

IN THE CIRCUIT COURT OF THE THIRTEENTH JUDICIAL CIRCUIT
IN AND FOR HILLSBOROUGH COUNTY, FLORIDA

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

Plaintiff,

v.

HOA PROBLEM SOLUTIONS INC, a
Florida Corporation; HOA PROBLEM
SOLUTIONS 2 INC, a Florida Corporation;
HOA PROBLEM SOLUTIONS 3 INC, a
Florida Corporation; HOA PROBLEM
SOLUTIONS 4 INC, a Florida Corporation;
HOA PROBLEM SOLUTIONS 5 INC, a
Florida Corporation; RHMG INC a Florida
Corporation; HOA PROBLEM
SOLUTIONS 5 INC, AS TRUSTEE OF
THE 12352 SONDR A COVE TRAIL
LAND TRUST; UNKNOWN DOE
BENEFICIARIES OF THE 12352
SONDR A COVE TRAIL LAND TRUST;
HOA PROBLEM SOLUTIONS 5 INC, AS
TRUSTEE OF THE 328 SAHALLI
COURT LAND TRUST; UNKNOWN
DOE BENEFICIARIES OF THE OF THE
328 SAHALLI COURT LAND TRUST;
HOA PROBLEM SOLUTIONS 5 INC, AS
TRUSTEE OF ROE LAND TRUSTS 1
THROUGH 400; UNKNOWN DOE
BENEFICIARIES OF ROE LAND
TRUSTS 1 THROUGH 400; MICHAEL
CHANCEY an individual; JIMMY DEAN
CHANCEY an individual,

Case No.:
Division:

Defendants.

**COMPLAINT FOR INJUNCTIVE RELIEF, RESTITUTION,
CIVIL PENALTIES, AND OTHER STATUTORY RELIEF**

Plaintiff, Office of the Attorney General, State of Florida, Department of Legal Affairs (the “Attorney General”), by and through its Attorney General, Pamela Jo Bondi, sues Defendants HOA PROBEM SOLUTIONS INC; HOA PROBLEM SOLUTIONS 2 INC; HOA PROBLEM SOLUTIONS 3 INC; HOA PROBLEM SOLUTIONS 4 INC; HOA PROBLEM SOLUTIONS 5 INC (collectively “HOAPS”); RHMG INC a Florida Corporation; HOA PROBLEM SOLUTIONS 5 INC, AS TRUSTEE OF THE 12352 SONDRRA COVE TRAIL LAND TRUST; UNKNOWN DOE BENEFICIARIES OF THE 12352 SONDRRA COVE TRAIL LAND TRUST; HOA PROBLEM SOLUTIONS 5 INC, AS TRUSTEE OF THE 328 SAHALLI COURT LAND TRUST; UNKNOWN DOE BENEFICIARIES OF THE OF THE 328 SAHALLI COURT LAND TRUST; HOA PROBLEM SOLUTIONS 5 INC, AS TRUSTEE OF ROE LAND TRUSTS 1 THROUGH 400; UNKNOWN DOE BENEFICIARIES OF ROE LAND TRUSTS 1 THROUGH 400; MICHAEL CHANCEY an individual; JIMMY DEAN CHANCEY an individual (collectively referred to herein as “Defendants”), and alleges:

Jurisdiction and Venue

1. This is an action pursuant to the Florida Deceptive and Unfair Trade Practices Act (“FDUTPA”), Chapter 501, Part II, Florida Statutes (2016), to obtain temporary, preliminary and permanent injunctive relief, rescission or reformation

of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten monies, other equitable relief, civil penalties, as well as other available statutory relief, for Defendants' acts or practices in violation of FDUTPA.

2. The Court has subject matter jurisdiction pursuant to Florida Statute section 26.012 and FDUTPA.

3. Pursuant to Florida Statute sections 47.011 and 47.051, venue is proper in the Circuit Court of the Thirteenth Judicial Circuit, in and for Hillsborough County, Florida, as at least one of the individual Defendants resides in Hillsborough County, and the principal place of business for the corporate Defendants is also in Hillsborough County.

4. At all times material to this Complaint, the Defendants engaged in trade or commerce as defined in Florida Statute section 501.203(8).

5. Pursuant to Florida Statute sections 95.11(3) and 501.207(5), all of the acts, practices, occurrences, and transactions upon which this Complaint is based occurred within four (4) years of the filing of the Complaint.

