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SUPERIOR COURT/LAW DIVISION

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SUPERIOR COURT OF NEW JERSEY
LAW DIVISION - CAMDEN 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.

ULTIMATE REAL ESTATE SOLUTIONS, L.L.C.,
HALIMAH PRATER, EMPIRE EQUITY GROUP,
INC., dba 1ST METROPOLITAN MORTGAGE
SERVICES, CASSANDRA COLES, FRANK
MEMMO, TMR APPRAISAL SERVICES, INC.,
NLS APPRAISAL SERVICE, INC.
MICHAEL FORDEN,
JOHN AND JANE DOES 1-10, individually and as
owners, officers, directors, shareholders, founders,
managers, agents, servants, employees,
representatives and/or independent contractors of
ULTIMATE REAL ESTATE SOLUTIONS, L.L.C.,
AND EMPIRE EQUITY GROUP, INC. and
XYZ CORPORATIONS 1-10,

Defendants.

Civil Action

COMPLAINT

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 07101, allege as follows:

PRELIMINARY STATEMENT

Defendant Ultimate Real Estate Solutions holds itself out as a business that assists people with credit problems purchase homes. Through its "Rent To Own" program, it promises consumers that they can have their credit repaired and own a home within twelve months. Ultimate also recruits investors, promising that they can make thousands of dollars in the real estate market without any out of pocket costs. In fact, Ultimate set up a scheme in which it used the names and credit scores of "investors" to acquire properties through fraudulent mortgage applications, and then leased these properties to "Rent To Own" consumers, who believed that they would become the owners of the properties. While Ultimate collected the rental payments from rent-to-own customers, it did not pay the mortgages on the properties and allowed the properties to go into foreclosure. The scheme was financed with mortgages brokered by 1st Metropolitan Mortgage Services on the basis of misrepresentations and false information concerning the investor/loan applicant. Ultimate and 1st Metropolitan solicited inflated appraisals from real estate appraisers in order to increase the amount of the loans made by the various mortgage lenders. Ultimately, the rent-to-own customers were evicted despite having made their rental payments. The scheme was developed to enable Ultimate and Prater to take unwarranted proceeds from these transactions, and to allow 1st Metropolitan to collect unwarranted fees and commissions on the fraudulent loans. Defendants' conduct constitutes multiple violations of the Ne Jersey Consumer Fraud Act ("CFA") and the CFA's Advertising

Regulations, 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 ("CORA").

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 Ultimate Real Estate Solutions, L.L.C. ("Ultimate"), is a company formed under the laws of the State of New Jersey, having a principal place of business at 100 North Black Horse, Suites 3C and 3E, in Williamstown, New Jersey.

4. Defendant Halimah Prater is the President and registered agent of Ultimate and is responsible for its daily operations.

5. Defendant Empire Equity Group, Inc., dba 1st Metropolitan Mortgage Services ("1st Metropolitan") is a company formed under the laws of the State of New York, with its main office at 25 Philips Parkway in Montvale, New Jersey. It also maintains an office at 3747 Church Road in Mount Laurel, New Jersey. 1st Metropolitan is licensed as a mortgage broker by the New Jersey Department of Banking and Insurance, and is in the business of obtaining residential mortgage loans for its customers. Defendants Cassandra Coles and Frank Memmo are employees or agents of 1st Metropolitan, and are responsible for obtaining mortgage loans for 1st Metropolitan's customers.

Coles and Memmo are licensed mortgage solicitors by the New Jersey Department of Banking and Insurance.

6. Defendant TMR Appraisal Services, Inc. is a company formed under the laws of the State of New Jersey, with offices at 600 Route 73 North, Suite 8 in Marlton, New Jersey.

7. Defendant NLS Appraisal Services, Inc. is a company formed under the laws of the State of New Jersey, with offices at 742 Twin Rivers Drive North in East Windsor, New Jersey. Defendant Michael Forden is President and registered agent of NLS Appraisal Services, and a licensed real estate appraiser.

