Holdings Inc. bankruptcy.

Peter Nicholas, 67, Boston Scientific's chairman and founding chief executive officer, and John Abele, 71, a director and co-founder, have sold almost half their stake, or 4.2 percent of company stock, since Oct. 7, according to regulatory filings. The sell-off contributed to a 23 percent decline in Boston Scientific shares over that time, said Bruce Nudell, a UBS analyst in New York.

The sales helped pay off loans secured with company stock when Lehman's Sept. 15 bankruptcy kept the men from tapping other assets, the Natix, Massachusetts-based medical device maker said in October. After the founders dumped 30.8 million shares Oct. 8 to 10, a compa-

ny statement assured investors "the majority" of trading was over. Instead, the duo has unloaded an additional 32.3 million shares since then, according to filings.

"You have a lot of investors asking, 'How could they do this to their baby?'" UBS's Nudell said in a telephone interview. "A lot of people feel they were reckless."

Nicholas, starting in 1992, borrowed against shares to finance a \$100 million investment credit line, an aircraft lease and \$900,000 in home renovations, according to filings with the U.S. Securities and Exchange Commission. Neither Boston Scientific nor its founders will say what the loans linked to the current sell-off were for, and no documents were available detailing Abele's borrowing history.

MARGIN CALLS

The company's filings blame the trades on margin calls, orders from a lender to either pay down a loan or replenish collateral that has lost value. If the borrower can't do so, a broker will sell the existing collateral.

Nicholas paid \$1.84 million by the company in 2007, and Abele, who received \$1.33 million, declined interview requests. Boston Scientific fell to a 13-year low on Nov. 20. Eight days later, Nicholas and Abele began a trading plan that allowed them to limit daily sales to about 200,000 shares, rather than the multimillion-share blocks they had been unloading, according to SEC filings.

"It's a more measured pace that's eased the pressure," said Ben Silverman, research director at InsiderScore.com, a Princeton, New Jersey, share-tracking firm, in a telephone interview.

63.1 MILLION SHARES

Nicholas has sold about \$302.9 million in shares and Abele about \$181.1 million, according to the

Continued on page 7

Boston Scientific's chairman and founding CEO, Peter Nicholas.



Taking Over the Cleveland Browns

Baltimore Ravens pro personnel director George Kokinis, 41, has been hired as the Cleveland Browns general manager, reuniting him with new Browns coach and close friend Eric Mangini. He began his NFL career as a Browns intern. See related story on page 3.

Ousted from Bank of America, Thain Defends his Decisions

By Evan C. Lambrou
Special to The National Herald

NEW YORK — Just four months after being heralded for engineering a deal which prevented Merrill Lynch from going down the same wayward path as Lehman Brothers and Bear Stearns, John Thain's new boss at Bank of America asked him to resign a few days after Merrill disclosed an additional \$13.1 billion in losses at the end of last year.

Merrill Lynch's 2008 fourth quarter losses were blamed as the main reason Bank of America CEO Ken Lewis ousted Mr. Thain last week, and Mr. Thain, formerly CEO of now-absorbed Merrill Lynch, was roundly criticized for spending \$1.2 million on renovating his office suite, as well as for paying out early bonuses to Merrill employees before the merger.

But some observers have also asserted that Mr. Thain was jettisoned from Bank of America — after

a 15-minute meeting with Mr. Lewis in New York this past January 22 — because Mr. Lewis is busy trying to close his own track record.

When the morning news broke on his full-force lay-off, Mr. Thain, then CEO of Merrill Lynch, recalled an agreement with Mr. Lewis to Bank of America, the country's largest retail bank, to acquire Merrill, the world's biggest brokerage firm for \$20 billion in stock.

At the news conference announcing the merger, the new chairman, Mr. Lewis, praised Mr. Thain, saying that, while Mr. Thain's new role at Bank of America had not been decided, "that credit to John. It usually doesn't happen that way. But it was news about him. It was always about the deal."

But things changed. Merrill's financial meltdown hammered Bank of America's stock, which spiraled downward 40 percent during the first three weeks of 2009 along with an executive shake-up came as no surprise.

The more obvious tension between the two men began mounting in mid-December, when the implications of Merrill's latest loss began to sink in, and Mr. Lewis, who had pressed ahead with the Merrill acquisition at the urging of

Continued on page 7

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Long Island Investor Accused of Ponzi Scheme

Federal Authorities Allege Greek American Financier Cheated Clients Out of Tens of Millions

By Evan C. Lambrou
Special to The National Herald

HICKSVILLE, N.Y. — Federal authorities have charged the founder of a Long Island investment firm with defrauding investors and running a nearly \$400 million Ponzi scheme. Prosecutors allege that tens of millions of dollars can not be accounted for.