The Parties

6. The Attorney General is an "enforcing authority" under FDUTPA and is authorized to bring this action and seek injunctive and other statutory relief pursuant to Florida Statute sections 501.207, 501.2075, and 501.2077.

7. Pursuant to Florida Statute section 501.203(2), the alleged statutory violations occurred in or affected residents of more than one judicial circuit in the State of Florida.

8. Pursuant to Florida Statute section 501.207(2), the Attorney General conducted an investigation of the alleged matters, and Florida Attorney General Pamela Jo Bondi determined that this enforcement action against the Defendants serves the public interest.

9. HOA Problem Solutions Inc. (“HOAPS 1”) is a Florida corporation doing business in Florida and is registered with the Florida Department of State as an inactive entity with a mailing address of 3310 W. Cypress Street, Suite 206, Tampa, Florida 33607.

10. HOA Problem Solutions 2 Inc. (“HOAPS 2”) is a Florida corporation doing business in Florida and is registered with the Florida Department of State as an inactive entity with a mailing address of 3310 W. Cypress Street, Suite 206, Tampa, Florida 33607.

11. HOA Problem Solutions 3 Inc. (“HOAPS 3”) is a Florida corporation doing business in Florida and is registered with the Florida Department of State as an inactive entity with a mailing address of 3310 W. Cypress Street, Suite 206, Tampa, Florida 33607.

12. HOA Problem Solutions 4 Inc. (“HOAPS 4”) is a Florida corporation doing business in Florida and is registered with the Florida Department of State as an inactive entity with a mailing address of 701 S. Howard Ave., Suite 106-125, Tampa, FL 33606.

13. HOA Problem Solutions 5 Inc. (“HOAPS 5”) is a Florida corporation doing business in Florida and is registered with the Florida Department of State as an active entity with a mailing address of 3310 W. Cypress Street, Suite 206, Tampa, Florida 33607.

14. RHMG Inc. (hereinafter “RHMG”) is a Florida corporation doing business in Florida and is registered with the Florida Department of State as an active entity with a mailing address of 3310 W. Cypress Street, Suite 206, Tampa, Florida 33607.

15. HOA Problem Solutions 5 Inc., in its capacity as Trustee of the 12352 Sondra Cove Trail Land Trust, is located at 3310 W. Cypress Street, Suite 206, Tampa, Florida 33607.

16. HOA Problem Solutions 5 Inc., in its capacity as Trustee of the 328 Sahalli Court Land Trust, is located at 3310 W. Cypress Street, Suite 206, Tampa, Florida 33607.

17. Defendant Michael Chancey resides at 2801 Leola Lane, Valrico, Florida 33594. In connection with the matters alleged herein, he transacts or has

transacted business in Florida. Defendant Michael Chancey is the President of HOA Problem Solutions Inc.; HOA Problem Solutions 2 Inc.; HOA Problem Solutions 3 Inc.; HOA Problem Solutions 5 Inc.; and RHMG Inc. At all times material to this Complaint, acting alone or in concert with others, Defendant Michael Chancey has formulated, directed, controlled, had the authority to control, or participated in the various acts and practices of HOA Problem Solutions Inc.; HOA Problem Solutions 2 Inc.; HOA Problem Solutions 3 Inc.; HOA Problem Solutions 5 Inc.; HOA Problem Solutions 5 Inc., as Trustee of the 12352 Sondra Cove Trail Land Trust; HOA Problem Solutions 5 Inc., as Trustee of the 328 Sahalli Court Land Trust; HOA Problem Solutions 5 Inc., as Trustee of Roe Land Trusts 1 through 400; and RHMG Inc., set forth in this Complaint.

18. Defendant Jimmy Dean Chancey resides at 414 E. Morgan St., Brandon, Florida 33510. In connection with the matters alleged herein, he transacts or has transacted business in Florida. Defendant Jimmy Dean Chancey is the President of HOA Problem Solutions 4 Inc. At all times material to this Complaint, acting alone or in concert with others, Defendant Jimmy Dean Chancey has formulated, directed, controlled, had the authority to control, or participated in the various acts and practices of HOA Problem Solutions 4 Inc. set forth in this Complaint.

