

District's budget and operations, including the management of the District's real estate. In or around 2010, the Board initiated a public bidding process to sell a District-owned property located at 32 Addison Boyce Drive, New City, New York (the "Hillcrest School").

4. The defendant was licensed by DOS as a general real estate appraiser. The defendant served as an owner of The Appraisal Group, d/b/a Appraisal Group International ("AGI"), an appraisal company based in Parsippany, New Jersey.

5. Valuation Plus, Inc. ("VPI") was a company based in Mamaroneck, New York which performed commercial real estate appraisals.

6. An individual known to the OAG (the "BOARD ATTORNEY") served as a partner in the law firm that the Board retained as its counsel.

7. Congregation Yeshiva Avir Yakov ("Avir Yakov") was a private religious school in Rockland County, New York that sought to purchase the Hillcrest School.

8. An individual known to the OAG (the "BIDDER") represented Avir Yakov for various purposes. Among other responsibilities, the BIDDER helped prepare Avir Yakov's bid to purchase the Hillcrest School.

C. The Board Attempts to Sell the Hillcrest School

9. On or about April 19, 2010, the Board passed a resolution that declared the Hillcrest School "surplus property." In anticipation of leasing or selling the property, the resolution further authorized the Board's president or the District superintendent to engage VPI to prepare a real estate appraisal of the Hillcrest School (the "VPI Appraisal").

10. The VPI Appraisal, dated May 4, 2010, stated that the appraised value of the Hillcrest School was \$5.9 million. To achieve the property's market value, the VPI Appraisal recommended offering the property on the market for an "exposure" period of 12 months.

11. On June 8, 2010, the Board voted to solicit proposals for the sale or lease of the Hillcrest School pursuant to a request for proposals. On or about June 16, 2010, the District released a formal request for bids to buy or lease the Hillcrest School that gave potential buyers a deadline of July 7, 2010 to submit bids for the property.

12. By the July 7, 2010 deadline, only three bidders had submitted bids to purchase the Hillcrest School. All three bids were for far less than the Hillcrest School's \$5.9 million appraised value. These included:

- a. a \$1.65 million bid from Pascack Valley Learning Center, a private school;
- b. a \$3.1 million bid from Avir Yakov; and,
- c. a \$4.3 million bid (with added conditions) from ZD Square Realty Corp., a New York State corporation.

13. Avir Yakov's proposal to purchase the Hillcrest School for close to half its appraised value became the high bid when ZD Square Realty's \$4.3 million bid was no longer considered by the Board.

D. Vardi Agrees to Falsify Appraisal for BIDDER

14. In or around July 2010, an individual known to the OAG referred the BIDDER to the defendant.

15. The BIDDER sought, and the defendant agreed to provide, an appraisal of the Hillcrest School in a range necessary to support Avir Yakov's \$3.1 million bid, regardless of the true market value of the property.

16. On or about July 15, 2010, eight days after the three bids for the Hillcrest School had been received, the BIDDER and the defendant arranged to meet at the Hillcrest School. At that meeting, the defendant, an associate appraiser known to the OAG, the BIDDER, and several

other Avir Yakov representatives together inspected the school grounds. At this meeting, Avir Yakov representatives paid the defendant \$5,000 in cash to provide an appraisal on a "rush" basis.

17. The defendant never sent an appraisal report to Avir Yakov or the BIDDER.

E. Vardi Agrees to Delivers False Appraisal to District

18. The individual referred to in paragraph 14, who had no official Board responsibilities, thereafter arranged for the defendant's services in preparing the appraisal to be applied on behalf of the District, instead of Avir Yakov.

19. On or about July 16, 2010, a Board member known to the OAG emailed the defendant's private cell number and other contact information to the BOARD ATTORNEY. Later that afternoon, the BOARD ATTORNEY hired the defendant to furnish his appraisal of the Hillcrest School to the District in time for a July 28, 2010 Board meeting.

20. At the defendant's direction, an associate appraiser compiled an initial appraisal draft. The defendant thereafter manipulated "adjustments" in the appraisal to lower the value of the Hillcrest School from that in the associate's initial draft to a value slightly above Avir Yakov's bid price. The defendant finalized the appraisal (the "AGI Appraisal") by signing the cover letter and an associated certification on or about July 23, 2010. The final valuation indicated that the Hillcrest School was worth \$3.24 million, which was within 5% of Avir Yakov's bid of \$3.1 million.

21. Knowing that the District would rely on his valuation in selling the Hillcrest School to Avir Yakov, on or about July 23, 2010, the defendant directed his associate to mail the AGI Appraisal to the Board's law firm. On or about the same day, AGI invoiced the BOARD ATTORNEY as "Agent for East Ramapo School District" for \$3,500, the fee they had agreed on

for appraising the Hillcrest School.

22. On or about July 26, 2010, attorneys at the BOARD ATTORNEY's firm requested that AGI re-address the AGI Appraisal to the Board, rather than the BOARD ATTORNEY. The defendant's associate emailed an unsigned version of the AGI Appraisal to the Board's attention. Apart from replacing the BOARD ATTORNEY with the Board (and other incidental changes), the re-addressed report was identical to the AGI Appraisal in all material respects, including its opinion of value: \$3.24 million.

F. Vardi's Appraisal Was Materially False.

23. The AGI Appraisal reflected a valuation for the Hillcrest School based on a prior agreement with a prospective buyer represented by the BIDDER, not the independent judgment of the defendant, a licensed appraiser. The result was an appraisal that valued the Hillcrest School as worth \$2.66 million—or approximately 45%—*less* than a contemporaneous appraisal by an impartial licensed appraiser.

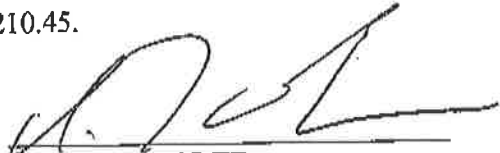
24. Among other things, the defendant falsely certified in the AGI Appraisal that:

- a. "The reported analyses, opinions, and conclusions . . . are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.";
- b. "My engagement in this assignment was not contingent upon developing or reporting predetermined results.";
- c. "The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice."; and

on this appraisal? It's going on 3 Months!"

29. On or about October 19, 2010, the District clerk's office submitted a request for a \$3,500 payment to AGI. Acting on the false understanding that AGI had furnished an independent appraisal, the District thereafter remitted \$3,500 to AGI via a check dated October 22, 2010. AGI deposited the check into its bank account on or about October 27, 2010.

False statements made herein are punishable as a class A Misdemeanor pursuant to Penal Law §210.45.



ANGEL LAPORTE
Investigator
New York State Attorney General's Office

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New York, New York