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FOR IMMEDIATE RELEASE

Terry Goddard Announces Indictments in \$1 Million Mortgage Fraud

(Phoenix, Ariz. – September 29, 2008) Attorney General Terry Goddard today announced the indictments of Kimberly R. Werking, 42, of Phoenix, and Jeffery Z. Sayegh, 44, of Cave Creek, on five counts of forgery, one count of money laundering and one count of fraudulent schemes and artifices. Werking was also indicted on six counts of residential mortgage fraud, five counts of theft and one count of illegal control of an enterprise.

The charges, all felonies, relate to the defendants' alleged equity "skimming" operation in Phoenix and North Scottsdale. These are among the largest indictments issued under the state's residential mortgage fraud statute (A.R.S. 13-2320), enacted in 2007.

"Acts of fraud such as this jeopardize the security of Arizona's families, neighborhoods and economy, especially during this time of financial uncertainty," Goddard said. "I am committed to protecting Arizonans from those who violate the law and undercut the financial stability of businesses and consumers."

According to court documents, between February 2006 and August 2007, Werking, a licensed Arizona realtor, and Sayegh, a loan officer, collaborated to obtain fraudulent bank mortgages for Werking on five properties in North Scottsdale. Werking, with assistance from Sayegh, allegedly induced lenders to approve applications for bank mortgages and refinancing loans by knowingly misrepresenting the truth or concealing material facts contained in those applications.

The indictment further alleges that Werking "skimmed" over \$1 million in equity from the homes through the refinancing process, and, once no more money could be pulled out of the properties, allowed them to go into foreclosure. Werking would purchase homes using false information, receive cash for refinancing them and then not make the mortgage payments.

Werking also collected \$350,000 in real estate commissions through the home purchases.

Court documents name eight financial institutions, with collective losses of over \$675,000, as victims of the alleged operation: The Carioca Company, Countrywide Financial, Bank of America, Avelo Mortgage, Plaza Home Mortgages, Inc., INDYMAC Bank, Carnegie First Lending Services and Preferred Home Mortgage.

Assistant Attorney General Andrei Cherny is prosecuting this case. For more information, contact Anne Hilby at (602) 542-8019.

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