

IN THE CIRCUIT COURT OF THE NINTH JUDICIAL CIRCUIT
IN AND FOR ORANGE COUNTY, FLORIDA

OFFICE OF THE ATTORNEY
GENERAL, DEPARTMENT OF LEGAL
AFFAIRS, STATE OF FLORIDA,

Plaintiff,

vs.

CASE NO. _____

AMERICAN HERITAGE MORTGAGE
GROUP, INC., SECURITY ONE
MORTGAGE CORP., SECURITY
TRUST TITLE LLC, TRINCITY
TRUCKING, INC., ALLEN BOYARSKY,
STEPHEN MAHADEO, E. BROOKE CO.
LLC, LONGDENVILLE INVESTMENT &
MANAGEMENT INC., AMERICAN
HERITAGE COMMERCIAL CAPITAL,
P & R FUNDING CORPORATION, STEELE
PROPERTY INVESTMENTS, INC.,
BETHANN SCHULDINER, ANTHONY
DIDONATO, STEVE GRODEN, BRAD
FRANK GRODEN, 1ST CAPITAL
MORTGAGE ASSOCIATES, INC.,
HEATHER SHOWALTER, JEANETTE
LUGO, MAGDALENE WILLIAMS,
NORMA LOPEZ, KENNETH WEST,
MARCUS HABEEB, LUIS DELGADO,
AZIZ MOHAMMED a/k/a RICKY a/k/a
KHAN, and BETTY BEDEAU,

JURY TRIAL DEMANDED

Defendants.

COMPLAINT

Plaintiff, Office of the Attorney General, Department of Legal Affairs, State of Florida
("OAG"), by and through its undersigned attorneys, hereby sues American Heritage Mortgage

Group, Inc., Security One Mortgage Corp., Security Trust Title LLC, Trincity Trucking Inc., Allen Boyarsky, Stephen Mahadeo, E. Brooke Co. LLC, Longdenville Investment & Management Inc., American Heritage Commercial Capital, P & R Funding Corporation, Steele Property Investments, Inc., Bethann Schuldiner, Anthony Didonato, Steve Groden, Brad Frank Groden, 1st Capital Mortgage Associates, Inc., Heather Showalter, Jeanette Lugo, Magdalene Williams, Norma Lopez, Kenneth West, Marcus Habeeb, Luis Delgado, Aziz Mohammed a/k/a Ricky a/k/a Khan, and Betty Bedeau, and alleges as follows:

Jurisdiction and Venue

1. This is an action for damages on behalf of consumers, civil penalties, injunctive and equitable relief, and attorneys' fees and costs for defendants' violations of the Florida Deceptive and Unfair Trade Practices Act ("FDUTPA"), Fla. Stat. §§ 501.201 et seq.

2. This Court has jurisdiction pursuant to the provisions of said statute.

3. The statutory violations alleged herein occurred in or affected more than one judicial circuit in the State of Florida.

4. Venue is proper in the Ninth Judicial Circuit for Orange County, because some of the defendants are located in Orange County, Florida, and the causes of action arose at least in part in Orange County, Florida, because the defendants transacted business in Orange County, Florida, and much of the conduct alleged herein occurred in Orange County, Florida.

5. The OAG is the enforcing authority of the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes.

6. The OAG has conducted an investigation and the head of the enforcing authority, Attorney General Bill McCollum, has determined that an enforcement action serves the public interest pursuant to Chapter 501, Part II, Florida Statutes.

7. Defendants, at all times material hereto, have engaged in “trade or commerce” by advertising, soliciting, offering, or distributing a good or service, within the definition of § 501.203(8), Florida Statutes.

8. Defendants, at all times material hereto, provided goods or services as defined within § 501.203(8), Florida Statutes.

9. Defendants, at all times material hereto, solicited consumers within the definitions of § 501.203(7), Florida Statutes.

The Defendants

10. Defendant American Heritage Mortgage Group, Inc. (“American Heritage Mortgage”) is a Florida corporation with its principal place of business in Hillsborough County, Florida. American Heritage Mortgage is an active Florida mortgage lender licensed by the Office of Financial Regulation (“OFR”). Defendant Marcus Habeeb is the President, Treasurer, Secretary, and Director of American Heritage Mortgage.

11. Defendant Security One Mortgage Corp. (“Security One Mortgage”) is a Florida corporation with its principal place of business in Orange County, Florida. Security One Mortgage is an active Florida correspondent mortgage lender licensed by OFR. Defendant Valerie A. Jones is the President and Registered Agent of Security One Mortgage.

12. Defendant Security Trust Title LLC (“Security Trust Title”) is a Florida limited liability company with its principal place of business in Orange County, Florida. Defendant Valerie A. Jones is a Managing Member of Security Trust Title.

13. Defendant Trincity Trucking, Inc. (“Trincity Trucking”) is a dissolved Florida corporation. Defendant Stephen Mahadeo served as the President and Director of Trincity Trucking.

14. Defendant Allen Boyarsky is a resident of Pinellas County, Florida.

15. Defendant Stephen Mahadeo is a resident of Orange County, Florida.

16. Defendant E. Brooke Co. LLC ("E. Brooke") is a Texas corporation doing business in the State of Florida. Defendant E. Brooke transacted business in the State of Florida, from which the cause of action alleged herein arose. Further, E. Brooke had substantial and not isolated contacts with the State of Florida. Therefore, this Court has personal jurisdiction over defendant E. Brooke pursuant to Section 48.193, Florida Statutes. The principal of E. Brooke is defendant Allen Boyarsky.

17. Defendant Longdenville Investment & Management Inc. ("Longdenville") is a dissolved Florida corporation. Defendant Aziz Mohammed a/k/a Ricky a/k/a Khan served as the Director, President, Treasurer, and Registered Agent of Longdenville.

18. Defendant American Heritage Commercial Capital Corp. ("American Heritage Commercial Capital") is a New York corporation doing business in Florida. American Heritage Commercial Capital conducted business in the State of Florida, from which the cause of action alleged herein arose. Further, American Heritage Commercial Capital had substantial and not isolated contacts with the State of Florida. Therefore, this Court has personal jurisdiction over defendant American Heritage Commercial Capital pursuant to Section 48.193, Florida Statutes. On information and belief, defendant Marcus Habeeb is a principal of American Heritage Commercial Capital.

19. Defendant P & R Funding Corporation ("P & R Funding") is a New York corporation doing business in Florida. P & R Funding conducted business in the State of Florida, from which the cause of action alleged herein arose. Further, P & R Funding had substantial and not isolated contacts with the State of Florida. Therefore, this Court has personal jurisdiction

over defendant P & R Funding pursuant to Section 48.193, Florida Statutes. On information and belief, defendant Marcus Habeeb is a principal of P & R Funding.

20. Defendant Bethann Schuldiner ("Schuldiner") is a resident of Orange County, Florida.

21. Defendant Steele Property Investments, Inc. ("Steele Property") is a dissolved Florida corporation. Schuldiner served as the sole officer of Steele Property.

22. Defendant Anthony Didonato is a resident of Pinellas County, Florida. Anthony Didonato was a Florida licensed mortgage broker during the time period relevant to this Complaint.

23. Defendant Steve Groden is a resident of Seminole County, Florida.

24. Defendant Brad Frank Groden is a resident of the State of Colorado. Defendant Brad Frank Groden operated a business in the State of Florida, including 1st Capital Mortgage Associates, Inc., from which the cause of action alleged herein arose. Brad Frank Groden was a Florida licensed mortgage broker from November, 2003, through August, 2007. Further, Brad Frank Groden had substantial and not isolated contacts with the State of Florida. Therefore, this Court has personal jurisdiction over defendant Brad Frank Groden pursuant to Section 48.193, Florida Statutes.

25. Defendant 1st Capital Mortgage Associates, Inc. ("1st Capital Mortgage") is a Florida corporation with its principal place of business in Seminole County, Florida. Defendant Brad Frank Groden is a director of 1st Capital Mortgage.

