

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

IN RE: COMMUNITY BANK OF NORTHERN
VIRGINIA SECOND MORTGAGE LENDING
PRACTICES LITIGATION

MDL No. 1674

Case No. 03-0425

Case No. 02-01201

Case No. 05-0688

Case No. 05-1386

Hon. Gary L. Lancaster

THIS DOCUMENT RELATES TO ALL MDL ACTIONS

PLAINTIFFS' FIRST AMENDED RICO CASE STATEMENT

Pursuant to LCvR 7.1B, Plaintiffs hereby shall set forth those facts upon which such party relied to initiate the RICO claim as a result of the “reasonable inquiry” required by Fed. R. Civ. P. 11.

1. State whether the alleged unlawful conduct is in violation of any or all of the provisions of 18 U.S.C. §§ 1962(a), (b), (c) or (d).

Plaintiffs allege in their Joint Consolidated Amended Class Action Complaint that the unlawful conduct is in violation of 18 U.S.C. §§ 1962(c) and 1962(d).

2. List each defendant and state the alleged misconduct and basis of liability of each defendant.

The following entities are named as Defendants in the Joint Consolidated Amended Class Action Complaint:

1. The Bank Defendants

a. Community Bank of Northern Virginia (“CBNV”).

Currently known employees/agents:

- David P. Summers (President and CEO)
- Joseph L. Malone (Chairman of the Board)
- Denise M. Calabrese (Senior Compliance Officer)

- Karen Benedict (CFO)
- Dale G. Phelps (CFO)
- Frederick E. Brooks (Operations, Secondary Marketing Manager)
- Christopher D. Mortenson (Senior Loan Officer)
- Richard A. Hutchinson (Senior Operations Manager)
- Robert W. Patterson (Senior Credit Administration Officer)
- Donald Schmaltz (Loan Production Manager)
- John E. Grace (Secondary Marketing Officer)
- Duffy Kneer (Underwriting)
- Valerie Cintron (Closing)
- Angela Howard (Quality Control)
- Shannon R. Palmquist (Underwriting and Post Closing Manager)
- Dewey Hiltner (Senior Loan Officer)
- William R. Easby-Smith (Director)
- Cyrus Katzen (Director)
- David A. Dickens (Director)
- Norman C. Hardee (Director)
- Otis R. Pool (Director)

Alleged Misconduct:

CBNV by way of mergers with Mercantile Safe-Deposit & Trust Company, is now PNC National Bank but will continue to be referred to herein as “CBNV” since the activity that forms the basis for the RICO claims against it occurred before such mergers. In connection with the predatory lending scheme, CBNV acted as a mortgage lender and made or originated in its name at least 22,810 (and more likely close to 25,000) high-interest, high cost loans, which were governed by the provisions of the Home Ownership and Equity Protection Act, to certain of the Plaintiffs and to members of the Plaintiff Class.

The loans which were originated, sold, securitized and collected under the scheme contained fraudulent, overcharged, marked up, unearned and bogus fees. These fees were also not paid to the persons identified as recipients of those fees. These fees were neither bona fide nor reasonable. These fees include the Lines 801, 802, 804, 1102, and 1103 charges for origination fees, loan discount fees, credit report fees, abstract of title fees, and title examination charges disclosed on the HUD-1 Settlement Statements. The fees which were fraudulent, overcharged, marked up, unearned, bogus, not bona fide, not reasonable, and/or not paid to the identified recipients were classwide to all borrowers in one or more respects as follows:

First, the Class members were charged “loan origination” and/or “loan discount” fees” in connection with their second mortgage loans. Those charges were set forth on the HUD-1 Settlement Statement on Lines 801 and 802 as being wholly paid to CBNV and/or GNBT. In fact only a small portion of the fees were paid to the Banks and the remainder was paid to the loan origination office.

Second, the Class members were charged fees for credit reports in Section 804 of the HUD-1 Settlement Statements for Credit Reports. The Line 804 charges for credit reports were marked up and exceeded the true cost to the Banks, or provider of credit reports that were identified as the recipients of the fees on the borrowers' HUD-1 Settlement Statements. The Banks and loan production offices obtained "Negotiated Savings" on the true cost of the credit reports which were separately itemized as a single operating expense on the Bank's balance sheets and which are reflected as an "Operating Expense Ratio" or profit on expenses. These "Negotiated Savings" were not passed on to the Class members and thus the "Operating Expense Ratio" proves that there were mark ups on the credit report fees charged on Line 804 of the Class members' Settlement Statements.

Third, the Class members was charged fees for "abstract or title searches" on Line 1102 of HUD-1 Settlement Statements. Those fees were neither bona fide nor reasonable because no true title or abstract search was performed on the loans. Instead, the title companies who were listed as the recipients of the fees ordered "Property Reports" from third party vendors and Affiliated Service Providers such as General American Corp. and Service Link. This is an illegal, undisclosed fee split in violation of RESPA and a false representation of the recipient of the fees on the HUD-1 Settlement Statements. Because the Defendants possessed the Class Members' loan origination files, the Class members could not determine whether any abstract of title appeared in their loan files such that they could discover that the charges for the abstracts of title were marked up.

Fourth, the Class members were charged fees for "title examinations" on Line 1103 of HUD-1 Settlement Statements. These title examination charges are neither bona fide nor reasonable because *no* title examinations were performed on the loans. Because the Defendants possessed the Class Members' loan origination files, the Class members could not determine whether any title examination appeared in their loan files such that they could discover that the charges for the title examinations were entirely bogus.

The Defendants and other wrongdoers were obviously aware that these charges were neither bona fide nor reasonable but concealed these facts from the Class members in connection with the predatory lending scheme.

Because the fees were misrepresented as being both bona fide and reasonable, but were in fact not bona fide nor reasonable, the material disclosures of the finance charge, amount financed and the annual percentage rate were inaccurate. Defendants utilized these illegal fees to conceal the true costs of the loans from the Class members. The borrowers justifiably relied on or, alternatively, may be logically presumed to have relied on the misrepresentations of the following:

- the material disclosures defined and required by federal law and that Defendants made pursuant to their legal duties thereunder, with respect to but not limited to the following:
 - the accuracy, bona fide nature, and reasonableness of the settlement charges;

- That the fees were not fraudulent, overcharged, marked up, unearned and/or bogus fees;
- That the fees were paid to the persons identified as recipients of those fees;
- That the legally defined and required disclosures of the amount financed, finance charge and annual percentage rate on the federally mandated, standard form documents, including the Itemization of Amount Financed, Truth in Lending Act Disclosure, Home Ownership and Equity Protection Act Disclosure, and the Real Estate Settlement Procedures Act HUD-1 Settlement Statement were accurate; and
- the legitimacy of the Banks during the loan application process, the underwriting process and through their loan closing process; and
- the Banks' concealment of information regarding their use of unlicensed, and hidden loan production offices and affiliated title companies and service providers.

In connection with the predatory lending scheme, the Banks paid significant, undisclosed kickbacks, referral fees and other unearned fees to the Loan Production Offices and Consultants and the Affiliated Title Companies and Service Providers, in violation of RESPA. The Banks also used and maintained various bank accounts for the loan production offices which they used to commingle their ill-gotten proceeds and to conceal their unlawful activities in violation of 18 U.S.C. §§1956(a) and (h)(conspiracy to commit money laundering).

In connection with this predatory lending scheme, CBNV participated in and conspired to participate in the predicate acts that form the pattern of racketeering activity that is described below. CBNV committed acts of mail fraud, 18 U.S.C. §1341, and wire fraud, 18 U.S.C. §1343, and money laundering, 18 U.S.C. § 1956.

Basis of Liability:

This Defendant violated RICO, at 18 U.S.C. §§ 1962(c) and 1962(d).

b. Guaranty National Bank of Tallahassee (“GNBT”)

Currently known employees/agents:

- Linda C. Alexionok, CEO
- Mark Snipes, CFO,
- Gary Linton, Senior Vice President, Secondary Marketing
- James P. McCroan
- Joseph P. Grinder, Quality Assurance Director
- David A. Barrett (Chairman of the Board)
- Calvin Brooks (Vice president)
- Rica Barrett (Director)
- Kenneth Fuqua (Director)
- Wilma Lauder (Director)

- Tom Oldewilder (Attorney)
- Carl Mugnolo (Loan Officer)

Alleged Misconduct:

GNBT is named as a Defendant because it was previously named as a defendant in one or more prior complaints although it was closed by the Office of the Comptroller of the Currency in March 2004, and the FDIC now appears in this matter as the receiver of GNBT.

In connection with the predatory lending scheme, GNBT also acted as a mortgage lender and made or originated in its name at least 21,725 HOEPA loans to certain of the Plaintiffs and to members of the Plaintiff Class.

The loans which were originated, sold, securitized and collected under the scheme contained fraudulent, overcharged, marked up, unearned and bogus fees. These fees were also not paid to the persons identified as recipients of those fees. These fees were neither bona fide nor reasonable. These fees include the Lines 801, 802, 804, 1102, and 1103 charges for origination fees, loan discount fees, credit report fees, abstract of title fees, and title examination charges disclosed on the HUD-1 Settlement Statements. The fees which were fraudulent, overcharged, marked up, unearned, bogus, not bona fide, not reasonable, and/or not paid to the identified recipients were classwide to all borrowers in one or more respects as follows:

First, the Class members were charged “loan origination” and/or “loan discount” fees” in connection with their second mortgage loans. Those charges were set forth on the HUD-1 Settlement Statement on Lines 801 and 802 as being wholly paid to CBNV and/or GNBT. In fact only a small portion of the fees were paid to the Banks and the remainder was paid to the loan origination office.

Second, the Class members were charged fees for credit reports in Section 804 of the HUD-1 Settlement Statements for Credit Reports. The Line 804 charges for credit reports were marked up and exceeded the true cost to the Banks, or provider of credit reports that were identified as the recipients of the fees on the borrowers’ HUD-1 Settlement Statements. The Banks and loan production offices obtained “Negotiated Savings” on the true cost of the credit reports which were separately itemized as a single operating expense on the Bank’s balance sheets and which are reflected as an “Operating Expense Ratio” or profit on expenses. These “Negotiated Savings” were not passed on to the Class members and thus the “Operating Expense Ratio” proves that there were mark ups on the credit report fees charged on Line 804 of the Class members’ Settlement Statements.

Third, the Class members was charged fees for “abstract or title searches” on Line 1102 of HUD-1 Settlement Statements. Those fees were neither bona fide nor reasonable because no true title or abstract search was performed on the loans. Instead, the title companies who were listed as the recipients of the fees ordered “Property Reports” from third party vendors and Affiliated Service Providers such as General American Corp. and Service Link. This is an illegal, undisclosed fee split in violation of RESPA and a false representation of the recipient of the fees on the HUD-1 Settlement Statements. Because the Defendants possessed the Class Members’

loan origination files, the Class members could not determine whether any abstract of title appeared in their loan files such that they could discover that the charges for the abstracts of title were marked up.

Fourth, the Class members was charged fees for “title examinations” on Line 1103 of HUD-1 Settlement Statements. These title examination charges are neither bona fide nor reasonable because *no* title examinations were performed on the loans. Because the Defendants possessed the Class Members’ loan origination files, the Class members could not determine whether any title examination appeared in their loan files such that they could discover that the charges for the title examinations were entirely bogus.

The Defendants and other wrongdoers were obviously aware that these charges were neither bona fide nor reasonable but concealed these facts from the Class members in connection with the predatory lending scheme.

Because the fees were misrepresented as being both bona fide and reasonable, but were in fact not bona fide nor reasonable, the material disclosures of the finance charge, amount financed and the annual percentage rate were inaccurate. Defendants utilized these illegal fees to conceal the true costs of the loans from the Class members. The borrowers justifiably relied on or, alternatively, may be logically presumed to have relied on the misrepresentations of the following:

- the material disclosures defined and required by federal law and that Defendants made pursuant to their legal duties thereunder, with respect to but not limited to the following:
 - the accuracy, bona fide nature, and reasonableness of the settlement charges;
 - That the fees were not fraudulent, overcharged, marked up, unearned and/or bogus fees;
 - That the fees were paid to the persons identified as recipients of those fees;
 - That the legally defined and required disclosures of the amount financed, finance charge and annual percentage rate on the federally mandated, standard form documents, including the Itemization of Amount Financed, Truth in Lending Act Disclosure, Home Ownership and Equity Protection Act Disclosure, and the Real Estate Settlement Procedures Act HUD-1 Settlement Statement were accurate; and
- the legitimacy of the Banks during the loan application process, the underwriting process and through their loan closing process; and
- the Banks’ concealment of information regarding their use of unlicensed, and hidden loan production offices and affiliated title companies and service providers.

In connection with the predatory lending scheme, the Banks paid significant, undisclosed kickbacks, referral fees and other unearned fees to the Loan Production Offices and Consultants and the Affiliated Title Companies and Service Providers, in violation of RESPA. The Banks

also used and maintained various bank accounts for the loan production offices which they used to commingle their ill-gotten proceeds and to conceal their unlawful activities in violation of 18 U.S.C. §§1956(a) and (h)(conspiracy to commit money laundering).

In connection with this predatory lending scheme, GNBT participated in and conspired to participate in the predicate acts that form the pattern of racketeering activity that is described below. GNBT committed acts of mail fraud, 18 U.S.C. §1341, and wire fraud, 18 U.S.C. §1343, and money laundering, 18 U.S.C. § 1956.

Basis of Liability:

This Defendant violated RICO, at 18 U.S.C. §§ 1962(c) and 1962(d).

2. The “Investor” or “Non-Bank Defendants”

a. GMAC-Residential Funding Corp., now known as Residential Funding Company, LLC. (“GMAC-RFC” or “RFC”).

Employees/agents:

- Don Russell
- David Marple
- Steven Mangold

Alleged Misconduct:

In connection with the predatory lending scheme, RFC provided CBNV and GNBT with the operating capital necessary to fund the predatory HOEPA loans, and its commitment to purchase the loan origination output generated by the predatory lending scheme. RFC held or still holds a substantial majority of the loans of Plaintiffs or members of the Plaintiff Class. RFC has admitted that it purchased as many as 44,535 loans from the Banks.

The loans which were originated, sold, securitized and collected under the scheme contained fraudulent, overcharged, marked up, unearned and bogus fees. These fees were also not paid to the persons identified as recipients of those fees. These fees were neither bona fide nor reasonable. These fees include the Lines 801, 802, 804, 1102, and 1103 charges for origination fees, loan discount fees, credit report fees, abstract of title fees, and title examination charges disclosed on the HUD-1 Settlement Statements. The fees which were fraudulent, overcharged, marked up, unearned, bogus, not bona fide, not reasonable, and/or not paid to the identified recipients were classwide to all borrowers in one or more respects as follows:

First, the Class members were charged “loan origination” and/or “loan discount” fees” in connection with their second mortgage loans. Those charges were set forth on the HUD-1 Settlement Statement on Lines 801 and 802 as being wholly paid to CBNV and/or GNBT. In fact only a small portion of the fees were paid to the Banks and the remainder was paid to the loan origination office.

Second, the Class members were charged fees for credit reports in Section 804 of the HUD-1 Settlement Statements for Credit Reports. The Line 804 charges for credit reports were marked up and exceeded the true cost to the Banks, or provider of credit reports that were identified as the recipients of the fees on the borrowers' HUD-1 Settlement Statements. The Banks and loan production offices obtained "Negotiated Savings" on the true cost of the credit reports which were separately itemized as a single operating expense on the Bank's balance sheets and which are reflected as an "Operating Expense Ratio" or profit on expenses. These "Negotiated Savings" were not passed on to the Class members and thus the "Operating Expense Ratio" proves that there were mark ups on the credit report fees charged on Line 804 of the Class members' Settlement Statements.

Third, the Class members was charged fees for "abstract or title searches" on Line 1102 of HUD-1 Settlement Statements. Those fees were neither bona fide nor reasonable because no true title or abstract search was performed on the loans. Instead, the title companies who were listed as the recipients of the fees ordered "Property Reports" from third party vendors and Affiliated Service Providers such as General American Corp. and Service Link. This is an illegal, undisclosed fee split in violation of RESPA and a false representation of the recipient of the fees on the HUD-1 Settlement Statements. Because the Defendants possessed the Class Members' loan origination files, the Class members could not determine whether any abstract of title appeared in their loan files such that they could discover that the charges for the abstracts of title were marked up.

Fourth, the Class members was charged fees for "title examinations" on Line 1103 of HUD-1 Settlement Statements. These title examination charges are neither bona fide nor reasonable because *no* title examinations were performed on the loans. Because the Defendants possessed the Class Members' loan origination files, the Class members could not determine whether any title examination appeared in their loan files such that they could discover that the charges for the title examinations were entirely bogus.

The Defendants and other wrongdoers were obviously aware that these charges were neither bona fide nor reasonable but concealed these facts from the Class members in connection with the predatory lending scheme.

Because the fees were misrepresented as being both bona fide and reasonable, but were in fact not bona fide nor reasonable, the material disclosures of the finance charge, amount financed and the annual percentage rate were inaccurate. Defendants utilized these illegal fees to conceal the true costs of the loans from the Class members. The borrowers justifiably relied on or, alternatively, may be logically presumed to have relied on the misrepresentations of the following:

- the material disclosures defined and required by federal law and that Defendants made pursuant to their legal duties thereunder, with respect to but not limited to the following:
 - the accuracy, bona fide nature, and reasonableness of the settlement charges;

- That the fees were not fraudulent, overcharged, marked up, unearned and/or bogus fees;
- That the fees were paid to the persons identified as recipients of those fees;
- That the legally defined and required disclosures of the amount financed, finance charge and annual percentage rate on the federally mandated, standard form documents, including the Itemization of Amount Financed, Truth in Lending Act Disclosure, Home Ownership and Equity Protection Act Disclosure, and the Real Estate Settlement Procedures Act HUD-1 Settlement Statement were accurate; and
- the legitimacy of the Banks during the loan application process, the underwriting process and through their loan closing process; and
- the Banks' concealment of information regarding their use of unlicensed, and hidden loan production offices and affiliated title companies and service providers.

