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**MORTGAGE BROKER CONVICTED IN WHITE PLAINS FEDERAL COURT
OF DEFRAUDING HOMEOWNERS THROUGH
PREDATORY MORTGAGE SCHEME**

PREET BHARARA, the United States Attorney for the Southern District of New York, and RONALD J. VERROCHIO, the Inspector-in-Charge of the New York Office of the United States Postal Inspection Service ("USPIS"), announced that a jury in White Plains federal court convicted GREGORY COOPER today of defrauding homeowners in Queens and the Bronx through a predatory mortgage scheme. The jury also convicted COOPER of carrying out a separate scheme in which he and his co-conspirators defrauded mortgage brokers around the country by selling them lists of purported "live leads" - homeowners who had supposedly expressed an interest in speaking with a local mortgage broker about refinancing their mortgages - which were, in fact, lists of individuals who had never expressed any such interest. The jury's verdict followed a two-week trial before United States District Judge KENNETH M. KARAS in White Plains, New York.

According to the Superseding Indictment and the evidence at trial:

Beginning in approximately 2003, in the Bronx, COOPER and several co-conspirators set up a business that telephoned mortgage brokers around the country, offering them lists of purported "live leads" - homeowners in the brokers' local area who had purportedly expressed an interest in speaking with a local mortgage broker about refinancing their mortgages. COOPER charged the mortgage brokers approximately \$20 per name - approximately \$3,000 per list - claiming that the leads were collected through a massive telemarketing and survey effort. In fact, the lists were downloaded from an online service for 10 cents per name, and COOPER and his co-conspirators had no reason to believe that any of the individuals on the lists had any

interest in refinancing their mortgages. COOPER and his co-conspirators collected more than \$700,000 selling these bogus "leads."

In 2006, COOPER moved his business to Central Valley, New York, where he and his co-conspirators operated from the basement of COOPER's house. During this period, COOPER and his co-conspirators turned their attention from defrauding mortgage brokers to defrauding New York City homeowners. Specifically, COOPER and his co-conspirators cold-called homeowners in working class neighborhoods in Queens and the Bronx, offering them the opportunity to refinance their mortgages at a fixed interest rate of approximately two percent for the first five years, and approximately five percent for the final 25 years. COOPER prepared and supplied the homeowners with documents appearing to substantiate these rates.

In fact, the exclusive type of mortgage that COOPER sold was a negative amortization mortgage with a fixed interest rate of one percent for the first 30 days, which adjusted every month thereafter, generally to rates between eight and nine percent. Employing various false statements and other deceptions, COOPER and his co-conspirators managed to get their clients to execute these mortgages without the clients ever understanding that the true terms were not remotely those that had been promised. Only upon receiving their initial mortgage statements did the victims recognize that they had been swindled.

From 2006 through 2008, COOPER and his co-conspirators brought in more than \$750,000 in brokerage commissions from several dozen fraudulently induced mortgages, collecting between approximately \$15,000 and \$20,000 per mortgage. The victims, unable to carry the mortgages that COOPER had tricked them into executing, had to pay thousands of dollars each to refinance and, in some instances, had to face foreclosure and the loss of their homes.

The jury convicted COOPER of nine counts of mail fraud and two counts of conspiracy to commit mail fraud. Following the verdict, Judge KARAS revoked COOPER's bail and remanded him to jail. COOPER faces a maximum potential sentence of 220 years in prison, as well as a maximum fine of the greater of \$250,000 or twice the gross pecuniary gain or loss from the offense on each count.

COOPER, 42, is scheduled to be sentenced by Judge KARAS on February 23, 2010.

Mr. BHARARA said: "In these tough economic times, we will not allow common criminals to prey upon hard-working people trying to achieve the American dream of home ownership. As we did today, we will continue to bring to justice unscrupulous fraudsters who saddle honest men and women with unaffordable mortgages and fears of foreclosure."

Mr. BHARARA also praised the investigative work of the United States Postal Inspection Service and the Town of Woodbury, New York Police Department.

Assistant United States Attorneys KATHRYN M. MARTIN and MICHAEL A. LEVY are in charge of the prosecution.

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