



Dead Attorney May Have Bilked Client On Condo Deal

By Anthony M. Destefano and Michael Amon

March 30, 2010

As investigators with the Nassau district attorney's office pore over the records of dead attorney Jay Korn in an attempt to unravel claims he ran a Ponzi scheme, a lawyer has come forward saying Korn may have bilked a major client on a condo deal.

The 70-year-old Korn's sudden death last Wednesday in what police said was a suicide sparked fears that a real estate investment program he started years ago may have been a fraud, said Nassau prosecutors who have received scores of complaints of losses.

"As of end of business day today, we have received complaints on behalf of 52 victims, stating losses of \$16.29 million," said Carole Trottere, a spokeswoman for Nassau County District Attorney Kathleen Rice.

Among the claims was one made by the attorney for a California physician, who said Tuesday that Korn may have misappropriated \$2.6 million for the purchase of his client's Manhattan condominium. The attorney, Herbert Kramer of Manhattan, told Newsday that Korn failed to meet a final March 22 deadline for turning over the proceeds for the condo purchase despite a number of requests.

The money has not been found, said Kramer, who added that he plans legal action over the matter. Kramer said he has also filed a claim for his client with the state Lawyers Fund for Client Protection, the agency that reimburses clients up to \$300,000 if they are cheated by their attorneys.

A spokesperson for Rice declined to comment about the allegations raised by Kramer. A fund spokesman said the agency doesn't comment on open cases.

Arthur Spirn, who was Korn's law partner for many years and who Monday said he was unaware of his partner's real estate ventures, couldn't be reached Tuesday.

According to records provided to Newsday by **Richard A. Roth**, a Manhattan attorney representing some of the investors, Korn as far back as 1994 gave investors "participation" notes representing interests in mortgages or deeds for properties. While documents show investors were promised up to 15 percent returns - which some said they regularly received - none of the notes obtained by Newsday indicate any specific properties or mortgages.

"It appears that Mr. Korn gave the investors bogus 'participation notes' in connection with alleged purchases of properties which contained no address, no description of the property and no mortgage," **Roth** said.

"Every day we are learning more and more about Mr. Korn's mysterious death," **Roth** said.

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