

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

GARY STEVENS; LINDA STEVENS; AND
1174365 ALBERTA LTD,

Plaintiffs,

v.

AMERICAN ESCROW & SETTLEMENT
SERVICES, LLC; ELIAS CORREA; ALAN
FELDMAN; BERNARD FELDMAN;
BERNARD FELDMAN PA; JENNIFER
HUTCHENS a/k/a JENNIFER ARAUJO;
SANDY HUTCHENS a/k/a ED RYAN a/k/a
FRED HAYES a/k/a MOISHE ALEXANDER
a/k/a MOSHE BEN AVRAHAM a/k/a
ALEXANDER MACDONALD, a/k/a
FREDERICK MERCHANT a/k/a MATHEW
KOVCE; TANYA HUTCHENS; SHANNON
HUTCHENS; MATTHEW KOVCE; LAW
OFFICES OF MANNY SINGH P.A.;
BARBARA LEUIN; LYDECKER, DIAZ,
LEE, BERGA & DE ZAYAS, LLC; ED
RYAN; MANMINDHERJIT SINGH; SOFIA
CAPITAL VENTURES; JASON
UNDERWOOD; WESTMORELAND
EQUITY FUND LLC; AND JOHN DOES 1
THROUGH 20.

Defendants.

CIVIL ACTION NO. _____

JURY TRIAL DEMANDED

COMPLAINT

I. INTRODUCTION

1. Plaintiffs Gary Stevens, Linda Stevens, and 1174365 Alberta Ltd. bring this action pursuant to Racketeering Influenced Corrupt Organizations (RICO) Act, 18 U.S.C. § 1964(c), to

recover the millions of dollars in damages they suffered after being swept up in a massive advance-fee real-estate loan scam.

II. PARTIES

2. Plaintiffs Linda and Gary Stevens are natural persons, residents of Mayerthorpe, Alberta, Canada.

3. Plaintiff 1174365 Alberta Ltd. is a corporation incorporated in Alberta, Canada. Linda and Gary Stevens are the sole stockholders of 1174365 Alberta.

4. Defendant American Escrow and Settlement Services LLC (“American Escrow”) is a Florida Corporation organized by Defendant Bernard Feldman. It claims Boca Raton, Florida, as its principal place of business, and has also listed an address in Hollywood, Florida.

5. Defendant Elias Correa was a partner with the Florida law firm of Lydecker, Diaz, Lee, Berga & De Zayas, LLC (operating as “Lydecker Diaz”). All acts and omissions carried out by Correa alleged in this complaint were done in his capacity as a partner of Lydecker Diaz.

6. Defendant Alan Feldman was a partner with the Florida law firm of Lydecker, Diaz. All acts and omissions carried out by Alan Feldman alleged in this complaint were done in his capacity as a partner of Lydecker Diaz.

7. Defendant Bernard Feldman (“Feldman”) is a natural person who is a resident of Boca Raton, Florida.

8. Defendant Bernard Feldman PA is a Florida Corporation organized by Defendant Bernard Feldman. It claims Boca Raton, Florida, as its principal place of business

9. Defendant Jennifer Hutchens is the daughter of Sandy Hutchens. On information and belief, under the alias of Jennifer Araujo, she represented herself to be the “Manager of

Underwriting” for First Central Mortgage Funding Inc., Canadian Funding Corporation and 308 Elgin Street Inc. Jennifer Hutchens is the mother of Defendant Matthew Kovce’s children.

10. Defendant Sandy Hutchens is a Canadian citizen and a resident of Toronto, Ontario, Canada. As alleged herein, Hutchens has used many aliases, and presented himself as the chief executive of several fraudulent corporate entities that he has created to carry out his fraudulent schemes including presenting himself as “Ed Ryan,” the Managing Member of Westmoreland, when he defrauded Plaintiffs.

11. Defendant Shannon Hutchens is the daughter of Sandy Hutchens. Shannon Hutchens is the mother of Defendant Ed Ryan’s children.

12. Defendant Tanya Hutchens is the wife of Sandy Hutchens. On information and belief, she participated in the enterprise in several ways, including preparing many of the loan commitment letters issued by the enterprise and helping to launder the funds derived from the scheme.

13. Defendant Matthew Kovce is purportedly in a “common law” marriage with Defendant Jennifer Hutchens. Defendant Kovce allowed Hutchens to use his name to conceal Hutchens’s true identify. Upon information and belief, Plaintiffs allege that Hutchens paid Kovce in exchange for allowing him to use his name.

14. Defendant Barbara Leuin is a resident of California and the chief executive officer of Defendant Sofia Capital Ventures LLC.

15. Defendant Lydecker, Diaz, Lee, Berga & De Zayas, LLC, is a Florida limited liability company with it principal place of business in Miami, Florida

16. Defendant Ed Ryan is purportedly in a “common law” marriage with Defendant Shannon Hutchens. Defendant Ryan allowed Hutchens to use his name to conceal Hutchens’s

true identify. Upon information and belief, Plaintiffs allege that Hutchens paid Ryan and/or Defendant Shannon Hutchens in exchange for allowing them to use Ed Ryan's name.

17. Defendant Law Offices of Manny Singh P.A. ("Singh Law Offices") is a Florida corporation with offices located at 6610 North University Drive, Tamarac, Florida.

18. Defendant Manmindherjit Singh ("Singh") is a Florida resident and the principal of the Law Office of Manny Singh. All acts and omissions carried out by Singh alleged in this complaint were done in his capacity as a principal of his law firm.

19. Defendant Sofia Capital Ventures LLC ("Sofia") is a Colorado corporation with its principal place of business in Colorado Springs, Colorado.

20. Defendant Jason Underwood ("Underwood") was represented by Westmoreland to be a natural person to have undertaken the function as underwriter on its behalf. His location is unknown. Westmoreland's prior counsel could not furnish an address for him and the receptionist at Westmoreland's claimed principal place of business had never heard of him.

21. Defendant Westmoreland Equity Fund ("Westmoreland") is a Delaware Corporation. Its principal place of business is 1650 Market Street, Philadelphia, Pennsylvania.

III. VENUE AND JURISDICTION

22. Plaintiff brings this action pursuant to RICO, 18 U.S.C. § 1964(c), which confers jurisdiction upon this Court over the subject matter of this action. The Court also has jurisdiction over the subject matter pursuant to 28 U.S.C. § 1331 in that this action arises under the laws of the United States.

23. Venue in this district is proper pursuant to 28 U.S.C. § 1391(b)(2), because one or more of the defendants resides in this district. Venue is also proper pursuant to 18 U.S.C. § 1965

because all defendants reside, are found, and/or transact their affairs in this district and the ends of justice require that all defendants be sued in this district.

24. Westmoreland's principal place of business at the 36th Floor of 1650 Market Street in Philadelphia, Pennsylvania. That virtual office is also the Philadelphia address of Defendant Lydecker Diaz.

IV. FACTS GIVING RISE TO THIS CAUSE OF ACTION

A. Westmoreland Equity Fund

25. Westmoreland Equity Fund, LLC ("Westmoreland"), purported on its website to be a major commercial lender. It stated, among other things during the relevant period: "A Trusted Partner In Over 3,000 Deals. Westmoreland Equity Fund LLC has participated in thousands of closed transactions over the past several years and is known for its ability to complete underwriting and fund quickly." It further claimed that "Westmoreland participated as a funding partner in over 100 projects in 2014 and continues to seek new projects."

26. Westmoreland's website, like Westmoreland's Pennsylvania Foreign Corporation Registration, stated that its principal place of business is 1650 Market Street, 36th Floor, Philadelphia, Pennsylvania. It listed no other place of business other than the 1650 Market Street address.

