



Fraud Discovery Institute Inc. Releases Rebuttal To Lennar Responses Through New YouTube Video, New Evidence Including A Certified Appraisal Review

Jaffe home value rendered "untrue" by expert and conclusion supported by pictures of comps used to justify materially inflated value

For Immediate Release

SAN DIEGO/EWORLDWIRE/Jan. 23, 2009 --- The Fraud Discovery Institute Inc. (FDI) today released the beginning of its official rebuttal to the Lennar Corporation's (NYSE:LEN) responses to FDI's initial "Top 10 Red Flags For Fraud." A new YouTube video corroborated by multiple documents - including a certified appraisal review - debunks Lennar Corporation's assertions on four key issues:

1. "Jaffe" appraisal stating the value of his home at the time of the \$5,000,000 3rd trust deed loan is grossly exaggerated and crumbles under expert scrutiny
2. The loan note released in association with the \$5,000,000 transaction mysteriously filed last week - more than six months after the note was signed
3. Stuart Miller's response that, "At the end of the day, it's a venture (LandSource) where all venture partners lost - and have lost," totally rebutted
4. Joint venture earnings manipulation exposed by comparing similar Lennar projects performed at the same time

"The sad reality here is that the company's public responses to our original assertions have dug them in a deeper hole of deceit," said Barry Minkow, co-founder of the Fraud Discovery Institute Inc. By digging themselves deeper in the "hole," Minkow is referring in part to the appraisal review performed by an expert who is not only an appraiser familiar with the Orange County area but is also qualified to instruct other appraisers on the Uniform Standards of Professional Practice.

Minkow points out that the appraiser states in his report, now available on Lenn-ron.com ('<http://www.lenn-ron.com>'), about the Jaffe appraisal, that: "The net result of not adjusting the sales with really superior sites (#1 and #2) and overadjusting the properties with more similar sites (#3 and #4) is to grossly exaggerate that 'most probable price' to which the Definition of Market Value used in this appraisal refers. In doing so, several of the Certifications asserted on pages 5 and 6 of the report have been rendered untrue, thus degrading the credibility of the appraisal report beyond reasonable use." He later adds: "Likewise, the Cost Approach asserts a site value of \$15,000,000, without any support in the report or in the market data. The result of this overstated site value opinion is to make the cost approach dovetail in with the overstated value conclusion via Sales Comparison. Indeed, there is no indication among these data that this property is worth more than the \$9,000,000 - \$10,000,000."

According to Minkow, "This overstated value is critical because the whole is equal to the sum of its parts. That is, if the COO of the nation's second largest builder would get a loan using a grossly overinflated appraisal, then it is not difficult to understand why the FDIC receiver is currently suing Lennar Corporation's lending entity UAMC in Arizona for mortgage fraud utilizing similar techniques."

The Fraud Discovery Institute Inc. will continue to release new evidence incrementally now that the company was victorious in a San Diego court this past Wednesday in defeating Lennar's attempt to silence its communications. "The only thing more troubling than the over appraised property is the suspicious filing last week of the note supporting the troubling transaction more than six months after the documents were signed by Mr. Jaffe," Minkow added.

To view the report, visit [Lenn-ron.com](http://www.lenn-ron.com) ('<http://www.lenn-ron.com>').

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