26. Defendant Heather Showalter is a resident of Pinellas County, Florida.

27. Defendant Jeanette Lugo is a resident of Orange County, Florida.

28. Defendant Magdalene Williams is a resident of Orange County, Florida.

29. Defendant Norma Lopez is a resident of Broward County, Florida.

30. Defendant Kenneth West is a resident of Seminole County, Florida.

31. Defendant Marcus Habeeb is a resident of the State of New York. Defendant Marcus Habeeb operated businesses in the State of Florida, including American Heritage Mortgage, from which the cause of action alleged herein arose. OFR licensed Marcus Habeeb as a mortgage broker on February 17, 2006, but Marcus Habeeb's license expired on August 31, 2007. Further, Marcus Habeeb had substantial and not isolated contacts with the State of Florida. Therefore, this Court has personal jurisdiction over defendant Marcus Habeeb pursuant to Section 48.193, Florida Statutes.

32. Defendant Luis Delgado is a resident of Seminole County, Florida.

33. Defendant Aziz Mohammed a/k/a Ricky a/k/a Khan was a resident of Seminole County, Florida, at the time of the acts described herein, but is now believed to have fled to Trinidad. Defendant Aziz Mohammed a/k/a Ricky a/k/a Khan resided in the State of Florida and operated businesses in the State of Florida, including Longdenville Investment & Management Inc., from which the cause of action alleged herein arose. Further, Aziz Mohammed a/k/a Ricky a/k/a Khan had substantial and not isolated contacts with the State of Florida. Therefore, this Court has personal jurisdiction over defendant Aziz Mohammed a/k/a Ricky a/k/a Khan pursuant to Section 48.193, Florida Statutes.

34. Defendant Betty Bedeau is a resident of Broward County, Florida.

The Scheme

35. This case involves a mortgage fraud scheme beginning in July, 2005, and continuing through at least January, 2007, encompassing sixty residential home purchases throughout Central Florida totaling more than \$37 million.

36. Defendants Marcus Habeeb (“Habeeb”), Allen Boyarsky (“Boyarsky”), and Aziz Mohammed a/k/a Ricky a/k/a Khan (“Mohammed”) devised and implemented the scheme at American Heritage Mortgage through approximately June, 2006. Mohammed and Boyarsky continued the scheme at Security One Mortgage beginning in August, 2006.

37. Defendants Boyarsky, Mohammed, Habeeb, and Luis Delgado recruited straw buyers of homes with good credit with promises of payment. Defendants Mohammed, Habeeb, and Boyarsky used the straw buyers’ identities to obtain mortgages and purchase residential properties.

38. Defendants Heather Showalter, Jeanette Lugo, Magdalene Williams, Norma Lopez, Kenneth West, and Betty Bedeau served as straw buyers of residential properties.

39. Defendants Boyarsky, Steve Groden, Anthony Didonato, Habeeb, American Heritage Mortgage, and Security One Mortgage created and submitted to banks mortgage loan applications containing false information about the straw buyers, including fictitious employment information, false wages, and untrue intent to occupy the properties as their primary residence.

40. Defendants Boyarsky, American Heritage Commercial Capital Corp., Brad Frank Groden, 1st Capital Mortgage, Mohammed, Habeeb, Stephen Mahadeo, Schuldiner, and Steele Property created and submitted to banks fraudulent supporting documentation for the mortgage loan applications, including false employment verifications for the straw buyers or fake bank statements indicating significant amounts of cash on deposit so that the straw buyers would qualify for the mortgage loans.

41. Defendants Boyarsky, Mohammed, and Habeeb conspired with realtors Lori Polin, Heather Showalter, and Dawn St. Hillaire to artificially inflate the purchase prices of

homes, with the sellers not receiving the additional money, so that the defendants could obtain larger mortgages and funnel the proceeds to shell companies at the closings.

42. Security Trust Title closed some of the straw buyer transactions and entered false information on the HUD-1 forms in order to assist the fraudulent scheme.

43. The defendants siphoned more than \$5 million from the fraudulently obtained mortgages to companies that they owned or controlled, including Longdenville, Trincity Trucking, Steele Property, P&R Funding, and E. Brooke.

44. In many cases, the defendants failed to make the required mortgage payments on the residential properties, thereby allowing the properties to plunge into foreclosure while pocketing the excess mortgage proceeds.

American Heritage Mortgage

45. In June, 2005, American Heritage Mortgage, a company owned by Marcus Habeeb ("Habeeb"), employed Allen Boyarsky ("Boyarsky") in its office in Tampa, Florida. Boyarsky began working directly with Habeeb, who serves as the President, Treasurer, Secretary, and Director of American Heritage Mortgage. At that time, Habeeb introduced Boyarsky to Aziz Mohammed a/k/a Ricky a/k/a Khan ("Mohammed"), whom Habeeb met in New York.

A. Roles of Individuals

46. Mohammed, Habeeb, and Boyarsky agreed together on a scheme whereby they would: recruit straw buyers of homes and pay them money for use of their identities and good credit, artificially inflate sales prices of homes, falsify mortgage loan applications, falsify employment information and employment verifications for the straw buyers to enable the straw buyers to obtain large mortgage loans, receive large amounts of cash paid at the straw buyer

closings, and fail to repay the mortgage loans thereby allowing Mohammed, Habeeb, and Boyarsky and their respective companies to profit from the inflated sales prices and fraudulently obtained mortgages.

47. Boyarsky recruited straw buyers who had good credit and used his position at American Heritage Mortgage and later at Security One Mortgage to falsify loan applications and ensure that the straw buyer loans were processed.

48. Habeeb used his company, American Heritage Mortgage, to facilitate the fraudulent activities by ensuring that all straw buyer loans were approved and creating false employment information and false employment verifications for the straw buyers. Although Habeeb resided in New York, he often traveled to Florida to manage business deals. Habeeb closely managed the business affairs of American Heritage Mortgage and knew the details of each mortgage loan processed. Habeeb called the employees of American Heritage Mortgage several times each day to request the status of pending loans.

49. Mohammed provided the capital for many of the transaction costs on the mortgages and created fraudulent documentation to support the mortgage loan applications.

50. Boyarsky hired Steve Groden to work for American Heritage Mortgage in July, 2005, and Steve Groden knowingly processed straw buyer deals as early as July, 2005. While working for American Heritage Mortgage, Steve Groden submitted false loan applications on behalf of straw buyers to mortgage lender banks.

51. In November, 2005, Habeeb and Boyarsky hired defendant Anthony Didonato ("Didonato") and formed the Clearwater, Florida, office of American Heritage Mortgage.

B. Straw Buyers Recruited

52. On information and belief, defendant Luis Delgado (“Delgado”) introduced his relative, defendant Jeanette Lugo (“Lugo”), to Mohammed in order for Lugo to serve as a straw buyer. Mohammed recruited and paid Lugo to serve as a straw buyer for eight different properties.

53. Trincity Trucking paid Lugo the sum of \$10,000 by check number 1052 drawn on an account with Bank of America for Lugo’s participation as a straw buyer. Stephen Mahadeo (“Mahadeo”) signed the check, and Lugo cashed the check on or about April 12, 2006.

54. American Heritage Mortgage paid Norma Lopez three checks signed by Habeeb dated October 20, 2005, of \$5,000 each for her participation as a straw buyer. Additionally, American Heritage Mortgage paid Lopez a check in the amount of \$11,490 dated November 15, 2005, for her participation as a straw buyer.

55. Boyarsky paid Kimberly Gleaton (“Gleaton”) with envelopes of cash for Gleaton’s participation as a straw buyer.

C. Role of Realtors

56. Boyarsky approached realtors and asked them to identify distressed properties, for which the sellers might agree to quick sales at inflated prices without question. The sellers would not receive the additional money from the price increases. The additional funds would be provided to a company owned and/or controlled by Mohammed, Habeeb, Boyarsky, Schuldiner, or Mahadeo.