27. Though Westmoreland has claimed on its website to have been involved in over 3,000 deals in recent years, it apparently has no employees at its headquarters and only identified office. This is because Westmoreland is total fraud. It is the latest iteration of a long-running criminal enterprise. The mastermind of the scheme is Sandy Hutchens, whose extensive criminal record goes back more than twenty years. He was most recently convicted for three counts of fraud in Canada in April 2005. To disguise his criminal past, Hutchens used numerous aliases,

including “Ed Ryan,” “Fred Hayes,” “Moishe Alexander,” “Moshe Ben Avraham,” “Alexander MacDonald,” “Frederick Merchant,” “Mathew Kovce,” and others. Hutchens never used his true name in any of his dealings with the Plaintiffs.

28. Previously, Westmoreland was known as “Canadian Funding Corporation” (“CFC”), which Hutchens incorporated on January 28, 2004. The scam was subsequently renamed and reincorporated under various names, including 308 Elgin Street, Inc., and First Central Mortgage Funding Inc. (“FCMF”). Once it became known that these entities were part of a wide-ranging loan scam—the Toronto Star and Internet websites such as “Ripoff Report” and the “Jewish Whistleblower” had exposed Hutchens and his use of CFC, 308 Elgin, and FCMF to carry out his scheme—Hutchens, using his “Mathew Kovce” alias, incorporated the Great Eastern Investment Fund (“GEIF”) in March 2011. When GEIF began to be identified as a fraud, the enterprise changed names again in early 2013, incorporating under the name of Defendant Westmoreland.

29. Defendant Bernard Feldman has been involved since at least since the GEIF iteration of the scheme, in which he participated through his entity, Hollywood Title Services, LLC, the same entity Feldman used in the transactions for which he has been determined to be guilty of criminal fraud.

30. The victims of the enterprise are persons or entities who require financing for real estate transactions. They are in the market seeking loans to be collateralized by the real estate being purchased and, to that end, engaged the services of various mortgage brokers located throughout the United States, including Defendants Barbara Leuin and Sofia Capital. The mortgage brokers obtained loan applications and related materials from these borrowers, which

were transmitted via the U.S. Mail and/or interstate wire facilities to the Westmoreland enterprise.

31. The enterprise would then issue loan commitments to its victims even though it had neither the capacity nor the intent to fund the real estate loans. These loan commitments provided that, as a condition for closing on the respective commitment, substantial fees, characterized as “lender’s legal fees,” “lender’s administrative fee,” “inspection fee,” and “brokerage fee” were to be paid in advance. After the applicant paid the “inspection fee,” the enterprise would arrange for an “inspection” of the prospective collateral.

32. Once the loan application process was far along, the enterprise would invariably find fault with the loan applications and materials submitted, or with the property offered as collateral. The enterprise would then impose additional terms and conditions, often including a demand for additional fees and, in time, invariably found that the applicant had failed to satisfy these new terms and conditions. The enterprise would then identify trumped-up defects as grounds for terminating the loan application process. Upon the loan application being terminated, the enterprise kept all of the monies which had been advanced, claiming that the fees had been earned and were nonrefundable, and refused to give any of it back to the borrowers.

33. Upon information and belief, Defendant Tanya Hutchens wrote letters issued and sent by the enterprise purporting to commit loans to applicants. Upon information and belief, Defendant Jennifer Hutchens issued wiring instructions for the legal and administrative fees to be wired to one of the enterprise’s accounts.

34. Over the years, the enterprise committed to loans worth hundreds of millions of dollars, and collected more than \$10 million in advance fees.

B. “Ed Ryan”/Sandy Hutchens

35. Hutchens is a notorious criminal in Canada. In 2004, Hutchens pleaded guilty to financial fraud charges in Canada and was sentenced to two years of house arrest followed by two years of probation. Defendants undertook significant efforts to disguise his identity from Plaintiffs. The foreign corporation registration statement filed for Westmoreland Equity Fund LLC with Pennsylvania Department of State contains a sworn certification with the signature “Ed Ryan.”

36. Westmoreland has been named in other cases which allege the same kind of fraudulent scheme, and Ed Ryan was identified as the person represented to be Westmoreland’s principal in each of them. *Campanile Investments LLC v. Westmoreland Equity Fund LLC*, 17-00337 (W.D. Tex. April 17, 2017); *Leathem Stearn et al. v. Westmoreland Equity Fund, Ed Ryan, and Bernard Feldman*, No. 1:16-cv-01211 (D. Col., May 20, 2016); *Oak Hall Companies, LLC v. Westmoreland Equity Fund, LLC*, No. 15-7702-6 (Super. Ct. Dekalb Cty, Ga., July 22, 2015).

37. Sandy Hutchens has been named in at least two additional cases involving previous iterations of the scheme. A certified nationwide class action brought against Hutchens, his wife (Defendant Tanya Hutchens) and his daughter (Defendant Jennifer Hutchens) is pending in the United States District Court for the District of Colorado, entitled *CGC Holdings, LLC et al. v. Hutchens et al.*, Case No. 11-CV-01012-RBJ-KLM. The action describes the CFC, FCMF, and 308 Elgin schemes. In May 2017, a jury found the scheme liable for over \$8 million. In September 2017, the court trebled that figure under RICO and entered a final judgment for \$24.2 million. The class period in that matter ends on April 7, 2013, but even after that date, while that case was being litigated, the enterprise continued its fraud under different names. The fraud perpetrated against the Plaintiffs occurred in 2014 and 2015. Other victims of the enterprise have

sued Hutchens or his aliases in courts throughout the United States and Canada. *David Antoniono Investments, LLC v. Hutchens*, No. 15-61233 (S.D. Fla., June 10, 2015), describes the GEIF scheme carried out after the events addressed in *CGC Holding*.

38. In 2015, Westmoreland created two new entities, Bella Vista 1, LLC, and Bella Vista 2, LLC, both of which are incorporated in Delaware. In filings with the California Secretary of State, Westmoreland is listed as the sole member with the 36th floor of One Liberty Place as its address. The forms are signed by “Ed Ryan, as Managing Member of Westmoreland Equity Fund, LLC.”

39. When Plaintiff Gary Stevens called Defendant Leuin asking for Ryan’s phone number, she told him that she could not give him a number, that she would have to arrange for any call with Ryan, but that Ryan and his wife had both recently had serious illnesses and that Ryan was not taking many calls.

40. Sandy Hutchens testified during his cross examination in the Colorado action that he used “Ed Ryan” as an alias during the time he was doing business under the name Westmoreland Equity.

41. The real Ed Ryan is Hutchens’s common-law son-in-law. He participated in the scheme by permitting Hutchens to use his name as an alias to carry out the scheme.

42. In August 2017, Westmoreland and Ed Ryan, through their counsel Bochetto & Lentz, P.C., allowed a final judgment for \$9,117,811.92 to be entered against them in a state court action brought by Plaintiffs.

C. Bernard Feldman

43. Bernard Feldman (“Feldman”) also has a history of criminal fraud. In December 2016, Feldman pleaded *nolo contendere* to criminal charges in Florida involving a different real-

estate based criminal fraud scheme. He is also a former lawyer who was disbarred in two states after having been suspended many times for, among other things, forging clients' signatures on settlement checks and appropriating the proceeds.

44. Feldman presented himself as a consultant (employed by Bernard Feldman PA) who was retained by the lender, Westmoreland, to inspect the property and assist in the transaction. He represented himself to be independent of Westmoreland, and never disclosed any connection to the title agency involved in the scheme, American Escrow.

