



*United States Attorney
District of New Jersey*

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**CO-OWNER OF HOME SAVERS CONSULTING CORP. INDICTED FOR
MORTGAGE FORECLOSURE RESCUE SCHEME**

NEWARK, N.J. – A federal grand jury indicted former co-owner of Home Savers Consulting Corporation Phil A. Simon today in connection with an alleged mortgage fraud scheme in which he falsely promised to help homeowners facing foreclosure keep their homes and repair their damaged credit, United States Attorney Paul J. Fishman announced.

Simon, 35, of Brooklyn, N.Y., was previously charged by Complaint with conspiracy to commit wire fraud and arrested by special agents of the FBI on August 5, 2009, in Brooklyn. The Indictment charging Simon adds five substantive counts of wire fraud based on five specific fraudulent transactions regarding properties in Bergenfield, Elizabeth, and Paterson, N.J.

Former Home Savers co-owner Garth Celestine, who was arrested along with Simon last August, pleaded guilty in March before United States District Judge Dennis M. Cavanaugh to an Information charging him with conspiracy to commit wire fraud. He is scheduled to be sentenced on November 22, 2010.

According to documents filed in this case in Newark federal court:

Simon and Celestine owned and operated Home Savers, which held itself out as a foreclosure rescue company, advertising those services to homeowners. Simon told homeowners they could avoid foreclosure by signing contracts of sale and transferring title to their homes to individuals who would act as “straw buyers” of the properties. Simon promised that after they transferred their title to these straw buyers, Home Savers would help them improve their credit ratings, help them obtain more favorable mortgages on their homes, and then direct the straw buyers to transfer the titles back to the homeowners in six months to a year. Simon and Celestine typically told the homeowners that the equity withdrawn from their properties would be kept in a separate account and used to pay the mortgages and expenses on their homes.

After the homeowners were signed up, Simon and Celestine recruited individuals with good credit scores to act as straw buyers and paid them about \$10,000 per property. Using the homeowners’ properties and the good credit ratings of the straw buyers, Simon and Celestine applied for mortgages in the names of the straw buyers to extract the maximum available equity from the homes.

To increase the credit-worthiness of the straw buyers and to ensure they would be approved for the loans, Simon and Celestine submitted loan applications to mortgage lenders that contained false personal and financial information about the buyers, such as their stated

employment history and income. They also falsely stated that the straw buyers intended to occupy each home as their primary residence, though the original homeowners still planned to live in them.

After each homeowner's debt was paid off and other fees were satisfied, Simon and Celestine deposited the remainder of the loan proceeds into the bank accounts of Home Savers, 527 Maple Court Corporation, 858 Atlantic Avenue Corporation, and Keep What's Yours, Inc. – companies that he and Celestine owned and controlled, rather than using the money as promised. In nearly every case, Simon and Celestine eventually failed to make mortgage payments on the properties and caused the loans to default.

As a result of their actions, Simon and Celestine obtained more than \$10 million in fraudulent loans.

If convicted, Simon faces a maximum potential penalty of 20 years in prison and a fine of \$250,000 or twice the gross gain or loss from the offense on each of the six counts in the Indictment.

U.S. Attorney Fishman credited special agents of the FBI, under the direction of Special Agent in Charge Michael B. Ward, and the postal inspectors of the U.S. Postal Inspection Service, under the direction of Inspector in Charge David Collins, for the investigation which led to the Indictment. Mr. Fishman also thanked Kings County District Attorney Charles J. Hynes for the assistance and cooperation that was provided by his Office. Fishman added that the investigation is continuing.

The government is represented by Assistant U.S. Attorney Donna Gallucio of the U.S. Attorney's Office Economic Crimes Unit in Newark.

The charges and allegations contained in the Indictment are merely accusations, and the defendant is considered innocent unless and until proven guilty.

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Defense counsel: Olubukola Olarogba Adetula, Esq., Irvington, N.J.