GENERAL ALLEGATIONS COMMON TO ALL COUNTS

8. Ultimate maintains a website that it uses to market its services to its customers. The listed services include assistance with purchasing a home with bad credit, credit repair, and assistance with obtaining mortgages. The website lists Ultimate's slogan, "We can help you reach your dreams." The website also contains a statement from Defendant Prater, stating that she formed Ultimate "with the goal of helping families own their own home and realize the American Dream." Prater's statement further provides that "[a]t Ultimate Real Estate Solutions, we help you find your dream home and help you repair your credit so that you can become eligible to take out a mortgage and buy the home in your own name." Ultimate also placed advertisements in newspapers and distributed flyers stating "Buy a Home with BAD CREDIT." The ads stated that "Rent to Own Homes" were available, and "Bad Credit, OK!" to participate in the program. The ads also stated that "Investors" were wanted, and "Don't Let Your Good Credit Go To Waste!!!"

Jewel and George Brown

9. Jewel and George Brown wanted to buy a home in a country setting, but believed that

they did not have a sufficient credit history to do so. After seeing one of Ultimate's advertisements in the newspaper, they visited Ultimate's offices to see about participating in the "Rent to Own" program.

10. At Ultimate's offices, the Browns were given a list of properties from which they could choose a home to purchase through the Rent-to-Own program. After reviewing the properties, the Browns selected a home located at 112 Pedrick Avenue in Monroe, New Jersey. Defendant Prater informed the Browns that to participate in the program, they needed to pay \$2,000.00 for rent-to-own fees, and provide a \$9,000.00 non-refundable deposit. They would also be required to make monthly payments in the amount of \$2,278.00, and were told that they could purchase the home in twelve months, with some of their monthly payments being applied to the purchase. It was further represented to the Browns that credit repair would be preformed during the twelve-month period enabling them to qualify for a mortgage.

11. In October 2006, the Browns paid the \$2,000.00 rent-to-own fee to participate in the program. In connection with signing a lease for 112 Pedrick Avenue in November 2006, the Browns also paid \$8,278.00 toward the deposit and were further required to execute a \$25,000.00 note. The Browns paid the required monthly payments to Ultimate through August 2007, when they received a notice at their door at 112 Pedrick Avenue that the property was scheduled for a Sheriff's sale as a result of a foreclosure. The Browns were forced to move from the property.

12. Ultimate collected the rents on the property at 112 Pedrick Avenue, but retained the proceeds and did not make payments on the mortgage for the property or provide any rental proceeds to the investor who owned the property.

13. Ultimate has not returned any of the fees or deposits paid by the Browns.

14. Neither Prater nor Ultimate performed any credit repair services for the Browns.

Gaetano Luongo

15. Gaetano Luongo visited Ultimate's offices after seeing one of the company's advertisements. Prater advised Luongo that she was real estate agent, and could have Luongo in a home immediately if he had \$5,000.00. Luongo paid \$2,500.00 to get into the Rent to Own program, and agreed to monthly payments of \$2,500.00. Prater informed him that the payments would go toward purchase of the home he would occupy at 3709 Lake Avenue in Williamstown, New Jersey, as well as credit repair so that Luongo could obtain a mortgage in his own name for the property within twelve months.

16. After several months of making payments, Luongo tried to contact Prater to determine when the credit repair would begin. Prater told Luongo that he needed to pay an additional \$500.00 for the credit repair services, which Luongo paid.

17. After making more than six months of payments to Ultimate on the property at 3709 Lake Avenue, Luongo received a notice at the property that foreclosure proceedings were instituted for failure to pay the mortgage on the property. Luongo then visited an attorney and arranged to buy the property as a short sale from the bank that had foreclosed on the property.

18. Ultimate collected the rents on the property at 3709 Lake Avenue, but retained the proceeds and did not make payments on the mortgage for the property or provide any rental proceeds to the investor who owned the property.

19. Ultimate has not returned any of the fees or deposits paid by Luongo.

20. Neither Prater nor Ultimate performed any credit repair services for Luongo.

Herbert Coleman

21. Herbert Coleman saw one of Ultimate's advertisements for its Rent to Own program posted in the U.S. Post Office, and contacted Ultimate about participating in the program. At the time he saw the advertisement, Coleman had moved from a homeless shelter to a group home, and was seeking affordable housing for himself.

22. After visiting with Defendant Prater, Prater advised Coleman that with his credit score he could be an investor in the program. Prater explained that he could purchase properties for people with bad credit who would have an option to buy the properties. Prater stated that the homes would only need to stay in his name for thirty to ninety days, when they would be sold to a new buyer. Coleman was told that he would make a few thousand dollars on the sale of each property, with no out of pocket costs to him. Prater stated that Ultimate would take care of collecting the rents from the tenants and making all necessary payments in connection with the properties. Coleman agreed to participate as an investor. Prater had Coleman sign a Power of Attorney to allow Ultimate to complete the transactions in his name.

