

STATE OF NEW YORK
COUNTY OF KINGS

-----X

JOHN CHRISTOPHER PRATHER, :
Deputy Attorney General in Charge of the :
New York State Attorney General's Organized :
Crime Task Force, exercising the powers and :
performing the duties of the District Attorney, :

INDEX NUMBER

Plaintiff, :

-against- :

LOUIS SANDELLA, MICHAEL SANDELLA, :
GERALDINE MOSS, KIM MOSS FONTANEZ, :
DANIELLE MOSS, ANDREAS PERDIKOS, :
GARY SHAW, IDA D'ANGELO, MAIN :
STREET MORTGAGE CORP., 802 FORT :
SALONGA MANAGEMENT CORP., MILU :
MANAGEMENT CORP., G. MOSS, INC., :
LOUMAX HOLDING, LLC., SANDARIAS :
CORP., MICHAEL SANDELLA, INC., :
TRILOGY CONSULTING CORP., :
AMPLUSMALL CORP., LOJO REALTY :
HOLDING CORP., CONSAND CORP., :
64 FIRST AVENUE CORP., :
LSJC MANAGEMENT CORP., :
MJL REALTY CORP., LOUIS :
SANDELLA, INC., PARTRIDGE REALTY :
CORP., 135 ROCKAWAY PARKWAY, :
LLC, 145 ROCKAWAY PARKWAY, LLC., :
431 SOUTH FIRST AVENUE, LLC, and :
DANI CONSULTING CORP., :

ATTORNEY'S
AFFIRMATION IN
SUPPORT OF PLAINTIFF'S
APPLICATION FOR EX
PARTE ORDER OF
ATTACHMENT PURSUANT
TO CPLR ARTICLE 13-A

Defendants. :
-----X

LYNN GOODMAN, an attorney duly admitted to practice law in the courts of the
State of New York, affirms the following under penalty of perjury:

1. I am the Assistant Attorney General in Charge of Asset Forfeiture at the

New York State Attorney General's Office. I submit this affirmation in support of the application of the plaintiff, John Christopher Prather, the Deputy Attorney General in Charge of the New York State Attorney General's Organized Crime Task Force for an *ex parte* order of attachment in the amount of \$8,321,700 against individual defendants Louis Sandella, Michael Sandella, Geraldine Moss, Kim Moss Fontanez, Danielle Moss, Andreas Perdikos, Gary Shaw, and Ida D'Angelo, and the entities they control, Main Street Mortgage Corp., 802 Fort Salonga Management Corp., MILU Management Corp., G. Moss, Inc., LouMax Holding, LLC., Dani Consulting Corp., Sandarias Corp., Michael Sandella, Inc., Trilogy Consulting Corp., Amplusmall Corp., LoJo Realty Holding Corp., Consand Corp., 64 First Avenue Corp., Partridge Realty Corp., LSJC Management Corp., MJL Realty Corp., Louis Sandella, Inc., 135 Rockaway Parkway, LLC, 145 Rockaway Parkway, LLC., and 431 South First Avenue, LLC.

2. The defendants include a group of individuals who managed a criminal enterprise comprised of mortgage brokers, lawyers, real estate appraisers, bank employees and others whose purpose was to steal money from banks and other financial institutions through fraudulent real estate transactions. Pretending to perform their various roles and duties legitimately, the members of the enterprise worked together to obtain mortgages fraudulently, to divert portions of the loan proceeds to the criminal enterprise, and then, repeatedly, to allow the mortgages to go into default. In some instances, this scheme defrauded the bank that made the original loan; in other instances it defrauded a financial entity that later purchased the mortgage; and, in yet other instances, it defrauded both.

3. The criminal enterprise derived its structure, in large part, from its members' affiliations with seemingly legitimate professional and commercial entities. The

defendants named herein include five individuals who participated in the enterprise through their operation of a mortgage brokerage business, two attorneys and one appraiser. Defendant Louis Sandella ran the mortgage brokerage business, with assistance from Michael Sandella, Danielle Moss, Kim Moss Fontanez, and Geraldine Moss, even though none of them had a valid mortgage brokerage license. These defendants worked for companies nominally in the business of obtaining loans for real estate buyers. Defendants Gary Shaw and Ida D'Angelo were real estate attorneys, purportedly representing the interests of buyers and sellers of real estate and the interests of banks. Defendant Andreas Perdikos was trained, but not licensed, as an appraiser. He authored fraudulent real estate appraisal reports to support the loan requests of other members of the enterprise. In addition to the named defendants, various bank employees played roles in the criminal enterprise by processing loan applications that they knew to be false and fraudulent, as if the applications were accurate.

4. The defendants participated in the affairs of the criminal enterprise by locating residential properties for sale, paying people to pose as legitimate purchasers, and in their names, applying for loans that often vastly exceeded the sale price of the property. They induced lenders to issue loans by misrepresenting the terms of the real estate transaction, materially inflating the appraisal to match the loan request, and fabricating employment, asset and rental histories of the straw buyer. They enlisted the help of friends and associates to falsely pose as employers and landlords of each straw buyer and falsely verify the straw buyer's employment status and rental expenses. They deposited "show money" into the straw buyer's bank account to bolster his liquid assets and withdrew it as soon as the loan was approved. Sometimes they would pay off employees within a lending institution for approving a spurious

loan. Once the loan was issued and the property sold, the defendants would distribute the excess loan proceeds to themselves. They would then look for a new straw buyer to whom they could flip the property, and the fraud would continue.

5. In furtherance of the scheme, the defendants falsified loan applications, HUD-1 Settlement Statements, appraisals, contracts of sale, title documents and other paperwork. They submitted false real estate appraisal reports to banks that, among other things, misrepresented the physical conditions of the properties, the market value of comparable properties, and the identities of the individuals who prepared the reports. Through these reports, the values of individual properties that were used in these fraudulent mortgage transactions were often inflated by \$100,000 or more. They deceived the banks about who actually received the loan proceeds. Large portions of the loan proceeds did not go to the seller, as reflected in the records they provided to the banks. Instead, portions of the money were laundered through corporate shells or the bank accounts of the real estate attorneys who were members of the criminal enterprise.

6. The defendants routinely failed to make payments on the illicitly obtained loans, causing the loans to go into default. As a result, banks, or the financial entities to whom the banks had sold the mortgages, were left to foreclose on properties that had been fraudulently overvalued. In other instances, to ward off foreclosure, the criminal enterprise would set up a second sham transaction, satisfying the initial mortgage by defrauding a new bank.

7. The fraud of the criminal enterprise extended to the secondary mortgage market. The criminal enterprise was well aware that mortgage agreements that it secured through fraud were usually resold by the banks to other financial institutions. Had these financial

institutions known that these mortgages were secured through fraud, they would never have purchased them.

8. The defendants have committed the crimes of Enterprise Corruption in violation of Penal Law Section 460.20, Scheme to Defraud in the First Degree in Violation of Penal Law §190.65(1)(B), Grand Larceny in the First and Second Degrees in violation of Penal Law §§155.42 and 155.40(1), and Falsifying Business Records in the First Degree in violation of Penal Law § 175.10. Their crimes have generated proceeds in an amount exceeding \$8,321,700. This civil forfeiture action is being pursued in conjunction with felony criminal charges that have been brought in this county against certain individual defendants who participated in the enterprise.

9. Arrests are planned within the next few days. In conjunction with those arrests, OCTF seeks this order authorizing the attachment of the defendants' assets. Accordingly, to maintain the secrecy of the enforcement action, we ask that the filing of these papers be delayed for no more than five business days after the first levy. Moreover, we ask that this application be treated as one for emergency relief.

10. Plaintiff hopes to serve this attachment order on banks and other garnishees in possession of the defendants' assets to preserve those assets for a future judgment. We are proceeding *ex parte* at this time because of the likelihood that the defendants will take steps to secrete their assets upon learning of the government's efforts. In accordance with CPLR Section 1317(2), within five days after the first levy of assets, plaintiff will move by order to show cause for an order confirming the order of attachment and at that time, will file these papers with the clerk of the court and will include a copy of this application in the Order to Show Cause.

FACTUAL BASES FOR PLAINTIFF'S CLAIMS

11. The facts supporting plaintiff's claims are summarized in the annexed affidavit of OCTF Special Investigator Brian Badal, sworn to April 20, 2006, and annexed as Exhibit 1. Set forth as Exhibit 2 is a proposed summons and complaint setting forth the proposed civil claims to be asserted by the plaintiff. Plaintiff also hopes to provide this court with a copy of the indictment once it is unsealed.

12. As described in the Badal Affidavit, the evidence supporting plaintiff's allegations was accumulated during the course of a multi-year investigation conducted by a team of investigators from the New York State Attorney General's Office, the New York State Banking Department, United States Department of Labor, New York State Department of Taxation and Finance, Federal Bureau of Investigation, New York State Insurance Department and the New York City Waterfront Commission. The investigation included six months of court authorized eavesdropping, the execution of search warrants at twelve locations, interviews and hearings with scores of witnesses, and the production and review of a variety of records, including loan applications, real estate contracts, mortgages, appraisals, HUD-1 Settlement Statements, title documents, bank records, closing statements and other records.

13. The evidence demonstrates that over a five year period, the criminal enterprise was responsible for brokering hundreds of loans. This civil action, and the related criminal proceeding, involves a small fraction of the loans that were issued as a result of their fraud. Through this enforcement effort, the Attorney General's Organized Crime Task Force ("OCTF") seeks to preserve those assets that we can locate to compensate the victims of their

crimes.

**OVERVIEW OF NEW YORK STATE FORFEITURE LAW
AND ITS APPLICATION TO THIS CASE**

A. THE PARTIES

14. Article 13-A of the Civil Practice Law and Rules creates a cause of action by a claiming authority, or prosecutor, against both “criminal” and “non-criminal” defendants to recover the proceeds, substituted proceeds and instrumentalities of felony conduct and of crimes which form part of the same common plan and scheme of which those felonies are a part. CPLR Section 1311(1)(a). A “criminal defendant” is defined in CPLR Section 1310(9) as a person who has criminal liability for a crime upon which a forfeiture action is based. A “non-criminal defendant” is defined in CPLR Section 1310(10) as a person, not named in a criminal proceeding, who possesses a property interest in property obtained through or used in crime. Here, the individual defendants, Louis Sandella, Michael Sandella, Geraldine Moss, Kim Moss Fontanez, Danielle Moss, Andreas Perdikos, Gary Shaw, and Ida D’Angelo are named as both criminal and non-criminal defendants. They each have criminal liability for their actions. They also obtained property from the criminal scheme. Thus, they are also liable as non-criminal defendants.

15. The entity defendants, Main Street Mortgage Corp., 802 Fort Salonga Management Corp., MILU Management Corp., G. Moss, Inc., LouMax Holding, LLC., Dani Consulting Corp., Sandarias Corp., Michael Sandella, Inc., Trilogy Consulting Corp., Amplusmall Corp., LoJo Realty Holding Corp., Consand Corp., 64 First Avenue Corp., Partridge Realty Corp., LSJC Management Corp., MJL Realty Corp., Louis Sandella, Inc., 135 Rockaway

Parkway, LLC, 145 Rockaway Parkway, LLC., 431 South First Avenue, LLC, and Dani Consulting Corp. are named as non-criminal defendants. They are each shell corporations created to hold assets on behalf of the criminal defendants. They are also instrumentalities of the defendants' crimes.

B. LEGAL REQUIREMENTS FOR OBTAINING A PROVISIONAL REMEDY UNDER THE STATE'S FORFEITURE LAW

16. CPLR Section 1312 authorizes a claiming authority to obtain a provisional remedy to secure property that could be used to satisfy a potential judgment obtained in a forfeiture action. Pursuant to CPLR Section 1312(3), the court may issue an attachment order in a forfeiture action when the following three elements exist:

- a. there is a substantial probability that the claiming authority will prevail on the issue of forfeiture;
- b. the failure to enter the order may result in the property being destroyed, removed from the jurisdiction of the court, or otherwise be unavailable for forfeiture; and
- c. the need to preserve the availability of the property through the entry of the requested order outweighs the hardship on any party against whom the order may operate.

Where the requisite showing is made and an attachment order is obtained, CPLR Section 1313 permits the attachment of any debt or property against which a money judgment may be enforced.

**(1) Plaintiff Will Prevail on
The Issue of Forfeiture**

17. The affidavit of Investigator Badal establishes that there is a substantial likelihood that plaintiff will establish the elements of its forfeiture claims, through proof that one or more felony crimes were committed by the defendants and that those crimes generated millions of dollars in proceeds.¹

18. Included in the Badal Affidavit are portions of conversations intercepted by the investigative team in which each defendant implicates himself or herself in the fraud. The affidavit also describes multiple real estate transactions in which the defendants, acting in furtherance of their criminal enterprise, distributed the proceeds of their crimes to themselves, to their shell corporations and to other participants in the enterprise.

19. The evidence summarized in the Badal Affidavit is derived from multiple sources, including witnesses, documents, and intercepted conversations. Each source of evidence corroborates the others. Moreover, a grand jury has indicted the criminal defendants on all counts outlined in paragraph 8 above. There is a substantial likelihood that plaintiff will be able to establish that the defendants committed the crimes and will prevail on the issue of forfeiture liability.

20. Under CPLR Section 1311(1)(a), a prosecutor may forfeit “proceeds,”

¹ Hearsay evidence may be used to support an attachment application in a civil action. See *Kuriansky v. Bed-Stuy Health Care Corp.*, 135 A.D.2d 160, 170 (2d Dep’t 1988), *aff’d*, 73 N.Y.2d 875 (1988); *Accord, Morgenthau v. Clifford*, 157 Misc. 2d 331, 339 (Sup. Ct., N.Y. Co. 1992); *Swiss Bank Corp. v. Eatessami*, 26 A.D.2d 287, 290 (1st Dep’t 1966), (it is sufficient if a showing is made which has probative force and is based on reliable information.)

“substituted proceeds” and “instrumentalities” of a “post-conviction forfeiture crime,” and of any crime within the same “common scheme or plan.” A post-conviction forfeiture crime is defined in CPLR Section 1310(5) as any felony under New York law. A single felony conviction will support a forfeiture action for the proceeds, substituted proceeds and instrumentalities of that felony, and of all of the crimes which constitute part of the same common scheme and plan of which that felony is a part. *Dillon v. Farrell*, 646 N.Y.S.2d 843 (2d Dep't 1996). Moreover, each defendant is jointly and severally liable for a judgment equal to the value of the proceeds and substituted proceeds obtained by the conspiracy in which he participates. *Morgenthau v. Clifford*, 157 Misc.2d 331, 342 (Sup. Ct., N.Y. Co., 1992); *Kuriansky v. Natural Mold Shoe Corp.*, 133 Misc.2d 489, 497 (Sup. Ct., Westchester Co. 1986); *See District Attorney of Kings County v. Iadarola*, 164 Misc.2d 204, 623 N.Y.S.2d 999 (Sup. Ct. Kings Cty. 1995). In this case the criminal enterprise generated at least \$8,321,700 from its illegal activities.

21. “Proceeds” is defined as property *obtained through* the commission of crime. CPLR Section 1310(2). In this action, the “proceeds” of the defendants’ crimes has been calculated by adding up the value of twenty loans issued to them or their nominees for the purchase of eighteen properties in reliance on their fraudulent misrepresentations, for a total of \$8,321,700. Courts have broadly construed the term “proceeds” in the forfeiture context to achieve the primary purpose behind the forfeiture law, which is to take the profit out of crime. In *Morgenthau v. Clifford*, 157 Misc. 2d 331, 342 (N.Y. Co. 1992), the court defined proceeds of a stock fraud crime to include the value of all property obtained by the defendants through the sale and subsequent resale of illegally obtained stock. *Id.* at 339, 342. Likewise, in *District Attorney of Kings County v. Iadarola*, 164 Misc.2d 204, 623 N.Y.S.2d 999 (Sup. Ct. Kings Cty. 1995), the

court approved the forfeiture of the value of all bets placed by a gambling operation. It did not give the defendants a credit for lost bets or limit their liability to net profits. *Id.* at 215.

“Substituted proceeds” is defined as property obtained through the sale or exchange of proceeds. CPLR Section 1310(3). An “instrumentality” is defined as any property, other than real property, whose use contributes directly and materially to the commission of a crime. CPLR Section 1310(4).

22. The criminal defendants are liable for a money judgment equivalent in value to their criminal gain. Accordingly, untainted assets not traceable to crimes can be attached and used to satisfy a forfeiture judgment, including all funds located in the names of the entity defendants. CPLR Section 1311(1). Attachment is available against all of these defendants’ assets up to the amount of the judgment sought against each of them in this action.

23. The entity defendants are also liable as instrumentalities of criminal conduct as they were used to facilitate the defendants’ fraud. Bank records establish that some of these entities were used by the defendants to buy and sell real property and others were used as conduits of illicitly obtained loan proceeds. They are also liable to the extent that they are alter egos of the defendants and hold assets on that defendant’s behalf.

(2) The Absence of An Attachment Order May Result in the Property Being Unavailable for Forfeiture

24. In establishing the second element of attachment, that the property may be removed from the Court’s jurisdiction or otherwise become unavailable for forfeiture, the plaintiff need only show that the property *may* be dissipated, unlike the requirement for attachments in a routine civil case that the plaintiff show that the defendant “is about to” transfer

or “has” transferred his assets. *See Holtzman v. Samuel*, 130 Misc.2d 976, 983 (Sup. Ct. Kings Co., 1985).

25. Plaintiff is concerned that the defendants will take steps to secrete both corporate and personal assets or otherwise make them unavailable for forfeiture. The defendants have routinely hidden their own property interests behind straw buyers. They have colluded to purchase and sell properties under a myriad of corporate names. The Badal Affidavit describes instances when each individual defendant has engaged in some type of conduct designed to either cloak the truth about the ownership of an asset or avoid responsibility for the consequences of their fraud. For example, Louis Sandella has owned few assets in his name and numerous assets nominally in the names of others, such as a condominium and a restaurant in Florida. Michael Sandella controls numerous bank accounts that are nominally owned by a variety of entities. Kim Moss Fontanez sold her own house to her sister, Danielle Moss, and then to her babysitter in a series of sham transactions in which the Moss Sisters shared and secreted the loan proceeds. Ida D’Angelo hid the theft of over \$700,000 by a real estate investor for fear that disclosure to authorities would shed light on the mortgage fraud scheme which she and her co-conspirators were perpetuating.

26. The defendants have failed to fulfill their economic obligations to straw buyers, lenders, investors and others. Their assets should be restrained now so they are available later, when a judgment is issued against them.

**(3) The Balance of Hardships
Weighs in Favor of Attachment**

27. For the last five years the defendants have participated in a criminal enterprise designed to deceive lenders, banks, sellers, purchasers and others about the source and destination of funds. They have hidden behind the identities of straw buyers in order to enjoy the benefits of property ownership without the burdens. They have readily reneged on their own promises to straw buyers and lenders to repay loans. They have damaged the reputations of licensed appraisers by forging their names on falsified appraisal reports. They have stolen millions of dollars from lending institutions, at least one of which has filed for bankruptcy.

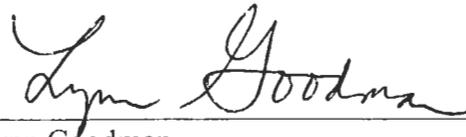
28. In a legitimate marketplace, prices are set and loans are issued based on true assessments of risk and value. The stability of the real estate market is dependent upon real estate professionals who honestly represent the competing interests of the buyer, seller and lender. In the instant case, however, the professionals advanced the interests of the criminal enterprise. The attorneys provided counsel that benefitted the criminal enterprise to the detriment of their clients, the banks and buyers. Loan officers who were bribed by the members of the criminal enterprise to approve the loans also made business decisions based on self-dealing instead of in furtherance of the interests of their employer, the lender. Singlehandedly, a fraud of this magnitude would be difficult. But working together, the defendants were able to sustain their criminal enterprise for years.

29. The evidence shows that between June 2001 and June 2002 alone, the criminal enterprise brokered at least 186 loans with a cumulative value of \$43.4 million. They have clearly, at this point, brokered loans valued in excess of \$200 million. This action seeks the

forfeiture of the proceeds of twenty loans. The balance of hardships favors the preservation of the defendants' assets through issuance of the requested order of attachment.

30. For the foregoing reasons, we respectfully request that the court issue an order in the form submitted herewith.

31. No previous application has been made for the relief requested herein.



Lynn Goodman
Assistant Attorney General
In Charge of Asset Forfeiture
Office of the New York State Attorney General

DATED: April 21, 2006
White Plains, New York

Exhibit 1

STATE OF NEW YORK
COUNTY OF KINGS

-----X

JOHN CHRISTOPHER PRATHER, :
Deputy Attorney General in Charge of the :
New York State Attorney General’s Organized :
Crime Task Force, exercising the powers and :
performing the duties of the District Attorney, :

Plaintiff, :

-against- :

LOUIS SANDELLA, MICHAEL SANDELLA, :
GERALDINE MOSS, KIM MOSS FONTANEZ, :
DANIELLE MOSS, ANDREAS PERDIKOS, :
GARY SHAW, IDA D’ANGELO, MAIN :
STREET MORTGAGE CORP., 802 FORT :
SALONGA MANAGEMENT CORP., MILU :
MANAGEMENT CORP., G. MOSS, INC., :
LOUMAX HOLDING, LLC., SANDARIAS :
CORP., MICHAEL SANDELLA, INC., :
TRILOGY CONSULTING CORP., :
AMPLUSMALL CORP., :
LOJO REALTY HOLDING CORP., :
CONSAND CORP., 64 FIRST AVENUE :
CORP., LSJC MANAGEMENT CORP., :
MJL REALTY CORP., LOUIS :
SANDELLA, INC., 135 ROCKAWAY :
PARKWAY, LLC, 145 :
ROCKAWAY PARKWAY, LLC., 431 :
SOUTH FIRST AVENUE, LLC, and DANI :
CONSULTING CORP., :

Defendants. :

-----X

INDEX NUMBER

AFFIDAVIT IN SUPPORT OF
PLAINTIFF’S APPLICATION
FOR EX PARTE ORDER OF
ATTACHMENT PURSUANT
TO CPLR ARTICLE 13-A

STATE OF NEW YORK)
) SS.
COUNTY OF WESTCHESTER)

Brian Badal, being duly sworn, deposes and says:

1. I am a Special Investigator assigned to the Organized Crime Task Force of the New York State Attorney General's Office. I submit this affidavit in support of the plaintiff's application for an order of attachment against criminal defendants Louis Sandella, Michael Sandella, Geraldine Moss, Kim Moss Fontanez, Danielle Moss, Andreas Perdikos, Gary Shaw, Ida D'Angelo, and the entities they control, Main Street Mortgage Corp., 802 Fort Salonga Management Corp., MILU Management Corp., G. Moss, Inc., Loumax Holding, LLC., Sandarias Corp., Michael Sandella, Inc., Trilogy Consulting Corp., Amplusmall Corp., LoJo Realty Holding Corp., Consand Corp., 64 First Avenue Corp., Partridge Realty Corp., LSJC Management Corp., MJL Realty Corp., Louis Sandella, Inc., 135 Rockaway Parkway, LLC, 145 Rockaway Parkway, LLC, 431 South First Avenue, LLC, and Dani Consulting Corp., jointly and severally, in the amount of \$8,321,700.

2. The criminal defendants are a group of individuals who managed a criminal enterprise comprised of mortgage brokers, lawyers, real estate appraisers, bank employees and others, which defrauded lending institutions out of millions of dollars in loan proceeds. Members of the criminal enterprise located residential properties for sale and paid off straw buyers to act as nominal purchasers. They induced lenders to issue loans far exceeding the value or sale price of each property by misrepresenting the terms of the real estate transaction, inflating the appraisal by \$100,000 or more in excess of the market price, and fabricating employment, asset and rental histories of the straw buyers. They enlisted the help of friends and associates to falsely pose as employers and landlords of straw buyers. They deposited "show money" into the bank accounts of straw buyers to bolster their liquid assets and withdrew it as

soon as the loan was approved. They falsified loan applications, HUD-1 Settlement Statements, appraisals, contracts of sale, title documents and other paperwork. Sometimes they would pay off employees within a lending institution for approving a spurious loan. Once the loan was issued and the property sold, members of the criminal enterprise would distribute the excess loan proceeds to themselves. They would then look for a new straw buyer to whom they could flip the property, and the fraud would continue. The defendants promised many of the straw buyers that they would service the loans, and then often ruined the straw buyer's credit by defaulting months after the purchase. Many of the loans were sold to institutional investors on secondary mortgage markets, investors who ended up bearing risks and losses that they did not bargain for.

3. The defendants have committed the crimes of Enterprise Corruption in violation of Penal Law Section 460.20, Scheme to Defraud in the First Degree in Violation of Penal Law §190.65(1)(B), Grand Larceny in the First and Second Degrees in violation of Penal Law §§155.42 and 155.40(1), and Falsifying Business Records in the First Degree in violation of Penal Law § 175.10. Their crimes have generated proceeds in an amount exceeding \$8,321,700.

4. This affidavit is a summary of evidence obtained by a team of investigators from the New York State Attorney General's Office, the New York State Banking Department, United States Department of Labor, New York State Department of Taxation and Finance, Federal Bureau of Investigation, New York State Insurance Department and the New York City Waterfront Commission over the course of a long-term investigation. I have participated in this investigation by, among other things, monitoring telephone communications intercepted pursuant to court-authorized wiretaps, reviewing and analyzing loan applications, real estate contracts, title documents, bank records, closing statements, and a variety of other records

obtained from trash receptacles, through subpoenae, search warrants, intercepts on facsimile machines, and voluntarily produced by witnesses. I have participated in, or have spoken to other members of the investigative team about, interviews of witnesses, including scheme participants, sellers, straw buyers, appraisers, attorneys, loan officers, and others. The facts set forth herein are based upon my personal knowledge and upon information and belief, upon information obtained by other members of the investigative team or other witnesses and provided to me.

