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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

EFFINGHAM JAMES,

Plaintiff,

-against-

ODRA N. ARANGO, FFC f/n/o FIRST FRANKLIN
FINANCIAL GROUP, NATIONAL CITY HOME
LOAN SERVICES INC., A&A GLOBAL RESOURCES
INC., aka A&A GLOBAL RESOURCES LTD., ANN
ALVAREZ, ALFRED MILLS, DISCOUNT FUNDING
ASSOCIATES, WALLY DUVAL, and CHARLES
LIECHTUNG a.k.a CHAIM LIECHTUNG,

Defendants.

AMENDED COMPLAINT

AND JURY DEMAND

Index No. 05 Civ.

Plaintiff, by his attorney, Alaba A. Rufai, Esq., as and for his amended complaint, allege upon knowledge as to his own action, and upon information and belief as to all other matters:

JURISDICTION AND VENUE

1. This action is seeking injunctive relief and damages pursuant to inter alia, the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. § 1962(c), 18 U.S.C. § 1962(c) et seq., as well as state law claims arising out of the actions of defendants in conspiring, aiding and abetting to defraud plaintiff, Effingham James of his real estate property located at 119-47 166 Street, Jamaica New York 11434 ("subject property"), and the related equity by coercing and fraudulently inducing plaintiff into transferring title subject property to defendant, Odra Arango, and the fraudulent advancement of two fraudulent mortgages to facilitate the fraudulent transfer.

2. Plaintiff further seek a temporary restraining order, preliminary and

permanent injunctive relief prohibiting defendants from the pattern and practice of racketeering behaviors herein alleged.

3. The jurisdiction of this Court is invoked based on 28 U.S.C. §1331, the doctrines of pendent and supplemental jurisdiction codified at 28 U.S.C. §1367, and the aforementioned statutory provisions.

4. Venue is proper pursuant to 28 U.S.C. §1391, as a substantial part of the events giving rise to this action occurred within this District.

PARTIES

5. Plaintiff, Effingham James is a resident of County of Queens, and has been in possession of subject property since 1981 till present and was the title owner of subject property until title of subject property was fraudulently transferred.

6. Upon information and belief, defendant, Odra Arango, at all times hereinafter mentioned was and is still a resident of County of Nassau.

7. Upon information and belief, FFFC f/n/o First Franklin Financial Group (“FFFC”) was and still a corporation organized under the law of the State of California, but is licensed under the State of New York to do business within the State of New York and has a place of business within the State of New York.

8. Upon information and belief, A&A Global Resources Inc., aka A&A Global Resources Ltd., was and still a corporation organized under the law of the Country of Bahamas, but is licensed under the State of New York to do business within the State of New York and has places of business within the State of New York.

9. Upon information and belief Discount Funding Associates was and still an organization that has its principal place of business in the County of Suffolk in the State

of New York.

10. Upon information and belief, National City Home Loan Services, Inc. (“National”) was and still a corporation organized under the law of the State of Delaware, has its principal place of business in Pennsylvania, but is licensed under the State of New York to do business within the State of New York and has a place of business within the State of New York.

11. Upon information and belief, defendant, Wally Duval, at all times hereinafter mentioned was and is still an attorney licensed to practice law in the State of New York and has a place of business in the County of Suffolk in the State of New York.

12. Upon information and belief, defendant, Ann Alvarez, at all times hereinafter mentioned was and is still a resident of County of Nassau.

13. Upon information and belief, defendant, Alfred Mills, at all times hereinafter mentioned was and is still a resident of County of Kings.

14. Upon information and belief, defendant, Charles Liechtung a.k.a Chaim Liechtung, at all times hereinafter mentioned was and is still an attorney licensed to practice law in the State of New York and has a place of business in the County of Queens.

BACKGROUND FACTS

15. Plaintiff originally acquired title to subject property from New York City Housing Authority on or about December 9, 1981 and has resided in subject property with his family.

15. Sometime prior to May 2002, while plaintiff was title owner of the subject property, he ran into financial difficulty and as a result had problem paying his monthly mortgage payment as they became due. Consequently, the mortgage

payments went into default. The mortgagee, Countrywide Funding Corp. subsequently commenced a foreclosure proceeding.

16. About this time, plaintiff was introduced to an organization called, A&A Global Resources Inc., (hereinafter "AAGR") which claimed it helps people solve their financial problems including foreclosures and empower people with information with which to effectively invest and financially enrich themselves.

17. Upon information and belief, unknown to plaintiff, AAGR is not what it purports to be, and would later be a subject of investigation by the Office of the Attorney General of the State of New York.

AAGR Enterprise

18. Upon information and belief, A&A Global Resources Inc., a.k.a A&A Global Resources LTD. is a corporation whose place of organization is Isle of New Providence, Bahamas and has offices at 70 Sunrise Highway, 6th Floor, Valley Stream NY, 67 Wall Street, Suite 2211, New York, New York and 138-59 Francis Lewis Boulevard, Rosedale, New York.

18. Upon information and belief, AAGR is jointly owned equally by Alfred Mills and Ann Alvarez. Alfred Mills is the president of AAGR and Ann Alvarez is the vice president.

19. Upon information and belief, also jointly owned equally by Alfred Mills and Ann Alvarez, and operating with and under the umbrella of AAGR are the following organizations: AAGR WEO, LLC; AAGR Wealth Enhancement Organization, LLC; AAGR Realty Management, LLC; AAGR Worldwide; AAGR Equity Investors; AAGR Join Venture; AAGR Ltd.; A&A Trading Corp.; and AAGR, Inc.

20. AAGR and its affiliate organizations operates primarily through its owners, Mills and Alvarez, and its employees/representatives.

21. AAGR and its above listed affiliates separately and jointly operates by inviting and soliciting low income, innocent and often financially distressed people and lures them to participate in pyramid and get rich quick scheme by distributing their literatures, through friends, relatives, co-workers and community organizations to become members of AAGR and its affiliates.

22. AAGR imposes an annual registration fee of \$299.00 for gold membership, \$199.00 for silver membership and \$199.00 for bronze membership, and should a prospective member want to become a manager, he or she is required to pay annual fee of \$499.00.

23. Upon information and belief, members are welcomed into the organization at a membership initiation meeting, which is attended by all new members and at which additional promises on how financial woes of the new members shall become history. Members are told that they would be assisted with overcoming foreclosure problems and mortgage procurement, and that AAGR, its affiliates and experienced professional operatives will invest in foreign currency, real estate, stocks and commodities on behalf of members, and in a short time members will make large returns on their investments.

24. Upon information and belief, Alfred Mills, Ann Alvarez, AAGR and its affiliates, in practice, even though not registered in violation of Martin Act of Article 23A of the General Business Law of New York State's Commodities and Securities Law, fraudulently and deceptively offers security and commodities for sale with the intention of dispossessing its members of their real and personal properties. Additionally, AAGR

falsely represent to its members that AAGR and/or its affiliates are licensed real estate brokers and mortgage professionals that can give mortgages to members with the intention of fraudulently dispossessing members of their real and personal properties.

25. Subsequent meetings are held with members to discuss their problems and areas of interest of investment among the array of investments and wealth building opportunities that have been presented by AAGR agents.

26. After several of these meetings, AAGR members, majority of whom like, plaintiff, are driven by the need solve their financial problem and/or their lack of the business sophistication to understand and question the accuracy and plausibility of various representations made by AAGR owners and operatives are vulnerable and easily malleable to whatever exploitative scheme Mills, Alvarez, AAGR and its agents want to subject its members to.

