

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>UNITED STATES OF AMERICA</b>	<b>:</b>	<b>CRIMINAL NO. 07-_____</b>
<b>v.</b>	<b>:</b>	<b>DATE FILED: November 8, 2007</b>
<b>MARK ALAN MENDELSON</b>	<b>:</b>	<b>VIOLATIONS:</b>
<b>JOSEPH ZAKORCHEMNY, JR.,</b>	<b>:</b>	<b>18 U.S.C. § 371 (conspiracy to make false</b>
<b>a/k/a “Joe Zack”</b>	<b>:</b>	<b>statements to a federally insured financial</b>
	<b>:</b>	<b>institution - 1 count)</b>
	<b>:</b>	<b>18 U.S.C. § 215 (bank bribery - 2 counts)</b>
	<b>:</b>	<b>18 U.S.C. § 982 (notice of criminal</b>
	<b>:</b>	<b>forfeiture)</b>

**INFORMATION**

**COUNT ONE**

**CONSPIRACY TO MAKE FALSE STATEMENTS TO  
A FEDERALLY INSURED FINANCIAL INSTITUTION**

**THE UNITED STATES ATTORNEY CHARGES THAT:**

At all times material to this information:

1. Defendant MARK ALAN MENDELSON was a developer of commercial real estate, oftentimes acquiring properties for which defendant MENDELSON sought leases from the Pennsylvania Liquor Control Board for the placement of Wine and Spirit shops. To carry out these real estate ventures, defendant MENDELSON owned, operated, and/or controlled the following entities, among others: Limerick Capital Group, The Shoppes at Limerick Village, L.P., Horizon Construction and Design, Hampton Real Estate Group, The Mendelson Family Trust, and The Mendelson Family Children’s Trust. Defendant MENDELSON and the entities he owned, operated, and/or controlled had loans with, and sought to acquire distressed property from, Royal Bank of America (“Royal Bank”), the deposits of which were insured by the Federal Deposit Insurance Corporation.

2. Defendant JOSEPH ZAKORCHEMNY, JR., also known as “Joe Zack,” was a Senior Vice-President of Royal Bank. Defendant ZAKORCHEMNY was responsible for, among other things, working with borrowers to repay delinquent loan accounts and selling distressed properties that Royal Bank had acquired.

3. Under federal law and the policies of Royal Bank, defendant JOSEPH ZAKORCHEMNY, JR. was prohibited from having undisclosed financial relationships with borrowers of Royal Bank and potential purchasers of distressed properties that Royal Bank had acquired. In particular, defendant ZAKORCHEMNY was not permitted to accept money, services, or other things of value from customers/clients of Royal Bank in connection with the professional services that he was providing. In violation of his duties and federal law, defendant ZAKORCHEMNY unlawfully accepted payments and other things of value from defendant MARK ALAN MENDELSON, including approximately \$12,000 in cash, a complimentary stay at the Tropicana Hotel and Casino, landscaping work on his home, and gifts of jewelry, which defendant MENDELSON provided to defendant ZAKORCHEMNY as a reward for assistance and to maintain his relationship with defendant ZAKORCHEMNY when the need for assistance arose in the future.

4. In or about late 2004/early 2005, defendant MARK ALAN MENDELSON requested such assistance in connection with his efforts to acquire a distressed property from Royal Bank located at 196 Ridge Pike in Limerick, Pennsylvania (“the Limerick property”). At defendant MENDELSON’s request, defendant JOSEPH ZACKORCHEMNY, JR. agreed to extend the closing date of the anticipated sale of this property without having obtained the required \$100,000 deposit from defendant MENDELSON and/or the entities that he owned

and/or controlled. When officials of Royal Bank inquired about the delay in closing, defendant ZAKORCHEMNY agreed to accept from defendant MENDELSON bogus checks totaling approximately \$100,000 which purported to represent the required deposit. In fact, defendants MENDELSON and ZACKORCHEMNY knew that there were insufficient funds in the account on which the checks were written, that defendant ZACKORCHEMNY would not deposit the checks, and that defendants MENDELSON and ZACKORCHEMNY would falsely represent to the bank that a \$100,000 deposit had been made.

### **THE CONSPIRACY**

5. From in or about 2003 to at least in or about January 2006, in the Eastern District of Pennsylvania, and elsewhere, defendants

#### **MARK ALAN MENDELSON, and JOSEPH ZAKORCHEMNY, JR.**

conspired and agreed, together and with others known and unknown to the grand jury, to commit an offense against the United States, that is, to knowingly make false statements and reports to a federally insured financial institution for the purpose of influencing the actions of that financial institutions upon an application, purchase agreement, purchase, and deferment of action, in violation of Title 18, United States Code, Section 1014.

### **MANNER AND MEANS**

It was part of the conspiracy that:

6. Defendant MARK ALAN MENDELSON had personal and business loans outstanding with Royal Bank. Oftentimes, defendant MENDELSON was delinquent in making the required payment on these loans and, when confronted by defendant JOSEPH ZAKORCHEMNY, JR., would sometimes make only partial payments to Royal Bank.

