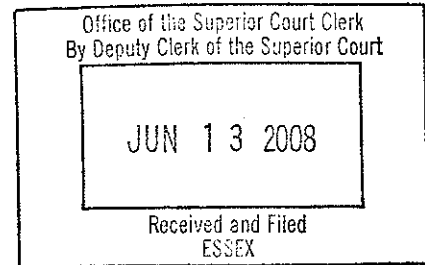


ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Division of Law
Hughes Justice Complex
25 Market Street
P.O. Box 112
Trenton, New Jersey 08625-0112
Attorney for Plaintiffs

By: James R. Michael
Megan Lewis
Deputy Attorneys General
Tel.: (609) 984-3105



SUPERIOR COURT OF NEW JERSEY
LAW DIVISION - ESSEX COUNTY
DOCKET NO.:

ANNE MILGRAM, Attorney General of the State
of New Jersey, and DAVID SZUCHMAN,
Director of the New Jersey Division of
Consumer Affairs,

Plaintiffs,

v.

A&E MORTGAGE COMPANY, L.L.C., aka
COLONY FINANCIAL SERVICES, L.L.C.,
DARRIN JENNINGS, YVONNE STRICKLAND,
WAYNE CARLESS, REGINALD PRICE,
COMPLETE TITLE, L.L.C., NICHELLE
JENNINGS, PREMIER REAL ESTATE
APPRAISAL SERVICES, INC., DARRYL C.
HAYMON, HAMMOND APPRAISAL SERVICE,
L.L.C., ADRIENNE ALI, DANIEL ISTWELE,
NOVLET LAWRENCE aka NOVLET
LAWRENCE-HOO, WILLIAM SORIANO,
LG'S BUSINESS SERVICES, L.L.C.,
ELIZABETH GREENLEE, JOHN AND JANE
DOES 1-10, individually and as owners, officers,
directors, shareholders, founders, managers, agents,
servants, employees, representatives and/or
independent contractors of A & E MORTGAGE
COMPANY, L.L.C., COMPLETE TITLE, L.L.C.,
and XYZ CORPORATIONS 1-10,

Civil Action

COMPLAINT

Defendants.

:
:
:

Plaintiffs Anne Milgram, Attorney General of the State of New Jersey (“Attorney General”), with offices located at the Hughes Justice Complex, 25 Market Street, Trenton, New Jersey, and David Szuchman, Director (“Director”) of the New Jersey Division of Consumer Affairs, with offices located at 124 Halsey Street, Seventh Floor, Newark, New Jersey, allege as follows:

PRELIMINARY STATEMENT

Defendant A&E Mortgage Company, L.L.C. (“A&E Mortgage”) is a mortgage broker that is in the business of obtaining residential mortgage loans. A&E Mortgage has engaged in a variety of unlawful schemes designed to take advantage of unsophisticated and financially distressed consumers in order to increase its own profits. A&E Mortgage has placed customers in predatory loans, based on misrepresentations and falsified information, which it knew the customers could not afford, for the sole purpose of increasing its own fees and commissions. In the guise of foreclosure rescue, A&E Mortgage has arranged transactions for its customers that, rather than assist them in keeping their homes, resulted in the loss of their homes as well as any remaining equity in the home. A&E Mortgage has also taken part in “inflated-sale-and crash” schemes by brokering mortgage loans based on inflated property values, falsified application information, and fraudulent appraisals. In each scheme, A & E Mortgage and its associates used the proceeds from these loans for its own purposes. A&E Mortgage conspired with other entities and individuals to arrange these fraudulent transactions in order to obtain excessive and unwarranted profits and fees and commissions for itself and others. Defendants’ conduct constitutes multiple violations of the Consumer Fraud Act, as well as a pattern of racketeering activity within the meaning of New Jersey’s Racketeer Influenced and

Corrupt Organizations ("RICO") statute and the Credit Repair Organizations Act ("CROA").

JURISDICTION AND THE PARTIES

1. The Attorney General is charged with the responsibility of enforcing the Consumer Fraud Act ("CFA"), N.J.S.A. 56:8-1 et seq. The Director is charged with the responsibility of administering the CFA and its attendant regulations on behalf of the Attorney General.

2. The Attorney General is also authorized by N.J.S.A. 2C:41-4(b) to proceed by way of civil action in Superior Court for violations of N.J.S.A. 2C:41-2, New Jersey's Racketeer Influenced and Corrupt Organizations ("RICO") statute.

3. Defendant A & E Mortgage Company L.L.C.. ("A&E Mortgage"), aka Colony Financial Services, L.L.C., is a company formed under the laws of the State of New Jersey, having a principal place of business at 1480 Route 9 North, Suite 304, in Woodbridge, New Jersey. A&E Mortgage previously operated out of offices located at 1123 Drake Avenue in Roselle Park, New Jersey. A&E Mortgage is licensed as a mortgage broker by the New Jersey Department of Banking and Insurance, and is the business of obtaining residential mortgage loans for its customers.