45. Despite claiming independence, Feldman was intimately involved in the corporate filings of Westmoreland and, on information and belief, the operation of Westmoreland itself. The foreign corporation registration statement filed for Westmoreland Equity Fund LLC with the Pennsylvania Department of State, requested that the file-stamped copy of the registration be sent to Bernard Feldman, 2255 Glades Road Suite 324A, in Boca Raton, Florida, even though it identified the principal place of business of Westmoreland as 1650 Market Street, 36th Floor, Philadelphia, Pennsylvania (One Liberty Place).

46. The Liberty Place address is also the same address used by Lydecker Diaz. Lydecker Diaz, whose principal office is in Miami, lists the Suite 3600 of the Liberty Place as its Philadelphia location. Like Westmoreland, it has no employees located at that office, which is merely a virtual office space. Alan Feldman was a partner at Lydecker Diaz. Alan Feldman is Bernard Feldman's son. Elias Correa, another Lydecker partner, initially represented Westmoreland in a related state action brought by Plaintiffs, and represented Westmoreland, Ryan, and Bernard Feldman in other cases involving the Westmoreland scheme. Correa also guided Westmoreland via transactional work.

47. Westmoreland “retained” Defendant American Escrow and Settlement Services as an “independent” escrow agent in this case. Among other services, American Escrow “confirmed” to Plaintiffs that Westmoreland had a loan facility exceeding \$450 million before Plaintiffs provided the bulk of the fees to Westmoreland. Though he kept his role in American Escrow secret, Feldman was the principle of that entity, and it is located at an address used by several other Feldman entities, which address is a virtual office. In all, Feldman through American Escrow, was involved in at least 92 transactions with Westmoreland.

48. Feldman was the only person who Plaintiffs ever met in person in connection with the funding transaction. As discussed, he represented that he was sent as an independent consultant, and his roles in Westmoreland and American Escrow and Settlement Services were hidden from the Plaintiffs.

49. This is not the first time Feldman has played this role. Numerous cases have been filed describing fraudulent transactions in which he participated:

- a. An action for fraud brought against Westmoreland in the District of Colorado captioned, *Leathem Stearn et al. v. Westmoreland Equity Fund, Ed Ryan, and Bernard Feldman*, No. 1:16-cv-01211 (D. Col., May 20, 2016), raising nearly identical claims of fraud in obtaining fees for a bogus commercial loan, contains the following averment: “Defendant Feldman played the role of a purported independent agent of W[estmoreland]E[quity] F[und] to give the illusion of actual due diligence by travelling to Colorado, meeting with [the plaintiff] and inspecting the properties.” (¶ 48).

- b. In *Oak Hall Companies, LLC v. Westmoreland Equity Fund, LLC*, No. 15-7702-6 (Super. Ct. DeKalb Cty., Ga., July 22, 2015), the plaintiffs alleged a nearly identical scam also involving Westmoreland and American Escrow.
- c. In *Campanile Investments v. Westmoreland Equity Fund LLC*, et al., No. 17-337 (W.D. Tex. April 17, 2017), the plaintiffs again alleged a nearly identical scheme involving Westmoreland, Ed Ryan, American Escrow and Settlement Services, and Bernard Feldman.
- d. In *David Antoniono Investments, LLC v. Hutchens*, No. 15-61233 (S.D. Fla., June 10, 2015), Feldman is identified as a participant, through his entity Hollywood Title Loans, in the essentially identical scheme involving GEIF.

50. On May 12, 2017, Sandy Hutchens, testifying at the *CGC Holding* trial, testified that he was, as of that date, “still doing business with Bernard Feldman.”

51. According to the website of the Florida Secretary of State, Feldman has either incorporated or been associated with at least eleven corporations in that state, including at least two associated with the Westmoreland scheme.

52. On or about February 16, 2017, after Plaintiffs served the summons in their related state court action, Feldman called Colin Durward, an associate of the Plaintiffs, and left a message. He also sent an email, which read:

From: "bernie" <bernie@bernardfeldmanpa.com>
Date: February 16, 2017 at 8:26:07 AM CST
To: <colin.santangroup@gmail.com>
Subject: Gary Stevens

Good morning. I am a consultant for Westmoreland Equity Fund LLC who previously had received and processed a financing application from Mr. Stevens concerning property in Saskatchewan. I would appreciate the opportunity to speak to you concerning your knowledge of the events. I will try to call you this morning about 9:00 AM your time. Thank you.

Bernard Feldman
Bernard Feldman PA
2255 Glades Road, Suite 324A
Boca Raton, Florida 33431
Office: 954-873-4052

53. The address provided by Feldman on the above email and on the Foreign Corporation Registration Statement of Westmoreland, 2255 Glades Road, Suite 324A Boca Raton, Florida 33431, is a virtual office run by Regus Corporation that rents space by the hour¹ on an as needed basis and provides mail drop and telephone answering service.²

54. On December 13, 2016, Feldman pleaded *nolo contendere* in Florida to criminal fraud charges involving a different fraudulent scheme involving real-estate transactions and received three years' probation.

55. The press release issued by the Florida Department of Financial Services at the time Feldman was charged identifies Wharton Realty and Hollywood Title Services as among the entities used in the scheme. Both used the same address as one of the entities associated with the current scheme. Hutchens has also used Feldman's Hollywood Title Services to further additional frauds.

56. The charges to which Feldman pleaded *nolo contendere* included: (i) three counts of Grand Theft of the Third Degree, (ii) Organized Fraud; (iii) three counts of Uttering a Forged Instrument, and (iv) three counts of Acting as an Unlicensed Adjuster.

¹ "Get on-demand access to work-ready office space with no commitment – available by the hour." <http://www.regus.com/office-space/united-states/florida/boca-raton/florida-boca-raton-glades-road>.

² "Get a professional address with mail handling and telephone answering," <http://www.regus.com/virtual-office>.

57. The Probable Cause Affidavit filed June 2, 2015, against Feldman states, among other things:

... An affidavit from First American Title Insurance Company attest that insurance documents taken from the three closings were fraudulent documents and the defendant was not authorized to represent them. The defendant made admissions that he prepared the documents without authority. A review of the HUD1s for the three closings reveal that the defendant committed theft when he collected funds from the victims and failed to use those funds as documented on the HUD1s, thus appropriating the funds to his own use.

58. Feldman was disbarred in Michigan in 2002 after being suspended from practice multiple times:

(i) He was suspended August 21, 1993. The Notice of Suspension states, among other things:

Respondent ... failed to deposit the settlement proceeds into a client trust account; failed to notify the client of receipt of the settlement check; failed to promptly deliver the settlement check; knowingly made false statement to his client; and, knowingly made a false statement in his answer to the request for investigation.

(ii) He was suspended November 22, 1995. The Notice of Suspension states, among other things:

Respondent ... settled the matter without his client's knowledge or consent; failed to keep his client reasonably informed concerning the status of the matter; knowingly made false representation to his client regarding the settlement; and made a false statement in his answer to the Request for investigation.

(iii) He was suspended December 27, 2000. The Notice of Suspension states, among other things, that he "engaged in the practice of law on behalf of a single client after the effective date of an order suspending his license."

- (iv) He was suspended May 7, 2001. The Notice of Suspension states, among other things:

Respondent ... [f]ailed to deposit a settlement check into an interest-bearing account for funds separate from his own funds; and failed to promptly pay his client the \$1,250.00 settlement funds she was entitled to receive.

- (v) His license to practice law was revoked a year later. The Notice issued May 22, 2002, states, among other things:

The hearing panel found that respondent had neglected a client's legal matter, made misrepresentations to his client regarding the delay in filing her lawsuit and that the dismissal was the result of court error; failed to file an appeal brief; and misrepresented to his client that an appeal was proceeding. Also, in a civil case, respondent failed to deposit a settlement check into an interest-bearing account separate from his own funds; endorsed his client's name on the back of the check without his client's knowledge or prior consent; and failed to promptly pay the settlement funds to his client. Further, in another matter, respondent continued to engage in the practice of law while suspended.