23. Between September 2005 and February 2006, Ultimate and Prater arranged for at least eight properties in New Jersey to be purchased in Coleman's name. The financing for each of these purchases was generally arranged by Defendant 1st Metropolitan Mortgage Services by its employees or agents Defendant Cassandra Coles or Frank Memmo. Coles and Memmo submitted mortgage applications for each of the properties to different lenders, with each application containing false representations as Coleman's income, employment, assets and living arrangements. While Coleman's income from his employment was less than \$2,500 per month, the applications submitted by Coles and Memmo listed income in excess of \$6,000 per month. Some applications falsely listed

Coleman as being employed as an "Office Manager" for Ultimate. Several of the applications indicated that Coleman intended to occupy the property, even though each property was intended to be part of the "Rent to Own" program and occupied by tenants. Coleman's assets were inflated on the applications, and thousands of dollars were placed into, and then withdrawn, from Coleman's bank account to create a false impression to lenders of the amount of his assets.

24. For each of the properties purchased in Coleman's name, Ultimate and/or 1st Metropolitan arranged for an appraisal to be conducted by either TMR Appraisal Services or NLS Appraisal Services. Upon information and belief, these appraisals were inflated in order to complete the financing arrangements Ultimate and 1st Metropolitan sought, rather than on a proper valuation of the property. 1st Metropolitan submitted the fraudulent appraisals to the lenders in support of the loan applications made in Coleman's name.

25. At the closing of each of the properties purchased in Coleman's name, 1st Metropolitan Mortgage Services received thousands of dollars in fees and commissions for completing the loans.

26. While Ultimate collected the rental payments from the properties purchased in Coleman's name, it failed to pay the mortgage payments and taxes due on the properties as Prater had promised Coleman that Ultimate would do. Most of the properties have been the subject of foreclosure proceedings, and several have been sold in Sheriff's sales. Coleman has sought bankruptcy protection.

Yusef Hason

27. Yusef Hason was convinced by Prater that he could make money investing in properties with Ultimate. She assured him that he would never have to pay money out of his own pocket since

tenants for the properties had entered into rent-to-own agreements. She assured Hason that Ultimate would be responsible for collecting rents from tenants and making all payments in connection with the properties following the closing.

28. Between December 2006 and September 2006, Ultimate arranged for the purchase of at least eight properties in Hason's name. The financing for each of these purchases was generally arranged by Defendant 1st Metropolitan Mortgage Services by its employees or agents Defendant Cassandra Coles or Frank Memmo. Coles and Memmo submitted mortgage applications for each of the properties to different lenders, with each application containing false representations as Hason's income, employment, assets and living arrangements. Several of the applications indicated that Hason intended to occupy the property, even though each property was intended to be part of the "Rent to Own" program.

29. For each of the properties purchased in Hason's name, Ultimate and/or 1st Metropolitan arranged for an appraisal to be conducted by either TMR Appraisal Services or NLS Appraisal Services. Upon information and belief, these appraisals were inflated in order to complete the financing arrangements Ultimate and 1st Metropolitan sought, rather than on a proper valuation of the property. 1st Metropolitan submitted the fraudulent appraisals to the lenders in support of the loan applications made in Hason's name.

30. At the closing of each of the properties purchased in Hason's name, 1st Metropolitan Mortgage Services received thousands of dollars.

31. While Ultimate collected the rental payments from the properties purchased in Hason's name, it failed to pay the mortgage payments and taxes due on the properties as Prater promised Hason Ultimate would do. All of the properties have been the subject of foreclosure proceedings,

and several have been sold in Sheriff's sales.

32. Upon information and belief, the Defendants have engaged other unsuspecting individuals as "investors" and as participants in the "Rent to Own" program, but defrauded these individuals in order to structure transactions to generate unwarranted income for the Defendants, rather than in the best interests of the customers.

COUNT ONE

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

33. Plaintiffs repeat and reallege Paragraphs 1 through 32 as if set forth at length herein.

34. The enterprise, within the meaning of N.J.S.A. 2C:41-1c, is 1st Metropolitan, a New Jersey company engaged in the business of brokering residential mortgage loans for customers in New Jersey. At all relevant times, the 1st Metropolitan 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.