THE DEFENDANTS

5. The eight individual defendants who managed the criminal enterprise include five individuals who held themselves out as mortgage brokers, two real estate attorneys and one appraiser.

6. Defendant Louis Sandella ran the mortgage brokerage business out of various office locations in Suffolk county, and was the architect of the criminal enterprise. He employed Michael Sandella, Danielle Moss, Kim Moss Fontanez, and Geraldine (“Geri”) Moss in the business of brokering loans for real estate transactions, even though none of them had a valid mortgage brokerage license. They located properties for sale, recruited straw buyers, paid off scheme participants, structured transactions in a manner that would hide the inflated nature of loans requested of various lenders, and communicated regularly with the complicit attorneys and appraiser. Defendants Geraldine Moss, Kim Moss Fontanez and Danielle Moss handled individual transactions. Geraldine Moss provided false information to the lenders about the financial qualifications of straw buyers and arranged for cash to be deposited temporarily into straw buyers’ bank accounts so that they would appear to be worthy of credit. Defendant

Danielle Moss relayed instructions from Louis Sandella to other participants in the conspiracy about various aspects of fraudulent real estate transactions. Kim Moss Fontanez participated in the preparation of falsified loan applications and documents needed for real estate closings.

7. These members of the criminal enterprise held themselves out as a legitimate business under several different names over the course of the last five years, including Regency Capital Funding, D&M Financial, Maxim Mortgage Bankers, Main Street Mortgage Corp., and Amplusmall (hereinafter called the "Sandella companies"). With assistance from other members of the criminal enterprise, named and unnamed as defendants herein, they brokered loans for borrowers in Kings County, Queens County, Nassau County, Bronx County, Suffolk County, and elsewhere. Over the course of the last five years, the criminal enterprise brokered hundreds of loans cumulatively valued at more than \$200 million. In 2001 and 2002, many of these loans were secured from D & M Financial, a mortgage bank based in New Jersey. D & M Financial has filed for bankruptcy protection and has been sued by several institutional investors seeking to recover losses resulting from their purchase of defaulted loans on the secondary mortgage market.

8. Once the mortgage professionals identified and outlined the terms of a transaction, they solicited the assistance of attorneys Gary Shaw, Esq. and Ida D'Angelo, Esq., to prepare the legal documents and handle the closings. Shaw usually represented the buyer or the seller and D'Angelo usually represented the lender. They worked with each other and with other members of the criminal enterprise to mislead lenders into believing that the loan documents and HUD-1 Settlement Statements were accurate, knowing that they were not, and used their escrow accounts to disburse loan proceeds as directed by other participants in the

criminal enterprise, sometimes to pay off straw buyers or loan officers, and sometimes to pay off the Sandellas. Intercepted communications confirm that D'Angelo and Shaw were aware of the mortgage fraud scheme and actively participated in it.

9. Members of the criminal enterprise needed to support their inflated loan requests with inflated appraisals and thus, solicited the assistance of Andreas Perdikos, an individual who was trained, but never licensed, as an appraiser. Andreas Perdikos appraised properties at the values requested by Louis and Michael Sandella, misrepresenting or omitting factors in his reports that would indicate a reduced property value. On some appraisal reports he falsely held himself out as a licensed appraiser. On many other reports, he forged the name and signature of licensed appraisers, without their consent.

10. MILU Management Corp., G. Moss, Inc., LouMax Holding, LLC., Sandarias Corp., 802 Fort Salonga Management Corp. and Michael Sandella, Inc., are each entities that were used as conduits for fraudulent loan proceeds. According to bank records, intercepted conversations and other documents obtained through the execution of search warrants, MILU Management Corp., Michael Sandella, Inc., and Sandarias Corp., are owned and controlled by Michael Sandella. G. Moss, Inc. is owned and controlled by Geraldine Moss. Loumax Holding LLC appears to be controlled by Danielle Moss. Many of these entities own bank accounts into which criminal proceeds were deposited. Phony rent verification letters were provided to lenders bearing the letterhead of some of these entities.

11. In this action OCTF seeks the forfeiture of an amount equal to the loan proceeds obtained in connection with the purchase of the following properties:

	<u>Property</u>	<u>Value of Loans</u>
1.	753 Marcy Avenue, Brooklyn	\$380,000
2.	756 Marcy Avenue, Brooklyn	\$342,000
3.	18 Monroe Avenue, Massapequa (2003)	\$399,000
4.	18 Monroe Avenue, Massapequa (2004)	\$450,000
5.	199 Commack Road, Deer Park	\$361,000
6.	39 Benjoe Drive, Amityville	\$356,250
7.	317 Winthrop Avenue, Brooklyn	\$475,000
8.	4116 Avenue J, Brooklyn	\$465,500
9.	26 Leroy Street, Dix Hills	\$439,200
10.	95 East 31st Street, Brooklyn	\$450,000
11.	69-31 66 Place, Glendale	\$473,100
12.	1327 Prospect Place, Brooklyn	\$495,000
13.	137 E. Riviera Drive, Lindenhurst (2002)	\$294,400
14.	137 E. Riviera Drive, Lindenhurst (2004)	\$427,500
15.	59 Remsen Avenue, Brooklyn	\$360,000
16.	94 E. 31 Street, Brooklyn	\$448,750
17.	150 E. Fulton Street, Long Beach	\$495,000
18.	172 Warburton Avenue, Yonkers	\$360,000
19.	135 Rockaway Parkway, Brooklyn	\$450,000
20.	145 Rockaway Parkway, Brooklyn	\$400,000

Total: \$ 8,321,700

12. The evidence establishes that the defendants fraudulently induced lenders to issue the loans that supported the purchase of these and other properties. Thus, their potential forfeiture liability may far exceed \$ 8,321,700.

THE EVIDENCE

13. Plaintiff's allegations are supported by various forms of evidence, including evidence obtained pursuant to court authorized eavesdropping warrants, pursuant to search warrants executed at the homes and offices of the defendants and their associates, pursuant to subpoenas to various financial institutions, from witnesses, databases, public records, and other sources. The evidence described in this affidavit is illustrative of the nature of the evidence that is available to the plaintiff, and does not include every source or item of evidence obtained during the course of this investigation.

14. Plaintiff obtained judicial authorization for the interception of communications over lines, instruments and cellular telephones (hereafter generically referred to as "phones") assigned the following numbers:

a. Phones used by and/or subscribed in the name of Maxim Mortgage Brokers, its successors in interest and its employees (the Maxim phones): (631) 261-4472, (631) 261-4451, (631) 261-4479, (631) 261-4228, 631-261-4197, (631) 261-4408, (631) 261-4461, (631) 261-4377, (631) 261-4426, (631) 261-4453, (631) 261-4474, (631) 261-4484, (631) 669-3320, (516) 807-7139, (516) 369-1194, (516) 807-0762 and (516) 807-7140, (347) 446-7770;

b. Phones used by and/or subscribed in the name of Geraldine Moss, Kim Moss Fontanez or Leonard Moss (the Moss phones): (631) 669-3320, subscribed in the name of

Kim Moss Fontanez; (516) 807-7139, subscribed in the name of Geraldine Moss; (516) 369-1194, subscribed in the name of Geraldine Moss; (516) 807-0762, subscribed in the name of Geraldine Moss; (516) 807-7140, subscribed in the name of Danielle Moss; (917) 783-5505, subscribed in the name of Leonard Moss;

c. Phones used by and/or subscribed in the name of Louis or Michael Sandella: (631) 261-3664, (631) 261-3649, (631) 261-3674, (631) 261-3681, (631) 261-3683, (631) 261-3691, (631) 261-3694, (631) 261-3719, (631) 261-3775 (fax), (631) 261-3818, (631) 261-3824, 516-369-1194; and

d. Phones used by and/or subscribed in the name of Andreas Perdikos: (631) 262-7991 and (631) 262-0346.

15. Search warrants were executed in or around July 2004 at the following locations:

a. 802 Fort Salonga Road, Northport, Suffolk County, New York, the premises out of which the Louis Sandella ran his mortgage brokerage business;

b. 369 East Main Street, Suite 8, East Islip, Suffolk County, New York, the location of the business premises of Main Street Mortgages Corporation, Amplusmall, Inc., and of George Greene, Accounting and Tax Services. George Greene provided accounting services to the criminal enterprise;

c. 14 Wilafra Place, Northport, Suffolk County, New York, the residence of Louis Sandella;

d. 430 Connetquot Avenue, Second Floor Apartment, East Islip, Suffolk County, New York, the residence of accountant George Greene;

- e. 1422 America Avenue, West Babylon, Suffolk County, New York, the residence of Geraldine and Leonard Moss;
 - f. 137 East Riviera Drive, Lindenhurst, Suffolk County, New York, the residence of Kim Moss Fontanez Fontanez;
 - g. 54 Fox Lane, Dix Hills, Suffolk County, New York, a business location used by John Cherry, the owner of two mortgage brokers affiliated with the defendants, Regency Capital Funding and Amplusmall, LLC;
 - h. 555 Broad Hollow Road, Suite 201, Melville, Suffolk County, New York, the business premises of attorney Ida D'Angelo and Associates, P.C.;
 - i. One Old Country Road, Suite 125, Carle Place, Nassau County, New York, the business premises of attorney Gary Shaw;
 - j. 7 Old Field Road, East Setauket, Suffolk County, New York, the business and residential premises of Andreas Perdikos and his wife, Antroula Perdikos;
 - k. 35 North Tyson Avenue, First Floor, Floral Park, Nassau County, New York, the business premises of Millenium Abstract Corporation, a title abstract services business;
- and
- l. 428 New York Avenue, Huntington, Suffolk County, New York, an address used by Maxim Mortgage Bankers, Ltd.

16. During the course of the investigation, many witnesses were interviewed by the OAG investigative team. The cumulative evidence demonstrates widespread fraud affecting consumers and lending institutions, and damaging the primary and secondary real estate markets throughout the New York metropolitan region and beyond.

OVERVIEW OF THE RESIDENTIAL MORTGAGE BUSINESS

17. In a typical purchase of real estate, when a willing buyer and seller find each other and agree upon a price, they negotiate and sign a contract of sale memorializing the terms of the deal, often through their respective attorneys. The contract may require the buyer to make a down payment towards the purchase price, a sum which is often placed into an escrow account controlled by the seller's attorney. If the property requires repairs, the parties may negotiate a repair concession to be deducted from the sale price. This concession is usually a modest amount, not more than a few percentage points of the contract price.

18. If the buyer wants to take out a loan to purchase the property, he may enlist the services of a mortgage broker to help him find a lender. Under New York State Law, a mortgage broker must hold a mortgage brokerage license. Most lenders will issue a loan to a qualified borrower for 80% to 90% of the purchase price, and secure it with a mortgage on the property. The mortgage broker assembles a package of documents from and about the buyer and submits it to the lender to enable the lender to assess the buyer's ability to satisfy the mortgage payments over the course of the loan. These documents include a mortgage application, credit report, and proof of identity, income, assets, employment, and ability to pay. The broker also arranges for an appraisal report to be prepared. In New York, appraisers who report on properties financed through federally funded programs, the vast majority of properties on the market, must be certified or licensed. The broker forwards all these documents to the lender.

19. In determining whether to issue a loan, the lender will look at a number of factors to assess the borrower's ability to satisfy the mortgage obligations. A borrower who will be using the property as a primary residence is viewed as more likely to pay the mortgage than a

borrower purchasing the property as an investment. A borrower who does not have a steady job or substantial liquid assets is not likely to be approved for a legitimate loan. The lender will also review the appraiser's report to make sure that the property is worth as much as or more than the loan amount, in the event that the borrower defaults.

20. The official transfer of title and exchange of consideration is memorialized at a closing, a meeting generally attended by the purchaser, seller, their respective attorneys, an attorney for the lender, and a representative of a title company. Documents for the closing are generally prepared by the lender. As the date of the closing approaches, a "pay-off letter" is requested by the seller's attorney or the mortgage broker, which specifies the funds that must be paid to any existing mortgage-holder.

21. At the closing itself, the bank's attorney acts as the settlement agent with respect to the loan proceeds. The bank's attorney verifies the identities of the parties, typically by examining photo IDs and placing copies of those IDs in his or her file. The bank's attorney also prepares a HUD-1 Settlement Statement, a federally mandated form specifying how the proceeds of the loan funds are being disbursed. The buyer, seller and settlement agent usually sign the HUD-1 Settlement Statement at the closing. When the bank's attorney transmits the HUD-1 Settlement Statement to the mortgage bank, the bank then wires the loan proceeds as set forth in the HUD-1 Settlement Statement, into the escrow account of the settlement agent, who in turn, disburses the funds.

22. At the closing, the borrower must also sign a mortgage agreement and a loan note, obligating him to repay the loan, and securing the loan with the property. The bank attorney may have the parties sign a "closing disbursement authorization sheet", which contains

detailed instructions, signed by the buyer and seller, about how they want the bank attorney to issue their checks from the loan proceeds. Other checks may be exchanged at the closing among the participants to cover costs not funded by the mortgage loan. Pursuant to the loan documents, the buyer is obligated to make regular payments to the lender towards satisfaction of the outstanding loan. If such payments are not made, the buyer goes into default, and the lender may claim the property which served as security for the loan.

23. There are checks and balances inherent in a multiple party transaction that reduce the risk of fraud. The seller, the buyer and the bank each has a separate interest to protect and each party hires his own attorney to protect it. A buyer with a legitimate interest in the property usually seeks out a loan principal at or below the sale price of the property with the lowest interest rate, knowing he will have to repay that loan. A bank attorney honoring her fiduciary interest to the bank will take steps to ensure that the bank's closing instructions are followed, that the bank's funds are properly disbursed and that the disbursements are memorialized in the HUD-1 Settlement Statement. A legitimate mortgage broker will seek to find borrowers who will honor their mortgage commitments.

24. In the instant case, however, a criminal enterprise was set up that negated the checks and balances. The attorneys provided legal services that benefitted the mortgage brokers to the detriment of their nominal clients, the banks and buyers. Certain bank employees approved questionable loans to advance their own economic needs, instead of looking out for the interests of the banks who employed them. Other members of the criminal enterprise falsified business records, and facilitated and encouraged a pattern of criminal violations that enabled it to divert millions of dollars in loan proceeds.

THE EVIDENCE ESTABLISHES
THAT THE DEFENDANTS KNOWINGLY OBTAINED LOANS
THROUGH FRAUD AND DECEIT

25. Straw buyers have admitted under oath that over the last several years members of the criminal enterprise paid them to serve as nominal purchasers of real estate. These straw buyers have admitted that much of the information provided to lenders about their assets and net worth was false. OAG investigators have reviewed the contracts of sale, loan applications, HUD-1 Settlement Statements and disbursement records of scores of transactions and have interviewed many of the sellers and purchasers. The HUD-1 Settlement Statements prepared by the Attorney Defendants often did not accurately report the sale price or the distribution to the seller of the net sale proceeds. In many instances the contracts of sale provided by the defendants and signed by the buyer and seller contained riders that were not provided to the lenders, riders that reduced the sale price. Moreover, several appraisers told OAG investigators that they had not prepared the appraisal reports which bore their name and signatures, appraisal reports which Andreas Perdikos appears to have prepared. Bank records establish that Louis Sandella, Michael Sandella and other co-conspirators received funds from many of these transactions.

26. The defendants' scheme is revealed in the intercepted conversations between them and with other participants in the scheme, not named as defendants herein. Set forth below are excerpts or summaries of some of these conversations.

27. In a call intercepted on April 23, 2004, Louis Sandella explained his methodology to an unidentified male referred to as "Joe", who was apparently a real estate professional in Florida:

Sandella: He said you're going to look at two properties today, right?

Joe: Yeah. I have this lady. Now let me give you the scenario so you understand. I have this lady that has uh, three properties. . . . She has to get rid of the properties 'cause number one, her husband went to jail. You understand? I won't explain to you why and where. And number two, uh, she can't, uh, she just can't uh, she can't uh, she can justify the properties for herself but she's just gotta get rid of it. . .

Sandella: The way I do it. I'll explain it to you. I don't know if you have people. You find this lady. Okay, you negotiate 650, right? . . . You tell her you, you'd say, maybe you could get the appraisal for what? 850, 750, what do you think?

Joe: I can get it, eh, I can probably get an appraisal for what 850. My friend's right over here. . . .

Sandella: This is how I usually do it. . . . Make believe it's one property right now. . . . Get the contract up that you're buying it for \$800,000. You put down say, uh, 640 purchase price. Six percent seller concession. And you put down say, uh, whatever, I don't know what adds up after that because I don't have a calculator . . . towards credit, towards repairs. . . . No capital gains. 'Cause I don't know the capital gains law in Florida yet, but . . . So then you get somebody who you wanna use their name, or you really get somebody that wants to buy it for that price. And you cash out. . . . right there, or you put it under your name. You cash your \$100, your \$1,500,000, whatever it is. . . . And you either, as long as the property runs itself, you, you pay the mortgage from your income and you find somebody that really wants to take these two properties or you keep 'em yourself. But you're still walk away with \$100, \$150,000 at the closing, plus you got the two properties.

Joe: Oh, is that the way you work it?

Sandella: That's how I do it. I don't wait for the rent. I take, I suck out as much money as I could right there and then. . . . That's what you do. So you have to have, you know, your attorney, you have, do you have a good attorney that works with you down there?

28. On January 26, 2004, a call was intercepted over a line subscribed by

Maxim Mortgage Bankers, during which Louis Sandella and a male speaker, whose son was

buying a house, discussed falsifying assets:

Sandella: I called you before I found out about the check. But she says she has everything now. Tomorrow we're wiring the money, and as soon as that, it's wired into your son's account.

NW¹ OK. You're good?

Sandella: . . . I'll speak to you tomorrow. As soon as it hits tomorrow morning . . . transfer it from your business account to your son's personal account, 'cause they're going to ask probably where did he get that money. Just in case, when they see, like, I think it's like \$23,000 we need. . . . You say he got it from his business account. He transferred from his business account into his personal account. Because, a business, it's no problem, \$23,000. But personal, sometimes they question it. Alright?

NW: You got it. . . .

29. In a conversation intercepted on January 30, 2004, Michael Sandella

describes the typical role of a straw buyer:

Sandella: Porky, we made him act as the buyer. All he had to do, he came across, he had a job and had good credit . . . and I'm able to do the mortgage...Now what happens is, you come in, you see. You have to bring me some paperwork and stuff . . . like a pay stub and all that type of shit. And then you come in. You sign for the property. And after the thing is done, you give me a couple of days, and I come and see the guy with a couple of . . . I gave him seventy-five hundred...Cash...And . . . if your credit's no good, maybe you know somebody with good credit. We'll pay that guy \$5,000 and give you \$2,500 for your time and effort....And if you're going to find somebody, we need the full name, the address, the birthday and the Social. If you give me two minutes, I run it up on the computer to see if it's good. If it's good, within a month or less, you get the deal done, and everybody gets paid. And we keep moving on. And the thing stays in the guy's name for about six months... 'Cause it's not for a long time. Because after a while, then they guy's . . . going to fix it up or he's going to turn it over to

¹ The names of certain witnesses and parties mentioned herein have been withheld to protect their identities at this time. "NW" refers to "Name Withheld."

his brother or whatever the fuck they do. I don't even give a shit. You know what I mean?

NW: Yeah.

Sandella: And that's what we're doing. . . .So, if you want, you think about it. You got my number. If you know anybody, I'll make it worth your while, man. Here's an opportunity for everybody to make money. You know what I mean?

30. On January 31, 2004, on line (631) 261-4472, Michael Sandella had the following conversation with a straw buyer he refers to as "Pork", who had apparently just closed on the purchase of a Sandella property.

Sandella: How you doing, buddy? Did you count everything. Everything was good?

Pork: Yes, sir.

Sandella: Better believe it. That's how I do business. Now, listen, I just ran your buddy's credit. Aaron...His credit is really bad.

Pork: Another one. [He chuckles.]

Sandella: I can't believe it. So far you gave me four duds. Each one getting worse and worse. . .

Pork: I have a young lady . . . She lives in the project.

Sandella: I don't care where she lives. It's OK. . . .

Pork: She's not supposed to have a house and live in the projects. I don't think. . . .

Sandella: I don't know, man. I don't know nothing about any of that shit. I just know if her credit is good, OK, we could put the house in her name for six months. . . .

Pork: I've got to ask her about it first.

Sandella: Maybe she got a girlfriend. Anybody, man. An uncle, a brother, a cousin. Some more girls.

Pork: I'll find out soon.

Sandella: Alright . . . Sooner or later you're going to come up with somebody. You gave me all these names. Somebody's got to hit. . . I just ran this Aaron, and, forget it, I never seen scores so low in my life. [Pork laughs.] . . . You got any questions or anything, you call me on the cell. . . . Don't spend all that money. . . . OK, man, thanks for everything. I'll talk to you soon.

31. In January 2004, Louis Sandella asked another male to pose as the employer of a straw buyer. In a conversation intercepted on January 22, 2004, over line (631) 261-4472, Louis Sandella coached the male on what to say when the lender called to check on the straw buyer's references:

Sandella: Hi, this is John from Option One, calling on a Diane Mondello?

NW: Yes. How can I help you? . . .

Sandella: I was testing you. The bank is going to call you . . . Monday they're going to be calling you...We're going to say that she works for you.

NW: OK.

Sandella: That she's a salesman. . . . She's been working for you for three years as a, what, sales lady?

NW: Sales rep. Yeah.

Sandella: Sales rep. Then, what's the name of your business?

NW: Hair Replacement Designer.

Sandella: [Speaks to a person in the background.] Mike, you put down "Hair Replacement Designer" . . . Give me the file while I have Jace on the phone to make sure we have all the information. . . .

NW: So it's going to go through?

Sandella: Yeah, definitely it'll go through. . . .

Sandella: Hair Replacement. 19 Spartan, what is it, avenue or street?

NW: Spartan Lane. . . .

Sandella: . . . We put down four years. Tell them that she lived, worked for you four years.

NW: OK.

Sandella: They ain't going to . . . ask you how much she makes. And if they do ask you, say, I don't know that, my bookkeeper has to look at that. But they're not going to ask you. Sales, and that's it.

NW: That's all they're going to ask?

Sandella: Yeah. That she works for you and how many years. That's it.

32. Louis Sandella often asked friends and associates to find businesses willing to falsely verify that a loan applicant was gainfully employed. In May 2004, Sandella arranged to have a printing business falsely verify the employment history of a straw buyer, Erroll Stennett, who was buying a two-story house at 94 East 31st Street in Brooklyn. The following calls demonstrate how Sandella obtained and used the information to obtain a loan in Stennett's name.

33. On May 26, 2004, at about 1:06 p.m., Louis Sandella and an associate, Frank Mugno, participated in the following conversation over the Sandella Cell Phone:

Mugno: Hello.

Sandella: Yeah, you know anybody, I'm sure you do, owns a small pizzeria, owns a small restaurant that I can say that somebody's working there and they just call, they call up say 'yeah, he works there.?' [I/A] how much money he makes? He works off the books, nothin' illegal, it's just that I need the job, ya know anyone that would do that, I'd give 'em a few hundred dollars?

Mugno: Ah, ahh ...

Sandella: That is smart enough I'll go there, I'll write the name down, all the information, when they ans, they tape it by the phone some person calls they just tell them this stuff. Yeah, I'm the manager ...

Mugno: Yeah, I'll let you know tomorrow. I might have a guy for you.

Sandella: I, I need to know early in the morning though.

Mugno: Does it have to be a [I/A] pizzeria?

Sandella: Huh?

Mugno: Does it have to be a pizza ...

Sandella: No! It doesn't have to be pizza, it could be deli, it could be ...

Mugno: How about a printing company?

Sandella: Printing company?

Mugno: Yeah.

Sandella: Yeah, he works just, he works on the weekend at the printing company. Yeah, yeah, at night. He works at night! Night, printers work at night, yeah! Say, yeah, he, he works at night he runs my press at night. A printer!

Mugno: Yeah.

Sandella: Are you gonna be up, what time you gonna be up tomorrow that I could get this information?

Mugno: I'll be up about 10:00 o'clock.

Sandella: Awright, I'll talk to you tomorrow.

Mugno: Maybe even earlier. Uh ... I'll call up my friend tonight and ah, and there won't be no problem.

Sandella: Awright, that's the guy ...

Mugno: And if they're gonna call in there and check in on the guy ...

Sandella: Yeah, that's it.

Mugno: ... I'll tell 'em who to contact over there.

Sandella: Yeah, I have to put a contact number, a contact name ...

Mugno: Yeah.

Sandella: ... and that's who they ask for.

Mugno: Very good.

Sandella: Thanks.

34. On May 27, 2004, at about 11:41 a.m., a call was intercepted between Louis Sandella and Frank Mugno during which Sandella told Mugno, "I need the information for the printer guy, his name, the address, the phone number. They will probably call today or tomorrow" Mugno replied, "Don't let them call today because ... his manager's not there today ... I'll get you all the information"

35. Later that day Mugno provided Louis Sandella with the name, address and telephone number of a printing company, Empire Rapid Reproductions, which had agreed to falsely verify the employment status of straw buyer Erroll Stennett. In the following conversation, Sandella instructs Mugno on how the printing company should respond to the lender's questions about the salary allegedly paid to Stennett:

Sandella: And who they ask for?

Mugno: Sal D'Amato. D'Amato.

Sandella: Awright. And then I'm gonna call you when I get ... and tell how much he has to make and everything.

Mugno: Awright, because I gotta let him know.