- (vi) His license to practice law was revoked a second time effective April 2, 2003. The Notice states, among other things:

The hearing panel found, by default, that respondent continued to practice law while suspended; failed to advise five clients that he was suspended; failed to return unearned fees in three matters; failed to timely respond to his clients' inquiries in two matters; and failed to answer requests for investigation served by the Grievance Administrator.

59. Feldman was subsequently disbarred in Florida when he sought to practice there after having been disbarred in Michigan. *Florida Bar v. Feldman*, 868 So. 2d 525 (Fla. 2004).

D. American Escrow and Settlement Services Company

60. American Escrow and Settlement Services ("American Escrow") is a company located at 21301 Powerline Road, Suite 106, Boca Raton Florida.

61. According to the website of the Florida Secretary of State, Bernard Feldman incorporated the entity “American Escrow and Settlement Services” on or about June 23, 2014.

62. The address of American Escrow, like the addresses of Westmoreland and Bernard Feldman PA, is a virtual office.

63. American Escrow served as the exclusive financial services company for Westmoreland. It received the payments obtained from victims and directed them to various financial accounts.

64. American Escrow received the funds obtained by the scheme and paid its expenses, including the lease on the virtual office maintained at 1650 Market Street, 36th Floor, Philadelphia, Pennsylvania.

65. In a letter forwarded to Plaintiffs by Westmoreland over Ryan’s signature on November 5, 2014, American Escrow stated that it had reviewed banking records of Westmoreland and that Westmoreland had a lending capacity of \$475 million.

66. Feldman’s affiliation with American Escrow was never revealed to Plaintiffs.

67. The letter from American Escrow contains an electronic signature of a “Cheryl Conti.”

68. The corporate documents filed by American Escrow available on the website of the Secretary of State of Florida, sometimes spell the name “Cheryl Conti” and sometimes spell the name “Cheryl Conte.” The error is repeated several times. Because people generally know how to spell their own names and the involvement of Bernard Feldman in the incorporation of American Escrow, Plaintiffs believe that Cheryl Conti or Conte is an alias of Feldman or is a straw acting on Feldman’s behalf.

69. After receiving the letter, Plaintiffs wired \$51,784.81 to American Escrow.

E. Jason Underwood

70. Jason Underwood is identified by Westmoreland, per Ryan, in a letter of February 23, 2015, as its “manager of assets and valuations.” Numerous emails from Westmoreland over the name of Ryan are copied to Jason Underwood.

71. Ryan represented to Plaintiffs that Underwood was the person reviewing their file at Westmoreland, apparently performing the necessary underwriting.

72. When Plaintiffs sought to serve the summons on Underwood at Westmoreland’s 1650 Market Street address, the receptionist said that she had never heard of Jason Underwood. For the above reasons, Plaintiffs believe that Underwood may be an alias used by Hutchens and/or Feldman, or is a straw acting on their behalf.

F. Lydecker Diaz, Elias Correa, and Alan Feldman

73. Bernard Feldman’s son, Defendant Alan Feldman, was a partner at the Defendant law firm, Lydecker, Diaz, Lee, Berga & De Zayas, LLC (operating as “Lydecker Diaz”). He and fellow Lydecker partner Defendant Elias Correa conducted and supported the affairs of the enterprise for years by, inter alia, fraudulently misleading victims and courts as to the identities of the fraudsters, lending the firm’s name to transactions to provide the appearance of legitimacy to the fraudulent scheme, covering up the scheme, inducing victims into early settlements intended to protect the scheme and to permit it to continue operating, and reaching settlements paid with the proceeds of the fraudulent scheme. On information and belief, Lydecker Diaz received many thousands of dollars through the scheme.

74. On information and belief, Lydecker Diaz—and, in particular, Alan Feldman and Elias Correa—have represented Westmoreland, “Ed Ryan,” and Bernard Feldman for all or nearly all of the period of operation of the Westmoreland scheme. They represented

Westmoreland in a variety of roles. Defendant Elias Correa claimed that he represented Westmoreland in a transactional, non-litigation, capacity. But Correa and Lydecker Diaz also represented Westmoreland, Feldman, and “Ed Ryan” in the litigation context.

75. On at least one conference call in 2014, Ed Ryan/Sandy Hutchens told the Stevenses that if they had issues to be addressed that required Westmoreland’s attorneys, they should contact Alan Feldman at Lydecker Diaz.

76. In June 2015, after the Stevenses’ loan application was denied, there was an attempt to resolve the issue through a separate Westmoreland loan to new borrower, Donald Smith. Westmoreland issued an “Acknowledgement & Irrevocable Letter of Direction” that identified Alan Feldman of Lydecker Diaz as “Lenders Attorney” [sic]. That inclusion had the purpose and effect of providing the appearance of legitimacy to Westmoreland and the scheme. When Mr. Smith ultimately concluded that Westmoreland’s ability to fund the loan could not be verified, that attempt was abandoned. The foreclosure of the property at issue followed.

77. In August 2015, in response to a complaint from the Stevenses, Ed Ryan directed that they have their attorney contact Westmoreland’s: Alan Feldman.

78. In July 2015, the first lawsuit of which Plaintiffs are aware was filed against Westmoreland. *Oak Hall Companies, LLC v. Westmoreland Equity Fund, LLC*, No. 15-7702-6 (Super. Ct. Dekalb Cty. Ga., July 22, 2015). Lydecker Diaz, through Elias Correa, represented Westmoreland in that action. Correa also represented Westmoreland, Ed Ryan, and Bernard Feldman (formally entering his appearance on behalf of all three) in *Leathem Stearn et al. v. Westmoreland Equity Fund, Ed Ryan, and Bernard Feldman*, No. 1:16-cv-01211 (USDC, Dist. of Colorado, filed May 20, 2016).

79. In each these cases, Lydecker Diaz hid Hutchens's identity by fraudulently maintaining the "Ed Ryan" alias. From at least July 2015 through August 2017, Lydecker Diaz represented "Ed Ryan" as the managing member of Westmoreland. On information and belief, it obtained releases for "Ryan." The firm quickly settled these actions on behalf of "Ed Ryan," Bernard Feldman, and Westmoreland, keeping Hutchens's identity secret and the overall scheme afloat. All the while, Lydecker Diaz knew it was using funds stolen as part of the scheme to obtain the settlements. Before the Plaintiffs had learned Mr. Hutchens's true identity, Lydecker Diaz sought to represent and quickly settle the related state court matter on behalf of Westmoreland and its affiliated persons, including "Ed Ryan."

80. Internet complaints confirm that Lydecker Diaz participated in numerous additional fraudulent transactions that were part of the Westmoreland scheme.

81. Once it became known to Feldman and Hutchens that the Plaintiffs were represented by counsel, Plaintiffs' counsel received a call from Correa, who worked out of the Lydecker Diaz firm's office in Miami, Florida. Correa said he represented Westmoreland and wanted to discuss settlement. It was odd that a Miami law firm was calling as counsel for a supposedly major lender located in Philadelphia with no apparent connection to Florida. The only possible connection was that Feldman, who claimed to be an outside consultant retained by Westmoreland to inspect properties, lived in Boca Raton.

82. Correa represented to Plaintiffs' counsel that he was a transactional lawyer for Westmoreland, not a litigator, and that Westmoreland wanted to avoid the expense of obtaining litigation counsel. He said he was ill equipped to discuss the Plaintiffs' transaction because it preceded his own representation of Westmoreland, again stressing that he was a transactional lawyer and did not want to have to turn the matter over to litigation counsel. Both statements –

that he had just begun to represent Westmoreland and that he was only a transactional lawyer – were false.