Nicholas Cosmo, 37, has been accused of operating a Ponzi scheme at least between October 2003 and December 2008 which raised more than \$370 million from more than 1,500 individual investors and deposited the money into bank accounts under Agape World Inc., a private firm in Flouppange, according to a 51-page affidavit submitted by U.S. Postal Inspector Richard Cinnamo detailing the allegation against Cosmo.

Cosmo was arrested this past Monday night after he surrendered at a U.S. Postal Inspection Service office in Hicksville. The FBI attempted unsuccessfully to apprehend Cosmo earlier, before he turned himself in at the Long Island Railroad train station.

If convicted, Cosmo could be sentenced up to 30 years in prison and a fine up to \$1 million. He was arraigned before U.S. Magistrate Judge E. Thomas this past Tuesday (the case is U.S. vs. Cosmo, U.S. District Court, Eastern District of New York, Brooklyn).

Defense attorneys at the Herrick Feinstein law firm have not returned media calls seeking comment, but a letter found hanging in Cosmo's office window denies there was any Ponzi scheme (a Ponzi, or pyramid, scheme promises unusually high returns and pays early investors with money from later investors, rather than from actual profits).

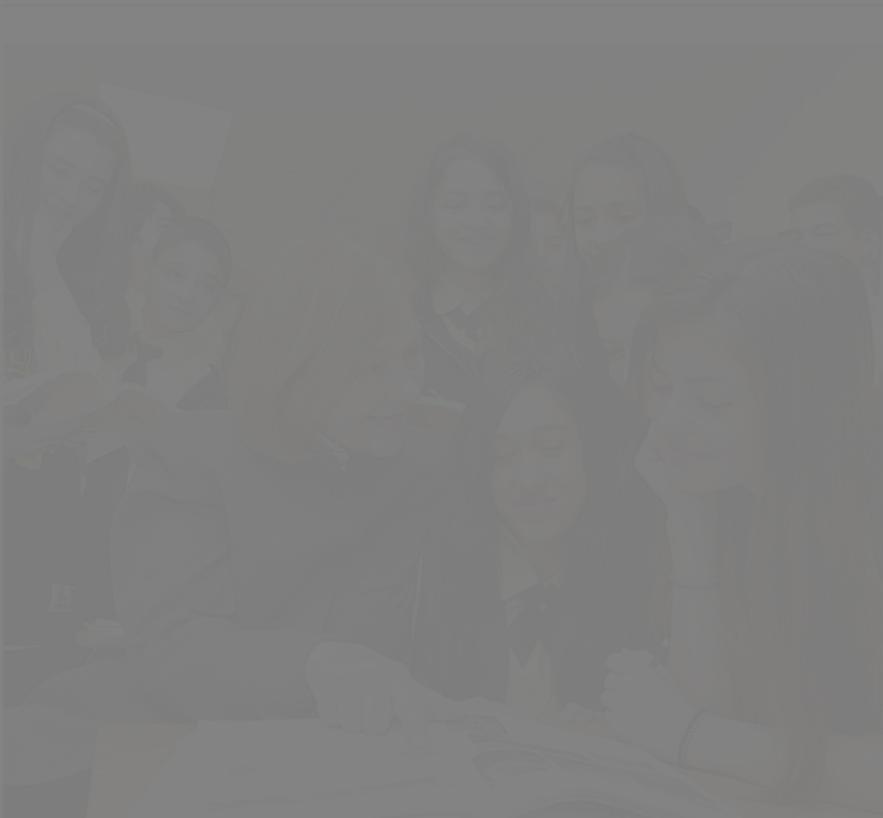
Assistant U.S. Attorney Grace Cucchisi, U.S. District Court in Central Islip, said federal agents have accounted for only a fraction of the \$370 million, including \$80 million Cosmo lost playing the commodities futures market and \$55 million he paid in commissions to associates over five years.

Cosmo, a resident of Lake Grove, and his associates, who also operated offices in Massapeah and Jackson Heights, concentrated on soliciting clients through "family ties or friends" who already invested, according to Cucchisi. Investors were promised returns of 46-80 percent on their investments.

According to the Cinnamo affidavit, Cosmo claimed he was putting investors' money into bridge loans, but just \$746,000 of the money was found in Agape World bank accounts last week (bridge loans are small-scale business loans made to companies seeking initial start-up capital before expanding operations into a larger business. Basically, they are what turn someone from being a guy with an idea to a guy with an idea and little bit of infrastructure).