35. The enterprise, within the meaning of N.J.S.A. 2C:41-1c, is also Ultimate, a New Jersey company engaged in the business of assisting customers in purchasing homes in New Jersey. At all relevant times, the Ultimate enterprise was engaged in trade or commerce or in activities affecting trade or commerce in connection with providing assistance with home purchases within the State of New Jersey.

36. Defendants Halimah Prater, Ultimate, 1st Metropolitan, Cassandra Coles, Frank Memmo, TMR Appraisal Services, Inc., NLS Appraisal Service, Inc. and Michael Forden, are all "persons" within the meaning of N.J.S.A. 2C:41-2(b).

37. Defendants Halimah Prater, Ultimate, Cassandra Coles, Frank Memmo, TMR Appraisal Services, Inc., NLS Appraisal Service, Inc. and Michael Forden were all either employed by or associated with the 1st Metropolitan 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.

38. 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.

39. 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; 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.

40. Defendants Halimah Prater, 1st Metropolitan, Cassandra Coles, Frank Memmo, TMR Appraisal Services, Inc., NLS Appraisal Service, Inc. and Michael Forden were all either employed by or associated with the Ultimate 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.

41. 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.

42. 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; 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.

43. The acts undertaken by Defendants in furtherance of the pattern of racketeering activity include:

a. Requesting and taking fees and deposits from rent to own consumers to purchase properties knowing that the properties would be lost to foreclosure before these consumers could purchase the properties;

b. Requesting and taking fees for credit repair services with no intention of performing any such services;

c. Defrauding lenders through loan applications containing misrepresentations and false information to provide mortgages for properties used in the scheme, and to generate unwarranted fees and commissions;

d. Obtaining and creating fraudulent and inflated real estate appraisals, and submitting these appraisals to lenders in support of mortgage loan applications in order to artificially

increase the value of the loan proceeds;

e. taking unwarranted proceeds from the mortgage loans on false pretenses; and

f. Collecting rents from properties on behalf of investors but retaining those rental proceeds rather than providing the proceeds to the investors or using the proceeds to pay the mortgages on the properties.

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

45. The Defendants have conspired with and amongst themselves and others to violate the provisions of N.J.S.A. 2C:41-2.

COUNT TWO

VIOLATIONS OF CFA BY DEFENDANTS (UNCONSCIONABLE COMMERCIAL PRACTICES) (As to Defendants Ultimate, Halimah Prater, 1st Metropolitan, TMR Appraisal Services, Inc., and NLS Appraisal Service, Inc.)

46. Plaintiffs repeat and reallege Paragraphs 1 through 45 as if set forth at length herein

47. 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....

48. In the operation of their businesses, Defendants Ultimate, Halimah Prater, 1st Metropolitan, TMR Appraisal Services, Inc., and NLS Appraisal Service, Inc. 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.

49. Defendants Ultimate, Halimah Prater, 1st Metropolitan, TMR Appraisal Services, Inc., and NLS Appraisal Service, Inc. have engaged in unconscionable commercial practices including, but not limited to, the following:

a. Soliciting vulnerable consumers with credit problems and placing them in a property with the belief they could own a home within a year, when knowing that the property would be lost to foreclosure within that time frame;

b. Requesting and taking fees and deposits from rent to own consumers to purchase properties knowing that the properties would be lost to foreclosure before these consumers could purchase the properties;

c. Soliciting investors on the premise that Ultimate would make all payments related to the property, but collecting and retaining rental payments on the property rather than using the rental payments to pay the mortgages on the property or providing the proceeds to the investor;

d. Falsifying loan documents using misrepresentations and false information to obtain financing for transactions, in order to generate unwarranted fees and commissions, and

e. Soliciting fraudulent and inflated real estate appraisals and submitting them to lenders in order to artificially increase the amount of loan proceeds to be provided by the lenders.

50. Each unconscionable commercial practice by Defendants Ultimate, Halimah Prater, 1st Metropolitan, TMR Appraisal Services, Inc., and NLS Appraisal Service, Inc. constitutes a separate violation under the CFA, N.J.S.A. 56:8-2.