4. Defendant Darrin Jennings is the president of A&E Mortgage and is responsible for its daily operations. He is also a licensed by the New Jersey Department of Banking and Insurance as a Licensed Mortgage Broker. Defendants Yvonne Strickland, Wayne Carless and Reginald Price are employees or agents of A&E Mortgage, and are responsible for obtaining mortgage loans for A&E Mortgage's customers. Defendants Strickland and Carless are licensed mortgage solicitors by the New Jersey Department of Banking.

5. Defendant Complete Title, L.L.C. is a company formed under the laws of the State of New Jersey, having a principle place of business at 1460 Route 9 North, Suite 303 in Woodbridge,

New Jersey. Complete Title, L.L.C. is in the business of obtaining title insurance and conducting real estate closings. Defendant Nichelle Jennings is the Chief Executive Officer and Registered Agent for Complete Title, L.L.C. Darrin Jennings is the previous registered agent of Complete Title, L.L.C. Nichelle Jennings is the wife of Darrin Jennings.

6. Defendant Premier Real Estate Appraisal Service, L.L.C. is a company formed under the laws of the State of New Jersey, having a principal place of business at 121 Woodland Drive, Toms River, New Jersey. Premier Real Estate Appraisal Service, L.L.C. is in the business of conducting residential real estate appraisals. Defendant Darryl C. Haymon is a licensed real estate appraiser who is affiliated with Premier Real Estate Appraisal Service.

7. Defendant Hammond Appraisal Service, L.L.C. is a company formed under the laws of the State of New Jersey, having a principal place of business at 1406 Walnut Street in Burlington, New Jersey. Hammond Appraisal Service, L.L.C. is in the business of conducting residential real estate appraisals. Defendant Adrienne Ali is a licensed real estate appraiser who is affiliated with Hammond Appraisal Service.

8. Defendant Daniel Isiwele maintains a mailing address of 1710 Edmund Terrace, Maplewod, New Jersey, and has participated in real estate transactions with A&E Mortgage and Complete Title.

9. Defendant Novlet Lawrence-Hoo, aka Novlet Lawrence, maintains a mailing address of 3 Abraham Road, Whitehouse Station, New Jersey, and has participated in real estate transactions with A&E Mortgage and Complete Title. Upon information and belief, Lawrence is married to David Hoo, who is an employee of A&E Mortgage. Lawrence is also a licensed attorney in the State of New Jersey.

10. Defendant William Soriano is an attorney licensed to practice law in the State of New Jersey, and maintains an office at 75 Eisenhower Parkway, Roseland, New Jersey, and has participated in real estate transactions with A&E Mortgage and Complete Title.

11. Defendant LG's Business Services L.L.C. is a company formed under the laws of the State of New Jersey, having a principal place of business at 277 Glenwood Avenue in Bloomfield, New Jersey. LG's Business Services in the business of providing legal and business referrals to its clients. Defendant Elizabeth Greenlee is the President of LG's Business Services.

GENERAL ALLEGATIONS COMMON TO ALL COUNTS

12. A&E Mortgage maintains a website that is used to market its services to customers. The website states that the company "offers custom solutions for every residential mortgage financing situation." It also states that "[w]hatever your residential financing needs, we will tailor a loan that's right for you." It further states that "[o]ur caring, well trained professionals will give you the attention you deserve and the solutions you need."

Florine Williams

13. In June of 2006, Florine Williams, who did not finish high school and has been employed as a nurse's aide and home care attendant, fell behind on her mortgage payments and feared foreclosure. At the time, Williams had a mortgage balance of approximately \$259,000 on her home in Bloomfield, New Jersey. She visited Defendant LG's Business Services in Bloomfield, New Jersey and spoke to LG's President, Elizabeth Greenlee. Greenlee stated that she knew someone who could help Williams with refinancing, and referred Williams to Defendant Carless of A & E Mortgage. Upon information and belief, Greenlee received a fee for this referral.

14. Williams received a call from Carless, who said he had been referred by Greenlee.

Carless informed Williams that he had researched her situation, and that he could help her to obtain new financing. Carless said that her best option was a "quick sale," and that he could arrange for someone to act as a temporary holder of the title to her property so that she could repair her credit and obtain refinancing. Carless guaranteed that following the transfer of her property to a third party, he would assist her in obtaining the financing needed to reacquire her home within twelve months. Carless mentioned that Defendant Novlet Lawrence-Hoo was willing to act as the holder of the property. Williams stated to Carless that she needed her monthly payment to be under \$3,000 per month, and Carless replied that that should not be a problem.

15. Shortly after her conversation with Carless, Williams received a telephone call from Defendant William Soriano, who said that he had been contacted by Carless and had papers for Williams to sign. The following day, Carless took Williams to Soriano's office where Soriano gave her a real estate contract and an addendum to that contract. Lawrence-Hoo had already signed the agreements prior to the agreements being provided to or discussed with Williams. Soriano did not explain the contracts in any detail, but instead told Williams that he had done several of these deals in the past to help individuals keep their homes. He directed Williams to sign the contracts to put the transaction into effect that would save her home, and Williams complied. Soriano did not give Williams copies of the contracts.