In connection with the predatory lending scheme, the Banks paid significant, undisclosed kickbacks, referral fees and other unearned fees to the Loan Production Offices and Consultants and the Affiliated Title Companies and Service Providers, in violation of RESPA. The Banks also used and maintained various bank accounts for the loan production offices which they used to commingle their ill-gotten proceeds and to conceal their unlawful activities in violation of 18 U.S.C. §§1956(a) and (h)(conspiracy to commit money laundering).

In connection with this predatory lending scheme, RFC participated in and conspired to participate in the predicate acts that form the pattern of racketeering activity that is described below. RFC committed acts of mail fraud, 18 U.S.C. §1341, and wire fraud, 18 U.S.C. §1343, and money laundering, 18 U.S.C. § 1956.

Basis of Liability:

This Defendant violated RICO, at 18 U.S.C. §§ 1962(c) and 1962(d).

In addition, pursuant to HOEPA, 15 U.S.C. § 1641(d), this Defendant is liable for the violations of TILA, HOEPA, RESPA and RICO committed by CBNV and GNBT against Plaintiffs and the members of the Class under rules of conspiracy and assignee liability.

b. JP Morgan Chase Bank, formerly known as The Chase Manhattan Bank (“JP Morgan-Chase”).

Alleged Misconduct:

In connection with the predatory lending scheme, JP Morgan-Chase acted as trustee for trusts and loan pools created by RFC for the purpose of “securitizing” mortgage loans. The specific identity of each of the trusts that have been assigned the loans of the plaintiff class, either directly or indirectly or through an intervening depositor or other special purpose entity or “shelf” from the banks is unknown at this time but is known by RFC and JP Morgan Chase.

The loans which were originated, sold, securitized and collected under the scheme contained fraudulent, overcharged, marked up, unearned and bogus fees. These fees were also not paid to the persons identified as recipients of those fees. These fees were neither bona fide nor reasonable. These fees include the Lines 801, 802, 804, 1102, and 1103 charges for origination fees, loan discount fees, credit report fees, abstract of title fees, and title examination charges disclosed on the HUD-1 Settlement Statements. The fees which were fraudulent, overcharged, marked up, unearned, bogus, not bona fide, not reasonable, and/or not paid to the identified recipients were classwide to all borrowers in one or more respects as follows:

First, the Class members were charged “loan origination” and/or “loan discount” fees” in connection with their second mortgage loans. Those charges were set forth on the HUD-1 Settlement Statement on Lines 801 and 802 as being wholly paid to CBNV and/or GNBT. In fact only a small portion of the fees were paid to the Banks and the remainder was paid to the loan origination office.

Second, the Class members were charged fees for credit reports in Section 804 of the HUD-1 Settlement Statements for Credit Reports. The Line 804 charges for credit reports were marked up and exceeded the true cost to the Banks, or provider of credit reports that were identified as the recipients of the fees on the borrowers’ HUD-1 Settlement Statements. The Banks and loan production offices obtained “Negotiated Savings” on the true cost of the credit reports which were separately itemized as a single operating expense on the Bank’s balance sheets and which are reflected as an “Operating Expense Ratio” or profit on expenses. These “Negotiated Savings” were not passed on to the Class members and thus the “Operating Expense Ratio” proves that there were mark ups on the credit report fees charged on Line 804 of the Class members’ Settlement Statements.

Third, the Class members was charged fees for “abstract or title searches” on Line 1102 of HUD-1 Settlement Statements. Those fees were neither bona fide nor reasonable because no true title or abstract search was performed on the loans. Instead, the title companies who were listed as the recipients of the fees ordered “Property Reports” from third party vendors and Affiliated Service Providers such as General American Corp. and Service Link. This is an illegal, undisclosed fee split in violation of RESPA and a false representation of the recipient of the fees on the HUD-1 Settlement Statements. Because the Defendants possessed the Class Members’ loan origination files, the Class members could not determine whether any abstract of title appeared in their loan files such that they could discover that the charges for the abstracts of title were marked up.

Fourth, the Class members was charged fees for “title examinations” on Line 1103 of HUD-1 Settlement Statements. These title examination charges are neither bona fide nor reasonable because *no* title examinations were performed on the loans. Because the Defendants possessed the Class Members’ loan origination files, the Class members could not determine whether any title examination appeared in their loan files such that they could discover that the charges for the title examinations were entirely bogus.

The Defendants and other wrongdoers were obviously aware that these charges were neither bona fide nor reasonable but concealed these facts from the Class members in connection with the predatory lending scheme.

Because the fees were misrepresented as being both bona fide and reasonable, but were in fact not bona fide nor reasonable, the material disclosures of the finance charge, amount financed and the annual percentage rate were inaccurate. Defendants utilized these illegal fees to conceal the true costs of the loans from the Class members. The borrowers justifiably relied on or, alternatively, may be logically presumed to have relied on the misrepresentations of the following:

- the material disclosures defined and required by federal law and that Defendants made pursuant to their legal duties thereunder, with respect to but not limited to the following:
 - the accuracy, bona fide nature, and reasonableness of the settlement charges;
 - That the fees were not fraudulent, overcharged, marked up, unearned and/or bogus fees;
 - That the fees were paid to the persons identified as recipients of those fees;
 - That the legally defined and required disclosures of the amount financed, finance charge and annual percentage rate on the federally mandated, standard form documents, including the Itemization of Amount Financed, Truth in Lending Act Disclosure, Home Ownership and Equity Protection Act Disclosure, and the Real Estate Settlement Procedures Act HUD-1 Settlement Statement were accurate; and
- the legitimacy of the Banks during the loan application process, the underwriting process and through their loan closing process; and
- the Banks' concealment of information regarding their use of unlicensed, and hidden loan production offices and affiliated title companies and service providers.

In connection with the predatory lending scheme, the Banks paid significant, undisclosed kickbacks, referral fees and other unearned fees to the Loan Production Offices and Consultants and the Affiliated Title Companies and Service Providers, in violation of RESPA. The Banks also used and maintained various bank accounts for the loan production offices which they used to commingle their ill-gotten proceeds and to conceal their unlawful activities in violation of 18 U.S.C. §§1956(a) and (h)(conspiracy to commit money laundering).

In connection with this predatory lending scheme, JP Morgan Chase participated in and conspired to participate in the predicate acts that form the pattern of racketeering activity that is described below. JP Morgan Chase committed acts of mail fraud, 18 U.S.C. §1341, and wire fraud, 18 U.S.C. §1343, and money laundering, 18 U.S.C. § 1956.

Basis of Liability:

This Defendant violated RICO, at 18 U.S.C. §§ 1962(c) and 1962(d).

In addition, pursuant to HOEPA, 15 U.S.C. § 1641(d), this Defendant is liable for the violations of TILA, HOEPA, RESPA and RICO committed by CBNV and GNBT against Plaintiffs and the members of the Class under rules of conspiracy and assignee liability.

c. Irwin Union Bank and Trust Company (“Irwin”).

Currently known employees/agents:

- David Sommer (Director, Correspondent Lending)
- Lisa Quiroz (Operations Manager)
- Jo Ann M. Duncan (Associate Director, Intermediary Management)
- Mary Miller (Client Relations Specialist)
- Spencer J. Carlsen (Senior Vice President)
- Brenda Nirenstein
- Pam Lapato
- Erika Fontes
- Edwin K. Corbin
- Gary Iorfido
- Brian Cline (Chief Compliance Officer)
- Paul Jullien (Compliance Consultant)
- Aris C. Angelopoulos

Alleged Misconduct:

Irwin is named as a defendant because it was previously named as a defendant in one or more prior complaints although it was closed by the FDIC on September 18, 2009.

Irwin also provided CBNV and GNBT with the operating capital necessary to fund the predatory, HOEPA loans, and its commitment to purchase loans originated by predatory lending scheme. Irwin held or still holds the loans of Plaintiffs or members of the Plaintiff Class. For example, in 2001, Irwin purchased 1610 loans from CBNV and throughout the scheme it purchased as many as 3,200 loans from CBNV.

The loans which were originated, sold, securitized and collected under the scheme contained fraudulent, overcharged, marked up, unearned and bogus fees. These fees were also not paid to the persons identified as recipients of those fees. These fees were neither bona fide nor reasonable. These fees include the Lines 801, 802, 804, 1102, and 1103 charges for origination fees, loan discount fees, credit report fees, abstract of title fees, and title examination charges disclosed on the HUD-1 Settlement Statements. The fees which were fraudulent, overcharged, marked up, unearned, bogus, not bona fide, not reasonable, and/or not paid to the identified recipients were classwide to all borrowers in one or more respects as follows:

First, the Class members were charged “loan origination” and/or “loan discount” fees” in connection with their second mortgage loans. Those charges were set forth on the HUD-1

Settlement Statement on Lines 801 and 802 as being wholly paid to CBNV and/or GNBT. In fact only a small portion of the fees were paid to the Banks and the remainder was paid to the loan origination office.

Second, the Class members were charged fees for credit reports in Section 804 of the HUD-1 Settlement Statements for Credit Reports. The Line 804 charges for credit reports were marked up and exceeded the true cost to the Banks, or provider of credit reports that were identified as the recipients of the fees on the borrowers' HUD-1 Settlement Statements. The Banks and loan production offices obtained "Negotiated Savings" on the true cost of the credit reports which were separately itemized as a single operating expense on the Bank's balance sheets and which are reflected as an "Operating Expense Ratio" or profit on expenses. These "Negotiated Savings" were not passed on to the Class members and thus the "Operating Expense Ratio" proves that there were mark ups on the credit report fees charged on Line 804 of the Class members' Settlement Statements.

Third, the Class members was charged fees for "abstract or title searches" on Line 1102 of HUD-1 Settlement Statements. Those fees were neither bona fide nor reasonable because no true title or abstract search was performed on the loans. Instead, the title companies who were listed as the recipients of the fees ordered "Property Reports" from third party vendors and Affiliated Service Providers such as General American Corp. and Service Link. This is an illegal, undisclosed fee split in violation of RESPA and a false representation of the recipient of the fees on the HUD-1 Settlement Statements. Because the Defendants possessed the Class Members' loan origination files, the Class members could not determine whether any abstract of title appeared in their loan files such that they could discover that the charges for the abstracts of title were marked up.

Fourth, the Class members was charged fees for "title examinations" on Line 1103 of HUD-1 Settlement Statements. These title examination charges are neither bona fide nor reasonable because *no* title examinations were performed on the loans. Because the Defendants possessed the Class Members' loan origination files, the Class members could not determine whether any title examination appeared in their loan files such that they could discover that the charges for the title examinations were entirely bogus.

The Defendants and other wrongdoers were obviously aware that these charges were neither bona fide nor reasonable but concealed these facts from the Class members in connection with the predatory lending scheme.

Because the fees were misrepresented as being both bona fide and reasonable, but were in fact not bona fide nor reasonable, the material disclosures of the finance charge, amount financed and the annual percentage rate were inaccurate. Defendants utilized these illegal fees to conceal the true costs of the loans from the Class members. The borrowers justifiably relied on or, alternatively, may be logically presumed to have relied on the misrepresentations of the following:

- the material disclosures defined and required by federal law and that Defendants made pursuant to their legal duties thereunder, with respect to but not limited to the following:
 - the accuracy, bona fide nature, and reasonableness of the settlement charges;
 - That the fees were not fraudulent, overcharged, marked up, unearned and/or bogus fees;
 - That the fees were paid to the persons identified as recipients of those fees;
 - That the legally defined and required disclosures of the amount financed, finance charge and annual percentage rate on the federally mandated, standard form documents, including the Itemization of Amount Financed, Truth in Lending Act Disclosure, Home Ownership and Equity Protection Act Disclosure, and the Real Estate Settlement Procedures Act HUD-1 Settlement Statement were accurate; and
- the legitimacy of the Banks during the loan application process, the underwriting process and through their loan closing process; and
- the Banks' concealment of information regarding their use of unlicensed, and hidden loan production offices and affiliated title companies and service providers.

In connection with the predatory lending scheme, the Banks paid significant, undisclosed kickbacks, referral fees and other unearned fees to the Loan Production Offices and Consultants and the Affiliated Title Companies and Service Providers, in violation of RESPA. The Banks also used and maintained various bank accounts for the loan production offices which they used to commingle their ill-gotten proceeds and to conceal their unlawful activities in violation of 18 U.S.C. §§1956(a) and (h)(conspiracy to commit money laundering).

In connection with this predatory lending scheme, Irwin participated in and conspired to participate in the predicate acts that form the pattern of racketeering activity that is described below. Irwin committed acts of mail fraud, 18 U.S.C. §1341, and wire fraud, 18 U.S.C. §1343, and money laundering, 18 U.S.C. § 1956.

Basis of Liability:

This Defendant violated RICO, at 18 U.S.C. §§ 1962(c) and 1962(d).

In addition, pursuant to HOEPA, 15 U.S.C. § 1641(d), this Defendant is liable for the violations of TILA, HOEPA, RESPA and RICO committed by CBNV and GNBT against Plaintiffs and the members of the Class under rules of conspiracy and assignee liability.

3. Defendant Class members

Plaintiffs have also named as Defendants a proposed Defendant Class. The proposed Defendant Class is defined as follows:

Those persons or entities, or their trustees, that purchased or were assigned the HOEPA loans of the Plaintiffs or the Plaintiff Class.

The members of the Defendant Class are readily identifiable from the information and records in the possession or control of CBNV, GNBT or the Shumway/Bapst Organization or its affiliated entities and from the other Defendants who have since assigned these loans to other members of the Defendant Class and/or their representatives or servicing agents of such HOEPA loans.

Alleged Misconduct:

The Defendant Class Members engaged in conduct related to the predatory lending scheme and are liable for the Banks' wrongful acts under principles of assignee, conspiracy and/or partnership liability.

The loans which were originated, sold, securitized and collected under the scheme contained fraudulent, overcharged, marked up, unearned and bogus fees. These fees were also not paid to the persons identified as recipients of those fees. These fees were neither bona fide nor reasonable. These fees include the Lines 801, 802, 804, 1102, and 1103 charges for origination fees, loan discount fees, credit report fees, abstract of title fees, and title examination charges disclosed on the HUD-1 Settlement Statements. The fees which were fraudulent, overcharged, marked up, unearned, bogus, not bona fide, not reasonable, and/or not paid to the identified recipients were classwide to all borrowers in one or more respects as follows:

First, the Class members were charged "loan origination" and/or "loan discount" fees" in connection with their second mortgage loans. Those charges were set forth on the HUD-1 Settlement Statement on Lines 801 and 802 as being wholly paid to CBNV and/or GNBT. In fact only a small portion of the fees were paid to the Banks and the remainder was paid to the loan origination office.

Second, the Class members were charged fees for credit reports in Section 804 of the HUD-1 Settlement Statements for Credit Reports. The Line 804 charges for credit reports were marked up and exceeded the true cost to the Banks, or provider of credit reports that were identified as the recipients of the fees on the borrowers' HUD-1 Settlement Statements. The Banks and loan production offices obtained "Negotiated Savings" on the true cost of the credit reports which were separately itemized as a single operating expense on the Bank's balance sheets and which are reflected as an "Operating Expense Ratio" or profit on expenses. These "Negotiated Savings" were not passed on to the Class members and thus the "Operating Expense Ratio" proves that there were mark ups on the credit report fees charged on Line 804 of the Class members' Settlement Statements.

Third, the Class members was charged fees for "abstract or title searches" on Line 1102 of HUD-1 Settlement Statements. Those fees were neither bona fide nor reasonable because no true title or abstract search was performed on the loans. Instead, the title companies who were listed as the recipients of the fees ordered "Property Reports" from third party vendors and Affiliated Service Providers such as General American Corp. and Service Link. This is an illegal,

undisclosed fee split in violation of RESPA and a false representation of the recipient of the fees on the HUD-1 Settlement Statements. Because the Defendants possessed the Class Members' loan origination files, the Class members could not determine whether any abstract of title appeared in their loan files such that they could discover that the charges for the abstracts of title were marked up.

Fourth, the Class members was charged fees for "title examinations" on Line 1103 of HUD-1 Settlement Statements. These title examination charges are neither bona fide nor reasonable because *no* title examinations were performed on the loans. Because the Defendants possessed the Class Members' loan origination files, the Class members could not determine whether any title examination appeared in their loan files such that they could discover that the charges for the title examinations were entirely bogus.

The Defendants and other wrongdoers were obviously aware that these charges were neither bona fide nor reasonable but concealed these facts from the Class members in connection with the predatory lending scheme.

Because the fees were misrepresented as being both bona fide and reasonable, but were in fact not bona fide nor reasonable, the material disclosures of the finance charge, amount financed and the annual percentage rate were inaccurate. Defendants utilized these illegal fees to conceal the true costs of the loans from the Class members. The borrowers justifiably relied on or, alternatively, may be logically presumed to have relied on the misrepresentations of the following:

- the material disclosures defined and required by federal law and that Defendants made pursuant to their legal duties thereunder, with respect to but not limited to the following:
 - the accuracy, bona fide nature, and reasonableness of the settlement charges;
 - That the fees were not fraudulent, overcharged, marked up, unearned and/or bogus fees;
 - That the fees were paid to the persons identified as recipients of those fees;
 - That the legally defined and required disclosures of the amount financed, finance charge and annual percentage rate on the federally mandated, standard form documents, including the Itemization of Amount Financed, Truth in Lending Act Disclosure, Home Ownership and Equity Protection Act Disclosure, and the Real Estate Settlement Procedures Act HUD-1 Settlement Statement were accurate; and
- the legitimacy of the Banks during the loan application process, the underwriting process and through their loan closing process; and
- the Banks' concealment of information regarding their use of unlicensed, and hidden loan production offices and affiliated title companies and service providers.