27. In most cases such as plaintiff's, senior operatives of AAGR, such as Alfred Mills, Ann Alvarez and Anderson have individualized meetings with the member, and it is at such meetings that they start to discuss that member's specific problem and they then proffer solutions with which they purport to solve the member's problem or need.

28. After paying the gold membership annual gold membership fee of \$299.00 with his wife and attending the initiation meeting, plaintiff, Effingham James was called into a couple of these individualized meetings at which his specific problem was discussed by AAGR agents.

29. Sometime prior to May of 2002, at the one of the meetings, plaintiff told AAGR's agents that a foreclosure action has been commenced against his property, and that he could not obtain a refinance because of his bad credit.

30. That during the discussion, AAGR agents told plaintiff that he has to transfer the subject property to them in order to avoid losing the property to foreclosure. That plaintiff at that point said he would rather transfer the property to his daughter who has good credit. That AAGR representative then said they are mortgage brokers and would obtain mortgage for plaintiff's daughter to obtain the subject property.

31. Upon information and belief, unknown to plaintiff and other unwary members of AAGR, AAGR was neither a licensed real estate organization nor a mortgage organization, the organization and its members were actually fraudsters whose appearance of financial institution status was given only by FFFC, a bank that appears not to have problems financing AAGR's numerous fraudulent scams.

32. That because plaintiff knew very little about real estate he believed AAGR's representations and relied on them.

33. That subsequently, AAGR representatives provided mortgage application forms for plaintiff's daughter, which was promptly filled and returned to AAGR with payment for appraisal. That AAGR agents then promised they will process the application speedily and would get back to plaintiff.

34. The understanding was clear at that point that AAGR was representing plaintiff's interest only to the extent of helping his daughter to obtain mortgage to facilitate the transfer of subject property, and that plaintiff was not looking for another purchaser.

35. A&A Global Resources' agents subsequently became evasive and started avoiding plaintiff's calls to determine the closing date. Plaintiff would later find out that this was part of a larger fraudulent scheme. Plaintiff then became worried

because the foreclosure sale date for the subject property was fast approaching and he wanted to know whether he should seek mortgage for his daughter elsewhere.

36. About this time, sometime in May, plaintiff was called by Ann Alvarez and told that closing has been scheduled at the office of defendant, Charles Liechtung, at 1 Cross Island Plaza, Rosedale NY, for 8 pm. on May 29, 2002. Plaintiff naturally and justly assumed that his daughter would be the borrower/grantee.

37. Plaintiff was shocked, and felt violated when on the morning of May 29, 2002, the day scheduled for closing, and less than twenty four hours before the foreclosure sale, Alvarez of AAGR called him and told him they could not get mortgage for his daughter and that he must transfer the property to AAGR. Plaintiff protested, and the agent told him not to worry but to just come to the closing as scheduled.

38. That at about 7.30 pm. on or about May 29, 2002, when plaintiff and his wife got to the closing, defendant, Alvarez had them sit in the waiting room and told them that the foreclosure sale would take place in 24 hours, and plaintiff must transfer the deed in trust to them or else he would loose his house and equity.

39. That when plaintiff challenged Alvarez as to reason why he was not informed of their inability to secure mortgage for his daughter on time when he could have obtained mortgage elsewhere for his daughter, Alvarez told him that she understands if he does not trust them but that he has no choice now but to transfer the property to AAGR in trust to avoid loosing the house and his equity.

40. That Alvarez then assured plaintiff that a lease agreement with an option to purchase in one year will be given to him, and that this should assure him that he will get his property back.

41. That the Alvarez then took plaintiff's identity card and left the plaintiff and his wife by themselves for a long time to join some other people in a room, and then brought back the identity card and some documents for plaintiff to sign at about 10 pm.

42. That although it was late and plaintiff was tired, he attempted to read the documents before he signed but was told by Alvarez who kept insisting it was too late to just sign.

43. That AAGR representatives were aware that plaintiff would not have signed any paper for them but for their extortion coupled with their putting him under duress by leaving him no other choice.

44. After plaintiff has signed the documents he was given what was purported to be a lease agreement with an option to buy, and was told to mail a monthly payment of \$1885.00 to 70 Sunrise Highway, 6th Floor, Valley Stream NY effective immediately.

45. Plaintiff was later to find out that contrary to Alvarez's representation at the closing that deed will be transferred in trust to AAGR, the deed was actually transferred to one Odra Arango, whom plaintiff had never met nor intended to transfer subject property to.

46. That even though plaintiff never intended nor agreed to sell the subject property, AAGR appears to have a contract purportedly executed by plaintiff agreeing to transfer property to defendant, Alvarez, and brokers agreement by which plaintiff supposedly agreed to pay AAGR \$59,000.00. The contract and brokers agreement apparently must have some of the several documents, defendant, Alvarez fraudulently obtained from plaintiff on the night of the sham closing.

47. Even though plaintiff never appeared before any notary public or title closer,

his signatures on the deed and the related transfer documents were acknowledged by one notary public, Elliot Bakst whom plaintiff did not see nor meet at the sham closing and has never met.

48. That all efforts to have the property transferred back to plaintiff pursuant to the lease agreement with option to buy has been met with deceit and fraudulent machinations by AAGR representatives to ensure plaintiff keeps paying the monthly rent of \$1885.00 in further perpetuation of fraud.

49. That despite all the above mentioned cunning scheme of Ann Alvarez, Alfred Mills, AAGR, and its affiliates, plaintiff could not have been successfully defrauded but for the complicity and concerted connivance of several other people and organizations particularly, FFFC f/n/o First Franklin Financial Group (hereinafter "FFFC") and Charles liechtung a.k.a Chaim Liechtung, FFFC's agent and attorney at the above referenced closing, as safeguards provided by acts and regulation such as RESPA would have protected plaintiff from being defrauded by AAGR.

AAGR and FFFC Enterprise

50. Upon information and belief, FFFC is a corporation in the business of giving mortgage loans to consumers buying homes or refinancing in the State of New York, and Charles Liechtung, an attorney licensed to practice law in the State of New York has on several occasions been employed as an attorney by FFFC to represent FFFC with respect to several of these mortgage transactions and closings.

50 At all times and with respect to all acts and conducts described herein, defendant, Liechtung was acting as agent and attorney of defendant, FFFC, and except when acting tortuously in furtherance of the racketeering goal.

51. Upon information and belief, because of benefit FFFC received from increased volume of business and the kickback received by defendant, Charles Liechtung by receiving a portion of kickbacks Liechtung gives attorneys for the use of their names in the distribution of proceeds from fraudulently obtained mortgage funds even though the attorneys never provided any settlement services for the victims, defendants, Liechtung and FFFC formed an uncanny business alliance with Alfred Mills, Ann Alvarez, AAGR and its affiliates, and Discount Funding Associates (hereinafter "Discount Funding").

52. Defendants, Alfred Mills, Ann Alvarez, Discount Funding and AAGR formed this alliance primarily to overcome the obstacle that their scheme faced which is the safeguards such as RESPA affords consumers such as plaintiff. The alliance entails that FFFC give loans to facilitate fraudulent transactions that other lenders because of the illegality of the transaction will not entertain.

53. The rest is easy as defendants already have a pool of unsuspecting home owners usually from poor minority neighborhood who have properties, usually with high equity but who are in financial difficulty, such as plaintiff. Finding a sham buyer appears easy for AAGR as the principals of AAGR is in the habit of using their own relatives.

54. Inherent in real estate transactions are complexities which makes understanding of the transaction by the average lay person quite challenging, and which necessitate representation of parties by attorneys whose practices are regulated as are those of the banks involved in the transactions to ensure accountability and avoid unfair practices such as those that would cause lay parties involved in real estate transaction to be taken advantage of.