57. On information and belief, Boyarsky approached realtor Lori Polin (“Polin”) of Hillsborough County, Florida, and asked her to inflate the asking prices of certain properties listed for sale with Re/max Mutual Realty, Inc.

58. Polin persuaded the sellers of properties to actually increase their asking prices by several thousand dollars, and then Boyarsky and Habeeb placed the properties under contract for purchase by straw buyers within days of the increases in asking prices. In some cases, the listed properties had languished on the market for months and the prices had been substantially reduced before Polin convinced the sellers to raise the prices significantly for purchase by Boyarsky's and Habeeb's straw buyers.

59. In one particular case, Don Wright Martin and Linda A. Martin listed their property with Polin in December, 2005, for \$699,000. The price was reduced to \$649,000 in January, 2006. However, after Boyarsky and/or Habeeb approached Polin regarding the property, Polin raised the price of the property to \$725,000, and within two days, Lugo placed the property under contract for purchase at \$725,000 in February, 2006.

60. Polin served as the seller's realtor for five separate property purchases by Lugo, which purchases were arranged by Boyarsky, Habeeb, and Mohammed. Lugo closed on purchases of properties on March 28, 2006, March 29, 2006, March 31, 2006, April 27, 2006, and May 1, 2006. Polin earned approximately \$165,250 in real estate commissions on a total of eight property sales involved in the scheme.

D. Fraudulent Loan Applications

61. American Heritage Mortgage, through Boyarsky, Habeeb, Didonato, and Groden, created false Form 1003s known as Uniform Residential Loan Applications ("loan applications") for straw buyers. American Heritage Mortgage, through Habeeb, Boyarsky, and Didonato, prepared false loan applications for straw buyer Lugo. Habeeb prepared one loan application for Lugo indicating falsely that Lugo earned \$12,658 per month as a senior sales associate for Moise Investments. Habeeb submitted this fraudulent loan application to New Century Mortgage to

induce it to make \$600,000 in mortgage loans to Lugo for her purchase of the property located at 107 Hilltop Place, Altamonte Springs, Florida, on July 19, 2005.

62. Furthermore, Didonato prepared and signed a loan application dated March 1, 2006, for Lugo with assistance from Boyarsky indicating falsely that Lugo earned \$17,800 per month working for Moise Investments as a senior executive partner. In reality, Lugo worked for Sprint as a customer service representative. Didonato and Boyarsky also indicated falsely that Lugo intended to occupy the property as her primary residence. Didonato, with Boyarsky's assistance, submitted the March 1, 2006, loan application to America's Wholesale Lender for the purpose of inducing it to issue a mortgage loan in connection with Lugo's purchase of the property located at 102 Lexington Street, Oldsmar, Florida, on March 28, 2006. Within a span of four days from March 28, 2006 through March 31, 2006, Lugo closed on three different properties for a combined sales price of \$2,130,000.00. These transactions occurred with different banks, and Didonato and Boyarsky concealed these loans from each individual bank.

63. While working for American Heritage Mortgage, Steve Groden processed at least six separate property purchases by straw buyer Gleaton. In one particular transaction, Steve Groden knowingly prepared and submitted a loan application indicating falsely that Gleaton earned \$15,500 per month as the operations manager for Trovillion Construction. This loan application was submitted to First Horizon Home Loans to induce it to make \$650,000 of mortgage loans in connection with Gleaton's December 23, 2005, purchase of the property located at 32025 Timberlake Drive, Mount Dora, Florida. In reality, however, Gleaton earned only \$17 per hour while working as a part time assistant for Trovillion Construction for a period of approximately three months.

64. Showalter, who is a licensed realtor, purchased four different properties as a straw buyer on February, 6, 7, 10, and 21, 2006. The properties purchased by Showalter are 107 Hilltop Place, Altamonte Springs, Florida (a property previously purchased by Lugo); 213 Orange Ridge Circle, Longwood, Florida; 1205 Main Street, Windermere, Florida; and 1582 Grace Lake Circle, Longwood, Florida. Showalter falsely indicated on the loan applications for the purchases of the four properties that she intended to occupy each property as her primary residence. The false loan applications were submitted to First Horizon Home Corp., New Century Mortgage, American Brokers Conduit, and Terrace Mortgage Company to induce them to make mortgage loans in the total amounts of \$675,000, \$775,000, \$630,000, and \$500,000, respectively. On information and belief, Boyarsky, Habeeb, and/or Mohammed paid Showalter to serve as a straw buyer for these four separate properties.

65. On information and belief, on March 17, 2006, Kenneth West ("West") signed a loan application indicating falsely that he earned \$16,250 per month as a construction management director for Steele Property in connection with his purchase of the property located at 131 Variety Tree Circle, Altamonte Springs, Florida, on March 31, 2006. West also stated on the loan application that he intended to occupy the property as his primary residence. On information and belief, this loan application was submitted to America's Wholesale Lender to induce it to make \$679,000 in mortgage loans.

66. On information and belief, Magdalene Williams served as a straw buyer for the purchase of at least two properties and signed a false loan application indicating that Williams earned \$13,500 per month working as a director of operations for Trincity Trucking. On information and belief, this loan application was submitted in connection with Williams' purchase of the property located at 1222 Pallister Lane, Lake Mary, Florida, on April 26, 2006.

E. Fraudulent Documentation Supporting Loan Applications

67. In addition, Boyarsky and Habeeb created and provided to the banks phony verification of employment forms for Lugo, which listed Mohammed's telephone number as the number for Moise Investment. For example, when an agent for National City Mortgage called the telephone number to verify Lugo's employment with Moise Investment on April 24, 2006, Mohammed portrayed himself as Ricky Moise, a representative of Moise Investment, and falsely confirmed Lugo's employment.

68. Moreover, Mohammed signed as "Ricky Moise" a request for verification of employment for Lugo on February 23, 2006, falsely indicating that Lugo was a senior partner with Moise Investments and had been continuously employed by Moise Investments since November 1, 2002.

69. Furthermore, Habeeb and American Heritage Commercial Capital created false bank statements indicating significant amounts of money on deposit for the straw buyers. American Heritage Mortgage, through Habeeb and Boyarsky, used these false bank statements to submit to banks during the mortgage loan approval process. One particular bank statement sent by facsimile from defendant American Heritage Commercial Capital to American Heritage Mortgage on February 27, 2006, indicated falsely that Lugo possessed more than \$80,000 on deposit with Washington Mutual Bank.

70. Mahadeo knowingly participated in the activities of Boyarsky, Habeeb, and Mohammed. For example, on information and belief, on April 11, 2006, Mahadeo signed a false verification of employment form stating that straw buyer Magdalene Williams earned \$13,500 per month as director of operations for Trincity Trucking, which was submitted in connection with Williams' purchase of the property located at 1222 Pallister Lane, Lake Mary, Florida.

71. 1st Capital Mortgage provided to American Heritage Mortgage signed verification of employment forms for three property purchases by straw buyer Norma Lopez ("Lopez"). Brad Frank Groden, a director of 1st Capital Mortgage, signed one employment verification form dated October 25, 2005, as "Brad Frank as director," indicating falsely that Norma Lopez had worked for 1st Capital Mortgage for four years. American Heritage Mortgage submitted this employment verification form to First Franklin Financial Corp. to induce it to make \$600,000 of mortgage loans in connection with Lopez's November 7, 2005, purchase of the property located at 35526 Estes Road, Eustis, Florida.

72. 1st Capital Mortgage provided additional verification of employment forms signed by Brad Frank Groden as "Brad Frank" stating that Lopez worked for 1st Capital Mortgage. These verification forms submitted by American Heritage Mortgage to mortgage lenders Fremont Investment & Loan and Colorado Corporation allowed Lopez to obtain two additional mortgage loans for \$549,000 and \$1.5 million, respectively, on November 7, 2005.