In connection with the predatory lending scheme, the Banks paid significant, undisclosed kickbacks, referral fees and other unearned fees to the Loan Production Offices and Consultants and the Affiliated Title Companies and Service Providers, in violation of RESPA. The Banks also used and maintained various bank accounts for the loan production offices which they used to commingle their ill-gotten proceeds and to conceal their unlawful activities in violation of 18 U.S.C. §§1956(a) and (h)(conspiracy to commit money laundering).

In connection with this predatory lending scheme, the Defendant Class Members participated in and conspired to participate in the predicate acts that form the pattern of racketeering activity that is described below. The Defendant Class Members committed acts of mail fraud, 18 U.S.C. §1341, and wire fraud, 18 U.S.C. §1343, and money laundering, 18 U.S.C. § 1956.

Basis of Liability:

These Defendants violated RICO, at 18 U.S.C. §§ 1962(c) and 1962(d).

In addition, pursuant to HOEPA, 15 U.S.C. § 1641(d), these Defendants are liable for the violations of TILA, HOEPA, RESPA and RICO committed by CBNV and GNBT against Plaintiffs and the members of the Class under rules of conspiracy and assignee liability.

3. List alleged wrongdoers, other than the defendants listed above, and state the alleged misconduct of each.

Other alleged wrongdoers include the following:

1. *The Shumway/Bapst Organization*, and those persons who devised and controlled the Organization, all of which are described below.

2. *Affiliated Loan Production Offices and Consultants:*

These alleged wrongdoers and known principals include:

- EquityPlus Financial, LLC (Randy Bapst, David Shumway)
- Equity Guaranty, LLC (Randy Bapst, David Shumway, Michael Morin)
 - Currently known employees:
 - Shiraj Mundy
 - Joel DeClue
 - Thomas Eck IV
 - Lisa Purdue
 - Theresa Ritter
 - James Bell
 - Lee Jacobsen

CBNV Loan Production Offices (approx. 1998-2000):

- EquityPlus Financial, LLC (Randy Bapst, David Shumway)
- Community Home Mortgage, LLC (William MacNeill, Mark Clem)
- Community Plus Financial, Inc. (“Reston”)(Chris Leavy)
- Fidelity First, LLC (“Columbia”)(James Raker)
 - Related entities:
 - Fidelity First Financial Corp (Delaware Corp)
 - Fidelity First Lending, Inc. d.b.a. Valley Pine Mortgage
 - Fidelity First Lending, Inc. d.b.a. Union First Funding Group
 - Fidelity First Mortgage, LLC
 - Fidelity First Mortgage, LLC d.b.a Union First Funding Group
- First Security Savings, Inc. (“Reston South”)(Eric Johnson)
- Interbank/Market Makers, LLC (“Herndon”)(James O’Connor)
- America’s Mortgage, LLC (James Niblock)
 - Related entities:
 - AmericasBank Mortgage Corp.
 - Americas Mortgage Corporation
 - Americas Mortgage, LLC

CBNV/GNBT Loan Production Offices (approx. 2000-2002)

- Equity Guaranty, LLC (Randy Bapst, David Shumway)
- EquityPlus Financial, LLC (Randy Bapst, David Shumway)
- Columbia, Maryland Office (Dwight Hiltner, Rob Posner, Bon Shanklin)
- Landham, Maryland Office
- Rockville, Maryland Office (Chris Leavy)
- Tyson, Virginia Office (Jon Romano, Dave Oliverio)

3. *Affiliated Title Companies and Service Providers*

These alleged wrongdoers and known principals include:

- Title America, LLC
 - Title America Holdings, Inc.
- USA Title LLC (Mary Jo Speier, Steve Parrish)
 - Related Entities:
 - USA Settlements, LLC
 - USA Settlements Holdings, Inc.
- Resource Title, LLC (Millard Rubenstein)
- Home Title (Dennis Hoover)
- Papermaster Title and Escrow (Stephen J. Papermaster)
- Paramount Title & Escrow (Benjamin Soto)
- First National Title & Escrow (James R. Niblock)
- General American Corporation

- Mediapro, LLC

Alleged Misconduct of Each:

1. *The Shumway/Bapst Organization*

These wrongdoers helped devise and were integrally involved in the predatory lending scheme. They profited from the unlawful acts in violation of RICO and from the origination and sale of as many high-cost predatory mortgage loans as could be generated.

Defendants' and the other alleged wrongdoers' predatory scheme was premised on the theory that federal banking law preempted nearly all state consumer protection and lending laws, and thereby allowed the Banks (CBNV and GNBT) to make or originate predatory second mortgage loans to debt ridden consumers that would contain high interest rates and exorbitant closing cost that would be financed by the borrowers and be otherwise illegal under a number of state's laws. The Defendants and the other alleged wrongdoers including the Shumway/Bapst Organization devised and implemented a scheme where the Banks effectively "rented" their charters to unlicensed third party loan originators (the "Shumway/Bapst Organization" and the "Affiliated Loan Production Offices and Consultants," described below), generating a volume of loans that, together with the Investors funded the scheme.

The predatory lending scheme was substantially designed and implemented with the financial assistance of the Investors by David Shumway, DeVan Shumway, Chris Shumway, and Randy Bapst, who are collectively referred to as the *Shumway/Bapst Organization*.

The loans which were originated, sold, securitized and collected under the scheme contained fraudulent, overcharged, marked up, unearned and bogus fees. These fees were also not paid to the persons identified as recipients of those fees. These fees were neither bona fide nor reasonable. These fees include the Lines 801, 802, 804, 1102, and 1103 charges for origination fees, loan discount fees, credit report fees, abstract of title fees, and title examination charges disclosed on the HUD-1 Settlement Statements. The fees which were fraudulent, overcharged, marked up, unearned, bogus, not bona fide, not reasonable, and/or not paid to the identified recipients were classwide to all borrowers in one or more respects as follows:

First, the Class members were charged "loan origination" and/or "loan discount" fees" in connection with their second mortgage loans. Those charges were set forth on the HUD-1 Settlement Statement on Lines 801 and 802 as being wholly paid to CBNV and/or GNBT. In fact only a small portion of the fees were paid to the Banks and the remainder was paid to the loan origination office.

Second, the Class members were charged fees for credit reports in Section 804 of the HUD-1 Settlement Statements for Credit Reports. The Line 804 charges for credit reports were marked up and exceeded the true cost to the Banks, or provider of credit reports that were identified as the recipients of the fees on the borrowers' HUD-1 Settlement Statements. The Banks and loan production offices obtained "Negotiated Savings" on the true cost of the credit reports which were separately itemized as a single operating expense on the Bank's balance

sheets and which are reflected as an “Operating Expense Ratio” or profit on expenses. These “Negotiated Savings” were not passed on to the Class members and thus the “Operating Expense Ratio” proves that there were mark ups on the credit report fees charged on Line 804 of the Class members’ Settlement Statements.

Third, the Class members was charged fees for “abstract or title searches” on Line 1102 of HUD-1 Settlement Statements. Those fees were neither bona fide nor reasonable because no true title or abstract search was performed on the loans. Instead, the title companies who were listed as the recipients of the fees ordered “Property Reports” from third party vendors and Affiliated Service Providers such as General American Corp. and Service Link. This is an illegal, undisclosed fee split in violation of RESPA and a false representation of the recipient of the fees on the HUD-1 Settlement Statements. Because the Defendants possessed the Class Members’ loan origination files, the Class members could not determine whether any abstract of title appeared in their loan files such that they could discover that the charges for the abstracts of title were marked up.

Fourth, the Class members was charged fees for “title examinations” on Line 1103 of HUD-1 Settlement Statements. These title examination charges are neither bona fide nor reasonable because *no* title examinations were performed on the loans. Because the Defendants possessed the Class Members’ loan origination files, the Class members could not determine whether any title examination appeared in their loan files such that they could discover that the charges for the title examinations were entirely bogus.

The Defendants and other wrongdoers were obviously aware that these charges were neither bona fide nor reasonable but concealed these facts from the Class members in connection with the predatory lending scheme.

The Shumway/Bapst Organization was the undisclosed recipients of all or part of these illegal settlement charges in connection with those loans they were involved in originating.

Because the fees were misrepresented as being both bona fide and reasonable, but were in fact not bona fide nor reasonable, the material disclosures of the finance charge, amount financed and the annual percentage rate were inaccurate. Defendants utilized these illegal fees to conceal the true costs of the loans from the Class members. The borrowers justifiably relied on or, alternatively, may be logically presumed to have relied on the misrepresentations of the following:

- the material disclosures defined and required by federal law and that Defendants made pursuant to their legal duties thereunder, with respect to but not limited to the following:
 - the accuracy, bona fide nature, and reasonableness of the settlement charges;
 - That the fees were not fraudulent, overcharged, marked up, unearned and/or bogus fees;
 - That the fees were paid to the persons identified as recipients of those fees;

- That the legally defined and required disclosures of the amount financed, finance charge and annual percentage rate on the federally mandated, standard form documents, including the Itemization of Amount Financed, Truth in Lending Act Disclosure, Home Ownership and Equity Protection Act Disclosure, and the Real Estate Settlement Procedures Act HUD-1 Settlement Statement were accurate; and
- the legitimacy of the Banks during the loan application process, the underwriting process and through their loan closing process; and
- the Banks' concealment of information regarding their use of unlicensed, and hidden loan production offices and affiliated title companies and service providers.

The *Shumway/Bapst Organization* was also the principal owner of the primary loan production offices which generated a substantial majority of the loans to the Class members through the following loan production offices: EquityPlus Financial (CBNV) and Equity Guaranty (GNBT).

The Shumway/Bapst Organization was integrally involved as the principal owners and operators of the following entities formed in connection with the predatory lending scheme and which were used to conceal the true relationship of the Banks with the members of the enterprises:

- EquityPlus Financial, LLC
- EquityPlus Financial, Inc.
- Equity Guaranty, LLC
- Equity Guaranty Holdings, Inc.
- Mediapro, LLC
- Title America, LLC
- USA Settlements, LLC
- USA Settlements Holdings Inc.,
- USA Title, LLC
- Save Banc Holdings, Inc.
- Calusa Investments

In connection with the predatory lending scheme, the Banks paid significant, undisclosed kickbacks, referral fees and other unearned fees to the Loan Production Offices and Consultants and the Affiliated Title Companies and Service Providers, in violation of RESPA. The Banks also used and maintained various bank accounts for the loan production offices which they used to commingle their ill-gotten proceeds and to conceal their unlawful activities in violation of 18 U.S.C. §§1956(a) and (h)(conspiracy to commit money laundering).

In connection with this predatory lending scheme, the Shumway/Bapst Organization participated in and conspired to participate in the predicate acts that form the pattern of racketeering activity that is described below. The Shumway/Bapst Organization committed acts of mail fraud, 18 U.S.C. §1341, and wire fraud, 18 U.S.C. §1343, and money laundering, 18 U.S.C. § 1956.

2. *Affiliated Loan Production Offices and Consultants:*

Other alleged wrongdoers include the “loan production offices” and “mortgage consultants” (hereinafter “loan production offices”) used by the Defendants to solicit, originate and process the mortgage loans for sale to the Non-Bank or Investor Defendants, such as RFC and Irwin.

The form and/or names of these entities was changed as part of the Shumway/Bapst Organization’s effort to stay one step ahead of the Virginia state banking regulators (i.e. the Bureau of Financial Institutions of the Virginia State Corporation Commission), including their ultimate effort to avoid the reach of Virginia regulators altogether through a relationship with Florida-domiciled national bank GNBT.

The initial structure used by the Shumway/Bapst Organization and Bank Defendant CBNV (now PNC) was an LLC designated EquityPlus Financial, LLC. EquityPlus, Inc. owned 75% of the LLC and CBNV owned 25%. This particular business form was conceived in response to past regulatory problems experienced by the Shumway/Bapst Organization. Specifically, the Virginia banking regulators had previously challenged a “net branch” arrangement pursuant to which Shumway/Bapst controlled company EquityPlus Financial, Inc. was brokering loans for Virginia state bank Resource Bank without the required licensure. The regulators terminated the arrangement by issuing a cease and desist order. Thus, when EquityPlus, Inc. commenced business with CBNV, it wanted to create an entity which was partially owned by a state-chartered bank, so that it could that assert that the LLC was a subsidiary of the bank, and thus would not need state licensure to broker mortgage loans in Virginia. Therefore, EquityPlus, Inc. and CBNV combined to form EquityPlus, LLC.

The loan production offices were basically “boiler room” operations that performed the following actions on behalf of the Defendants and the enterprise:

- The loan production offices identified and targeted borrowers for solicitation through the mails and wires using consumer lists obtained from the credit bureaus and other sources; and
- The loan production offices solicited borrowers through a massive direct mail marketing campaign and acted as “call centers” for Defendants and the enterprise.

The mass mail operation began by mailing an average of approximately 7-8 million pieces of mail per month which increased upwards of 10 million pieces of mail per month by January of 2002. Mailing lists were purchased from all three of the major credit reporting agencies, Experian, Trans Union, and Equifax. The enormous mail operation was first handled by Harte Hanks Direct Marketing. In August 2001, the loan production offices shifted the bulk of its mailings to ICS Corporation.

The loans which were originated, sold, securitized and collected under the scheme contained fraudulent, overcharged, marked up, unearned and bogus fees. These fees were also not paid to the persons identified as recipients of those fees. These fees were neither bona fide nor reasonable. These fees include the Lines 801, 802, 804, 1102, and 1103 charges for origination fees, loan discount fees, credit report fees, abstract of title fees, and title examination charges disclosed on the HUD-1 Settlement Statements. The fees which were fraudulent, overcharged, marked up, unearned, bogus, not bona fide, not reasonable, and/or not paid to the identified recipients were classwide to all borrowers in one or more respects as follows:

First, the Class members were charged “loan origination” and/or “loan discount” fees” in connection with their second mortgage loans. Those charges were set forth on the HUD-1 Settlement Statement on Lines 801 and 802 as being wholly paid to CBNV and/or GNBT. In fact only a small portion of the fees were paid to the Banks and the remainder was paid to the loan origination office.

Second, the Class members were charged fees for credit reports in Section 804 of the HUD-1 Settlement Statements for Credit Reports. The Line 804 charges for credit reports were marked up and exceeded the true cost to the Banks, or provider of credit reports that were identified as the recipients of the fees on the borrowers’ HUD-1 Settlement Statements. The Banks obtained “Negotiated Savings” on the true cost of the credit reports which were separately itemized as a single operating expense on the Bank’s balance sheets and which are reflected as an “Operating Expense Ratio” or profit on expenses. These “Negotiated Savings” were not passed on to the Class members and thus the “Operating Expense Ratio” proves that there were mark ups on the credit report fees charged on Line 804 of the Class members’ Settlement Statements.

Third, the Class members was charged fees for “abstract or title searches” on Line 1102 of HUD-1 Settlement Statements. Those fees were neither bona fide nor reasonable because no true title or abstract search was performed on the loans. Instead, the title companies who were listed as the recipients of the fees ordered “Property Reports” from third party vendors and Affiliated Service Providers such as General American Corp. and Service Link. This is an illegal, undisclosed fee split in violation of RESPA and a false representation of the recipient of the fees on the HUD-1 Settlement Statements. Because the Defendants possessed the Class Members’ loan origination files, the Class members could not determine whether any abstract of title appeared in their loan files such that they could discover that the charges for the abstracts of title were marked up.

Fourth, the Class members was charged fees for “title examinations” on Line 1103 of HUD-1 Settlement Statements. These title examination charges are neither bona fide nor reasonable because *no* title examinations were performed on the loans. Because the Defendants possessed the Class Members’ loan origination files, the Class members could not determine whether any title examination appeared in their loan files such that they could discover that the charges for the title examinations were entirely bogus.

The Defendants and other wrongdoers were obviously aware that these charges were neither bona fide nor reasonable but concealed these facts from the Class members in connection with the predatory lending scheme.

The Loan Production Offices and Consultants were also the undisclosed recipients of all or part of these illegal settlement charges in connection with those loans they were involved in originating.

Because the fees were misrepresented as being both bona fide and reasonable, but were in fact not bona fide nor reasonable, the material disclosures of the finance charge, amount financed and the annual percentage rate were inaccurate. Defendants utilized these illegal fees to conceal the true costs of the loans from the Class members. The borrowers justifiably relied on or, alternatively, may be logically presumed to have relied on the misrepresentations of the following:

- the material disclosures defined and required by federal law and that Defendants made pursuant to their legal duties thereunder, with respect to but not limited to the following:
 - the accuracy, bona fide nature, and reasonableness of the settlement charges;
 - That the fees were not fraudulent, overcharged, marked up, unearned and/or bogus fees;
 - That the fees were paid to the persons identified as recipients of those fees;
 - That the legally defined and required disclosures of the amount financed, finance charge and annual percentage rate on the federally mandated, standard form documents, including the Itemization of Amount Financed, Truth in Lending Act Disclosure, Home Ownership and Equity Protection Act Disclosure, and the Real Estate Settlement Procedures Act HUD-1 Settlement Statement were accurate; and
- the legitimacy of the Banks during the loan application process, the underwriting process and through their loan closing process; and
- the Banks' concealment of information regarding their use of unlicensed, and hidden loan production offices and affiliated title companies and service providers.

In connection with the predatory lending scheme, the Banks paid significant, undisclosed kickbacks, referral fees and other unearned fees to the Loan Production Offices and Consultants and the Affiliated Title Companies and Service Providers, in violation of RESPA. The Banks also used and maintained various bank accounts for the loan production offices which they used to commingle their ill-gotten proceeds and to conceal their unlawful activities in violation of 18 U.S.C. §§1956(a) and (h)(conspiracy to commit money laundering).

In connection with this predatory lending scheme, the Loan Production Offices and Consultants participated in and conspired to participate in the predicate acts that form the pattern of racketeering activity that is described below. The Loan Production Offices and Consultants

committed acts of mail fraud, 18 U.S.C. §1341, and wire fraud, 18 U.S.C. §1343, and money laundering, 18 U.S.C. § 1956.

3. *Affiliated Title Companies and Service Providers*

In order to effectuate the scheme, the Banks and the loan origination offices agreed that only certain affiliated title companies and settlement agents and other servicer providers would be used by them, and that they would require the borrowers to use these title companies and settlement agents. These title companies and settlement agents were members of the enterprises and the racketeering scheme.

