

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 Attorney General
Tel.: (609) 984-3105



SUPERIOR COURT OF NEW JERSEY
LAW DIVISION - PASSAIC 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.

AMERICAN MILLENUM COMPANY, L.L.C.,
dba AMERICAN MORTGAGE COMPANY,
MARTIN OHLMEYER, EQUITITLE, L.L.C.,
JAMAL CLARK, LESLIE CLARK, THE
ADDISON GROUP, L.L.C., ORLANDO
BARARDO, RADELL APPRAISAL SERVICES,
L.L.C., DONALD RADELL,
VALLENTINE MORRISSON, L.L.C.,
GREEN INK INVESTMENTS, L.L.C.,
JOHN AND JANE DOES 1-10, individually and as
owners, officers, directors, shareholders, founders,
managers, agents, servants, employees,
representatives and/or independent contractors of
AMERICAN MILLENUM COMPANY, L.L.C.,
and EQUITITLE, L.L.C., 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, Newark, New Jersey, allege as follows:

PRELIMINARY STATEMENT

Defendants American Millenium Company, Inc. (“American Millenium”) and others participated in a pattern of racketeering activity that included, inter alia, recruiting individuals to participate in real estate transactions on the basis of false promises, submitting fraudulent mortgage applications containing misrepresentations and other false information, and taking unwarranted proceeds from mortgage loans. Defendants Jamal and Leslie Clark and Defendant Martin Ohlmeyer at American Millenium set up a scheme wherein they used the names and credit scores of recruited “investors” to acquire properties at greatly inflated prices through these fraudulent mortgage applications. Underlying the inflated prices for the properties were fraudulent appraisals completed by Defendants The Addison Group and Radell Appraisal Services. While the “investors” were promised that rents from the properties that would cover the mortgage payments, the actual rental income could not support the mortgages, leaving the investors in foreclosure and with damaged credit. The scheme was developed to allow the Clarks and others to take undeserved proceeds from these transactions, and to allow American Millenium and Ohlmeyer to collect unwarranted fees and commissions on the fraudulent loans. Defendants’ conduct constitutes multiple violations of the New Jersey Consumer Fraud Act (“CFA”), as well as a pattern of racketeering activity within the meaning of New Jersey’s Racketeer Influenced and Corrupt Organizations (“RICO”) statute.

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 American Millenium Company, L.L.C., dba American Mortgage Company (“American Millenium”), is a company formed under the laws of the State of New Jersey, having a principal place of business at 17 Hanover Road, Suite 410, in Florham Park, New Jersey, and an office located at 261 First Street in Hoboken, New Jersey. American Millenium 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. Defendant Martin Ohlmeyer was an employee or agent of American Millenium, and was responsible for obtaining mortgage loans for American Millenium’s customers. Defendant Ohlmeyer is a licensed mortgage solicitor by the New Jersey Department of Banking and Insurance.

4. Defendant Equititle, L.L.C. (“Equititle”) is a company formed under the laws of the State of New Jersey having a principal place of business at 1118 Campus Drive West, in Morganville, New Jersey. Equititle is in the business of providing title insurance and real estate settlement services. Equititle acted as a closing agent on transactions involving American Millenium.

5. Defendant Jamal Clark is an individual residing at 62 Mallard Place in Secaucus, New Jersey. Defendant Jamal Clark solicited buyers for real estate transactions financed by mortgages

obtained by American Millenium.

6. Defendant Leslie Clark is an individual residing at 917 Sheridan Avenue, in Bronx, New York. Defendant Leslie Clark solicited buyers for real estate transactions financed by mortgages obtained by American Millenium and, upon information and belief, is the brother of Defendant Jamal Clark.

7. Defendant The Addison Group, L.L.C., is a company formed under the laws of the State of New Jersey, having a principal place of business at 1168 Papen Road in Bridgewater, New Jersey. The Addison Group is in the business of conducting residential real estate appraisals. Defendant Orlando Barardo was a licensed real estate appraiser who is affiliated with The Addison Group.

8. Defendant Radell 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 101 Ridge Avenue in Bloomfield, New Jersey. Radell Appraisal Service, L.L.C. is in the business of conducting residential real estate appraisals. Defendant Donald Radell is a licensed real estate appraiser and is the principal of Radell Appraisal Service.