16. The real estate contract discussed in paragraph 15, supra, called for Williams to sell her home to Lawrence-Hoo for the purchase price of \$350,000.00, to be financed by a mortgage of \$315,000 and \$35,000.00 cash to be paid from the buyer, Lawrence-Hoo, to the seller, Williams. The contract addendum provided for Williams' use and occupancy of the property for a period of twelve (12) months, with each month Williams being required to forward payment to Lawrence-Hoo

in an amount equal to the mortgage principle and interest, taxes and insurance for the property. Under the agreement, Williams was also responsible to pay all utilities and costs of repair for the premises. In addition to these payments, twelve months worth of payments were to be placed in escrow at the time of the sale to be returned to Williams upon her repurchase of the property. The addendum provided that Williams could repurchase the property within a 12-month period, and set the repurchase price at \$350,000, which was more than \$91,000 more than Williams owned on her current mortgage. It also called for Williams to make a payment of \$18,000.00 to Lawrence-Hoo at closing as consideration for her purchasing the premises to avoid foreclosure. The addendum further called for Williams to vacate the property after 12 months if she did not repurchase the property by that time.

17. Plaintiff was later contacted by Defendant Carless, who advised her that her home had been appraised at \$390,000.00. Carless also said that Defendant Lawrence-Hoo was concerned about coming up with the cash down payment required by the sales contract, and suggested that Williams speak with Lawrence-Hoo. Williams went to Lawrence-Hoo's office in East Orange, where they discussed Lawrence-Hoo's submission of the down payment. A couple of days later, Lawrence-Hoo showed Williams a check made payable to Williams in the amount of \$32,000.00, that had the notation "deposit 28-30 Second St. Bloomfield, N.J." which she said was for the down payment. Lawrence-Hoo asked Williams to endorse the check and return it to Lawrence-Hoo, which Williams did. Lawrence-Hoo advised Williams that Soriano would hold the check. Carless contacted Williams later that day to make sure that Williams had endorsed the check back to Lawrence-Hoo.

18. A&E Mortgage arranged for financing from New Century Mortgage Company for

Lawrence-Hoo in connection with the transaction. In applying for the mortgage loan on Lawrence-Hoo's behalf, A&E Mortgage indicated that the down payment for the sale had come from her personal checking and savings accounts, when in reality there was no deposit provided to Williams since she had endorsed the purported down payment check back to Lawrence-Hoo. When questioned by New Century Mortgage Company about the source of the down payment, Lawrence-Hoo falsely indicated that the funds came from an outstanding "loan" that had been repaid to her.

19. A&E Mortgage also arranged for Defendant Darryl C. Haymon of Premier Real Estate Appraisal Services to conduct an appraisal of the property in connection with the transaction. Haymon appraised the property at \$350,000.00 in order for A&E Mortgage to complete the transaction. Upon information and belief, the these appraisals was inflated in order to complete the financing arrangements A&E Mortgage and the other Defendants sought, rather than on a proper valuation of the property. A&E Mortgage submitted the fraudulent appraisal to New Century Mortgage in support of Lawrence-Hoo's mortgage application.

20. On June 28, 2006, Carless contacted Williams and advised that the closing would take place that day. Carless took Williams to the offices of A&E Mortgage after 5:30 P.M. on June 28 for the closing. Soriano gave Williams a Deed and the HUD-1 Settlement Statement to sign, which she did. Defendant Complete Title, L.L.C. acted as the closing agent for the transaction. At the closing, Williams questioned Carless as to what her new payments would be. Carless told her the payments would be \$3,500.00 per month. Williams reminded Carless that she told him that she needed her monthly payments to be less than \$3,000.00. Carless advised Williams that the transaction was now too far along to stop now. Williams agreed to proceed based on Carless' representation that he would assist her in refinancing in a few months.

21. According to the Settlement Statement, the contract sales price was \$350,000.00, with a "Seller's Concession" of \$16,351.82 to pay toward closing costs. No one had discussed the concept of a "seller's concession" with Williams prior to the closing. New Century Mortgage Company, relying on the representation made in Lawrence-Hoo's loan application, provided Complete Title with the loan proceeds to complete the closing, along with a commission for A&E Mortgage for brokering the loan. According to the Settlement Statement, A&E Mortgage received a total of \$16,200.00 in fees and commissions in connection with the transaction as follows: \$9,450.00 as a "Broker Discount Fee," \$450.00 for an application fee, and \$6,300.00 for a Yield Spread Premium. A&E Mortgage was also reimbursed \$500.00 for the appraisal fee. Complete Title, L.L.C. received a total sum of \$2,534.00, and Soriano received \$1,500.00. The Settlement Statement lists Williams as having received \$32,989.16 in cash, although Williams never received this sum.