83. Plaintiffs' counsel described the fraudulent scheme to Correa to the extent that he understood it at the time and told him that he knew all about Bernard Feldman's involvement. Correa claimed he only represented Westmoreland and that he could not respond because he did not represent Feldman. Yet Plaintiffs' counsel subsequently learned that Correa had entered his appearance specifically on behalf of Feldman, Ryan, and Westmoreland in the *Leathem Stearn* case less than a year earlier—as litigation counsel.

84. Plaintiffs' counsel also subsequently learned that Correa was exchanging emails with Feldman about the present matter even while he claimed not to represent Feldman. Feldman has produced these emails in a redacted manner in the state court action, indicating that Correa represented him at the time they were exchanged.

85. The complaints in *Oak Hall Companies*, filed in July 2015, and *Leathem Stearn*, filed in May 2016, contained similar factually detailed serious allegations of fraud by Westmoreland, Ryan, and Feldman. Correa and Alan Feldman also had to know that Feldman, their client in *Leathem Stearn*, was in the process of pleading *nolo contendere* to grand theft, organized fraud and uttering a forged instrument, in the contemporaneous Florida criminal proceeding involving a separate real-estate-related fraud, yet Correa was disclaiming any ability to respond to the description of the fraud described to him by Plaintiffs' counsel, because he allegedly did not represent Feldman. Plaintiffs' counsel also learned that Correa was described on the Lydecker Diaz website as a *litigation* attorney, with appellate advocacy and complex

commercial litigation listed among his specialties, yet he had gone out of his way to stress that he was just a transactional lawyer who preferred not to turn the matter over to litigation attorneys.³

86. The call prompted further inquiry, which showed that the Lydecker Diaz website identifies its Philadelphia office at the very same address on the 36th floor of Liberty Place that Westmoreland identifies as its headquarters.

87. Shortly after the call by Correa, Bernard Feldman, representing himself to be a “consultant” for Westmoreland, called Colin Durward, a colleague of Plaintiffs, and left a message on his cell phone and sent an email. He said he was inquiring about the Stevens’ transaction. When that call was not answered, “Ed Ryan” called Durward and left a message and sent an email. When that message was not answered, Barbara Leuin called Durward, trying to set up a conference call that would include Ryan. Leuin also called Plaintiffs’ counsel, and when Plaintiffs’ counsel asked immediately if she was represented by counsel she assured him not only that she was not, but that she lacked any funds to pay for a lawyer.

88. Correa continued to email and call Plaintiffs’ counsel, furnishing documents he claimed would show plaintiffs were not injured and urging plaintiffs not to file a complaint. He then proposed that the parties mediate their dispute. Plaintiffs’ counsel asked who would attend a mediation on behalf of Westmoreland and Correa said he thought it would be Ed Ryan, but moments later said it might be that Ryan could only attend by telephone even though Westmoreland is located in the same city as the mediation and a date had not yet been set. Plaintiffs’ counsel said he would consider mediation only if Correa would accept service for Ryan. On February 22, Correa emailed Plaintiffs’ counsel saying that if agreement were reached

³ https://web.archive.org/web/20161020080501/http://www.lydeckerdiaz.com/portfolio_touch/correa-elias/

to mediate, he would accept service for both “his clients,” Ryan and Westmoreland. In response Plaintiffs’ counsel sent a detailed proposal calling for both limited discovery and mediation.

89. While Correa sent an email as late as March 7, promising to contact Plaintiffs’ counsel, the next call Plaintiffs’ counsel received on behalf Westmoreland was on March 9 from David Fineman, of the Philadelphia firm Fineman, Kreckstein and Harris, P.C., who left a message that he was now representing Westmoreland. Mr. Fineman subsequently withdrew as counsel in the related state matter after Plaintiffs’ counsel advised him of their concerns about Ed Ryan.

90. On May 12, 2017, Sandy Hutchens publicly acknowledged, under oath, that he used “Ed Ryan” as an alias and operated Westmoreland Equity Fund. He also testified that was continuing to do business with Bernard Feldman at the time. Three days later, a jury found Hutchens and his codefendants liable for the full amount sought by the plaintiffs under RICO for over 100 victims of the scheme.

91. On June 5, 2017, Plaintiffs informed Lydecker Diaz of their intention to sue the firm and Correa. Shortly thereafter, Elias Correa and Alan Feldman were terminated by Lydecker.

G. The Law Offices of Manny Singh

92. Manny Singh operated, controlled, and/or furthered the enterprise by representing to its victims that it was a legitimate lender. Mr. Singh was sued in Florida in 2015 for aiding the enterprise while it was operating under the name Great Eastern Investment Fund (“GEIF”). *See David Antonio Investments, LLC v. Hutchens, et al.*, Case No. 15-61233 (S.D. Fla.).

93. Singh assured the plaintiff in that matter that he had represented “Mathew Kovce,” the alias Hutchens was then using, and GEIF for a long period of time and that GEIF

was a bona fide lender. Singh knew that this representation was false and misleading. Singh made similar misrepresentations to victims in order to further the enterprise from at least 2011 to 2014.

94. In the Colorado class action, Hutchens testified that he would have the victims pay the advance fees to Singh who would, in turn, forward them to Hutchens. Hutchens also testified that he met with Singh in Canada with Defendant Jennifer Hutchens and that Singh was aware that Hutchens had been using the “Matthew Kovce” alias to disguise his identity.

H. Barbara Leuin & Sofia Capital

95. As described below, Barbara Leuin and Sofia Capital actively and knowingly operated, controlled, and/or furthered the fraud by referring Plaintiffs to Westmoreland and by managing the relationship. In addition, they repeatedly concealed Sandy Hutchens’ true identity from Plaintiffs.

96. Defendants Leuin and Sofia Capital held themselves out as experts in commercial real estate lending. They represented to Plaintiffs that they had thoroughly vetted defendant Westmoreland and that Westmoreland was an appropriate lender for the transaction.

97. Before referring Plaintiffs to Westmoreland, Defendant Leuin assured Plaintiffs that she was fully familiar with Westmoreland and that she had engaged in multiple prior transactions with Westmoreland. Defendant Leuin on more than one occasion advised Plaintiffs that she knew Ed Ryan and his wife and had engaged in many transactions with Westmoreland all the while knowing that Westmoreland was a complete fraud.

I. The Fraudulent Transaction Involving Plaintiffs

98. In October 2014, Plaintiffs Gary and Linda Stevens were seeking refinancing of mortgage loans on a property they were developing in Saskatchewan through their corporation 1174365 Alberta Ltd.

99. They were referred to the enterprise by Defendant Sofia Capital Ventures and Barbara Leuin.

100. The Stevenses' first contact with Leuin was on or about October 14, 2014.

101. Sofia and Leuin held themselves out to be experienced mortgage brokers. The Sofia website states, among other things:

When you work with Sofia Capital Ventures, you will be in the hands of commercial lending experts.

We connect you to carefully selected private commercial lenders who can structure a loan package to fit your specific needs. Frequent communication with our lender base enables us to stay on the leading edge of the commercial lending market so that we can help you understand the best way to secure funding for your commercial real estate project.

102. Leuin referred Gary and Linda Stevens to Westmoreland Equity Partners as a potential lender, which Sofia claimed it had vetted and was a lender for commercial real estate appropriate for Plaintiffs' needs.

103. Plaintiffs reviewed Westmoreland's website shortly after Leuin had suggested Westmoreland to them.

104. Ed Ryan was the name provided to Plaintiffs as the contact person on behalf of Westmoreland throughout the time of the transaction.

105. Plaintiffs were directed to submit all communications with Westmoreland through Leuin, who was to share the documentation with Westmoreland through use of a "Drop Box"

account. Throughout the period, from Leuin's initial contact with Plaintiffs, Leuin and Sofia assumed responsibility for furnishing all requisite documentation to Westmoreland.