Sandella: And then, and then you tell him or I'll fax it to him or whatever he wants me to do.

Mugno: No, call me 'cause I gotta call him, he's home.

Sandella: Oh, okay.

Mugno: Okay? My friend is the owner, he's never there, he's there at night.

Sandella: Okay.

Mugno: ... but meanwhile his manager's not there today, he'll be in tomorrow.

Sandella: Awright, so that's when they're gonna call, tomorrow.

Mugno: Okay, so call me back so I could call my friend so he could get ahold of his manager and ...

Sandella: Okay.

Mugno: ... and tell him that ah, ya know, what to tell these people.

Sandella: Okay, awright, thanks.

36. The mortgage application for this purchase was submitted to Lend America, a mortgage bank. On May 27, 2004, Louis Sandella and Steve Afra, a manager at Lend America, participated in a conversation in which the two men discussed fabrication of a loan applicant's employment history.

Sandella: ... Am I on speaker?

Afra: No.

Sandella: I want to know how much the guy has to make so I can tell the print shop.

Afra: I, uhm, I'll figure it out for you.

Sandella: Yeah, 'cause I gotta tell the print shop, she's gonna call tomorrow, I gotta let the guy know tonight how much this guy has to make.

Afra: Two thousand a month.

Sandella: Two thousand a month? How long has he been working there?
Hold on, let me write this down.

Afra: How long he's been working there, hold on.

[Background Conversation]

Sandella: Hello.

Afra: Hello.

Sandella: Hold on, how many years?

Afra: You have him Empire Rapid Reproductions, that's it.

Sandella: Printing.

Afra: Okay, I have him at the print shop working there for eight years,
make it seven years there, okay.

Sandella: Who's loan is this? Hold on.

Afra: Okay.

Sandella: *[To unknown female in background]*

Sandella: Hello, I'm sorry, what you say?

Afra: Make him working there for uhm, make it since September of
ninety, pick a date, ninety what, eight, yeah, September ninety-
eight.

Sandella: Ninety-eight, September, nineteen ninety-eight.

Afra: September nineteen ninety-eight to present, okay?

Sandella: How many hours does it take from Dallas to LA on a jet?

Afra: What are we making him at the print shop?

Sandella: What?

Afra: What is he at the print shop, what is his position?

Sandella: It's, uhm, he runs the printer at night.
Afra: Print operator, night print operator.
Sandella: Night shift, uhm, he runs the printer, yeah, print operator.
Afra: Night print operator.
Sandella: Yes.
Afra: (212) 904-1936.

37. On May 27, 2004, at about 6:24 p.m., Louis Sandella called Frank Mugno and told him what the printing company would have to tell the loan officer about the straw buyer's assets to get the loan approved:

Sandella: \$2,000 a month and he started working September 1998.
Mugno: \$2000 a month?
Sandella: Yeah, he makes \$500 a week, \$2,000 a month ... and he started ... September 1998. He runs the printing press at night.
Mugno: Awright. And what's his name?
Sandella: Oh fuck *[to background: What's Geri's borrower's name on ... this 31st Street?]* He'll call you back with his name.
Mugno: Awright, bye.

38. At about 12:30 p.m., the following exchange was intercepted between Frank Mugno and Louis Sandella:

Sandella: Hello.
Mugno: Ya know ya told me get ya the guys ... some guy called the guy for some fuckin' guy that works there ... what's the person's name?
Sandella: Whattaya talking about?
Mugno: You wanted me to find you somebody to; if they call for

references.

Sandella: Yes!

Mugno: You never told me the guy's name, nothing!

Sandella: Did they call yet?

Mugno: Yeah, they called, he told 'em 'call me back in an hour.'

Sandella: Oh, fuck me!!! *[Background: Kim! Remember that (I/A) used that printing guy's name!]* Frank, hold, hold on, lemme get my phone ... hold the fuck on!

Mugno: Yeah.

[Background: Louie Sandella: Holy shit! (I/A) fucked up]

[Background: Louie Sandella: Steve! Steve!]

Sandella: Hello!

Mugno: Yeah.

Sandella: Yeah, hey what ... *[background: hey Stevie can you hear me? Can you hear me? Steve! You motherfucker!! (I/A) (Louie and Kim Moss Fontanez heard in conversation) LSandella: Fuck me, yeah! What deal did I use ... Steve, can you hear me?!]*

Mugno: [Coughs]

[Pause]

Moss: Hello?

Mugno: Yeah.

Moss: Oh, hi, hold on for one second.

Mugno: Who's this?

Moss: Kim!

Mugno: Hey, how ya doin'?

Moss: Good, how are you?

Mugno: Awright, hon.

Moss: What's goin' on?

Mugno: Ah, he don't know if he's comin' or goin', my boy there.

Moss: I know, I know.

Mugno: Yeah.....

Moss: What happened?

Mugno: [Stutters] He told me to find him somebody to ah, so they could put down the guy's workin' there ...

Moss: Hm hmm.

Mugno: ... He was supposed to call me back with the guy's name ...

Moss: I think it's Errol [(ph) Stennet].

Mugno: And now they called today. The guy told 'em 'call me back in an hour, I don't have my records with me.'

Moss: Awright, I think it's Errol [(ph) Stennet].

Mugno: Is it?

Moss: Yeah, I'm gonna find out right now, I'm gonna check right now, I believe it is.

Mugno: How much ... how much is he supposed to be making?

Moss: Louie's gonna find out right now, he's on the phone with the guy. Hold on.

Mugno: How ya doin', Kim?

Moss: I'm good!

Mugno: Good!

Moss: Hold on. [*Background: Errol Stennet, right?*]

Sandella: Frank.

Mugno: What?

Sandella: Are you ready? Ya got a pen?

Mugno: Go ahead.

Sandella: The guy that works there, his name is Errol, E-R-O-L-L.

Mugno: E-R-O-L-L.

Sandella: [(ph) Stennett] S-T-E-N-N-E-T-T.

Mugno: Stennet - S-T-E-N-N-E-T-T.

Sandella: Yeah. And it's E-R-R-O-L-L.

Mugno: E ... What?!!

Sandella: E-R-R-O-L-L, two R's in Erroll.

Mugno: Oh, E-R-R-O-L-L?

Sandella: Yeah.

Mugno: Double R.

Sandella: Awright, he makes \$24 thousand a year, which is \$2,000 a month, or \$500 a week ...

Mugno: \$24 thousand a year.

Sandella: He's ah ... he started the job September of '98.

Mugno: September '98.

Sandella: Okay, and he's a night print operator.

Mugno: Night print operator.

Sandella: That's it.

Mugno: Okay, lemme call him up.

Sandella: Awright, and tell 'em I'll give 'em, I'll take care of 'em, ya know, I'll give him a few hundred dollars.

Mugno: Awright, bye.

Sandella: Bye.

39. OAG obtained a copy of a loan application submitted to Lend America in June 2004 on behalf of Errol Stennett. The file contains a form entitled "Confirmation of Employment", and states that Erroll Stennett was employed by Empire Rapid Reproduction as a Night Print Operator, that he had been employed there since September 1998, was paid \$2,000 a month, and his prospects of continued employment were "excellent." The loan was approved. A summary of this transaction, the sale of 94 East 31st Street, Brooklyn, is set forth in this affidavit at paragraphs 149-156.

**THE ROLES OF GERALDINE MOSS,
KIM MOSS FONTANEZ AND DANIELLE MOSS
IN THE ENTERPRISE**

40. Geraldine ("Geri") Moss participated in the affairs of the criminal enterprise by, among other things, working with straw buyers to falsify representations on their loan applications. On numerous occasions Geraldine Moss was overheard discussing these matters on her cell phone, (516) 807-7139 ("the Geraldine Moss Cell Phone").

41. On February 3, 2004, Geraldine Moss spoke to Perry King, a property manager, who wanted to refer two potential straw buyers to the Sandella Group. King and Moss talked about using one of them as the straw buyer for 317 Winthrop Street in Brooklyn:

King:Uh, hold on.... Who's credit is good?

Moss: Both of theirs! It's just that Glendora... has more open trade lines.

King: I want to ask you something. I [(sl) warn you] because they, they, ya know, these are two sisters.

Moss: Right!

King: Uhm, Glendora, what's her credit score?

Moss: Ahm, six-sixty-nine middle

King: Six...

Moss: She got good credit.

King: Okay, so, so, so, she's even good for Winthrop

Moss: Yup

King: Huh?

Moss: Yeeaah!!

King: Oh, beautiful. And what's the sister?

Moss: Ah, the sister has a good credit score, but she doesn't have a lot of open credit, she has very little credit. Where, Glendora, ya know, her sister's got a six-ninety six and uhm, yeah, Celeste has a six-ninety-six, but Perry, she doesn't have alotta open trade lines at all....

(Later on in the conversation)

Moss: I know! I would do her separate. I would do Glendora first and then work on something else for, ah, the other one.

42. In February 2004, Geraldine Moss arranged for "Glendora" to purchase a property at 317 Winthrop Street Brooklyn and obtain loans from Aegis Funding. The calls pertinent to the 317 Winthrop transaction also implicate Kim Moss Fontanez as a member of the criminal enterprise. On February 5, 2004, Kim Moss Fontanez was overheard talking to Louis

Sandella about what appears to be a problem they encountered while trying to fabricate employment for the straw buyer for 317 Winthrop. The calls make clear that Perry King had offered to tell the lender that the straw buyer worked for King as an office manager, but since King worked for a real estate company, that verification created a problem for Sandella:

Fontanez: Listen to me, on Winthrop, uhm, he's saying when we, when he pulls up the name of the company that she works for, it's a real estate company, it's a problem.

Sandella: Oh, Jesus Christ. Lemme...get your mother.

Fontantez: We need a different job, or something.

43. The conversations also establish that Geraldine Moss caused \$16,000 to be deposited into Glendora's bank account, money that would boost her net worth, funds that would be withdrawn prior to the closing and given to attorney Gary Shaw.

44. On March 31, 2004, over line (516) 807-7139, Geraldine Moss and Perry King had a discussion about fraudulently increasing a loan applicant's cash assets with "show money":

King: And let's focus on, on Amityville...because the man keep calling me every week, asking me if I can get a straw buyer for him.

King: . . . Lucille gonna call you tomorrow to let you know if you got the money... She's supposed to able to get, um, to get the money to borrow to put in there, just to do that, that show money, and that's it.

Moss: Right. Right.

King: And then she make her ten thousand dollars and be happy.

Moss: Right. Exactly.

45. On April 12, 2004, over line (516) 807-7139, a straw buyer called

Geraldine Moss to complain that the loan and mortgage she had taken out had gone into default and that she was being threatened with legal action for non-payment of a \$36,000 loan.

Apparently, the straw buyer had been led to believe that members of the enterprise would take care of the loan payments. During the course of the wiretap investigation, Geraldine Moss was overheard on several occasions making excuses for not responding to a straw buyer's complaints.

NW: Answer me, and be straight to me, Geri. Where must I get thirty-six thousand dollars to pay this balance when I didn't even buy a house?...

Moss: Well, I, wait, hold on I wanna go outside . . . [clears throat] . . . First of all, ... I, I've also been in the hospital myself. This is why I haven't been calling you. Okay, I haven't even been working . . . Okay and what are those papers concerning, I, I have nobody, uh, you know, I haven't read them for myself. . . . But, I'm going to the office at three o'clock today....I'm in the doctor's office now. . . . But, I have, I'm going to my office, because I have mail, and I understand there is paperwork. I don't know what it's about. . . .

NW: It's from the bank . . . As of April 15th, if I do not contact them about the thirty six thousand dollar balance, then they were gonna take legal action and put a lien on my house.

Moss: Okay, listen to me. . . . I did receive your messages, and I'm sorry that you felt that way. I was not ignoring you. I'd, I had, I had brain surgery, and I was not ignoring you. And no, I, I wish somebody in my office would have told you I was out ill. . . .

NW: Because why I'm calling you back, I'm on my way to the Legal Aid office. I have an appointment with them because I have to go, they were gonna bring a lawsuit against you.

Moss: Um, against me?

NW: Yes.

Moss: And why against me?

NW: Because you are the one who took me to sign the papers. I didn't

buy a house, Geri . . .

Moss: You were co, you were a co-maker on that house against me.
Listen right now . . . I will call you back about three-thirty.

NW: Okay.

46. On May 25, 2004, at about 5:51 p.m., a call was intercepted between Geraldine Moss and “Todd”, another employee at Maxim Mortgage Brokers, over the Geraldine Moss Cell Phone, during which Moss told “Todd” she was presently with people from a bank and needed “Todd” to provide “a job” for her client, who apparently was a mortgage applicant. “Todd” informed Moss that he needed to check with a friend who owns two businesses to see which business the friend wanted to use to falsely verify employment.

47. On May 26, 2004, at about 5:50 p.m., a conversation was intercepted over the Geraldine Moss Cell Phone between Geraldine Moss and “Martin” LNU, who, from the context of the conversation, appeared to be a mortgage applicant. During the conversation the two discussed the search for an employer who would be willing to falsely report that Martin had been gainfully employed for the past two years. The next day, at about 4:01 p.m., “Martin” told Moss that he had found an employer, the Ivy League Day Care Center in Brooklyn, who would falsely verify Martin’s employment history.

48. On May 28, 2004, at about 12:33 p.m., in a conversation over line (631) 261-3664, Geraldine Moss and a woman identified as “Donna” discussed falsely inflating the purported income of an individual seeking to purchase a property at 107-37 105th Street in Queens, New York. Moss told Donna that the applicant’s income was only about \$30,000 a year, and that her income could be increased by fabricating a second job.

49. In a call made on January 26, 2004, at 4.49 p.m., Kim Moss Fontanez

discussed the preparation of a faulty appraisal with an unidentified male:

Moss: . . . That's fine. We're just going to just use a different name.

NW: That's fine.

Moss: The same company.

NW: The same company.

Moss: It could be the same company, but, if we can, use Al's boss.

NW: Mike.

Moss: Right. . . . OK, because wherever I sent his file is where I'm sending your file, and I want to match that, you know, so you have the same boss as Al.

NW: Great.

Moss: OK.

NW: How long do you think it will be before I get money?

Moss: I'm going to order the appraisal. I've got to see when he's going to be able to get out there . . . He's probably going to have to go there to take pictures of it.

NW: . . . The outside is beautiful. The place looks great. And if he doesn't have to go in, please. . . . So if he could just go up and take [outside] pictures, that would be great.

Moss: Right. It might cost a little more for the appraisal, OK?

NW: If he doesn't go in.

Moss: Even if he goes in. . . . No matter what, I need interior photos. I'm going to take care of the appraisal. I just wanted you to know that it's probably going to be a little more expensive.

NW: How much is a little more?

Moss: Um . . . I don't know. I'm going to talk to him. Because he has to do what he has to do. . . . It's not going to be \$2,000. . . . It has nothing to do with me.

**THE ROLE OF THE ATTORNEYS
IN THE CRIMINAL ENTERPRISE**

50. Ida D'Angelo often represented the lender in transactions arranged by the criminal enterprise. Gary Shaw often represented the buyer. The evidence establishes that attorneys Gary Shaw and Ida D'Angelo furthered the fraud of the criminal enterprise by, among other things, fabricating transactional records that created the appearance of propriety to the lenders and misled the lenders as to the true terms of a transaction. For example, for each sale of real estate secured by a mortgage, the attorneys prepared a HUD-1 Settlement Statement that was submitted to the lender. These statements invariably misstated the actual sale price of a property, failed to disclose irregular repair credits or seller's credits that often reduced the actual price by \$100,000 or more, and overstated the net sale proceeds distributed to the seller. By overstating the distribution to the seller, the criminal enterprise was able to hide the fact that they were actually distributing a large portion of the loan proceeds to themselves. In addition, to create an appearance of legitimacy, on occasion the attorneys would ask Louis Sandella to provide them with a check ostensibly representing the downpayment provided by the buyer towards the purchase price. The attorneys would photocopy the check and then return the check or the funds to Sandella. Furthermore, the attorneys used their escrow accounts to distribute loan proceeds to participants in the conspiracy.

51. For example, in January and February 2004, several conversations were intercepted indicating that Louis Sandella had made arrangements with attorneys Gary Shaw and

Ida D'Angelo to mislead a lender into believing that a buyer had provided the attorneys with a \$52,000 downpayment. On January 29, 2004, Louis Sandella spoke with both Shaw and D'Angelo from a telephone line assigned the number (516) 369-1194, subscribed in the name of Geraldine Moss, to a line used by Ida D'Angelo and Associates. Louis Sandella first spoke to Gary Shaw about a prospective closing. Shaw then turned the telephone over to D'Angelo:

Shaw: Hold on a second. Ida's going to talk to you.

D'Angelo: OK . . . certified funds of, like, \$52,000.

Sandella: We have to give certified funds for fifty-two. OK. But the bank don't ask for that. Why you asking for it?

D'Angelo: . . . They ask me for it . . . They're always asking. If they don't ask for it, they call me, like a month later, and try to get it from me.

Sandella: OK, we'll get it . . . I'll tell him tomorrow to get it.

D'Angelo: You know, they probably go and sell the loan or something. And whoever it is asks them for it. Next thing, you know, they come back to me.

Sandella: They sell all their loans to Chase.

D'Angelo: Yeah. There you go. And Chase definitely want to know, I'm sure. [She laughs.]

Sandella: Who do I make that check out to? Make it out to you? . . .

D'Angelo: No, make it out to Gary. It has to be made out to Gary as attorney or John Conzo.

Sandella: I'll make it out to Gary as attorney. . . . OK. But, between you and me, I don't have to give him that money, right? We just bring it to you and you make a copy . . .

D'Angelo: Exactly. . . .

Sandella: Alright. So that's it. So you need a check for \$52,000 made out to Gary Shaw as attorney.

D'Angelo: As attorney, yes. All right then?

Sandella: OK.

52. On February 2, 2004, over line (631) 261-4472, Gary Shaw asked Michael Sandella to fax him a copy of a certified check endorsed to Shaw for the apparent purpose of fraudulently representing the existence of funds in Shaw's escrow account.

Sandella: I'll to do that thing right now for you. . . .

Shaw: You send, you send a certified check, a certified check over, a copy of a certified check, to, to Ida's office.

Sandella: Alright you want a . . .

Shaw: I gave you the amount. You need it again?

Sandella: No. Put it in your name then?

Shaw: No, no, no. You make the check payable to me.

Sandella: Payable to Gary Shaw . . .

Shaw: Yeah, as attorney.

Sandella: As attorney, for that amount.

Shaw: That's right.

Sandella: And then just fax it to Ida.

Shaw: Fax it to Ida. And then get the check back and then re-deposit it into your account.

Sandella: I got you. OK.

53. The intercepted conversations establish that Gary Shaw was aware that the most of the straw buyers solicited by the mortgage brokers had no intention of exercising any ownership interest in the properties they were purchasing, and that, for a fee, they were acting as

nominees for members of the criminal enterprise, the true beneficial owners, who had agreed to assume the responsibilities of ownership after the closing, including the mortgage payments.

54. For example, on May 10, 2004, over line (631) 261-3664, Michael Sandella and Gary Shaw discussed problems they were having with a straw buyer who had complained that Sandella was not making timely mortgage payments on his property.

Shaw: I just got a call from NW (name withheld) on 199. He asked me what his rights are. I have to tell him what his rights are. He can sell that property. That's what I told him. . . . I told him to speak to you. He's got tenants in there that pay rent? . . . Then why is his mortgage not being paid?

Sandella: . . . I'm waiting, trying to close a loan. Then I'll catch up on it this week.

Shaw: If you want to do something, you'd better speak to this guy. . . . I mean, you paid this guy money to close this deal.

Sandella: Yeah.

Shaw: But you screwed up his credit.

Sandella: No, I'm waiting on, for NW. He keeps trying to [I/A] this loan to give me money. We're short . . .

Shaw: All I'm saying to you is, NW's credit is getting screwed up. . . . It's bad.

Sandella: I know.

Shaw: We have the same problem with Ana

Sandella: I know that. . . .

Shaw: You know what's going to happen.

55. A call intercepted on May 12, 2004, between Gary Shaw, Geraldine Moss and "Donna", one of Louis Sandella's employees, demonstrates Shaw's knowing participation in

the criminal conspiracy. Shaw talked to Donna about a tactic used by the Sandella Group to obtain an inflated mortgage. They would agree to pay the seller's asking price if the seller agreed to sign a contract that contained a sale price significantly higher, along with a separate rider reducing the actual price through a repair concession or seller's price concession. The defendants would submit the contract without the rider to the lender, who was led to believe that the sale price was the higher amount. Members of the enterprise would pocket the difference between the sale price and the loan. In this conversation, Gary Shaw explains this tactic to

Donna:

Shaw: What you want to do then is, you want to increase the purchase price.

Donna: I want to increase the purchase price.

Shaw: Alright. Increase the purchase price and put a seller's concession in there. . . . And just let me know, fax me the changes that you've made, and I'll contact NW's office. That's not a problem.

Donna: Good enough.

Shaw then spoke to Geraldine Moss about the status of various deals:

Shaw: What you have to impress upon the Browns is that they really should take care of this termite condition. . . . It's only going to get worse. . . . Are they really going to sell this house eventually?

Moss: No. They're trying to live here. . . .

Shaw: What else do we have, Geraldine?

Moss: ... We're going to have East 91st. I think that's going to fly. I told Louie last night, "Let's do it the way you're trying to set it up for us."

Shaw: I just killed the deal yesterday. . . . They won't do it. . . . The only thing they were willing to do, they were willing to give us a seller's concession. That's not enough. You can't do the deal. . . . There's

not enough money in it to do it.

Moss: Right. Absolutely.

Shaw: What else are you handling? . . . What are we doing on East 31st? Is East 31st really investment for us? We're using a straw buyer?

Moss: No, no. A real buyer. . . .

Shaw: Here's what I need you guys to do for me, as a general rule. When you are acquiring property for investment purposes--when you're using somebody who's a straw buyer--let me know that it's a straw buyer. If it's a real buyer, I have to know. If I'm representing a real buyer, I want to be introduced to that person. I want to speak to him. Because I'm really representing that person.

Moss: Absolutely.

Shaw: As opposed to representing you guys when you're using a straw buyer. . . . Ethically, it's really what I should be doing.

Moss: Alright, honey.

56. Seized records establish that Gary Shaw used his lawyer's escrow accounts to pay off straw buyers and loan officers for their services. For example, records seized from his law office at One Old Country Road in Carle Place, Long Island, contained notations for the following payments: \$47,481 to ZHL, a company controlled by a business associate of Louis Sandella, \$49,812 to Michael Sandella, Inc., \$15,000 to V. Conzo, another business associate, and distributions to a straw buyer.

57. A review of bank records from Ida D'Angelo's accounts also reveal disbursements of loan proceeds to members of the enterprise. For example, in or about early 2004, a portion of the loan proceeds from the sale of 4116 Avenue J in Brooklyn were transferred from an account controlled by Ida D'Angelo to Louis Sandella . In several transactions Ida D'Angelo, as bank attorney, transferred large portions of the loan proceeds to the escrow account

of Gary Shaw, even though he represented the buyer, not the seller. Gary Shaw, in turn, disbursed the funds to participants in the conspiracy. For example, approximately \$91,000 of the loan proceeds from the sale of 69-31 66th Place in Glendale were transferred from an account controlled by Ida D'Angelo to an account controlled by Gary Shaw, who represented the buyer. These funds were further transferred to an account controlled by Michael Sandella. Approximately \$214,600 of the loan proceeds from the sale of 1327 Prospect Place in Brooklyn were transferred to Gary Shaw, who in turn, transferred approximately \$87,000 to LouMax Holding Corp. In addition, Main Street Mortgage collected a brokerage fee. Additional examples are set forth in the section of this affidavit relating to particular transactions.

58. Annexed as Exhibit A is a printed copy of an internal memorandum to Ida D'Angelo from one of the attorneys in her office, obtained in electronic form from a computer seized during execution of a search warrant at the Law Offices of Ida D'Angelo. In the memo, the attorney raises questions about Ida D'Angelo's business practices. In one portion of the memo, the attorney writes, "What is the difference between a real purchase and a fake one? Why do we usually do fake ones (not real), why are adjustments not always accounted for on the HUD?"

**THE ROLE OF ANDREAS PERDIKOS
IN THE CRIMINAL ENTERPRISE**

59. The intercepted conversations establish that Andreas "Andy" Perdikos provided the criminal enterprise with appraisals that would support their loan applications, irrespective of the actual value of the property. Perdikos was not a licensed appraiser. He prepared the appraisals and forged the names of licensed appraisers on the reports.

60. According to witness interviews, Andreas Perdikos had once worked as a trainee with a licensed appraiser, Linda Avantagiato. That relationship ended abruptly and Ms. Avantagiato left her appraisal software, with her digital signature, in Perdikos's office. Perdikos subsequently used that software to generate appraisals in Ms. Avantagiato's name, without her permission.

61. During a telephone conversation on Friday, May 7, 2004, over line 516-369-1194, Andreas Perdikos told Louis Sandella that he was going to stop forging appraisals under the name Linda Avantagiato and use the names of other appraisers instead. Here is an excerpt of that conversation:

Sandella: Can you give me at least the new appraisal on Prospect?

Perdikos: I'm doing everything over as we speak

Sandella: Okay, we need ... do everything over on Prospect Street...

Perdikos: Thirteen twenty seven Prospect?

Sandella; Yeah

Perdikos: Listen, I have all of 'em ready, they're gonna be perfect, actually. You know what, it's good that it happened, cause I wanted to get off that name anyway.

Sandella: What is that, whattaya mean?

Perdikos: Linda

Sandella: What about it?

Perdikos: It's just good cause there was this court and everything. It's better that I'm not using it any more.

Sandella: Okay.