As indicated above, there was shared ownership of the loan production offices and affiliated title companies as between the Banks and the Shumway/Bapst Organization and others. The Shumway/Bapst Organization was also the principal owners and operators of the entities that provided the title services. And, for the most part, the title companies were “sham” entities that were inadequately capitalized, had few, if any, employees, and did not compete in the marketplace for business.

The loans which were originated, sold, securitized and collected under the scheme contained fraudulent, overcharged, marked up, unearned and bogus fees. These fees were also not paid to the persons identified as recipients of those fees. These fees were neither bona fide nor reasonable. These fees include the Lines 801, 802, 804, 1102, and 1103 charges for origination fees, loan discount fees, credit report fees, abstract of title fees, and title examination charges disclosed on the HUD-1 Settlement Statements. The fees which were fraudulent, overcharged, marked up, unearned, bogus, not bona fide, not reasonable, and/or not paid to the identified recipients were classwide to all borrowers in one or more respects as follows:

First, the Class members were charged “loan origination” and/or “loan discount” fees” in connection with their second mortgage loans. Those charges were set forth on the HUD-1 Settlement Statement on Lines 801 and 802 as being wholly paid to CBNV and/or GNBT. In fact only a small portion of the fees were paid to the Banks and the remainder was paid to the loan origination office.

Second, the Class members were charged fees for credit reports in Section 804 of the HUD-1 Settlement Statements for Credit Reports. The Line 804 charges for credit reports were marked up and exceeded the true cost to the Banks, or provider of credit reports that were identified as the recipients of the fees on the borrowers’ HUD-1 Settlement Statements. The Banks and loan production offices obtained “Negotiated Savings” on the true cost of the credit reports which were separately itemized as a single operating expense on the Bank’s balance sheets and which are reflected as an “Operating Expense Ratio” or profit on expenses. These “Negotiated Savings” were not passed on to the Class members and thus the “Operating Expense Ratio” proves that there were mark ups on the credit report fees charged on Line 804 of the Class members’ Settlement Statements.

Third, the Class members was charged fees for “abstract or title searches” on Line 1102 of HUD-1 Settlement Statements. Those fees were neither bona fide nor reasonable because no

true title or abstract search was performed on the loans. Instead, the title companies who were listed as the recipients of the fees ordered “Property Reports” from third party vendors and Affiliated Service Providers such as General American Corp. and Service Link. This is an illegal, undisclosed fee split in violation of RESPA and a false representation of the recipient of the fees on the HUD-1 Settlement Statements. Because the Defendants possessed the Class Members’ loan origination files, the Class members could not determine whether any abstract of title appeared in their loan files such that they could discover that the charges for the abstracts of title were marked up.

Fourth, the Class members was charged fees for “title examinations” on Line 1103 of HUD-1 Settlement Statements. These title examination charges are neither bona fide nor reasonable because *no* title examinations were performed on the loans. Because the Defendants possessed the Class Members’ loan origination files, the Class members could not determine whether any title examination appeared in their loan files such that they could discover that the charges for the title examinations were entirely bogus.

Because the fees were misrepresented as being both bona fide and reasonable, but were in fact not bona fide nor reasonable, the material disclosures of the finance charge, amount financed and the annual percentage rate were inaccurate. Defendants utilized these illegal fees to conceal the true costs of the loans from the Class members. The borrowers justifiably relied on or, alternatively, may be logically presumed to have relied on the misrepresentations of the following:

- the material disclosures defined and required by federal law and that Defendants made pursuant to their legal duties thereunder, with respect to but not limited to the following:
 - the accuracy, bona fide nature, and reasonableness of the settlement charges;
 - That the fees were not fraudulent, overcharged, marked up, unearned and/or bogus fees;
 - That the fees were paid to the persons identified as recipients of those fees;
 - That the legally defined and required disclosures of the amount financed, finance charge and annual percentage rate on the federally mandated, standard form documents, including the Itemization of Amount Financed, Truth in Lending Act Disclosure, Home Ownership and Equity Protection Act Disclosure, and the Real Estate Settlement Procedures Act HUD-1 Settlement Statement were accurate; and
- the legitimacy of the Banks during the loan application process, the underwriting process and through their loan closing process; and
- the Banks’ concealment of information regarding their use of unlicensed, and hidden loan production offices and affiliated title companies and service providers.

The Defendants and other wrongdoers were obviously aware that these charges were neither bona fide nor reasonable but concealed these facts from the Class members in connection with the predatory lending scheme.

The Affiliated Title Companies and Service Providers were the recipients of all or part of these illegal settlement charges in connection with those loans they were involved in originating.

In connection with the predatory lending scheme, the Banks paid significant, undisclosed kickbacks, referral fees and other unearned fees to the Loan Production Offices and Consultants and the Affiliated Title Companies and Service Providers, in violation of RESPA. The Banks also used and maintained various bank accounts for the loan production offices which they used to commingle their ill-gotten proceeds and to conceal their unlawful activities in violation of 18 U.S.C. §§1956(a) and (h)(conspiracy to commit money laundering).

In connection with this predatory lending scheme, the Affiliated Title Companies and Service Providers participated in and conspired to participate in the predicate acts that form the pattern of racketeering activity that is described below. The Affiliated Title Companies and Service Providers committed acts of mail fraud, 18 U.S.C. §1341, and wire fraud, 18 U.S.C. §1343, and money laundering, 18 U.S.C. § 1956.

4. List the alleged victims and state how each victim has been allegedly injured.

Alleged Victims:

The following persons are identified as Named Plaintiffs in the Joint Consolidated Amended Class Action Complaint:

1. Ruth J. Davis
2. Philip F. Kossler and Jeannie C. Kossler
3. Brian W. and Carla M. Kessler
4. Patrice Porco
5. Thomas T. Mathis
6. Stephen R. Haney and Amy L. Haney
7. John and Rebecca Picard
8. William and Ellen Sabo
9. Russell and Kathleen Ulrich
10. Nora H. Miller
11. Robert A, and Rebecca A, Clark
12. Edward R. Kruszka Jr.
13. Tina Merl Boor
14. Martin J. Baratz
15. Clell L. Hobson
16. Rosa Kelly Parkinson
17. John and Kathy Nixon
18. Brian Cartee
19. Mack and Robin Dorman

20. Jerome and Charretta Roberts
21. Melba Brown
22. Flora A. Gaskin
23. Roy Lee and Ruthie Mae Logan
24. Shawn and Lorene Starkey
25. John and Rowena Drennen
26. Richard Montgomery
27. Tammy and David Wasem

And the putative members of the Plaintiff Class.

Each of the above identified plaintiffs is a member of the Plaintiff Class and representative of all of the Class members.

Plaintiffs have also brought their claims as a Plaintiff class action under Fed.R.Civ.P. 23(b)(3). Plaintiffs propose, as the definition of the Plaintiff Class, that the Plaintiff Class consists of:

All persons nationwide who obtained a second or subordinate, residential, federally related, non-purchase money, HOEPA qualifying mortgage loan from CBNV or GNBT that was secured by residential real property used by the Class Members as their principal dwelling.

This Plaintiff Class includes as many as 50,000 borrowers. The members of the Plaintiff Class are readily identifiable from the information and records in the possession or control of CBNV, GNBT and the Non-Bank Defendants and the Defendant Class members and/or the representatives or servicing agents of each.

How Each Alleged Victim Has Been Injured:

The Plaintiffs and Class members were injured as follows, which includes but is not limited to the following:

- each were charged and paid fraudulent, overcharged, marked up, unearned and bogus fees;
- each were charged and paid fees that misrepresented the identity of the persons who were recipients of those fees;
- each were charged and paid fees that were neither bona fide nor reasonable. These fees include the Lines 801, 802, 804, 1102, and 1103 charges for origination fees, loan discount fees, credit report fees, abstract of title fees, and title examination charges disclosed on the HUD-1 Settlement Statements;
- each obtained a loan where the “true cost” of those loans was misrepresented to them;
- each were charged and paid interest and finance charges on the loans and illegal fees that they would not otherwise be obligated to pay because of the misrepresentations and violations of federal law;

- each is entitled to the damages provided by federal law for violations of TILA, HOEPA, and RESPA;
- each was damaged by Defendants' failure to make the material disclosures defined and required by federal law;
- each received inaccurate and misrepresented disclosures of the amount financed, finance charge and annual percentage rate on the federally mandated, standard form documents, including the Itemization of Amount Financed, Truth in Lending Act Disclosure, Home Ownership and Equity Protection Act Disclosure, and the Real Estate Settlement Procedures Act HUD-1 Settlement Statement;
- each justifiably relied on or, alternatively, may be logically presumed to have relied upon the legitimacy of the Banks during the loan application process, the underwriting process and through their loan closing process to their detriment; and
- each justifiably relied on or, alternatively, may be logically presumed to have relied upon the Banks' concealment of information regarding their use of unlicensed, and hidden loan production offices and affiliated title companies and service providers to their detriment.

Because the racketeering activity included a number and combination of predicate acts of mail and wire fraud, as well as money laundering, the Class members were injured by consummating lending transactions with what was represented to be and was believed to be a legitimate lender and in making payments on their loans to entities that appeared to be legitimate assignees. It was, in fact a false air of legitimacy. The lenders and assignees with whom the Plaintiffs and Class members transacted business were wrongdoers involved in a predatory scheme and racketeering enterprise. These predatory lenders and criminals charged the borrowers bogus, excessive and marked up closing costs in violation of RESPA, TILA and, of course, RICO.

As a result of the predatory scheme and racketeering activity by use of the mails and wires, and acts of money laundering, Defendants misrepresented and concealed the illegal charges by characterizing them as bona fide and reasonable on the HUD-1 Settlement Statement and in the federally mandated disclosures (Itemization of Amount Financed, Truth in Lending Act Disclosure and the Home Ownership and Equity Protection Act Disclosure) and thus included within the amounts financed on their loans when, instead, such charges were not bona fide nor reasonable. Therefore such charges should have been treated as finance charges. The true cost of the loans was not disclosed to Plaintiffs in the form of the disclosures mandated by the Truth in Lending Act and Home Ownership and Equity Protection Act. Therefore, not only were the Plaintiffs and the members of the putative Plaintiff charged such illegally concealed charges, but they also were charged and paid, illegally, all finance charges due in connection their loans.

Had the Class members known that the excessive and unlawful fees charged to them on their second mortgage loans were fraudulent and were being used as part of an illegitimate scheme, the Class members would have not paid for such fees. The Class members justifiably relied on or, alternatively, may be logically presumed to have relied on the omissions and misrepresentations of information concerning the loan origination fees, loan discount fees, credit

report fees, title abstract fees and title examination fees to their detriment in that instead of dealing with legitimate lenders, and fees the Class members unknowingly, dealt with a fraudulent and illegitimate scheme and paid settlement charges for services that were unearned, not performed, marked up, that were overcharged, that were not bona fide, that were not reasonable, and/or that were fraudulent.

Had the Class members known that the fees charged in connection with their loans were neither bona fide nor reasonable, then they would have known the true costs of their loans, which are the intended consumer protections provided by the Real Estate Settlement Procedures Act, the Truth in Lending Act and the Home Ownership and Equity Protection Act and which are effectuated through the federally mandated uniform disclosures of the HUD-1 Settlement Statement, Itemization of Amount Financed, Truth in Lending Act Disclosure and the Home Ownership and Equity Protection Act Disclosure and the “material” disclosures of the finance charge and Annual Percentage Rate. Therefore, because the fraudulent acts were intentional, and intentionally directed to deprive the Class members of information necessary to understand or consider the true costs of their loans, the Class members were injured by Defendants’ intentional concealment and/or misrepresentation of the true costs of their loans. Congress has expressly provided for damages when the defendant has deprived the borrower of the true costs of the loans at 15 U.S.C. § 1640. Those damages are trebled under 18 U.S.C. §1964(c).

5. Describe in detail the pattern of racketeering activity or collection of unlawful debts alleged for each RICO claim. The description of the pattern of racketeering shall include the following information:

a. A list of the alleged predicate acts and the specific statutes which were allegedly violated;

The predicate acts include:

- Mail Fraud, 18 U.S.C. § 1341;
- Wire Fraud, 18 U.S.C. §1343; and
- Money Laundering, 18 U.S.C. § 1956(a) and conspiracy to commit Money Laundering at 18 U.S.C. § 1956(h).

Mail and Wire Fraud:

The use of the wires and mails was essential to the operation of the entire scheme and to each mortgage loan transaction, and violated 18 U.S.C. § 1341 and 18 U.S.C. §1343.

Among other things, the enterprises used the mails and wires as follows:

- to plan and implement the scheme, such as the use of mails and wires (facsimile and email) to obtain attorney opinion letters and other consultations related to the

scheme;

- to purchase credit/customer lists from the major credit reporting agencies;
- to conduct a direct mail marketing campaign;
- to use the Internet to solicit loan applicants and market loan products;
- to intake loan applications,
- to process loans falsely,
- to lure borrowers to the loan production offices;
- to intake applications for loans;
- to process and underwrite loans;
- to order and receive credit reports for every borrower on every loan (as evidenced by the charges for credit reports on Line 804 of the Plaintiffs' HUD-1s);
- to transmit loan papers and authorizations to and from the Class Members;
- to transmit loan papers and other documents to and from other persons in the enterprises;
- to wire settlement funds, including the funds for the bogus and unlawful fees, between the Banks, the Investor Defendants and the Defendant Class members, and the Consultants and the affiliated title companies;
- to wire funds between the Investor Defendants and the Defendant Class members and the Banks after the loans were purchased by the Investors;
- to obtain funding and purchase approvals and pre-approvals from the Investor Defendants and the Defendant Class members, including pre-approvals through shared Internet Websites;
- to disburse payments to the Class members' creditors through disguised sources;
- to send monthly invoices to the Class members; and
- to collect and negotiate the Class members' monthly loan payments;

In addition, there are many uniform or federally mandated disclosures, verifications, form letters, facsimiles, and other business records throughout the Class members' loan files that relate to Defendants' scheme and operations. These records and documents prove that the enterprises used the mails and wires in connection with and to further their scheme.

With respect to each Class members' mortgage loan, the predicate acts of mail and wire fraud and money laundering are evidenced in the loan papers found in their loan files. The pattern of racketeering activity and the predicate acts of mail and wire fraud are consistent and uniformly consist of the transmission of the HUD-1 Settlement Statements through the mails and the wires and through interstate commerce. The HUD-1 Settlement Statements contain very specific, uniform misrepresentations and concealment of fraudulent, overcharged, marked up, unearned and bogus fees, the true recipients of the fees, and/or the true costs of the loans. The transmission of the HUD-1 Settlement Statements through the mails and wires, including commercial carriers, is alone a sufficient predicate act of mail and wire fraud for which the Defendants may be held liable for violations of RICO.

Money Laundering:

The enterprises also engaged in money laundering and conspiracy to commit money laundering as a part of, and in furtherance of, its scheme and artifice to defraud the Class members in violation of 18 U.S.C. § 1956(a) and (h).

The second mortgage loan transactions were “financial transactions” as defined by 18 U.S.C. § 1956(c)(4). The enterprises knew that the property involved in the second mortgage loan transactions that they conducted with the Class members represented the proceeds of “specific unlawful activities” which constituted felonies under state and federal law and which constituted offenses listed under 18 U.S.C. §1961(1) (mail and wire fraud).

Moreover, as is set forth in more detail below, the underlying acts of money laundering perpetrated by the persons involved in the enterprises (as an “officer, agent or employee of or connected in any capacity” with the Banks) also establish violations of 18 U.S.C. §§ 656 657, 1005, and 1007.

Specifically, after the Office of the Comptroller of the Currency shut down GNBT, a number of the principal officers and directors of GNBT (Linda Alexionok, David A. Barrett, Rica Barrett, Calvin Brooks, Kenneth Fuqua, Wilma Lauder) entered into Consent Agreements for Civil Monetary Penalties with the OCC.

In those Consent Agreements, the Chairman of GNBT admitted that:

if charges were brought, Comptroller would allege that Respondent, as Chairman of the Board of the Bank, engaged in unsafe and unsound practices and/or breached his fiduciary duty to the Bank by: (a) by his continued unreasonable disregard of the examination findings and direction of the OCC; (b) by repeatedly failing to insure that Bank management for which he was responsible took steps to accurately report the Bank’s condition, as required by 12 U.S.C. § 161; and (c) while acting as the Bank’s outside counsel, by failing to obtain approval of the Bank’s Board of Directors and failing to apprise the OCC of his law firm’s stipulation to an injunction against the Bank in a suit against the Bank, which stipulation consented to an encumbrance of all of the Bank’s assets

Similarly, shortly after the FDIC completed its examination of CBNV in 2000 the bank’s mortgage lending program was assessed a “Needs to Improve Rating” which is evidence of substantive fair lending issues and predatory lending. CBNV’s President/CEO, David Summers, was integrally involved in discussions with regulators for nearly 18 month in an effort to prevent the “Needs to Improve Rating” and thus the Bank’s examination reports from becoming public. During this time, the CBNV originated as many loans as it could before its “Needs to Improve Rating” and examination reports became public in December 2002. It did so in order to close as many loans as possible before it had to substantially shut down its loan production operations to avoid penalties by the FDIC.

Defendants’ knowledge that the monies used in the mortgage loan transactions were proceeds of unlawful activities and that the transactions were designed to conceal and disguise the recipients of settlement charges and the sharing of their ill-gotten proceeds is evidenced in

many documents and records. For example, this knowledge is evidenced in the numerous “legal opinion” letters which the banks obtained from lawyers on specific issues, such as the exportation of interest rates, and the nature of the closing costs and fees which would be considered as “interest under federal law.”