22. Williams did not receive copies of any documents at the closing, and subsequently contacted Soriano in an attempt to obtain copies. Williams finally received a copy of the Settlement Statement on July 19, 2006, which indicated that she was to receive \$32,989.16 as part of the closing. She attempted to contact both Soriano and Carless to ascertain when she would be receiving these proceeds. Carless contacted Williams, and advised that all but \$7,400.00 from the closing had been used as part of the closing. Carless arranged to meet Williams at a Commerce Bank branch on Bloomfield Avenue, where he had Williams cash a check made payable to her from Complete Title in the amount of \$7,402.16. From these proceeds, Carless took \$4,000.00 to be used to pay Lawrence as a security deposit on the home, and \$2,000.00 for Greenlee's fee. Carless also took \$800.00, purportedly as his fee for restoring Williams' credit. After cashing the \$7,402.16 check,

Williams was left with approximately \$400.00. Carless then complained to Williams about his personal financial troubles, and took another \$200.00 from Williams' remaining \$400.00.

23. Williams began making monthly payments of \$3,500.00 to Lawrence-Hoo in August of 2006. In October 2006, Lawrence-Hoo advised Williams that the monthly payments would increase to \$3,860.00 to accommodate the costs of flood insurance. Williams asked Lawrence-Hoo to provide documentation showing the basis for the increased monthly charges that she was paying. When Lawrence-Hoo failed to provide any such documentation, Williams stopped making the monthly payments in December 2006.

24. During this period, Williams tried without success to contact Carless to determine whether he had made any progress on restoring her credit. Williams obtained her credit report, which revealed that Carless has done nothing to change the report.

25. On March 1, 2007, Williams contacted Lawrence-Hoo to attempt to reacquire the property, but Lawrence did not respond. On April 6, 2007, Lawrence-Hoo served Williams with summons and complaint for eviction for non-payment of rent.

John Martin

26. John Martin was introduced by an acquaintance to Defendant Daniel Isiwele, who advised Martin that he had properties that Martin could purchase as investments. Isiwele said he had three properties he could sell Martin with no money down and that Martin could also receive \$36,000.00 at closing for use for repairs or mortgage payments. Isiwele said that if Martin was interested, he should go to see Defendant Yvonne Strickland at A&E Mortgage to arrange for financing.

27. As instructed by Isiwele, Martin contacted Strickland in August of 2006. Strickland

gave Martin blank contracts to sign to start the transactions, which Martin signed. Martin also provided Strickland with his personal financial information so that Strickland could arrange for financing for Martin to purchase three properties identified by Isiwele: 32 Seymour Avenue in Newark; 29 Palm Street in Newark and 179 Oakwood Place in Orange, New Jersey. Martin asked Strickland if he would need an attorney for the transactions, and was told that he would not.

28. Strickland completed three separate loan applications, one for each of the three properties to be purchased. Strickland then forwarded each of the loan applications to three different lenders (BNC Mortgage Corporation, Argent Mortgage Company and CIT Group), without informing any of the three lenders of the existence of the other two applications. Strickland also listed on each of the applications that Martin would be residing in the property as his primary residence, despite the fact that Martin did not intend to occupy any of the three properties. On the application submitted to the CIT Group for the 32 Seymour Avenue property, Strickland listed Martin's income as \$5,200.00 per month, while on the applications to BNC and Argent for the other two properties she listed Martin's income as \$8,000.00 per month. The most income Martin has actually made in any month is \$2,800.00. Strickland also listed on each application that Martin had bank accounts valued at \$10,000.00 and \$15,000.00, and other tangible property valued at \$40,000.00, all of which was false. Isiwele also provided a statement that was submitted with the application to BNC that a tenant at the 29 Palm Street property was paying \$1,400.00 per month in rent. In reality, the tenant at 29 Palm Street was paying \$800.00 per month in rent.

29. Despite Martin appearing to have sufficient income and credit history to qualify for financing in the prime market, for each property Strickland applied on behalf of Martin for a high-cost subprime adjustable rate mortgage, beginning at 9% interest. Martin was subsequently approved

for loans on each of the three properties.

30. Strickland arranged for Adrienne Ali of Hammond Appraisal Services, L.L.C. to conduct appraisals of each of the three properties. Despite the fact that Isiwele just purchased the property at 32 Seymour Avenue the prior year for \$227,879.00, Ali appraised the property at \$320,000.00. Despite the fact that Isiwele purchased the property at 179 Oakwood Place in November 2003 for \$200,000, Ali appraised the property with a value of \$305,000. Ali appraised the property at 29 Palm Street with a value of \$295,000.00 . Upon information and belief, each of the these appraisals was inflated in order to complete the financing arrangements Strickland and Isiwele sought, rather than on the basis of a proper valuation of the property. Strickland forwarded the inflated appraisals to the lenders in support of Martin's loan applications.