Perdikos: So it's actually worked out better because you know why, I dunno

how, how deep the aahh investigation's gonna be anyway

Sandella: Ohh.

Perdikos: Perfect. I got this guy, ... in Brooklyn, two hundred dollars, I can sign his name on anything, and he's not black-balled anywhere.

Sandella: NW#1 (name withheld)?

Perdikos: NW#1....

Perdikos: So, that's who we're using right now?

Perdikos: Yes. Also, NW #2. I can. I got both. It doesn't matter to me now.

Sandella: Alright. So how's he gonna know what title you're signing his name on?

Perdikos: I, I'm gonna have to tell him.

Sandella: Ohhh.

Perdikos: Fuckin' honor system. What are ya kiddin' me?

Sandella: Ohh. Okay.

Perdikos: You know what I'm saying?

Sandella: (I/A) For every ten you use, you'll fuckin tell 'em you did one.

Perdikos: Fuck you, man. You know what (laughing), fuck you. No, I'm gonna tell 'em everything, you know why, it's easier for me, it's clearer for me....

(Later on in the conversation)

Perdikos: It's a hundred percent report now. No more bullshit. No more this, no more that, it's actually a hundred percent, photos are right. You know the, the next, the last two, the reports were perfect. You know that, right? With Linda's name. It's that what fucked everything up.
....

62. In a call intercepted on May 27, 2004, Louis Sandella and a representative

of Lend America, a mortgage bank, discussed a grossly inflated appraisal report submitted by Louis Sandella's company:

NW: Steve . . . asked me to give you a call about Caparusso. . . . My appraiser . . . is going to need another day. There are major discrepancies in the appraisals that we got from you guys. He says there's no way the value is one-two. He's says it's coming in about four hundred thousand less.

Sandella: That's an impossibility.

NW: The comps that the appraiser that we got from you gave us – the houses are different sizes, they're younger, they're more than a mile away from the subject property. . . Right now Steve just talked to him on the phone. I pulled Steve out of the seminar to talk to our appraiser. The appraiser asked for a day to get additional comps to bring in as close to a mil as he can. So I can't close this tomorrow. It's going to be Tuesday.

Sandella: Oh, shoot. OK

NW: There's major discrepancies.

63. Andreas Perdikos and Louis Sandella conspired with each other to fraudulently induce lenders to issue loans that materially exceeded the value of the property that was securing the loan. For example, during a phone call on February 10, 2004, Louis Sandella and Andreas Perdikos discussed a problem they were having with a loan request to Aegis Funding. Aegis had questioned the veracity of the appraisal on 317 Winthrop Street and threatened to reduce the loan amount. A representative of Aegis Funding had asked Perdikos how the property could be worth \$475,000 when it was purchased in 2001 for \$200,000. In this conversation, Perdikos explained to Louis Sandella how he had convinced Aegis Funding that the appraisal was fair because of the skyrocketing property values in New York:

Sandella: Are we gonna be all right with that value?

Perdikos: Winthrop?

Sandella: Yeah!

Perdikos: Yeah, he said fine! He believed me! He said, ohhhh, I understand. I explained to him about (unintelligible) so he's like, oh, now so if I asked you, can I call ya if I need your help? If, ah, values for other appraisers? I said, sure, Yeah. G'head. I'm (unintelligible) if you ever need comp searches or anything, feel free to call.

Sandella: Ah good. So when are ya gonna fix that, cause Winthrop I'm supposed to close on Friday.

Perdikos: All we need is a conditional comparable and a statement about the market incline 'cause it was purchased for two hundred thousand in tow thousand one. So he wants...how the market is really, really hot...

64. On January 21, 2004, at 3:26 p.m., a representative from another mortgage company talked to a Maxim employee named "Donna" about problems with the appraisal on a particular loan:

Rep: I don't have any good news for you. . . . [unintelligible] came back at two seventy-five, and the appraisal that was submitted came in at four fifty. [Both laugh.] . . . Only off one seventy-five.

Donna: A couple of Gs between friends. [More laughter follows.] . . .

Rep: The subject property is located next to, like, a bus depot, and the original appraisal doesn't make any mention of it.

65. On February 5, 2004, over (631) 261-4461, Kim Moss Fontanez spoke with Andy Perdikos about his appraisals on several properties. Moss mentioned a particular property, 388 Shepherd Avenue. After speaking in the background with a co-worker, Moss said to Perdikos, "She needs the value at four-twenty." Perdikos replied, "OK. That I'm doing."

66. On May 25, 2004, over line (516) 369-1194, Perdikos and Louis Sandella discussed another appraisal that Perdikos had apparently prepared under the name of another

appraiser.

Sandella: Just make sure it's right, so I don't have to get changes . . .

Perdikos: That's exactly why I'm not fucking rushing it. . . . It's not even under me, you understand? It's under Michael whatever of G... Appraisals or whatever, fuck it. So I got to make sure everything is copasetic.

Sandella: Really. No mistakes. If they call over there, O my God!

Perdikos: You know what you should do? Fax me over his . . . license, and I can attach it to the report.

Sandella: OK.

67. On March 11, 2004, Perdikos spoke with Louis Sandella over the line assigned to Maxim Mortgage, at (631) 261-4451, about the "Avenue J" appraisal. "Walter," who shared one side of the line with Sandella, told Perdikos that there was a discrepancy between the size of the appraised property and the purportedly comparably valued properties included in the appraisal, and as a result, Perdikos's appraisal report would likely be rejected by the lender.

Perdikos asked Walter to have a friend at the bank alter the appraisal report:

Perdikos: You know what you've got to do. If he's really a good friend of yours, tell him to get rid of the square feet. White it out. And don't worry about the square feet. And I'll put whatever square feet I have to put in there. They don't know what it is. If you white out the square feet before you fax it to him.

PARTICULAR FRAUDULENT TRANSACTIONS

68. The paragraphs below detail the particulars of various fraudulent loans handled by the criminal enterprise. The accounts of the transactions described below are based, in large part, upon interviews with the straw buyers, real estate brokers, appraisers and other

participants in the particular transaction, upon our review of evidence seized from the offices of Louis Sandella, Gary Shaw, Ida D'Angelo, and others, from records produced by lenders and financial institutions, and from the intercepted conversations. This is a representative sample of the fraudulent transactions handled by the defendants and is by no means an exhaustive list.

199 Commack Road, Deer Park, New York

69. Alysshia Armstrong owned 199 Commack Road in Deer Park, Suffolk County. In 2003, she offered it for sale at an asking price of \$260,000. The property was brought to the attention of Louis and Michael Sandella, who offered to purchase the property at the asking price under the name "802 Fort Salonga Road Management Corp." Attorney Gary Dolan represented Ms. Armstrong and attorney Gary Shaw represented 802 Fort Salonga Road Management Corp. at this stage of the transaction.

70. Two contracts of sale were prepared. One was sent to Alysshia Armstrong and a second one was sent to the lender, First United Mortgage Banking Corp. The Armstrong contract of sale, dated November 2003, and signed by Armstrong as seller, identified the purchaser as "802 Fort Salonga Rd. Management Corp., or its assigns" and was executed by Gary Shaw as Assistant Secretary of 802 Fort Salonga Rd Management Road Corp. This contract reflected a sale price of \$390,000, and included a rider reflecting a repair credit to the buyer of \$106,600 and a 6 % concession of the purchase price, thus reducing the actual sale price to approximately \$260,000. The second contract of sale submitted to the lender, also dated November 2003, was nearly identical in form to the first one, except that the purchaser was identified as Roberto Peralta, the price was \$380,000, and there was no rider revealing any price

concessions. Both contracts are annexed hereto as Exhibit B.

71. Roberto Peralta informed investigators that he was paid approximately \$15,000 for serving as a straw buyer on real estate transactions handled by the criminal enterprise. The brokers submitted data on Peralta's behalf to First United Mortgage Banking Corp. to secure loans in Peralta's name totaling \$361,000 for the purchase of 199 Commack Road. The loan applications materially inflated Peralta's monthly income as \$7,275, and materially inflated his rental payments as \$1,300 a month. The loan applications stated that the property would be used as his primary residence, which was false. Peralta told investigators that he showed up at the closing, signed various documents, collected his payment and expected to have no further role in the management or use of 199 Commack Road.

72. The loan documents stated that Peralta had provided the seller's attorney with a cash deposit of \$5,000 towards the purchase price. Gary Shaw's records indicated that the \$5,000 came from his account. Peralta later reported that he contributed none of his own money towards the purchase price.

73. Wiretapped conversations and cooperating witnesses confirm that Andreas Perdikos prepared the appraisal for this loan, appraising the property at approximately \$395,000. Annexed as Exhibit C is a copy of the appraisal report provided to the lender, which states that the appraisal was done by Linda Avantagiato, an appraiser licensed in the State of New York. Investigators spoke to Ms. Avantagiato. She told investigators that she did not do this appraisal, that someone had forged her name.

74. At the closing Gary Shaw represented the buyer, Roberto Peralta. Gary Dolan represented Alysshia Armstrong. The law offices of Edward Savran represented the lender.

Gary Shaw's wife, Sheila Shaw, appeared at the closing as representative of the title insurance company. The closing statement found in the files of attorney Gary Dolan identifies the sale price paid to Armstrong as \$260,000, of which \$241,714 was used to pay off her existing mortgage, \$5,242.60 was paid to Armstrong, and the remaining funds were used to pay various other costs. The HUD-1 Settlement Statement, filed with the lender, represents the purchase price as \$380,000, and the amount received by the seller after satisfaction of her existing loans as \$113,940.60. The HUD-1 Settlement Statement did not disclose any reduction in price due to repair concessions. A copy of the HUD-1 Settlement Statement is annexed as Exhibit D.

75. Loan proceeds totaling \$361,000 were deposited into an attorney trust account in the name of attorney Edward Savran at North Fork Bank. Bank records and documents obtained pursuant to a search warrant executed at the offices of Louis Sandella at 802 Fort Salonga Road reflect that portions of the loan proceeds were distributed to members of the criminal enterprise, including Andreas Perdikos, Michael Sandella, Louis Sandella and Gary Shaw.

76. Peralta claimed that Michael Sandella had agreed to make the mortgage payments, but did not live up to that promise. The loan went into default. He claimed that he attempted to sell the property in the latter part of 2004 but could not find a buyer that would pay \$380,000 for the property.

753 Marcy Avenue, Brooklyn and 756 Marcy Avenue, Brooklyn

77. In October 2001, Most Holding Corp. sold 753 Marcy Avenue and 756 Marcy Avenue, both multi-family mixed use apartment buildings in Brooklyn, to William Perez, a straw buyer. Most Holding Corp. was an entity controlled by Joseph Snell, a real estate investor who had transacted business with members of the criminal enterprise. William Perez told investigators that he had been solicited by Manny Perez, an associate of Joseph Snell and the vice-president of Most Holding Corp. Manny Perez reportedly instructed William Perez to attend the closing, sign various loan and closing documents relating to the purchase of 753 and 756 Marcy Avenue, and that the mortgage, insurance and other property costs would be taken care of by Manny's corporation.

78. Joseph Snell signed the contracts of sale, both dated October 11, 2001, on behalf of the seller, Most Holding Corp., agreeing to sell 753 Marcy Avenue to Perez for \$380,000, and agreeing to sell 756 Marcy Avenue to Perez for \$380,000. Through the services of Louis Sandella's employees, Perez applied for two loans from D & M Financial totaling \$380,000 to finance the purchase of 753 Marcy Avenue, and for two loans totaling \$342,000 to finance the purchase of 756 Marcy Avenue. D & M issued loans totaling approximately \$722,000.

79. The loan application contains little information about the assets and employment of William Perez. However, an appraisal was submitted to the lender falsely representing that both buildings were four family residences, when, in reality, they were both mixed use apartment buildings with six or more units. The appraisal reports for both 753 Marcy Avenue and 756 Marcy Avenue contain pictures of other properties, not the ones Perez was buying. Annexed as Exhibit E is are two photographs. The black and white photograph is the

photograph that was included in the appraisal report. The color photograph is a picture taken by the investigative team of the actual building located at 753 Marcy Avenue. The black and white photograph is of a residential building in the middle of the block. The color photograph depicts a mixed use, part residential, part commercial, building on a corner. Annexed as Exhibit E are two photographs of 756 Marcy Avenue. The black and white photograph is from the appraisal report. The color photograph was taken by the investigative team of the correct building. Again, the picture provided to the lender is of a residential building in the middle of the block, whereas the correct property is a mixed use property located on a corner. Commercial loans are treated differently than residential loans on the secondary mortgage market. D & M sold this mortgage to Credit Suisse First Boston. Further, the appraisal reports state that they were authored by appraiser Linda Avantagiato. The evidence indicates that Andreas Perdikos prepared the report and forged Ms. Avantagiato's name.

80. A major problem with the transaction was that at the time of the sale, Most Holding Corp. did not own title to either building. This fact was not disclosed to William Perez or to D & M Financial, the lender. The defendants obtained and submitted to the lender a forged title report, certifying that Most Holding Corp had acquired title in 1999, prior to the time that the loan proceeds were transferred to Ida D'Angelo as settlement attorney. In fact, according to public property records, Most Holding Corp. never acquired title to these properties.

81. At the closing, the HUD-1 Settlement Statements for both properties were signed by Ida D'Angelo as the lender's attorney. D & M Financial wired the loan proceeds to D'Angelo's office and D'Angelo's office wired approximately \$700,000 to an account controlled by Joseph Snell. However, Most Holding Corp. never obtained legal title to the Marcy properties

and the deals fell through. Snell, at first, would not return the loan proceeds to the lender nor to Ida D'Angelo. After Ida D'Angelo expressed concern to other members of the criminal enterprise that if she and her co-conspirators did not reimburse the lender, their criminal enterprise would be exposed, they agreed to repay the bank to cover up the theft of funds by Snell.

39 Benjoe Drive, Amityville, New York

82. In or about 2003, Cathy Morris offered for sale a rental property she owned at 39 Benjoe Drive, Amityville, Suffolk County, at the asking price of approximately \$285,000. The Sandella Group, through 802 Fort Salonga Management Corp., offered to purchase the property for approximately \$275,000. A contract of sale was forwarded to Morris's attorney, Gary Dolan, stating an initial sale price of \$375,000, with a contract rider that reduced the price through a repair credit of \$92,500, and a price concession of 6% of the purchase price, reducing the actual price to approximately \$265,550.

83. Between the contract and the closing, Vincent Conzo, a person who worked in Louis Sandella's office, enlisted Solomon Washington to act as a straw buyer in this transaction. Two loan applications were submitted to First United Mortgage Banking Corp. on behalf of Solomon Washington, one for \$300,000 and the other for \$56,250. The applications materially inflated Washington's income and his rental expenses, and falsely stated that he planned to use 39 Benjoe Drive as his primary residence.

84. The appraisal report submitted to First United appraised the property at a value of between \$385,379 and \$390,000 and identified the appraiser as Linda Avantagiato. Ms. Avantagiato told OAG investigators that she did not do this appraisal, that someone had forged

her name. Intercepted telephone conversations and witnesses confirm that Andreas Perdikos provided members of the criminal enterprise with the appraisal.

85. The closing took place on or about January 26, 2004. Gary Dolan represented the seller, Cathy Morris. Gary Shaw represented the buyer. His wife, Sheila Shaw, represented the title company, Millenium Abstract. Edward Savran's law firm represented the lender, First United Mortgage Banking Corp. The HUD-1 Settlement Statement submitted to the lender reflects a purchase price of \$375,000, with no reference to any price concession, and a net disbursement to the seller, Cathy Morris, of \$231,659.67. An analysis of the disbursements from the escrow account of bank attorney Edward Savran shows that Morris actually received two checks totaling approximately \$148,950.63.

86. Disbursement records seized from the offices of the Sandella Group at 802 Fort Salonga Road in July 21, 2004, indicate that portions of the loan proceeds were distributed to Andreas Perdikos, Michael Sandella, Lou Sandella and other members of the enterprise.

172 Warburton Avenue, Yonkers, New York

87. Abdias Sueros owned 172 Warburton Avenue, a three-story house in Yonkers. In or about October 2002, he agreed to sell it to Kim Hanson for \$254,000, his asking price. Unbeknownst to him, Kim Hanson was a straw buyer controlled by the criminal enterprise whose husband, Mark Hanson, was a business associate of Louis Sandella.

88. Sueros's real estate agent provided him with a contract of sale signed by Kim Hanson, identifying the sale price as \$254,000, and identifying Hanson's address as 20 High Ridge Court, Pleasantville. Hanson then applied to D&M Financial for a loan, through Maxim

Mortgage Brokers.

89. The contract of sale submitted by Maxim to D & M Financial was not the same contract of sale as the one sent to Abdias Sueros. The contract in the D & M file stated a contract price of \$450,000 for the same property. Mr. Sueros's signature appeared on this contract, but Mr. Sueros confirmed to investigators that he did not sign this agreement. Kim Hanson's address was identified on this agreement as 147 Deer Run Avenue, Chappaqua, a rental property.

90. In the course of its loan application process, D & M asked Ms. Hanson to provide information about her employment and assets. Ms. Hanson listed her employer as "Mutual Enterprises." Mutual Enterprises is an entity controlled by Ken Hochbrueckner, Mark Hanson's partner in a real estate business. Kim Hanson did not work for Mutual Enterprises, even though the nephew of Ken Hochbrueckner told a D & M representative that she was, in fact, employed there. Further, Kim Hanson represented on the mortgage application that she paid rent in the amount of \$1900 a month and listed Ken Hochbrueckner as her landlord. In fact, Kim Hanson lived in a single family house at 20 High Ridge Court in Pleasantville, New York. The loan application states that Kim Hanson earned a monthly income of \$15,200, a sum which materially overstated her income at the time. Based on the representations provided by members of enterprise, D & M agreed to loan Kim Hanson \$360,000.

91. The name Andreas Perdikos appears as the appraiser on the appraisal report of 172 Warburton submitted to D & M Financial. According to this appraisal, the property was worth \$450,575, close to \$200,000 more than the original asking price. Andy Perdikos was not a licensed appraiser, even though he represented himself as one on the appraisal report.

92. The closing took place on or about October 11, 2002, at the law offices of Gary Shaw. Shaw represented Hanson. The Law Offices of Ida D'Angelo represented the lender, D & M Financial. Eleni Campbell, a paralegal from Ida D'Angelo's office, was present. Sheila Shaw, Gary's wife, appeared as the title closer. According to Mr. Sueros, at the closing Gary Shaw instructed Mr. Sueros to sign a blank HUD-1 Settlement Statement, claiming that the final closing costs had not yet been determined. Shaw said he would complete the HUD form later. The HUD-1 form submitted to the lender identifies a sale price of \$450,000, and a disbursement to the seller of \$90,000. Sueros, instead, received a check for \$ 27,611.13, which represented the difference between the outstanding unpaid mortgage and what he believed to be the sale price of \$254,000, minus closing costs.

93. Files subpoenaed from the law offices of Ida D'Angelo contain a copy of a check for \$90,000 issued to Abdias Sueros and Jose Seuros. Mr. Sueros told investigators that he never received such a check. Moreover, Citibank had no record of any such check, and after reviewing a photocopy of the check in D'Angelo's file, told OAG investigators that the check appeared to have been fabricated because it was not in a form consistent with the checks issued by Citibank.

94. Bank records confirm that portions of the \$356,400 loan proceeds were distributed to Regency Capital Funding, D & M Financial, Louis Sandella, Kim Hanson, the purchaser, Mark Hanson, her husband and Ken Hochbrueckner.

95. A few months later, Kim Hanson stopped making mortgage payments and the house went into foreclosure.

137 East Riviera Drive, Lindenhurst

96. 137 East Riviera Drive was a residence owned by Kim Moss Fontanez, one of the defendants. Kim Moss Fontanez and Danielle Moss are sisters, and the daughters of defendant Geraldine Moss. In 2002, Kim Moss Fontanez sold 137 East Riviera Drive to Danielle Moss for \$294,400; in 2004, Danielle sold it to Kim Moss Fontanez's babysitter, Lizette Marino, for \$450,000. Kim remained living there with her family throughout those years. Both of these sales were paper transactions, consummated to procure loan proceeds that were distributed to the defendants.

97. In furtherance of the first sale, in 2002 Danielle Moss applied for a \$294,400 loan with D & M Financial Corp. The loan application submitted to D & M in or about May 2002 stated that Danielle Moss worked as a manager at the Estillo Salon on Jericho Turnpike. Investigators spoke to the manager of the salon, who stated that Danielle Moss had worked there, but left in 2001. She did not work there in 2002. The loan application stated that Danielle Moss's income in 2002 was \$11,500 per month, or \$120,000 per year. A search warrant executed at Danielle Moss's house produced a unsigned copy of her 2002 tax returns, which identified her income for 2002 as under \$15,000. The 2002 tax return did not reflect any income from Estillo Salon. The tax returns do indicate that she was employed by Regency Capital Funding in 2002, an entity controlled by Louis Sandella. Danielle also reported on the loan application that she had \$80,000 in assets at Chase Bank. OAG submitted a subpoena to Chase Bank to confirm the existence of these assets. Chase did not have any record of accounts owned by Danielle Moss in 2002.

98. The closing took place on or about May 9, 2002. Ida D'Angelo was the

settlement attorney. The HUD-1 Settlement Statement reflects a sale price of \$368,000.

99. For several months after the closing the mortgage payments were made. At some point thereafter, the mortgage payments stopped. In 2004, foreclosure was imminent. Kim Moss Fontanez's sister-in-law and babysitter, Lizette Marino, was enlisted to bail them out. She agreed to be used as a straw buyer to "purchase" 137 East Riviera Drive for \$450,000. Two loan applications were prepared on her behalf by Michael Sandella and others from Main Street Mortgage Corporation and submitted to Aegis Funding Corporation seeking loans totalling \$427,000.

100. Lizette Marino stated on the loan application that she owned a cleaning service. The loan application included a letter from accountant Garth Minto, verifying Lizette Marino's status as the sole shareholder of Marino Cleaning Services, Inc. Marino never owned such a business. Mr. Minto later admitted to Investigator John Flood that he had no personal knowledge of whether or not Lizette Marino owned a cleaning service. He said that either Geraldine Moss or Kim Moss Fontanez had asked him to write such a letter and he obliged. The loan application stated her earnings as \$10,800 per month from the cleaning business. The loan application stated that she had \$50,000 in an account at Astoria Federal Bank. In fact, before she agreed to apply for the loan, her account at Astoria Federal contained \$66. Prior to the closing, \$23,600 was deposited into her account, including a bank check for \$15,000 from the account of Michael Sandella, Inc. On May 26, 2004, approximately \$22,831 was withdrawn from that account by two checks, one issued to Michael Sandella, Inc., and the other to the County of Suffolk Probation Department. Ms. Marino also represented on the loan application that she paid \$1,350 per month in rent. The application includes a letter from "MILU Management Corp." at

802 Ft. Salonga Road, Northport, New York, verifying that Lizette Marino paid \$1350 in rent per month. "MILU Management" is an entity controlled by Michael Sandella and Louis Sandella.. The loan application states that Lizette Marino intended to use the property as her primary residence. She never did.

101. On May 26, 2004, at about 7:05 p.m., a call was intercepted over the Geraldine Moss Cell Phone between Geraldine Moss and Kim Moss Fontanez Fontanez at number (631) 225-9680. During this conversation, Geraldine and Kim Moss Fontanez discussed the closing on the sale of 137 East Riviera Drive in Lindenhurst, New York, which was scheduled to take place the following day at Ida D'Angelo's law firm. Kim Fontanez Moss informed Geraldine Moss that she was "going to have Lizzie [Lizette Marino] in and out of there ... I don't even want Lizzie part of anything ... I just want her to sign and that's it ... And then I'll do all the numbers."

102. The closing took place on or about May 26, 2004, at the law offices of Ida D'Angelo, who served as the lender's attorney. The HUD-1 Settlement Statement describes the distribution of the \$450,000 sale proceeds, including \$76,866.06 to the seller. After pay off of the first mortgage there was approximately \$60,000 left. Bank documents indicate that this amount was first distributed to Danielle Moss as the paper seller. Records obtained from Fleet Bank indicate that soon thereafter Danielle provided Kim with a large sum of money, approximately \$50,000, through a structured series of checks issued to Kim Moss Fontanez, one for \$6,000, four for \$9,900, and one for \$2500.

103. On July 21, 2004, a search warrant was executed at 137 East Riviera Drive, Lindenhurst. Kim Moss Fontanez Fontanez and Steve Fontanez still lived there. Lizette Marino

was at the home, babysitting their two children. \$75,000 in cash was found in a box under a bed. The true owner of 137 East Riveria Drive remained Kim Moss Fontanez.

4116 Avenue J, Brooklyn

104. In or about 2002, Anthony Magnavita purchased 4116 Avenue J, a two-family home in Brooklyn, through Joseph Snell, a real estate investor and associate of Louis Sandella. Upon Snell's promise to make the mortgage payments, Mr Magnavita signed the loan and mortgage documents and obtained a \$330,000 loan with assistance from mortgage brokers Regency Capital Funding and bank attorney Ida D'Angelo. Some time after the closing Snell stopped paying the mortgage on 4116 Avenue J and Magnavita directed Snell to take the property out of his name. Snell's associate, Vincent Conzo, found a new straw buyer to assume nominal ownership of the property, Stephan Baines.

105. In December 2003, Anthony Magnavita executed a contract of sale selling 4116 Avenue J to Stephan Baines for \$490,000. Stephen Baines applied to First United Mortgage Banking Corp. for two loans totaling \$465,500, one for \$392,000 and the other for \$73,500. The defendants provided First United with false information on Baines in support of his loan applications. The application falsely stated that Baines was employed at Titan Scaffolding and Ladder Co. and earned \$798 7.50 per month. Robert Conzo, the father of Vincent Conzo, admitted that he falsely verified Baines's employment as a favor to his son. The loan application falsely stated that the premises would be used as Baines's primary residence. It falsely stated that Baines paid rental expenses of \$1450 a month. Baines told investigators that he paid \$90 a month in a rent-controlled apartment. Baines received a fee for serving as a straw buyer, an amount of at

least \$5,000.