19. Defendants have operated together in furtherance of a common purpose while engaging in the unfair and deceptive trade practices set forth in this Complaint, and the various Defendants have played various roles to further Defendants' scheme. Upon information and belief, Defendants have conducted the business practices herein through an interrelated network of companies that have common ownership, officers, managers, business functions, business locations, and employees, that commingled funds, and that engaged in a common scheme. Each of the Defendants is jointly and severally liable for the acts and practices alleged below.

20. HOA Problem Solutions consists of five corporations with sequentially numbered names. HOAPS 1 filed its Articles of Incorporation on September 7, 2012. HOAPS 1 was then administratively dissolved for failing to file an annual report. However, on October 8, 2015, HOAPS 1 filed for reinstatement to "Active" status. As of the date of this Complaint, HOAPS 1 is once again "Inactive" after being administratively dissolved for failing to file an annual report. HOAPS 2 filed its Articles of Incorporation on October 9, 2013, and was administratively dissolved less than 1 year later. Likewise, HOAPS 3 also filed its Articles of Incorporation on October 9, 2013, and was administratively dissolved less than 1 year later. HOAPS 4 filed its Articles of Incorporation on June 11, 2013, and was administratively dissolved on September 26, 2014.

HOAPA 5 filed its Articles of Incorporation on January 3, 2014, and it maintains an “Active” status. All of the HOAPS corporations are under the control of either Defendant Michael Chancey or Defendant Jimmy Dean Chancey and are simply a continuation of the previous HOAPS entity.

21. The true names and capacities of the defendants named herein as HOA Problem Solutions 5 Inc., as Trustee of Roe Land Trusts 1 through 400; Unknown Doe Beneficiaries of the 12352 Sondra Cove Trail Land Trust; Unknown Doe Beneficiaries of the 328 Sahalli Court Land Trust; and Unknown Doe Beneficiaries of Roe Land Trusts 1 through 400, are unknown to the Attorney General, who therefore sues them under these fictitious names. Each of the fictitiously named Unknown Doe Beneficiaries of the 12352 Sondra Cove Trail Land Trust; Unknown Doe Beneficiaries of the 328 Sahalli Court Land Trust; Unknown Doe Beneficiaries of Roe Land Trusts 1 through 400; and Roe Land Trusts 1 through 400 engaged in or is otherwise responsible in some manner for the acts, omissions, misrepresentations, use or misuse of information, or other occurrences which caused the violations alleged in this Complaint. The Attorney General will amend this Complaint to add their true names and capacities when they become known.

22. All of the Defendants were the agents and principals of all of the other Defendants and were acting in the course and scope of their authority.

The Defendants' Business Practices

HOAPS and the Homeowners

23. Upon information and belief, HOAPS identifies financially vulnerable consumer homeowners (hereinafter "Consumers") in common interest communities with a homeowners' association and subject to a Declaration of Covenants, Conditions, and Restrictions ("CC&R's") or similar set of rules and deed restrictions. HOAPS, itself, is not a homeowners' association.

24. When a Consumer within such a common interest community is unable to pay the periodic assessment to the homeowners' association, the homeowners' association can obtain a lien against the Consumer's property.

25. Upon information and belief, HOAPS identifies Consumers with liens recorded against their properties through various methods, including, but not limited to, reviewing court documents and records for liens recorded by homeowners' associations.

26. If the Consumer is unable to satisfy the lien against the Consumer's property, the homeowners' association can file a lawsuit to foreclose on the property.

27. If the homeowners' association is successful in its lawsuit, the Consumer's property is set for an HOA foreclosure sale.

28. HOAPS typically contacts these financially vulnerable Consumers before the HOA foreclosure sale, and, by unfair or deceptive acts and practices, attempts to get the Consumer to sell the Consumer's property to HOAPS for a fraction of the fair market value of the property.

29. HOAPS attempts to have the Consumer execute a quitclaim deed as part of a purchase and sale agreement for the property.

30. In some instances, HOAPS has had the Consumer enter into a loan agreement disguised as a purchase and sale agreement for the property.

31. As an inducement to get the Consumers to sell their properties, HOAPS represents to the Consumers that HOAPS will handle all the problems with the property, including any issues with the home loan from a lender.

32. As a further inducement to get the Consumer to sell the Consumer's property, HOAPS represents that HOAPS will provide an attorney to the Consumer to represent the Consumer's interests in any lender foreclosure actions concerning the property.