7. Defendant MARK ALAN MENDELSON discussed with defendant JOSEPH ZAKORCHEMNY, JR. possible development projects involving distressed property that Royal Bank had acquired, including the Limerick property. Defendant MENDELSON sought to develop the Limerick property, which had been a flea market, into a shopping center, with, among other tenants, a Pennsylvania Liquor Control Board Wine and Spirits shop.

8. Because of past credit problems and other financial problems, defendant MARK ALAN MENDELSON was not able to make the \$100,000 deposit required by Royal Bank to enter into an agreement of sale on the Limerick property.

9. Despite not having made the required \$100,000 deposit, defendant MARK ALAN MENDELSON, with the knowledge and agreement of defendant JOSEPH ZAKORCHEMNY, JR., falsely represented to Royal Bank that the \$100,000 deposit had been made to purchase the Limerick property.

10. As a result of this false representation of defendants MARK ALAN MENDELSON and JOSEPH ZAKORCHEMNY, JR., Royal Bank agreed to give defendant MENDELSON additional time in which to close on the sale of the Limerick property.

11. Prior to the closing on the agreement of sale on the Limerick property, defendant JOSEPH ZAKORCHEMNY, JR. authorized defendant MARK ALAN MENDELSON to perform maintenance work on the property to preserve its value pending sale.

12. Because defendant MARK ALAN MENDELSON ultimately was unable to obtain financing for the purchase of the Limerick property, defendants MENDELSON and JOSEPH ZAKORCHEMNY, JR. agreed that Limerick-Ridge Ventures, LP, an entity owned and

controlled by an attorney for defendant MENDELSON, would enter into an agreement with Royal Bank to purchase the property.

13. At the time that Royal Bank sold the Limerick property to Limerick-Ridge Ventures, LP, defendant JOSEPH ZAKORCHEMNY, JR. authorized the payment of approximately \$32,000 to defendant MARK ALAN MENDELSON for the maintenance work that he had performed on the Limerick property. Defendant MENDELSON secretly paid defendant ZAKORCHEMNY approximately \$12,000 in cash as a reward for the assistance that defendant ZAKORCHEMNY had provided during the negotiations and sale of the Limerick property.

14. Approximately three months after the entity owned and controlled by an attorney for defendant MARK ALAN MENDELSON acquired the Limerick property from Royal Bank, the property was sold to a third party for a profit of more than \$2,000,000, of which defendant MENDELSON received approximately \$500,000.

### **OVERT ACTS**

In furtherance of the conspiracy, defendants MARK ALAN MENDELSON and JOSEPH ZAKORCHEMNY, JR. committed the following overt acts in the Eastern District of Pennsylvania and elsewhere:

1. On or about August 17, 2004, defendant MARK ALAN MENDELSON caused Limerick Capital Group to enter into an agreement of sale with Royal Bank to purchase the Limerick property for \$2,400,000. As part of this agreement, Limerick Capital Group agreed to make the required \$100,000 deposit. At that time, defendant MENDELSON had financial problems and, as a result, neither he nor Limerick Capital Group made the required deposit.

2. On or about August 17, 2004, defendant JOSEPH ZAKORCHEMNY, JR. executed the agreement of sale on behalf of Royal Bank. At that time, defendant ZAKORCHEMNY knew that neither defendant MARK ALAN MENDELSON nor Limerick Capital Group had made the deposit required by the agreement and knew that defendant MENDELSON had financial problems that made him unable to fund the deposit.

3. On or about September 29, 2004, defendant MARK ALAN MENDELSON caused Limerick Capital Group to execute a first amendment to the agreement of sale, in which Limerick Capital Group falsely represented that it had previously delivered to an escrow agent the required \$100,000 deposit.

4. On or about September 29, 2004, defendant JOSEPH ZAKORCHEMNY, JR. executed the first amendment to the agreement of sale on behalf of Royal Bank, knowing that Limerick Capital Group had falsely represented that it had previously delivered to an escrow agent the required \$100,000 deposit.

5. On or about February 16, 2005, defendant JOSEPH ZAKORCHEMNY, JR. was scheduled to attend a meeting of the Board of Directors of Royal Bank, at which defendant ZAKORCHEMNY would give a status report on the sale of distressed properties, including the Limerick property. Defendant ZAKORCHEMNY told defendant MARK ALAN MENDELSON that he was being pressured by Royal Bank to close on the sale of the property and that, if asked, he would have to have evidence that defendant MENDELSON had made the required \$100,000 deposit.

6. On or about February 16, 2005, defendant MARK ALAN MENDELSON provided defendant JOSEPH ZAKORCHEMNY, JR. with checks totaling \$100,000 which

purported to represent the required deposit. In fact, defendants MENDELSON and ZACKORCHEMNY knew that there were insufficient funds in the account on which the checks were written and agreed that defendant ZACKORCHEMNY would not deposit the checks and that defendants MENDELSON and ZACKORCHEMNY would continue to falsely represent to the bank that a \$100,000 deposit had been made.

