

Approved: *Antonia Apps*

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ANTONIA M. APPS
AMANDA KRAMER
Assistant United States Attorneys

Before: HONORABLE FRANK MAAS
United States Magistrate Judge
Southern District of New York

- - - - -X

UNITED STATES OF AMERICA :

- v. - :

ANTIONETTE HODGSON,
a/k/a "Dina," :

Defendants. :

- - - - -X

SEALED COMPLAINT

Violation of
18 U.S.C. §§ 1343,
1349

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

BRYAN J. TREBELHORN, being duly sworn, deposes and says that he is a Special Agent with the Federal Bureau of Investigation ("FBI") and charges as follows:

COUNT ONE

(Conspiracy To Commit Wire Fraud)

1. From at least in or about 2006 through in or about December 2009, in the Southern District of New York and elsewhere, ANTOINETTE HODGSON, a/k/a "Dina," the defendant, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, to wit, wire fraud, in violation of Title 18, United States Code, Section 1343.

2. It was a part and object of the conspiracy that ANTOINETTE HODGSON, a/k/a "Dina," the defendant, and others known and unknown, unlawfully, willfully, and knowingly, having devised and intending to devise a scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such

scheme and artifice, in violation of Title 18, United States Code, Section 1343.

Overt Acts

3. In furtherance of the conspiracy and to effect the illegal object thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere::

a. On or about March 6, 2008, ANTOINETTE HODGSON, a/k/a "Dina," the defendant, caused investors to wire \$2,800,000 from accounts at JP Morgan Chase in New York, New York, to an account at Bank of America located in New Jersey.

b. On or about December 16, 2008, HODGSON caused an investment company headquartered in New York, New York to wire \$700,000 from its account at Sovereign Bank in New Jersey through Pennsylvania to an account at TD Bank in New Jersey controlled by HODGSON.

(Title 18, United States Code, Section 1349.)

COUNT TWO
(Wire Fraud)

4. From at least in or about 2006 through in or about December 2009, in the Southern District of New York and elsewhere, ANTOINETTE HODGSON, a/k/a "Dina," the defendant, unlawfully, willfully, and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice.

(Title 18, United States Code, Section 1343.)

The bases for my knowledge and the foregoing charges are, in part, as follows:

5. I have been a Special Agent with the FBI for approximately two years. I am currently assigned to a squad responsible for investigating violations of the federal wire, bank and mail fraud laws and related offenses. I have participated in numerous investigations of these offenses, and I have made and

participated in making arrests of numerous individuals for participating in such offenses.

6. The information contained in this affidavit is based upon my personal knowledge, as well as information obtained during this investigation, directly or indirectly, from other sources and agents, including documents and information provided to me by investors, a review of bank records, a review of documents provided by ANTOINETTE HODGSON, a/k/a "Dina," the defendant, and information provided to me by witnesses who participated in conversations and written communications with HODGSON. Because this affidavit is prepared for limited purposes, I have not set forth each and every fact I have learned in connection with this investigation. Where conversations and events are referred to herein, they are related in substance and in part. Where dates, figures, and calculations are set forth herein, they are approximate.

Relevant Entities And Individuals

7. Based upon my review of publicly available documents and bank records, I know that ANTOINETTE HODGSON, a/k/a "Dina," the defendant, is the owner of "Antoinette Hodgson & Company"; she is a member of "Hodgson Holding, LLC,"; and she is the President of "Sabrina Hodgson, Inc." (collectively, the "Hodgson Companies").

The Scheme To Defraud

8. Based upon my review of documents provided to investors, documents provided by banks, documents provided by ANTOINETTE HODGSON, a/k/a "Dina," the defendant, and non-privileged real estate documents provided by an attorney who represented HODGSON at various real estate transactions, and based on my interviews, or my review of interview notes, of investors and other witnesses, I have learned that, from at least in or about 2006 through in or about December 2009, ANTOINETTE HODGSON, a/k/a "Dina," the defendant, and others known and unknown, solicited tens of millions of dollars from various investors on the false representations that she would use the investors' money to purchase and/or renovate residential real estate properties which she would either re-sell to third party buyers, or hold and rent out for a period of time before selling. HODGSON promised investors high rates of return on their investments, which she represented was based on the profits generated by her successful real estate business.