106. On October 30, 2014, Westmoreland, over Ryan's signature, provided a letter of intent to Plaintiffs stating that it was prepared a loan of \$13,400,000CDN to refinance and complete development of the Saskatchewan property.

107. Among other things, the letter required significant fees be paid in advance of the loan and that certain of those fees be directed to American Escrow.

108. The letter further represented under "Proof of Funds" that American Escrow would be authorized to verify, among other things, that "the funds required for this transaction to be funded by Westmoreland ... have been specifically allocated for this transaction and that American Escrow ... [has] verified the funds by way of confirming bank Statements."

109. On November 5, 2014, an email over the name "Ed Ryan, Managing Member, Westmoreland Equity Fund LLC," forwarded a letter over the name of Cheryl Conti, American Escrow and Settlement Services, stating that American Escrow and Settlement Services had reviewed Westmoreland bank records and that Westmoreland had a \$475,000,000 loan capacity.

110. Plaintiffs specifically reallege that at no time were they advised of Feldman's involvement or affiliation with American Escrow.

111. Between October 29, 2014, and February 26, 2015, Plaintiffs participated in at least six conference calls with Westmoreland in which a person identifying himself as Ed Ryan participated. At all times Westmoreland held itself out to be a legitimate lender with a capacity to fund the Plaintiffs' borrowing needs.

112. On November 10, 2014, Westmoreland provided Plaintiffs with a twenty-two-page commitment letter for a loan of \$13,900,000CDN.

113. On or about January 20, 2015, Feldman, claiming to be an independent person employed by Bernard Feldman PA and retained by Westmoreland to inspect the property, flew, at Plaintiffs' expense, to Saskatchewan to inspect the site.

114. Following the commitment letter there were communications among Plaintiffs, Sofia (per Leuin), Westmoreland (per Hutchens as "Ryan"), Plaintiffs' underlying original lender, and counsel regarding the loan and the upcoming closing.

115. The Commitment Letter specifically had stated that it was issued following review of the detailed independent appraisal provided by Plaintiffs.

116. Beginning in early December 2014, Westmoreland, per Hutchens as "Ryan," began demanding a second appraisal of the property be undertaken. During this time, Ryan also repeatedly claimed there were deficiencies in his files even though the materials he sought had been furnished to Westmoreland by Plaintiffs through Leuin.

117. A second appraiser was retained at Plaintiffs' expense; however, Westmoreland, per Ryan, prohibited the appraiser from having any contact with Plaintiffs.

118. Rather than directing that the property be appraised at fair market value as required by their earlier agreement, Westmoreland directed the appraiser to appraise the property at an alternative distress sale value which he knew would render a lower valuation.

119. On or about February 19, 2015, an email over Ryan's name claimed that based on the new appraisal the property was worth "about 50% of what it is supposed to be worth. ... its like being offered a funding opportunity on a Hilton Hotel and when you go to inspect, its more like Freddy's Motel."

120. Westmoreland, per Hutchens as "Ryan," refused to provide Plaintiffs with a copy of the appraisal.

121. Knowing that Plaintiffs required the loan because of the pressures from the underlying lender, Westmoreland, over Ryan's signature, advised Plaintiffs by letter of February 23, 2015, that based on the new appraisal and on a report from Feldman it would no longer lend \$13,900,000CDN set forth in the commitment letter but would only lend \$5,700,000CDN.

122. The letter further asserted, falsely, that Plaintiffs were in breach of commitment letter and had forfeited the fees that had been paid to Westmoreland.

123. On March 23, 2015, Westmoreland advised Plaintiffs that it was prepared to lend \$7,500,000CDN.

124. The new purported commitment was conditioned on Plaintiffs "demonstration that he has the remaining funds available to meet his projections of fund requirements as set out in his original application." However, Westmoreland knew that Plaintiffs had no such funds or ability to obtain such funds under the time constraints it faced.

125. According to numerous emails purportedly sent by Ryan following January 12, 2015, the decision to lower the loan amount was made after extensive consultations with Feldman and Jason Underwood.

126. Because of the failure of Westmoreland to provide the promised money, together with the delays caused by Defendants, the original lender moved to foreclose on the property. To mitigate their damages, Plaintiffs sought to arrange for a sale of the property to a third party, Donald Smith, which would permit them to retain an interest in the property. Plaintiffs' agreement with Mr. Smith was contingent on his purchasing the property from the original lender.

127. Defendants used this situation as an attempt to extract yet more fraudulent proceeds. Westmoreland agreed to provide financing to Mr. Smith for the sale, providing a

commitment, as well as the aforementioned “Acknowledgement & Irrevocable Letter of Direction” bearing the imprimatur of Lydecker Diaz. After Mr. Smith made at least one payment to the scheme, he was unable to confirm the bona fides of Westmoreland and the sale was never completed.

128. Over the period from November 2014 through January 2015, Plaintiffs directed fees to be paid to Westmoreland as follows:

- | | | |
|------|-------------------|-------------|
| i. | November 4, 2014 | \$10,000 |
| ii. | November 12, 2014 | \$51,784.81 |
| iii. | January 13, 2015 | \$12,500 |

These payments were wired to American Escrow.

129. The conduct by Westmoreland, Ryan, and Feldman described above follows a pattern of conduct like that described in complaints filed in *Campanile Investments LLC v. Westmoreland Equity Fund LLC*, 17-00337 (W.D. Tex. April 17, 2017), *Leathem Stearn et al. v. Westmoreland Equity Fund, Ed Ryan, and Bernard Feldman*, No. 1:16-cv-01211 (D. Col., May 20, 2016), and *Oak Hall Companies, LLC v. Westmoreland Equity Fund, LLC*, No. 15-7702-6 (Super. Ct. Dekalb Cty, Ga., July 22, 2015). It is also the same *modus operandi* described by the Tenth Circuit in its decision regarding Hutchens. See *CGC Holding Co., LLC v. Broad & Cassel*, 773 F.3d 1076 (10th Cir. 2014), as well as in *David Antoniono Investments, LLC v. Hutchens*, No. 15-61233 (S.D. Fla., June 10, 2015).

130. Each of these complaints describe promises of commercial loans, high up-front fees, subsequent low appraisals not shared with Plaintiffs, reneging on the loans by Westmoreland, and pocketing of the fees by Westmoreland and/or its associates. Details of the similarities are set forth in the succeeding paragraphs.

131. According to the *Leathem Stearn* complaint, even though Westmoreland claimed on its website to have closed 3,000 deals, “[Westmoreland Equity Fund] and Ryan claimed they could not provide references because of non-disclosure agreements with its borrowers.” ¶ 56.

132. The *Leathem Stearn* complaint alleges, inter alia, “Defendant Feldman was the face of the scam and he travelled to Colorado to carry out illusory due diligence to mask the true fraudulent intent of Defendants.” ¶ 20.

133. The *Leathem Stearn* complaint alleges, inter alia, that Ryan claimed “that the loan commitments were being terminated because the appraisals did not meet the criteria called for in the agreements. On information and belief, Ryan intentionally impacted the appraisals by comments or information intended to affect value.” It further alleged, “The failure of the appraisals to come in at the values required under the loan contracts was planned by Ryan and asserted as a basis for termination of the loan contracts to give the termination of the transactions an air of legitimacy.” ¶¶ 120 and 124.

134. The *Leathem Stearn* complaint alleges, inter alia, that the plaintiffs, “upon Defendants’ representation ... were induced to sign loan commitments and pay \$285,800 in advance loan fees” ¶ 134.

