

State of New York
Banking Department

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In the Matter of

**Great Atlantic Mortgage and
Financial Services, LLC (“A005933”)**

SUSPENSION ORDER

A Registered Mortgage Broker pursuant
to Article XII-D of the New York Banking Law

- Registrant-

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RECITALS

A. Great Atlantic Mortgage and Financial Services, LLC (the “Registrant”) was granted a registration on April 13, 2004, to engage in business as a mortgage broker pursuant to Article 12-D of the New York Banking Law (the “Banking Law”). Based on the State of New York Banking Department’s (“the Department”) records, the Registrant maintains a principal office at 1911 Richmond Avenue, Suite 120, Staten Island, NY 10314.

B. The sole owner of Great Atlantic Mortgage and Financial Services, LLC (“Registrant”) is Joseph Mazella III.

C. On April 22, 2011, the Department became aware, through media reports, of the indictment of Joseph Mazella on charges alleging that he operated a \$12 million Ponzi scheme from January 2007 to December 2010.

D. The indictment returned by the Grand Jury was unsealed by the United States District Court, Eastern District of New York, alleges that Joseph Mazella owns The Great Atlantic Group, Inc., a real estate and financial consulting firm. The Great Atlantic Group, Inc. consisted of a number of divisions and related companies, including Third Millennium Enterprise, Inc. (Third Millennium), 150 West State Street Corp. (150 West State Street), and the Bleeker Street Warehouse.

E. The indictment also alleges that Joseph Mazella solicited and caused others at The Great Atlantic Group to solicit investments in Third Millennium and 150 West State Street from investors including The Great Atlantic Group clients. Joseph Mazella allegedly told the investors that he would invest their money in real estate projects in Trenton, NJ, a warehouse in Utica, NY, and a golf course development project. It is also alleged that Mr. Mazella told

investors he would invest their money in private mortgages on commercial and industrial properties.

According to the indictment, Joseph Mazella described these investments as opportunities for investors to receive the investment returns of mutual funds and stocks without any significant loss of liquidity and informed them that their investment would not change during the entire period of the investment. From approximately January 2007 until approximately December 2010, a total of approximately \$12 million was invested in Third Millennium and 150 West State Street by investors.

F. The indictment alleges that the properties owned by Third Millennium and 150 West State Street were not generating any significant revenue by January 2007, that many of the properties were abandoned and in various states of disrepair and that the property taxes owed on many of them had fallen into arrears. In addition, starting in approximately January 2007 Mr. Mazella had virtually stopped investing in real estate development. Instead, Mr. Mazella operated 150 West State Street and Third Millennium as a ponzi scheme whereby he paid interest and principal distributions to investors from existing investors' deposits or money paid by new investors, instead of from profits earned on real estate investments.

Additionally, Mr. Mazella used the investors' money to pay his personal expenses, including payments for a Porsche, a mortgage on his personal residence, his family's expenses and other improper purposes.

G. The indictment alleges that Mr. Mazella obtained investors' funds by making, and causing to be made, materially false and fraudulent representations to investors. For example, it alleges that Mazella provided investors with amortization schedules that misleadingly implied that their investments would earn the rates of return reflected on the amortization schedules. The indictment also alleges that Mazella encouraged some investors to obtain mortgages on their homes (or, in the case of potential investors who were senior citizens, to obtain reverse mortgages or their homes) and to invest the mortgage proceeds with his companies.

H. The indictment has four counts as follows: Count One – Securities Fraud, Counts Two and Three – Wire Fraud and Count Four – Money Laundering.

I. Pursuant to Section 595.1(b) of the Banking Law, the Superintendent may revoke a mortgage broker's registration if it is found that any fact or condition exists which, if it had existed at the time of original application for such registration, would have warranted the Superintendent in refusing originally to issue such registration.

J. Pursuant to Section 595.2 of the Banking Law, the Superintendent may, on good cause shown, or where there is substantial risk of public harm, suspend the Registrant's mortgage broker registration for a period not exceeding thirty days, pending investigation.

K. Pursuant to Section 595.5 of the Banking Law, the suspension of a mortgage broker registration shall not impair or affect the obligation of any pre-existing lawful contract between Registrant and any person.

NOW THEREFORE, the Superintendent hereby finds that there is a substantial risk of public harm to persons protected by Article 12-D and that Registrant's registration should be suspended for a period not exceeding 30 days from the date of this Suspension Order, pending investigation.

Witness, my hand and official seal of the Banking Department at the City of New York, this 4th day of May in the year two thousand eleven.

Rholda L. Ricketts
Deputy Superintendent of Banks