31. Complete Title, L.L.C. acted as the closing agent for each of the three sales transactions. The sale of 29 Palm Street closed on September 28, 2006. The purchase price was \$295,000.00, which was also the amount of the loan Strickland arranged for Martin from BNC Mortgage Inc. The Settlement Statement also lists a "Seller's Concession" of \$12,287.83. BNC provided the loan proceeds to Complete Title to complete the closing, along with a commission for A&E Mortgage for brokering the loan. A&E Mortgage was paid fees and commissions of \$9,300.00 in connection with the closing of the transaction. Complete Title, L.L.C. received \$2,541.00 in connection with the closing. Ali received \$400.00 for conducting the appraisal.

32. The sale of 179 Oakwood Place closed on September 29, 2006. The purchase price was \$305,000.00, which was also the amount of the loan Strickland arranged for Martin from Argent Mortgage Company. The Settlement Statement also lists a "Seller's Concession" of \$16,261.59. Argent Mortgage Company provided the loan proceeds to Complete Title to complete the closing,

along with a commission for A&E Mortgage for brokering the loan. A&E Mortgage was paid fees and commissions of \$9,600.00 in connection with the closing of the transaction. Complete Title, L.L.C. received \$2,407.00 in connection with the closing. Ali received \$400.00 for conducting the appraisal.

33. The sale of 32 Seymour Avenue closed on October 2, 2006. The purchase price was \$320,000.00, which was financed with a loan in the amount of \$304,000.00 from the CIT Group. The Settlement Statement also lists a "Seller's Concession" of \$19,200.00. The CIT Group provided the loan proceeds to Complete Title to complete the closing, along with a commission for A&E Mortgage for brokering the loan. A&E Mortgage was paid fees and commissions of \$10,617.29 in connection with the closing of the transaction. Complete Title, L.L.C. received \$2,190.00 in connection with the closing. Ali received \$400.00 for conducting the appraisal.

34. Shortly after closing on the loans, Martin learned that Isiwele had understated to him the amounts of rent coming from the three properties. Martin subsequently fell behind in his mortgage payments on each of the properties. Martin has lost one of the properties to foreclosure, and is negotiating for short sales of the other two properties to avoid foreclosure.

Geneva Holiday

35. Ayshea Salaam was the owner of the property at 63 Hobson Street in Newark, New Jersey, but in late 2004 was about to lose the property in a Sheriff's Sale. Geneva Holiday expressed an interest in buying the property from Salaam prior to the Sheriff's Sale. Salaam referred Holiday to A&E Mortgage, where she spoke to Reginald Price, an employee of A&E Mortgage.

36. Price obtained Holiday's personal financial information in order to obtain financing with which to purchase the property. On November 4, 2004, Holiday was presented with a "Good

Faith Estimate” by A&E Mortgage of the costs she would incur in connection with the loan A&E was to obtain for her. The Good Faith Estimate indicated that Holiday would receive a fixed-rate loan with a 6.45 % interest rate. Subsequent to the issuance of the Good Faith Estimate, Price submitted a loan application on Holiday’s behalf for a “stated income” loan (a higher cost loan that did not require documentation of income), despite the fact that Holiday had documentation of her income. Price also listed Holiday as being “unmarried” on the loan application, even though Holiday had informed Price that she was married. At closing, Holiday found out that the loan that Price had found for her was an adjustable rate loan starting at 8.99%, rather than the lower-interest fixed-rate loan Price had originally stated that Holiday would receive. Since she felt that she had to complete the transaction at the closing, Holiday went ahead with the closing of the loan.

37. Complete Title, L.L.C. acted as the closing agent for the transaction of 63 Hobson Street, which closed on December 30, 2004. The purchase price was listed on the Settlement Statement as \$250,000, with a “Seller’s Concession” of \$12,298.34. A&E Mortgage received fees and commissions totaling \$7,312.50 in connection with the closing of the loan. Complete Title, L.L.C received \$2,085.00 in connection with the closing of the transaction.

38. Because of the high cost of the loan obtained by A&E Mortgage, within a year’s time Holiday was forced to refinance her home, incurring thousands of dollars in additional closing costs to do so.

Renee Evelyn

39. Renee Evelyn contacted A&E Mortgage in or around May of 2007 to obtain financing for a home that she wanted to purchase at 9 Heather Way in Sayerville, New Jersey. Dawn Fischer of A&E Mortgage provided Evelyn with a Good Faith Estimate of the costs of her anticipated loan.

The Good Faith Estimate indicated that she would receive a \$275,000 loan with an interest rate of 6.375%. The Good Faith Estimate provided that Evelyn would pay a loan origination fee of 1% of the loan (or \$2,750.00), but would not have to pay a mortgage insurance premium. Relying on this estimate, Evelyn pursued the loan with A&E Mortgage.