The enterprises conducted the second mortgage loan transactions with the intent of carrying on, promoting and facilitating further acts of mail and wire fraud and/or knowing that the second mortgage loan transactions were designed in whole or in part to conceal or disguise the nature, source and control of the mail and wire fraud. The Defendants and the enterprises knew that the property and monies involved in their financial transactions represented the proceeds of unlawful activities and they conducted and/or attempted to conduct their financial transactions, which involved the proceeds of the unlawful activities, with the intent to promote the carrying on of the unlawful activities and with intent to avoid taxation on these proceeds and regulation by state licensing entities.

Further, Defendants and the enterprises knew that the transactions were designed in whole or in part to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of the unlawful activities and to avoid a transaction reporting requirement under State or Federal law (as was found by the OCC in its Reports of Examination). Indeed, the Defendants and the persons involved in the criminal enterprises used a number of shared and commingled bank accounts maintained at the Banks to conceal the unlawful fees and settlement charges.

For example, GNBT’s records reflect the maintenance of the following bank accounts to effectuate the transfer and exchanges amongst the accounts of the proceeds of their frauds:

Account Name:	Account Number:
Equity Guaranty LLC Operating Account	31101046
GNB/ Equity Guaranty Loan Servicing	31101049
GNB Mtgs HFS Escrow Account	31101050
Equity Guaranty LLC Cash Sweep Account	71100845
GNB Special Reserve Account	1007390
Baxter Special Reserve	2051316
Guaranty Natl. Bank Virginia Mortgage Operation	31101111
USA Title LLC Trust Account	31101473
USA Title LLC TRVA	31101499
Title America LLC Trust Account	31101020

Analysis of account records dated August 1, 2002 indicates the following commingling of illegal proceeds derived from the scheme:

- Significant monetary transfers from the “Equity Guaranty LLC Operating Account” to the “GNBT Special Reserve Account” to the “Guaranty National Bank Virginia Mortgage Operation” account;

- Use of the significant funds collected in the “Equity Guaranty LLC Operating Account” and the “GNB/Equity Guaranty Loan Servicing Accounts” for deductions for repurchase requests, payroll for GNBT employees, rent, Invoices for Affiliated Service Providers, such as General American Corporation and Experian;
- Use of the GNB Special reserve Account for significant transfers for “EG pass thru not remitted;” and
- Use of the USA Title Trust Account for significant transfers for “Funded loan commitments”

Analysis also reveals a mechanism to conceal marked up costs for the service providers as follows: The Banks obtained “Negotiated Savings” from the Affiliated Service Providers which were not passed onto the borrowers but were reflected on Balance Sheets as an Operating Expense Ratio, or profit on expenses. With respect to fees paid to General American Corp, TransUnion and Experian, the Operating Expense Ratio is set forth as a monetary amount which evidences the exact amount of marked up charges on Line 804 of the HUD-1 Settlement Statements for credit reports and Line 1102 for the abstract of title fees paid to an Affiliated Title Company.

b. The date of each predicate act, the participants in each such predicate act and the relevant facts surrounding each such predicate act;

Generally speaking, the date of each predicate act, the participants in each such predicate act and the relevant facts surrounding each such predicate act are found classwide as follows:

- *Mail Fraud and/or Wire Fraud:*

Each loan transaction was originated, underwritten, processed and closed through the mails and wires. As such, each loan transaction is evidence of a number of distinct predicate acts of mail and wire fraud, the participants in each predicate act, and the relevant facts surrounding each predicate act. A review of the state or federally mandated documents (such as Deeds, Notes, Mortgages, Uniform Residential Loan Applications, HUD-1 Settlement Statement, TILA Disclosure and HOEPA Notice) provides the specific information establishing the date of each predicate act, the participants in each such predicate act and the relevant facts surrounding each such predicate act.

Indeed, the HUD-1 Settlement Statements contain very specific, uniform misrepresentations and concealment of fraudulent, overcharged, marked up, unearned and bogus fees, the true recipients of the fees, and/or the true costs of the loans. The transmission of the HUD-1 Settlement Statements through the mails and wires, including commercial carriers, is alone a sufficient predicate act of mail and wire fraud for which the Defendants may be held liable for violations of RICO and reference to the HUD-1 Settlement Statement establishes the date of each predicate act, the participants in each such predicate act and the relevant facts surrounding each such predicate act.

- *Money Laundering:*

In connection with the predatory lending scheme, Defendants engaged in financial transactions (the origination and sale of mortgage loans) affecting interstate commerce. The capital provided by the Investor Defendants was integral to the successful operation of the scheme, in that the Banks did not have sufficient capital to permit them to hold the loans in their own portfolios for any appreciable period of time. Thus, it was necessary to the success of the scheme that there be a consistent and continuing flow of mortgage loans being originated and sold by CBNV and GNBT, for CBNV and GNBT to actually possess on their balance sheets sufficient capital to loan and continue to loan to the Class members.

The success of the scheme also relied upon the Investor Defendants' efforts to collect the borrowers' monthly mortgage payments or interest and finance charges on the high interest, high cost mortgage loans in order to have proceeds with which to purchase additional loans from CBNV and GNBT and thereby provide sufficient capital to them to loan and continue to loan to the Class members.

Each of the financial transactions (mortgage loans transactions) involved Defendants' use of the proceeds of illegal activity to make loans and to purchase loans. The profits realized by the participants in the scheme were directly tied to loan volume. Every participant in the scheme ignored the unlawful aspects of the settlement practices at issue to maximize loan volume.

Each of the Defendants knew the loan transactions and loan sales involved or represented proceeds of unlawful activity, but conducted or attempted to conduct the financial transactions knowing that the transactions were "designed in whole or in part [] to conceal or disguise the nature, the location, the source, the ownership or the control of the proceeds of specified unlawful activity."

The HUD-1 Settlement Statement is itself also sufficient evidence of a predicate act of money laundering for which the Defendants may be held liable for violations of RICO as to each Class Member. Each HUD-1 Settlement Statement establishes the date of each predicate act, the participants in each such predicate act and the relevant facts surrounding each such predicate act. As noted above, the borrowers' HUD-1 Settlement Statements, on Line 804, reflected fees for credit reports as having been paid to the Banks of an Affiliated Title Company when in fact that representation was designed to conceal a fee split or mark up of fees actually charged by the credit reporting agency to the Affiliated Title Company.

Also, each of the Class members were charged "loan origination" and/or "loan discount" fees" in connection with their second mortgage loans. Those charges were set forth on the HUD-1 Settlement Statement on Lines 801 and 802 as being wholly paid to CBNV and/or GNBT. In fact only a small portion of the fees were paid to the Banks and the remainder was paid to the loan origination office. Indeed, CBNV admitted to these facts

in its 1999 Annual Report. It stated:

“The Bank retains a mortgage origination fee of 1 to 2 percent on each transaction. Any remaining fees generated from the origination of the loan and subsequent sale in excess of costs are paid to the mortgage broker.”

Defendants uniformly concealed the organization and operation of their loan production offices and the “rent a charter” or “franchising scheme” from the Class Members. Further, the Defendants used and relied upon the false representations on the HUD-1 Settlement Statements in the mortgage loans transactions knowing that the false representations were “designed in whole or in part [] to conceal or disguise the nature, the location, the source, the ownership or the control of the proceeds of specified unlawful activity.”

Aspects of this knowledge are evident and can be inferred from Defendants’ communications and other records obtained by Plaintiffs.

For example, CBNV obtained a legal opinion letter on April 6, 2000 in connection with the scheme from attorney Darrell L. Dreher “regarding the fees included in “interest” for purposes of exportation by a state-chartered FDIC insured bank.” In this letter, the attorney advised CBNV that “additional fees that are additional return to the lender versus third party fees” would be treated as “interest” under federal law and permitted under principles of interest rate exportation. CBNV and GNBT relied upon this legal advice in connection with the decision to fraudulently misrepresent the identity and amount of the proceeds as being retained by them as the lender when instead they were being paid to third parties, loan production offices and consultants, on the HUD-Settlement Statements (Lines 801, 802, and 804). As a result, they intentionally mischaracterized fees as “interest” as being paid to the banks when they were not interest for purposes of concealing or disguising the illegal nature of the fees. The fees mischaracterized as interest were bogus, unearned, not bona fide, not reasonable, and/or fraudulent.

A second follow up letter dated April 14, 2000 (which was sent via facsimile) instructed Defendants:

“because of the names of the fees there is a risk such fees could be viewed as non-exportable fees because they appear to cover the cost of an activity or service. You may want to consider changing the names of these fees to names that do not imply that a service is being provided, such as a loan fee or lender fee.”

Based upon this legal advice, the Defendants misrepresented the Section 800 fees on Lines 801, 802 and 804 as being paid to the lender in their fraudulent effort to charge them as exportable “interest” in connection with their predatory lending scheme when they knew that the fees were not interest under federal law.

With respect to each of the Named Plaintiffs, the date of each predicate act, the participants in each such predicate act and the relevant facts surrounding each such predicate act, of mail and/or wire fraud and money laundering include the following:

Plaintiff Davis

<i>Date</i>	Winter 1999, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Participants</i>	CBNV EquityPlus Financial, Inc.
<i>Relevant Facts</i>	Davis solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally. Davis loan processed through the mail and wires.

<i>Date</i>	February 22, 1999
<i>Participants</i>	CBNV EquityPlus Financial, Inc. Title America, LLC
<i>Relevant Facts</i>	Davis loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103. On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.

Plaintiff Kossler

<i>Date</i>	Summer 1998, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Participants</i>	CBNV EquityPlus Financial, Inc. and/or Equity Plus Financial, LLC First National Title & Escrow
<i>Relevant Facts</i>	Kosslers solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally. Kossler loan processed through the mail and wires.

<i>Date</i>	July 28, 1998
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<i>Participants</i>	CBNV EquityPlus Financial, Inc. and/or Equity Plus Financial, LLC First National Title & Escrow
<i>Relevant Facts</i>	<p>Kossler loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103.</p> <p>On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.</p>

Plaintiff Kessler

<i>Date</i>	Spring 1999, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Participants</i>	CBNV EquityPlus Financial, Inc. Title America, LLC
<i>Relevant Facts</i>	<p>Kesslers solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally.</p> <p>Kesslers loan processed through the mail and wires.</p>

<i>Date</i>	April 30, 1999
<i>Participants</i>	CBNV EquityPlus Financial, Inc. Title America, LLC
<i>Relevant Facts</i>	<p>Kesslers loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103.</p> <p>On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.</p>

Plaintiff Porco

<i>Date</i>	Summer 2000, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Participants</i>	GNBT EquityPlus Financial, Inc. Title America, LLC
<i>Relevant Facts</i>	Porco solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally. Porco loan processed through the mail and wires.

<i>Date</i>	September 9, 2000
<i>Participants</i>	GNBT Equity Guaranty, LLC Title America, LLC
<i>Relevant Facts</i>	Porco loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103. On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.

Plaintiff Mathis

<i>Date</i>	Spring 2001, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Participants</i>	GNBT Equity Guaranty, LLC USA Title, LLC
<i>Relevant Facts</i>	Mathis solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally. Mathis loan processed through the mail and wires.

<i>Date</i>	June 7, 2001
<i>Participants</i>	GNBT Equity Guaranty, LLC

	USA Title, LLC
Relevant Facts	<p>Mathis loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103.</p> <p>On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.</p>

Plaintiff Haney

Date	Spring 2001, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
Participants	GNBT Equity Guaranty, LLC USA Title, LLC
Relevant Facts	<p>Haney solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally.</p> <p>Haney loan processed through the mail and wires.</p>

Date	May 23, 2001
Participants	GNBT Equity Guaranty, LLC USA Title, LLC
Relevant Facts	<p>Haney loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103.</p>

Plaintiff Picard

Date	Fall 1999, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
Participants	CBNV Equity Plus Financial, LLC Title America, LLC
Relevant Facts	Picard solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally.

	Picard loan processed through the mail and wires.
<i>Date</i>	November 20, 1999
<i>Participants</i>	CBNV Equity Plus Financial, LLC Title America, LLC
<i>Relevant Facts</i>	<p>Picard loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103.</p> <p>On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.</p>

Plaintiff Sabo

<i>Date</i>	Fall 1999, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Participants</i>	CBNV Equity Plus Financial, LLC Resource Title, LLC
<i>Relevant Facts</i>	<p>Sabo solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally.</p> <p>Sabo loan processed through the mail and wires.</p>

<i>Date</i>	October 15, 1999
<i>Participants</i>	CBNV Equity Plus Financial, LLC Resource Title, LLC
<i>Relevant Facts</i>	<p>Sabo loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103.</p> <p>On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate</p>

	Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.
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Plaintiff Ulrich

<i>Date</i>	Summer 2000, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Participants</i>	GNBT Equity Guaranty, LLC Title America, LLC
<i>Relevant Facts</i>	Ulrich solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally. Ulrich loan processed through the mail and wires.

<i>Date</i>	August 8, 2000
<i>Participants</i>	GNBT Equity Guaranty, LLC Title America, LLC
<i>Relevant Facts</i>	Ulrich loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103. On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.

Plaintiff Miller

<i>Date</i>	Spring 1999, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Participants</i>	CBNV EquityPlus Financial, LLC Title America, LLC
<i>Relevant Facts</i>	Miller solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally. Miller loan processed through the mail and wires.

<i>Date</i>	April 30, 1999
<i>Participants</i>	CBNV EquityPlus Financial, LLC Title America, LLC
<i>Relevant Facts</i>	<p>Miller loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103.</p> <p>On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.</p>

Plaintiff Clark

<i>Date</i>	Spring 2001, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Participants</i>	GNBT Equity Guaranty, LLC USA Title, LLC
<i>Relevant Facts</i>	<p>Clark solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally.</p> <p>Clark loan processed through the mail and wires.</p>

<i>Date</i>	March 20, 2001
<i>Participants</i>	GNBT Equity Guaranty, LLC USA Title, LLC
<i>Relevant Facts</i>	<p>Clark loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103.</p> <p>On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount</p>

	Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.
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Plaintiff Kruzka

<i>Date</i>	Spring 2001, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Participants</i>	GNBT Equity Guaranty, LLC USA Title, LLC
<i>Relevant Facts</i>	Kruzka solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally. Kruzka loan processed through the mail and wires.

<i>Date</i>	May 5, 2001
<i>Participants</i>	GNBT Equity Guaranty, LLC USA Title, LLC
<i>Relevant Facts</i>	Kruzka loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103. On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.

Plaintiff Merl Boor

<i>Date</i>	Fall 2000, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Participants</i>	CBNV CBNV loan production office CBNV affiliated title company
<i>Relevant Facts</i>	Merl Boor solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally. Merl Boor loan processed through the mail and wires.

<i>Date</i>	December 9, 2000
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<i>Participants</i>	CBNV CBNV loan production office CBNV affiliated title company
<i>Relevant Facts</i>	Merl Boor loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103. On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.

Plaintiff Baratz

<i>Date</i>	Fall 2001, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Participants</i>	GNBT Equity Guaranty, LLC USA Title, LLC
<i>Relevant Facts</i>	Baratz solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally. Baratz loan processed through the mail and wires.

<i>Date</i>	January 16, 2002
<i>Participants</i>	GNBT Equity Guaranty, LLC USA Title, LLC
<i>Relevant Facts</i>	Baratz loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103. On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.

Plaintiff Hobson

<i>Date</i>	Spring 2001, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Participants</i>	CBNV CBNV Loan Production Office Resource Title
<i>Relevant Facts</i>	Hobson solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally. Hobson loan processed through the mail and wires.

<i>Date</i>	May 2, 2001
<i>Participants</i>	CBNV CBNV Loan Production Office Resource Title
<i>Relevant Facts</i>	Hobson loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103. On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.

Plaintiff Kelly

<i>Date</i>	Summer 2000, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Participants</i>	GNBT Equity Guaranty, LLC USA Title, LLC
<i>Relevant Facts</i>	Kelly solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally. Kelly loan processed through the mail and wires.

<i>Date</i>	September 27, 2000
<i>Participants</i>	CBNV CBNV Loan Production Office

	Resource Title
Relevant Facts	<p>Kelly loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103.</p> <p>On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.</p>

Plaintiff Nixon

Date	Winter 2001, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
Participants	CBNV CBNV Loan Production Office Paramount Title
Relevant Facts	<p>Nixon solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally.</p> <p>Nixon loan processed through the mail and wires.</p>

Date	February 2, 2001
Participants	CBNV CBNV Loan Production Office Paramount Title
Relevant Facts	<p>Nixon loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103.</p> <p>On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.</p>

Plaintiff Cartee

<i>Date</i>	Winter 2001, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Participants</i>	GNBT Equity Guaranty, LLC USA Title, LLC.
<i>Relevant Facts</i>	Cartee solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally. Cartee loan processed through the mail and wires.

<i>Date</i>	February 2, 2001
<i>Participants</i>	GNBT Equity Guaranty, LLC USA Title, LLC.
<i>Relevant Facts</i>	Cartee loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103. On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.

Plaintiff Dorman

<i>Date</i>	Fall 2001, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Participants</i>	GNBT Equity Guaranty, LLC USA Title, LLC.
<i>Relevant Facts</i>	Dorman solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally. Dorman loan processed through the mail and wires.

<i>Date</i>	February 11, 2002
<i>Participants</i>	GNBT Equity Guaranty, LLC USA Title, LLC.
<i>Relevant Facts</i>	Dorman loan closed and the HUD-1 Settlement Statement was executed.

	<p>On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103.</p> <p>On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.</p>
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Plaintiff Roberts

<i>Date</i>	Fall 2000, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Participants</i>	GNBT Equity Guaranty, LLC Title America, LLC.
<i>Relevant Facts</i>	Roberts solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally. Roberts loan processed through the mail and wires.

<i>Date</i>	October 9, 2000
<i>Participants</i>	GNBT Equity Guaranty, LLC Title America, LLC.
<i>Relevant Facts</i>	Roberts loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103. On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.