106. An appraisal report appraising the property at \$490,000 was submitted to First United Mortgage Banking Corp. It stated that it was authored by Michael Matthews and bears his purported signature. Mr. Matthews stated that he did not prepare this appraisal report and that his signature was forged. The report contained a picture of the wrong property. Annexed as Exhibit F are two photographs. The color photograph is the building located at 4116 Avenue J. The black and white photo is the one included in the appraisal for 4116 Avenue J.

107. The closing took place at 585 Stewart Ave, Garden City, the Law Offices of Edward Savran, the lender's attorney. Both Gary Shaw and Ida D'Angelo were present. Sheila Shaw was the title closer. A review of disbursements from the account of Edward Savran shows that Ida D'Angelo received two payments, one for \$5,288.60 and another for \$47,508.53. A portion of these funds were transferred to Louis Sandella. Ida D'Angelo, through an intercepted conversation, indicated that she was holding a portion of these funds for Louis Sandella.

69-31 66th Place, Glendale, Queens

108. 69-31 66th Place is a house in a residential neighborhood in Queens. In 2004, its owner, Robert Krauss, signed a contract of sale agreeing to sell the property for \$498,000 to Stephan Baines. Stephan Baines is the brother-in-law of Solomon Washington, a straw buyer on several transactions orchestrated by the defendants. Solomon Washington put Baines in contact with Vincent Conzo. According to Baines, Conzo agreed to pay Baines for the use of his name on mortgage and real estate documents.

109. The defendants orchestrated the submission of two loan applications on

behalf of Baines to Accredited Home Lenders, one for \$398,400 and another for \$74,700, totaling \$473,100. The loan applications contained the following misrepresentations. They stated that Baines was employed by Titan Scaffolding, that he earned \$8,400 a month, and identified Robert Conzo as a person who could verify employment. Baines told investigators that he was never employed by Titan Scaffolding and that he was unemployed at the time. Robert Conzo, the father of Sandella associate Vincent Conzo, admitted to OAG that Vincent has asked him to falsely verify the employment of Stephan Baines and he complied. The loan application stated that he paid rent of \$1,450 a month and included a letter from MILU Management Corp. at 802 Fort Salonga Road, Northport, New York, representing itself as the management company for Stefan Baines's apartment. Baines confirmed that he had been living at the apartment identified in the application, but stated that his apartment was rent-controlled and that he paid closer to \$90 a month. He had never heard of MILU Management. The loan application stated that Baines had \$30,000 in his Banco Popular account. Account records for an account controlled by Michael Sandella reflect a transfer from this account to an account in Baines's name at Banco Popular of \$30,000 on May 13, 2004. On or about May 14, 2004, \$29,980 was withdrawn from this account and replaced into Michael Sandella's account.

110. The appraisal report submitted to Accredited Home Lenders, Inc. states that it was prepared by appraiser L. S. Avantagiato for Main Street Mortgage Corp. at 369 East Main Street, East Islip, New York 11730. It bears Ms. Avantagiato's digital signature and appraises the property at \$500,000. Ms. Avantagiato told OAG investigators that she did not do this appraisal and that her signature had been forged.

111. The closing took place at the law offices of Ida D'Angelo, which

represented the lender. Gary Shaw represented the buyer. Sheila Shaw appeared as the title closer on behalf of Millenium Abstract. The HUD-1 Settlement Statement submitted to the lender represents a purchase price of \$498,000, and disbursement to the seller of \$470,288. However a closing statement seized from the offices at 802 Fort Salonga Road reflects that the seller actually received approximately \$345,151. Records pertaining to Ida D'Angelo's escrow account reflect transfers on or about May 24, 2004, to Main Street Mortgage of \$12,4721, to Gary Shaw of \$91,073.59 and to others. A review of transactions within Gary Shaw's escrow account at Chase reveals a transfer that same day to an account in the name of Michael Sandella, Inc., in the amount of \$91,073.59. A portion of these funds was removed from this account through a series of checks to cash.

1327 Prospect Place, Brooklyn, New York

112. 1327 Prospect Place is a two-story structure that accommodates two to four families. In May 2004, it was owned by Harold Monplaiser. Some time in 2004, a friend of his, Richardson Leon, convinced Mr. Monplaiser to sell the house. Richardson Leon contacted Geraldine Moss and sought out her assistance to sell 1327 Prospect Place for approximately \$360,000. Geraldine Moss convinced Walid Mitwalli, a straw buyer, to buy the property. Mitwalli agreed to apply for loans totaling \$495,000 through the Sandella Group to purchase the property.

113. The defendants submitted loan documentation to Aegis Funding in support of two loans, one for \$396,000 and another for \$99,000. Mr. Mitwalli told investigators that he earned approximately \$38,000 a year. The loan application, however, states that his monthly

employment income was \$9,950, or \$119,400 a year. A rent verification letter issued in the name of MILU Management Corp. was submitted to Aegis Funding, confirming that Mitwalli paid \$1025 a month in rent. MILU Management Corp. is a company controlled by Michael Sandella and Louis Sandella and did not act as the rental agent for Mitwalli. The loan application states that he intended to use the property as his primary residence. He never did.

114. The appraisal report states that it was prepared by William Pryor. Pryor's signature appears on several pages of the report, along with his appraiser license number. The report appraised the property at \$495,000. Mr. Pryor told investigators that he did not prepare this appraisal report and that his signature had been forged.

115. Harold Monplaiser's health was failing and he knew he would not be able to attend the closing. Prior to the closing, Danielle Moss drove to Monplaiser's new home in Connecticut and convinced him to sign various closing documents, including documents authorizing others to act on his behalf at the closing and directing Gary Shaw to give the sale proceeds to Richardson Leon on his behalf. The closing took place at the offices of Ida D'Angelo on or about May 21, 2004. According to the closing statement prepared by Gary Shaw, Gary Shaw represented Mr. Monplaiser. Attorney Ida D'Angelo represented the lender. Sheila Shaw appeared on behalf of the title company, Millenium Abstract. Michael Sandella and Geraldine Moss were also present.

116. The HUD-1 Settlement Statement submitted to the lender identifies the sale price as \$495,000 and the cash to seller as \$216,804.95, after various deductions for costs and prior liens. The closing statement prepared by Gary Shaw, however, identifies the amount remitted to the seller as \$123,045.77. An analysis of disbursements from the escrow account of

Ida D'Angelo indicates that, along with other disbursements, \$214,601.34 was transferred to Gary Shaw's escrow account. An analysis of disbursements from the escrow account of Gary Shaw indicates that Richardson Leon received \$123,045.77. Of the remaining funds, LouMax Holding Corp. received approximately \$87,000. Monplaisir has told investigators that he did not receive any proceeds from the sale of 1327 Prospect Place, Brooklyn. It is believed that Richardson Leon stole the sale proceeds and moved to St. Lucia. Leon is currently a fugitive on other felony charges not related to this investigation.

117. Records seized from Danielle Moss's apartment at 1422 America Avenue contained records of checks from the LouMax Holding account that were issued to participants in this transaction, including various real estate brokers, Kim Moss Fontanez, Michael Sandella and G. Moss, Inc.

59 Remsen Avenue, Brooklyn

118. The sale of 59 Remsen Avenue, Brooklyn, New York, involved the same individuals as the sale of 1327 Prospect Place: the same straw purchaser, Walid Mitwalli, the same broker, Anthony Burrison and affiliates from TAD Realty, the same mortgage brokers, Geraldine Moss, Louis Sandella, the same attorney, Gary Shaw, and an appraisal report likely prepared by Andreas Perdikos but submitted in the name of Michael Matthews.

119. The contract of sale, dated May 17, 2004, provided that the owner, CBJ Holding, Inc. was selling the premises to Walid Mitwalli for \$360,000. Using the resources of the criminal enterprise, Mitwalli applied for two loans from Lend America, one for \$270,000 and the other for \$90,000, totaling \$360,000. The loan applications misrepresented Mitwalli's monthly

employment income as \$6,000 and monthly rent expenses as \$1352. (The loan application for the purchase of 1327 Prospect Place, which closed within weeks of the date of this application, reported his monthly employment income as \$9,950).

120. The appraisal report submitted to Lend America appraised the property at \$360,000. The report states it was prepared by Michael Matthews. The report is dated March 25, 2004, even though the contract of sale on this property was dated May 17, 2004. Matthews told investigators that he neither prepared nor authorized this appraisal.

121. The closing took place on June 3, 2004. Gary Shaw represented the buyer. In this transaction, the excess loan proceeds were not significant. A conversation intercepted between Louis Sandella and Mary Kaileh, a real estate broker from Marigold Realty, indicates that Louis Sandella intended to mask a portion of his receipts as a broker's commission. Sandella asked Mary Kaileh to pose as the real estate broker on this deal and suggested that he was going to direct a \$21,600 payment to her company and that she should send these funds to Sandella upon receipt. Bank records show that a check was issued to Marigold Realty for \$21,600 and shortly thereafter Marigold Realty sent LouMax Holding Corp. approximately \$21,500.

122. A call was intercepted on Friday June 4, 2004, one day after the closing, in which Louis Sandella and Mary Kaleih discuss this check. Here is an excerpt:

Kaleih: Alright. I'll pick it up and then deposit it this week. It will clear, quickly.

Sandella: Yeah.

Kaileh: How much is the check?

Sandella: Twenty-one thousand six hundred, something like that....

That's the last of the money I need.

123. Mortgage payments to Lend America were not made. The property went into foreclosure.

317 Winthrop Street, Brooklyn

124. Glendora Harvey purchased 317 Winthrop Street, Brooklyn, from Milton Waters in February 2004. The contract of sale reflects a sale price of \$475,000. Ms. Harvey told investigators that she dealt with a woman named "Geraldine" at Maxim Mortgage Bankers to obtain a mortgage and loan for the purchase. Harvey applied for two loans with Aegis Funding Corporation totaling \$475,000, one for \$95,000 and the other for \$380,000. The loan application identifies Harvey's employment income as \$8,000 a month, or \$96,000 a year. She told investigators that at the time she earned approximately \$25,000 a year. Ms. Harvey claimed that at the time she owned a bank account containing about \$6,000, and that "Geraldine" told her that she would temporarily add money to the account to strengthen her loan application. The loan application identifies as her asset an Astoria Federal account with \$30,000.

125. The appraisal report valued the property at approximately \$475,000 and bore the digital signature of Linda Avantagiato. Ms. Avantagiato told OAG investigators that she did not prepare or authorize the appraisal report and believes that Andy Perdikos may have used her appraisal software to forge her digital signature.

126. The closing took place on or about February 13, 2004. Gary Shaw represented the buyer. Ida D'Angelo represented the lender. Sheila Shaw of Millenium Title was the title closer. The HUD-1 Settlement Statement reflects a distribution of sale proceeds to the

seller of \$113,563.14. The actual amount disbursed to the seller, after satisfaction of his first mortgage, was closer to \$7,057. An examination of bank records establishes that Ida D'Angelo, the lender's attorney, transferred \$118,719 of the loan proceeds to Gary Shaw, who, in turn, disbursed it to, among others, Michael Sandella, Fort Salonga Management, George Greene, Danielle Moss, and himself.

127. Glendora Harvey moved into this property after the closing. She could not afford the mortgage and defaulted. Several months later Glendora Harvey bought another property. She did not pay the mortgage on that property either and the lender eventually notified her that it had foreclosed on the property.

135 Rockaway Parkway and 145 Rockaway Parkway, Brooklyn, New York

128. In 2002, 135-45 RP Associates, LLC owned 135 and 145 Rockaway Parkway, two multi-family houses in Brooklyn. Michael and Louis Sandella wanted to purchase both buildings and immediately resell them. They set up a chain of transactions in which they entered into contracts to buy the properties in the name of MJL Realty Corp., an entity controlled by them, with the plan that they would then sell the properties to Mark Hanson (the husband of Kim Hanson, purchaser of 172 Warburton Place, another transaction described herein).

129. By agreement dated July 25th, 2002, 135-45 RP Associates LLC, the first owner in this chain of transactions, agreed to sell 135 Rockaway Parkway to MJL Realty Corp for \$275,000. By agreement dated July 24th, 2002, MJL Realty, through its representative, Michael Sandella, agreed to sell 135 Rockaway Parkway to Mark Hanson, for \$500,000. In separate, but similarly structured agreements, 135-45 RP Associate, LLC agreed to sell 145 Rockaway

Parkway to MJL Realty, and MJL agreed to sell 145 Rockaway Parkway to Mark Hanson for \$500,000.

130. Regency Capital Funding secured loans on Hanson's behalf from D & M Financial for the purchase of both parcels of property. Hanson obtained a \$450,000 loan to purchase 135 Rockaway Parkway, and a \$400,000 loan to purchase 145 Rockaway Parkway. To obtain the loans, the criminal enterprise, through MJL, fraudulently represented to the lender that it owned title to the properties and had the authority to convey legal title to Hanson. To do this, it provided D & M with a false certification from Millenium Abstract confirming that MJL Realty had acquired title to 135 Rockaway Parkway on December 7, 2000. This certification is inconsistent with the title records of the Kings County Clerk, which indicate that the transfer was recorded on or about September 17, 2002, after the date that the loans were issued.

131. The loan applications submitted to D & M on behalf of Hanson contain misrepresentations also contain misrepresentations about Hanson. They identify two employers for Hanson, Evenflow Transportation Inc. and Mutual Enterprises. He did not work at either one.

132. Gary Shaw represented MJL and Ida D'Angelo represented D & M Financial at the closing. The HUD-1 Settlement Statement for 135 Rockaway Parkway represents that Hanson made a downpayment of \$52,604.73 towards the purchase price and indicates that a check for that amount had been issued from an account at Carver National Bank. An OAG investigator talked to representatives of Carver National Bank and was told that the check had been fabricated. Similarly, the HUD-1 Settlement Statement for the sale of 145 Rockaway Parkway represented that Hanson had contributed approximately \$100,000 for the transaction, and that the lender had been provided a copy of a check in that amount issued from an account at

Carver Federal Savings Bank. This check, too, was false. No funds were received from Hanson.

133. The HUD-1 Settlement Statements for both properties also state that a portion of the loan proceeds were to be used to pay off existing mortgages. At the time that this statement was generated, MJL Realty did not have a pre-existing mortgage on either property because they did not yet own either property.

134. On both properties, the appraisal misrepresented the status of the property as a four-family instead of a six-family residence. In addition, the Certificate of Occupancy submitted to the lender was falsified to make it appear as a four-family property.

135. An analysis of D'Angelo's escrow account indicates that \$348,111 of the loan proceeds was wired to Gary Shaw, who, in turn, transferred \$116,000 to Lou Sandella and \$110,324 to Sandarias Corp. A portion of these funds was transferred to Gulf Coast Purveyors, a Florida entity affiliated with the operation of a restaurant in Naples, Florida, Tre Amici, in which Sandella may have an ownership interest.

18 Monroe Avenue, Massapequa

136. This property was the subject of two fraudulent transactions in which the defendants illegally obtained loan proceeds totalling \$849,000. The first transaction took place on or about October 17, 2003. Christopher Fisher sold 18 Monroe Avenue to Necmi Gurel for \$420,000. Necmi Gurel told OAG investigators that his friend solicited his involvement in the purchase of this property, telling him that if he showed up at a closing and signed some papers he could earn \$5,000.

137. The purchase was financed with loans totalling \$399,000 issued by First

United Mortgage Banking Corp. to Necmi Gurel. The loan was issued in reliance on misrepresentations about Mr. Gurel's income, assets and intended use of the property. The application stated that Gurel earned employment income of \$10,695.83 a month, or \$128,349.96 a year, that he owned an account at CFS Bank containing \$62,233.15, and that he planned to use the property as his primary residence, all of which were materially false. At the closing, Gurel was represented by attorney Gary Shaw and First United was represented by the Law Offices of Edward Savran. Gurel received a letter from Shaw as a representative of ZHL Management, LTD, assuring Gurel that he would not be held responsible for making the mortgage payments. The net loan proceeds were transferred first to the seller's attorney, who transferred a portion of them to Gary Shaw. Shaw, in turn, distributed portions of the net loan proceeds to Michael Sandella, Inc. and others. The appraisal report stated that it was authored by Linda Avantagiato. Ms. Avantagiato stated that she did not prepare this appraisal.

138. At some time in 2004, members of the criminal enterprise asked Mr. Gurel to attend a closing at Ida D'Angelo's offices to sell 18 Monroe Avenue to another party. In June 2004, Gurel sold 18 Monroe Avenue to Domingo Ventura for \$450,000. Ventura financed the purchase with loans from Aegis Funding totalling \$450,000, that he obtained through Maxim Mortgage Brokers. The loan application set misrepresented his employment status and overstated his income.

139. D'Angelo prepared the HUD-1 Settlement Statement. Portions of the net proceeds were transferred first to D'Angelo's account and then into Gary Shaw's account, who, in turn, disbursed the funds to LouMax Holding, LLC, and others.

150 E. Fulton Street, Long Beach, Nassau County

140. In September 2003, Louis Sandella, Sr., the defendant's father, signed a contract of sale as purchaser of 198 East Fulton Street, Long Beach, New York. The contract identified the sellers as Wyndell W. Wynter and Gertrude F. Wynter and the purchase price as \$495,000. Mr. Wynter told investigators that the deal was structured in such a way as to list the contract price as \$495,000, but reduce it to \$370,000, through repair concessions.

141. The defendants assisted Mr. Sandella, Sr. in his application for two loans with Aegis Funding totalling \$495,000, one for \$99,000 and another for \$396,000. Both the loan application and HUD-1 Settlement Statement submitted to Aegis misrepresented the sale price as \$495,000. It misrepresented the buyer's employment status as the owner of Fort Salonga Management Corp., and his employment income as \$8,200 a month. Based on my review of disbursements from the Fort Salonga Management Corp. account at Fleet Bank, Fort Salonga Management Corp. was a shell corporation controlled by the buyer's son, defendant Louis Sandella, and did not have employees or issue payroll checks. Louis Sandella Sr. also represented on the loan application that the house would be used as his primary residence, which it was not.

142. The appraisal report identifies its author as "LS Avantagiato" and appraises the property at approximately \$499,000. Linda Avantagiato told OAG investigators that she did not prepare the report and that her signature had been forged.

143. Gary Shaw represented the buyer, Louis Sandella, Sr. The HUD-1 Settlement Statement identifies the cash distribution to the seller as \$479,949. Mr. Wynter stated that he actually received an amount closer to \$365,429. Records reflect a transfer of \$111,340 to Michael Sandella, Inc. from the account of the settlement attorney on or about the date of the

closing.

26 LeRoy Street, Dix Hills

144. 26 Leroy Street in Dix Hills is a one family residence on the same street as the family residence of Ida D'Angelo. In 2002, the house was put on the market and the seller agreed to sell it to Ida D'Angelo for approximately \$315,000.

145. The criminal enterprise presented a different deal to D & M Financial. They represented to D & M Financial that the house was owned by Sandarias Corp. and that Sandarias Corp. had agreed to sell the house to Robert Mayer for \$488,000. Sandarias Corp. is an entity controlled by Louis Sandella. Loan applications were submitted to D & M Financial on behalf of Robert Mayer for loans totalling approximately \$439,200. The documents submitted to D & M in advance of the closing falsely stated that Sandarias Corp. already had title to the property. They also materially inflated his income.

146. The original seller attended the closing and believed that she was selling the property to Ida D'Angelo for approximately \$315,000, when in fact she was selling it to Sandarias Corp., which was then flipping the property to Robert Mayer for \$173,000 more. At the closing a falsified certification of title was used to falsely represent Sandarias Corp. as the owner of 26 Leroy Street.

147. Ida D'Angelo and Robert Mayer and shared in the net loan proceeds of approximately \$99,660.

94 East 31st Street, Brooklyn, New York

148. 94 East 31st Street is a two-story two-family house in Brooklyn purchased by James Walker in 2003 for approximately \$225,000. Mr. Walker told investigators that he intended to list it for sale in 2004 at approximately \$330,000, and that at some point in 2004, he entered into an agreement to sell the property to 802 Fort Salonga Management Corp. for a contract price he recalled as approximately \$340,000.

149. Between the signing of the contract of sale and the closing, members of the criminal enterprise altered the contract terms. The identity of the purchaser was changed to Errol Stennett. The contract price, in the contract submitted to the lender, Lend America, was changed to \$450,000. Mr. Walker was not informed of this higher contract price. Two loan applications were submitted to Lend America on behalf of Erroll Stennett seeking loans totaling \$448,750 to purchase the property.

150. The loan applications identify Stennett's employer as Empire Rapid Productions at 555 8th Avenue, New York, New York, that he paid rent of \$1500 per month and that he owned a bank account at HSBC Bank containing \$48,000. It further stated that Stennett would use the property as his primary residence.

151. Erroll Stennett admitted to investigators that he was a straw buyer, that a friend of his in the real estate business promised him a sum of money if he allowed his name to be used on mortgage and title documents. He claimed that on two separate occasions his friend drove him to meetings, instructed him to sign various documents, which he did, and drove him home. The first meeting appears to have been the closing for 94 East 31st Street. The second meeting was for the closing of a different property in Brooklyn.

152. James Walker's real estate contact was interviewed by investigators and told them the following. He knew a woman he identified as "Geri", whom he described as a real estate investor from Long Island, whose son, daughter and daughter-in-law were also in the business, likely Geraldine Moss. He and "Geri" had an arrangement whereby he would find straw buyers to purchase property and would manage the property for twelve months while Geri would make the mortgage payments.

153. OAG obtained a copy of a loan application submitted to Lend America in June 2004 on behalf of Errol Stennett. The file contains a form entitled "Confirmation of Employment", and states that Erroll Stennett was employed by Empire Rapid Reproductions as a Night Print Operator, that he had been employed there since September 1998, was paid \$2,000 a month and his prospects of continued employment were "excellent", according to the person confirming employment on behalf of Empire Rapid Reproductions, all of which was false. The form is signed and certified as true by a loan processor at Lend America. The loan application stated that he paid \$1500 a month in rent, and that this had been verified by a rent manager. This was false. Intercepted conversations, a number of which are highlighted in earlier sections of this affidavit, establish that Louis Sandella conspired with others to fabricate the details of Erroll Stennett's employment history to induce Lend America to issue loans to purchase this property.

154. The appraisal submitted to Lend America was signed by Michael Matthews and appraised the property at \$450,000. Michael Matthews has told investigators that he did not do this appraisal and that his name had been forged. Upon information and belief, Andreas Perdikos prepared the appraisal and forged Michael Matthews's name.

155. The closing took place on or about June 8, 2004. Attorney Kenneth Golden

represented Lend America. Gary Shaw represented the buyer. An analysis of disbursements from the escrow account of Kenneth Goldman shows a transfer of approximately \$75,044 to the seller's attorney, who in turn, issued a check to Gary Shaw for the same amount, even though he represented the buyer. Shaw's account records reveal that one week later, on June 22, 2004, approximately \$74,919 was wired into an account controlled by Ft. Salonga Management Corp. Financial records seized from the offices of 802 Ft. Salonga Management indicate transfers out of that account shortly thereafter to Geri Moss, Milu Management and Michael Sandella.

ASSETS AND ENTITIES CONTROLLED BY THE DEFENDANTS

156. Members of the criminal enterprise brokered mortgages and purchased and sold real estate under a variety of business names, including Regency Capital Funding, D & M Financial, Maxim Mortgage Bankers, Main Street Mortgage and Amplusmall. Over the course of the investigation, investigators observed that the defendants would periodically change the names under which they were doing business. Prior to October 2002, the sign outside their offices in Mellville, Long Island identified the name of their business as Regency Capital Funding. In October 2002 it was changed to "D&M Financial." In June 2003, the telephone bills of Louis Sandella's business were billed in the name Maxim Mortgage Bankers. They also brokered mortgages under the business name Main Street Mortgage Corp. and Amplusmall. Louis Sandella purchased Amplusmall Inc., and paid the former owners for the use of their mortgage brokerage license, since neither he nor any of the other employees in his office had a mortgage brokerage license in New York. Sandella used the license without seeking or receiving the required approvals from the New York State Banking Department.

157. The defendants also created entities to use as conduits and depositories of loan proceeds. Bank documents indicate that Michael Sandella is a managerial agent of MILU Management Corp, an entity that appears to have been created as a conduit of funds obtained from the Sandellas' mortgage business. MILU Management owns one or more accounts at Fleet Bank. Fort Salonga Management LLC, also known as 802 Fort Salonga Management Corp., is another entity used by the defendants. Bank documents identify Michael Sandella and Louis Sandella as managing agents of that corporation. LouMax Holding LLC has also been used by the defendants to own bank accounts into which loan proceeds were deposited. Bank documents identify Danielle Moss as a person authorized to transact business on behalf of LouMax Holding. Michael Sandella, Inc. appears to be an entity controlled by Michael Sandella, also used in furtherance of their mortgage fraud scheme. Partridge Realty is an entity that was controlled by Andy Perdikos and Steven Sanchez, a former account executive at D & M Financial, and was used as a conduit for illicit loan proceeds. Sandarias Corp. is an entity controlled by Louis Sandella and used in furtherance of the enterprise's illegal loan activities. G. Moss, Inc. is an entity used by Geraldine Moss as a conduit for assets. Trilogy Consulting Corp. is an entity controlled by Louis Sandella and Danielle Moss, which appears to be a shell corporation created to hold assets for Louis Sandella and Danielle Moss. Trilogy owns an account at Citibank used to pay for various expenses related to the purchase of a multi-family dwelling in Florida. LoJo Realty Holding Corp. is an entity controlled by Louis Sandella and John Conzo as a conduit for illicit loan proceeds and as a holding corporation for the purchase and sale of real estate. Consand Corp. is an entity controlled and used by Louis Sandella and John Conzo. 64 First Avenue Corp. was created by Louis Sandella to buy and sell properties and as a conduit for loan proceeds. LSJC

Management Corp. was created by Louis Sandella and John Conzo, MJL Realty Corp., is an entity controlled by Michael Sandella, John Conzo and Louis Sandella. Louis Sandella, Inc. is controlled by Louis Sandella and also used as a conduit for loan proceeds. 135-Rockaway Parkway, LLC, 145 Rockaway Parkway, LLC. are entities used by Louis Sandella, and 431 South First Avenue, LLC, are entities used by Louis Sandella for the purchase of real estate. DANI Consulting Corp. is an entity controlled by Danielle Moss and used as a conduit for assets.