40. On the day her loan was to close, Evelyn was contacted by a representative of Max Title Company, which was the closing agent on the loan, to advise that Evelyn would need to bring an additional \$7,000 in cash for the closing. When Evelyn questioned why this would be the case, since she had already deposited \$6,000 for closing costs, she was advised by the title company that she was scheduled to pay "2 points" for the loan. She was also advised that she was scheduled to pay a mortgage insurance premium. Upon further inquiry, Evelyn learned that she was also scheduled to pay two separate loan application fees. Evelyn attempted without success to reach Dawn Fischer to resolve these issues. Evelyn ultimately persuaded A&E Mortgage to only charge a 1% fee as provided in the Good Faith Estimate, and to remove one of the two loan application fees, but A&E would not remove the mortgage insurance premium. Because Evelyn was required by contract to close on the home sale that day, she felt that she was forced to accept the loan terms obtained by A&E Mortgage and did not have the ability to seek better terms from another company. A&E Mortgage received \$4,468.75 in fees and commissions in connection with the closing.

41. On information and belief, the Defendants have engaged other unsuspecting customers in transactions structured to generate unwarranted income for the Defendants, rather than in the best interests of the customer, and have brokered other loans using false, misleading and fraudulent information in order to obtain loan proceeds from lenders.

COUNT ONE

**VIOLATIONS OF N.J.S.A. 2C:41-1 ET SEQ.
NEW JERSEY CIVIL RICO**

42. Plaintiffs repeat and reallege Paragraphs 1 through 41 as if set forth at length herein.

43. The enterprise, within the meaning of N.J.S.A. 2C:41-1c, is A&E Mortgage, a New Jersey company engaged in the business of brokering residential mortgage loans for customers in New Jersey. At all relevant times, the A&E Mortgage enterprise was engaged in trade or commerce or in activities affecting trade or commerce in connection with the brokering of residential mortgage loans within the State of New Jersey.

44. Defendants Darrin Jennings, Nichelle Jennings, Complete Title, Yvonne Strickland, Wayne Carless, Reginald Price, Premier Real Estate Appraisal Services, Inc., Darryl C. Haymon, Hammond Appraisal Service, L.L.C., Adrienne Ali, Daniel Isiwele, Novlet Lawrence-Hoo, William Soriano, LG's Business Services, L.L.C., and Elizabeth Greenlee are all "persons" within the meaning of N.J.S.A. 2C:41-2(b).

45. Darrin Jennings, Nichelle Jennings, Complete Title, Yvonne Strickland, Wayne Carless, Reginald Price, Premier Real Estate Appraisal Services, Inc., Darryl C. Haymon, Hammond Appraisal Service, L.L.C., Adrienne Ali, Daniel Isiwele, Novlet Lawrence-Hoo, William Soriano, LG's Business Services, L.L.C., and Elizabeth Greenlee were all either employed by or associated with the A&E Mortgage enterprise, and conducted or participated, directly or indirectly, in the conduct of the affairs of the enterprise through a pattern of racketeering activity in violation of N.J.S.A. 2C:41-2c by engaging in crimes under Chapter 20 of Title 2C of the New Jersey Statutes, and fraudulent acts and practices under Chapter 21 of Title 2C of the New Jersey Statutes.

46. The defendants have, among other things, engaged in a pattern of racketeering,

including criminal conduct that has either the same or similar purposes, results, participants or victims or methods of commission or are otherwise interrelated by distinguishing characteristics and are not isolated incidents.

47. The criminal conduct includes (1) theft by deception in violation of N.J.S.A. 2C:20-4; (2) deceptive business practices in violation of N.J.S.A. 2C:21-7h; (3) falsifying records, or uttering any writing or record knowing that it contains a false statement or information, with purpose to deceive or injure anyone or to conceal any wrongdoing in violation of N.J.S.A. 2C:21-4(a); (4) issuing a false financial statement in violation of N.J.S.A. 2C:21-4(b); and (5) engaging in bank fraud in violation of 18 U.S.C. § 1344.

48. The acts undertaken by Defendants in furtherance of the pattern of racketeering activity included, among other things:

- a. Failing to disperse funds from the sale of Williams' home to Williams as indicated on the HUD-1 Settlement Statement;
- b. Stripping Williams of equity in her home as part of an unwarranted sale/leaseback transaction;
- c. Requiring Williams to endorse back checks payable to her in connection with the sale of her home;
- d. Taking fees for credit repair services with no intention of ever performing such services;
- e. Lying to a mortgage lender about the source of funds for a down payment;
- f. Submitting false information regarding income, assets and intent to reside at a property on loan applications to lenders in order to obtain financing for at least four transactions;

g. Accepting commission on mortgage loans which were approved based on fraudulent information and appraisals;

h. Obtaining and creating fraudulent and inflated real estate appraisals and submitting these appraisals to lenders in order to obtain an amount of financing for transactions that lenders would not have otherwise provided; and

i. Taking unwarranted proceeds from mortgage loans on false pretenses.

49. The Defendants received income and proceeds directly from the pattern of racketeering activity.

50. The Defendants have conspired with and amongst themselves and others to violate the provisions of RICO, in violation N.J.S.A. 2C:41-2d.