9. In truth and in fact, however, between approximately 2006 and December 2009, ANTOINETTE HODGSON, a/k/a "Dina," the defendant, misappropriated tens of millions of dollars of investors' funds, and used those funds to repay other investors or for her own purposes. As set forth in more detail below, between in or about 2006 and in or about 2009, HODGSON solicited approximately \$45 million from investors who understood they were investing in her real estate business. During the same period, HODGSON only purchased residential properties at a cost of approximately \$6 million. Most of the \$45 million she received from investors was immediately used to repay other investors. Some of the investor money was used to enrich HODGSON and her family members. HODGSON spent hundreds of thousands of dollars at casinos in Atlantic City and Las Vegas, she gave tens of thousands of dollars to family members and friends. HODGSON also invested over \$700,000 of investor money in a Dunkin Donuts franchise in Arizona.

Representations To Individual Investors

Investor 1

10. Based on an interview conducted by a federal agent of individual ("Investor 1") who invested with ANTOINETTE HODGSON, a/k/a "Dina," the defendant, I have learned the following:

a. Investor 1 began investing with HODGSON in or about the early 2000s. At that time, HODGSON explained to Investor 1, in sum and substance, that she was an expert at purchasing foreclosed residential properties in New Jersey, renovating them, and reselling them. HODGSON represented that she typically had a purchaser lined up for a property before she purchased it, and thus Investor 1 could invest in these properties with little or no risk. HODGSON gave Investor 1 a rate of return of between approximately ten and 15 percent.

b. Beginning in or about 2005, at HODGSON's request, Investor 1 began to increase the amount of funds invested with HODGSON. In addition to new funds invested with HODGSON, HODGSON often requested that Investor 1 reinvest, or "roll over," money that Investor 1 had previously given to HODGSON.

c. From at least in or about 2005, HODGSON showed Investor 1 lists of properties which HODGSON represented were lists of foreclosed properties that HODGSON was seeking to purchase. HODGSON represented to Investor 1 that she had access to these properties because she had connections with real estate agents and bank representatives who would forward HODGSON foreclosure listings prior to their being made available to the general public.

d. In or about 2005, HODGSON represented to Investor 1, that she owned approximately 70 properties, 22 of which were encumbered with mortgages, and approximately 50 of which were unencumbered. HODGSON also represented that she had a net worth of approximately \$40 million.

e. In or about early 2009, HODGSON represented to Investor 1 that she was in the process of purchasing a bundle of properties for \$5 million that she planned to re-sell to an investment company (referred to herein as "Investment Company 1") for \$8 million. HODGSON stated that, in anticipation of the deal, Investment Company 1 had placed \$2 million in an escrow account. The deal was supposed to close in February 2009. HODGSON asked Investor 1 to roll over a prior investment and to make a new infusion of cash of approximately \$1 million, which Investor 1 agreed to do.

f. From in or about 2001 to in or about 2009, Investor 1 transferred over \$14 million to bank accounts controlled by HODGSON, including a transfer of approximately \$1 million in 2009 after HODGSON requested additional funds for the specific investment project set forth above. On many occasions, HODGSON provided Investor 1 with documents titled "Promissory Notes," or "Mortgage Notes", which memorialized HODGSON's promises to repay Investor 1 his principal plus interest. Between in or about 2001 and in or about 2009, HODGSON did make payments on these promissory notes as promised, which totaled approximately \$13 million. As of 2009, however, the outstanding amounts due under the Promissory Notes and Mortgage Notes was approximately \$6 million.

11. Based on my review of bank records for accounts controlled by ANTOINETTE HODGSON, a/k/a "Dina," the defendant, and records provided by Investor 1, I learned the following:

a. Between in or about 2001 and in or about 2009, Investor 1 transferred by check or wire approximately \$14 million to accounts controlled by HODGSON, approximately \$9.5 million of which was transferred between in or about March 2006 and in or about 2009.

b. On or about July 1, 2008, \$250,000 was wired through New York, New York from a brokerage account owned by Investor 1 at Oppenheimer & Co., Inc. to an account controlled by HODGSON at TD Bank in New Jersey.