55. Banks, and the attorneys representing them at real estate closings are obligated to ensure that their practice in real estate does not hurt third party's legitimate interest.

56. Relationships between parties and their attorneys are those that impose fiduciary duties of utmost trust on the attorneys..

57. Sustenance of public confidence in the trustworthiness of real estate practice is ensured only if attorneys maintain the integrity of the system by representing their clients diligently within the confines of the law, and banks eschewing complicity or facilitation of fraud against third parties in real estate transactions.

58. In order for AAGR to succeed in their fraudulent scheme in attempt to give the scam an appearance of legitimacy, AAGR must have an unrepresented lay homeowner on whom AAGR can impose an attorney or an homeowner represented by an attorney willing to work against the interest of his or her client, and AAGR must have a lender that despite knowing that a third party(the homeowner) is being defrauded will make the proceeds from fraudulent transfer available to AAGR not minding that AAGR is not a party to the transaction.

59. AAGR holds part of money aside as required by the Defendants, Liechtung and FFFC, which will be used to make initial monthly payments on behalf of borrower to avoid possible investigation into the transaction which could occur should the borrower immediately default on the monthly mortgage payment.

60. As is AAGR's practice, and since plaintiff was never aware of the closing until the last minute, AAGR was able to get plaintiff to attend the closing without an attorney and have one Wally Duval, Esq. whom applicant had never met nor spoken to assigned as plaintiff's attorney. Even though, defendant, Wally Duval (hereinafter

“Duval”) was paid \$750.00 from plaintiff’s proceed as plaintiff’s attorney, Duval never attended the sham closing nor has ever met or spoken to plaintiff till date.

61. Upon information and belief, Discount Funding Associates, although, licensed as a mortgage broker or mortgage bank, is an organization that knowingly and intentionally participates and makes itself available to be used by defendants, Alvarez, Alfred Mills and AAGR with collusion with Liechtung and FFFC primarily fraudulently procure mortgage loans and to give legitimacy to the fraudulent distribution of proceeds of home equity of homeowner victims from sham closings in violation of 24 U.S.C. 3500.15, 12 U.S.C. 2607 §8(a) and 18 U.S.C. §1962(c).

62. That prior to the fraudulent transfer of subject property on or about May 29, 2002, plaintiff owed only \$156,481.01 on mortgage and had equity in subject property in excess of \$88,000.00 in subject property.

63. Pursuant to the May 29, 2002 fraudulent transfer of subject property from Plaintiff to defendant, Odra Arango, FFFC knowing that defendant, Odra Arango was incapable of making the mortgage payments as they would become due, nevertheless gave two fraudulent loans to defendant, Arango, one for \$196,000.00 and the other for \$49,000.00 and defendant, Arango in turn gave FFFC two mortgages dated May 29, 2002 for respectively for each loan.

64. That by giving the two loans, defendant, liechtung acting in his own capacity and as agent of defendant, FFFC, and in line with his understanding with AAGR and FFFC and in furtherance of the fraudulent scam made plaintiff’s equity in subject property of over \$88,000.00 available to AAGR, its coconspirators in the spirit of the alliance and vagrantly and fraudulently distributed in violation of 12 U.S.C. 2607 §8(a)

and 18 U.S.C. §1962(c) the proceeds of the sham transaction to himself, to AAGR by writing a check of \$59,000.00 to AAGR, purportedly as a real estate broker, even though AAGR provided no settlement service nor have any real estate or mortgage broker's license, to Discount Funding by writing a check of \$5,880.00 to Discount Funding Associates, purportedly as origination fee even though it did not provide any settlement service and to Wally Duval by writing a check was to Wally Duval purportedly for representing plaintiff even though, plaintiff have never met or spoken to Wally Duval, nor was Wally Duval present at the closing.

65. Apparently, part of the money distributed at the sham closing was as agreed by AAGR and Liechtung, kept aside partly as kickback to FFFC and to make the initial monthly mortgage payment to ensure that the mortgage does not immediately go into default to avoid any cause for investigation into the transaction which might expose the fraudulent practices and FFFC's collusion.

66. That the closing of May 29, 2002 was in essence a sham closing brought together by Alfred Mills and Ann Alvarez, AAGR, Diacount Funding, Liechtung facilitated by FFFC with the aim of stealing and converting plaintiff's equity in subject premises.

67. Even though, plaintiff did not receive a dime from the sham closing, in order to make the sham closing appear legitimate, FFFC and Liechtung fraudulently misrepresented in the settlement statement that plaintiff, Effingham James was paid \$4,335.69 outside the proceeds when he knows and/or should have known that he was not paid any money, especially considering that every one took from the proceed including an amount of \$59,000.00 by AAGR, amount which if accepted as real estate broker's fee

as purported to be will constitute an outrageous 24.1% (percent) of the purported purchase price.

68. In addition, plaintiff made a monthly payment of \$1885.00 for eighteen months to AAGR totaling \$33,930.00 that was purported to be rent payment.

69. FFFC's complicity in fraud with AAGR as described above is not an isolated incident, it is in fact a practice to which many innocent homeowners including at least four known cases in New York have been made victims. It has been estimated that about 1200 people have fallen victims of AAGR's fraudulent practices.

70. That as a result of FFFC's collusion with AAGR the subject property was fraudulently transferred to Odra Arango, and was fraudulently encumbered with two mortgages totaling \$245,000.00.

National Enterprise

71. Upon information and belief FFFC and National City Home Loan Services, Inc. (hereinafter "National") are sister corporations, and this special relationship have been immensely exploited as it is the practice of FFFC in other to further accord legitimacy to a transaction that is otherwise fraudulent by conveniently transferring the primary mortgage in what is purported to be a secondary market purchase to National who will claim to be a Holder in Due Course and will as expected commence a foreclosure proceeding to finally eviscerate the evidence of fraud and complicity.

72. Upon information and belief, even though, National knew or should have Known of the existence of the above stated claims defenses against the mortgage of \$196,000.00, and the Attorney General of the State of New York's investigation of defendants, Mills, Alvarez, and AAGR and its affiliate and their fraudulent transaction

including those facilitated by FFFC, it bought the mortgage note on or about September 4, 2003 as it did with all other note in which AAGR and FFFC colluded apparently to give the sham transaction the appearance of legitimacy and to eliminate or undermine any legitimate claim and defense against the fraudulent mortgage transactions orchestrated by FFFC and AAGR by way of foreclosure sale.

AAGR/FFFC/NATIONAL Enterprise

73. That National has since commenced a foreclosure action in the Supreme Court of the State of New York, County of Queens and has fraudulently misrepresented itself in that action as a Holder in Due Course.

74. AAGR has ensured that defendant, Arango who is in title does not show up to challenge the foreclosure action to ensure easy closure to their enterprise.

75. National obtained a default judgment against Odra Arango, and a judgment of foreclosure and sale which has been stayed since plaintiff intervened in that action pending further Court order.

76. National intentionally refused to name plaintiff in its foreclosure action until it obtained a default judgment and judgment of foreclosure and sale, after which it amended the complaint to add plaintiff as a defendant, in effect circumventing the possibility that plaintiff would challenge its claim in that action in an attempt to deprive plaintiff of his right to due process.

77. The fraud perpetuated against plaintiff is not an isolated incident but part of a pattern of racketeering activities that involves the conspiracy of each of the defendants as a result of which properties of other victims such as Rainnie Flowers, Tearah Thomas, David and Daisy Hall were similarly fraudulently transferred pursuant to fraudulent

mortgages obtained.