COUNT TWO

VIOLATIONS OF CFA BY DEFENDANTS (UNCONSCIONABLE COMMERCIAL PRACTICES)

(As to Defendants A&E Mortgage, Nichelle Jennings, Complete Title, Wayne Carless, Reginald Price, Premier Real Estate Appraisal Services, Inc., Hammond Appraisal Service, L.L.C., Daniel Isiwele, Novlet Lawrence-Hoo, LG's Business Services, L.L.C., and Elizabeth Greenlee)

51. Plaintiffs repeat and reallege Paragraphs 1 through 50 as if set forth at length herein

52. The CFA, N.J.S.A. 56:8-2, prohibits:

The act, use or employment by any person of any unconscionable commercial practice, deception, fraud, false pretense, false promise, misrepresentation, or the knowing [] concealment, suppression, or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise or real estate....

53. In the operation of their businesses, Defendants A&E Mortgage, Nichelle Jennings,

Complete Title, Wayne Carless, Reginald Price, Premier Real Estate Appraisal Services, Inc., Hammond Appraisal Service, L.L.C., Daniel Isiwele, Novlet Lawrence-Hoo, LG's Business Services, L.L.C., and Elizabeth Greenlee have engaged in the use of unconscionable commercial practices, false promises, misrepresentations and/or the knowing concealment, suppression or omission of material facts in connection with the sale of merchandise or real estate.

54. Defendants A&E Mortgage, Nichelle Jennings, Complete Title, Wayne Carless, Reginald Price, Premier Real Estate Appraisal Services, Inc., Hammond Appraisal Service, L.L.C., Daniel Isiwele, Novlet Lawrence-Hoo, LG's Business Services, L.L.C., and Elizabeth Greenlee have engaged in unconscionable commercial practices including, but not limited to, the following:

- a. Advising Williams that her only option to keep her home was to take part in a sale/leaseback transaction, when in fact the transaction was structured to prevent Williams from ever being able to regain title to her home;

- b. Advising Williams that she would get assistance in refinancing her property, and never seeking any such refinancing but instead pushing her into the sale/leaseback transaction, which Defendants knew or should have known was structured such that Williams would not be able to repurchase the property;

- c. Assuring Williams that her monthly debt payments would be less than \$3,000 per month if she took part in the sale/leaseback transaction, when Defendants knew or should have known that her payments would be more than \$3,500 per month following the transaction and continue to increase as time went on;

- d. Structuring a transaction that required Williams to pay a fee for losing ownership of her property, but nonetheless requiring her to take on all the liabilities of ownership of the

property as would any homeowner without any of the benefits of home ownership;

e. Refusing to provide customers with copies of sales contracts and other loan documents relevant to their transactions;

f. Inflating appraisals and sales prices for properties in order to obtain a higher loan amount, and associated higher fees and commissions;

g. Falsifying loan documents to obtain financing from lenders to support transactions used to generate unjustified fees and commissions;

h. Conducting a “bait and bump” scheme with customers by advising them of particular loan terms and costs, and then modifying those terms costs and only notifying the customers of the true terms and costs at the closing when the customers are forced to accept the terms without the ability to seek alternative sources of funding.

55. Each unconscionable commercial practice by Defendants A&E Mortgage, Nichelle Jennings, Complete Title, Wayne Carless, Reginald Price, Premier Real Estate Appraisal Services, Inc., Hammond Appraisal Service, L.L.C., Daniel Isiwele, Novlet Lawrence-Hoo, LG’s Business Services, L.L.C., and Elizabeth Greenlee constitutes a separate violation under the CFA, N.J.S.A. 56:8-2.

COUNT THREE

VIOLATIONS OF THE CFA BY DEFENDANTS (FALSE PROMISES, MISREPRESENTATION AND KNOWING OMISSIONS OF FACT)

(As to Defendants A&E Mortgage, Nichelle Jennings, Complete Title, Wayne Carless, Reginald Price, Premier Real Estate Appraisal Services, Inc., Hammond Appraisal Service, L.L.C., Daniel Isiwele, Novlet Lawrence-Hoo, LG’s Business Services, L.L.C., and Elizabeth Greenlee)

56. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 55

above as if more fully set forth herein.

57. In the operation of their businesses, Defendants A&E Mortgage, Nichelle Jennings, Complete Title, Wayne Carless, Reginald Price, Premier Real Estate Appraisal Services, Inc., Hammond Appraisal Service, L.L.C., Daniel Isiwele, Novlet Lawrence-Hoo, LG's Business Services, L.L.C., and Elizabeth Greenlee have made false promises, misrepresentations and/or knowing omission of material fact, including, but not limited to:

a. Promising Williams that a sale/leaseback transaction was her only course to save her home, and that refinancing would thereafter be sought for her, when in fact Defendants never intended to seek refinancing and structured a transaction intended to prevent her from reclaiming title to her property;

b. Promising Williams that her monthly payments would be less than \$3,000 per month if she went ahead with the sale/leaseback transaction, when it knew or should have known that her monthly payments would be higher;

c. Failing to notify parties to a transaction of the existence of a "seller's concession" in agreements;

d. Knowingly failing to notify customers of actual loan terms and closing costs until closing when it is too late for the customers to seek alternative financing, and

e. Promising to repair credit and accepting fees for credit repair services without the intent of ever actually providing such a service.