33. In fact, the Consumer's interests are not represented. When a Consumer sells the Consumer's property to HOAPS, the Consumer typically owes money on a home loan and is still responsible for the home loan on the property.

34. When an attorney is provided to the Consumer by HOAPS, the attorney typically files documents to delay the lender foreclosure on the property.

This delay has the effect of increasing the size of the deficiency judgment (with no chance for the Consumer to keep the property since HOAPS has already taken the property through a quitclaim deed).¹

35. After convincing the Consumer to sell the property prior to the HOA foreclosure sale for a fraction of its fair market value, HOAPS often titles the property in the name of HOA Problem Solutions as Trustee for [property address].

36. HOAPS records its quitclaim deeds even when HOAPS does not have valid ownership of the properties for various reasons such as only one spouse signing the quitclaim deed. HOAPS also files quitclaim deeds despite the homeowner's signature on the quitclaim deed being notarized without the homeowner being in the presence of the notary.

37. When HOAPS acquires a property, HOAPS fails to provide the homeowner with a written instrument containing the information and disclosures required in Florida Statute section 45.033. In doing so, HOAPS fails to provide the homeowner with information demonstrating the homeowner's right to receive any surplus funds from any upcoming HOA foreclosure sale.

38. HOAPS can make a profit from the properties going to HOA foreclosure sales in two basic ways: 1) the property is purchased by a third-party at

¹ However, as will be alleged below, delaying the lender's foreclosure is in the best financial interests of HOAPS because it extends the amount of time for HOAPS to collect rents on the property from a tenant.

an amount in excess of the homeowners' association lien on the property; or 2) a tenant is placed in the property and rent is collected by HOAPS, its agents, or a Michael Chancey entity such as RHMGM.

The HOA Foreclosure Sale

39. When a HOA foreclosure sale takes place, the owner of the property is entitled to any surplus funds resulting from the sale.

40. Because the property going to a HOA foreclosure sale typically has an outstanding home loan on the property, bids are typically low and there are rarely any surplus funds resulting from the sale.

41. When there is a surplus, HOAPS attempts to collect the surplus funds itself from the judicial sale of the property for the benefit of itself and the other Defendants.

42. Because there is rarely any sizable surplus, Defendants attempt to make money on the properties acquired from distressed Consumers by renting the properties to tenants.

43. However, any successful HOA foreclosure sale prevents Defendants from successfully renting the properties on a long-term basis because once a property is sold, ownership changes hands and there is no legal basis for continuing to collect rents.

44. Because of this, Defendants use their agents to prevent the successful completion of HOA foreclosure sales. Defendants do this by:

- a. During the HOA foreclosure sale auction, Defendants' agents bid up the price for the property.
- b. If Defendants' agents submit the highest bid for the property at auction, thereby precluding Defendants from collecting a surplus from the sale, Defendants' agents fail to return with the funds required to complete the sale, thereby resulting in an invalid sale and requiring a new sale date to be set.
- c. Defendants then use the delay resulting from its obstruction of the HOA foreclosure sale to keep the tenant in the property and to continue to collect additional rent payments.
- d. There are properties that go to multiple HOA foreclosure sales due to the sales needing to be reset repeatedly due to delays caused by Defendants or their agents.

45. During the time period that HOAPS owns a property, HOAPS typically fails to pay any overdue homeowners' association fees and also fails to pay the homeowners' association fees going forward.

RHMG and the Tenants

46. Working in concert with the other Defendants, RHMG attempts to and oftentimes places tenants into the properties HOAPS acquires regardless of whether HOAPS has clear ownership of the property.

47. Oftentimes, RHMG fails to disclose to the prospective tenants that the properties RHMG is trying to rent to them are in the process of: a foreclosure by a homeowners' association, a foreclosure by the lender, or foreclosures by both a homeowners' association and the lender.

48. When asked by prospective tenants whether the property is in foreclosure, RHMG often tells prospective tenants that the property is not in foreclosure.

49. When leasing the properties, RHMG misrepresents that the property "may or may not be in foreclosure" even when the property is in an ongoing foreclosure.

50. When rent monies are received from tenants, Defendants fail to pay the rents collected from tenants to the holder of the mortgage on the property as required by Florida Statute section 697.08.