Plaintiff Brown

<i>Date</i>	Summer 2000, precise date of solicitation will be evidenced on Uniform
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	Residential Loan Application.
Participants	CBNV CBNV Loan Production Office Resource Title, LLC
Relevant Facts	Brown solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally. Brown loan processed through the mail and wires.

Date	August 12, 2000
Participants	CBNV CBNV Loan Production Office Resource Title, LLC
Relevant Facts	Brown loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103. On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.

Plaintiff Gaskin

Date	Summer 2001, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
Participants	CBNV CBNV Loan Production Office Paramount Title
Relevant Facts	Gaskin solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally. Gaskin loan processed through the mail and wires.

Date	August 8, 2001
Participants	CBNV CBNV Loan Production Office Paramount
Relevant Facts	Gaskin loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal,

	<p>bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103.</p> <p>On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.</p>
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Plaintiff Turner

<i>Date</i>	Fall 2000, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Participants</i>	GNBT Equity Guaranty, LLC Title America, LLC
<i>Relevant Facts</i>	Turner solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally. Turner loan processed through the mail and wires.

<i>Date</i>	October 10, 2000
<i>Participants</i>	GNBT Equity Guaranty, LLC Title America, LLC
<i>Relevant Facts</i>	Turner loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103. On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.

Plaintiff Logan

<i>Date</i>	Summer 2001, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Participants</i>	GNBT

	Equity Guaranty, LLC USA Title, LLC
Relevant Facts	Logan solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally. Logan loan processed through the mail and wires.
Date	July 11, 2001
Participants	GNBT Equity Guaranty, LLC USA Title, LLC
Relevant Facts	Logan loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103. On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.

Plaintiff Starkey

Date	Fall 2001, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
Participants	GNBT Equity Guaranty, LLC USA Title, LLC
Relevant Facts	Starkey solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally. Starkey loan processed through the mail and wires.

Date	October 31, 2001
Participants	GNBT Equity Guaranty, LLC USA Title, LLC
Relevant Facts	Starkey loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103.

	On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.
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Plaintiff Drennen

<i>Date</i>	Summer 2001, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Participants</i>	GNBT Equity Guaranty, LLC USA Title, LLC
<i>Relevant Facts</i>	Drennen solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally. Drennen loan processed through the mail and wires.

<i>Date</i>	July 28, 2001
<i>Participants</i>	GNBT Equity Guaranty, LLC USA Title, LLC
<i>Relevant Facts</i>	Drennen loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103. On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.

Plaintiff Montgomery

<i>Date</i>	Fall 2001, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Participants</i>	GNBT Equity Guaranty, LLC

	USA Title, LLC
Relevant Facts	Montgomery solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally. Montgomery loan processed through the mail and wires.

Date	November 16, 2001
Participants	GNBT Equity Guaranty, LLC USA Title, LLC
Relevant Facts	Montgomery loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103. On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the "material disclosures" (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.

Plaintiff Wasem

Date	Summer 2001, precise date of solicitation will be evidenced on Uniform Residential Loan Application.
Participants	CBNV CBNV Loan Production Office Paramount Title
Relevant Facts	Wasem solicited for second mortgage loan through the mail and wires by an entity misrepresenting itself to be a legitimate Bank operating legally. Wasem loan processed through the mail and wires.

Date	August 9, 2001
Participants	CBNV CBNV Loan Production Office Paramount Title
Relevant Facts	Wasem loan closed and the HUD-1 Settlement Statement was executed. On this same date, the HUD-1 Settlement Statement was sent via commercial carrier to the loan production office and became obligated to pay the illegal, bogus or marked up charges set forth on Lines 801, 802, 804, 1102 and 1103.

	On this same date, the Defendants and their co-conspirators sent to Plaintiffs an intentionally fraudulent disclosure of the “material disclosures” (amount financed, finance charge, APR) required by the Real Estate Settlement Procedures Act, Truth in Lending Act and Home Ownership and Equity Protection Act in the federally-mandated Itemization of Amount Financed, Truth in Lending Act Disclosure and the HOEPA Disclosure.
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- Additional predicate acts consisting of mail and/or wire fraud described in or identified in the Joint Consolidated Amended Class Action Complaint, or that are evidenced by records possessed by Plaintiffs include the following:

<i>Date</i>	Correspondence dated March 11, 1998
<i>Participants</i>	Community Bank (David Sommers) to Ms. Nancy Walker (Virginia State Corporation Commission)
<i>Relevant Facts</i>	Letter contains false and misleading statements concerning the relationship between CBNV and the EquityPlus loan production office.

<i>Date</i>	Correspondence dated April 3, 2000
<i>Participants</i>	CBNV (John Grace) Darrell L. Dreher, Attorney at Law
<i>Relevant Facts</i>	Legal opinion letter related to legal theory of state exportation of interest rates for purposes of the predatory lending scheme.

<i>Date</i>	Correspondence dated April 6, 2000
<i>Participants</i>	CBNV (John Grace) Darrell L. Dreher, Attorney at Law
<i>Relevant Facts</i>	Legal opinion letter related to legal theory of state exportation of interest rates and fees for purposes of the predatory lending scheme.

<i>Date</i>	Correspondence dated April 14, 2000
<i>Participants</i>	CBNV (John Grace) Darrell L. Dreher, Attorney at Law
<i>Relevant Facts</i>	Legal opinion letter related to legal theory of state exportation of interest rates and fees for purposes of the predatory lending scheme. The letter was revised to address the fees the Bank was going to charge.

<i>Date</i>	Correspondence dated September 15, 2000
<i>Participants</i>	CBNV (John Grace) Darrell L. Dreher, Attorney at Law
<i>Relevant Facts</i>	Legal opinion letter related to legal theory of state exportation of points

	for purposes of the predatory lending scheme.
<i>Date</i>	Correspondence dated May 18, 2000
<i>Participants</i>	Shumway/Bapst Organization Washington, D.C. office of Pittsburgh-based law firm Kirkpatrick & Lockhart
<i>Relevant Facts</i>	Legal opinion letter related to legal theory of preemption underlying predatory lending scheme. David Shumway, and GNBT's president, asked that Kirkpatrick and Lockhart address the following issues: 1) whether GNBT could rely upon the most favored lender provisions of the National Bank Act to export Florida interest rates; 2) the fees that are included in the "interest rate" under the most favored lender provisions; 3) how high of an "interest rate" could be contracted for under Florida's usury provisions and mortgage laws; and, 4) the maximum prepayment fee and number of discount points that could be charged under Florida law.
<i>Date</i>	Correspondence dated July 17, 2002
<i>Participants</i>	David Shumway RFC
<i>Relevant Facts</i>	Related to the repurchase of loans that RFC had returned to GNBT and loan production offices.
<i>Date</i>	October 1998
<i>Participants</i>	EquityPlus Financial, Inc. and CBNV Bradford A. Wamsley, Senior Vice President Christy Hickey- Director of Financial Database client Services
<i>Relevant Facts</i>	Participants purchased address lists from credit reporting agency Equifax. They then contracted with direct mail marketing company Harte Hanks of San Antonio, Texas to do mass mailings to the selected potential borrowers.
<i>Date</i>	July 5, 2001
<i>Participants</i>	GNBT (Jim McCroan)
<i>Relevant Facts</i>	GNBT falsely states in a latter that "there was no business relationship between GNBT and USA Title." That statement was absolutely false in an effort to convince Bank One to purchase loans.
<i>Date</i>	Memorandum evidencing telephone conversation on January 29, 2001

Participants	RFC and is attorneys (Paul Schieber)
Relevant Facts	RFC uses wires in connection with scheme and in conversation acknowledges that the “title fee charges” on the Class loans are “excessive.”

Date	March 11, 1999 letter
Participants	David Summers, the president of CBNV, to Virginia banking regulators
Relevant Facts	This predicate act of mail fraud reflects the Bank’s continued effort to mislead Virginia State Regulators concerning the scheme: “[T]he mortgage affiliations have been restructured as loan production offices of Community Bank. The loan originators and processors of the limited liability mortgage affiliates are now employees of the Bank and the principals of the limited liability companies (such as EquityPlus Financial, LLC) are now consultants to the Bank.”

Date	Consulting Agreement dated April 13, 2000 between GNBT and Equity Guaranty, LLC
Participants	GNBT (Linda Alexionok) Equity Guaranty, LLC (Randy A. Bapst)
Relevant Facts	The Agreement was transmitted via facsimile. The “Consulting Agreement” related to, and formed a basis of the predatory lending scheme, for purposes of signing and executing the same agreement on that same date.

Date	CBNV 1999 Annual Report
Participants	CBNV
Relevant Facts	CBNV falsely represents in its 1999 Annual Report that was disseminated to the general public “The Bank retains a mortgage origination fee or 1 to 2 percent on each transaction. Any remaining fees generated from the origination of the loan and subsequent sale in excess of costs incurred are paid to the mortgage broker.”

Date	Email December 15, 2000
Participants	CBNV (John Grace) Irwin (Chris Wilkinson)
Relevant Facts	Email by CBNV to Irwin Bank related to exportation of rates and points for purposes of soliciting Irwin’s purchase of mortgage loans in connection with the scheme.

Date	Email June 25, 2001
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Participants	CBNV (John Grace) Irwin (Erika Fontes)
Relevant Facts	Email by Irwin Bank to CBNV related to failure of CBNV's procedures to evidence proper delivery of Section 32 Notice.

Date	Facsimile letter dated July 3, 2001
Participants	DeVan Shumway Jim McCroan
Relevant Facts	Facsimile of documents related to "section 32 calculation" that notes "we count all of the fees except the 'abstract or title search' and 'title exam'" and indicates that author will "call you to discuss further."

Date	Email dated July 26, 2001
Participants	CBNV (Jack Grace) Irwin (Dave Sommer)
Relevant Facts	Irwin requests CBNV "to have your people observe the Columbia office" noting issues with "Section 32" notices and other "violations of Section 32."

Date	Memo dated August 16, 2001 sent via facsimile
Participants	To OCC (Clarissa Head) From GNBT (Jim McCroan)
Relevant Facts	GNBT misrepresents to OCC that it made changes to HUD-1 Settlement Statements to identify "the name of the person or firm ultimately receiving the payment" and notes the OCC's concerns with respect to "some of the Title Charges that are reflected as part of the APR calculation"

Date	Memo dated August 20 2001 sent via facsimile
Participants	To OCC (Clarissa Head) From GNBT (Jim McCroan)
Relevant Facts	GNBT sends further information to the OCC "in reference to the APR tolerances we discussed last week"

Date	Emails dated August 21-22, 2001
Participants	OCC (Clarissa Head) GNBT (Jim McCroan)
Relevant Facts	GNBT sends further information to the OCC concerning calculation of APR on GNBT loans.

Date	Emails dated August 28, 2001
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Participants	GNBT (Jim McCroan, Linda Alexionok) Tom Oldweiler (GNBT attorney)
Relevant Facts	Internal emails between GNBT and its outside counsel related to the calculation of APR of loans.

Date	Facsimile dated November 7, 2001
Participants	RFC RFC Outside counsel
Relevant Facts	Facsimile of summary of RFC meeting regarding "Section 32 policies" noting that "SDG will change its Section 32 worksheet to reflect all fees that should be included in the finance charge and that "RFC will change its policy" related to the proof of timely delivery of the Section 32 Notice.

Date	Memo dated January 29, 2002
Participants	GNBT RFC Outside counsel
Relevant Facts	Memorandum GNBT provided to RFC's attorneys concerning their recommendation that RFC "begin securitization of our product" and the "corrective action" taken with respect to areas of compliance.

Date	Letter dated December 19, 2001
Participants	RFC (Don Russell) GNBT (Linda Alexionok)
Relevant Facts	RFC suspends GNBT's participation in its loan program, citing violations of representations and warranties in Client Guide.

Date	Letter dated December 21, 2001
Participants	RFC (Don Russell) GNBT (Linda Alexionok)
Relevant Facts	RFC temporarily withdraws suspension of GNBT's participation in its loan program.

Date	Letter dated February 5, 2002
Participants	RFC (David Marple) GNBT (Linda Alexionok)
Relevant Facts	RFC suspends GNBT's participation in its loan program.

Date	Letter dated February 5, 2002
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<i>Participants</i>	RFC (Don Russell) GNBT (Linda Alexionok)
<i>Relevant Facts</i>	RFC send letter related to its on-site review of GNBT operations.

<i>Date</i>	Letter dated February 19, 2002
<i>Participants</i>	RFC (Don Russell) GNBT (Linda Alexionok)
<i>Relevant Facts</i>	RFC renews its decision to suspend GNBT's participation in its loan program.

<i>Date</i>	Facsimile Letter dated June 17, 2002
<i>Participants</i>	Title Company (Meg Ransol-Enos) GNBT (Jim McCroan)
<i>Relevant Facts</i>	Letter references to prior phone conversation. In this letter GNBT sends to an unaffiliated title company "an outline of what our current title company provides us" for purposes of determining whether the GNBT's title company's charges were excessive. (USA Title, LLC)

<i>Date</i>	September 6, 2002
<i>Participants</i>	Calusa Investments (David Shumway) E. Joseph Face, Jr., Commissioner Virginia Bureau of Financial Institutions
<i>Relevant Facts</i>	David Shumway sends letter containing false information concerning loan production offices (EquityPlus Financial and Equity Guaranty) in effort to obtain licensure for Calusa Investments for purposes of keeping the predatory lending scheme alive in the face of increased state regulation.

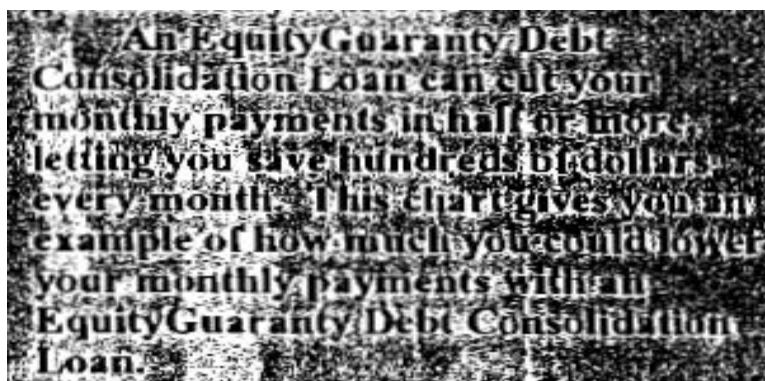
- c. **The time, place and contents of each alleged misrepresentation, the identity of persons by whom and to whom such alleged misrepresentation was made and if the predicate act was an offense of wire fraud, mail fraud or fraud in the sale of securities.**

With respect to each Class Member, the time, place and contents of each alleged misrepresentation, the identity of persons by whom and to whom such alleged misrepresentation was made and if the predicate act was an offense of wire fraud, mail fraud are the same, or substantially the same as follows:

- In connection with each loan solicitation, the Defendants used the mails and wires to misrepresent facts and to omit material facts concerning the identities and legitimacy of the entities with whom the Class members were dealing. Defendants concealed from the Plaintiffs and Class members facts which would have revealed that the Plaintiffs were dealing with unlicensed loan production offices and consultants that were involved in a "rent a charter" or "franchising" predatory lending scheme.

Specifically, on each loan transaction, the borrowers had been solicited through the mails and wires for second mortgage loans to be made by the Banks or a division of the Banks. Each and every loan transaction was solicited through an unlicensed loan origination office.

For example, the borrowers were solicited with uniform, mass-mailed communications which misrepresented the status or role of the Equity Guaranty loan production office as a “division” of Guaranty National Bank of Tallahassee when in fact it was not a “division” of the Bank, but an unlicensed loan production office located in Virginia operated by the Shumway/Bapst Organization in connection with the predatory lending scheme described in detail above.



EQUITYGUARANTY A Division of Guaranty National Bank of Tallahassee

- Each loan transaction involved the use of the mails and wires to transmit a HUD-1 Settlement Statements containing uniform misrepresentations concerning the settlement charges and the recipients of those charges. Defendants falsely represented the settlement charges set forth on the loan papers were bona fide and reasonable.

Notably, each HUD-1 Settlement Statement that was transmitted through the mails and wires contained (1) Section 800 settlement charges on Lines 801 and 802 that misrepresented and omitted material facts concerning the unearned fees and kickbacks paid to the loan production offices; (2) Charges for credit reports (Line 804) which were “marked up;” (3) a Line 1102 charge for an abstract of title that was not a true abstract of title and that was “marked up;” and (4) a Line 1103 charge for a title examination although no title examination was performed and the charge was bogus.

- Each loan transaction involved the use of the mails and wires to transmit the federally defined and mandated material disclosures of the amount financed, finance charge, and Annual Percentage Rate which were to be set forth by the Banks consistent with their duties under federal law on federally-mandated disclosure forms. Those material disclosures include the Itemization of Amount Financed, Truth in Lending Act

Disclosure, Home Ownership and Equity Protection Act Disclosure, and HUD-1 Settlement Statement. The federally mandated disclosure statements were, by Defendants' design, intentionally false and misleading and thus contained uniform misrepresentations and concealed facts concerning the accuracy and amount of finance charges, amount financed and Annual Percentage Rate. These misrepresentations and concealments prevented the borrowers from understanding the true costs of their loans.

- With respect to each loan transaction, the borrowers' loan file will contain the following information:
 - The federally-mandated Uniform Residential Loan Application in the loan files (Fannie Mae Form 1003) will identify the date of initial loan intake by phone or Internet, the loan processors and agents of the Defendants (and enterprises) that handled the borrowers' loan application and thus who participated in acts of misrepresentation and who concealed material information on behalf of the Banks, loan production offices and consultants.
 - The federally-mandated HUD-1 or HUD-1A Settlement Statement for each borrower will identify the false, fraudulent, unearned, marked up, bogus, not bona fide and not reasonable Section 800 settlement charges for loan origination fees, loan discount fees and credit reports (Lines 801, 802, 804), the Line 1102 charge for abstracts of title fees, and Line 1103 charge for title examinations.
 - The federally-mandated HUD-1 or HUD-1A Settlement Statement for each borrower will identify the misrepresentation as to the disclosed recipients of those fees and charges.
 - Contained within Defendants' copies of the loan files, including the HUD-1 or HUD-1A Settlement Statement, the Note and Deed of Trust, in particular will be an identification of the employees or agents of the Affiliated Title Company or Service Provider which participated in the frauds.
 - The federally-mandated HUD-1 Settlement Statement which contain intentional misrepresentations and concealed facts that the settlement charges on Lines 801, 802, 804, 1102, and 1103 were "bona fide" and "reasonable."
 - The federally mandated Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosures, which contain intentional misrepresentations of the "material disclosures" of the amount financed, finance charged, Annual Percentage Rate, and the true cost of the loans.