58. Each false promise, misrepresentation and/or knowing omission of material fact by Defendants A&E Mortgage, Nichelle Jennings, Complete Title, Wayne Carless, Reginald Price, Premier Real Estate Appraisal Services, Inc., Hammond Appraisal Service, L.L.C., Daniel Isiwele,

Novlet Lawrence-Hoo, LG's Business Services, L.L.C., and Elizabeth Greenlee constitutes a separate violation under CFA, N.J.S.A. 56:8-2.

COUNT FOUR

VIOLATION OF CREDIT REPAIR ORGANIZATIONS ACT (15 U.S.C. §1679)

59. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 56 above as if more fully set forth at length herein.

60. The Federal Credit Repair Organizations Act ("CROA"), 15 U.S.C. §1679 et seq., prohibits individuals or entities from accepting fees for credit repair services prior to performing such credit repair services. The CROA further requires individuals or entities that offer credit repair services to provide consumers with a notification of rights under the statute.

61. A&E Mortgage and Carless offered credit repair services to consumers, including Williams, without providing a notification of rights under CROA.

62. A&E Mortgage and Carless accepted fees for credit repair services from Williams prior to performing any such services.

63. By failing to provide a notification of rights under CROA, and accepting fees for credit repair services prior to providing any such services, A&E Mortgage and Carless have violated 15 U.S.C. §1679.

PRAYER FOR RELIEF

WHEREFORE, based upon the foregoing allegations, Plaintiffs respectfully request that the Court enter judgment against Defendants:

- (a) Finding that the acts of Defendants constitute violations of N.J.S.A. 2C:41-2.
- (b) Finding that the acts and omissions of Defendants constitute multiple instances of unlawful practices in violation of the CFA, N.J.S.A. 56:8-1 et

seq.;

- (c) Permanently enjoining Defendants and their owners, officers, directors, shareholders, founders, managers, agents, servants, employees, representatives, independent contractors and all other persons or entities directly under their control, from engaging in, continuing to engage in, or doing any acts or practices in violation of the CFA, N.J.S.A. 56:8-1 et seq., including, but not limited to, the acts and practices alleged in this Complaint;
- (d) Directing that Defendants and their owners, officers, directors, shareholders, founders, managers, agents, servants, employees, representatives, independent contractors and all other persons or entities directly under their control, cease and desist from engaging in, continuing to engage in, or doing any acts or practices in violation of RICO, N.J.S.A. 2C:41-1 et seq., including, but not limited to, the acts and practices alleged in this Complaint;
- (e) Directing the assessment of restitution amounts against Defendants, jointly and severally, to restore to any affected person, whether or not named in this Complaint, any money or real or personal property acquired by means of any alleged practice herein to be unlawful and found to be unlawful, as authorized by the CFA, N.J.S.A. 56:8-8, and RICO, N.J.S.A. 2C:41-4(a)(7);
- (f) Assessing the maximum statutory civil penalties against Defendants, jointly and severally, for each and every violation of the CFA, in accordance with N.J.S.A. 56:8-13, and for each violation of RICO, in accordance with N.J.S.A. 2C:41-4(a)(8);
- (g) Directing the assessment of costs and fees, including attorneys' fees, against Defendants, jointly and severally, for the use of the State of New Jersey, as authorized by the CFA, N.J.S.A. 56: 8-11 and N.J.S.A. 56:8-19, and as authorized by RICO; and
- (h) Granting such other relief as the interests of justice may require.

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By:


James R. Michael

Megan Lewis

Deputy Attorneys General

Dated: Jul 13, 2008

DESIGNATION OF TRIAL COUNSEL

Pursuant to R.4:25-4, James R. Michael, Deputy Attorney General, is hereby designated as trial counsel on behalf of Plaintiffs.

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: _____

James R. Michael
Megan Lewis
Deputy Attorneys General

Dated: _____

June 13, 2008

RULE 4:5-1 CERTIFICATION

I certify, to the best of my information and belief, that the matter in controversy in this action is not the subject of any other action between the parties. I am aware of a private lawsuit brought by Florine Williams against some of the Defendants, which has been resolved by the parties with respect to all Defendants other than William Soriano. I further certify that the matter in controversy in this action is not the subject of a pending arbitration proceeding, nor is any other action or arbitration proceeding contemplated. I certify that there is no other party who should be joined in this action.

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: _____

James R. Michael
Megan Lewis
Deputy Attorneys General

Dated: _____

June 13, 2008