



INVENTORY ⓘ 795,212 ▼ 22,085 30-YR FIXED ⓘ 6.34% ▼ 0.01% 10Y TREASURY ⓘ 4.17% ▲ 0.03%



Legal | Mortgage ⌚ 3 minute read

## CrossCountry challenges court order in Gallo mortgage fraud case

CrossCountry Mortgage aims to recover a \$2.1 million bonus from former LO Christopher Gallo

December 9, 2025, 2:50pm by [Sarah Wolak](#)

News > Legal

### Article Summary

CrossCountry Mortgage is seeking to intervene in Christopher Gallo's criminal case to vacate a court order that blocked its arbitration claim. The company aims to recover a

\$2.1 million sign-on bonus, arguing the dispute is separate from Gallo's criminal charges.

*AI Summary*

---

 [Gift unlocked article](#)

**CrossCountry Mortgage** (CCM) filed a motion last week as it seeks to intervene in the criminal case against former loan officer Christopher Gallo, and to vacate a November court order that blocked the company's arbitration claim against the former employee.

National Mortgage News first reported the legal action.

According to the Dec. 3 filing, the Cleveland-based lender is asking the court to let it intervene to challenge the stay and allow the process from the **American Arbitration Association** (AAA) to move forward. CrossCountry's lawyers also point to a recent **Third Circuit Court of Appeals** ruling that questions the government's authority in seeking such an injunction.

Also in the motion, CrossCountry's attorneys say the company paid Gallo a \$2.1 million sign-on bonus in 2023 with a contractual agreement requiring repayment if he left the company within 36 months.

Gallo, who faces federal mortgage fraud charges, previously worked for **NJ Lenders Corp.**, where he was a top producer. He and his assistant, Mehmet A. Elmas, were charged by the **Department of Justice (DOJ)** in April 2024 for falsifying loan documents from 2018 through late 2023.

In October 2024, Gallo and Elmas were indicted by a federal grand jury on one count of conspiracy to commit bank fraud, eight counts of bank fraud, eight counts of false statements to a financial institution and one count of aggravated identity theft.

Due to Gallo's criminal charges, he was terminated by CrossCountry before the 36-month period.

"The termination was premised entirely on the presence of the allegations of fraud and Mr. Gallo's indisputable arrest and criminal complaint against him," CrossCountry's filing states.

As a result, CrossCountry sent Gallo a letter demanding repayment of the sign-on bonus, which he has reportedly not complied with. CrossCountry filed for arbitration with the AAA to recover the funds and argues that the court lacked authority to stay the arbitration.

CrossCountry told **HousingWire** it does not comment on legal matters.

In an emailed statement, Gallo's attorney, Michael S. Weinstein of **Cole Schotz**, called the filing "unfortunate."

"It is unfortunate that CCM filed its recent Intervention pleading seeking to undo what a Federal Judge has said was a reasonable pause in the outside arbitration demand filed by CCM against Mr. Gallo," Weinstein wrote.

"CCM's Intervention filing is unique, and disfavored. Other Courts who, when examining this type of issue have ruled for a defendant and permitted him, rightly, to focus on the criminal proceedings as priority number one. Mr. Gallo will be filing a strong opposition this week.

"CCM waited 18 months to pursue potential claims against Mr. Gallo so the rush now to get that moving makes little sense," he added. "CCM also seems to suggest that a defendant's Constitutional Rights are not as important as the strictly financial claim they seek. I think they will find Federal Judges think quite differently."

Gallo and the U.S. government jointly asked the court to block the arbitration, according to the filing. CrossCountry claims it was not copied on the letter and "was thus given no opportunity to respond or object to the requested stay."

CrossCountry argues the dispute is simply about repayment of a bonus, not the criminal case, and should proceed under an agreement specifying arbitration in Ohio, where the company is headquartered.

If the motion succeeds, CrossCountry could move ahead with its \$2.1 million bonus claim. If the stay remains, arbitration would be delayed until the criminal case wraps up, potentially pushing resolution into 2026.

More: [CrossCountry Mortgage](#) [Lawsuit](#) [Mortgage Fraud](#) [New Jersey](#)



About **Sarah Wolak**

Sarah Wolak is a mortgage reporter at HousingWire. Previously, she was a writer at National Mortgage Professional, where she produced podcasts, anchored news segments, and contributed to several trade publications. Her work has also appeared in Modern Luxury, Voice of America, and The Day Publishing Company.

[see full bio](#)

## Leave a Reply

Logged in as Sarah Wolak. [Edit your profile](#). [Log out?](#) Required fields are marked \*

**Comment \***

**Post Comment**

### Most Popular Articles



### Latest Articles



**FirstClose partners with Stewart to enhance home equity services**

## Optimal Blue names new CFO and CRO

Optimal Blue promotes Lanny Rogers III to chief financial officer and Jeremy Moreno to chief revenue officer, signaling strategic growth.

---

U.S. mortgage delinquencies steady at 3% in September

---

The 5 Best Real Estate Schools in Washington, D.C. for 2026

---

Refinance surge boosts mortgage application activity

---

AFSA reports negative Q3 credit conditions

---

Fed rate cut unlikely to drive mortgage rates lower

---

FirstClose partners with Stewart Lender Services to expand home equity offerings, including integrated title, valuation and closing services.

---

The 5 best real estate schools in Washington, D.C. for 2026 🔒

---

The best 6 online real estate schools in Virginia for 2026 🔒

---

eXp Realty promotes two executives to C-suite 🔒

---

VA lending took a sharp upturn in 2025 🔒

---

Refinance surge boosts mortgage application activity 🔒

---

## HW Media

Altos Research

HousingWire

RealTrends

Reverse Mortgage Daily

## Community

Events

The Gathering

## Advertise With HW

Digital Advertising

HW Content Studio

Download Rate Card

## Company

About HousingWire

Enterprise Subscription

Contact Us

Licensing & Reprints

Jobs

Press



© 2006–2025 HW Media, LLC. All rights reserved.

Site by Trew Knowledge.

Powered by WordPress VIP

[Privacy Policy](#)

[Do Not Sell or Share My Personal Information](#)