73. Schuldiner signed two employment verification forms stating that straw buyer Kenneth West ("West") was employed by her company, Steele Property. On information and belief, on March 20, 2006, Schuldiner signed a verification of employment indicating falsely that West earned \$13,250 per month as a management director of Steele Property. The employment verification form submitted to American Brokers Conduit allowed West to close on the property located at 175 Springwood Trail, Altamonte Springs, Florida, on March 21, 2006, for the purchase price of \$749,000. Schuldiner's company, Steele Property, received the sum of \$147,958 from this purchase by West.

74. In addition, on information and belief, Schuldiner signed an employment verification form on February 28, 2006, indicating falsely that West earned \$16,250 per month as

a construction management director for Steele Property. This employment verification form submitted to America's Wholesale Lender allowed West to close on the property located at 131 Variety Tree Circle, Altamonte Springs, Florida, on March 31, 2006, for the purchase price of \$679,000. Schuldiner's company, Steele Property, received the sum of \$142,992 from the mortgage proceeds obtained from West's purchase.

75. Mohammed and E. Brooke, a company controlled by Boyarsky, paid many transaction costs and earnest monies for real estate contracts for straw buyers. In one particular case, E. Brooke paid \$2,000 to USA Title on October 11, 2005, as earnest money for straw buyer Norma Lopez's acquisition of the property located at 1630 Clay Boulevard, Eustis, Florida.

F. Banks Defrauded

76. American Heritage Mortgage, through Habib and Boyarsky, submitted the false loan applications and verification of employment forms along with bogus bank statements for the straw buyers to the banks in order to receive approval of the mortgage loans.

77. American Heritage Mortgage provided the false loan applications and false supporting documents to the following mortgage lender banks, which provided mortgage loans to the straw buyers as a result of the defendants' fraudulent scheme: America's Wholesale Lender, IndyMac Bank, Novastar Mortgage, National City Mortgage, First Horizon Home Loans, Green Point Mortgage Funding, Inc., American Brokers Conduit, EquiFirst Corp., Fremont Investment & Loan, New Century Mortgage, First Franklin Financial Corp., National City Bank of Indiana, Colorado Corporation, and Terrace Mortgage Company.

G. The Defendants Profit from the Fraud

78. American Heritage Mortgage processed approximately fifty straw buyer deals and received fees totaling approximately \$815,000 on the straw buyer deals. In addition, American Heritage Mortgage received a separate check in the amount of \$10,000 from Trincity Trucking.

79. Trincity Trucking knowingly received more than \$800,000 from mortgage proceeds obtained from straw buyer transactions facilitated by Boyarsky, Habeeb, and Mohammed. Mahadeo used the mortgage proceeds received by his company, Trincity Trucking, from the closings of straw buyer purchases to make some mortgage payments on properties before ceasing and allowing the properties to spiral into foreclosure.

80. On information and belief, Delgado, through his company Lad's Trucking LLC, knowingly received the sum of \$10,756.77 for Delgado's assistance in recruiting Lugo to serve as a straw buyer for Lugo's purchase of the property at 107 Hilltop Place, Altamonte Springs, Florida, on July 19, 2005. Delgado later received \$23,800 from Trincity Trucking on May 9, 2006.

81. P & R Funding, a company controlled by Habeeb, participated in the fraudulent scheme and knowingly received \$59,500 from a closing of a straw buyer deal occurring on October 19, 2005.

82. Defendant E. Brooke, a company controlled by Boyarsky, knowingly received proceeds from the defendants' scheme, including the receipt of \$109,302.62 on May 1, 2006, from the mortgage proceeds provided by mortgagee, First Horizon Home Loans, as a result of Lugo's purchase of 1511 Orange Street, Clearwater, Florida, from seller Wanda Waage.

83. Steele Property knowingly participated in the defendants' fraudulent scheme by submitting the false verification of employment forms identified in paragraphs 73 and 74 above

and knowingly receiving more than three million dollars from the fraudulently obtained mortgage loans.

Security One Mortgage

84. In June, 2006, Habeeb and Boyarsky parted ways. Boyarsky joined Valerie Jones, the President of Security One Mortgage, to form the Clearwater office of Security One Mortgage.

A. Roles of Individuals

85. Boyarsky and Mohammed perpetuated their scheme with Security One Mortgage by continuing to recruit straw buyers, submitting mortgage loan applications with false information to banks, and submitting fraudulent employment information and verifications on behalf of straw buyers to banks in order to obtain mortgages that the defendants never intended to repay.

86. Boyarsky recruited Didonato to join him at Security One Mortgage and process mortgage loan applications.

B. Straw Buyers Recruited

87. The defendants recruited Betty Bedeau, Todd Kittel, and Robert McCauley ("McCauley") as straw buyers in order to carry out their scheme.

88. E. Brooke paid McCauley the sum of \$6,400 by a check dated August 19, 2006, for McCauley's participation as a straw buyer.

C. Role of Realtors

89. On information and belief, Heather Showalter knew of the defendants' fraudulent scheme and served as the sellers' realtor in approximately eight separate property purchases by straw buyers facilitated by Security One Mortgage. On information and belief, Showalter

inflated the prices of the sellers' homes with the sellers' permission without providing the price increases to the sellers. On information and belief, Showalter and/or her company, Central Florida Home Sales, received commissions totaling approximately \$112,958 for the straw buyer transactions in which she participated.

90. On information and belief, realtor Dawn St. Hillaire ("St. Hillaire") served as the sellers' realtor in approximately five separate property purchases by straw buyers facilitated by Security One Mortgage and American Heritage Mortgage. On information and belief, St. Hillaire inflated the prices of the sellers' homes with the sellers' permission without providing the price increases to the sellers. On information and belief, St. Hillaire and/or her company, ERA Neil Fischer Realty & Investments, received commissions totaling approximately \$148,346 for the straw buyer transactions in which she participated.

D. Fraudulent Loan Applications

91. Security One Mortgage, through Boyarsky and Didonato, created false loan applications for straw buyers.

92. For example, on information and belief, Security One Mortgage, through Boyarsky, prepared a loan application for straw buyer Robert McCauley stating falsely that McCauley had \$56,800 in bank deposits on account with Bank of America. In addition, the loan application falsely stated that McCauley earned \$12,500 per month working for Prointer of New York, Inc. Security One Mortgage knew that the information contained in McCauley's loan application was false, but submitted the loan application to EquiFirst Corp. anyway in connection with obtaining \$540,000 in mortgages on his purchase of the property located at 12907 Parsons Road, Tampa, Florida, on September 27, 2006.

93. On information and belief, Betty Bedeau served as a straw buyer for the purchase of at least two properties and signed a false loan application indicating that Betty Bedeau earned \$12,750 per month working as a sales manager for Trincity Trucking. On information and belief, this loan application was submitted in connection with Betty Bedeau's purchase of property located at 1000 Via Santae Lane, #203, Kissimmee, Florida, on January 22, 2007. On information and belief, this loan application was submitted to Centric Mortgage to induce it to make \$390,000 in mortgage loans.

94. Mohammed and E. Brooke, a company controlled by Boyarsky, paid many transaction costs and earnest monies for real estate contracts for straw buyers. In one case, Mohammed wrote a check dated September 20, 2006, in the amount of \$7,007.23 on Longdenville's account for the downpayment of straw buyer Robert McCauley's acquisition of property located at 12907 Parsons Road, Tampa, Florida.

E. Role of Title Agent

95. Valerie Jones, the President of Security One Mortgage, knew Mohammed, and Mohammed frequented the offices of Security One Mortgage. Security Trust Title, of which Valerie Jones is Managing Member, closed many of the straw buyer deals processed through Security One Mortgage.

96. On at least one occasion, Security Trust Title notarized documents used at a straw buyer closing outside the presence of the person allegedly signing the documents in order to aid and abet the fraudulent scheme.

