



*United States Attorney
Southern District of New York*

FOR IMMEDIATE RELEASE

March 23, 2009

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**MANHATTAN REAL ESTATE DEVELOPER PLEADS GUILTY IN
\$27 MILLION MORTGAGE FRAUD SCHEME**

LEV L. DASSIN, Acting United States Attorney for the Southern District of New York, announced that MICHAEL HERSHKOWITZ, a Manhattan real estate developer, pleaded guilty today in Manhattan federal court to participating in a \$27 million mail and wire fraud conspiracy. According to the criminal Complaint, Information, and other documents filed in this case, as well as statements made during HERSHKOWITZ' guilty plea proceeding:

HERSHKOWITZ, working through Manhattan real estate development company, The Kingsland Group, Inc., and related entities (collectively, "The Kingsland Group"), fraudulently induced approximately 70 individuals to lend the Kingsland Group over \$27 million, purportedly to fund the renovation of approximately sixteen multi-family apartment buildings located in upper Manhattan. HERSHKOWITZ and a co-conspirator, IVY WOOLF-TURK, falsely represented that the lenders would hold, as collateral for the loans, interests in bona fide first mortgages in the various properties in which they thought they were investing. In fact, the lenders did not hold recorded, first mortgages in the properties. Instead, the lenders were provided with forged documents falsely reflecting that the mortgages had been properly recorded with the City of New York. Interest was paid on the loans for some years after they were first made, but ultimately the principal on the loans was not repaid when due and it was determined that the lenders did not have valid first mortgages on the properties in question.

HERSHKOWITZ, 52, of New York, New York, pleaded guilty before United States District Judge P. KEVIN CASTEL to a one-count Information charging conspiracy to commit mail and wire fraud -- a charge which carries a maximum term of 20 years in prison. The Information also contains a forfeiture allegation for over \$27 million, representing the funds obtained through the fraud. HERSHKOWITZ is scheduled to be sentenced on September 9, 2009.

IVY WOOLF-TURK, 52, of Port Washington, New York, pled guilty to an identical charge on February 25, 2009; she is scheduled to be sentenced on May 27, 2009.

Mr. DASSIN praised the investigative work of the Federal Bureau of Investigation in this case.

This investigation is being handled by the Major Crimes Unit of the United States Attorney's Office. Assistant United States Attorneys HARRY A. CHERNOFF and MARCUS A. ASNER are in charge of the prosecution.

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