78. As part of each of the above-mentioned fraudulent transfers, the equity each victim had in their respective property was fraudulently made available by defendants, Liechtung and FFFC for conversion and fraudulent distribution, which include kickback to defendant, liechtung in violation of 12 U.S.C. 2607 §8(a) and 18 U.S.C. §1962(c). Defendant, FFFC in conspiracy with defendant, National then assigned the respective mortgages to defendant, National which then commenced foreclosure action against the respective properties in violation of 12 U.S.C. 2607 §8(a) and 18 U.S.C. §1962(c).

79. Plaintiff has since commenced a separate action in the Supreme Court of the State of New York, County of Queens against defendant, Odra Arango, Alfred Mills, Ann Alvarez, AAGR and FFFC seeking to quiet title to subject property to plaintiff, and to void the two mortgages fraudulently obtained. A default judgment has been obtained against defendant, Odra Arango, Alfred Mills and AAGR.

CLAIMS FOR RELIEF

COUNT I

RICO ACT 18 U.S.C.S. §1962(d) CLAIMS AGAINST ALL DEFENDANTS

80. Plaintiff repeats and realleges paragraphs 1 through 79 as if set forth at length herein.

81. That each of the defendants is person as defined by 18 U.S.C. §1961(3).

82. The AAGR Enterprise is an association comprising of defendants, Alfred Mills, Ann Alvarez, Odra Arango, Charles Liechtung, Discount Funding, Wally Duval, FFFC, National City Home Loan Services, AAGR and its affiliates.

83. That several times prior to year 2001 and, and specifically 2001 and 2002 and

thereafter Alfred Mills knowingly and intentionally enlisted the participation and agreements of all of the defendants herein to engage in several predicate acts in furtherance of the objectives of the enterprise.

84. That Alfred Mills and Ann Alvarez acting in concert and agreement formulated the organization called a AAGR and numerous other organization with the intention to engage in fraudulent activities described in paragraphs 15 through 83 and specifically to engage in RICO predicate acts of mail and wire frauds.

85. That searches made with the New York State Department of Banking did not show that a license was issued to Alfred Mills as a mortgage broker nor did the license found issued to Discount Funding Associates, Inc. does not show that Alfred Mills is a registered agent of Discount Funding Associates.

86. That sometime in 2001 or 2002, because a mortgage broker was needed in order for the objective of the enterprise to be achieved and since neither Mills, Alvarez nor any the organizations they formed were mortgage brokers, Alfred Mills and Ann Alvarez in their respective capacity and as principal operatives of A&A Global Resources enlisted the participation and agreement of Discount Funding Associates, Inc. to use Discount Funding Associates, Inc. to fraudulently procure mortgage loan for straw buyers Discount Funding knew did not intend to buy homes. In exchange for the participation of Discount Funding it would get paid mortgage brokers fee for a transaction it knows to be fraudulent and criminal.

87. That in furtherance of the enterprise objectives, Alfred Mills, Ann Alvarez and AAGR enlisted the participation and agreement of Odra Arango, Carmen Sifontes and Maureen Alvarez to allow their information for the generation of fraudulent

mortgage loan applications to be used as straw buyers to fraudulently procure mortgage funds in furtherance of the objectives of the enterprise in exchange for a fee.

88. That pursuant to the agreement between discount funding and Alfred Mills, Ann Alvarez, AAGR, Odra Arango and/or Carmen Sifontes and in furtherance of the objectives of the enterprise, Discount Funding Associates engaged in the following predicate acts:

- a. Generated a mortgage application on or about April 2002 for Odra Arango and knowingly and intentionally misrepresented in the application that Odra Arango was purchasing subject property to own and occupy when Discount Funding knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Facsimile for processing and underwriting.
- b. Generated a mortgage application on or about April 2002 for Odra Arango and knowingly and intentionally misrepresented in the application that Odra Arango was purchasing subject property to own and occupy when Discount Funding knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Mail for processing and underwriting.
- c. Generated a mortgage application on or about July 2002 for Carmen Sifontes and knowingly and intentionally misrepresented in the application that Carmen Sifontes was purchasing a real property to own and occupy when Discount Funding knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Facsimile for processing and underwriting.
- d. Generated a mortgage application on or about July 2002 for Carmen Sifontes and knowingly and intentionally misrepresented in the application that Carmen Sifontes was purchasing a real property to own and occupy when Discount Funding knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Mail for processing and underwriting.

89. That pursuant to the agreement between Discount Funding and Alfred Mills, Ann Alvarez, AAGR, Odra Arango and/or Carmen Sifontes and in furtherance of the

objectives of the enterprise, Alfred Mills engaged in the following predicate acts:

- a. Generated a mortgage application on or about April 2002 for Odra Arango and knowingly and intentionally misrepresented in the application that Odra Arango was purchasing subject property to own and occupy when Alfred Mills knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Facsimile for processing and underwriting.
- b. Generated a mortgage application on or about April 2002 for Odra Arango and knowingly and intentionally misrepresented in the application that Odra Arango was purchasing subject property to own and occupy when Alfred Mills knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Mail for processing and underwriting.
- c. Generated a mortgage application on or about July 2002 for Carmen Sifontes and knowingly and intentionally misrepresented in the application that Carmen Sifontes was purchasing a real property to own and occupy when Alfred Mills knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Facsimile for processing and underwriting.
- d. Generated a mortgage application on or about July 2002 for Carmen Sifontes and knowingly and intentionally misrepresented in the application that Carmen Sifontes was purchasing a real property to own and occupy when Alfred Mills knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Mail for processing and underwriting.

90. That pursuant to the agreement between discount funding and Alfred Mills, Ann Alvarez, AAGR, Odra Arango and/or Carmen Sifontes and in furtherance of the objectives of the enterprise, Ann Alvarez aided and abated Alfred Mills and Discount Funding in engaging in the following predicate acts with the intention that mortgage loans will be fraudulently obtained for the straw buyers and the ultimate availability of proceeds of the equity of the home owner victim's respective real property for conversion:

- a. Generated a mortgage application on or about April 2002 for Odra Arango and knowingly and intentionally misrepresented in the application that Odra Arango was purchasing subject property to own and occupy when Alfred Mills knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Facsimile for processing and underwriting.
- b. Generated a mortgage application on or about April 2002 for Odra Arango and knowingly and intentionally misrepresented in the application that Odra Arango was purchasing subject property to own and occupy when Alfred Mills knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Mail for processing and underwriting.
- c. Generated a mortgage application on or about July 2002 for Carmen Sifontes and knowingly and intentionally misrepresented in the application that Carmen Sifontes was purchasing a real property with the intention to own and occupy when Alfred Mills knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Facsimile for processing and underwriting.
- d. Generated a mortgage application on or about July 2002 for Carmen Sifontes and knowingly and intentionally misrepresented in the application that Carmen Sifontes was purchasing a real property to own and occupy when Alfred Mills knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Mail for processing and underwriting.

91. That pursuant to the agreement between discount funding and Alfred Mills, Ann Alvarez, AAGR, Odra Arango and/or Carmen Sifontes and in furtherance of the objectives of the enterprise, A&A Global Resources through its owners and principal operatives, Ann Alvarez and Alfred Mills engaged in the following predicate acts:

- a. Generated a mortgage application on or about April 2002 for Odra Arango and knowingly and intentionally misrepresented in the application that Odra Arango was purchasing subject property to own and occupy when A&A Global Resources knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Facsimile for processing and underwriting.