97. Further, Security Trust Title, through its employee Kimberly Kinsley, knew of the defendants' scheme and assisted in carrying out the scheme by managing closings for the straw buyer deals. Kinsley dealt directly with Mohammed on behalf of the straw buyers instead of

dealing with the buyers themselves. For example, Security Trust Title, through Kinsley, controlled a straw buyer closing for Mohammed occurring at Southlake Title, by providing instructions for the disbursement of funds to companies owned and/or controlled by Mohammed.

98. In one particular transaction, Security Trust Title indicated falsely on the HUD-1 Settlement Statement dated August 14, 2006, that straw buyer Robert McCauley was contributing \$1,933.03 towards the closing of his purchase of property located at 5709 Sea Trout Place, Apollo Beach, Florida 33572. However, Security Trust Title made a check payable to itself signed by Kimberly Kinsley in the amount of \$1,933.03 on August 15, 2006, to fund this closing and failed to note this payment on the HUD-1 Settlement Statement. Further, Security Trust Title's balance sheet indicated that the amount of \$1,933.03 had been received from defendant E. Brooke.

99. Similarly, in another transaction, Security Trust Title falsely stated on a HUD-1 Settlement Statement that straw buyer Lisa Rangoo was contributing \$8,998.22 towards the closing of her purchase of property located at 8503 Wythmere Lane, Orlando, Florida 32835. However, Security Trust Title made a check payable to itself signed by Kimberly Kinsley in the amount of \$8,998.22 on August 14, 2006, to fund this closing and failed to note this payment on the HUD-1 Settlement Statement. Further, Security Trust Title's balance sheet indicated that the amount of \$8,998.22 had been received from defendant E. Brooke.

F. Banks Defrauded

100. Security One Mortgage, through Boyarsky, provided the false loan applications to the following mortgage lender banks, which provided mortgage loans to the straw buyers as a result of the defendants' fraudulent scheme: Novastar Mortgage, Green Point Mortgage Funding,

Inc., American Brokers Conduit, EquiFirst Corp., SunTrust Mortgage, Centric Mortgage, and First Magnus.

G. The Defendants Profit from the Fraud

101. From August, 2006, to January, 2007, Security One Mortgage brokered approximately fourteen transactions with straw buyers and received fees totaling approximately \$267,000 on the straw buyer deals.

102. Longdenville, a company controlled by Mohammed, knowingly received more than one million dollars of the mortgage proceeds derived from the mortgage loans provided to the straw buyers. Longdenville made a few mortgage payments on certain properties obtained by the straw buyers but eventually ceased making payments, allowing the properties to lapse into foreclosure.

Count I

Violation of the Florida Deceptive and Unfair Trade Practices Act

103. This is an action against defendants American Heritage Mortgage Group, Inc., Security One Mortgage Corp., Security Trust Title LLC, Trincity Trucking Inc., Allen Boyarsky, Stephen Mahadeo, E. Brooke Co. LLC, Longdenville Investment & Management Inc., American Heritage Commercial Capital, P & R Funding Corporation, Steele Property Investments, Inc., Bethann Schuldiner, Anthony Didonato, Steve Groden, Brad Frank Groden, 1st Capital Mortgage Associates, Inc., Heather Showalter, Jeanette Lugo, Magdalene Williams, Norma Lopez, Kenneth West, Marcus Habeeb, Luis Delgado, Aziz Mohammed a/k/a Ricky a/k/a Khan, and Betty Bedeau in excess of \$15,000, exclusive of attorneys' fees and costs, for violation of the Florida Deceptive and Unfair Trade Practices Act.

104. Plaintiff OAG adopts, realleges, and incorporates by reference paragraphs 1 through 102 above as if fully set forth herein.

105. Section 501.204(1), Florida Statutes, declares that unfair or deceptive acts or practices in the conduct of any trade or commerce are unlawful.

106. Defendants Allen Boyarsky, Marcus Habeeb, and Aziz Mohammed a/k/a Ricky a/k/a Khan have committed the following acts or practices that are unfair, deceptive, or unconscionable in willful violation of Chapter 501, Part II, Florida Statutes:

(a) Recruiting and paying straw buyers to purchase properties to allow defendants to obtain the mortgage proceeds;

(b) Falsifying information on uniform residential loan applications;

(c) Creating false supporting documentation, including bank statements, to submit to banks in connection with the uniform residential loan applications to obtain mortgage loans;

(d) Providing false employment information and employment confirmations for straw buyers of properties;

(e) Knowingly and/or negligently submitting false information to banks to induce them to make mortgage loans;

(f) Inducing realtors and/or sellers of homes to inflate the sales prices of homes so that higher amounts of money could be mortgaged and obtained by defendants;

(g) Intentionally failing to repay the mortgage loans taken out in the name of straw buyers and allowing these properties to fall into foreclosure;

(h) Forging signatures of straw buyers on certain closing documents;

(i) Obtaining money by theft from banks in the form of mortgage loans and funneling the mortgage proceeds to themselves and/or companies wholly controlled by themselves;

(j) Notarizing and/or inducing notaries to notarize closing documents outside the presence of the person(s) allegedly signing the documents; and

(k) Conspiring with one or more defendants to engage in one or more of the above actions.

107. Defendant American Heritage Mortgage Group, Inc. has committed the following acts or practices that are unfair, deceptive, or unconscionable in willful violation of Chapter 501, Part II, Florida Statutes:

(a) Falsifying information on uniform residential loan applications;

(b) Creating false supporting documentation to submit to banks in connection with the uniform residential loan applications to obtain mortgage loans;

(c) Providing false employment information and employment confirmations for straw buyers of properties;

(d) Knowingly and/or negligently submitting false information to banks to induce them to make mortgage loans;

(e) Forging signatures of straw buyers on certain closing documents;

(f) Notarizing and/or inducing notaries to notarize closing documents outside the presence of the person(s) allegedly signing the documents;

(g) Paying kickbacks or unearned fees to straw buyers;

(h) Knowingly receiving the proceeds of mortgage fraud; and

(i) Conspiring with one or more defendants to engage in one or more of the above actions.

108. Defendant Security One Mortgage Corp. has committed the following acts or practices that are unfair, deceptive, or unconscionable in willful violation of Chapter 501, Part II, Florida Statutes:

- (a) Falsifying information on uniform residential loan applications;
- (b) Creating false supporting documentation to submit to banks in connection with the uniform residential loan applications to obtain mortgage loans;
- (c) Providing false employment information and employment confirmations for straw buyers of properties;
- (d) Knowingly and/or negligently submitting false information to banks to induce them to make mortgage loans;
- (e) Forging signatures of straw buyers on certain closing documents;
- (f) Notarizing and/or inducing notaries to notarize closing documents outside the presence of the person(s) allegedly signing the documents; and
- (g) Conspiring with one or more defendants to engage in one or more of the above actions.

109. Defendants Steve Groden and Anthony Didonato have committed the following acts or practices that are unfair, deceptive, or unconscionable in willful violation of Chapter 501, Part II, Florida Statutes:

- (a) Falsifying information on uniform residential loan applications;
- (b) Knowingly and/or negligently submitting false information to banks to induce them to make mortgage loans; and

(c) Conspiring with one or more defendants to engage in one or more of the above actions.

110. Defendants Trincity Trucking Inc., E. Brooke Co. LLC, Longdenville Investment & Management Inc., Steele Property Investments, Inc., and P & R Funding Corporation have committed the following acts or practices that are unfair, deceptive, or unconscionable in willful violation of Chapter 501, Part II, Florida Statutes:

- (a) Aiding and abetting the theft of money from mortgage lender banks in the form of mortgage loan proceeds obtained by straw buyers;
- (b) Knowingly receiving the proceeds of mortgage fraud;
- (c) Providing false verifications of employment for straw buyers of properties; and
- (d) Conspiring with one or more defendants to engage in one or more of the above actions as well as theft, mortgage fraud, and/or cheating.

