



*United States Attorney
Southern District of New York*

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**CONTACT: U.S. ATTORNEY'S OFFICE
ELLEN DAVIS, JERIKA RICHARDSON,
CARLY SULLIVAN
PUBLIC INFORMATION OFFICE
(212) 637-2600**

**REAL ESTATE LAWYER SENTENCED IN MANHATTAN FEDERAL COURT
TO 46 MONTHS IN PRISON FOR HIS ROLE
IN A MULTIMILLION-DOLLAR MORTGAGE FRAUD SCHEME**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that ALEXANDER KAPLAN, formerly a Brooklyn-based real estate lawyer and the owner of a title insurance company, was sentenced on Friday, June 17, 2011, in Manhattan federal court to 46 months in prison by United States District Judge RICHARD J. HOLWELL for his role in a multi-million dollar mortgage fraud scheme. KAPLAN was convicted, on February 6, 2009, of eighteen counts of mortgage fraud after a two-week jury trial.

According to the evidence presented at trial and statements made in court:

From late 2004 through January 2007, KAPLAN and his co-conspirators obtained hundreds of mortgage and home equity loans by submitting loan applications and supporting documents to various lenders that contained false information about, among other things, the prospective borrower's employment, income, and intent to reside in the property in question, as well as the fair market value of the property.

The fraud also involved paying individuals who fit a certain financial profile to act as phony purchasers, or "straw buyers," of the target properties. KAPLAN's co-conspirators then prepared and submitted false and misleading information concerning the straw buyers' current residences, employment, income, assets, and existing debt. False documentation, such as bank statements and proof of income, were also created and submitted to the lenders.

In addition, KAPLAN and his co-conspirators sought mortgages and home equity loans at values that were in excess of properties' actual sale prices and, therefore, the properties' true market values. To support applications for loans in excess of the properties' market values, they procured artificially inflated appraisals of the market value of the target properties. Using these false appraisals, KAPLAN's co-conspirators received

mortgages and other loans in excess of the actual sale price of the properties securing the loans. The difference between the appraised value of the property and the property's actual sale price represented, in part, the profits from the scheme.

KAPLAN's role in the scheme largely centered on the purchase of a block of ten rent-regulated condominium apartments at 243 West 98th Street, on the Upper West Side of Manhattan ("the Apartments"). Over the course of two separate days in January 2006, KAPLAN served as the attorney for the buyers and the banks in the closings of the Apartments. He conspired with others to obtain mortgages, based on false statements and material omissions, to finance 100 percent of the purchase price of the Apartments.

In his capacity as the buyers' attorney and bank attorney, KAPLAN presided over the closings, and obtained signed and completed false documents, including, among other things, loan application documents, on which each of the buyers indicated that the Apartment was to be a "primary residence," and false affidavits stating that the buyers intended to occupy the Apartments. He submitted these fraudulent documents to the lenders.

Almost all of the Apartments were then resold, or "flipped," to straw-buyers within a matter of months after their initial purchases. The purported sales prices for each of the flips was almost twice the initial purchase price, and KAPLAN's co-conspirators obtained almost \$13 million in additional loans on the Apartments by submitting false information and documents to various lenders. KAPLAN served as both the buyer's and seller's attorney for each of these flips, drafting sham contracts of sale and other necessary documentation. He also served as the attorney for the banks at the closings of certain loans obtained in connection with the flips of the Apartments.

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In addition to the prison term, Judge HOLWELL sentenced KAPLAN, 36, of Brooklyn, New York, to years of supervised release.

Mr. BHARARA praised the efforts of the Federal Bureau of Investigation, the New York City Police Department, and the United States Bureau of Immigration and Customs Enforcement. He also thanked the New York State Attorney General's Office for its outstanding work in the investigation.

This case is being prosecuted by the Office's Organized Crime Unit. Assistant United States Attorneys AVI WEITZMAN and KATHERINE R. GOLDSTEIN are in charge of the prosecution.

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