



# PRESS RELEASE

Federal Deposit Insurance Corporation

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## **PENNSYLVANIA MAN INDICTED ON CHARGES OF MAKING FALSE STATEMENTS TO THE RTC**

### **FOR IMMEDIATE RELEASE**

FDIC Inspector General Gaston L. Gianni, Jr., has announced that a federal grand jury in Philadelphia has returned an indictment against Gerald L. Katzoff of Morrisville, PA, charging him with four counts of making false statements to the Resolution Trust Corporation (RTC) in violation of 18 U.S.C. § 1014. The FDIC in 1996 became responsible for winding up the affairs of the RTC, which was created by Congress to resolve the savings and loan crisis of the late 1980s and early 1990s.

From July 1990 through March 1993, according to the indictment, Katzoff was negotiating with the RTC to resolve his outstanding obligations with two institutions for which RTC had been appointed receiver: Gold Coast Federal Savings Bank, Plantation, FL ("Gold Coast") and Atlantic Financial Savings, FA, Bala Cynwyd, PA ("Atlantic Financial"). Katzoff was a personal guarantor on 11 loans from Gold Coast with a book value of approximately \$6.67 million, and a personal guarantor on four loans from Atlantic Financial with a book value of approximately \$3.93 million.

According to the indictment, in February 1993, Katzoff knowingly made false statements to the RTC by submitting a personal financial statement and financial affidavit to the RTC, both of which reflected that he did not own any securities, when in fact, he owned and controlled approximately \$157,311 in Jefferson Bank stock. The financial affidavit also falsely reflected that Katzoff had received zero consideration or value for the conveyance of a Wilmington, DE apartment complex, when in fact Katzoff had received \$125,000 in proceeds from the sale of the complex. The indictment alleges that Katzoff concealed the Jefferson Bank stock by transferring it from a personal account of his to a



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trust account purportedly for the benefit of his son at Prudential Securities, and caused to be deposited the proceeds of the property sale to that trust account.

If convicted, the defendant faces on each count a maximum possible sentence of 30 years of imprisonment and a fine of \$1 million.

The case was investigated by the FDIC Office of Inspector General and has been assigned to Assistant U.S. Attorney Joseph Poluka in the **Eastern District of Pennsylvania**.