12. I have spoken to a principal of Investment Company 1, and have learned that Investment Company 1 never agreed to purchase properties from ANTOINETTE HODGSON, a/k/a "Dina," the defendant, in or about 2009, and never transferred or promised to

transfer \$2 million to an escrow account for the purchase any real estate properties.

Investor 2

13. Based on an interview conducted by a federal agent of an individual ("Investor 2"), who, together with Investor 2's son, invested with ANTOINETTE HODGSON, a/k/a "Dina," the defendant, I have learned the following:

a. Investor 2 learned about HODGSON from Investor 1. In or about 2004, Investor 2 met with HODGSON at Investor 2's office in New York, New York. HODGSON told Investor 2 that she invested in commercial and residential real estate in New Jersey. HODGSON stated that she would purchase properties, renovate and resell them. HODGSON stated she had "contacts" at various banks who provided her with lists of foreclosed properties before they were made available to the general public.

b. HODGSON further represented to Investor 2 that investors could choose from two investment strategies: one strategy involved short-term (six-month) "flips" of properties and the second involved investing in longer term projects which averaged approximately one year. Investor 2 decided to invest using the long-term strategy.

c. Investor 2 and his son invested a combined \$750,000 on or about June 1, 2004 and received a promissory note purportedly signed by HODGSON promising to pay Investor 2 and his son approximately 18 percent interest per annum. When this note became due in or about June 2005, HODGSON asked Investor 2 and his son to "roll over" the principal amount of the investments for an additional year. This note was rolled over again on June 1, 2006, making it payable on June 1, 2008.

d. Investor 2 and his son made additional investments of approximately \$4.75 million between in or about 2005 and in or about 2007, and received promissory notes promising repayment of principal plus interest in return.

e. In or about 2008, HODGSON had a meeting with Investor 2 in Investor 2's offices in New York, New York. HODGSON told Investor 2 that she was attempting to secure substantial amounts of financing in order to fund a big real estate project or projects. HODGSON represented that if Investor 2 and his son invested \$2.8 million, HODGSON would pay them an interest rate of 30 percent. HODGSON also agreed to give Investor 2 a security interest in a property located in Jersey City as collateral for the loan. Investor 2 and his son each agreed to invest \$1.4 million for a total of \$2.8 million.

f. With a few exceptions, throughout the period of their investment, until in or about 2009, HODGSON made timely interest payments that were due on the promissory notes she executed with Investor 2 and his son, causing Investor 2 to believe that HODGSON was in fact making money in her real estate business as she represented. In or about 2009, however, HODGSON stopped making payments to Investor 2 and his son on the \$2.8 million wire to HODGSON by Investor 2 and his son in 2008.

14. Based on my review of records provided by Investor 2 and his son, including bank records, I have learned the following:

a. Between in or about June 2004 and March 2008, Investor 2 and his son wired approximately \$8.3 million to accounts controlled by ANTOINETTE HODGSON, a/k/a "Dina," the defendant, approximately \$5.5 million of which was transferred in 2007 and 2008.

b. The investments were made in the form of a loans, memorialized in "Promissory Notes," in which HODGSON promised to repay the principal amount of the investment plus interest, typically in the amount of between 18 and 22 percent, and in the case of the 2008 infusion of \$2.8 million, in the amount of 30 percent.

c. On or about March 6, 2008, Investor 2 and his son caused \$2.8 million to be wired from accounts located at JP Morgan Chase in New York, New York, to an escrow account with Bank of America controlled by the attorney representing Investor 2 and his son. From the \$2.8 million wired to the New Jersey escrow account, \$500,000 was used to discharge an existing mortgage on the property used to secure the \$2.8 million loan, and most of the balance was then wired to the account of the attorney representing HODGSON in the real estate transaction.