51. Defendants' failure to pay the rents to the mortgage holder, as required by Florida law, makes the lender's foreclosure more likely.

52. When tenants receive notices at the property that there is a foreclosure, Defendants tell the tenants that it will be taken care of.

53. Defendants do not legitimately “take care” of the tenants’ interests.

54. Even after the foreclosure is completed and there is a new owner of the property, there are instances where Defendants tell the tenant to continue paying their rent to Defendants.

55. As a result of the Defendants actions, tenants are often required to move out of the properties with little notice.

56. The Defendants oftentimes fail to pay the homeowners’ association fees resulting in the tenants receiving notices of unpaid homeowner association fees and the loss of community privileges such as the ability to use the community pool, the residents’ vehicle access gate, or the community clubhouse.

57. As a result of Defendants’ acts and practices, consumers suffer substantial economic injury, including, *inter alia*: the homeowner’s loss of any surplus from the HOA foreclosure sale, the homeowner’s loss of the property itself, the increase in the amount of the deficiency judgment, the tenant’s moving expenses incurred after being forced to move because of the foreclosure of the property, additional utility expenses, expenses for searching for a new place to live, expenses associated with paying additional security deposits on a new place to live, and harm to their credit scores.

58. As set forth in this Complaint, Florida consumers have been victims of Defendants' unlawful business practices in violation of Florida Statute section 501.2075.

59. Senior citizens and other such persons enumerated in Florida Statute section 501.2077 have been victims of Defendants' unlawful business practices.

60. The Defendants' violations of FDUTPA have caused consumers to suffer past and ongoing substantial injury resulting in the unjust enrichment of the Defendants. Absent injunctive relief by the Court, the Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

61. The Attorney General has incurred reasonable attorneys' fees and costs in its investigation and in maintaining this action against the Defendants and, pursuant to Florida Statute sections 501.2075 and 501.2105, the Attorney General is entitled to an award of same.

Count I:
Violation of FDUPTA
(Defendants' Unfair or Deceptive Acts or Practices
in Dealing with Homeowners)

62. The Attorney General incorporates and adopts by reference paragraphs 1 through 61 as if set forth fully herein.

63. FDUTPA, specifically Florida Statute section 501.204(1), makes unlawful “[u]nfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce.”

64. As set forth in paragraphs 23 through 61 herein, Defendants engaged in unfair, deceptive, and unconscionable acts or practices in the conduct of trade or commerce in violation of Florida Statute section 501.204(1) by their conduct in soliciting and convincing financially vulnerable Consumers to sell the Consumers’ property to HOAPS for a fraction of the fair market value of the property.

65. In truth and in fact, Defendants failed to inform the Consumers that they would be the recipient of any surplus funds from the HOA foreclosure sale of the property, failed to pay any rents received to the Consumer’s home loan lender as required by Florida statute, and failed to resolve the Consumer’s outstanding home loan on the property for which the Consumer remained obligated.

66. Defendants willfully engaged in the acts and practices when they either knew or should have known that such acts and practices were unfair or deceptive or otherwise prohibited by law.

Count II:
Violation of FDUTPA
(Defendants' Unfair or Deceptive Acts or
Practices in Dealing with Tenants)

67. The Attorney General incorporates and adopts by reference paragraphs 1 through 66 as if set forth fully herein.

68. FDUTPA, specifically Florida Statute section 501.204(1), makes unlawful “[u]nfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce.”

69. As set forth in paragraphs 23 through 61 herein, Defendants engaged in unfair, deceptive, and unconscionable acts or practices in the conduct of trade or commerce in violation of Florida Statute section 501.204(1) by their conduct in soliciting and placing tenants into Defendants’ properties.

70. In truth and fact, Defendants failed to disclose that the property was in foreclosure, failed to make payments on the Consumer’s mortgage as required by Florida statute, applied rents received to the Defendants’ own use, and caused the tenants to incur expenses such as: moving expenses incurred after being forced to move because of the foreclosure of the property, additional utility expenses and deposits, expenses for searching for a new place to live, expenses associated with paying additional security deposits on a new place to live, loss of use of the common community elements, and harm to their credit scores.

71. Defendants willfully engaged in the acts and practices when they either knew or should have known that such acts and practices were unfair or deceptive or otherwise prohibited by law.