With respect to each of the Named Plaintiffs, Plaintiffs identify the following misrepresentations:

Plaintiff Davis

<i>Date</i>	Winter 1999, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	CBNV EquityPlus Financial, Inc.
<i>Person to whom misrepresentation was made</i>	Davis
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Kossler

<i>Date</i>	Summer 1998, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	CBNV EquityPlus Financial, Inc. and/or Equity Plus Financial, LLC
<i>Person to whom misrepresentation was made</i>	Kossler
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails,</p>

	<p>including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>
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Plaintiff Kessler

<i>Date</i>	Spring 1999, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	CBNV EquityPlus Financial, Inc.
<i>Person to whom misrepresentation was made</i>	Kessler
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Porco

<i>Date</i>	Summer 2000, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were

	dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	GNBT EquityPlus Financial, Inc.
<i>Person to whom misrepresentation was made</i>	Porco
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Mathis

<i>Date</i>	Spring 2001, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	GNBT Equity Guaranty, LLC
<i>Person to whom misrepresentation was made</i>	Mathis
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended</p>

	Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.
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Plaintiff Haney

<i>Date</i>	Spring 2001, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	GNBT Equity Guaranty, LLC
<i>Person to whom misrepresentation was made</i>	Haney
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Picard

<i>Date</i>	Fall 1999, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks

	themselves.
<i>Person making misrepresentation</i>	CBNV EquityPlus Financial, Inc.
<i>Person to whom misrepresentation was made</i>	Picard
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Sabo

<i>Date</i>	Fall 1999, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	CBNV EquityPlus Financial, Inc.
<i>Person to whom misrepresentation was made</i>	Sabo
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant</p>

	interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.
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Plaintiff Ulrich

<i>Date</i>	Summer 2000, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	GNBT Equity Guaranty, LLC
<i>Person to whom misrepresentation was made</i>	Ulrich
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Miller

<i>Date</i>	Spring 1999, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	CBNV EquityPlus Financial, Inc.

<i>Person to whom misrepresentation was made</i>	Miller
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Clark

<i>Date</i>	Spring 2001, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	CBNV EquityPlus Financial, Inc.
<i>Person to whom misrepresentation was made</i>	Clark
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

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Plaintiff Merl Boor

<i>Date</i>	Fall 2001, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	CBNV CBNV Loan Production Office
<i>Person to whom misrepresentation was made</i>	Merl Boor
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Baratz

<i>Date</i>	Fall 2001, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	GNBT Equity Guaranty, LLC Gloria N. Dollison
<i>Person to whom misrepresentation</i>	Baratz

<i>was made</i>	
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Kruzka

<i>Date</i>	Spring 2001, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	GNBT Equity Guaranty, LLC
<i>Person to whom misrepresentation was made</i>	Kruzka
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Hobson

<i>Date</i>	Spring 2001, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	CBNV CBNV Loan Production Office Chip Wissel Carly Francis
<i>Person to whom misrepresentation was made</i>	Hobson
<i>Predicate offence</i>	Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h). The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires. The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.

Plaintiff Kelly

<i>Date</i>	Summer 2000, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	GNBT Equity Guaranty, LLC Brett Wallin Sierra Cavender

<i>Person to whom misrepresentation was made</i>	Kelly
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Nixon

<i>Date</i>	Winter 2001, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	<p>CBNV CBNV Loan Production Office</p> <p>Joe Dettor Neal Shavitz Patsy V. Boyd</p>
<i>Person to whom misrepresentation was made</i>	Nixon
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended</p>

	Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.
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Plaintiff Cartee

Date	Winter 1999, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
Contents of Misrepresentation	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
Person making misrepresentation	GNBT Equity Guaranty, LLC
Person to whom misrepresentation was made	Cartee
Predicate offence	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Dorman

Date	Fall 2001, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
Contents of Misrepresentation	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
Person making	GNBT

<i>misrepresentation</i>	Equity Guaranty, LLC
<i>Person to whom misrepresentation was made</i>	Dorman
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Roberts

<i>Date</i>	Fall 2000, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	<p>GNBT Equity Guaranty, LLC</p> <p>Kevin Furnary</p>
<i>Person to whom misrepresentation was made</i>	Roberts
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants'</p>

	efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.
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Plaintiff Brown

<i>Date</i>	Summer 2000, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> • That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	CBNV CBNV Loan Production Office
<i>Person to whom misrepresentation was made</i>	Brown
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Gaskin

<i>Date</i>	Summer 2001, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> • That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	CBNV CBNV Loan Production Office
<i>Person to whom</i>	

<i>misrepresentation was made</i>	Gaskin
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Turner

<i>Date</i>	Fall 2000
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	GNBT Equity Guaranty, LLC
<i>Person to whom misrepresentation was made</i>	Turner
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Logan

<i>Date</i>	Summer 2001, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	GNBT Equity Guaranty, LLC
<i>Person to whom misrepresentation was made</i>	Logan
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Drennen

<i>Date</i>	Fall 2001, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	GNBT Equity Guaranty, LLC
<i>Person to whom misrepresentation was made</i>	Drennen
<i>Predicate offence</i>	Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).

	<p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>
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Plaintiff Montgomery

<i>Date</i>	Fall 2001, the precise date of solicitation will be evidenced on Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	GNBT Equity Guaranty, LLC
<i>Person to whom misrepresentation was made</i>	Montgomery
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Wasem

<i>Date</i>	Summer 2001, the precise date of solicitation will be evidenced on
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	Uniform Residential Loan Application.
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the borrower was dealing with a legitimate bank making loans. The Defendants concealed from the borrowers that they were dealing with loan origination offices and consultants and not the Banks themselves.
<i>Person making misrepresentation</i>	CBNV CBNV Loan Production Office
<i>Person to whom misrepresentation was made</i>	Wasem
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Davis

<i>Date</i>	February 22, 1999 (Closing Date)
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; Bona fide, when in fact it was not bona fide; Reasonable, when in fact it was not reasonable; Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> Earned, when in fact it was not earned in that no discounts were given; Bona fide, when in fact it was not bona fide; Reasonable, when in fact it was not reasonable;

	<ul style="list-style-type: none"> • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when
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	<p>they were not.</p> <ul style="list-style-type: none"> The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law.
Person making misrepresentation	CBNV EquityPlus Financial, Inc. Title America, LLC.
Person to whom misrepresentation was made	Davis
Predicate offence	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Kossler

Date	July 28, 1999 (Closing Date)
Contents of Misrepresentation	<ul style="list-style-type: none"> That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; Bona fide, when in fact it was not bona fide; Reasonable, when in fact it was not reasonable; Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> Earned, when in fact it was not earned in that no discounts were given; Bona fide, when in fact it was not bona fide; Reasonable, when in fact it was not reasonable; Paid to the identified recipient when in fact it was not as part of

	<p>a fee split or kickback arrangement.</p> <ul style="list-style-type: none"> • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not.
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	<ul style="list-style-type: none"> The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law.
Person making misrepresentation	CBNV EquityPlus Financial, Inc. and/or Equity Plus Financial, LLC First National Title & Escrow
Person to whom misrepresentation was made	Kossler
Predicate offence	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Porco

Date	September 9, 2000 (Closing Date)
Contents of Misrepresentation	<ul style="list-style-type: none"> That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; Bona fide, when in fact it was not bona fide; Reasonable, when in fact it was not reasonable; Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> Earned, when in fact it was not earned in that no discounts were given; Bona fide, when in fact it was not bona fide; Reasonable, when in fact it was not reasonable;

	<ul style="list-style-type: none"> • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when
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	<p>they were not.</p> <ul style="list-style-type: none"> The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
Person making misrepresentation	GNBT Equity Guaranty, LLC Title America, LLC
Person to whom misrepresentation was made	Porco
Predicate offence	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Mathis

Date	June 7, 2001 (Closing Date)
Contents of Misrepresentation	<ul style="list-style-type: none"> That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; Bona fide, when in fact it was not bona fide; Reasonable, when in fact it was not reasonable; Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> Earned, when in fact it was not earned in that no discounts were given;

	<ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. <ul style="list-style-type: none"> • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a
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	<p>corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not.</p> <ul style="list-style-type: none"> • The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
<i>Person making misrepresentation</i>	GNBT Equity Guaranty, LLC USA Title, LLC
<i>Person to whom misrepresentation was made</i>	Mathis
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Haney

<i>Date</i>	May 23, 2001 (Closing Date)
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> • That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. • That the charge on Line 802 for the loan discount fees as disclosed

	<p>on the HUD-1 Settlement Statement was:</p> <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no discounts were given; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. <ul style="list-style-type: none"> • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth
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	<p>above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not.</p> <ul style="list-style-type: none"> • The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
<i>Person making misrepresentation</i>	GNBT Equity Guaranty, LLC USA Title, LLC
<i>Person to whom misrepresentation was made</i>	Haney
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Picard

<i>Date</i>	November 20, 1999
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> • That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact was not as part of a

	<p>fee split or kickback arrangement.</p> <ul style="list-style-type: none"> • That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no discounts were given; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set
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	<p>forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not.</p> <ul style="list-style-type: none"> • The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
<i>Person making misrepresentation</i>	CBNV Equity Plus Financial, LLC Title America, LLC
<i>Person to whom misrepresentation was made</i>	Picard
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Sabo

<i>Date</i>	October 15, 1999 (Closing Date)
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> • That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement;

	<ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. <ul style="list-style-type: none"> • That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no discounts were given; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. <ul style="list-style-type: none"> • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. <ul style="list-style-type: none"> • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. <ul style="list-style-type: none"> • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. <ul style="list-style-type: none"> • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount
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	<p>Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were:</p> <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not. • The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
<i>Person making misrepresentation</i>	CBNV Equity Plus Financial, LLC Resource Title, LLC
<i>Person to whom misrepresentation was made</i>	Sabo
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Ulrich

<i>Date</i>	August 8, 2000 (Closing Date)
<i>Contents of</i>	<ul style="list-style-type: none"> • That the charge on Line 801 for the loan origination fee as

<i>Misrepresentation</i>	<p>disclosed on the HUD-1 Settlement Statement was:</p> <ul style="list-style-type: none"> • Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. <ul style="list-style-type: none"> • That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no discounts were given; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement.
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	<ul style="list-style-type: none"> • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not. • The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
<i>Person making misrepresentation</i>	GNBT Equity Guaranty, LLC Title America, LLC
<i>Person to whom misrepresentation was made</i>	Ulrich
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Miller

<i>Date</i>	April 30, 1999 (Closing Date)
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> • That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. • That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no discounts were given; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained;

	<ul style="list-style-type: none"> • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not. • The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
<i>Person making misrepresentation</i>	<p>CBNV EquityPlus Financial, LLC Title America, LLC</p>
<i>Person to whom misrepresentation was made</i>	<p>Miller</p>
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Clark

Date	March 20, 2001 (Closing Date)
Contents of Misrepresentation	<ul style="list-style-type: none"> • That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. • That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no discounts were given; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title

	<p>examination was obtained;</p> <ul style="list-style-type: none"> • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. <ul style="list-style-type: none"> • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not. • The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. • That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.
<i>Person making misrepresentation</i>	GNBT Equity Guaranty, LLC USA Title, LLC
<i>Person to whom misrepresentation was made</i>	Clark
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and</p>

	obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.
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Plaintiff Merl Boor

<i>Date</i>	September 22, 2001 (Closing Date)
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> • That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. • That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no discounts were given; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement.

	<ul style="list-style-type: none"> • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not. • The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
<i>Person making misrepresentation</i>	CBNV CBNV Loan Production Office CBNV Affiliated Title Company
<i>Person to whom misrepresentation was made</i>	Merl Boor
<i>Predicate offence</i>	Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h). The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.

	<p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>
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Plaintiff Baratz

<i>Date</i>	January 16, 2001 (Closing Date)
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> • That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. • That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no discounts were given; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up.

	<ul style="list-style-type: none"> • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not. • The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
<i>Person making misrepresentation</i>	GNBT Equity Guaranty, LLC USA Title, LLC
<i>Person to whom misrepresentation was made</i>	Baratz
<i>Predicate offence</i>	Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h). The origination and processing of the loan occurred through the mails,

	<p>including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>
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Plaintiff Kruzka

<i>Date</i>	May 5, 2001 (Loan Closing)
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> • That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. • That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no discounts were given; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up;

	<ul style="list-style-type: none"> • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. <ul style="list-style-type: none"> • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not. • The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
<i>Person making misrepresentation</i>	GNBT Equity Guaranty, LLC USA Title, LLC
<i>Person to whom misrepresentation was made</i>	Kruzka
<i>Predicate offence</i>	Mail and Wire Fraud. Money Laundering and Conspiracy to Commit

	<p>Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>
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Plaintiff Hobson

<i>Date</i>	May 2, 2001 (Loan Closing)
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> • That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. • That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no discounts were given; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract

	<p>of title was obtained and because the charge was marked up;</p> <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. <ul style="list-style-type: none"> • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not. • The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
<p><i>Person making misrepresentation</i></p>	<p>CBNV CBNV Loan Production Office Resource Title</p>
<p><i>Person to whom</i></p>	

<i>misrepresentation was made</i>	Hobson
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Kelly

<i>Date</i>	September 27, 2000 (Loan Closing)
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> • That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. • That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no discounts were given; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split.

	<ul style="list-style-type: none"> • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not. • The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
<p><i>Person making misrepresentation</i></p>	<p>CBNV CBNV Loan Production Office</p>

	Resource Title
<i>Person to whom misrepresentation was made</i>	Kelly
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Dorman

<i>Date</i>	February 11, 2002 (Loan Closing)
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> • That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. • That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no discounts were given; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up;

	<ul style="list-style-type: none"> • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. <ul style="list-style-type: none"> • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not. • The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances</p>
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	permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.
Person making misrepresentation	GNBT Equity Guaranty, LLC USA Title, LLC.
Person to whom misrepresentation was made	Dorman
Predicate offence	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Nixon

Date	February 2, 2001 (Loan Closing)
Contents of Misrepresentation	<ul style="list-style-type: none"> • That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. • That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no discounts were given; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement.

	<ul style="list-style-type: none"> • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when in fact it was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not. • The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not
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	<p>within the tolerances permitted by federal law.</p> <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
<i>Person making misrepresentation</i>	<p>CBNV CBNV Loan Production Office Paramount Title</p>
<i>Person to whom misrepresentation was made</i>	<p>Nixon</p>
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Cartee

<i>Date</i>	<p>February 2, 2001 (Loan Closing)</p>
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> • That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. • That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no discounts were given; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable;

	<ul style="list-style-type: none"> • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when in fact it was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when
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	<p>they were not.</p> <ul style="list-style-type: none"> The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
Person making misrepresentation	GNBT Equity Guaranty, LLC Title America, LLC
Person to whom misrepresentation was made	Cartee
Predicate offence	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Roberts

Date	October 9, 2000 (Loan Closing)
Contents of Misrepresentation	<ul style="list-style-type: none"> That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; Bona fide, when in fact it was not bona fide; Reasonable, when in fact it was not reasonable; Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> Earned, when in fact it was not earned in that no discounts were given;

	<ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. <ul style="list-style-type: none"> • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a
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	<p>corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not.</p> <ul style="list-style-type: none"> The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
Person making misrepresentation	GNBT Equity Guaranty, LLC Title America, LLC
Person to whom misrepresentation was made	Roberts
Predicate offence	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Brown

Date	August 12, 2000 (Loan Closing)
Contents of Misrepresentation	<ul style="list-style-type: none"> That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; Bona fide, when in fact it was not bona fide; Reasonable, when in fact it was not reasonable; Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was:

	<ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no discounts were given; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. <ul style="list-style-type: none"> • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable,
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	<p>they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not.</p> <ul style="list-style-type: none"> • The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
<i>Person making misrepresentation</i>	CBNV CBNV Loan Production Office Resource Title, LLC
<i>Person to whom misrepresentation was made</i>	Brown
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Gaskin

<i>Date</i>	August 8, 2001 (Loan Closing)
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> • That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement.