- b. Generated a mortgage application on or about April 2002 for Odra Arango and knowingly and intentionally misrepresented in the application that Odra Arango was purchasing subject property to own and occupy when A&A Global Resources knew the representation to be false and caused the mortgage application to be sent to the offices FFFC via Mail for processing and underwriting.
- c. Generated a mortgage application on or about July 2002 for Carmen Sifontes and knowingly and intentionally misrepresented in the application that Carmen Sifontes was purchasing a real property to own and occupy when A&A Global Resources knew the representation to be false and caused the mortgage application to be sent to FFFC via Facsimile for processing and underwriting.
- d. Generated a mortgage application on or about July 2002 for Carmen Sifontes and knowingly and intentionally misrepresented in the application that Carmen Sifontes was purchasing a real property to own and occupy when A&A Global Resources knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Mail for processing and underwriting.

92. That pursuant to the agreement between discount funding and Alfred Mills, Ann Alvarez, AAGR and Odra Arango and in furtherance of the objectives of the enterprise, Odra Arango engaged in the following predicate acts:

- a. On or about April 2002, Odra Arango and knowingly and intentionally misrepresented on mortgage loan application that she was purchasing subject property with the intention to own and occupy when Odra Arango knew the representation to be false and caused the mortgage application to be sent to FFFC via Facsimile for processing and underwriting.
- b. On or about April 2002 for Odra Arango and knowingly and intentionally misrepresented on mortgage loan application that she was purchasing subject property with the intention to own and occupy when Odra Arango knew the representation to be false and caused the mortgage application to be sent to FFFC via Mail for processing and underwriting.

93. That knowing the objective of the enterprise can not be achieved with a cooperative lender's attorney that would make the proceeds of mortgage funds available

for fraudulent distribution, sometime prior to May 29, 2002, Alfred Mills, Ann Alvarez, AAGR and Discount Funding Associates the participation and agreement of Charles Liechtung a/k/a Chaim Liechtung to overlook the enterprises fraudulent scheme and aid and abate in the distribution of funds in a manner that will attempt to legitimize the transaction and to secure the participation of other attorneys that would under the disguise of representing the home owner victims in the respective sham real estate transactions, subvert the will and interest of their clients.

94. That pursuant to the agreement between Liechtung, Alfred Mills, Ann Alvarez, AAGR and Discount Funding Associates, sometime prior to May 29, 2002, Liechtung secured the participation and agreement of Wally Duval, an attorney for the use of her name as representing clients whom Wally Duval knew in reality would not represent nor be represented by any other attorney and to served as a conduit by which money is fraudulently distributed from the sham transactions in exchange for kick back in form of attorneys fees for settlement services she never provided.

95. That sometime in late 2004 or early 2005, the undersigned in good faith and as a professional courtesy contacted and spoke to Wally Duval to give her opportunity to prove or disprove my clients allegations, as my client, Effingham James had then alleged he had never met Wally Duval even though Wally Duval was paid as representing plaintiff in the sham transaction of transferring plaintiff's real property.

96. That during the conversation Wally Duval admitted that even though she was paid as representing plaintiff for the sham transaction with which plaintiff's property was fraudulently transferred, she never represented plaintiff nor has she ever met plaintiff as according to Wally Duval plaintiff's name is unique and she would remember if she had

ever met or represented him.

97. That Wally Duval further admitted that she had on several occasions been paid by Liechtung for many transactions for which she did not provide any service. Wally Duval said “I knew one of this checks Liechtung sends me will come back to bite in my a...”

98. That pursuant to the agreement between Alfred Mills, Ann Alvarez, AAGR, Discount Funding Associates, Liechtung, Wally Duval, Odra Arango and/or Carmen Sifontes, Liechtung engaged in the following predicate acts:

- a. Liechtung knowingly misrepresented in the Settlement Statement dated May 29, 2002, with respect to the loan advanced to Odra Arango the \$750.00 kickback Liechtung paid Wally Duval as a fee for representing plaintiff as attorney, and fraudulent distribution of the mortgage loan proceeds to AAGR, Discount Funding and other co-conspirators as fees for settlement services and/or legitimate distributions when Liechtung knew such to be false and sending the settlement statement on or about May 29, 2002, by facsimile to the offices of FFFC.
- b. Liechtung knowingly misrepresented in the Settlement Statement dated May 29, 2002, with respect to the loan advanced to Odra Arango the \$750.00 kickback Liechtung paid Wally Duval as a fee for representing plaintiff as attorney and fraudulent distribution of the mortgage loan proceeds to AAGR, Discount Funding and other co-conspirators as fees for settlement services and/or legitimate distribution when Liechtung knew such to be false and sending the settlement statement on or about May 29, 2002, by mail to the offices of FFFC.

99. That pursuant to the agreement between Alfred Mills, Ann Alvarez, AAGR, Discount Funding Associates, Liechtung, Wally Duval, Odra Arango and/or Carmen Sifontes and in furtherance of the objectives of the enterprise, Wally Duval aided and abated Alfred Mills, Ann Alvarez, AAGR, Odra Arango, Discount Funding in engaging in all of the above described predicate acts and particularly Charles Liechtung

in engaging in the predicate acts described in paragraphs 98(a) and (b) with the intention that mortgage loans proceeds be fraudulently available for distribution to herself and co-conspirators and to accord legitimacy to a transaction that is otherwise fraudulent.

100. That in furtherance of the enterprise objectives, Alfred Mills, Ann Alvarez, AAGR, Charles Liechtung and Discount Funding enlisted the participation and agreement of FFFC to disregard and aid the enterprise in the existence of fraud and discrepancies in the transaction and the distribution of proceeds of the fraudulent transactions and to accord legitimacy to the fraudulent transaction to avoid any possibility that the enterprise will be held accountable in exchange of patronage and profits from fraudulent transactions.

101. That pursuant to the agreement between Alfred Mills, Ann Alvarez, AAGR, Discount Funding Associates, Charles Liechtung, Wally Duval, FFFC, Odra Arango and/or Carmen Sifontes, and/ Maureen Alvarez, and in furtherance of the objective of the enterprise, FFFC engaged in the following predicate acts:

- a. That FFFC aided and abated the co-conspirators and particularly Liechtung by ensuring that Liechtung, a co-conspirator was appointed closing attorney (lender's attorney) at the respective closings knowingly and intentionally in furtherance of the enterprises objectives to ensure that the respective sham transactions goes on as agreed and the fraudulent distributions of the proceeds and knowingly misrepresenting same in the settlement statement dated May 29, 2002, as fees for settlement services provided are done without objections.
- b. That FFFC aided and abated co-conspirators in fraudulent distribution of proceeds to AAGR in the amount of \$59,000.00 and to other co-conspirators on or about May 29, 2002, from mortgage loans in the amount of \$196,000.00 and \$49,000.00 respectively, advanced to Odra Arango with respect to the fraudulent transfer of real property known as 119-47 166 Street, Jamaica, NY and knowingly misrepresenting same in the settlement statement dated

May 29, 2002 as fees for settlement services.

