

NEWS RELEASE



Monmouth County Prosecutor's Office
71 Monument Park
Freehold, New Jersey 07728
732/ 431-7160
Luis A. Valentin, Prosecutor

MOTHER AND SON CONVICTED OF MULTI-MILLION DOLLAR SUB-PRIME MORTGAGE SCAM

On April 15, 2010, a Monmouth County jury returned a guilty verdict against John Pereless, 42, of Colts Neck, N.J., on one count of second degree Conspiracy to Commit Theft by Deception, eight counts of second degree Theft by Deception, eight counts of fourth degree Securing Execution of Documents by Deception and eight counts of fourth degree Falsifying Records. The jury also returned a guilty verdict against John Pereless' mother, Susan Pereless, on one count of second degree Conspiracy to Commit Theft by Deception, seven counts of Theft by Deception, seven counts of fourth degree Securing Execution of Documents by Deception and seven counts of fourth degree Falsifying Records. The trial was presided over by Monmouth County Superior Court Judge Jamie S. Perri.

An investigation which was conducted by the Monmouth County Prosecutor's Office revealed that the Perelesses participated in a conspiracy to file fraudulent mortgage applications in connection with eight different properties. Seven of the properties are in Monmouth County, and one is in Florida. All of the properties are now in foreclosure.

In addition to filing fraudulent applications which greatly exaggerated the financial position of the applicants, the values of the properties were inflated, fraudulent construction liens were financed and excessive fees were charged. Funds from the closings were funneled into various shell corporations.

All of the mortgages were processed through a Colts Neck based mortgage broker, Rate Cast. Rate Cast is no longer in business. Seven separate financial institutions were defrauded of over \$4.8 million through this scheme. They include: ACT Lending, Loan

City Inc., Green Point Mortgage, Option One Mortgage, Countrywide Home Loan, INDY Mac and New Century Mortgage.

Monmouth County Prosecutor Luis A. Valentin stated, "The Perlesses fraudulently manipulated the lending practices of the sub-prime mortgage industry in the hopes of turning a quick illegal profit. However, their efforts were thwarted when their complex illicit scheme was discovered."

The maximum potential custodial sentence for a second degree crime is a 10 year State Prison term. The maximum potential custodial sentence for a fourth degree crime is an 18 month term.

The Perelesses remain free on bail, secured by real property, pending sentencing which is scheduled for July 15, 2010 before Judge Perri. Bail was originally set at \$750,000 for John Pereless and at \$500,000 for Susan Pereless by Monmouth County Superior Court Judge Edward M. Neafsey. A condition of bail for each was that they surrender their passports to the Court. That condition was met previously.

The case is assigned to Assistant Monmouth County Prosecutor Thomas F. Fichter. John Pereless is represented by Michael Pappa, Esquire, of Hazlet, N.J. Susan Pereless is represented by Cathy Waldor, Esquire, of Manasquan, N.J.

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