

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon. Susan D. Wigenton
 :
 v. : Criminal No.
 :
 ABBE EDELMAN : 18 U.S.C. § 1343

INFORMATION
(Wire Fraud)

The defendant having waived in open court prosecution by
Indictment, the United States Attorney for the District of New Jersey charges:

Background

1. At various times relevant to this Information, defendant Abbe Edelman (“defendant EDELMAN”) was a resident of Livingston, New Jersey, who held himself out to be a real estate investor operating through several entities based in Essex County, New Jersey, which he controlled and which purported to engage in the buying, renovating, and selling of real estate. These entities included Classic Real Estate Appraisers, d/b/a Regency Property Appraisers; Embassy Real Estate Fund, LLC; Regency Equity Partners LLC; and Regency Equity Partners LLP (collectively the “Edelman Real Estate Companies”).

The Scheme to Defraud

2. Beginning at least as early as 2004 and continuing through May 2014, in the District of New Jersey and elsewhere, the defendant,

ABBE EDELMAN,

did knowingly and intentionally devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, which scheme and artifice was in substance as set forth below.

Object of the Scheme to Defraud

3. The object of the scheme to defraud was for defendant EDELMAN to enrich himself by obtaining money from victim-investors by making false and fraudulent representations relating to purported real estate transactions.

Methods and Means of the Scheme to Defraud

4. It was part of the scheme to defraud that defendant EDELMAN made the following types of materially false and fraudulent misrepresentations, among others, to induce victim-investors to invest in purported real estate transactions:

a. defendant EDELMAN told victim-investors that he had significant past real estate experience, including, among other things, a history of successfully buying and selling numerous bank-foreclosed properties and an MBA degree from New York University in real estate finance;

b. defendant EDELMAN claimed to have earned millions of dollars in profits from successful real estate transactions for past investors;

c. defendant EDELMAN told victim-investors he had long-standing relationships with banks that provided him with unique access to purchase bank-foreclosed properties (the "Investment Properties") at below-market prices;

d. defendant EDELMAN claimed that he already had negotiated with the banks to purchase certain of the Investment Properties at agreed-upon prices that were below market price, which would guarantee an easy resale and profit for victim-investors;

e. defendant EDELMAN represented to victim-investors that their funds would be used for the purchase and renovation of specific Investment Properties in, among other places, New York, New Jersey, California, and Florida;

f. defendant EDELMAN represented to victim-investors that the Investment Properties would be leased and/or sold, usually within a designated period of time (e.g., eight to twelve months), and that victim-investors would receive extraordinary returns (e.g., 25 percent); and

g. defendant EDELMAN represented to victim-investors that he had (i) received from other investors, including professional athletes and celebrities, the majority of the capital needed to purchase the Investment Properties; (ii) provided cash deposits to the financial institutions to secure the right to purchase the Investment Properties; and (iii) invested his own money in

the deals.

5. It was further part of the scheme to defraud that defendant EDELMAN's representations to victim-investors were false and fraudulent in material ways. Among other things, neither defendant EDELMAN nor any of the Edelman Real Estate Companies had a history of purchasing any bank foreclosed properties. Defendant EDELMAN did not even possess an undergraduate degree, let alone a graduate degree in real estate finance. Defendant EDELMAN did not have any deals lined up involving the Investment Properties, did not have his own money invested in any such deals, and did not have any money from celebrity investors invested in any purported deals. Indeed, defendant EDELMAN used little to none of the victim-investors' monies to fund any real estate acquisitions or renovations, as was represented to them.

6. It was further part of the scheme to defraud that based on the misrepresentations discussed above, defendant Edelman fraudulently obtained over \$5 million from the victim-investors, which he then used to, among other things, make mortgage payments on his personal residence; purchase health insurance; make sizeable purchases from high-end retailers and electronic stores, such as Gucci, Neiman Marcus, and Best Buy; purchase groceries and trips to Las Vegas, including airfare and hotel accommodations at the Wynn Las Vegas Hotel; and repay prior victim-investors.

7. It was further part of the scheme to defraud that when victim-investors later inquired about the status of their investments, defendant EDELMAN made additional materially false and fraudulent misrepresentations, including fraudulent emails, falsely assuring victim-investors that he and his company had closed on the bank-foreclosed properties, sometimes going so far as to represent that buyers for the properties already had been identified.

8. It was further part of the scheme to defraud that defendant EDELMAN, in an effort to conceal his fraudulent conduct, sent and caused to be sent multiple emails to a victim-investor posing as a Bank of America representative regarding the status of certain bank-foreclosed real estate transactions to make it appear as if defendant EDELMAN actually had been negotiating deals with Bank of America. The emails, however, were fraudulent and originated from an email account that defendant EDELMAN had created.

9. It was further part of the scheme to defraud that defendant EDELMAN made “lulling” payments to victim-investors in varying amounts, ranging from \$100 to tens of thousands of dollars, to permit the scheme to continue undetected. When payments were made to victim-investors, defendant EDELMAN generally misrepresented that the source of the money was from the sale of the Investment Properties, when the money, in fact, came from a new victim-investor.

10. On or about September 30, 2012, for the purpose of executing the scheme and artifice to defraud described above, in the District of New Jersey and elsewhere, the defendant,

ABBE EDELMAN,

knowingly transmitted and caused to be transmitted by means of wire communications in interstate commerce certain writing, signs, signals and pictures, and sounds, namely a wire transfer of approximately \$515,000 sent from a victim-investor's bank account in New York to a bank account in New Jersey held in the name of one of the Edelman Real Estate Companies and controlled by defendant EDELMAN.

In violation of Title 18, United States Code, Section 1343.

FORFEITURE ALLEGATION

1. The allegations contained in this Information are incorporated by reference as though set forth in full herein for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461.

2. Upon conviction of the offense charged in this Information, defendant EDELMAN, shall forfeit to the United States the following properties:

a. \$1,217.39 previously on deposit at JP Morgan Chase Bank, account number ending in 5023 held in the name of Robin Edelman;

b. \$18,821.68 previously on deposit at JP Morgan Chase Bank, account number ending in 1565 held in the name of Robin Edelman;

c. \$0.12 previously on deposit at Fidelity Investments, account number ending in 6088 held in the name of Regency Real Estate Appraisers, LLC;

d. \$50,431 previously on deposit at Fidelity Investments, account number ending in 8950 held in the name of Abbe N. Edelman and Robin E. Edelman;

e. \$1,728 previously on deposit at Fidelity Investments, account number ending in 5270 held in the name of Abbe N. Edelman (Participant) and Sydnie L. Edelman (Beneficiary);

f. \$354 previously on deposit at Fidelity Investments, account number ending in 5280 held in the name of Abbe N. Edelman (Participant) and

Noah Foster Edelman (Beneficiary); and

g. one 2014 Audi Q7, VIN #: WA1LGAFE6ED006333.

3. If by any act or omission of defendant EDELMAN any of the property subject to forfeiture herein:

- 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

subdivided without difficulty,

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of defendant EDELMAN up to the value of the property described in this forfeiture allegation.



PAUL J. FISHMAN
UNITED STATES ATTORNEY

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