- c. That FFFC aided and abated co-conspirators in fraudulent distribution of proceeds to AAGR in the amount of \$44,525.52 and to other co-conspirators on or about August 23, 2002, from mortgage loans in the amount of \$280,000.00 and \$65,000.00 respectively, advanced to Carmen Sifontes with respect to the fraudulent transfer of real property known as 392 Jefferson Street, Brooklyn, NY and knowingly misrepresenting same in the settlement statement dated August 23, 2002 as fees for settlement services.
- d. That FFFC aided and abated co-conspirators in fraudulent distribution of proceeds to AAGR and to other co-conspirators on or about July 15, 2002, from two mortgage loans in the amount of \$233,000.00, advanced to Maureen Alvarez with respect to the fraudulent transfer of real property known as 7 Bainbridge Street, Roosevelt, NY and knowingly misrepresenting same in the settlement statement dated July 15, 2002 as fees for settlement services.
- e. That FFFC knowingly and intentionally misrepresented in a Purchase and sale agreement executed sometime in 2002 between FFFC and National that procurement of the \$196,000.00 mortgage loan advanced to Odra Arango was free of fraud, that borrower is the only true obligor and not representative of any person, group, or organization in connection with the mortgage loan when FFFC knew the statements were false and caused the purchase and sale agreement to be sent electronically and/or by mail from the offices of FFFC to the offices of National City Home Loan Services.
- f. That FFFC knowingly and intentionally misrepresented in a Purchase and sale agreement executed sometime in 2002 or 2003 between FFFC and National that procurement of the \$280,000.00 mortgage loan advanced to Carmen Sifontes was free of fraud, that borrower is the only true obligor and not representative of any person, group, or organization in connection with the mortgage loan when FFFC knew the statements were false and caused the purchase and sale agreement to be sent electronically and/or by mail from the offices of FFFC to the offices of National City Home Loan Services.

102. That in furtherance of the enterprise objectives, and because of the special relationship that exists between FFFC and National City Homes as they are sister

corporation, FFFC enlisted the complicity and agreement of National City Homes to knowingly ignore the existence of fraud and discrepancies in the procurement of the mortgage loans that was been sold by FFFC to National City Homes.

103. That pursuant to the agreement between National City Homes and the other co-conspirators and particularly FFFC and in furtherance of the objectives of the enterprise National City Homes aided and abated all the co-conspirators in all of the above described engagements in predicate acts and itself engaged in following predicate acts:

- a. Misrepresenting itself in its opposition papers to plaintiff's motion to intervene in New York State Supreme Court, County of Queens which was mailed by National City Homes' attorneys to plaintiff's attorney as a holder in due cause with no knowledge that the \$196,000.00 mortgage loan advanced to Odra Arango and bought from FFFC was without claims, defenses or in default when National City Homes knew such to be false.
- b. Misrepresenting itself in its opposition papers to Daisy Hall and David Hall's motion to intervene dated February 28, 2005 in New York State Supreme Court, County of Nassau that was mailed by National City Homes' attorneys to attorney of Daisy Hall and David Hall, the home owner victims as a holder in due cause with no knowledge that the \$188,000.00 mortgage loan advanced to Maureen Alvarez and bought from FFFC was without claims, defenses or in default when National City Homes knew such to be false.
- c. Knowingly aiding and abetting the co-conspirators and specifically FFFC after the fact in furtherance of the objectives of the enterprise by fraudulently according legitimacy to the fraudulent procurement of \$196,000.00 mortgage loan advanced to Odra Arango, abusing due process and obstructing justice.
- d. Knowingly aiding and abetting the co-conspirators and specifically FFFC after the fact in furtherance of the objectives of the enterprise by fraudulently according legitimacy to the fraudulent procurement of \$188,000.00 mortgage loan advanced to Maureen Alvarez, abusing due process and obstructing justice.

COUNT II

RICO ACT 18 U.S.C.S. §1962(c) CLAIMS AGAINST ALL DEFENDANTS

104. Plaintiff repeats and realleges paragraphs 1 through 81 as if set forth at length herein.

105. That each of the defendants is person as defined by 18 U.S.C. §1961(3).

106. That Alfred Mills and Ann Alvarez acting in concert and agreement formulated the organization called a AAGR and numerous other organization with the intention to engage in fraudulent activities described in paragraphs 15 through 106 and specifically to engage in RICO predicate acts of mail and wire frauds.

107. That in furtherance of the enterprise objectives Discount Funding Associates engaged in the following predicate acts in violation of 18 U.S.C.S. §1962(c):

- a. Generated a mortgage application on or about April 2002 for Odra Arango and knowingly and intentionally misrepresented in the application that Odra Arango was purchasing subject property to own and occupy when Discount Funding knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Facsimile.
- b. Generated a mortgage application on or about April 2002 for Odra Arango and knowingly and intentionally misrepresented in the application that Odra Arango was purchasing subject property to own and occupy when Discount Funding knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Mail.
- c. Generated a mortgage application on or about July 2002 for Carmen Sfontes and knowingly and intentionally misrepresented in the application that Carmen Sifontes was purchasing a real property to own and occupy when Discount Funding knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Facsimile.
- d. Generated a mortgage application on or about July 2002 for Carmen Sifontes and knowingly and intentionally misrepresented

in the application that Carmen Sifontes was purchasing a real property to own and occupy when Discount Funding knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Mail.

108. That in furtherance of the objectives of the enterprise, Alfred Mills engaged in the following predicate acts 18 U.S.C.S. §1962(c):
- a. Generated a mortgage application on or about April 2002 for Odra Arango and knowingly and intentionally misrepresented in the application that Odra Arango was purchasing subject property to own and occupy when Alfred Mills knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Facsimile.
 - b. Generated a mortgage application on or about April 2002 for Odra Arango and knowingly and intentionally misrepresented in the application that Odra Arango was purchasing subject property to own and occupy when Alfred Mills knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Mail.
 - c. Generated a mortgage application on or about July 2002 for Carmen Sifontes and knowingly and intentionally misrepresented in the application that Carmen Sifontes was purchasing a real property to own and occupy when Alfred Mills knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Facsimile.
 - d. Generated a mortgage application on or about July 2002 for Carmen Sifontes and knowingly and intentionally misrepresented in the application that Carmen Sifontes was purchasing a real property to own and occupy when Alfred Mills knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Mail.

109. That and in furtherance of the objectives of the enterprise, Ann Alvarez aided and abated Alfred Mills and Discount Funding in engaging in the following predicate acts with the intention that mortgage loans be fraudulently obtained for straw buyers so as to make the equity of the home owner victim's respective real properties available for conversion by the enterprise:

- a. Generated a mortgage application on or about April 2002 for Odra Arango and knowingly and intentionally misrepresented in the application that Odra Arango was purchasing subject property to own and occupy when Alfred Mills knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Facsimile.
- b. Generated a mortgage application on or about April 2002 for Odra Arango and knowingly and intentionally misrepresented in the application that Odra Arango was purchasing subject property to own and occupy when Alfred Mills knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Mail.
- c. Generated a mortgage application on or about July 2002 for Carmen Sifontes and knowingly and intentionally misrepresented in the application that Carmen Sifontes was purchasing a real property to own and occupy when Alfred Mills knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Facsimile.
- d. Generated a mortgage application on or about July 2002 for Carmen Sifontes and knowingly and intentionally misrepresented in the application that Carmen Sifontes was purchasing a real property to own and occupy when Alfred Mills knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Mail.

110. That in furtherance of the objectives of the enterprise, A&A Global Resources through its owners and principal operatives, Ann Alvarez and Alfred Mills engaged in the following predicate acts in violation of 18 U.S.C.S. §1962(c):

- a. Generated a mortgage application on or about April 2002 for Odra Arango and knowingly and intentionally misrepresented in the application that Odra Arango was purchasing subject property to own and occupy when A&A Global Resources knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Facsimile.
- b. Generated a mortgage application on or about April 2002 for Odra Arango and knowingly and intentionally misrepresented in the application that Odra Arango was purchasing subject property to own and occupy when A&A Global Resources knew the

representation to be false and caused the mortgage application to be sent to the offices of FFFC via Mail.

- c. Generated a mortgage application on or about July 2002 for Carmen Sifontes and knowingly and intentionally misrepresented in the application that Carmen Sifontes was purchasing a real property to own and occupy when A&A Global Resources knew the representation to be false and caused the mortgage application to be sent to FFFC via Facsimile.
- d. Generated a mortgage application on or about July 2002 for Carmen Sifontes and knowingly and intentionally misrepresented in the application that Carmen Sifontes was purchasing a real property to own and occupy when A&A Global Resources knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Mail.

