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**FIVE DEFENDANTS INDICTED IN ALLEGED \$15.7 MILLION MORTGAGE FRAUD
SCHEME TO HELP FINANCE FAILED NORTH SHORE DEVELOPMENT**

CHICAGO — Three partners in a failed North Shore development project, a title company executive and a loan officer were charged in a federal indictment unsealed yesterday with engaging in a \$15.7 million residential mortgage and construction loan fraud scheme to help finance the failed mixed-use commercial development known as the Center of the Northshore, federal law enforcement officials announced. The five defendants allegedly caused various lenders and a title company to lose at least \$8.45 million. The loan proceeds allegedly were used to make lulling interest payments on multiple fraudulent residential mortgages, as well as to make interest payments on a \$26.2 million loan to finance the purchase of 14 acres at the intersection of Dundee Road and Skokie Boulevard in Northbrook for the proposed mixed-use development, which ultimately fell into foreclosure.

The 11-count indictment, which was returned by a federal grand jury on May 26, was unsealed after four of the five defendants were arrested yesterday by federal agents. The arrests and charges were announced today by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois; Thomas A. Kelly, Special Agent-in-Charge of the U.S. Secret Service in Chicago; and Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation.

The defendants and charges against each are as follows:

Edward Renko, 49, of Glenview, who was chief executive officer of the now-defunct EAG Capital Holdings, Inc.; two counts of wire fraud and one count each of bank fraud and making a false statement to influence the action of a bank;

Alexander Field, 42, of Northbrook, formerly president of EAG Capital; three counts of wire fraud and one count of bank fraud;

Gary Fishkin, 54, of Glencoe, formerly chief operating officer of EAG Capital; two counts of wire fraud and one count each of bank fraud and making a false statement to influence the action of a bank;

Kalliope Shaykin, 51, of Chicago, formerly president of Absolute Title Services, Inc., in Schaumburg; seven counts of wire fraud and one count of making a false statement to influence the action of a bank; and

Tatyana Furman, 41, of Northbrook, formerly a loan officer and mortgage broker at American United Mortgage Co., in Northbrook, which was 50 percent-owned by EAG Capital; seven counts of wire fraud.

Renko, Field, Fishkin and Furman were arraigned yesterday before Magistrate Judge Maria Valdez in U.S. District Court, and were ordered to remain in federal custody pending a detention hearing at 11 a.m. Tuesday. Shaykin was not arrested and was scheduled to be arraigned today before U.S. District Judge Harry Leinenweber in Federal Court.

According to the indictment, between June 2006 and November 2007, the defendants fraudulently obtained at least \$8.45 million in residential loan proceeds by repeatedly obtaining mortgages secured by residences owned by Renko, Field and Fishkin, located respectively at 711, 700 and 688 Greenwood Rd., Northbrook. The mortgages were obtained purportedly to refinance existing loans secured by those residences, but instead of using the loans to pay off the existing mortgages, the defendants allegedly converted the fraudulently obtained loans to their own use, including to pay personal expenses, business expenses, and interest payments on the \$26.21 million loan financing the purchase of property for the proposed Center of the Northshore.

On multiple occasions, the indictment alleges that Furman prepared, and Renko, Field and Fishkin signed, fraudulent mortgage loan applications that contained false statements that failed to disclose the respective defendant's existing mortgage liabilities and the purpose of the loans. Shaykin allegedly created and submitted to lenders fraudulent title insurance policies under the name of Title Company A that intentionally omitted prior existing mortgages and liens on the respective defendant's residences.

The indictment alleges that Renko, Field and Fishkin distributed at least \$720,000 in fraudulently obtained loan proceeds to Shaykin through various means, and that those four defendants distributed at least \$240,000 to Furman through various transactions. Overall, Renko, Field and Fishkin obtained home mortgages and a construction loan totaling at least \$15,790,000 and caused actual losses to lenders and Title Company A totaling at least \$8.45 million.

The indictment seeks forfeiture totaling nearly \$10.5 million from all five defendants.

The government is being represented by Assistant U.S. Attorney Ryan S. Hedges.

Wire fraud carries a maximum penalty of 20 years in prison and a \$250,000 fine. However, four of the wire fraud counts allegedly affecting financial institutions, together with bank fraud and making a false statement to influence the action of a bank, each carry a maximum penalty of 30 years in prison and a \$1 million fine. As an alternative, the Court may impose a maximum fine totaling twice the loss to any victim or twice the gain to any defendant, whichever is greater, and restitution is mandatory. If convicted, the Court must determine a reasonable sentence to impose under the advisory United States Sentencing Guidelines.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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