Investor 3

15. Based on an interview conducted by a federal agent of an individual ("Investor 3") who invested with ANTOINETTE HODGSON, a/k/a "Dina," the defendant, I have learned the following:

a. Investor 3 learned about HODGSON from Investor 1. During a meeting with HODGSON in or about February 2008, HODGSON represented to Investor 3 that she was engaged in the business of buying foreclosed properties, renovating those properties, and then reselling them to third parties. HODGSON represented that she had contacts at various banks, who provided HODGSON with lists of foreclosed properties before that

information was made available to the general public. HODGSON told Investor 3 that the money Investor 3 invested would fund the purchase of foreclosed properties. HODGSON represented that she owned approximately 70 properties. HODGSON stated that Investor 3 could invest either by way of a one-year promissory note, which would yield a rate of return of 20 percent annually; or in short-terms "flips," having a three to six week turn around, and earning an interest rate of less than 20 percent.

b. Investor 3 initially invested \$2 million with HODGSON on or about February 11, 2008. Since Investor 3 received interest payments on this and subsequent investments with HODGSON, Investor 3 continued to invest further new monies with HODGSON.

c. Throughout the period of Investor 3's investments, Investor 3 received documents titled "Promissory Notes" which were signed by HODGSON and which were for terms of repayment ranging from six weeks to one year and provided for interest of between ten and 20 percent per annum. HODGSON represented to Investor 3 that these promissory notes were secured by properties.

d. In or about early 2009, HODGSON informed Investor 3 that she had a big project for which she needed money. HODGSON asked Investor 3 to roll over a prior \$1 million investment due in March 2009 so that HODGSON could purchase a pool of properties, and promised to repay Investor 3 the entire amount by April 1, 2009. In or about May 2009, HODGSON paid Investor 3 approximately \$225,000 as a return on this latest investment, but claimed she was unable to pay additional money to Investor 3. According to Investor 3, based on the promissory note provided by HODGSON, HODGSON still owes Investor 3 approximately \$4 million in principal and interest.

16. Based on my review of bank records for accounts controlled by ANTOINETTE HODGSON, a/k/a "Dina," the defendant, and bank records provided by Investor 3, I learned the following:

a. Between in or about February 2008 and February 2009, Investor 3 transferred over \$4 million to accounts controlled by HODGSON.

b. Between in or about March 2009 and September 2009, Investor 3 received approximately \$1.5 million from HODGSON which purportedly constituted the repayment of principal plus interest.

c. On or about January 9, 2009, Investor 3 sent an email from his home in New Jersey to an individual in New York, New York instructing that individual to cause \$500,000 to be

transferred by wire from Investor 3's IRA account to an account in the name of Antionette Hodgson & Company at TD Bank in New Jersey.

17. Based on my review of promissory notes provided by ANTOINETTE HODGSON, a/k/a "Dina," the defendant, for Investor 3, HODGSON signed promissory notes, dated from in or about February 2008 through in or about March 2009, in which she promised to pay Investor 3 in excess of \$6 million.

Investor 4

18. I have spoken to an individual ("Investor 4"), who invested with ANTOINETTE HODGSON, a/k/a "Dina," the defendant, and have learned the following:

a. Investor 4 met with HODGSON in or about July 2008 in Investor 4's office in New Jersey. HODGSON explained to Investor 4 that she had made many people money by investing in real estate. HODGSON represented that she had connections at banks which gave her the opportunity to have the first purchase option on foreclosed properties. HODGSON represented that she purchased the properties from banks at foreclosure prices and then either repaired them or re-sold them for a profit. She stated she was very successful at these deals.

b. HODGSON stated that she needed to borrow money from individuals such as Investor 4 to enable her to make quick purchases from the banks, and that the return on these loans averaged from 20 to 30 percent per annum, depending on the length and amount of the loan. HODGSON stated that she would use the money Investor 4 would invest to purchase houses and do "flips."

c. Investor 4 made an initial investment of \$300,000 in or about July 2008. HODGSON gave Investor 4 promissory notes promising to return the principal plus interest after stated terms of six months and one year. Investor 4 invested additional funds a few months later, and subsequently received payments on some of the short terms loans.

d. In or about December 2008, HODGSON took Investor 4 to visit approximately 20 residential properties in New Jersey, which HODGSON claimed she owned or controlled. HODGSON represented that these were just some of the properties she owned. HODGSON claimed that she owned approximately 67 properties.