111. Defendant Security Trust Title, LLC has committed the following acts or practices that are unfair, deceptive, or unconscionable in willful violation of Chapter 501, Part II, Florida Statutes:

- (a) Aiding and abetting the theft of money from mortgage lender banks in the form of mortgage loan proceeds obtained by straw buyers;
- (b) Falsifying information on HUD forms during closings of straw buyers; and
- (c) Conspiring with one or more defendants to engage in theft, mortgage fraud, and/or cheating.

112. Defendant American Heritage Commercial Capital has committed the following acts or practices that are unfair, deceptive, or unconscionable in willful violation of Chapter 501, Part II, Florida Statutes:

(a) Creating false supporting documentation, including phony bank statements of straw buyers indicating significant amounts of money on deposit, to submit to banks in connection with the uniform residential loan applications to obtain mortgage loans; and

(b) Conspiring with one or more defendants to engage in one or more of the above actions and theft, mortgage fraud, and/or cheating.

113. Defendants Stephen Mahadeo and Bethann Schuldiner have committed the following acts or practices that are unfair, deceptive, or unconscionable in willful violation of Chapter 501, Part II, Florida Statutes:

(a) Aiding and abetting the theft of money from mortgage lender banks in the form of mortgage loan proceeds obtained by straw buyers;

(b) Providing false verifications of employment for straw buyers of properties; and

(c) Conspiring with one or more defendants to engage in one or more of the above actions as well as mortgage fraud and/or cheating.

114. Defendants 1st Capital Mortgage and Brad Frank Groden have committed the following acts or practices that are unfair, deceptive, or unconscionable in willful violation of Chapter 501, Part II, Florida Statutes:

(a) Aiding and abetting the theft of money from mortgage lender banks in the form of mortgage loan proceeds obtained by straw buyers;

(b) Providing false verifications of employment for straw buyers of properties; and

(c) Conspiring with one or more defendants to engage in one or more of the above actions as well as mortgage fraud and/or cheating.

115. Defendants Heather Showalter, Jeanette Lugo, Magdalene Williams, Norma Lopez, Kenneth West, and Betty Bedeau have committed the following acts or practices that are unfair, deceptive, or unconscionable in willful violation of Chapter 501, Part II, Florida Statutes:

- (a) Falsifying information on uniform residential loan applications;
- (b) On information and belief, accepting unearned fees and/or kickbacks in connection with their participation as a straw buyer of properties; and
- (c) Conspiring with one or more defendants to engage in theft, mortgage fraud, and/or cheating.

116. Defendant Luis Delgado has committed the following acts or practices that are unfair, deceptive, or unconscionable in willful violation of Chapter 501, Part II, Florida Statutes:

- (a) Recruiting a straw buyer to purchase properties to allow defendants to obtain the mortgage proceeds; and
- (b) Knowingly receiving personally or through his own company, Lad's Trucking LLC, the proceeds of mortgage fraud.

117. The acts and practices of defendants have caused injury, damages, and prejudice to consumers and the public and constitute unconscionable acts or practices or unfair or deceptive acts and trade practices within the intent and meaning of Section 501, Part II, Florida Statutes.

118. Defendant Boyarsky is a direct participant in the activities of defendants American Heritage Mortgage, Security One Mortgage, and E. Brooke. Defendant Mahadeo is a direct participant in the activities of defendant Trincity Trucking. Defendant Bethann Schuldiner is a direct participant in the activities of Steele Property. Defendants Steve Groden and Anthony Didonato are direct participants in the activities of American Heritage Mortgage. Defendant

Brad Frank Groden is a direct participant in the activities of 1st Capital Mortgage. Defendant Mohammed is a direct participant in the activities of defendant Longdenville Investment. Defendant Habeeb is a direct participant in the activities of defendants American Heritage Mortgage, American Heritage Commercial Capital, and P & R Funding.

119. Unless defendants are permanently enjoined from engaging further in the acts and practices alleged herein, the continued activities of defendants will result in irreparable injury to the public for which there is no adequate remedy at law.

WHEREFORE, Plaintiff Office of the Attorney General, Department of Legal Affairs, State of Florida, prays this Court enter a judgment in its favor and against defendants American Heritage Mortgage Group, Inc., Security One Mortgage Corp., Security Trust Title LLC, Trincity Trucking Inc., Allen Boyarsky, Stephen Mahadeo, E. Brooke Co. LLC, Longdenville Investment & Management Inc., American Heritage Commercial Capital, P & R Funding Corporation, Steele Property Investments, Inc., Bethann Schuldiner, Anthony Didonato, Steve Groden, Brad Frank Groden, 1st Capital Mortgage Associates, Inc., Heather Showalter, Jeanette Lugo, Magdalene Williams, Norma Lopez, Kenneth West, Marcus Habeeb, Luis Delgado, Aziz Mohammed a/k/a Ricky a/k/a Khan, and Betty Bedeau, assessing civil penalties against defendants, awarding damages, enjoining future violations of Chapter 501, entering other injunctive relief, awarding attorneys' fees and costs to Plaintiff, and for such other and further relief that this Court deems just and proper.

Count II

Violation of the Florida Deceptive and Unfair Trade Practices Act Through Kickbacks and Unearned Fees Prohibited by 12 U.S.C. § 2607

120. This is an action against defendants American Heritage Mortgage, Allen Boyarsky, Marcus Habeeb, Aziz Mohammed a/k/a Ricky a/k/a Khan, E. Brooke Co. LLC,

Trincity Trucking Inc., Heather Showalter, and Jeanette Lugo in excess of \$15,000, exclusive of attorneys' fees and costs, for violation of the Florida Deceptive and Unfair Trade Practices Act.

121. Plaintiff OAG adopts, realleges, and incorporates by reference paragraphs 1 through 102 above as if fully set forth herein.

122. Section 501.204(1), Florida Statutes, declares that unfair or deceptive acts or practices in the conduct of any trade or commerce are unlawful.

123. Section 2607 of Title 12, United States Code, provides in part:

(a) Business referrals

No person shall give and no person shall accept any fee, kickback, or thing of value pursuant to any agreement or understanding, oral or otherwise, that business incident to or a part of a real estate settlement service involving a federally related mortgage loan shall be referred to any person.

(b) Splitting charges

No person shall give and no person shall accept any portion, split, or percentage of any charge made or received for the rendering of a real estate settlement service in connection with a transaction involving a federally related mortgage loan other than for services actually performed.

124. As set forth in paragraphs 1 through 102 above, defendants American Heritage Mortgage, Boyarsky, Habeeb, E. Brooke, Trincity Trucking, and Mohammed knowingly gave unearned fees or kickbacks to Lugo, McCauley, Lopez, Gleaton, and, on information and belief, Showalter in the form of monetary payments that business incident to or a part of a real estate settlement service involving a federally related mortgage loan shall be referred to any person.

125. Further, defendant American Heritage Mortgage paid Norma Lopez three checks signed by Habeeb dated October 20, 2005, of \$5,000 each for her participation as a straw buyer. Additionally, American Heritage Mortgage paid Lopez a check in the amount of \$11,490 dated November 15, 2005, as unearned fees or kickbacks for her participation as a straw buyer

126. In addition, defendant Trincity Trucking paid Lugo \$10,000 as kickbacks or unearned fees for her participation as a straw buyer.

127. Further, on information and belief, defendant Showalter knowingly received fees or kickbacks from defendants Boyarsky, Habeeb, and/or Mohammed that business incident to or a part of a real estate settlement service involving a federally related mortgage loan shall be referred to any person.

128. Pursuant to § 501.203(3)(c), Florida Statutes, a violation of Chapter 501, Part II, may be based on “[a]ny law, statute, rule, regulation, or ordinance which proscribes unfair methods of competition, or unfair, deceptive, or unconscionable acts or practices.”

129. Defendants, by paying kickbacks or unearned fees as well as receiving kickbacks or unearned fees, violated 12 U.S.C. § 2607, and therefore engaged in deceptive and unfair acts and practices in trade or commerce, in violation of § 501.204, Florida Statutes, and are subject to civil penalties and equitable remedies as imposed therein.

