
Troubles mount for N.J. Assemblyman Robert Schroeder



By [Statehouse Bureau Staff](#)

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By [Jarrett Renshaw](#) and [Christopher Baxter](#)/[The Star-Ledger](#)

TRENTON — The troubles facing [state Assemblyman Robert Schroeder](#) mounted yesterday as details emerged about a trail of unpaid loans and his ties to a bankrupt New York real estate company that has been described in court papers as "little more than a Ponzi scheme."

Adding to Schroeder's woes, two Bergen County men claimed in court papers filed in state Superior Court last month they lent the Republican lawmaker more than \$1.7 million from April 2011 to March 2012 but were never repaid.

The two men, Philip LaBossiere and Joachim Costagliola, are seeking \$2.7 million in principal and damages from Schroeder and his company, All Points International Distributors of Hillsdale, a military contractor.

In addition, Schroeder failed to list the loans from LaBossiere and Costagliola on his 2011 legislative financial disclosure form as required by state law — the latest of several omissions reported by The Star-Ledger.

LaBossiere and Costagliola declined to comment.

The suit is one of several filed in recent years against Schroeder and his many businesses for unpaid loans, bills and taxes.

Schroeder, a Washington Township resident who was elected to the Assembly in 2010, was charged last week by the state Attorney General with writing nearly \$400,000 in bad checks to two unidentified investors.

The charges, in turn, have led to new information about the embattled lawmaker's business dealings.

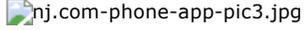
In a separate matter, a group of investors claimed in federal court in New York last September they were cheated by three New York businessmen who solicited \$60 million to gamble on risky real estate ventures, including a 2006 transaction involving Schroeder.

Fred Stevens, an attorney for the investors, said in papers filed in U.S. District Court for the Southern District of New York, that the company, FKF 3 LLC, was "little more than a Ponzi scheme" in which the men continued to borrow money from any willing investor.

According to federal court records, FKF 3 loaned \$1.45 million to Schroeder and one of his companies, Diane Roberts LLC, in 2006, which the lawmaker incorporated with a business partner. The purpose of the investment, the court papers said, was developing a plot of land in Dover Township, Ocean County.

Under the terms of the loan, Schroeder guaranteed repayment and put up four properties he owned, with an assessed value of \$1.89 million, as collateral, the court records show. At one point, the records show he was paying a 15 percent interest rate and was charged \$60,000 for making a late payment.

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In 2009, Schroeder stopped paying FKF 3 directly and began writing checks to one of the company's principles, John Magee, according to court documents. From February 2009 to July 2010, Schroeder paid Magee \$1.339 million, records show, even though the money was owed to FKF 3 and its investors.

In July 2010, the investors filed suit to force FKF 3 into bankruptcy.

Three days after the filing, court records show, Magee agreed to release the mortgages that FKF 3 held on Schroeder's four properties as collateral.

The investors of FKF 3 now claim Magee had no right to release the mortgages because they say they are part of the bankruptcy.

An attorney for Magee did not return a telephone message seeking comment.

Stevens, the attorney for the investors, said that if his clients were successful in reclaiming Schroeder's four properties, the lawmaker could either pay the balance owed or the properties could be foreclosed on.

Complicating matters for Schroeder, he failed to list the original loan from FKF 3 to his company, Diane Roberts LLC, as well as his ownership stake in the company, on his 2009 financial disclosure form.

An attorney Schroeder, Michael Critchley, did not return a call seeking comment.

Star-Ledger staff writer Amy Brittain contributed to this report.

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