9. Defendant Vallentine Morrison, L.L.C. is a company formed under the laws of the State of New Jersey, having a principal place of business at 1 Lewis Place in Westwood, New Jersey.

10. Defendant Green Ink Investments, L.L.C. is a company formed under the laws of the State of New Jersey, having a principal place of business at 1 Lewis Place in Westwood, New Jersey.

GENERAL ALLEGATIONS COMMON TO ALL COUNTS

67 North First Street, Paterson

11. In September of 2006, Defendant Jamal Clark was introduced to Barbara Jones. Clark told Jones that he had investment properties that could be purchased with no money down, and that

she could earn money on each transaction. One of the investment properties Clark identified was 67 North First Street in Paterson, New Jersey.

12. Clark referred Jones to Defendant Ohlmeyer at American Millenium to arrange for financing. Clark spoke on the telephone with Ohlmeyer, who asked her where she worked, her income and her social security number.

13. After speaking with Ohlmeyer, Jones received a package of documents from Ohlmeyer for her to sign to obtain financing for the purchase of 67 North First Street. At the time, Jones was employed in the billing department of a company, earning approximately \$3,200.00 per month. The loan application Ohlmeyer completed for Jones inaccurately listed her as being employed in the position of "Billing Manager" earning \$6,666.66 per month. The application also listed Jones as intending to occupy the property, even though the property was intended to be an investment property.

14. Jones visited the property 67 North First Street, and found it to be in poor condition and in a bad neighborhood. Because of these factors, Jones believed the property could not obtain rental income sufficient to meet the mortgage payments for the property and declined to go through with the transaction.

15. Shortly after Jones withdrew from the transaction, Defendant Leslie Clark approached Nicole Williams about purchasing the 67 North First Street property as an investment. Williams had never purchased property before. Clark promised Williams that she would need to put no money down and that he would make sure the mortgage was paid until the property was rented. Clark also said that he would be responsible for any repairs to the property. Clark referred Williams to Ohlmeyer to arrange for financing.

16. Williams spoke over the telephone with Ohlmeyer. Ohlmeyer completed a loan application for Williams with false and inflated sums for both her income and her liquid assets. The loan application also falsely stated that Williams was currently residing rent-free with her parents. The loan application also falsely stated that Williams intended to reside at the property. When Williams advised Ohlmeyer that she did not intend to reside at the property, Ohlmeyer said that for the loan to be approved the application needed to state that she intended to occupy the property. Ohlmeyer submitted the loan application to Columbia Home Loans.

17. In connection with the financing of the property at 67 North First Street, Defendant Radell appraised the property at \$340,000.00, despite the fact that the property has been sold a few years earlier for \$210,000.00, and was in disrepair in an impoverished neighborhood. Upon information and belief, the appraisal was inflated in order to complete the financing arrangements American Millenium and the other Defendants sought, rather than on a proper valuation of the property. American Millenium submitted the fraudulent appraisal to Columbia Home Loans in support of Williams' mortgage application.

18. Within days of speaking with Ohlmeyer, Ohlmeyer had obtained "80/20" financing (a main loan for 80% of the value of the sale price, and a second "piggyback" loan for the remaining 20% of the sales price) on Williams' behalf from Columbia Home Loans using the loan applications containing false information and misrepresentations and the inflated appraisal report.

19. The closing for the sale of the property took place on December 20, 2006 in Williams' New York City apartment. The only individuals present at the closing were Williams, Defendant Leslie Clark and a representative from Defendant Equititle, who served as the closing agent. The lender, Columbia Home Loans, had issued the proceeds of the loan to Equititle for dispersal.

The HUD-1 Settlement Statement completed for the closing falsely states that the closing took place at Equititle's offices in Hoboken, New Jersey, and that the sellers of the property were present at the closing.

20. According to the Settlement Statement, American Millennium received \$7,202.75 in fees and commissions from the closing, and Equititle received \$3,294.00. The Settlement Statement lists "SAC and Sons" as receiving \$50,000.00 from the proceeds of the sale.

21. Following the closing, Clark did not assist Williams with the repairs or mortgage payments as he had promised. Williams quickly fell behind in her mortgage payments, and the property went into foreclosure.