135. The *Oak Hall* complaint alleges, inter alia, “Contrary to his prior representations, Mr. Ryan insisted that he had to use the appraisal once it was received, and he insisted that the land value shown on the appraisal was not sufficient to support the loan for the North Arnold Mill Project. Mr. Ryan refused to show the appraisal to Oak Hall.” ¶ 23.

136. The *Oak Hall* complaint alleges, inter alia, “Oak Hall demanded the return of the \$171,000 that it paid to American Escrow and learned that the full amount was disbursed to Westmoreland. Westmoreland refused to return the funds to Oak Hall.” ¶ 26.

137. The *Oak Hall* complaint alleges, inter alia, “Contrary to his prior representations, Mr. Ryan insisted that he had to use the appraisal once it was received, and he insisted that the land value shown on the appraisal was not sufficient to support the loan for the Trickum Road Project. Mr. Ryan refused to show the appraisal to Oak Hall.” ¶ 44.

138. The *Oak Hall* complaint alleges, inter alia, “Oak Hall demanded the return of the \$178,500 that it paid to American Escrow and learned that the full amount was disbursed to Westmoreland. Westmoreland refused to return the funds to Oak Hall.” ¶ 46.

139. Plaintiffs lost the property as well as their entire investment. Because of the scheme, Plaintiffs incurred many millions of dollars in damages.

V. THE RICO VIOLATIONS

FIRST CLAIM FOR RELIEF

Violation of 18 U.S.C. § 1962(c) by All Defendants

Except Manmindherjit Singh and the Law Offices of Manny Singh P.A

140. Plaintiffs incorporate all the previous paragraphs of the Complaint.

141. American Escrow & Settlement Services, LLC, Bernard Feldman PA, and Westmoreland Equity Fund LLC (“Westmoreland Enterprise”) is an enterprise as that term is used in 18 U.S.C. § 1961(4). The Westmoreland Enterprise had longevity sufficient to pursue the enterprise’s purposes of devising or intending to devise schemes or artifices to defraud the Plaintiffs and others. The enterprise existed for at least five years and harmed multiple persons in addition to plaintiffs.

142. Elias Correa, Alan Feldman, Bernard Feldman, Jennifer Hutchens, Sandy Hutchens, Tanya Hutchens, Matthew Kovce, Barbara Leuin, Lydecker, Diaz, Lee, Berga & De Zayas, LLC, Ed Ryan, Sofia Capital, and Jason Underwood is each a “person” as that term is

used in 18 U.S.C. § 1961(3). Each participated in the operation, management, and control of the Westmoreland Enterprise through a pattern of racketeering activity.

143. Beginning at least as early as 2013 and continuing until 2017, the Westmoreland Enterprise conducted mail and wire fraud in violation of 18 U.S.C. § 1341 and 18 U.S.C. § 1343, which are predicate offenses for purposes of 18 U.S.C. § 1962(c).

144. Specifically, the Westmoreland Enterprise made affirmative misrepresentations of present or past material facts to Plaintiffs and other victims via the mail and wires, including, but not limited to the following:

- a. That Westmoreland was a legitimate lender;
- b. That the extensive representations and presentations on its website were true, providing the illusion that it was a genuine lender;
- c. That Westmoreland had funded a large number of prior loans;
- d. That Westmoreland was willing to lend money to Plaintiffs pursuant to the loan commitments;
- e. That Westmoreland would conduct due diligence in good faith with the intent of closing the loan and funding the loan;
- f. That Westmoreland had participated in many prior transactions;
- g. That the various endorsements contained on its website were true statements of natural persons;
- h. That Westmoreland had a lending capacity of \$475,000,000;
- i. That American Escrow had reviewed bank records of Westmoreland to verify Westmoreland's lending capacity;
- j. That Feldman was an independent inspector retained by Westmoreland;
- k. That Ed Ryan was a managing member of Westmoreland;
- l. That Jason Underwood was the "manager of assets and valuations" of Westmoreland.

145. The proposed loan transactions were a sham intended to induce Plaintiffs and others to advance substantial lender fees to Defendants. The representations made to Plaintiffs were false. At the time of the representations and at the time of contracting, the Westmoreland Enterprise had the present intent never to make any loan to Plaintiffs and then to retain the fees paid by Plaintiffs on pretextual grounds as part of their plan and secret and undisclosed intent.

146. The Westmoreland Enterprise made material omissions in their representations to Plaintiffs via the mail and wires, rendering their representations to Plaintiffs false and misleading. Among the material omissions, were the following:

- a. That Westmoreland had no legitimate office at its principal place of business, 1650 Market Street, Philadelphia, PA 19103;
- b. That Ryan had no legitimate office at its principal place of business, 1650 Market Street, Philadelphia, PA 19103;
- c. That Bernard Feldman had an interest in Westmoreland;
- d. That American Escrow was not independent but organized by Feldman;
- e. That American Escrow had no legitimate office;
- f. That “Ed Ryan” as an alias for Hutchens;
- g. That Sandy Hutchens was a notorious criminal known for engaging in precisely the type of fraud alleged herein;
- h. Upon information and belief for reasons described above, that Underwood did not exist or was a straw for Hutchens;
- i. Upon information and belief for reasons described above, that Conti or Conte did not exist or was a straw for Feldman;
- j. That Bernard Feldman was disbarred as a lawyer in both Michigan and Florida and had been suspended from practice for the reasons described above;
- k. That the endorsements identified on Westmoreland’s website had never occurred;
- l. That Westmoreland lacked the capacity to make the loans it committed to make in its commitment letter.

147. Plaintiffs have been damaged as a direct and proximate result of the fraudulent actions described above.

148. The activities of the Westmoreland Enterprise affected interstate and foreign commerce.

SECOND CLAIM FOR RELIEF
Violation of 18 U.S.C. § 1962(d) by All Defendants
Except Manmindherjit Singh and the Law Offices of Manny Singh P.A

149. Plaintiffs incorporate all the previous paragraphs of the Complaint.

150. Defendants, in violation of 18 U.S.C. § 1962(d), conspired with the persons managing, operating, and/or controlling the Westmoreland Enterprise to violate 18 U.S.C. § 1962(c).

151. Plaintiffs were the intended targets of the scheme to violate RICO, 18 U.S.C. § 1962(c) alleged herein, and the participation Defendants in a conspiracy to facilitate that scheme, in violation of 18 U.S.C. § 1962(d), caused financial injury to plaintiff and the members of the Class which was a reasonably foreseeable consequence of such conduct.

152. Specifically, and without limitation, the common plan and design included: (a) creating a loan scam by, among other things, giving Plaintiffs the appearance of legitimate lenders and other people and entities who were able to fund a legitimate loan transaction and perform appropriate due diligence; (b) inducing Plaintiffs to pay significant advance lender fees as the object of the common plan and design with the intent not to return the lender fees advanced and not to fund the loan; (c) concocting grounds for terminating the loan, and justifying keeping the funds advanced; (d) using the funds they knew, or should have known, were stolen through the scheme to fund payouts to complaining victims; (e) providing means of

hiding the ill-gotten gains; (f) providing fictitious names; (g) concealing the true identity of the operators of the schemes and representing that Hutchens's proxies and aliases were the operators of the scheme; (h) upon information and belief, negotiating and obtaining releases of persons they knew, or should have known, were not the operators of the scheme in order to conceal and perpetuate the ongoing fraud; and (i) offering arrangements on behalf of persons they knew or should have known were fictitious persons and/or fronts for the true operators or the schemes. These actions were taken with purpose, and/or with the knowledge, that such actions were perpetuating an ongoing illegal fraud scheme.

153. Defendants and their co-conspirators had a meeting of the minds and an express or tacit consent on their course of action constituting their civil conspiracy as alleged herein.