COUNT THREE

**VIOLATIONS OF THE CFA BY DEFENDANTS
(FALSE PROMISES, MISREPRESENTATIONS
AND KNOWING OMISSIONS OF FACT)
(As to Defendants Ultimate, Halimah Prater, 1st Metropolitan,
TMR Appraisal Services, Inc., and NLS Appraisal Service, Inc.)**

51. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 50 above as if more fully set forth herein.

52. In the operation of their businesses, Defendants Ultimate, Halimah Prater, 1st Metropolitan, TMR Appraisal Services, Inc., and NLS Appraisal Service, Inc. have made false promises, misrepresentations and/or knowing omission of material fact, including, but not limited to:

a. Promising rent to own customers that they would be able to own a home in their own name within twelve months if they made required monthly payments, knowing that the properties would be lost to foreclosure during that time period;

b. Promising investors that all payments in connection with a property would be made from rental payments, when it did not intend on making mortgage and tax payments despite collecting the rental payments on the properties;

c. Promising investors they would receive proceeds from sale of properties, knowing that the properties would be lost to foreclosure prior to any sale of the property;

d. Falsifying loan applications with respect to income, assets, and intent to personally occupy the subject property in order to obtain financing from lenders; and

e. Promising to repair credit and accepting fees for credit repair services, and then failing to perform the services.

53. Each false promise, misrepresentation and/or knowing omission of material fact by Defendants Ultimate, Halimah Prater, 1st Metropolitan, TMR Appraisal Services, Inc., and NLS Appraisal Service, Inc. constitutes a separate violation under CFA, N.J.S.A. 56:8-2.

COUNT FOUR

VIOLATION OF THE ADVERTISING REGULATIONS BY DEFENDANTS

54. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 53 above as if more fully set forth herein.

55. The Advertising Regulations, N.J.A.C. 13:45A-9.1 et seq., promulgated pursuant to the CFA, among other things, govern general advertising practices.

56. Specifically, the Advertising Regulations provide, in pertinent part:

- (a) Without limiting the application of N.J.S.A. 56:8-1 et seq., the following practices shall be unlawful with respect to all advertisements:

....

- 9. The making of false or misleading representations concerning the reasons for, existence or amounts of price reductions, the nature of an offering or the quantity of advertised merchandise available for sale.

[N.J.A.C. 13:45A-9.2(a)(9).]

57. Defendant Ultimate violated the Advertising Regulations by contending on its web site that it offers individuals with credit problems the opportunity to repair their credit and buy a home in their own name, and that it operates “ethically”, when in fact it constructs transactions that insure that the properties in its rent to own program will be lost to foreclosure prior to the time the consumers could purchase the properties.

58. Each violation of the Advertising Regulations by Defendant constitutes a per se violation of the CFA, N.J.S.A. 56:8-2.

COUNT FIVE

**VIOLATION OF THE CFA AND/OR
THE ADVERTISING REGULATIONS BY DEFENDANT PRATER**

59. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 58 above as if more fully set forth at length herein.

60. At all relevant times, Halimah Prater has been the owner, operator and/or President of Ultimate Real Estate Solutions and has controlled and directed the activities of that entity.

61. Prater is personally liable for the violations of the CFA and/or the Advertising Regulations committed by Ultimate.

COUNT SIX

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

62. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 61 above as if more fully set forth at length herein.

63. The Federal Credit Repair Organizations Act ("CORA"), 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 CORA further requires individuals or entities that offer credit repair services to provide consumers with a notification of rights under the statute.

64. Ultimate and Prater offered credit repair services to consumers, including the Browns and Luongo, without providing a notification of rights under CORA.

65. Ultimate and Prater accepted fees for credit repair services from consumers prior to

performing any such services.

66. By failing to provide a notification of rights under CORA, and accepting fees for credit repair services prior to providing any such services, Ultimate and Prater 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., and the regulations promulgated thereunder, specifically the Advertising Regulations, N.J.A.C. 13:45A-9.1 et seq.;
- (c) Finding that the acts of Defendants Ultimate and Prater constitute violations of 15 U.S.C. §1679;
- (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) 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., and the regulations promulgated thereunder, specifically the Advertising Regulations, N.J.A.C. 13:45A-9.1 et seq., as including, but not limited to, the acts and practices alleged in this Complaint;
- (f) 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 by RICO, N.J.S.A. 2C:41-4(7);

- (g) 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(8);
- (h) 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 N.J.S.A. 2C:41-4(c); and
- (i) 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: June 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 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, 2006