e. Thereafter, Investor 4 decided to invest additional funds. In the first four months of 2009, Investor 4 wired approximately an additional \$1.2 million to an account controlled by HODGSON. Investor 4 received unsecured promissory notes memorializing these investments.

f. In or about April or May 2009, HODGSON missed a payment on a promissory note. Investor 4 asked HODGSON to provide Investor 4 with collateral for the promissory notes that were still outstanding. HODGSON provided Investor 4 with what purported to be a mortgage note in the amount of \$1.2 million on a property located at 115 West Greenbrook Road, North Caldwell, New Jersey. HODGSON represented to Investor 4 that the property was unencumbered.

g. As of the date hereof, based on promises made by HODGSON to Investor 4 in connection with Investor 4's investment of funds, HODGSON owes Investor 4 approximately \$2.5 million.

19. Based on my review of documents provided by another investor and my review of public records, I have learned that the property located at 115 West Greenbrook Road, North Caldwell, New Jersey was purchased by ANTOINETTE HODGSON, a/k/a "Dina," the defendant, on or about December 11, 2008 for \$620,000, and was mortgaged within a few days thereafter to another investor in the amount of over \$1.3 million. Thus, contrary to HODGSON's representation, as of the date of the purported mortgage to Investor 4 described above, the property located at 115 West Greenbrook, North Caldwell, New Jersey was encumbered with a \$1.3 million mortgage.

Investor 5

20. I have spoken to an individual who was a principal ("Principal 1") for an investment company headquartered in New York, New York ("Investment Company 2") that invested with ANTOINETTE HODGSON, a/k/a "Dina," the defendant, and have learned the following:

a. Principal 1 heard about HODGSON from a friend and colleague who had also invested with HODGSON and had received good returns on his investments. In or about 2007 or 2008, Principal 1 decided to invest money with HODGSON, based in large part on what Principal 1 had learned from his friend. Principal 1 invested funds from his own personal account and through Investment Company 2.

b. In or about 2007 or 2008, Principal 1 met with HODGSON in person to discuss HODGSON's business. HODGSON took Principal 1 around various towns in New Jersey, and showed Principal 1 residential properties that HODGSON represented she had invested in. Some of the properties were undergoing construction.

c. HODGSON stated that she had been doing residential real estate investments for many years. She explained that she was able to get houses in foreclosure because she had contacts at certain banks who would provide her with information about foreclosed properties. HODGSON told Principal 1 that she would get a "first crack" at purchasing these properties. HODGSON stated that she would re-sell these properties for a profit. She stated that she needed money from investors such as Principal 1 so that she could buy the properties quickly. HODGSON represented that she would return the funds to the investor once she secured conventional financing with a bank.

d. HODGSON indicated that she wanted to expand her business and buy bigger properties. HODGSON wanted significant sums of money for expanding her business. Principal 1 decided to bring in family members and friends to invest with HODGSON. Those family members and friends subsequently invested money with HODGSON individually and through Investment Company 2.

e. Throughout the period of Principal 1's investment and the investment of Investment Company 2, Principal 1 and Investment Company 2 received promissory notes from HODGSON promising a rate of return and repayment of principal after a set period of time. At times, HODGSON requested that Principal 1 or Investment Company 2 "roll over" any principal investment for another period, which Principal 1 agreed to do. Up until in or about 2009, when investments were not rolled over, HODGSON did in fact return to Principal 1 or Investment Company 2 the principal and interest promised.

f. In or about February 2009, HODGSON told Principal 1 that she would not be able to make the required payments on some of the loans.

21. Based on my review of bank records provided by TD Bank for accounts controlled by ANTOINETTE HODGSON, a/k/a "Dina," the defendant, and my review of records provided by Principal 1 and Investment Company 2, I have learned the following:

a. In or about 2008, Principal 1 transferred by wire over \$1.3 million from his personal account to an account controlled by HODGSON. During the same period, Principal 1 received approximately \$330,000 from HODGSON.

b. From in or about June 2007 up to and including in or about January 2009, Investment Company 2 transferred by wire over \$5 million to an account controlled by HODGSON and an account controlled by an attorney acting on behalf of HODGSON. Between in or about September 2007 and in or about August 2009, HODGSON made payments to Investment Company 2 of approximately \$3 million.

c. On or about December 16, 2008, Investment Company 2 caused \$700,000 to be wired from its account at Sovereign Bank in New Jersey to an account controlled by HODGSON at TD Bank in New Jersey. The funds were wired through Pennsylvania.

