

RESS RELEASE

# Real Estate Investor Pleads Guilty to \$54.7M Mortgage Fraud Conspiracy

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Office of Public Affairs

A New Jersey man pleaded guilty today to engaging in an extensive, multi-year conspiracy to fraudulently obtain over \$54.7 million in loans and to fraudulently acquire multifamily and commercial properties.

According to court documents, between 2016 and 2022, Aron Poretz, 53, conspired with others to deceive lenders into issuing multifamily and commercial mortgage loans. Poretz and his co-conspirators provided the lenders with fictitious documents, including purchase contracts with inflated purchase prices, fake financial statements, and other fraudulent documents. Poretz was an employee of Apex Equity Group, a real estate investment and advisory firm, and one of the owners of Maple Lawn in Eureka, Illinois, and Big Country Chateau in Little Rock, Arkansas, both multifamily properties, and Troy Technology Park in Troy, Michigan, a commercial property.

In February 2017, Maple Lawn was acquired for \$4.1 million. However, Poretz and his co-conspirators from Apex Equity Group utilized the identity of a co-conspirator to present a lender and Freddie Mac with a purchase and sale contract for \$5.8 million and other fraudulent documents. On Feb. 17, 2017, a title and settlement company based in Lakewood, New Jersey, performed two closings, one for the true \$4.1 million sales price and another for the fraudulent \$5.8 million sales price presented to the lender. Furthermore, part of the conspiracy was to create a nonprofit entity, JPC Charities, for the purpose of receiving tax-exempt status for the properties owned by Poretz and co-conspirators. Poretz and co-conspirators provided false statements to the city of Eureka, Illinois, to receive a property tax exception.

In July 2019, Poretz and his co-conspirators acquired Big Country Chateau. However, Poretz knew the lender and Freddie Mac would not approve him as an owner, and used the identity of an associate instead of his own. Furthermore, Poretz hid his ownership

and involvement with the property management company from the Department of Housing and Urban Development and other federal and state agencies.

In September 2020, Troy Technology Park was acquired for \$42.7 million. However, Puretz and his co-conspirators presented the lender with a fraudulent purchase and sale contract for \$70 million. Additionally, to support the inflated purchase price, Puretz and his co-conspirators submitted to the lender and appraiser a fraudulent letter of intent to purchase the property from another party for \$68 million and other fraudulent documents. To conceal the fraudulent nature of the transaction, Puretz and his co-conspirators arranged for a short-term \$30 million loan, which was used to make it appear that they had the funds needed to close on the loan. On Sept. 25, 2020, a title and settlement company based in Lakewood, New Jersey, performed two closings, one for the true \$42.7 million sales price and another for the fraudulent \$70 million sales price presented to the lender.

Puretz pleaded guilty to one count of conspiracy to commit wire fraud affecting a financial institution. He is scheduled to be sentenced on Oct. 30 and faces a maximum penalty of five years in prison. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

Principal Deputy Assistant Attorney General Nicole M. Argentieri, head of the Justice Department's Criminal Division; U.S. Attorney Philip R. Sellinger for the District of New Jersey; Inspector General Brian M. Tomney of the Federal Housing Finance Agency Office of Inspector General (FHFA-OIG); and Postal Inspector in Charge Eric Shen of the U.S. Postal Inspection Service's (USPIS) Criminal Investigations Group made the announcement.

FHFA-OIG and USPIS are investigating the case.

Trial Attorney Siji Moore of the Criminal Division's Fraud Section and Assistant U.S. Attorney Martha Nye for the District of New Jersey are prosecuting the case.

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