111. That in furtherance of the objectives of the enterprise, Odra Arango engaged in the following predicate acts and in violation of 18 U.S.C.S. §1962(c):

- a. On or about April 2002, Odra Arango and knowingly and intentionally misrepresented in mortgage loan application that she was purchasing subject property to own and occupy when Odra Arango knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Facsimile.
- b. On or about April 2002 for Odra Arango and knowingly and intentionally misrepresented in mortgage loan application that she was purchasing subject property with the intention to own and occupy when Odra Arango knew the representation to be false and caused the mortgage application to be sent to the offices of FFFC via Mail.

112. That in furtherance of the objectives of the enterprise, Liechtung engaged in the following predicate acts 18 U.S.C.S. §1962(c):

- a. Liechtung knowingly misrepresented in the Settlement Statement dated May 29, 2002, with respect to the loan advanced to Odra Arango relating to the fraudulent transfer of real property known as 119-47 166 Str., Jamaica, NY on or about May 29, 2002, the \$750.00 kickback Liechtung paid Wally Duval as a fee for representing plaintiff as attorney, fraudulent distribution of \$59,000.00 to AAGR, and distribution to Discount Funding and

other co-conspirators from the loan proceeds as fees for settlement services and/or legitimate distributions when Liechtung knew such to be false and sent the settlement statement on or about May 29, 2002, by facsimile to the offices of FFFC.

- b. Liechtung knowingly misrepresented in the Settlement Statement dated May 29, 2002, with respect to the loan advanced to Odra Arango relating to the fraudulent transfer of the real property known as 119-47 166 Street, Jamaica, NY on or about May 29, 2002, the \$750.00 kickback Liechtung paid Wally Duval as a fee for representing plaintiff as attorney and fraudulent distribution of \$59,000.00 to AAGR, and distribution to Discount Funding and other co-conspirators from the loan proceeds as fees for settlement services and/or legitimate distribution when Liechtung knew such to be false and sent the settlement statement on or about May 29, 2002, by mail to the offices of FFFC.
- c. Liechtung knowingly misrepresented in the Settlement Statement dated August 23, 2002, with respect to the loan advanced to Carmen Sifontes relating to the fraudulent transfer of the property known as 392 Jefferson Street, Brooklyn, NY on August 23, 2002, the fraudulent distribution of \$44,525.52 to AAGR, and distribution to Discount Funding and other co-conspirators from the loan proceeds as fees for settlement services and/or legitimate distributions when Liechtung knew such to be false and sent the settlement statement on or about August 23, 2002, by facsimile to the offices of FFFC.
- d. Liechtung knowingly misrepresented in the Settlement Statement dated August 23, 2002, with respect to the loan advanced to Carmen Sifontes relating to the fraudulent transfer of the property known as 392 Jefferson Street, Brooklyn, NY on August 23, 2002, the fraudulent distribution of \$44,525.52 to AAGR, and distribution to Discount Funding and other co-conspirators from the loan proceeds as fees for settlement services and/or legitimate distributions when Liechtung knew such to be false and sent the settlement statement on or about August 23, 2002, by mail to the offices of FFFC.

113. That in furtherance of the objectives of the enterprise Wally Duval aided and abated Alfred Mills, Ann Alvarez, AAGR, Odra Arango, Discount Funding in engaging in all of the above described predicate acts and particularly Charles Liechtung in engaging in the predicate acts described in paragraphs 115(a) and (b) with the intention

that mortgage loans proceeds be fraudulently available for distribution to herself and co-conspirators and to accord legitimacy to a transaction that is otherwise fraudulent.

114. That in furtherance of the objective of the enterprise, FFFC engaged in the following predicate acts:

- a. That FFFC aided and abated the co-conspirators and particularly Liechtung by ensuring that Lienchtung, a co-conspirator was appointed closing attorney (lender's attorney) at the respective closings knowingly and intentionally in furtherance of the enterprises objectives to ensure that the respective sham transactions goes on as agreed and the fraudulent distributions of the proceeds and knowingly misrepresenting same in the settlement statements as fees for settlement services provided are done without objections or detection of fraud.
- b. That FFFC aided and abated co-conspirators in fraudulent distribution of proceeds to AAGR in the amount of \$59,000.00 and to other co-conspirators on or about May 29, 2002, from mortgage loans in the amount of \$196,000.00 and \$49,000.00 respectively, advanced to Odra Arango with respect to the fraudulent transfer of real property known as 119-47 166 Street, Jamaica, NY and knowingly misrepresenting same in the settlement statement dated May 29, 2002 as fees for settlement services.
- c. That FFFC aided and abated co-conspirators in fraudulent distribution of proceeds to AAGR in the amount of \$44,525.52 and to other co-conspirators on or about August 23, 2002, from mortgage loans in the amount of \$280,000.00 and \$65,000.00 respectively, advanced to Carmen Sifontes with respect to the fraudulent transfer of real property known as 392 Jefferson Street, Brooklyn, NY and knowingly misrepresenting same in the settlement statement dated August 23, 2002 as fees for settlement services.
- d. That FFFC aided and abated co-conspirators in fraudulent distribution of proceeds to AAGR and other co-conspirators on or about July 15, 2002, from the two mortgage loans totaling \$233,000.00, advanced to Maureen Alvarez with respect to the fraudulent transfer of real property known as 7 Bainbridge Street, Roosevelt, NY and knowingly misrepresenting same in the settlement statement dated July 15, 2002 as fees for settlement services.

- e. That FFFC knowingly and intentionally misrepresented in a purchase and sale agreement executed sometime in 2002 between FFFC and National that procurement of the \$196,000.00 mortgage loan advanced to Odra Arango was free of fraud, that borrower is the only true obligor and not representative of any person, group, or organization in connection with the mortgage loan when FFFC knew the statements were false and caused the purchase and sale agreement to be sent electronically and/or by mail from the offices of FFFC to the offices of National City Home Loan Services.
- f. That FFFC knowingly and intentionally misrepresented in a Purchase and sale agreement executed sometime in 2002 or 2003 between FFFC and National that procurement of the \$280,000.00 mortgage loan advanced to Carmen Sifontes was free of fraud, that borrower is the only true obligor and not representative of any person, group, or organization in connection with the mortgage loan when FFFC knew the statements were false and caused the purchase and sale agreement to be sent electronically and/or by mail from the offices of FFFC to the offices of National City Home Loan Services.

115. That in furtherance of the objectives of the enterprise National City Homes Services, Inc. aided and abated all the co-conspirators in all of the above described engagements in predicate acts and itself engaged in following predicate acts:

- a. Misrepresenting itself in its opposition papers to plaintiff's motion to intervene in New York State Supreme Court, County of Queens that was mailed by National City Homes' attorneys to plaintiff's attorney as a holder in due cause with no knowledge that the \$196,000.00 mortgage loan advanced to Odra Arango and bought from FFFC was without claims, defenses or in default when National City Homes knew such to be false.
- b. Misrepresenting itself in its opposition papers to Daisy Hall and David Hall's motion to intervene dated February 28, 2005 in New York State Supreme Court, County of Nassau that was mailed by National City Homes' attorneys to attorney of Daisy Hall and David Hall, the home owner victims as a holder in due cause with no knowledge that the \$188,000.00 mortgage loan advanced to Maureen Alvarez and bought from FFFC was without claims, defenses or in default when National City Homes knew such to be false.