154. Pursuant to their unity of interest conspiracy and concerted action, Defendants and their co-conspirators pursued a course of action that was predicated on fraudulent inducement and subsequent fraudulent concealment of the conspiratorial scheme.

155. Defendants committed numerous unlawful covert acts in furtherance of the conspiracy, including among other things, making false representations, concealing material information, and engaging in repeated acts of mail and wire fraud.

156. Plaintiffs have been damaged as a direct and proximate result of the fraudulent actions described above.

THIRD CLAIM FOR RELIEF
Violation of 18 U.S.C. § 1962(c) by All Defendants

157. Plaintiffs incorporate all the previous paragraphs of the Complaint.

158. Westmoreland Equity Fund LLC; Canadian Funding Corporation; 308 Elgin Street, Inc., First Central Mortgage Funding Inc.; the Great Eastern Investment Fund is an "enterprise" as defined in 18 U.S.C. § 1961(4) (the "Advance Fee Enterprise"). The Advance Fee

Enterprise had longevity sufficient to pursue the enterprise's purposes of devising or intending to devise schemes or artifices to defraud the Plaintiffs and others. The enterprise existed for at least five years and harmed multiple persons in addition to plaintiffs.

159. American Escrow & Settlement Services, LLC; Elias Correa; Alan Feldman; Bernard Feldman; Bernard Feldman PA; Jennifer Hutchens; Sandy Hutchens; Tanya Hutchens; Shannon Hutchens; Matthew Kovce; Law Offices of Manny Singh P.A.; Barbara Leuin; Lydecker, Diaz, Lee, Berga & De Zayas, LLC; Ed Ryan; Manmindherjit Singh; Sofia Capital Ventures; and Jason Underwood is each a "person" as that term is used in 18 U.S.C. § 1961(3). Each participated in the operation, management, and control of the Advance Fee Enterprise through a pattern of racketeering activity.

160. Beginning at least as early as January 2004 and continuing at least until 2015, the Advance Fee Enterprise routinely conducted mail and wire fraud in violation of 18 U.S.C. § 1341 and 18 U.S.C. § 1343, which are predicate offenses for purposes of 18 U.S.C. § 1962(c). Specifically, the Advance Fee Enterprise made affirmative misrepresentations of present or past material facts to Plaintiffs and others victims via the mail and wires, including, but not limited to the following:

- a. That Westmoreland Equity Fund LLC, Canadian Funding Corporation, 308 Elgin Street, Inc., First Central Mortgage Funding Inc., and the Great Eastern Investment Fund were legitimate lenders;
- b. That the extensive representations and presentations on their websites were true, providing the illusion that they were genuine lenders;
- c. That they had funded a large number of prior loans;
- d. That they were willing to lend money to Plaintiffs and other victims pursuant to the loan commitments;
- e. That they would conduct due diligence in good faith with the intent of closing the loan and funding the loan;

- f. That they had participated in many prior transactions;
- g. That the various endorsements contained on its website were true statements of natural persons;
- h. That they had hundreds of millions of dollars in lending capacity;
- i. That other actors had reviewed their financials to ensure solvency and legitimacy;

161. The proposed loan transactions were a sham intended to induce Plaintiffs to advance substantial lender fees to the enterprise. The representations made to Plaintiffs were false. At the time of the representations and at the time of contracting, Defendants had the present intent never to make any loan to Plaintiffs and then to retain the fees paid by Plaintiffs on pretextual grounds as part of their plan and secret and undisclosed intent.

162. Defendants operated a completely fraudulent up-front fee scheme designed to bilk potential borrowers of fees on loans which Defendants had no intention or capacity of completing.

163. The Advance Fee Enterprise made material omissions in their representations to Plaintiffs and other victims via the mail and wires, rendering their representations to Plaintiffs false and misleading. Among the material omissions, were the following:

- a. That Westmoreland had no legitimate office at its principal place of business, 1650 Market Street, Philadelphia, PA 19103;
- b. That Ryan had no legitimate office at its principal place of business, 1650 Market Street, Philadelphia, PA 19103;
- c. That Bernard Feldman had an interest in Westmoreland;
- d. That American Escrow was not independent but organized by Feldman;
- e. That American Escrow had no legitimate office;
- f. That “Ed Ryan” as an alias for Hutchens;

- g. That Sandy Hutchens was a notorious criminal known for engaging in precisely the type of fraud alleged herein;
- h. Upon information and belief for reasons described above, that Underwood did not exist or was a straw for Hutchens;
- i. Upon information and belief for reasons described above, that Conti or Conte did not exist or was a straw for Feldman;
- j. That Bernard Feldman was disbarred as a lawyer in both Michigan and Florida and had been suspended from practice for the reasons described above;
- k. That the endorsements identified on Westmoreland's website had never occurred;
- l. That Westmoreland lacked the capacity to make the loans it committed to make in its commitment letter.

164. Plaintiffs have been damaged as a direct and proximate result of the fraudulent actions described above.

165. The activities of the Westmoreland Enterprise affected interstate and foreign commerce.

FOURTH CLAIM FOR RELIEF
Violation of 18 U.S.C. § 1962(d) by All Defendants

166. Plaintiffs incorporate all the previous paragraphs of the Complaint.

167. Defendants, in violation of 18 U.S.C. § 1962(d), conspired with the persons managing, operating, and/or controlling the Advance Fee Enterprise to violate 18 U.S.C. § 1962(c).

168. Plaintiffs were the intended targets of the scheme to violate RICO, 18 U.S.C. § 1962(c) alleged herein, and the participation of Defendants in a conspiracy to facilitate that scheme, in violation of 18 U.S.C. § 1962(d), caused financial injury to Plaintiffs which was a reasonably foreseeable consequence of such conduct.

169. Specifically, and without limitation, the common plan and design included: (a) creating a loan scam by, among other things, giving Plaintiffs the appearance of legitimate lenders and other people and entities who were able to fund a legitimate loan transaction and perform appropriate due diligence; (b) inducing Plaintiffs to pay significant advance lender fees as the object of the common plan and design with the intent not to return the lender fees advanced and not to fund the loan; (c) concocting grounds for terminating the loan, and justifying keeping the funds advanced; (d) using the funds they knew, or should have known, were stolen through the scheme to fund payouts to complaining victims; (e) entering formal appearances on behalf of persons they knew, or should have known, were fictitious persons in legal proceedings; (f) upon information and belief, negotiating and obtaining releases of persons they knew, or should have known, were fictitious persons in settlement negotiations to conceal and perpetuate the ongoing fraud; (g) offering arrangements on behalf of persons they knew or should have known were fictitious persons. These actions were taken with purpose, and/or with the knowledge, that such actions were perpetuating an ongoing illegal fraud scheme.

170. Defendants had a meeting of the minds and an express or tacit consent on their course of action constituting their civil conspiracy as alleged herein.

171. Pursuant to their unity of interest conspiracy and concerted action, Defendants pursued a course of action that was predicated on fraudulent inducement and subsequent fraudulent concealment of the conspiratorial scheme.

172. Defendants committed numerous unlawful covert acts in furtherance of the conspiracy, including among other things, making false representations, concealing material information, and engaging in repeated acts of mail and wire fraud.

173. Plaintiffs have been damaged as a direct and proximate result of the fraudulent actions described above.

WHEREFORE, Plaintiffs demand judgment against Defendants and each of the them, jointly and severally, and respectfully requests that the Court enter judgement:

- a. awarding compensatory damages;
- b. awarding punitive damages;
- c. awarding prejudgment interest, attorneys' fees and litigation expenses;
- d. awarding such other and further relief as the Court deems just and proper,

Jury Trial Demand

Plaintiffs demand trial by jury on all issues so triable.

Respectfully submitted,

By: /s/ Howard Langer
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Edward Diver
Peter Leckman
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Dated: October 11, 2017