Count III:

Violation of FDUPTA

(Defendants HOAPS 5; HOAPS 5 as Trustee of the Sahalli Property; Unknown Doe Beneficiaries of the 328 Sahalli Court Land Trust; HOAPS 5 as Trustee of the Sondra Cove Property; Unknown Doe Beneficiaries of the 12352 Sondra Cove Trail Land Trust; RHMG; Michael Chancey; HOAPS 5, as Trustee of Roe Land Trusts 1 through 400; & Unknown Doe Beneficiaries of Roe Land Trusts 1 through 400's Failure to Make Payments Under Mortgage)

72. The Attorney General incorporates and adopts by reference paragraphs 1 through 71 as if set forth fully herein.

73. Florida Statute section 501.203(3)(c) states that a violation of FDUTPA may be based upon a violation of “[a]ny law, statute, rule, regulation, or ordinance which proscribes unfair methods of competition, or unfair, deceptive, or unconscionable acts or practices.”

74. Florida Statute section 697.08 is a statute which proscribes unfair methods of competition, or unfair, deceptive, or unconscionable acts or practices.

75. Florida Statute section 697.08 provides that it is unlawful for any person, with the intent to defraud the owner of real property, to engage in equity skimming, which is to:

- a. Purchase, within a 3-year period, two or more single-family dwellings, two-family dwellings, three-family dwellings, or four-family dwellings, or a combination thereof, that are subject to a loan that is in default at the time of purchase or within 1 year after the time of purchase, which loan is secured by a mortgage or deed of trust;
- b. Fail to make payments under the mortgage or deed of trust as the payments become due, regardless of whether the purchaser is obligated on the loan; and
- c. Apply, or authorize the application of, rents from such dwellings for the person's own use.

76. Within a 3-year period, HOAPS 5 purchased at least 2 or more single-family dwellings which were subject to a loan that was in default at the time of purchase and which loan was secured by a mortgage. Two examples are as follows:

The Sahalli Property & The Sondra Cove Property

- a. On approximately October 6, 2015, HOAPS 5, acting as Trustee, purchased the 328 Sahalli Court, Davenport, Florida 33837 (the "Sahalli Property");

b. On approximately August 28, 2015, HOAPS 5, acting as Trustee, purchased 12352 North Sondra Cove Trail, Jacksonville, Florida 32225 (the “Sondra Cove Property”);

c. At the time HOAPS 5 purchased the Sahalli Property, it was the subject of a loan that was in default within 1 year after the time of purchase and subject to a mortgage as demonstrated by the foreclosure action *U.S. Bank National Association as Trustee v. Maxelena Bowen*, Case No. 2016 CA 0849 (Fla. Cir. Ct. Polk 2016) (Complaint also naming HOA Problem Solutions 5 Inc. as Defendant in the foreclosure filed on March 14, 2016); and

d. At the time HOAPS 5 purchased the Sondra Cove Property, it was the subject of a loan that was in default within 1 year after the time of purchase and subject to a mortgage as demonstrated by the foreclosure action *Deutsche Bank National Trust Company as Trustee v. Ruben Lozada*, Case No. 2015 CA 6971 (Fla. Cir. Ct. Duval 2015) (Complaint also naming HOA Problem Solutions 5 Inc. as Defendant in the foreclosure filed on November 2, 2015).

77. HOAPS 5; HOAPS 5 as Trustee of the Sahalli Property; HOAPS 5 as Trustee of the Sondra Cove Property; RHMG; the Unknown Doe Beneficiaries of the 328 Sahalli Court Land Trust; the Unknown Doe Beneficiaries of the 12352

Sondra Cove Trail Land Trust; and Michael Chancey, failed to make payments under the mortgage on either the Sahalli Property or the Sondra Cove Property.

78. Defendants HOAPS 5; HOAPS 5 as Trustee of the Sahalli Property; HOAPS 5 as Trustee of the Sondra Cove Property; RHMG; the Unknown Doe Beneficiaries of the 328 Sahalli Court Land Trust; the Unknown Doe Beneficiaries of the 12352 Sondra Cove Trail Land Trust; and Michael Chancey, applied, or authorized the application of, the rents received through Michael Chancey's companies RHMG and HOAPS 5 from the Sahalli Property and the Sondra Cove Property for Defendants' own use.