155 12th Avenue, Paterson

22. In early 2007, Defendant Jamal Clark approached Anthony Archer about purchasing investment property with no money down and without any out of pocket costs. Clark arranged for Archer to purchase a property at 155 12th Avenue in Paterson. Clark referred Archer to Defendant Ohlmeyer to arrange for financing.

23. Ohlmeyer spoke to Archer on the telephone and completed a loan application on his behalf for the purchase of the 155 12th Avenue property. The application listed Archer as having an income of \$8,500.00 per month and \$9,000.00 in liquid assets, and stated that Archer intended to occupy the property as his primary residence. Upon information and belief, the information regarding Archer's income, assets and intended living arrangements was false. Ohlmeyer submitted the loan application on Archer's behalf to Montgomery Mortgage Capital Corporation.

24. In connection with the financing of the property at 155 12th Street, Defendant Barardo of The Addison Group appraised the property with a value of \$360,000.00, despite the fact that the

property had been sold a couple of years earlier for \$150,000.00, and was in disrepair in an impoverished neighborhood. Upon information and belief, the appraisal was inflated in order to complete the financing arrangements arranged by American Millenium and the other Defendants, rather than on a proper valuation of the property. American Millenium submitted the fraudulent appraisal to Montgomery Mortgage Capital Corporation in support of Archer's mortgage application.

25. The closing for the sale of the property took place on March 1, 2007. Defendant Equititle, served as the closing agent. Montgomery Mortgage Capital Corporation provided the proceeds of the loan to Equititle for distribution. According the Settlement Statement, American Millenium received \$11,070.27 in fees and commissions from the closing, and Equititle received \$2,898.50. The Settlement Statement lists the seller of the property, Defendant Vallentine Morrison, L.L.C. as receiving \$343,838.52 in cash from the transaction.

26. Following the closing, Archer quickly fell behind in his mortgage payments, and the property went into foreclosure

43 Oak Avenue, Irvington, New Jersey

27. In late 2006, Michelle Hirst was approached by Jamal Clark about purchasing investment property with no money down and without any out of pocket costs. Hirst was offered the opportunity to purchase a property at 43 Oak Street in Irvington, and was referred to Defendant Ohlmeyer to arrange for financing of the purchase.

28. Ohlmeyer spoke to Hirst on the telephone and completed a loan application on her behalf for the purchase of the 43 Oak Street property. The application listed Hirst as having an income of over \$12,000.00 per month and \$40,000.00 in liquid assets. The application also stated that Hirst intended to occupy the property as her primary residence. Upon information and belief, the

information regarding Hirst's income, assets and intended living arrangements was false and intended only to increase the chances for approval of the loan and the loan amount. Ohlmeyer submitted the loan application on Hirst's behalf to Mortgage IT, Inc.

29. In connection with the financing of the property at 43 Oak Street, Defendant Barardo of The Addison Group appraised the property with a value of \$414,000.00, despite the fact that the property has been sold a few months earlier for \$312,000.

30. The closing for the sale of the property took place on February 2, 2007. Mortgage IT Inc. provided the proceeds of the loan for dispersal at the closing. According the Settlement Statement, American Millenium received \$11,195.52 in fees and commissions from the closing. The Settlement Statement lists Defendant Green Ink Investments, L.L.C. as receiving \$105,000.00 as part of the closing.

31. Following the closing, Hirst quickly fell behind in her mortgage payments, and the property went into foreclosure.

32. Upon information and belief, the Defendants have engaged other unsuspecting individuals as "investors," and similarly defrauded these individuals and others in order to structure fraudulent transactions to generate unwarranted income and profits for the Defendants.

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 American Millenium, a New Jersey company engaged in the business of brokering residential mortgage loans for customers

in New Jersey. At all relevant times, the American Millenium 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. Defendants Martin Ohlmeyer, Equititle, L.L.C., Jamal Clark, Leslie Clark, Addison Group, Orlando Barardo, Radell Appraisal Services, Donald Radell, Vallentine Morrisson, L.L.C., and Green Ink Investments, L.L.C., are all “persons” within the meaning of N.J.S.A. 2C:41-2(b).

36. Defendants Martin Ohlmeyer, Equititle, L.L.C., Jamal Clark, Leslie Clark, Addison Group, Orlando Barardo, Radell Appraisal Services, Donald Radell, Vallentine Morrisson, L.L.C., and Green Ink Investments, L.L.C., were all either employed by or associated with the American Millenium 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.