130. Unless defendants are permanently enjoined from engaging further in the acts and practices alleged herein, the continued activities of defendants will result in irreparable injury to the public for which there is no adequate remedy at law.

WHEREFORE, Plaintiff Office of the Attorney General, Department of Legal Affairs, State of Florida, prays this Court enter a judgment in its favor and against defendants American Heritage Mortgage, Allen Boyarsky, Marcus Habeeb, Aziz Mohammed a/k/a Ricky a/k/a Khan, E. Brooke Co. LLC, Trincity Trucking Inc., Heather Showalter, and Jeanette Lugo, assessing civil penalties against defendants, awarding damages on behalf of consumers, enjoining future violations of Chapter 501, entering other injunctive relief, awarding attorneys’ fees and costs to Plaintiff, and for such other and further relief that this Court deems just and proper.

Count III

Violation of the Florida Deceptive and Unfair Trade Practices Act Through Theft Prohibited by Section 812.014

131. This is an action against defendants American Heritage Mortgage Group, Inc., Security One Mortgage Corp., Trincity Trucking Inc., Allen Boyarsky, Marcus Habeeb, Aziz Mohammed a/k/a Ricky a/k/a Khan, and American Heritage Commercial Capital in excess of \$15,000, exclusive of attorneys' fees and costs, for violation of the Florida Deceptive and Unfair Trade Practices Act.

132. Plaintiff OAG adopts, realleges, and incorporates by reference paragraphs 1 through 102 above as if fully set forth herein.

133. Section 501.204(1), Florida Statutes, declares that unfair or deceptive acts or practices in the conduct of any trade or commerce are unlawful.

134. Section 812.014(1), Florida Statutes, provides in part:

A person commits theft if he or she knowingly obtains or uses, or endeavors to obtain or use, the property of another with intent to, either temporarily or permanently:

(a) Deprive the other person of a right to the property or a benefit from the property.

(b) Appropriate the property to his or her own use or to the use of any person not entitled to the use of the property.

135. As set forth in paragraphs 1 through 102 above, defendants knowingly obtained money in the form of mortgage proceeds from the banks with the intent to either temporarily or permanently deprive the banks of the money and appropriate the money to their own use or the use of others not entitled to the use of the money.

136. Pursuant to § 501.203(3)(c), Florida Statutes, a violation of Chapter 501, Part II, may be based on "[a]ny law, statute, rule, regulation, or ordinance which proscribes unfair methods of competition, or unfair, deceptive, or unconscionable acts or practices."

137. Defendants, by taking the money from the banks in the form of mortgage proceeds, violated § 812.014(1), Florida Statutes, and therefore engaged in deceptive and unfair acts and practices in trade or commerce, in violation of § 501.204, Florida Statutes, and are subject to civil penalties and equitable remedies as imposed therein.

138. Unless defendants are permanently enjoined from engaging further in the acts and practices alleged herein, the continued activities of defendants will result in irreparable injury to the public for which there is no adequate remedy at law.

WHEREFORE, Plaintiff Office of the Attorney General, Department of Legal Affairs, State of Florida, prays this Court enter a judgment in its favor and against defendants American Heritage Mortgage Group, Inc., Security One Mortgage Corp., Trincity Trucking Inc., Allen Boyarsky, Marcus Habeeb, Aziz Mohammed a/k/a Ricky a/k/a Khan, and American Heritage Commercial Capital, assessing civil penalties against defendants, awarding damages, enjoining future violations of Chapter 501, entering other injunctive relief, awarding attorneys' fees and costs to Plaintiff, and for such other and further relief that this Court deems just and proper.

Count IV

Violation of the Florida Deceptive and Unfair Trade Practices Act Through Cheating Prohibited by Section 817.29

139. This is an action against defendants American Heritage Mortgage Group, Inc., Security One Mortgage Corp., Allen Boyarsky, Marcus Habeeb, Aziz Mohammed a/k/a Ricky a/k/a Khan, Steele Property Investments, Inc., Bethann Schuldiner, Steve Groden, and Anthony Didonato in excess of \$15,000 exclusive of attorneys' fees and costs for violation of the Florida Deceptive and Unfair Trade Practices Act.

140. Plaintiff OAG adopts, realleges, and incorporates by reference paragraphs 1 through 102 above as if fully set forth herein.

141. Section 501.204(1), Florida Statutes, declares that unfair or deceptive acts or practices in the conduct of any trade or commerce are unlawful.

142. Section 817.29, Florida Statutes, provides in part:

Whoever is convicted of any gross fraud or cheat at common law shall be guilty of a felony of the third degree...

143. The crime of common law cheating by false pretenses is the intentional obtaining of both the possession and ownership of money, goods, wares, or merchandise by means of misrepresentations with the intent to defraud.

144. As set forth in paragraphs 1 through 102 above, defendants have intentionally obtained possession and ownership of money from the banks in the form of mortgage proceeds by means of misrepresentations on the uniform residential loan applications, false employment verification information, and false documents supporting the uniform residential loan applications with the intent to defraud the banks.

145. Pursuant to § 501.203(3)(c), Florida Statutes, a violation of Chapter 501, Part II, may be based on “[a]ny law, statute, rule, regulation, or ordinance which proscribes unfair methods of competition, or unfair, deceptive, or unconscionable acts or practices.”

146. Defendants, by cheating the banks for money in the form of mortgage proceeds by submitting false uniform residential loan applications, false employment information, phony employment verification information, and false documents to support the mortgage loan applications have committed common law cheating by false pretenses and thereby violated Section 817.29, Florida Statutes, and therefore engaged in deceptive and unfair acts and practices in trade or commerce, in violation of § 501.204, Florida Statutes, and are subject to civil penalties and equitable remedies as imposed therein.

147. Unless defendants are permanently enjoined from engaging further in the acts and practices alleged herein, the continued activities of defendants will result in irreparable injury to the public for which there is no adequate remedy at law.

WHEREFORE, Plaintiff, Office of the Attorney General, Department of Legal Affairs, State of Florida, prays this Court enter a judgment in its favor and against defendants American Heritage Mortgage Group, Inc., Security One Mortgage Corp., Allen Boyarsky, Marcus Habeeb, Aziz Mohammed a/k/a Ricky a/k/a Khan, Steele Property Investments, Inc., Bethann Schuldiner, Steve Groden, and Anthony Didonato, assessing civil penalties against defendants, awarding damages, enjoining future violations of Chapter 501, entering other injunctive relief, awarding attorneys' fees and costs to Plaintiff, and for such other and further relief that this Court deems just and proper.

Count V

Violation of the Florida Deceptive and Unfair Trade Practices Act Through Obtaining a Mortgage by False Representation Prohibited by Section 817.54

148. This is an action against defendants American Heritage Mortgage Group, Inc., Security One Mortgage Corp., Trincity Trucking Inc., Allen Boyarsky, Marcus Habeeb, Aziz Mohammed a/k/a Ricky a/k/a Khan, Steve Groden, and Anthony Didonato in excess of \$15,000 exclusive of attorneys' fees and costs for violation of the Florida Deceptive and Unfair Trade Practices Act.

149. Plaintiff OAG adopts, realleges, and incorporates by reference paragraphs 1 through 102 above as if fully set forth herein.

150. Section 501.204(1), Florida Statutes, declares that unfair or deceptive acts or practices in the conduct of any trade or commerce are unlawful.

151. Section 817.54, Florida Statutes, provides in part:

Any person who, with intent to defraud, obtains any mortgage, mortgage note, promissory note or other instrument evidencing a debt from any person or obtains the signature of any person to any mortgage, mortgage note, promissory note or other instrument evidencing a debt by color or aid of fraudulent or false representation or pretenses, or obtains the signature of any person to a mortgage, mortgage note, or promissory note, or other instrument evidencing a debt, the false making whereof would be punishable as forgery, shall be guilty of a felony of the third degree...