79. Defendants HOAPS 5; HOAPS 5 as Trustee of the Sahalli Property; HOAPS 5 as Trustee of the Sondra Cove Property; RHMG; the Unknown Doe Beneficiaries of the 328 Sahalli Court Land Trust; the Unknown Doe Beneficiaries of the 12352 Sondra Cove Trail Land Trust; and Michael Chancey intended to defraud Maxelena Bowen as demonstrated by HOAPS 5's and its agents' representations to Maxelena Bowen that:

- a. HOAPS 5 would save her home (from a homeowners' association foreclosure action filed in 2013 by the Sunset Ridge Homeowners Association) and that HOAPS 5 was going to rescue Maxelena Bowens' home for her by paying off the amount due to the homeowners' association.

b. HOAPS 5 also represented to Maxelena Bowen that an attorney would be representing *her* interests in any related bank foreclosure action through a letter sent under RHMG letterhead and signed by Michael Chancey. As a part of this alleged “rescue,” Maxelena Bowen paid HOAPS 5 an initial down payment of \$2,600 and a further \$1,300 per month (approximately 6 payments made by Ms. Bowen). In return, HOAPS 5 gave Maxelena Bowen a \$500 “gift.” Despite misleading Maxelena Bowen to believe that HOAPS 5 would be conducting a foreclosure rescue of her home, on October 6, 2015, HOAPS 5 had Maxelena Bowen execute a Real Property Purchase Contract purporting to sell the Sahalli Property to HOAPS 5 as Trustee of the Sahalli Property for “good and valuable consideration.” In addition, on approximately October 5, 2016, HOAPS 5 had Maxelena Bowen execute a Quitclaim Deed for the Sahalli Property for the benefit of HOAPS 5, as Trustee of the Sahalli Property. The quitclaim deed for the Sahalli Property was prepared by Defendant Jimmy Dean Chancey. Despite the misrepresentation of a home “rescue,” the monies paid were actually rent for Maxelena Bowen to continue staying in the Sahalli Property. Moreover, HOAPS 5 never provided an attorney to Maxelena Bowen to represent her interests. While HOAPS 5 retained an attorney who made an appearance in the lender’s foreclosure action, since HOAPS 5 claims to be the owner of the

Sahalli Property, any forestalling of the foreclosure only increases the size of a deficiency judgment against Maxelena Bowen.

80. HOAPS 5 intended to defraud Brenda Lozada as demonstrated by HOAPS 5's and its agents' representations to Brenda Lozada that:

- a. HOAPS 5 had purchased the Sondra Cove Property at the HOA foreclosure sale held on August 25, 2015. In reality, the winning bidder at the August 25, 2015, HOA foreclosure sale walked away from the bid.
- b. HOAPS 5's agent Kaylee Streety misrepresented to Brenda Lozada that she would have to execute a lease and start making payments to HOAPS 5 if she wanted to stay in the Sondra Cove Property. Based upon HOAPS 5's false representations and the fear of eviction, Brenda Lozada executed a lease and signed other blank pages. On August 27, 2015, on behalf of Brenda Lozada, Eric Fields paid HOAPS 5's agent Kaylee Streety \$2,500 in cash for the security deposit and initial rent payment on the Sondra Cove Property.
- c. The other blank pages were for a Real Property Purchase Contract for the Sondra Cove Property and Quitclaim Deed in favor of HOAPS 5 as Trustee of the Sondra Cove Property. One of the alleged witnesses to the Quitclaim Deed, Donative Martinez, was not present at the time the Quitclaim Deed was allegedly executed. In addition, while the Quitclaim

Deed represents that it was notarized in Hillsborough County by Jessica Weitzell, Brenda Lozada was not present for this alleged notarization.

d. HOAPS 5 also misrepresented that it would take care of the foreclosure defense for Brenda Lozada on the Sondra Cove Property.

HOAPS 5 has not provided an attorney to act in Branda Lozada's interests in the foreclosure action filed on November 2, 2015. While HOAPS 5 retained an attorney who made an appearance in the lender's foreclosure action, since HOAPS 5 claims to be the owner of the Sondra Cove Property, any forestalling of the foreclosure only increases the size of a deficiency judgment against Branda Lozada.

81. Upon information and belief, HOAPS 5, as Trustee of Roe Land Trusts 1 through 400, violated FDUTPA by engaging in unlawful acts and practices substantially similar to those alleged in Paragraphs 72 through 80. The Attorney General will amend this complaint to add their true names and capacities when they become known.