7. On or about April 11, 2005, defendant JOSEPH ZAKORCHEMNY, JR. sent a letter on behalf of Royal Bank agreeing to extend the close date of the sale of the Limerick property, knowing that defendant MARK ALAN MENDELSON and the entities that he owned and/or controlled had failed to make the required \$100,000 deposit.

8. On or about June 20, 2005, defendant JOSEPH ZAKORCHEMNY, JR. sent a letter on behalf of Royal Bank again agreeing to extend the closing date of the sale of the Limerick property, knowing that defendant MARK ALAN MENDELSON and the entities that he owned and/or controlled had failed to make the required \$100,000 deposit.

9. On or about October 28, 2005, at the scheduled closing of the sale of the Limerick property, defendant JOSEPH ZAKORCHEMNY told defendant MARK ALAN MENDELSON that defendant MENDELSON “owed him” for all of his additional work that led to the apparently successful closing. Defendant MENDELSON, who previously provided defendant ZAKORCHEMNY with gifts and other things of value, including a complimentary stay at the Tropicana Hotel and Casino, landscaping work, and gifts of jewelry, agreed to pay defendant ZAKORCHEMNY approximately \$12,000 in cash as a reward for assistance and to maintain his relationship with defendant ZAKORCHEMNY when the need for assistance arose in the future.

10. On or about October 31, 2005, defendant MARK ALAN MENDELSON paid defendant JOSEPH ZAKORCHEMNY, JR. approximately \$5,000 in cash.

11. On or about November 7, 2005, defendant MARK ALAN MENDELSON paid defendant JOSEPH ZAKORCHEMNY, JR. approximately \$7,000 in cash.

12. From in or about 2003 to on or about May 21, 2007, defendant JOSEPH ZAKORCHEMNY, JR. failed to report to any supervisor, officer, or director of Royal Bank that he had received approximately \$12,000 in cash and other things of value from defendant MARK ALAN MENDELSON and failed to recuse himself from matters affecting the financial interests of defendant MENDELSON and his businesses.

All in violation of Title 18, United States Code, Section 371.

**COUNT TWO**

**BANK BRIBERY**

**THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 4 and 6 through 14, and Overt Acts 1 through 12, of Count One are incorporated here.

2. Between in or about 2003 to in or about November 2005, in the Eastern District of Pennsylvania and elsewhere, defendant

**MARK ALAN MENDELSON**

corruptly gave, offered, and promised something of value, that is, a complimentary stay at the Tropicana Hotel and Casino, landscaping work, gifts of jewelry, and approximately \$12,000 in cash, to Joseph Zakorchemny, Jr., an officer and employee of Royal Bank of America (“Royal Bank”), with the intent to influence and reward Zakorchemny in connection with business of Royal Bank, including the attempts by Royal Bank to collect on outstanding debts owed by defendant MENDELSON and/or entities that defendant MENDELSON owned and/or controlled and Royal Bank’s sale of a distressed property located at 196 Ridge Pike in Limerick, Pennsylvania.

In violation of Title 18, United States Code, Section 215(a)(1).

**COUNT THREE**

**BANK BRIBERY**

**THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 4 and 6 through 14, and Overt Acts 1 through 12, of Count One are incorporated here.

2. Between in or about 2003 to in or about November 2005, in the Eastern District of Pennsylvania and elsewhere, defendant

**JOSEPH ZAKORCHEMNY, JR.,**

being an officer and employee of Royal Bank of America (“Royal Bank”), corruptly solicited and accepted something of value, that is, a complimentary stay at the Tropicana Hotel and Casino, landscaping work, gifts of jewelry, and approximately \$12,000 in cash, from Mark Alan Mendelson, intending to be influenced and rewarded in connection with business of Royal Bank, including the attempts by Royal Bank to collect on outstanding debts owed by Mendelson and/or entities that Mendelson owned and/or controlled and Royal Bank’s sale of a distressed property located at 196 Ridge Pike in Limerick, Pennsylvania.

In violation of Title 18, United States Code, Section 215(a)(2).

**NOTICE OF FORFEITURE**

**THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:**

1. As a result of the violation of Title 18, United States Code, Sections 371, 1014, and 215, set forth in this information, defendants

**MARK ALAN MENDELSON and  
JOSEPH ZAKORCHEMNY, JR.**

shall forfeit to the United States of America any property, real or personal, that constitutes or is derived from proceeds traceable to the commission of such offense, including, but not limited to, (a) the sum of \$12,000 in United States currency, and (b) certain jewelry recovered by the FBI on June 6, 2007.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendants:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendants up to the value of the property subject to forfeiture.

All pursuant to Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 981(a)(1)(C).

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**PATRICK L. MEEHAN  
UNITED STATES ATTORNEY**