

MARCH 23, 2004

Business Crimes Bulletin

Lending Executive Sentenced for Role in Telemarketing Scheme

Mark Forrest Cohn, the former executive vice president and general counsel of Four Star Financial Services, LLC [Four Star], was sentenced for his role in a telemarketing scheme after being convicted on charges of mail fraud, wire fraud, and conspiracy. Cohn was sentenced to 57 months in prison followed by 3 years of supervised release, and a criminal fine of \$150,000.

Four Star was a California corporation that specialized in lending and factoring to businesses. The company had made loans throughout the 1990s to Joel Katz, a Baltimore telemarketer, and starting in 1999, lent money to Katz to fund a program that offered a credit card or extension of credit to consumers, for prices ranging from \$49.95-\$149.95. Rather than providing an actual credit card to consumers as suggested in the phone calls, the telemarketing company allegedly sent consumers lists of banks to which they could apply for credit, a coupon book, and a CD rom.

When Katz did not make sufficient payments on his loans to Four Star, Cohn and Four Star allegedly became more involved in the telemarketing program and eventually effectively removed Katz, continuing, however, to market the same program to consumers. Cohn and Four Star allegedly concealed their interest in the program. The program allegedly defrauded more than 31,000 consumers of over \$3.6 million.

Three other defendants have pleaded guilty to mail or wire fraud, and four defendants, including Mark Cohn, Four Star, and Joel Katz, were convicted at trial. The defendants have received sentences ranging from 10 to 97 months in prison.

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