82. Upon information and belief, Unknown Doe Beneficiaries of the 12352 Sondra Cove Trail Land Trust; Unknown Doe Beneficiaries of the 328 Sahalli Court Land Trust; and Unknown Doe Beneficiaries of Roe Land Trusts 1 through 400, violated FDUTPA by directing HOAPS 5 as Trustee of Roe Land Trusts 1 through 400 to engage in unlawful acts and practices substantially similar

to those alleged in Paragraphs 75 through 80. The Attorney General will amend this complaint to add their true names and capacities when they become known.

83. HOAPS 5; HOAPS 5 as Trustee; RHMGM; Michael Chancey; HOAPS 5, as Trustee of Roe Land Trusts 1 through 400; Unknown Doe Beneficiaries of the 12352 Sondra Cove Trail Land Trust; Unknown Doe Beneficiaries of the 328 Sahalli Court Land Trust; and Unknown Doe Beneficiaries of Roe Land Trusts 1 through 400, willfully engaged in the acts and practices when they either knew or should have known that such acts and practices were unfair or deceptive or otherwise prohibited by law.

84. Defendant Michael Chancey formulated, directed, controlled, had the authority to control, or participated in the various acts and practices of HOAPS 5; HOAPS 5 acting as Trustee of the Sahalli Property; HOAPS 5 acting as Trustee of the Sondra Cove Property; HOAPS 5, as Trustee of Roe Land Trusts 1 through 400; and RHMGM, as set forth in this Complaint.

Prayer for Relief

WHEREFORE, pursuant to Chapter 501, Part II, Florida Statutes, and the Court's own powers to grant legal or equitable relief, the Attorney General respectfully requests that the Court:

- i. Enter a judgment in favor of the Attorney General and against Defendants, jointly and severally, on Counts I and II;

ii. Enter a judgment in favor of the Attorney General and against Defendants HOAPS 5; HOAPS 5 as Trustee of the Sahalli Property; Unknown Doe Beneficiaries of the 328 Sahalli Court Land Trust; HOAPS 5 as Trustee of the Sondra Cove Property; the Unknown Doe Beneficiaries of the 12352 Sondra Cove Trail Land Trust; RHM; Michael Chancey; HOAPS 5, as Trustee of Roe Land Trusts 1 through 400; and the Unknown Doe Beneficiaries of Roe Land Trusts 1 through 400, jointly and severally, on Count III;

iii. Enter an order permanently enjoining the Defendants, their agents, employees, and all other persons or entities, corporate or otherwise, acting in concert or participation with or on behalf of any of them, from engaging in, or affiliating with, any of the following: (a) any business purporting to buy, sell, or rent residential real estate (all single-family type homes and one-to-four-family rental residences); or (b) any business associated with or participating in any HOA foreclosure auctions or sales;

iv. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of FDUTPA, including but not limited to, rescission or reformation of contracts, the refund of monies paid, the return of property taken via Quitclaim Deed, restitution, and disgorgement of: (a) all monies received by Defendants from the sale of

any property owned or purported to be owned by Defendants; (b) any surplus funds received by Defendants from any HOA foreclosure auctions/sales; and (c) all monies received by Defendants (including, without limitation, any rents, security deposits, late fees, fines, surcharges, etc.) from tenants in any property owned or purported to be owned by Defendants; and (d) all monies received by Defendants from a home loan lender or servicer as a part of a workout agreement on any property owned or purported to be owned by Defendants;

v. Entry of an order against the Defendants, jointly and severally assessing civil penalties in the amount of \$10,000 for each act or practice found to be in violation of Florida Statute section 501.2075;

vi. Entry of an order against the Defendants, jointly and severally assessing civil penalties in the amount of \$15,000 for each act or practice found to be in violation of Florida Statute section 501.2077;

vii. Entry of an order awarding the Attorney General its reasonable attorney's fees and costs of bringing and maintaining this action; and

viii. Entry of an order granting such other relief as the Court deems just and proper, including, but not limited to, all other relief permissible under Florida Statute section 501.207(3).

Dated: September 29, 2017 Respectfully submitted,

PAMELA JO BONDI
Attorney General of the State of Florida

/s/ Robert Edelman

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