The affidavit also alleges that Cosmo used his investors' money to support a lavish lifestyle, underwrite a baseball league in need for \$300,000, repay \$112,000 he owed for a previous fraud conviction.

Continued on page 7



Distinguished teacher Pepi Voulkas works closely with students from the William Spyropoulos Day School in Flushing. On the occasion of the feast day of the Three Hierarchs and commemoration of Greek Letters, TNH spoke to both students and administrators to discuss the state of Hellenic Education in America.

The Challenges for Hellenic Education

By Evan C. Lambrou
Special to The National Herald

NEW YORK — Because this week's edition revolves around the feast day of the Three Hierarchs and the commemoration of Greek Letters, the National Herald contacted administrators of several schools in the Greek Orthodox Archdiocese parochial school system nationwide in an effort to investigate the state of Hellenic education in America.

This week's story will project in-

formation furnished by the principals of two schools: one in the Chicago area and one in Florida. More information about other schools in the system will be published next week.

ILLINOIS

Founded in 1910, Koras Elementary School is the largest of the five schools in the Chicago area, with 165 students, 18 teachers — fewer than half of whom are of Greek heritage — and an operating budget of more than \$500 thousand. It is attached to Saints Con-

stantine & Helen Church in Palos Hills, Illinois. Tuition is currently \$3,875 per student.

Mary Zaharis has been the principal at Koras for the last five years. She is a daughter of Greek immigrants — her father was from Patras and her mother from Kerkyra (Corfu) — and said she is fluent in Greek.

Mrs. Zaharis was born and raised in Omaha, Nebraska. She received her bachelor's degree at the University of Nebraska and her master's de-

Continued on page 6

8th Graders Happy to Learn Greek

By Eleni Kostopoulos
Special to The National Herald

NEW YORK — "Education is an ornament in prosperity and a refuge in adversity."

Aristotle's words and philosophy on education were not only relevant in Ancient Greece, but are essentially consistent with the dominant philosophy of learning Hellenic education administered in Greece today, and this tradition was reinforced by Orthodox church's commitment of Greek Americans, but what differentiates the Greek American education system from the New York City public school system? What unique elements do students raised in a Greek American schooling community adopt and carry with them into the real world? For a firsthand account of the Greek American academic experience, The National Herald spoke to the 8th grade students of William Spyropoulos School of St. Nicholas Orthodox Greek Church in Flushing, NY and found that heritage, language and religion reign

above all.

"The school has 467 registered students, the strong majority of which are Greek American," said Principal Athina Kromidas. "All subjects taught follow the core curriculum and aside from classes like English, math and science we also offer Greek (taught on a daily basis), Spanish, religion class, which is taught once a week by our Orthodox priest, computers, art, music, health as well as several ar-

Continued on page 6

Niarchos Foundation to Build New Cultural Center

By Mark Frangos
Special to The National Herald

NEW YORK — Greek Prime Minister Costas Karamanlis praised the Stavros Niarchos Foundation for initiating the building of the Stavros Niarchos Foundation Cultural Center (SNFCC), which will house the National Library of Greece and the Greek National Opera, both set within the Stavros Niarchos Park on the site of the old horse-race track in Falirio, the architectural plans for which were unveiled to the public for the first time by the Foundation and the Renzo Piano Building Workshop (RPBW), a world-renowned architectural firm, on Saturday, January 24 in an event at the Zappion Building.

"It is a day of anticipation and pride in a monumental project," Karamanlis said in remarks at the event and described Stavros Niarchos as a "great national benefactor," whose foundation was creating a "small planet - oasis for the areas of research, technology, culture and education, a reference point for young and old".

The premier noted that fast solutions had been found to procedural issues, so that bureaucratic inflexibility would not be an obstacle to carrying out the project, and pledged that his own support for the effort would be "permanent and constant".

"This center is a watershed in the life of our country, whose radiance



Prime Minister of Greece Costas Karamanlis shakes hands with Stavros Niarchos Foundation Co-President Andreas Dracopoulos during an event unveiling the Foundations plans for a cultural center.

will extend beyond the borders," he added.

The foundation's Co-President Andreas Dracopoulos addressed the crowd at the event, stating that the grant for the Stavros Niarchos Foundation Cultural Center "will be our largest individual grant up to

now" and adding that the foundation will single-handedly undertake the cost of the project, which is scheduled to be delivered for use by the Greek state after 2015.

He added that the foundation's donation - 450 million euros - will be used to construct a new building

to house Greece's National Library and also make its contents available over the Internet throughout the world, as well as a new National Opera theatre built to modern international specifications, an 'Agora'

Continued on page 2

Documentary Tells the Story of Immigration

that seeks to recreate the ancient 'agora' where the Greeks of antiquity would gather for trade and discourse and the Stavros Niarchos Park that will be accessible to all Greeks seeking a temporary escape from the 'concrete jungle.'

