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Judge: Dwek's uncle must repay mortgage

By **JEAN MIKLE** • STAFF WRITER • June 4, 2010

A U.S. Bankruptcy judge has ruled that Joseph Dwek, the uncle of failed real estate mogul Solomon Dwek, must repay a \$1.5 million mortgage loan that Joseph Dwek claimed was made without his knowledge.

U.S. Bankruptcy Court Judge Kathryn C. Ferguson ruled Tuesday that Joseph Dwek and his wife, Terry, had "ratified" the loan transaction by not taking any action to repudiate it until almost five years after the money was borrowed.

The couple had claimed that former Ocean Township resident Solomon Dwek forged their signatures on the loan in December 2001, and argued they shouldn't have to repay it. The \$1.5 million loan was on the Dweks' summer home on Runyan Avenue in Deal.

Solomon Dwek has admitted in court that he bilked his uncle repeatedly in a series of bogus real estate transactions.

But Ferguson noted in her ruling that while Solomon Dwek's real estate dealings with his uncle still were profitable, Joseph Dwek "was content to allow the loan issue to remain between him and Solomon."

It was only in September 2006, four months after his nephew's arrest on \$50 million in bank-fraud charges, that Joseph Dwek and his wife filed a lawsuit against Solomon Dwek and Sun National Bank.

"Joseph is free to choose to allow his nephew time to pay off the mortgage on his property, but when that does not pan out, he may not then turn to the bank and say, 'not my loan,'" Judge Ferguson wrote in her decision. "Based on Joseph's actions, the Court finds that Joseph ratified the loan transaction."

James Kim, the lawyer who represented Joseph and Terry Dwek, said Friday that he had no comment on the judge's ruling.

Solomon Dwek, 37, turned federal informant shortly after he was arrested in May 2006 on bank fraud charges shortly after he cashed a bogus \$25.2

million check at a PNC Bank drive-thru branch in Eatontown. He then tried unsuccessfully to cash a second \$25 million check.

Dwek's \$400 million real estate empire was forced into bankruptcy. Bankruptcy trustee Charles Stanziale later said Dwek was operating a multi-million-dollar Ponzi scheme that included loans on "phantom properties" that did not actually exist.

Dwek wore a wire and a tiny video camera as he traveled throughout New Jersey and New York, with his work resulting in the arrests of 46 people on corruption and money-laundering charges.

Dwek has since served as the star government witness at the corruption trials of former Jersey City Deputy Mayor Leona Beldini and former state Assemblyman Daniel Van Pelt of Waretown. Beldini and Van Pelt both were found guilty of accepting bribes.

Joseph H. Blum, who represented Sun National Bank in the Joseph and Terry Dwek case, said Solomon Dwek's uncle decided he was not responsible for the mortgage only after his business dealings with his nephew turned sour.

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