37. 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.

38. 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:21-7(h); (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.

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

a. Recruiting individuals with good credit ratings to participate in real estate transactions through false promises, and using their identities and credit history to obtain financing for real estate transactions with inflated sales prices;

b. Submitting false information to lenders regarding income, assets and intent to reside at a property on loan applications in order to obtain financing for at least three transactions;

c. 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;

d. Accepting commissions on mortgage loans which were approved based on fraudulent information and appraisals;

e. Falsifying closing documents to disguise the true location and circumstances surrounding the closing of the transactions; and

f. Taking unwarranted proceeds from the mortgage loans on false pretenses.

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

41. 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 American Millenium, Equititle, The Addison Group, Radell Appraisal Services, Jamal Clark, Leslie Clark, Vallentine Morrison, L.L.C. and Green Ink Investments, L.L.C.)

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

43. 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....

44. In the operation of their businesses, Defendants American Millenium, Equititle, The Addison Group, Radell Appraisal Services, Jamal Clark, Leslie Clark, Vallentine Morrison, L.L.C. and Green Ink Investments, L.L.C. 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.

45. Defendants American Millenium, Equititle, The Addison Group, Radell Appraisal Services, Jamal Clark, Leslie Clark, Vallentine Morrison, L.L.C. and Green Ink Investments, L.L.C. have engaged in unconscionable commercial practices including, but not limited to, the following:

a. Soliciting unsophisticated investors with promises of owning investment properties when Defendants only sought to use the investors identities and credit history to obtain loans to finance its scheme;

b. Soliciting investors on the premise that all payments related to the property

would come from rental payments, when the rental income could not support the mortgage obligations obtained for the properties;

c. Inflating the sales price for the properties and supporting those inflated prices with fraudulent appraisals; and

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

46. Each unconscionable commercial practice by Defendants American Millenium, Equititle, The Addison Group, Radell Appraisal Services, Jamal Clark, Leslie Clark, Vallentine Morrison, L.L.C. and Green Ink Investments, L.L.C. 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 American Millenium, Equititle, The Addison Group,
Radell Appraisal Services, Jamal Clark, Leslie Clark,
Vallentine Morrison, L.L.C. and Green Ink Investments, L.L.C.)**

47. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 46 above as if more fully set forth herein.

48. In the operation of their businesses, Defendants American Millenium, Equititle, The Addison Group, Radell Appraisal Services, Jamal Clark, Leslie Clark, Vallentine Morrison, L.L.C. and Green Ink Investments, L.L.C. have made false promises, misrepresentations and/or knowing omission of material fact, including, but not limited to:

a. Promising investors that all payments in connection with a property would be made from rental payments, knowing that the rental payments could not support the mortgage

obligations obtained for the property;

b. 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;

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

d. Promising to make repairs to the property and make mortgage payments until renters were found for the property, knowing they had no intention of performing these services.

49. Each false promise, misrepresentation and/or knowing omission of material fact by Defendants American Millenium, Equititle, The Addison Group, Radell Appraisal Services, Jamal Clark, Leslie Clark, Vallentine Morrison, L.L.C. and Green Ink Investments, L.L.C. constitutes a separate violation under CFA, N.J.S.A. 56:8-2.

PRAYER FOR RELIEF

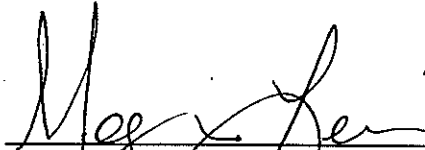
WHEREFORE, based upon the foregoing allegations, Plaintiffs respectfully request that the Court enter judgment against Defendants:

- (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 by RICO, N.J.S.A. 2C:41-4(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, N.J.S.A. 2C:41-4(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 N.J.S.A. 2C:41-4c; 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

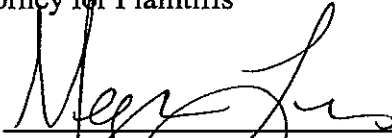
Dated: June 13, 2008

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

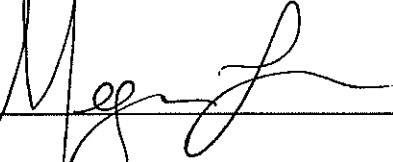
Dated: June 13, 2008

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, 2008