158. Throughout the course of their scheme, the defendants have taken steps to hide their own property interests. They have hidden behind the identities of straw buyers in order to enjoy the benefits of property ownership without the burdens. They have created shell corporations to hold liquid assets. Intercepted conversations indicate that Louis Sandella has maintained ownership interests in restaurants, condominiums and other property held in other names, outside the State of New York.

CONCLUSION

159. Documents recovered from the trash outside 802 Fort Salonga Road revealed that between June 2001 and June 2002 alone, the criminal enterprise brokered at least 186 loans with a cumulative value of \$43.4 million. Over the course of their scheme, they have likely brokered loans cumulatively valued in excess of \$200 million. Based on the documentary evidence and statements of various witnesses, many of loans handled by the enterprise were procured through fraud, and not just the twenty loans noted in this affidavit.

160. For the foregoing reasons, the court should issue an order of attachment in the form submitted herewith.

Brian Badal
Brian Badal

Sworn to before me this 21st
day of April, 2006

Lynn Goodman
Notary Public

LYNN GOODMAN
Notary Public, State of New York
No. 4954819
Qualified in Westchester County
Commission Expires 8-21-09

Exhibit A

INTER-OFFICE MEMORANDUM

To: Ida D'Angelo, Esq.
From: Orlando Morales
Date: September 11th, 2002

Ida, I took some questions I have come up with over the past few months and weeks and keep forgetting to ask, so I figured when you have time, you can go over them with me. Some of the questions are retarded but I need to ask anyways Ha Ha!!

1. What does it mean to be a FHA Loan, what implications are there, how is it different from the other types of loans?
2. What is the difference between a real purchase and a fake one? Why do we usually do fake ones (not real), why are adjustments not always accounted for on the HUD?
3. How does someone hear about a foreclosure sale? And what is the procedure to find out and be included in bidding on a property?
4. There is a corporation that allows a property to be sold, and the proceeds from the sale are held in a corporation, and the seller has a period of days like 30 or 60 days in which to reinvest those proceeds to avoid being taxed on the gain, Do you know about this, and what is it called?
5. What are the requirements (qualifications) to broker a mortgage, and can an attorney broker a mortgage as long as they are also not representing a party in the same transaction?
6. Why would a seller automatically, agree to give a bargain and sale deed with covenants against grantor's acts, is it to just expedite the transaction? Why not offer a different type of deed with less liability on the seller's side, or with the presence of title insurance, is it pointless to try and pull one over purchaser's eyes?
7. Why does Eleni need so much heat in her room? Just kiddin, silly question!!

Exhibit B

Exhibit C

APPRAISAL OF REAL PROPERTY

LOCATED AT:

199 COMMACK ROAD
SECTION 100 BLOCK 100 LOT 63
DEER PARK, NY 11729-1823

FOR:

FIRST UNITED MORTGAGE BANKING CORP
61 JERICHO TURNPIKE
JERICHO, NY 11753

AS OF:

11/18/03

BY:

L S AVANTIATO

UNIFORM RESIDENTIAL APPRAISAL REPORT

Property Description: 199 COMMACK ROAD, DEER PARK, NY 11729-1823

Legal Description: SECTION 90, DISTRICT 100, BLOCK 1, LOT 63, COUNTY SUFFOLK

Assessor's Parcel No.: N/A SUMMARY, Tax Year: 2003, RE Taxes: \$ 5,981.00, Special Assessments: N/A

Borrower: PERALTA, Current Owner: ARMSTRONG, Occupant: Owner

Property rights appraised: Fee Simple, Leasehold, Project Type: PUD, Condominium (HUD/VA only), HOA \$ 8.33 /Mo

Neighborhood or Project Name: NONE, Map Reference: HAG, Census Tract: 1227.07

Sale Price: \$ 380,000, Date of Sale: PENDING, Description and amount of loan charges/concessions to be paid by seller: N/A

Lender/Cient: FIRST UNITED MORTGAGE BANKING CO., Address: 61 JERICHO TURNPIKE, JERICHO, NY 11753

Appraiser: L S AVANTIAGO, Address: 550 NORTH COUNTRY ROAD, ST JAMES, NY 11780

Location: Urban, Suburban, Rural, Predominant occupancy: Single family housing, Present land use %: One family 95, Land use change: Not likely, Likely

Built up: Over 75%, 25-75%, Under 25%, Owner, 250, Low, 20, 2-4 family, In process

Growth rate: Rapid, Stable, Slow, Tenant, 550+, High, 60+, Multi-family, To

Property values: Increasing, Stable, Declining, Vacant (0-5%), Predominant, Commercial, 5

Demand/supply: Shortage, In balance, Over supply, Vac (over 5%), 375+, 40+

Marketing time: Under 3 mos, 3-6 mos, Over 6 mos

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood boundaries and characteristics: THE SUBJECT PROPERTY IS BOUNDED BY THE TOWN LIMITS.

Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.)

THE SUBJECT IS LOCATED IN A PREDOMINANTLY RESIDENTIAL AREA IN THE CITY OF DEER PARK. THE AREA IS COMPRISED OF MIXTURE SINGLE AND MULTI FAMILY DWELLINGS OF DIVERSE STYLE, SIZE, AND AGE. ALL SCHOOLS AND SHOPPING ARE LOCATED NEARBY, PUBLIC BUS TRANSPORTATION TYPICALLY WITHIN WALKING DISTANCE. MANY MAJOR ROUTES INCLUDING SOUTHERN STATE PWAY ARE LOCATED NEARBY. MAINTENANCE OF PROPERTIES IS GOOD AND FUTURE MARKETABILITY SHOULD CONTINUE TO BE SATISFACTORY.

Market conditions in the subject neighborhood (including support for the above conclusions related to the trend of property values, demand/supply, and marketing time -- such as data on comparative properties for sale in the neighborhood, description of the prevalence of sales and financing concessions, etc.)

AREA RESALE MARKET IS STABLE. CONVENTIONAL FINANCING IS TYPICAL AND AFFORDABLE FOR THE MAJORITY OF BUYERS. THIS MARKET MARKETING TIME FOR THE AREA IS TYPICALLY 3-6 MONTHS FOR PROPERTIES THAT ARE REASONABLY PRICED. NO ABNORMAL FINANCING OR SALES CONCESSIONS WERE NOTED THAT WOULD AFFECT MARKETABILITY.

Project information for PUDs (if applicable) -- Is the developer/builder in control of the Home Owners Association (HOA)? Yes No

Approximate total number of units in the subject project: 35, Approximate total number of units for sale in the subject project: 0

Describe common elements and recreational facilities: NONE

Utilities: 100X100, Line area: 10,000, Specific zoning classification and description: 210 FAMILY, Corner Lot: Yes No

Zoning compliance: Legal, Legal nonconforming (Grandfathered use), Illegal, No zoning

Height & best use as improved: Present use, Other use (explain)

Utilities: Public, Other, Off-site improvements: Type, Public, Private

Electricity: Street, PAVED ASPHALT, Landscaping: TYPICAL FOR AREA

Gas: Curbs/curter, CONCRETE, Driveway Surface: PAVED

Water: Sidewalk, NONE (COMMON), Apparent easements: TYPICAL UTILITY

Sanitary sewer: CESSPOOL, Street lights: YES, FEMA Special Flood Hazard Area: Yes No

Storm sewer: Alley, NONE, FEMA Zone: X, Map Date: 05/04/1998

FFMA Map No: 36103C0645G

Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning use, etc.): SEE ATTACHED ADDENDUM

GENERAL DESCRIPTION: No of Units: 1, Foundation: C BLOCK, Slab: NONE NOTED, Basement: Area Sq Ft: 1,000, Insulation: Roof: CNCLD, Ceiling: CNCLD, Walls: CNCLD, Floor: CNCLD

EXTERIOR DESCRIPTION: No of Stories: 1, Exterior Walls: VINYL SD, Craw Space: NONE, % finished: 100%, Walls: DRY WALL, Floor: CNCLD

FOUNDATION: Type (Det/Att): DETACHED, Roof Surface: ASPH SHGL, Basement: PARTIAL, Ceiling: DRY WALL, Walls: DRY WALL, Floor: CNCLD

DESIGN (Style): EXRANCIS, Gutters & Downsp: COPPER, Sump Pump: NONE NOTED, Floor: CEMENT, None: CNCLD

Fixing Proposed: EXISTING, Window Type: DOUBLE HNG, Dampness: NONE NOTED, Outside Entry: NONE, Unknown: CNCLD

Age (Yrs): 40 YRS, Storm/Screen: NOYES, Settlement: NONE NOTED, Outside Entry: NONE, Unknown: CNCLD

Effective Age (Yrs): 5-7 YRS, Manufactured House: NO, Infestation: NONE NOTED, Outside Entry: NONE, Unknown: CNCLD

INSULATION: Assumed Avg

FINISHES: Foyer, Living, Dining, Kitchen, Open, Family Rm, Rec. Rm, Bedrooms, # Baths, Laundry, Other, Area Sq Ft

Basement: Level 1: 1,000, Level 2: 1,500

Finished area above grade contains: 7 Rooms, 3 Bedroom(s), 2 Bath(s), 1,500 Square Feet of Gross Living Area

INTERIOR: Materials/Condition, HEATING, KITCHEN EQUIP, ATTIC, AMENITIES, CAR STORAGE

Floors: HARD WD, Type: FHA, Refrigerator, None, Fireplace(s) #, None

Walls: DRYWALL, Fuel: OIL, Range/Oven, Stairs, Patio, Garage, # of cars

Trim/Finish: WOOD/STAINED, Condition: AVG, Disposal, Drop Stair, Deck, Attached

Bath Floor: CERAMIC TILE, COOKING: NONE, Dishwasher, Scuttle, Porch, Detached

Bath Wainscot: CERAMIC TILE, Central: N/A, Fan/Hood, Floor, Fence, Built-In

Floors: HOLLOWCORE/GD, Other: N/A, Microwave, Heated, Pool, Carpet

INTER IS IN GOOD CONDITION, Condition: N/A, Washer/Dryer, Finished, Pool, Driveway: 2 CAR +/-

Additional features (special energy efficient items, etc.): NO SPECIAL ENERGY EFFICIENT ITEMS NOTED AT TIME OF INSPECTION

Comments: Condition of the improvements, depreciation (physical, functional, and external), repairs needed, quality of construction, remodeling/additions, etc.

AN INTERIOR AND EXTERIOR INSPECTION FOUND THE SUBJECT TO BE WELL MAINTAINED. NO REPAIRS ARE NECESSARY. THERE IS A FUNCTIONAL AND ADEQUATE FLOOR PLAN WITH ADEQUATELY SIZED ROOMS AND AMPLE CLOSET SPACE. NO FUNCTIONAL OR EXTERNAL OBSOLESCEENCE NOTED.

Adverse environmental conditions (such as, but not limited to, hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property: SEE ATTACHED ADDENDUM

RESIDENTIAL APPRAISAL REPORT

Property Address: 199 COMMACK ROAD, City: DEER PARK, State: NY, Zip Code: 11729-1823
 Legal Description: SECTION 100, BLOCK 100, LOT 63, County: SUFFOLK
 Assessor's Parcel No: N/A SUMMARY, Tax Year: 2003, R.L. Taxes: \$ 5,981.00, Special Assessments: N/A
 Borrower: PERALTA, Current Owner: ARMSTRONG, Occupant: Owner, Tenant, Vacant
 Property rights appraised: Fee Simple, Leasehold, Project Type: PUD, Condominium (RUE/VA only): HOA \$ B. 33 /Mo
 Neighborhood or Project Name: NONE, Map Reference: HAG, Census Tract: 1227 07
 Sale Price: \$ 380,000, Date of Sale: PENDING, Description and \$ amount of loan charges/concessions to be paid by seller: N/A
 Lender/Client: FIRST UNITED MORTGAGE BANKING CO, Address: 61 JERICHO TURNPIKE, JERICHO, NY 11753
 Appraiser: L.S. AVANTAGIATO, Address: 550 NORTH COUNTRY ROAD, ST. JAMES, NY 11780

Location	Urban <input type="checkbox"/>	Suburban <input checked="" type="checkbox"/>	Rural <input type="checkbox"/>	Predominant occupancy	Single family housing PRICE (\$1000)	AGE (yrs)	Present land use %	Land use change
Built up	Over 75% <input type="checkbox"/>	25-75% <input checked="" type="checkbox"/>	Under 25% <input type="checkbox"/>	<input checked="" type="checkbox"/> Owner	250	Low 20	One family 95	<input checked="" type="checkbox"/> Not likely <input type="checkbox"/> Likely
Growth rate	Rapid <input type="checkbox"/>	Stable <input checked="" type="checkbox"/>	Slow <input type="checkbox"/>	<input type="checkbox"/> Tenant	550+	High 80+	2-4 family	<input type="checkbox"/> In process
Property values	Increasing <input type="checkbox"/>	Stable <input checked="" type="checkbox"/>	Declining <input type="checkbox"/>	<input type="checkbox"/> Vacant (0-5%)			Multi-family	To
Demand/supply	Shortage <input type="checkbox"/>	In balance <input checked="" type="checkbox"/>	Over supply <input type="checkbox"/>	<input type="checkbox"/> Vac (over 5%)			Commercial 5	
Marketing time	Under 3 mos <input type="checkbox"/>	3-6 mos <input checked="" type="checkbox"/>	Over 6 mos <input type="checkbox"/>		375+	40+		

Notes: Race and the racial composition of the neighborhood are not appraisal factors.
 Neighborhood boundaries and characteristics: THE SUBJECT PROPERTY IS BOUNDED BY THE TOWN LIMITS.

Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.)
 THE SUBJECT IS LOCATED IN A PREDOMINANTLY RESIDENTIAL AREA IN THE CITY OF DEER PARK. THE AREA IS COMPRISED OF MIXTURE SINGLE AND MULTI FAMILY DWELLINGS OF DIVERSE STYLE, SIZE AND AGE. ALL SCHOOLS AND SHOPPING ARE LOCATED NEARBY. PUBLIC BUS TRANSPORTATION TYPICALLY WITHIN WALKING DISTANCE. MANY MAJOR ROUTES INCLUDING SOUTHERN STATE PWAY ARE LOCATED NEARBY. MAINTENANCE OF PROPERTIES IS GOOD AND FUTURE MARKETABILITY SHOULD CONTINUE TO BE SATISFACTORY.

Market conditions in the subject neighborhood (including support for the above conclusions related to the trend of property values, demand/supply, and marketing time such as data on competitive properties for sale in the neighborhood, description of sales and financing concessions, etc.)
 AREA RESALE MARKET IS STABLE. CONVENTIONAL FINANCING IS TYPICAL AND AFFORDABLE FOR THE MAJORITY OF BUYERS IN THIS MARKET. MARKETING TIME FOR THE AREA IS TYPICALLY 3-6 MONTHS FOR PROPERTIES THAT ARE REASONABLY PRICED. NO ABNORMAL FINANCING OR SALES CONCESSIONS WERE NOTED THAT WOULD AFFECT MARKETABILITY.

Project information for PUDs (if applicable): Is the developer/builder in control of the Home Owners' Association (HOA)? Yes No
 Approximate total number of units in the subject project: 35, Approximate total number of units for sale in the subject project: 0
 Describe common elements and recreational facilities: NONE

Dimensions: 100X100	Site area: 10,000	Comes Lot: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Topography: MOSTLY LEVEL ON GRADE
Specific zoning classification and description: 210 FAMILY	Zoning compliance: <input checked="" type="checkbox"/> Legal, <input type="checkbox"/> Legal nonconforming (Grandfathered use), <input type="checkbox"/> Illegal, <input type="checkbox"/> No zoning	Highest & best use as improved: <input checked="" type="checkbox"/> Present use, <input type="checkbox"/> Other use (explain)	View: AVERAGE RESIDENTIAL VIEW
Utilities: Public <input checked="" type="checkbox"/> Other <input type="checkbox"/>	Off-site improvements: Street PAVED ASPHALT, Curbs/gutter CONCRETE, Sidewalk NONE (COMMON), Street lights YES, Alley NONE	Public <input type="checkbox"/> Private <input type="checkbox"/>	Landscaping: TYPICAL FOR AREA
Electricity: <input checked="" type="checkbox"/>	Gas: <input checked="" type="checkbox"/>	Water: <input checked="" type="checkbox"/>	Driveway Surface: PAVED
Sanitary sewer: CESSPOOL	Storm sewer: <input checked="" type="checkbox"/>	Sanitary sewer: <input checked="" type="checkbox"/>	Apparent easements: TYPICAL UTILITY
Storm sewer: <input checked="" type="checkbox"/>	Other: <input type="checkbox"/>	Other: <input type="checkbox"/>	FEMA Special Flood Hazard Area: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
			FEMA Zone: X, Map Date: 05/04/1998
			FEMA Map No: 36103C0645G

Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning use, etc.): "SEE ATTACHED ADDENDUM"

GENERAL DESCRIPTION	EXTERIOR DESCRIPTION	FOUNDATION	BASEMENT	INSULATION
No. of Units: 1	Foundation: C. BLOCK	Slab: NONE NOTED	Area Sq. Ft.: 1,000	Roof: CNCLD <input checked="" type="checkbox"/>
No. of Stories: 1	Exterior Walls: VINYL SD	Crawl Space: NONE	% Finished: 100%	Ceiling: CNCLD <input checked="" type="checkbox"/>
Type (Det./Att.): DETACHED	Roof Surface: ASPH SHGL	Basement: PARTIAL	Ceiling: DRY WALL	Walls: CNCLD <input checked="" type="checkbox"/>
Design (Style): EX-RANCH	Gutters & Downspouts: COPPER	Sump Pump: NONE NOTED	Walls: DRY WALL	Floor: CNCLD <input checked="" type="checkbox"/>
Existing/Proposed: EXISTING	Window Type: DOUBLE HING.	Dampness: NONE NOTED	Floor: CEMENT	None: CNCLD <input checked="" type="checkbox"/>
Age (Yrs): 40 YRS	Storm Screens: NO/YES	Settlement: NONE NOTED	Outside Entry: NONE	Unknown
Effective Age (Yrs.): 5-7 YRS	Manufactured House: NO	Instellation: NONE NOTED		ASSUMED AVG

ROOMS	oyer	Living	Kitchen	Den	Family Rm	Rec. Rm	Bedrooms	# Baths	Laundry	Other	Area Sq. Ft.
Basement											1,000
Level 1	X	1	1	1	1		3	2			1,500
Level 2											

Finished area above grade contains: 7 Rooms, 3 Bedroom(s), 2 Bath(s), 1,500 Square Feet of Gross Living Area

INTERIOR	Materials/Condition	HEATING	KITCHEN EQUIP.	ATTIC	APPLIANCES	CAR STORAGE
Floors	HARD WD	Type: FHA	Refrigerator	None	Fireplace(s) #	None
Walls	DRYWALL	Fuel: OIL	Ranger/Oven	Stairs	Deck	Garage # of cars
Terrace	WOOD/STAINED	Condition: AVG	Disposal	Drop Saw	Porch	Attached
Bath Floor	CERAMIC TILE	COOLING: NONE	Dishwasher	Scuttle	Fence	Detached
Bath Wainscot	CERAMIC TILE	Central: N/A	Fan/Hood	Floor	Pool	Built in
Doors	HOLLOWCORE/GD	Other: N/A	Microwave	Heated		Carport
INTER IS IN GOOD CONDITION	Condition: N/A	Washer/Dryer	Washer/Dryer	Finished		Driveway: 2 CAR +/-

Additional features (special energy efficient items, etc.): NO SPECIAL ENERGY EFFICIENT ITEMS NOTED AT TIME OF INSPECTION

Condition of the improvements, depreciation (physical, functional, and external), repairs needed, quality of construction, remodeling/additions, etc.: AN INTERIOR AND EXTERIOR INSPECTION FOUND THE SUBJECT TO BE WELL MAINTAINED. NO REPAIRS ARE NECESSARY. THERE IS A FUNCTIONAL AND ADEQUATE FLOOR PLAN WITH ADEQUATELY SIZED ROOMS AND AMPLE CLOSET SPACE. NO FUNCTIONAL OR EXTERNAL OBSOLETE SCIENCE NOTED.

Adverse environmental conditions (such as, but not limited to, hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property: "SEE ATTACHED ADDENDUM"

RESIDENTIAL APPRAISAL REPORT

Table with columns for Item, Subject, and Value. Includes rows for Estimated Site Value, Estimated Reproduction Cost-New of Improvements, and Depreciation.

Comments on Cost Approach (such as square foot calculation and for HUD, VA and FHA, the estimated remaining economic life of the property). NO FUNCTIONAL OR EXTERNAL INADEQUACIES WERE NOTED. COST APPROACH/PHYSICAL DEPRECIATION ESTIMATE BASED ON MARSHALL & SWIFT RESIDENTIAL COST HANDBOOK & LOCAL BUILDERS' COST ESTIMATES. SITE IMPROVEMENT RATIOS FOR COMPARABLE PROPERTIES IN THIS MARKET ARE TYPICALLY BETWEEN 30% AND 35%. ESTIMATED REMAINING ECONOMIC LIFE IS 75 YEARS. SQUARE FOOTAGE CALCULATIONS IN ADDENDUM

Main comparison table with columns for Item, Subject, and three Comparable properties (No 1, 2, 3). Rows include Address, Price/Gross Living Area, Verification Source, and various property characteristics.

Comments on Sales Comparison (including the subject property's comparability to the neighborhood, etc.) AFTER AN EXTENSIVE SEARCH THROUGH THE MLS AND TAX RECORDS, THE APPRAISER HAS SELECTED COMPARABLES WHICH WERE TO BE THE MOST RECENT, SIMILAR AND PROXIMATE TO THE SUBJECT. ALL SALES WERE CONSIDERED IN THE ESTIMATE OF VALUE. THE SALES CHOSEN ARE CONSIDERED THE BEST AVAILABLE AS THE AREA IS STABLE, THERE IS A LIMITED INVENTORY OF RECENT SALES AVAILABLE DIFFERENCES IN ROOM COUNT ARE CONSIDERED IN G.L.A. ADJUSTMENT WHICH IS MADE AT \$20/SQ FT.

Table with columns for Item, Subject, and three Comparable properties. Rows include Date, Price and Data Source, and Analysis of any current agreement of sale.

INDICATED VALUE BY SALES COMPARISON APPROACH \$ 395,000
INDICATED VALUE BY INCOME APPROACH (if Applicable) Estimated Market Rent \$ 104,000 Mo x Gross Rent Multiplier 104 = \$ 395,000

This appraisal is made [X] 'as is' [] subject to the repairs, alterations, inspections or conditions listed below [] subject to completion per plans & specifications.
Conditions of Appraisal THIS APPRAISAL IS 'AS IS' AND IS INTENDED FOR MORTGAGE LENDING PURPOSES ONLY.

Final Reconciliation MOST WEIGHT IS GIVEN TO THE SALES COMPARISON ANALYSIS, WHICH IS SUPPORTED BY THE COST APPROACH. INSUFFICIENT DATA AVAILABLE TO FORMULATE A RELIABLE INCOME APPROACH.