The above will be built on the site of the old racetrack, covering an area of approximately 16 hectares.

Below is Mr. Dracopoulos' entire speech:

"On behalf of my colleagues on the Board of the Stavros Niarchos Foundation and our staff in the Athens office, we would like to thank you for joining us here today. During these current global socio-economic difficult times, being part of a not-for-profit institution engaging in philanthropy around the globe, gives all of us involved with the Stavros Niarchos Foundation a sense of promise, hope and pride. More specifically, being able to help our home country, Greece, makes everything even more rewarding. We, at the Stavros Niarchos Foundation, the Board, the staff, and the advisors in our various offices, feel that we can contribute to the Greek State's efforts in providing our people and our country with additional resources with which to strengthen our ability to face today's challenging world. The challenges are great and no one, either in the public or private domain can solve alone all of the issues and challenges we are facing as individuals, as Nations, as the world at large.

Our mission, since our inception back in 1996 when our Founder, Stavros Niarchos (whom we thank for the opportunity he has provided

for us to offer much needed support around the globe), passed away, is focused on supporting the areas of the Arts and Culture, Education, Health, and Social Welfare. During the last fourteen years, which happen to be our first fourteen years, we have provided numerous grants around the globe, but our focus has, and will always be, in our home country, Greece, as it is evident from the fact that approx. 2/3ds of our total grant-making activities has taken place in Greece itself or through not-

for-profit organizations and causes promoting Hellenism around the world. There is a more detailed presentation of our activities at our web-site at www.SNF.org.

Our grant for the Stavros Niarchos Foundation Cultural Center will be our largest individual grant up to now. It will include the new state of the art facilities of the Greek National Opera, the National Library of Greece, as well as approximately 150,000 sq m of green, the Stavros Niarchos Educational and Cultural Park (similar in size to the National Garden) all together embracing the SNFCC. We are glad that we have chosen Renzo Piano, the internationally acclaimed architect coming from our neighboring Genova, and his team to design and create the SNFCC. Piano's professional

commitment, experience and imagination, his integrity, his respect for the environment, and for our country's history, and also his belief in our country's positive role in the future of our world, makes it a real pleasure to work together. We, the 'Stavros Niarchos Foundation' at large and especially our amazing staff and advisors in our Athens office, Renzo Piano and his team in Paris, the Greek State, are all collaborating in the best possible way with a common mission of building for the Greek people a Cultural Center that will make us all Greeks, without exception, very proud. We hope and plan to have the project completed by 2015, at which time we will be donating the whole Center to the Greek State which will run it for the benefit of all Greeks and more.

Today's event is dedicated to the "Stavros Niarchos Foundation Cultural Center" and in particular to all those who are helping materialize its dream. Today's event is dedicated to our Founder Stavros Niarchos, to our people in all our offices, and to Renzo Piano and his associates. We hope you like what you see and hear today, and more than anything, we hope, not only as the SNF, but as Greeks, that you will all embrace the vision of the Stavros Niarchos Foundation as your own asset and will, in any and every way you can, help make it a success in all respects. This Cultural Center belongs to all of us, and we all owe it to our children to make it an absolute success!"

ENVIRONMENTALLY PROGRESSIVE

SNFCC will be located at the Faliron Delta area in Athens, Greece and will include the latest in envi-

ronmentally progressive, state-of-the-art facilities.

In addition to increased exposure to the arts and access to green space, guests will benefit from the technologically advanced library.

In keeping with SNF's and RPBW's mission to create an emissions neutral facility, the project has been conceptualized with the highest standards of environmental sustainability. A pivotal design element that will play a significant role in helping achieve this aggressive standard can be seen in Piano and his Building Workshop's innovative roof - a series of interconnected photovoltaic cell panels which will cover the structure's needs, taking advantage of the pure "green" solar and wind energy.

SNFCC is also expected to receive LEED certification. LEED addresses all building types and emphasizes state-of-the-art strategies in five areas: sustainable site development, water savings, energy efficiency, materials and resources selection, and indoor environmental quality.

ATHENS' FIRST PORT

Another fundamental attribute incorporated into SNFCC is the sea, which has played an important role in Greece's history and culture. To draw in the sea's sense of light, limitless opportunity, and exploration, a canal will run parallel to the existing Espalanade. Within the border of SNFCC, the canal will provide visitors a place for family gatherings, activity, and relaxation, while also fulfilling a need for flood-protection.

Documentary Tells the Story of Immigration

GOINGS ON...

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