152. As set forth in paragraphs 1 through 102 above, defendants have with intent to defraud obtained mortgages and mortgage notes or obtained the signatures of persons to mortgages and mortgage notes by color or aid of fraudulent or false representation or pretenses.

153. Pursuant to § 501.203(3)(c), Florida Statutes, a violation of Chapter 501, Part II, may be based on “[a]ny law, statute, rule, regulation, or ordinance which proscribes unfair methods of competition, or unfair, deceptive, or unconscionable acts or practices.”

154. Defendants, by obtaining mortgages and mortgage notes or obtaining the signatures of persons to mortgages and mortgage notes with intent to defraud banks by color or aid of fraudulent or false representation or pretenses including the submission to banks of false uniform residential loan applications, false employment information, phony employment verification information, and false documents to support the mortgage loan applications have violated § 817.54, Florida Statutes, and therefore engaged in deceptive and unfair acts and practices in trade or commerce, in violation of § 501.204, Florida Statutes, and are subject to civil penalties and equitable remedies as imposed therein.

155. Unless defendants are permanently enjoined from engaging further in the acts and practices alleged herein, the continued activities of defendants will result in irreparable injury to the public for which there is no adequate remedy at law.

WHEREFORE, Plaintiff, Office of the Attorney General, Department of Legal Affairs, State of Florida, prays this Court enter a judgment in its favor and against defendants American

Heritage Mortgage Group, Inc., Security One Mortgage Corp., Trincity Trucking Inc., Allen Boyarsky, Marcus Habeeb, Aziz Mohammed a/k/a Ricky a/k/a Khan, Steve Groden, and Anthony Didonato, assessing civil penalties against defendants, awarding damages, enjoining future violations of Chapter 501, entering other injunctive relief, awarding attorneys' fees and costs to Plaintiff, and for such other and further relief that this Court deems just and proper.

Count VI

Violation of the Florida Deceptive and Unfair Trade Practices Act Through Mortgage Fraud Prohibited by Section 817.545

156. This is an action against defendants American Heritage Mortgage Group, Inc., Security One Mortgage Corp., Security Trust Title LLC, Trincity Trucking Inc., Allen Boyarsky, Marcus Habeeb, Aziz Mohammed a/k/a Ricky a/k/a Khan, Stephen Mahadeo, E. Brooke Co. LLC, Longdenville Investment & Management Inc., American Heritage Commercial Capital, P & R Funding Corporation, Steele Property Investments, Inc., Bethann Schuldiner, Anthony Didonato, Steve Groden, Brad Frank Groden, 1st Capital Mortgage Associates, Inc., Heather Showalter, Jeanette Lugo, Magdalene Williams, Norma Lopez, Kenneth West, Luis Delgado, and Betty Bedeau, in excess of \$15,000 exclusive of attorneys' fees and costs for violation of the Florida Deceptive and Unfair Trade Practices Act.

157. Plaintiff OAG adopts, realleges, and incorporates by reference paragraphs 1 through 102 above as if fully set forth herein.

158. Section 501.204(1), Florida Statutes, declares that unfair or deceptive acts or practices in the conduct of any trade or commerce are unlawful.

159. Section 817.545(2), Florida Statutes, provides in part:

A person commits the offense of mortgage fraud if, with intent to defraud, the person knowingly:

- (a) Makes any material misstatement, misrepresentation, or omission during the mortgage lending process with the intention that the misstatement, misrepresentation, or omission will be relied on by a mortgage lender, borrower, or any other person or entity involved in the mortgage lending process...
- (b) Uses or facilitates the use of any material misstatement, misrepresentation, or omission during the mortgage lending process with the intention that the material misstatement, misrepresentation, or omission will be relied on by a mortgage lender, borrower, or any other person or entity involved in the mortgage lending process...
- (c) Receives any proceeds or any other funds in connection with the mortgage lending process that the person knew resulted from a violation of paragraph (a) or (b).

160. As set forth in paragraphs 1 through 102 above, defendants American Heritage Mortgage Group, Inc., Security One Mortgage Corp., Security Trust Title LLC, Allen Boyarsky, Marcus Habeeb, Aziz Mohammed a/k/a Ricky a/k/a Khan, American Heritage Commercial Capital, Steele Property Investments, Inc., Bethann Schuldiner, Anthony Didonato, Brad Frank Groden, 1st Capital Mortgage Associates, Inc., Heather Showalter, Steve Groden, Magdalene Williams, Kenneth West, and Betty Bedeau have with intent to defraud knowingly made material misstatements or misrepresentations during the mortgage lending process with the intention that the misstatements or misrepresentations be relied on by the mortgage lenders. Additionally, these defendants have knowingly with the intent to defraud used or facilitated the use of material misstatements or misrepresentations with the intention that the material misstatement or misrepresentation be relied on by the mortgage lenders.

161. Furthermore, defendants Trincity Trucking Inc., Stephen Mahadeo, E. Brooke Co. LLC, Longdenville Investment & Management Inc., P & R Funding Corporation, Steele Property Investments, Inc., Heather Showalter, Jeanette Lugo, Magdalene Williams, Norma Lopez, Kenneth West, and Luis Delgado have with intent to defraud knowingly received funds in

connection with the mortgage lending process that the defendants knew resulted from a violation of Section 817.545(2)(a) or (b), Florida Statutes.

162. Pursuant to § 501.203(3)(c), Florida Statutes, a violation of Chapter 501, Part II, may be based on “[a]ny law, statute, rule, regulation, or ordinance which proscribes unfair methods of competition, or unfair, deceptive, or unconscionable acts or practices.”

163. Defendants, by knowingly submitting to banks misstatements and misrepresentations contained in the uniform residential loan applications, false employment information, phony employment verification information, and false documents to support the mortgage loan applications with intent to defraud and with the intention that the misstatements and misrepresentations would be relied on by mortgage lenders have violated § 817.545, Florida Statutes, and therefore engaged in deceptive and unfair acts and practices in trade or commerce, in violation of § 501.204, Florida Statutes, and are subject to civil penalties and equitable remedies as imposed therein.

164. Further, defendants, by knowingly receiving proceeds or any other funds in connection with the mortgage lending process that defendants knew resulted from a violation of paragraph (a) or (b) of § 817.545, Florida Statutes have therefore violated § 817.545, Florida Statutes, and engaged in deceptive and unfair acts and practices in trade or commerce, in violation of § 501.204, Florida Statutes, and are subject to civil penalties and equitable remedies as imposed therein.

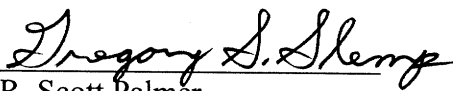
165. Unless defendants are permanently enjoined from engaging further in the acts and practices alleged herein, the continued activities of defendants will result in irreparable injury to the public for which there is no adequate remedy at law.

WHEREFORE, Plaintiff, Office of the Attorney General, Department of Legal Affairs, State of Florida, prays this Court enter a judgment in its favor and against defendants American Heritage Mortgage Group, Inc., Security One Mortgage Corp., Security Trust Title LLC, Trinity Trucking Inc., Allen Boyarsky, Marcus Habeeb, Aziz Mohammed a/k/a Ricky a/k/a Khan, Stephen Mahadeo, E. Brooke Co. LLC, Longdenville Investment & Management Inc., American Heritage Commercial Capital, P & R Funding Corporation, Steele Property Investments, Inc., Bethann Schuldiner, Anthony Didonato, Steve Groden, Brad Frank Groden, 1st Capital Mortgage Associates, Inc., Heather Showalter, Jeanette Lugo, Magdalene Williams, Norma Lopez, Kenneth West, Luis Delgado, and Betty Bedeau, assessing civil penalties against defendants, awarding damages, enjoining future violations of Chapter 501, entering other injunctive relief, awarding attorneys' fees and costs to Plaintiff, and for such other and further relief that this Court deem s just and proper.

Jury Trial Demand

Plaintiff hereby demands a trial by jury on all issues so triable.

BILL McCOLLUM
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