The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingent and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 4399/FHMA Form 1004B (Revised JUNE, 1993.)
(WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF 11/18/03

APPRaiser: Signature: SUPERVISORY APPRAISER (ONLY IF REQUIRED): Signature:
Name: DATE REPORT SIGNED: Date Report Signed:
State Certification #: State: State Certification #: State:
Or State License #: 47000040045 State NY Or State License #: State:

Subject Interior Photo Page

Borrower/Client: PERALTA
Property Address: 199 COMMACK ROAD
City: DEER PARK County: SUFFOLK State: NY Zip Code: 11729-1823
Lender: FIRST UNITED MORTGAGE BANKING CORP



Subject Interior

199 COMMACK ROAD
Sales Price 380,000
Gross Living Area 1,500
Total Rooms 7
Total Bedrooms 3
Total Bathrooms 2
Location AVERAGE
View RESIDENTIAL
Site 100X100
Quality AVERAGE
Age 40 YRS



Subject Interior



Subject Interior

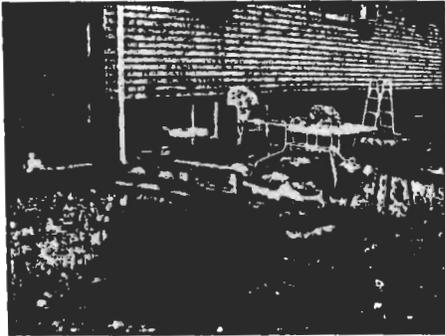
Photo Page

Borrower/Client PERALTA
Property Address 199 COMMACK ROAD
City DEFR PARK County SUFFOLK State NY Zip Code 11729-1823
Lender FIRST UNITED MORTGAGE BANKING CORP



Subject Front

199 COMMACK ROAD
Sales Price 380,000
Gross Living Area 1,500
Total Rooms 7
Total Bedrooms 3
Total Bathrooms 2
Location AVERAGE
View RESIDENTIAL
Site 100X100
Quality AVERAGE
Age 40 YRS



Subject Rear



Subject Street

Comparable Photo Page

Borrower/Client: PERALTA
 Property Address: 199 COMMACK ROAD
 City: DEFR PARK County: SUFFOLK State: NY Zip Code: 11729-1823
 Lender: FIRST UNITED MORTGAGE BANKING CORP



Comparable 1

595 GARNET STREET
 Prox. to Subject: 0.78 miles
 Sale Price: 388,888
 Gross Living Area: 1,200
 Total Rooms: 8
 Total Bedrooms: 4
 Total Bathrooms: 2
 Location: AVERAGE
 View: RESIDENTIAL
 Site: 80X119
 Quality: AVERAGE
 Age: 35+/-



Comparable 2

466 KIME AVENUE
 Prox. to Subject: 0.72 miles
 Sale Price: 395,500
 Gross Living Area: 1,400
 Total Rooms: 6
 Total Bedrooms: 3
 Total Bathrooms: 2.5
 Location: AVERAGE
 View: RESIDENTIAL
 Site: 75X150
 Quality: AVERAGE
 Age: 40+/-



Comparable 3

43 PATRICIA AVENUE
 Prox. to Subject: 0.70 miles
 Sale Price: 410,000
 Gross Living Area: 1,600
 Total Rooms: 7
 Total Bedrooms: 4
 Total Bathrooms: 2
 Location: AVERAGE
 View: RESIDENTIAL
 Site: 100X100
 Quality: AVERAGE
 Age: 35+/-

APPRAISAL REPORT SERIAL ADDENDUM

Borrower/Client PEHALTA				
Property Address 199 COMMACK RD				
City DEER PARK	County SUFFOLK	State NY	Zip Code 11729-1823	
Lender FIRST UNITED MORTGAGE BANKING CORP				

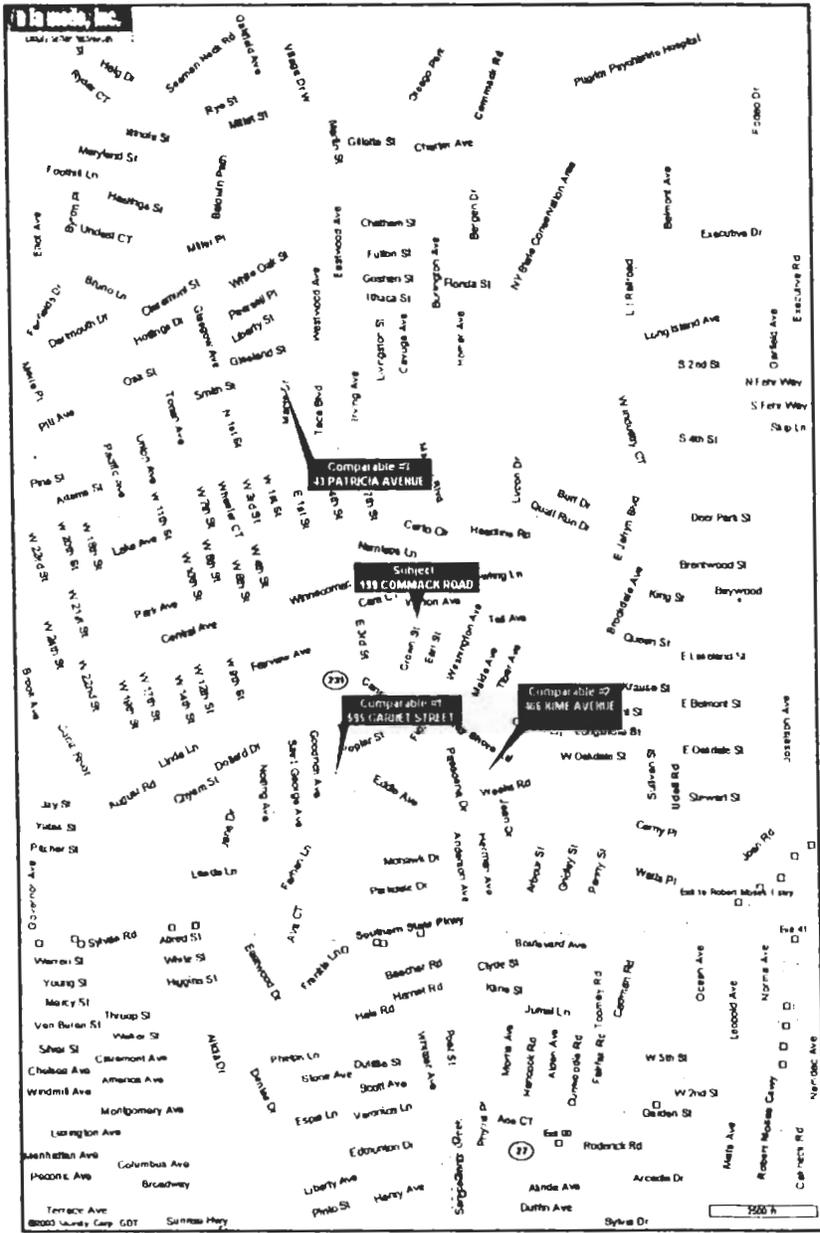
PLEASE BE ADVISED THAT IT IS COMMON PRACTICE TO USE A DIGITAL SIGNATURE WHILE GENERATING A APPRAISAL REPORT THIS IS DONE SO THAT APPRAISALS CAN BE TRANSMITTED VIA INTERNET.

ADVERSE ENVIRONMENTAL CONDITIONS:

- IN THIS APPRAISAL ASSIGNMENT, THE EXISTENCE OF POTENTIALLY HAZARDOUS MATERIAL, USED IN THE CONSTRUCTION OR MAINTENANCE OF THE IMPROVEMENTS, SUCH AS THE PRESENCE OF UREA-FORMALDEHYDE INSULATION, AND / OR THE EXISTENCE OF TOXIC WASTE HALON, WHICH MAY OR MAY NOT BE PRESENT ON THE PROPERTY, WAS NOT OBSERVED BY ME; NOR DO I HAVE ANY KNOWLEDGE OF THE EXISTENCE OF SUCH MATERIALS ON OR IN THE PROPERTY. THE APPRAISER IS NOT QUALIFIED TO DETECT SUCH INSTANCES. THE EXISTENCE OF UREA-FORMALDEHYDE FOAM INSULATION OR OTHER POTENTIALLY HAZARDOUS MATERIALS MAY HAVE AN EFFECT ON THE VALUE OF THE PROPERTY. I URGE THE CLIENT TO RETAIN AN EXPERT IN THIS FIELD IF SO DESIRED.
-
- PLEASE BE ADVISED THAT IT IS COMMON PRACTICE TO USE A DIGITAL SIGNATURE WHILE GENERATING A APPRAISAL REPORT. THIS IS DONE SO THAT APPRAISALS CAN BE TRANSMITTED VIA INTERNET.
-

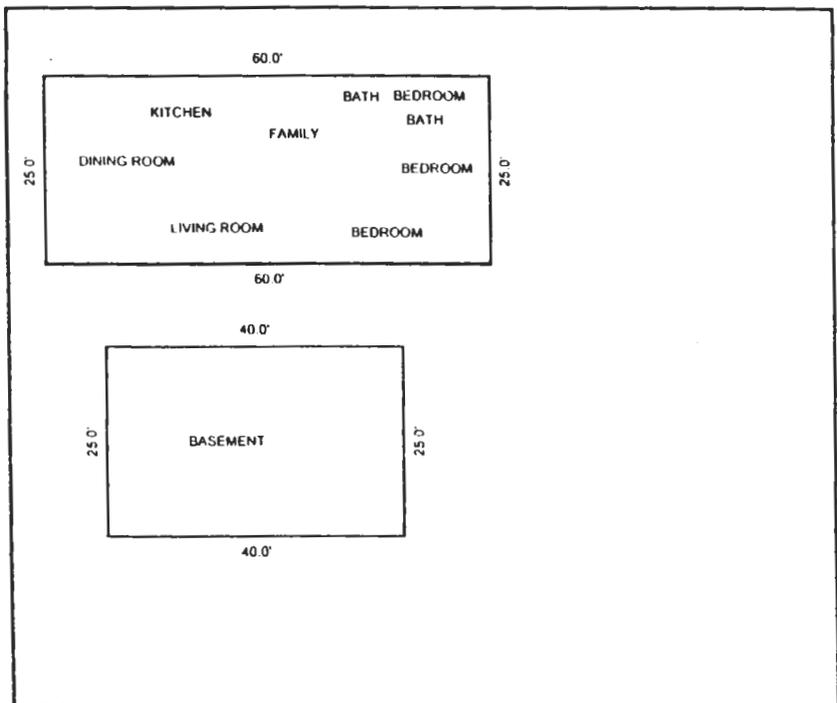
Location Map

Borrower/Client PERALTA
Property Address 199 COMMACK ROAD
City DEER PARK County SUFFOLK State NY Zip Code 11729-1823
Lender FIRST UNITED MORTGAGE BANKING CORP.



Build Sketch (Page - 1)

Borrower/Client: PERALTA
 Property Address: 199 COMMACK ROAD
 City: DEER PARK County: SUFFOLK State: NY Zip Code: 11729-1823
 Lender: FIRST UNITED MORTGAGE BANKING COHP



Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Net Totals
GLA1	First Floor	1500.00	1500.00
BSMT	Basement	1000.00	1000.00
TOTAL LIVABLE (rounded)			1500

LIVING AREA BREAKDOWN		
	Breakdown	Subtotals
First Floor	25.0 x 60.0	1500.00
1 Calculation Total (rounded)		1500

Borrower/Client PERALTA			
Property Address 199 COMMACK ROAD			
City DEER PARK	County SUFFOLK	State NY	Zip Code 11729-1823
Lender FIRST UNITED MORTGAGE BANKING CORP			

First Floor	GLA1	Basement	BSMT		
25.0	= 60.0	= 1500.00	25.0	= 40.0	= 1000.00
Area total (rounded) = 1500		Area total (rounded) = 1000			

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby, (1) buyer and seller are typically motivated, (2) both parties are well informed or well advised, and each acting in what he considers his own best interest, (3) a reasonable time is allowed for exposure in the open market, (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto, and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

* Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by seller as a result of tradition or law in a market area, these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower, the mortgagee or its successors and assigns, the mortgage insurer, consultants, professional appraisal organizations, any state or federally approved financial institution, or any department, agency, or instrumentality of the United States or any state or the District of Columbia, except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject in this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's Certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 199 COMMACK ROAD, DEER PARK, NY 11729-1823

APPRAISER:

Signature: *[Signature]*
 Name: S. VANTAGIATO
 Date Signed: 11/18/03
 State Certification #: _____
 or State License #: 47000040045
 State: NY
 Expiration Date of Certification or License: 10/01/2005

SUPERVISORY APPRAISER (only if required):

Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____

Did Did Not Inspect Property

Exhibit D

Loan #: 04-5203A

A. Settlement Statement

HUD-

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

B. Loan Type		6. File Number	7. Loan Number	8. Mortgage Insurance Case Number
1. FHA	2. FmHA	3. X	Conv. Unins.	
4. VA	5. Conv. Ins.	105802	04-5203A	
C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.				
D. NAME AND ADDRESS OF BORROWER				
Roberto Perata 24 Sunrise Highway, Rockville Centre, NY 11570				
E. NAME AND ADDRESS OF SELLER				
Alyshia M. Armstrong 199 Commack Road, Deer Park, NY 11729				
F. NAME AND ADDRESS OF LENDER				
First United Mortgage Banking Corp. 61 Jericho Turnpike, Jericho, NY 11753				
G. PROPERTY LOCATION				
199 Commack Road, Deer Park, NY 11729				
H. SETTLEMENT AGENT				
Edward A Savran, Esq. PLACE OF SETTLEMENT 585 Stewart Avenue, Garden City New York				
I. SETTLEMENT DATE / DISBURSEMENT DATE				
January 23, 2004 / January 23, 2004				
J. SUMMARY OF BORROWER'S TRANSACTION			K. SUMMARY OF SELLER'S TRANSACTION	
100. GROSS AMOUNT DUE FROM BORROWER			400. GROSS AMOUNT DUE TO SELLER	
101. Contract Sales Price	\$360,000.00		401. Contract Sales Price	\$360,000.00
102. Personal Property			402. Personal Property	
103. Settlement Charges to Borrower (from line 1400)	2837.77		403.	
104.			404.	
105.			405.	
ADJUSTMENT FOR ITEMS PAID BY SELLER IN ADVANCE			ADJUSTMENT FOR ITEMS PAID BY SELLER IN ADVANCE	
106. City/Town taxes to:			406. City/Town taxes to:	
107. County taxes to:			407. County taxes to:	
108. School taxes to:			408. School taxes to:	
109. Assessments to:			409. Assessments to:	
110. Fuel:			410. Fuel:	
111.			411.	
112.			412.	
120. GROSS AMOUNT DUE FROM BORROWER	382,837.77		420. GROSS AMOUNT DUE TO SELLER	380,000.00
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER			500. REDUCTIONS IN THE AMOUNT DUE TO SELLER	
201. Deposit or Earnest money:	5,000.00		501. Excess deposit (see Instructions)	
202. Principal amount of new loan(s):	\$304,000.00		502. Settlement charges to seller (line 1400)	24345.00
203. Existing loans taken subject to:			503. Existing loans taken subject to:	
204.			504. Payoff of 1st Mtg.: FAIRBANKS	241,714.40
205.			505. Payoff of 2nd Mtg.:	
206.			506.	
207.			507.	
208.			508.	
209.			509.	
ADJUSTMENTS FOR ITEMS UNPAID BY SELLER			ADJUSTMENTS FOR ITEMS UNPAID BY SELLER	
210. City/Town taxes to:			510. City/Town taxes to:	
211. County taxes to:			511. County taxes to:	
212. School taxes to:			512. School taxes to:	
213. Assessments to:			513. Assessments to:	
214. Fuel:			514. Fuel:	
215.			515.	
216.			516.	
217.			517.	
218.			518.	
219.			519.	
220. TOTAL PAID BY/FOR BORROWER	309,000.00		520. TOTAL REDUCTIONS IN AMOUNT DUE SELLER	266,059.40
300. CASH AT SETTLEMENT FROM/TO BORROWER			600. CASH AT SETTLEMENT TO/FROM SELLER	
301. Gross amount due from borrower (line 120)	382,837.77		601. Gross amount due to seller (line 420)	380,000.00
302. Less amount paid by/for borrower (line 220)	309,000.00		602. Less amount paid by/for seller (line 520)	266,059.40
303. CASH X FROM TO BORROWER	73837.77		603. CASH FROM XX TO SELLER	113,940.60

SETTLEMENT CHARGES

L. TOTAL SALES/BROKER COMMISSION:					PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT	
BASED ON PRICE \$380,000.00 @ % =							
DIVISION OF COMMISSION (LINE 700) AS FOLLOWS:							
701.	to:			p.o.c.			
702.	to:			p.o.c.			
703.	Commission paid at settlement						
704.						10,400.00	
800. ITEMS PAYABLE IN CONNECTION WITH LOAN							
801.	Loan Origination Fee	1,000	% to: First United Mortgage	p.o.c.		\$3,040.00	
802.	Loan Discount Fee		% to:	p.o.c.			
803.	Appraisal Fee		First United Mortgage	p.o.c.	\$275.00		
804.	Credit Report Fee		First United Mortgage	p.o.c.		\$7.50	
805.	Application Fee			p.o.c.			
806.	Underwriting Fee		First United Mortgage	p.o.c.		\$250.00	
807.	Realty Tax Service Fee		First United Mortgage	p.o.c.		\$89.00	
808.	Post Closing Review Fee			p.o.c.			
809.	Messenger Fee			p.o.c.			
810.	Flood Certification Fee		First United Mortgage	p.o.c.		\$18.00	
811.	Document Prep Fee		First United Mortgage	p.o.c.		\$200.00	
812.	Processing Fee		First United Mortgage	p.o.c.		\$300.00	
813.				p.o.c.			
814.				p.o.c.			
815.				p.o.c.			
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE							
901.	Interest from	01/23/2004	thru: 01/31/2004	# of days: 0	@ \$49.97	\$449.73	
902.	Mortgage insurance premium for		month(s) to:		p.o.c.		
903.	Hazard insurance premium for	1	year(s) to:	COTTEN COVERAGE	p.o.c.	1202.00	
904.	Flood insurance premium for		year(s) to:		p.o.c.		
905.							
1000. RESERVES DEPOSITED WITH LENDER							
1001.	Hazard insurance	3	months @	100.17	per month	300.51	
1002.	Mortgage insurance		months @		per month		
1003.	Flood insurance		months @		per month		
1004.	County property tax	5	months @	458.94	per month	2294.70	
1005.	School property tax		months @		per month		
1006.	Village property tax		months @		per month		
1007.	City property tax		months @		per month		
1008.	Sewer/water tax		months @		per month		
1009.	Aggregate adjustment					(400.67)	
1100. TITLE CHARGES							
1101.	Settlement or closing fee to:	GARY DOLAN				750.00	
1102.	Abstract or title search to:						
1103.	Title examination to:						
1104.	Title insurance binder to:						
1105.	Document preparation to:						
1106.	Notary fees to:						
1107.	Attorney fee to:	Edward A. Savran, Esq.				1750.00	
(Includes above Item Numbers 1101, 1103 and 1105)							
1108.	Title insurance to:	MILLENNIUM			1697.77	646.23	
(Includes above Item Numbers 1108 and 1110)							
1109.	Lender's coverage amount			\$304,000.00	fee		
1110.	Owner's coverage amount			\$380,000.00	fee		
1111.	Departmental searches					350.00	
1112.	Survey inspection					95.00	
1113.	Alta endorsements					100.00	
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES							
1201.	Recording fees:	Deed	150.00	Mortgage	175.00	Releases	75.00
1202.	City/County tax stamps:	Deed		Mortgages		Releasee	
1203.	State tax/stamps:	Deed	1520.00	Mortgages	2255.00		
1204.	Bankruptcy Search Fee					60.00	1520.00
1205.							
1300. ADDITIONAL SETTLEMENT CHARGES							
1301.	Survey to:						
1302.	Pest inspection to:						
1303.	Real estate tax to:						
1304.	Title closer pick-up fee to:	S SHAW			150.00	200.00	
1305.	Escrow Service Charge						
1306.	OVERNITE					60.00	
1307.							
1400.	TOTAL SETTLEMENT CHARGES (enter on line 103, section J and line 502, Section K)				2837.77	24345.00	

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

Borrowers: *Robert Kuth*

Sellers: *Barry Dolan*

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

G

Exhibit E

Borrower _____
 Property Address **753 MARCY AVENUE**
 City **BROOKLYN** County **KINGS** State **NY** Zip Code **11216**
 Lender/Client **D & M FINANCIAL** Address **383 WASHINGTON AVENUE BELLEVILLE, NJ 07109**



FRONT OF SUBJECT PROPERTY

Address
753 MARCY AVENUE
BROOKLYN, NY 11216
 Appraisal Date **09/27/01**
 Appraisal Value **380,000**

Site **1,206 SF**
 View **AVERAGE/URBAN**
 Design/Appeal **COLONIAL**
 Const. Quality
 Age **1931**
 Square Feet **4,200**
 Total Rooms
 Bedrooms
 Bathrooms
 Basement

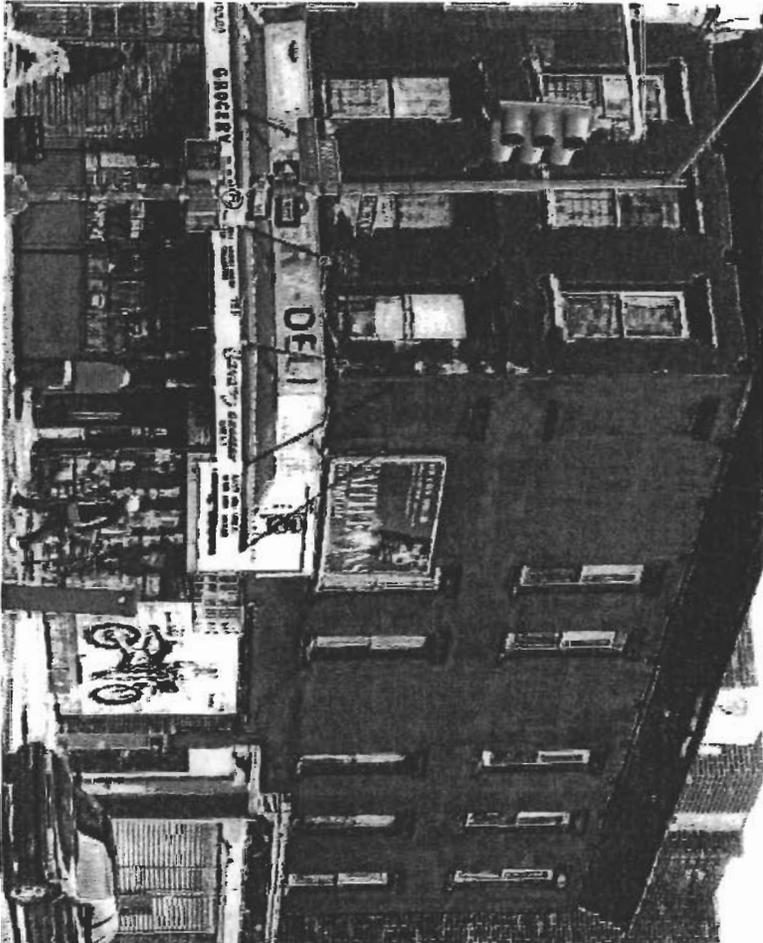
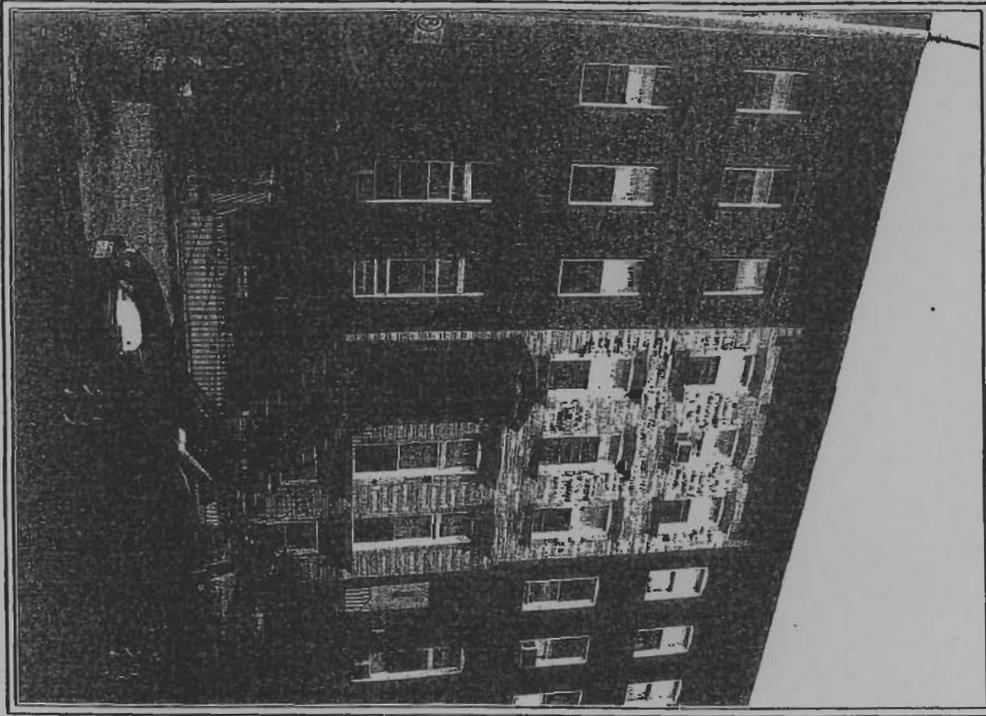


Exhibit E

JECT PHOTO ADDENDUM

File No. _____

Borrower
Property Address 756 MARCY AVENUE
City BROOKLYN **County** KINGS **State** NY **Zip Code** 11216
Lender/Client D & M FINANCIAL **Address** 383 WASHINGTON AVENUE BELLEVILLE, NJ 07109



**FRONT OF
SUBJECT PROPERTY**

Address
756 MARCY AVENUE
BROOKLYN, NY 11216
Appraisal Date 09/27/01
Appraisal Value 380,000

Site 1,600
View AVERAGE/URBAN
Design/Appeal COLONIAL
Const. Quality
Age 1931
Square Feet 4,400
Total Rooms
Bedrooms
Bathrooms
Basement



756 Marcy Ave

f

Exhibit G

Subject Photo Page

Borrower/Client BAINES			
Property Address 4116 Avenue J			
City BROOKLYN	County KINGS	State N.Y	Zip Code 11210-4442
Lender First United Mortgage Bankers Corp			