- c. Knowingly aiding and abetting the co-conspirators and specifically FFFC after the fact in furtherance of the objectives of the enterprise by fraudulently according legitimacy to the fraudulent procurement of \$196,000.00 mortgage loan advanced to Odra Arango, abusing due process and obstructing justice.
- d. Knowingly aiding and abetting the co-conspirators and specifically FFFC after the fact in furtherance of the objectives of the enterprise by fraudulently according legitimacy to the fraudulent procurement of \$188,000.00 mortgage loan advanced to Maureen Alvarez, abusing due process and obstructing justice.
- e. Knowingly aided and abated co-conspirators by knowingly causing the complaint foreclosing on real property known as 119-47 166 Street, Jamaica, NY be prepared and filed with the Supreme Court of the State of New York, County of Queens, with the intention and an attempt legitimize the fraudulent procurement of the \$196,000.00 mortgage loan advanced to Odra Arango and to eviscerate any possibility of plaintiff, Effingham James holding the co-conspirators accountable.
- f. Knowingly aided and abated co-conspirators by knowingly causing the complaint foreclosing on real property known as 7 Bainbridge Street, Roosevelt, NY be prepared and filed with the Supreme Court of the State of New York, County of Nassau, with the intention and an attempt legitimize the fraudulent procurement of the \$188,000.00 mortgage loan advanced to Maureen Alvarez and to eviscerate any possibility of Daisy Hall and David Hall holding the co-conspirators accountable.

THE ENTERPRISE

116. The FFFC enterprise is an association comprising of defendants, FFFC, National, Charles Liechtung, AAGR and Odra Arango.

117. The AAGR/FFFC Enterprise comprise of all the above named defendants and AAGR's affiliates.

118. The AAGR Enterprise defendants and FFFC Enterprise Defendants associated in the respective enterprises to fraudulently dispossess unwary financially distressed home owner victims such as Effingham James, Tearah Thomas, Daisy and

David Hall of their real properties known as 119-47 166 Street, Jamaica, NY, 392 Jefferson Street, Brooklyn, NY and 7 Bainbridge Street, Roosevelt, NY, respectively.

119. The AAGR Enterprise defendants associated with each other in an enterprise directed at coercing and defrauding the home owners victims into transferring their real property to straw buyers, such as Odra Arango, Carmen Sifontes and Maureen Alvarez exclusively to convert plaintiff's equity in the subject property and to have the victims continue to pay rent to AAGR after the fraudulent transfers.

120. The FFFC Enterprise defendant associated with each other in an enterprise directed at aiding and abetting the AAGR Enterprise after the fact by fraudulently representing the above described transactions as legitimate in further perpetuation of the fraud and fraudulently obstructing the administration of justice to the detriment of the home owner victims.

121. That both the AAGR Enterprise defendants and FFFC Enterprise defendants have associated with each other in an enterprise directed at luring, and coercing home owners such as plaintiff by intentionally misrepresenting facts they knew are false as true in order to obstruct the administration of justice and which would effect plaintiff's final loss of real property.

122. That all of the defendants named in this complaint directed a part of the respective affairs of the enterprise, as set above.

123. That in violation of 18 U.S.C. 1341 and 1343, defendants caused documents evidencing their fraudulent transaction to be carried by United States mail in **interstate commerce in furtherance** of fraud.

124. As demonstrated above, each of the defendants has committed more that

two predicate acts as defined by 18 U.S.C. §1961(1), and thereby constituting a pattern of racketeering activity as defined by 18 U.S.C. §1961(5). **Continuity**

125. Although, some of the home owner victims including plaintiff has possession of their real properties, however, because of the fraudulent mortgages generated by members of the enterprise such Discount Funding, Liechtung and FFC for the enterprise members straw buyers such as Arango and because of the legitimacy accorded the fraudulent transaction by enterprise members such as Liechtung, Discount Funding misrepresentation in the settlement statements, foreclosure proceedings which threatens to deprive home owner victims including plaintiff of possession of their real property continues to be pending, home owners victims are still at the risk of losing possession of their homes while others has lost it for good.

126. Additionally, the application of the State of New York Attorney General against AAGR Alfred Mills, Alfred Mills and co-conspirators and the detailed description AAGR enterprise structure which is appears to be still in place and the ease with which each of the defendants has attempted to make all of the predicate acts carried out appear legitimate raises a high risk of continuity of the acts which RICO Act is meant to prevent.

127. That as a result of all of the defendants racketeering activities, plaintiff's real property was fraudulently transferred and his equity in the real property distributed among the members of the enterprise.

COUNT III

**DECEPTIVE PRACTICES CLAIMS AGAINST AAGR, DISCOUNT
FUNDING ASSOCIATES, FFFC AND NATIONAL**

128. Plaintiff repeats and realleges paragraphs 1 through 126 as if fully set forth at length herein.

129. That each of the defendants, AAGR, Discount Funding, FFFC and provides services which are consumer-oriented acts or practices and are governed by New York General Business Law §349.

130. That the deceptive conducts of defendants were and are materially misleading and/or likely to mislead and deceive plaintiff in violation of New York General Business Law §349 and §349.

131. Plaintiff was injured by this deceptive conducts.

COUNT IV

LEGAL MALPRACTICE CLAIM AGAINST DEFENDANT, WALLY DUVAL

132. Plaintiff repeats and realleges paragraphs 1 through 131 as if fully set forth at length herein.

133. That defendant, Duval was paid from plaintiff's proceed as plaintiff's attorney and as a result owed plaintiff the duties to fiduciary and diligent representation.

134. That defendant, Duval abused the fiduciary duty and breached the duty of diligent representation she owed plaintiff as plaintiff's attorney, by colluding with other defendants who apparently had interest adverse to that of plaintiff and as a result causing plaintiff to be harmed.

COUNT V

CONVERSION CLAIM AGAINST ALL DEFENDANTS EXCLUDING NATIONAL

135. Plaintiff repeats and realleges paragraphs 1 through 134 as if fully set forth at length herein.

136. That defendants, Arango, Mills, Alvarez, Liechtung, Duval, AAGR,

FFFC, and Discount Funding converted the proceeds of plaintiff's equity in his real property with the intent to deprive and dispossess him of the property, and as a result, plaintiff was harmed.

WHEREFORE, plaintiff, demand judgment against defendants jointly and separately, enjoining them from the pattern and practice of racketeering behaviors herein alleged, awarding compensatory damages in an amount to be determined at trial, along with attorney's fees and all other and further relief to which plaintiff is entitled and /or which the Court deems just and proper.

Dated: February 2, 2006

ALABA RUFAL, ESQ. (AR-5847)
Attorney for Plaintiff(s)
106-26 Guy R. Brewer Blvd.,
Jamaica, NY 11433
(718) 756-4333

To the following Defendants at their respective addresses:

Odra Arango
25 Brefni Street, Apt. 5-1B,
Amityville, NY 11701

FFFC f/n/o First Franklin Financial Group
2150 North First Street,
San Jose CA

National City Home Loan Services, Inc.
150 Allegheny Center Mall,
Pittsburgh PA 15212

A&A Global Resources, Inc.
70 Sunrise Highway, 6th Floor,
Valley Stream NY 11581

Ann Alvarez
70 Sunrise Highway, 6th Floor,
Valley Stream NY 11581

Alfred Mills
78 Hemlock Street,
Cypress Hills NY 11208

Discount Funding Associates
70 Sunrise Highway, 6th Floor,
Valley Stream NY 11581

Wally Duval
62 Turkey Ln.
Cold Spring Harbor NY 11724

Charles Liechtung aka Chaim Liechtung
1 Cross Highland Plaza,
Rosedale NY 11422