22. Based on my review of documents provided to me by Investment Company 2, I have learned that ANTOINETTE HODGSON, a/k/a "Dina," the defendant, provided Investment Company 2 with promissory notes in exchange for the transfer of money to HODGSON. Pursuant to these notes, HODGSON promised to repay a sum certain (which included principal plus an additional amount for interest) to Investment Company 2 on various dates in 2008. The total sum owed by HODGSON to Investment Company 1 under the promissory notes which has not yet been repaid to Investment Company 2 exceeds \$4 million.

Analysis Of Properties Purchased By The Defendant

23. Based on my review of real estate property records provided by ANTOINETTE HODGSON, a/k/a "Dina," the defendant, my review of non-privileged documents provided by the attorney who closed HODGSON's real estate transactions, and my review of records obtained through a search of public records in various counties in New Jersey, I have learned the following:

a. From in or about 2006 through in or about 2009, HODGSON purchased, either in her own name, in the name of a family member, or in the name of one of the Hodgson Companies, approximately 15 residential properties in New Jersey for a combined purchase price of less than approximately \$6 million.

b. From in or about 2006 through in or about 2009, HODGSON sold a handful of real estate properties purchased by her for approximately \$700,000 more than she purchased them.

c. In or about 2008, HODGSON purchased approximately five properties for a combined purchase price of approximately \$1.8 million.

d. Many of the properties purchased by HODGSON since 2006 are mortgaged to commercial banks such as Washington Mutual.

Analysis Of The Defendant's Bank Records

24. Based on my review of bank records for (1) accounts in the name of or controlled by ANTOINETTE HODGSON, a/k/a "Dina," the defendant, (2) accounts controlled by the attorney acting for HODGSON in real estate transactions (collectively, the "HODGSON

Accounts"), and (3) certain account records for various investors, I have learned the following:

a. Between in or about 2006 and in or about 2009, investors¹ wired or otherwise deposited over approximately \$45 million into the HODGSON Accounts. In 2008 alone, investors wired or deposited into the HODGSON Accounts approximately \$19 million.

b. Between in or about 2006 and in or about 2009, approximately \$43 million was paid out of the HODGSON Accounts to investors.

c. From in or about 2006 through in or about 2009, on countless occasions, monies received into the HODGSON Accounts from investors were immediately paid out to other investors.

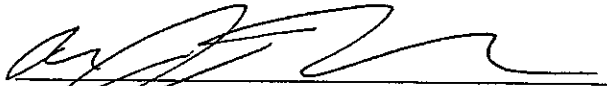
d. In or about 2008, HODGSON diverted over \$700,000 to an investment in a Dunkin Donuts franchise in Arizona.

e. Between in or about 2006 and in or about 2009, HODGSON made counter withdrawals at Trump Casinos in an amount exceeding \$200,000.²

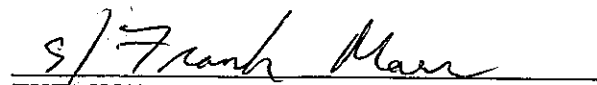
¹ I have been able to identify over 20 victim investors who transferred money to the HODGSON Accounts based on interviews conducted by myself and other federal agents of victim investors who believed they were providing money to HODGSON for purposes of investing in real estate.

² Based on conversations with various investors and family members, I learned that HODGSON went to casinos in Atlantic City and Las Vegas.

WHEREFORE, the deponent prays that an arrest warrant be issued for ANTOINETTE HODGSON, a/k/a "Dina," the defendant, and that she be imprisoned or bailed as the case may be.


BRYAN J. TREBELHORN
SPECIAL AGENT
FEDERAL BUREAU OF INVESTIGATION

Sworn to before me this
14th day of June, 2010


THE HONORABLE FRANK MAAS
UNITED STATES MAGISTRATE JUDGE
SOUTHERN DISTRICT OF NEW YORK