Subject Front

4116 Avenue J
Sales Price: 525,000
GBA: 1,302
Age: 1920

4116 AVENUE J

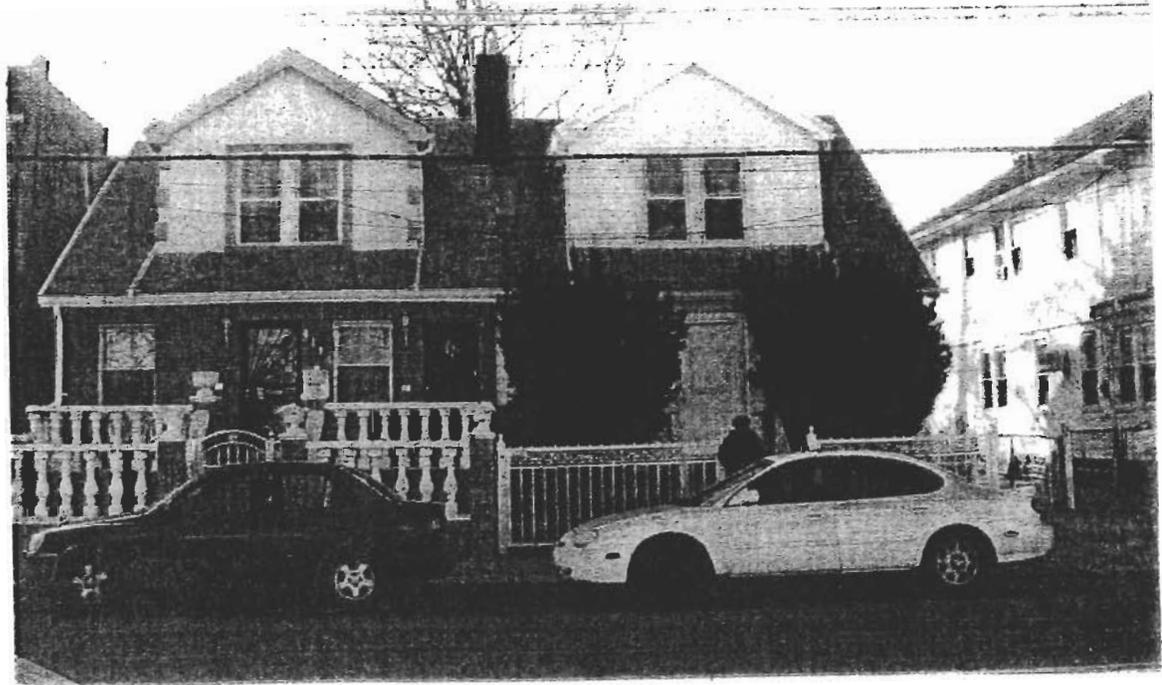


Exhibit 2

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF KINGS

-----X
JOHN CHRISTOPHER PRATHER, :
Deputy Attorney General in Charge of the :
New York State Attorney General's Organized :
Crime Task Force, exercising the powers and : VERIFIED
performing the duties of the District Attorney, : COMPLAINT
Plaintiff, : INDEX NO.
-against- :
LOUIS SANDELLA, MICHAEL SANDELLA, :
GERALDINE MOSS, KIM MOSS FONTANEZ, :
DANIELLE MOSS, ANDREAS PERDIKOS, :
GARY SHAW, IDA D'ANGELO, MAIN :
STREET MORTGAGE CORP., 802 FORT :
SALONGA MANAGEMENT CORP., MILU :
MANAGEMENT CORP., G. MOSS, INC., :
LOUMAX HOLDING, LLC., SANDARIAS :
CORP., MICHAEL SANDELLA, INC., :
TRILOGY CONSULTING CORP. :
AMPLUSMALL CORP., :
LOJO REALTY HOLDING CORP., :
CONSAND CORP., 64 FIRST AVENUE :
CORP., LSJC MANAGEMENT CORP., :
MJL REALTY CORP., LOUIS :
SANDELLA, INC., 135 ROCKAWAY :
PARKWAY, LLC, 145 :
ROCKAWAY PARKWAY, LLC., 431 :
SOUTH FIRST AVENUE, LLC, and DANI :
CONSULTING CORP., :
Defendants. :
-----X

Plaintiff, John Christopher Prather, Deputy Attorney General in Charge of the
New York State Attorney General's Organized Crime Task Force, for his verified complaint,

respectfully alleges as follows:

INTRODUCTION

1. The plaintiff brings this action against the above-named defendants pursuant to Article 13-A of the Civil Practice Law and Rules ("CPLR") seeking a judgment of forfeiture in an amount equal to the proceeds, substituted proceeds and instrumentalities of the criminal activity committed by the defendants Louis Sandella, Michael Sandella, Geraldine Moss, Kim Moss Fontanez, Danielle Moss, Andreas Perdikos, Gary Shaw, Ida D'Angelo, Main Street Mortgage Corp., 802 Fort Salonga Management Corp., MILU Management Corp., G. Moss, Inc., LouMax Holding, LLC., Dani Consulting Corp., Sandarias Corp., Michael Sandella, Inc., Trilogy Consulting Corp., Amplusmall Corp., LoJo Realty Holding Corp., Consand Corp., Partridge Realty Corp., 64 First Avenue Corp., LSJC Management Corp., MJL Realty Corp., Louis Sandella, Inc., 135 Rockaway Parkway, LLC, 145 Rockaway Parkway, LLC., 431 South First Avenue, LLC. and Dani Consulting Corp.

2. The information alleged herein is alleged upon information and belief and is based on information obtained during the course of the investigation conducted by the New York State Attorney General's Organized Crime Task Force, the New York State Banking Department, New York State Tax Department, United States Department of Labor, Federal Bureau of Investigation, New York State Insurance Department and the New York City Waterfront Commission into the matters discussed herein.

PARTIES

3. The plaintiff, John Christopher Prather, is the Deputy Attorney General in Charge of the Organized Crime Task Force within the Office of New York State Attorney

General Eliot Spitzer. Pursuant to Executive Law 70-a(7), the plaintiff is authorized to conduct the criminal prosecution out of which this action arises. Accordingly, he is an appropriate claiming authority as that term is defined in Civil Practice Law and Rules Section 1310(11) and authorized to pursue this civil forfeiture action.

4. Defendant Louis Sandella is an individual residing in Suffolk County, New York.

5. Defendant Michael Sandella is an individual residing in Suffolk County, New York.

6. Defendant Geraldine Moss is an individual residing in Suffolk County, New York.

7. Defendant Kim Moss Fontanez is an individual residing in Suffolk County, New York.

8. Defendant Danielle Moss is an individual residing in Suffolk County, New York.

9. Defendant Gary Shaw is an attorney admitted to practice law in the State of New York who maintained a law office at One Old Country Road, Carle Place, New York.

10. Defendant Ida D'Angelo is an attorney admitted to practice law in the State of New York who maintained a law office at 555 Broad Hollow Road, Melville, New York.

11. Defendant Andreas Perdikos is an individual currently residing in New Jersey who has transacted business in the State of New York.

12. Main Street Mortgage Corp., 802 Fort Salonga Management Corp., MILU Management Corp., G. Moss, Inc., LouMax Holding, LLC., Dani Consulting Corp., Sandarias

Corp., Michael Sandella, Inc., Trilogy Consulting Corp., Amplusmall Corp., LoJo Realty Holding Corp., Consand Corp., 64 First Avenue Corp., LSJC Management Corp., MJL Realty Corp., Louis Sandella, Inc., Partridge Realty Corp., 135 Rockaway Parkway, LLC, 145 Rockaway Parkway, LLC., 431 South First Avenue, LLC. and Dani Consulting Corp. are each entities controlled by one or more of the defendants and used by them as repositories for and conduits of assets.

VENUE

13. The defendants have committed crimes in Kings County and elsewhere.

14. The defendants have participated in a criminal conspiracy, overt acts of which were committed in Kings County.

15. A criminal prosecution will be or has been commenced in Kings County relating to these crimes.

16. Venue of this civil forfeiture action is appropriate in Kings County pursuant to CPLR Section 1311(10)(b).

ALLEGATIONS OF MISCONDUCT

17. During the period from October 2001 through August 2004 or thereafter, Louis Sandella, Michael Sandella, Geraldine Moss, Kim Moss Fontanez, Danielle Moss, Andreas Perdikos, Gary Shaw and Ida D'Angelo participated in a criminal enterprise whose purpose was to steal money from banks and other financial institutions through fraudulent real estate transactions. These defendants are sometimes hereafter collectively referred to as "the Sandella Criminal Enterprise."

18. Starting on or before October 2001, the Sandella Criminal Enterprise participated in a mortgage fraud scheme in which they obtained loan proceeds through the

submission of falsified loan applications, falsified contracts of sale and inflated appraisals to lending institutions in the names of nominee and actual purchasers of residential real estate.

19. Members of the Sandella Criminal Enterprise conspired with each other and with others to misrepresent the terms of various real estate transactions and defraud the lending institutions out of loan proceeds.

20. Defendants Louis Sandella, Michael Sandella, Geraldine Moss, Kim Moss Fontanez and Danielle Moss held themselves out as mortgage brokers. They transacted business out of various offices in Suffolk County, procuring loans for the purchase of properties in Suffolk County, Nassau County, Kings County, Queens County, Westchester County, and elsewhere.

21. Louis Sandella ran the brokerage business with assistance from Michael Sandella.

22. Defendants Geraldine Moss, Kim Moss Fontanez and Danielle Moss were employed by Louis Sandella and assisted him in the operation of his mortgage brokerage business.

23. Gary Shaw provided legal assistance to the Sandella Criminal Enterprise by, among other things, representing buyers and sellers of real estate in connection with transactions originated and brokered by other members of the Sandella Criminal Enterprise.

24. Ida D'Angelo provided legal assistance to the Sandella Criminal Enterprise by, among other things, representing lenders who were financing real estate purchases brokered by members of the Sandella Criminal Enterprise.

25. Both Gary Shaw and Ida D'Angela, directly and through others employed by them at their respective law offices, prepared legal documents and handled the closings of many of the fraudulent real estate transactions on behalf of the Sandella Criminal Enterprise.

26. Defendant Andreas Perdikos prepared real estate appraisals in connection with his participation in the Sandella Criminal Enterprise. Andreas Perdikos is not licensed to do appraisals in the State of New York, but held himself out as a licensed appraiser. Defendant Andreas Perdikos provided the defendants with false, inflated appraisals to support their inflated loan requests, sometimes through the forgery of the signatures of other appraisers and through misrepresentations of the true condition and value of the property. Perdikos forged the signatures of licensed appraisers on inflated appraisals he prepared at the request of the Sandella Defendants.

27. Many loans handled by the Sandella Criminal Enterprise materially exceeded the sale price of the property it secured. The Sandella Criminal Enterprise used the loan proceeds to pay for the actual costs of the sale and distributed the excess loan proceeds to themselves and their co-conspirators.

28. The Sandella Criminal Enterprise provided lenders with false information concerning the borrower's employment, asset and rental histories. On multiple occasions the Sandella Criminal Enterprise enlisted the help of friends and associates to falsely hold themselves out as the employer of a loan applicant and falsely verify the applicant's status as an employee.

29. On multiple occasions the Sandella Criminal Enterprise enlisted the help of friends and associates to falsely hold themselves as a landlord of a loan applicant and falsely verify the applicant's status as a reliable tenant paying a rent in excess of \$1,000 a month.

30. The Sandella Criminal Enterprise deposited "show money" into the loan applicant's bank account to create the false impression that the applicant had significant liquid assets. They withdrew those funds shortly thereafter.

31. The Sandella Criminal Enterprise falsely represented to lending institutions

that the loan applicant intended to use the premises to be purchased as his or her primary residence.

32. Gary Shaw and Ida D'Angelo advanced the criminal conduct of the Sandella Criminal Enterprise by, among other things, acting in concert with other members of the Sandella Criminal Enterprise, falsely representing to lenders their possession of escrow payments made by the buyer, where no such payments were made, falsely representing that the contract of sale provided to the seller and the buyer was the same contract of sale provided to the lender, which it was not, completing HUD-1 Settlement Statements in a manner that misrepresented the actual terms of the transaction, or signing and verifying such forms prepared by others, and forms that were submitted to the lender, and falsely representing to the lender, the buyer and seller the distribution of the loan proceeds, knowing that they would distribute those proceeds to the Sandella Criminal Enterprise and their co-conspirators.

33. Loans to purchase many properties were obtained through the fraudulent acts of the Sandella Criminal Enterprise, including, but not limited to the following 20 loans:

	<u>Property</u>	<u>Value of Loans</u>
1.	753 Marcy Avenue, Brooklyn	\$380,000
2.	756 Marcy Avenue, Brooklyn	\$342,000
3.	18 Monroe Avenue, Massapequa (2003)	\$399,000
4.	18 Monroe Avenue, Massapequa (2004)	\$450,000
5.	199 Commack Road, Deer Park	\$361,000
6.	39 Benjoe Drive, Amityville	\$356,250
7.	317 Winthrop Avenue, Brooklyn	\$475,000

8.	4116 Avenue J, Brooklyn	\$465,500
9.	26 Leroy Street, Dix Hills	\$439,200
10.	95 East 31st Street, Brooklyn	\$450,000
11.	69-31 66 Place, Glendale	\$473,100
12.	1327 Prospect Place, Brooklyn	\$495,000
13.	137 E. Riviera Drive, Lindenhurst (2002)	\$294,400
14.	137 E. Riviera Drive, Lindenhurst (2004)	\$427,500
15.	59 Remsen Avenue, Brooklyn	\$360,000
16.	94 E. 31 Street, Brooklyn	\$448,750
17.	150 E. Fulton Street, Long Beach	\$495,000
18.	172 Warburton Avenue, Yonkers	\$360,000
19.	135 Rockaway Parkway, Brooklyn	\$450,000
20.	145 Rockaway Parkway, Brooklyn	\$400,000

Total: \$ 8,321,700

34. MILU Management Corp., Michael Sandella, Inc., Sandarias Corp., 135 Rockaway Parkway, LLC , 145 Rockaway Parkway, LLC, 431 South First Avenue, LLC, Consand Corp., Louis Sandella, Inc., LoJo Realty Holding Corp., 64 First Avenue Corp., LSJC Management Corp., MJL Realty Corp., Trilogy Consulting Corp., Partridge Realty, Fort Salonga Management, LLC, LouMax Holding, LLC, Dani Consulting Corp., and G. Moss, Inc. are each entities that were created by one or more members of the Sandella Criminal Enterprise as a depository or conduit for illicit loan proceeds, for assets, or as a holding company for real estate purchased as part of their criminal scheme.

35. MILU Management Corp., and Michael Sandella, Inc. are owned and controlled by Michael Sandella.

36. G. Moss, Inc. is owned and controlled by Geraldine Moss.

37. LouMax Holding, LLC is owned and controlled by Louis Sandella and Danielle Moss.

38. 802 Fort Salonga Management Corp. is owned and controlled by Michael Sandella and Louis Sandella.

39. Partridge Realty is an entity owned and controlled by Andreas Perdikos.

40. Trilogy Consulting Corp. is an entity owned and controlled by Louis Sandella and Danielle Moss.

41. Dani Consulting Corp. is an entity owned and controlled by Danielle Moss.

42. LoJo Realty Holding Corp., Sixty-Four First Avenue Corp., Consand Corp., LSJC Management Corp., MJL Realty Corp. are entities owned and controlled by Louis Sandella and John Conzo.

43. 135 Rockaway Parkway, LLC, 145 Rockaway Parkway, LLC, 431 South First Avenue, LLC, Amplusmall Corp., Sandarias Corp. and Louis Sandella, Inc., are each entities owned and controlled by Louis Sandella.

44. The defendants have participated in a common scheme and plan of criminal conduct, and through that conduct have committed the crimes of Enterprise Corruption, in violation of Penal Law Section 460.20, Scheme to Defraud in the First Degree, in Violation of Penal Law §190.65(1)(B), Grand Larceny in the First Degree, in violation of Penal Law §155.42,, Falsifying Business Records in the First Degree in violation of Penal Law

§ 175.10, Grand Larceny in the Second Degree, in violation of Penal Law § 155.40(1), Offering a False Instrument for Filing in the Second Degree, in violation of Penal Law Section 175.30, and Conspiracy to commit those crimes.

45. The defendants have participated in a criminal enterprise which generated proceeds equal to the loans issued as a result of their crimes, an amount not yet known but not less than \$8,321,700.

**AS FOR A FIRST CAUSE OF ACTION AGAINST
LOUIS SANDELLA, MICHAEL SANDELLA, KIM MOSS FONTANEZ,
DANIELLE MOSS, GERALDINE MOSS, ANDREAS PERDIKOS,
GARY S. SHAW, and IDA D'ANGELO**

46. Plaintiff repeats and realleges the allegations set forth in paragraphs 1 through 45.

47. Defendants Louis Sandella, Michael Sandella, Kim Moss Fontanez, Danielle Moss, Geraldine Moss, Andreas Perdikos, Gary S. Shaw and Ida D'Angelo have participated in a common scheme to defraud lending institutions out of millions of dollars. They have been or will be charged with one or more of the post-conviction forfeiture crimes enumerated above.

48. Defendants Louis Sandella, Michael Sandella, Kim Moss Fontanez, Danielle Moss, Geraldine Moss, Andreas Perdikos, Gary S. Shaw and Ida D'Angelo are criminal defendants as that term is defined in CPLR Section 1310(9).

49. Defendants Louis Sandella, Michael Sandella, Kim Moss Fontanez, Danielle Moss, Geraldine Moss, Andreas Perdikos, Gary S. Shaw and Ida D'Angelo participated in a criminal conspiracy and through that conspiracy collectively obtained proceeds in an amount

not yet known, but at least \$8,321,700.

50. Defendants Louis Sandella, Michael Sandella, Kim Moss Fontanez, Danielle Moss, Geraldine Moss, Andreas Perdikos, Gary S. Shaw and Ida D'Angelo, as criminal defendants, are jointly and severally liable for the forfeiture of an amount equal to the proceeds, substituted proceeds and instrumentalities of their post-conviction forfeiture crimes and all criminal activity of which those crimes are a part, in an amount not yet known but at least \$8,321,700.

51. Defendants Louis Sandella, Michael Sandella, Kim Moss Fontanez, Danielle Moss, Geraldine Moss, Andreas Perdikos, Gary S. Shaw and Ida D'Angelo, are liable as criminal defendants for the forfeiture of any and all assets owned in the names of MILU Management Corp., Michael Sandella, Inc., Sandarias Corp., 135 Rockaway Parkway, LLC , 145 Rockaway Parkway, LLC, 431 South First Avenue, LLC, Consand Corp., Louis Sandella, Inc., LoJo Realty Holding Corp., 64 First Avenue Corp., LSJC Management Corp., MJL Realty Corp., Trilogy Consulting Corp., Partridge Realty, Fort Salonga Management, LLC, LouMax Holding, LLC, Dani Consulting Corp., and G. Moss, Inc., and any other assets owned by them in satisfaction of a money judgment in an amount not less than \$8,321,700.

**AS FOR A SECOND CAUSE OF ACTION AGAINST
LOUIS SANDELLA, MICHAEL SANDELLA, KIM MOSS FONTANEZ,
DANIELLE MOSS, GERALDINE MOSS, ANDREAS PERDIKOS,
GARY S. SHAW, and IDA D'ANGELO**

52. Plaintiff repeats and realleges the allegations set forth in paragraphs 1 through 45.

53. During the course of the criminal conspiracy, defendants Louis Sandella,

Michael Sandella, Kim Moss Fontanez, Danielle Moss, Geraldine Moss, Andreas Perdikos, Gary S. Shaw and Ida D'Angelo obtained proceeds from the mortgage fraud scheme described herein, in an amount not yet known, but at least \$8,321,700, and as such, are non-criminal defendants as that term is defined in CPLR Section 1310.

54. Defendants Louis Sandella, Michael Sandella, Kim Moss Fontanez, Danielle Moss, Geraldine Moss, Andreas Perdikos, Gary S. Shaw and Ida D'Angelo knew and should have known that the money received from their mortgage business was generated through the commission of the crimes enumerated above.

55. Defendants Louis Sandella, Michael Sandella, Kim Moss Fontanez, Danielle Moss, Geraldine Moss, Andreas Perdikos, Gary S. Shaw and Ida D'Angelo are liable as non-criminal defendants to the plaintiff for the forfeiture of the proceeds, substituted proceeds and instrumentalities obtained as a result of their participation in the criminal conspiracy described herein felony criminal conduct in their possession, in an amount not less than \$8,321,700.

**AS FOR A THIRD CAUSE OF ACTION
AGAINST MILU MANAGEMENT CORP., MICHAEL SANDELLA, INC.,
SANDARIAS CORP., 135 ROCKAWAY PARKWAY, LLC
145 ROCKAWAY PARKWAY, LLC, 431 SOUTH FIRST AVENUE, LLC,
CONSAND CORP., LOUIS SANDELLA, INC., LOJO REALTY HOLDING CORP.,
64 FIRST AVENUE CORP., LSJC MANAGEMENT CORP.,
MJL REALTY CORP., TRILOGY CONSULTING CORP., PARTRIDGE REALTY,
FORT SALONGA MANAGEMENT, LLC, PARTRIDGE REALTY CORP.,
LOUMAX HOLDINGS LLC, DANI CONSULTING CORP., AND G. MOSS, INC.**

56. Plaintiff repeats and realleges the allegations set forth in paragraphs 1 through 45.

57. MILU Management Corp., Michael Sandella, Inc., Sandarias Corp., 135

Rockaway Parkway, LLC , 145 Rockaway Parkway, LLC, 431 South First Avenue, LLC, Consand Corp., Louis Sandella, Inc., LoJo Realty Holding Corp., 64 First Avenue Corp., LSJC Management Corp., MJL Realty Corp., Trilogy Consulting Corp., Partridge Realty, Fort Salonga Management, LLC, LouMax Holding, LLC, Dani Consulting Corp., and G. Moss, Inc. are business entities whose use materially and directly contributed to the commission of the mortgage fraud crimes described herein.

58. MILU Management Corp., Michael Sandella, Inc., Sandarias Corp., 135 Rockaway Parkway, LLC , 145 Rockaway Parkway, LLC, 431 South First Avenue, LLC, Consand Corp., Louis Sandella, Inc., LoJo Realty Holding Corp., 64 First Avenue Corp., LSJC Management Corp., MJL Realty Corp., Trilogy Consulting Corp., Partridge Realty, Fort Salonga Management, LLC, LouMax Holding, LLC, Dani Consulting Corp., and G. Moss, Inc., are each instrumentalities of mortgage fraud and other crimes committed by the defendants, as described above.

59. MILU Management Corp., Michael Sandella, Inc., Sandarias Corp., 135 Rockaway Parkway, LLC , 145 Rockaway Parkway, LLC, 431 South First Avenue, LLC, Consand Corp., Louis Sandella, Inc., LoJo Realty Holding Corp., 64 First Avenue Corp., LSJC Management Corp., MJL Realty Corp., Trilogy Consulting Corp., Partridge Realty, Fort Salonga Management, LLC, LouMax Holding, LLC, Dani Consulting Corp., and G. Moss, Inc. each received proceeds and/or substituted proceeds of the criminal conduct of the defendants.

60. The assets of MILU Management Corp., Michael Sandella, Inc., Sandarias Corp., 135 Rockaway Parkway, LLC , 145 Rockaway Parkway, LLC, 431 South First Avenue, LLC, Consand Corp., Louis Sandella, Inc., LoJo Realty Holding Corp., 64 First Avenue Corp.,

LSJC Management Corp., MJL Realty Corp., Trilogy Consulting Corp., Partridge Realty, Fort Salonga Management, LLC, LouMax Holding, LLC, Dani Consulting Corp., and G. Moss, Inc. are subject to forfeiture as proceeds, substituted proceeds and/or instrumentalities of the crimes of the criminal defendants named herein.

PRAYER FOR RELIEF

WHEREFORE, the plaintiff demands judgment against the defendants as follows:

a. As to the first cause of action against Louis Sandella, Michael Sandella, Kim Moss Fontanez, Danielle Moss, Geraldine Moss, Andreas Perdikos, Gary S. Shaw and Ida D'Angelo, jointly and severally, as criminal defendants, for the forfeiture pursuant to CPLR Article 13-A of a sum equal in value to the total of the proceeds, substituted proceeds and instrumentalities, in an amount not yet determined, but not less than \$8,321,700, including all assets owned by the criminal defendants in the names MILU Management Corp., Michael Sandella, Inc., Sandarias Corp., 135 Rockaway Parkway, LLC , 145 Rockaway Parkway, LLC, 431 South First Avenue, LLC, Consand Corp., Louis Sandella, Inc., LoJo Realty Holding Corp., 64 First Avenue Corp., LSJC Management Corp., MJL Realty Corp., Trilogy Consulting Corp., Partridge Realty, Fort Salonga Management, LLC, LouMax Holding, LLC, Dani Consulting Corp., and G. Moss, Inc.;

b. As to the second cause of action against defendants Louis Sandella, Michael Sandella, Kim Moss Fontanez, Danielle Moss, Geraldine Moss, Andreas Perdikos, Gary S. Shaw and Ida D'Angelo as non-criminal defendants for the forfeiture pursuant to CPLR Article 13-A of all proceeds, substituted proceeds and instrumentalities traceable to crime up to the amount of \$8,321,700;

c. As to the third cause of action for the forfeiture pursuant to CPLR Article 13-A of all assets of MILU Management Corp., Michael Sandella, Inc., Sandarias Corp., 135 Rockaway Parkway, LLC , 145 Rockaway Parkway, LLC, 431 South First Avenue, LLC, Consand Corp., Louis Sandella, Inc., LoJo Realty Holding Corp., 64 First Avenue Corp., LSJC Management Corp., MJL Realty Corp., Trilogy Consulting Corp., Partridge Realty, Fort Salonga Management, LLC, LouMax Holding, LLC, Dani Consulting Corp., and G. Moss, Inc. as proceeds, substituted proceeds and/or instrumentalities of crime;

d. As to each Cause of Action, for such other and further relief as the Court deems just and proper.

DATED: April 20, 2006
White Plains, New York

Eliot Spitzer, Attorney General of the
State of New York
101 East Post Road
White Plains, New York 10601
(914) 422-8700

BY: _____
LYNN GOODMAN
Assistant Attorney General in Charge
Of Forfeiture