	<ul style="list-style-type: none"> • That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no discounts were given; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were
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	<p>misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not.</p> <ul style="list-style-type: none"> • The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
Person making misrepresentation	CBNV CBNV Loan Production Office Paramount
Person to whom misrepresentation was made	Gaskin
Predicate offence	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Turner

Date	October 10, 2000 (Loan Closing)
Contents of Misrepresentation	<ul style="list-style-type: none"> • That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; • Bona fide, when in fact it was not bona fide;

	<ul style="list-style-type: none"> • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. <ul style="list-style-type: none"> • That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no discounts were given; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home
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	<p>Ownership and Equity Protection Act Disclosure were:</p> <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not. • The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
<i>Person making misrepresentation</i>	GNBT Equity Guaranty, LLC Title America, LLC
<i>Person to whom misrepresentation was made</i>	Turner
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Logan

<i>Date</i>	July 11, 2001 (Loan Closing)
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> • That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was:

	<ul style="list-style-type: none"> • Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. <ul style="list-style-type: none"> • That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no discounts were given; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. <ul style="list-style-type: none"> • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. <ul style="list-style-type: none"> • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. <ul style="list-style-type: none"> • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement.
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	<ul style="list-style-type: none"> • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not. • The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
<i>Person making misrepresentation</i>	GNBT Equity Guaranty, LLC USA Title, LLC
<i>Person to whom misrepresentation was made</i>	Logan
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Starkey

<i>Date</i>	October 31, 2001 (Loan Closing)
<i>Contents of Misrepresentation</i>	<ul style="list-style-type: none"> • That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. • That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no discounts were given; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained;

	<ul style="list-style-type: none"> • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not. • The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
<i>Person making misrepresentation</i>	GNBT Equity Guaranty, LLC USA Title, LLC
<i>Person to whom misrepresentation was made</i>	Starkey
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>

Plaintiff Drennen

Date	July 28, 2001 (Loan Closing)
Contents of Misrepresentation	<ul style="list-style-type: none"> • That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. • That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no discounts were given; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title

	<p>examination was obtained;</p> <ul style="list-style-type: none"> • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. <ul style="list-style-type: none"> • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not. • The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
<i>Person making misrepresentation</i>	GNBT Equity Guaranty, LLC USA Title, LLC
<i>Person to whom misrepresentation was made</i>	Drennen
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants'</p>

	efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.
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Plaintiff Montgomery

Date	November 16, 2001 (Loan Closing)
Contents of Misrepresentation	<ul style="list-style-type: none"> • That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. • That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no discounts were given; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when in fact was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was:

	<ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. <ul style="list-style-type: none"> • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not. • The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
<i>Person making misrepresentation</i>	GNBT Equity Guaranty, LLC USA Title, LLC
<i>Person to whom misrepresentation was made</i>	Montgomery
<i>Predicate offence</i>	<p>Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h).</p> <p>The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.</p> <p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended</p>

	Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.
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Plaintiff Wasem

Date	August 9, 2001 (Loan Closing)
Contents of Misrepresentation	<ul style="list-style-type: none"> • That the charge on Line 801 for the loan origination fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned and was bogus and part of a fee split or kickback arrangement; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact was not as part of a fee split or kickback arrangement. • That the charge on Line 802 for the loan discount fees as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no discounts were given; • Bona fide, when in fact it was not bona fide; • Reasonable, when in fact it was not reasonable; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the Line 804 charge for a credit report fee as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Bona fide, when in fact it was not bona fide and was marked up; • Reasonable, when in fact it was not and was marked up; • Paid to the identified recipient when it fact was not, it was split. • That the Line 1102 charge for an abstract of title as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no true abstract of title was obtained and because the charge was marked up; • Bona fide, when in fact it was not bona fide because the charge was marked up; • Reasonable, when in fact it was not reasonable because the charge was marked up. • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement.

	<ul style="list-style-type: none"> • That the charge set forth at Line 1103 for Title Examinations as disclosed on the HUD-1 Settlement Statement was: <ul style="list-style-type: none"> • Earned, when in fact it was not earned in that no title examination was obtained; • Bona fide, when in fact it was not bona fide in that no title examination was obtained; • Reasonable, when in fact it was not reasonable in that no title examination was obtained; • Paid to the identified recipient when in fact it was not as part of a fee split or kickback arrangement. • That the disclosure of the Amount Financed, Finance Charge and the Annual Percentage Rate on the Itemization of Amount Financed, Truth in Lending Act Disclosure, and the Home Ownership and Equity Protection Act Disclosure were: <ul style="list-style-type: none"> • accurate, when in fact they were not accurate. The fees as set forth on Lines 801, 802, 804, 1102 and 1103 were misrepresented as being bona fide and reasonable when in fact those fees were neither bona fide nor reasonable as set forth above. Because the fees were neither bona fide nor reasonable, they should have been disclosed and treated as finance charges (and not amounts financed) but were not. Further, as a corollary, the fees should have been disclosed and treated as finance charges included in the calculation of the APR when they were not. • The disclosures of the Finance Charge and APR were within the tolerances permitted by federal law, when in fact they were not within the tolerances permitted by federal law. <p>That the disclosure of the APR on the Home Ownership and Equity Protection Act Disclosure was accurate and within the tolerances permitted by federal law, when in fact it was not accurate and was not within the tolerances permitted by federal law.</p>
<i>Person making misrepresentation</i>	CBNV CBNV Loan Production Office Paramount Title
<i>Person to whom misrepresentation was made</i>	Wasem
<i>Predicate offence</i>	Mail and Wire Fraud. Money Laundering and Conspiracy to Commit Money Laundering. 18 U.S.C. §§ 1341, 1343, 1956(a), 1956(h). The origination and processing of the loan occurred through the mails, including, commercial carriers, and the wires.

	<p>The persons making the representations were aware of the falsity of their representations at the time they were made. The Defendants intended Plaintiffs to rely upon the misrepresentations in order to close the loan, and obtain Plaintiff's agreement to pay the illegal fees and the exorbitant interest on the loans. The false misrepresentations and the Defendants' efforts to conceal their loan origination offices and affiliated title companies constitute acts of money laundering as well.</p>
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d. Whether there has been a criminal conviction for violation of any predicate act and, if so, a description of each such act;

CBNV was the subject of regulatory action by the Federal Deposit Insurance Corporation with respect to its participation in the scheme. Following an examination of CBNV in 1999-2000, the FDIC issued a "Needs to Improve Rating" to CBNV in February 2001 with respect to its Community Reinvestment Act performance ("CRA"). The FDIC noted the tremendous growth of the Bank's home equity lending program, and that the loans were high cost HOEPA loans. The "Needs to Improve" rating on the bank's CRA exam was based on *"violations of the fair lending and consumer protection laws and regulations cited during the concurrent compliance examination"* related to *"irregularities in the marketing and administration of the bank's home equity loan program."* Absent the home equity loan program (which was part of the criminal enterprise), the bank would have earned a Satisfactory rating, FDIC officials said.

After the Report of Examination and the "Needs to Improve" rating was provided to CBNV, the bank contested the rating in discussions with regulators that dragged on for 18 months. In December 2002, CBNV's poor CRA results finally became public. During the time CBNV actively sought to prevent its CRA Rating from becoming public it, it closed its loan production offices and ended the origination of HOEPA loans pursuant to the scheme.

GNBT was also the subject of regulatory action by the Office of the Comptroller of the Currency. GNBT was closed as a result of this predatory lending scheme. A summary of the OCC enforcement actions is as follows:

Row	Party Subject to Action (Name, Company Name, Bank Name)	Organization / Location	Action Type And Amount	Start Date And EA Number	Term Date And TermDoc
1	Guaranty National Bank of Tallahassee	Tallahassee, FL	BCMP \$25,000	7/10/2003 2003-81	
2	Guaranty National Bank of Tallahassee	Tallahassee, FL	C&D	5/2/2003 2003-37	3/12/2004
3	Guaranty National Bank Of Tallahassee	Tallahassee, FL	FA	3/7/1996 96-27	2/10/1999 99-12
4	Guaranty National	Tallahassee, FL	FA	1/25/2002	5/2/2003

	Bank of Tallahassee			2002-2	2003-37
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A number of the principal officers of GNBT were also the subject of regulatory action by the OCC:

Row	Party Subject to Action (Name, Company Name, Bank Name)	Action Type And Amount	Start Date And EA Number	Term Date And TermDoc	Docket Number
1	Alexionok, Linda, Guaranty National Bank of Tallahassee	CMP \$15,000	5/17/2005 5 2005-54		AA-EC-05-31
2	Barrett, David A., Guaranty National Bank of Tallahassee	CMP \$27,500	6/24/2005 5 2005-66		AA-EC-05-30
3	Barrett, David A., Guaranty National Bank of Tallahassee	PC&D	6/24/2005 5 2005-66		AA-EC-05-30
4	Barrett, Rica, Guaranty National Bank of Tallahassee	CMP \$10,000	6/14/2005 5 2005-67		AA-EC-05-32
5	Brooks, Calvin, Guaranty National Bank of Tallahassee	REM	2/26/2004 4 2004-10		
6	Fuqua, Kenneth, Guaranty National Bank of Tallahassee	CMP \$10,000	6/24/2005 5 2005-68		AA-EC-05-33
7	Lauder, Wilma, Guaranty National Bank of Tallahassee	CMP \$10,000	6/8/2005 2005-69		AA-EC-05-34

A principal of an affiliated title company, James R. Niblock, First National Title & Escrow, was convicted of six counts of wire fraud in connection with a scheme to improperly divert settlement funds to payees other than those listed on the HUD-1 settlement statement. Niblock was sentenced to 235 months imprisonment, a three year term of supervised release and ordered Petitioner to pay \$9,867,655.00 in restitution.

e. Whether civil litigation has resulted in a judgment in regard to any predicate act and, if so, a description of each such act;

There have been a number of lawsuits that relate to or that stem from the predatory lending scheme and the predicate acts. Each of the lawsuits below asserts claims under state and/or federal law with respect to the second mortgage loans at issue in this lawsuit.

The actions that are the subject of this appeal are part of a multidistrict proceeding, MDL No. 1674, captioned as “*In re Community Bank of Northern Virginia Mortgage Practices Litigation.*” (JCA-11719) The multidistrict proceeding consists of the following matters:

1. *Davis v. Community Bank of Northern Virginia, et al.*, No. 02-1202;
2. *Sabo v. Community Bank of Northern Virginia, et al.*, No. 02-1563;
3. *Ulrich v. Guaranty National Bank of Tallahassee, et al.*, No. 02-1616;
4. *Mathis v. Guaranty National Bank of Tallahassee, et al.*, No. 02-1999;
5. *Picard v. Community Bank of Northern Virginia, et al.*, No. 02-2000;
6. *Kessler v. GMAC-Residential Funding Corporation*, No. 03-0425;
7. *Bumpers v. Community Bank*, W.D.Pa. Case No. 03-CV-1380.
8. *Hobson v. Irwin Union Bank & Trust Co.* No. 05-cv-0688; and
9. *Drennen v. Community Bank of Northern Virginia*, W.D.Pa. No. 05-cv-01386.

The following actions have also resulted from the predicate acts and have been resolved by way of judgment.

1. *Spann v. Community Bank of Northern Virginia*, Case No. 03 C 7022, N.D.Ill.;
2. *Ransom v. Community Bank of Northern Virginia*, No. 1:04-2236, D.Md.;
3. *Chatfield v. Community Bank of Northern Virginia*, No. 1:04-2235, D.Md.;
4. *Phipps v. Guaranty National Bank of Tallahassee*, Case No. 03-3423;
5. *Avila v. Community Bank of Northern Virginia*,
6. *Calvin v. Guaranty National Bank of Tallahassee, et al.*, Case No.204 CV 04010 NKL, United States District Court for the Western District of Missouri

Additionally, as noted above, in mid-2001, the Office of the Comptroller of the Currency (“OCC”) performed an examination of GNBT. Its findings were set forth in a Report of Examination dated July 23, 2001. The OCC noted a myriad of deficiencies in GNBT’s mortgage lending practices. In January 2002, GNBT entered into a Letter Agreement with the OCC which placed tight controls on the Bank.

Subsequently, in January of 2002, GMAC-RFC stated that it was unwilling to purchase any additional GNBT loans and that it would be returning approximately \$40,000,000.00 in loans that had already been delivered to GMAC-RFC for purchase. As noted in the list of predicate acts, in July 17, 2002, David Shumway sent a letter to Bruce Paradis, then President and C.E.O. of RFC, demanding that RFC purchase the loans that it had returned. RFC reconsidered its decision, and ultimately did repurchase those loans but did not purchase any new loans. GMAC-RFC’s actions had adverse implications for both the Shumway/Bapst Organization and GNBT. Without any purchaser for the loan production, GNBT did not have adequate reserves to maintain the loans in its own portfolio. Therefore, the Shumway/Bapst Organization had no bank to which to refer additional loans, and the Bank had no secondary market purchaser to buy additional loans. During this time, a lawsuit was briefly brought by Equity Guaranty against GNBT related to the issuance of IRS Form 1098’s on unsold loans.

Thus, the mortgage fraud scheme conceived by the Shumway/Bapst Organization ultimately withered away.

Subsequently, the Shumway/Bapst Organization attempted to obtain a license for a new mortgage company named Calusa Investments. This resulted in legal proceedings before the Commonwealth of Virginia State Corporation Commission, Case No. BFI-2004-00013. In rejecting that entity's license application for the second time, the Virginia banking regulators stated: "The applicant's principals have an attitude of utter disdain for compliance with laws and regulations applicable to the mortgage lending/brokering business."

f. A description of how the predicate acts form a "pattern of racketeering activity."

Each of the predicate acts are related in that they had similar purposes, results, participants, victims, methods of commission, were continuous in nature and are otherwise interrelated. In connection with the scheme, Defendants committed no less than 50,000 distinct but continuous predicate acts as against no less than 50,000 victims and used the mails and the wires as described to perpetrate and conceal such frauds on the Plaintiffs and the Plaintiff Class.

During the period of time when GNBT was making the mortgage loans at issue -- from approximately January 2000 through August 2002 -- it originated more than 28,000 loans for a cumulative loan amount in excess of \$1 billion. At least 21,725 loans originated by GNBT were purchased by RFC.

As part of the aforementioned predatory lending scheme, CBNV made at least 22,810 loans that were purchased by RFC and more likely close to 30,000 HOEPA loans to the members of the Plaintiff Class.

With respect to the origination of second mortgage loans pursuant to or in connection with the scheme, the predicate acts amounted to continued criminal activity over a closed period of time, from late 1998 through late 2002. With respect to the servicing of the second mortgage loans and the illegal interest collected in relation to such loans, that activity continued over the life of such loans for a number of years and continues even now to the extent that any loans remain active.

The objective of the enterprises and the conspiracies related thereto was to generate as many high interest and high cost residential second mortgage loans as possible, many of which were used to fill the loan pools securitized by the Investor Defendants. And, because the Investor Defendants did not originate mortgage loans, it was necessary for them to cultivate relationships with third-party loan "originators" to insure that they had access to a steady flow of loan "product" which would then generate income for them through their massive securitization activity.

The enterprises originated over 50,000 loans during a four year period pursuant to the same processes and procedures. These processes and procedures included (1) the solicitation of Class members through direct mail marketing campaigns; (2) the processing and underwriting of loan applications; (3) the preparation of loan papers and authorizations necessary to create binding loans; (4) to arrange for and to conduct the loan closings at the Class members' homes; (5) to wire funds to the Class members and to pay the Class members' creditors; (6) to wire

funds and kickbacks to the participants in the conspiracy; (7) to sell and purchase individual mortgage loans; and (8) to send monthly bills and invoices and to collect mortgage payments.

On each of the loans, the same types of borrowers were uniformly charged the same illegal settlement charges as disclosed on their HUD-1 Settlement Statements. Specifically, the borrowers were all charged that same or similar fees on Lines 801, 802 and 804 for loan origination fees, loan discount fees and credit report fees, and at Lines 1102 and 1103 of the Settlement Statements for abstracts of title and title examinations. The misrepresentations as to the fees that were charged in connection with these loans were uniform and the same or similar as to each of the fees as shown above in the answer to Question 5(c).

The settlement fees collected in connection with the loans at issue were significant sources of revenue not only for the Banks and the Shumway/Bapst companies, but also for the Investor Defendants. More specifically, these fees were typically rolled into the principal of the loans and Defendants derived substantial interest income from these illegal fees while the loans were held in portfolio and then again as a function of the fact that the illegal fees padded the income received when the loans were ultimately securitized.

Because Defendants and the unnamed Shumway/Bapst Organization co-conspirators derived substantial income from the fraudulently procured and unlawful loans RFC actively worked with the Bank Defendants to expand the loan volume being generated by the operation. RFC directly participated in the fraudulent lending activities in that it provided the Bank Defendants with continuing capital and a continuing commitment to purchase the high-cost loan production, notwithstanding that it and certainly the other members of the enterprises knew that the loans included unlawful terms.

RFC knew the precise extent to which every borrower was being defrauded in connection with the loans at issue, as did the members of the enterprise and the unnamed members of the Shumway/Bapst Organization. It possessed this knowledge as a function of:

- its regular presence at the offices where the loans at issue were being solicited, referred and originated,
- its audits of the financial statements of CBNV and GNBT,
- its receipt of all of the original loan files, including the final HUD-1 Settlement Statements, when it purchased the loans at issue,
- its pre-approval of the loans that it was purchasing, and/or
- its post-purchase funding review of the loans.

After CBNV and GNBT began to wind down their relationship with the Shumway/Bapst Organization and RFC, they continued to originate loans through other “consultants” and continued the above-stated fraudulent practices. The Banks continued to sell such loans to other investor-purchasers like the Investor Defendants. These loans had settlement terms that were very similar to the terms in the loans that were sold to RFC. These other Investor-Defendants were also integral to the Banks’ continued scheme and the financing of such a continued scheme.

6. State whether the alleged predicate acts referred to above relate to each other as part of a common plan, and, if so, describe in detail the alleged enterprise for each RICO claim. A description of the enterprise shall include the following information:

a. The names of each individual partnership, corporation, association or other legal entity which allegedly constitute the enterprise;

Yes. The predicate acts were part of a common plan.

There were two primary enterprises that conducted the predicate acts.

The first enterprise, "the CBNV Enterprise," consisted of a formal and/or informal association in fact of individuals and legal entities which included:

- (1) CBNV;
- (2) its Loan Production Offices and Consultants (including EquityPlus Financial, Community Home Mortgage, LLC, Community Plus Financial, Community First Financial, America's Mortgage, LLC, First Security Savings, Inc., and Interbank/Market Makers, LLC, First National Title and Escrow);
- (3) its loan purchasers-investors (primarily, RFC, Irwin); and
- (4) the title companies (including Title America LLC, Resource Title, Paramount Title, Home Title and Escrow, First National Title and Escrow and Papermaster Title and Escrow) which were used by CBNV and its Consultants.

This enterprise was in operation between 1998 and 2002, when the last of the loans originated by CBNV in connection with the scheme were purchased.

In late 1999 to 2000, a second related enterprise was formed. The second enterprise, "the GNBT Enterprise," consisted of a formal or informal association in fact of individuals and legal entities which included:

- (1) GNBT;
- (2) its primary loan production office and consultant, Equity Guaranty LLC;
- (3) its investor-purchasers, primarily RFC; and
- (4) the title companies (primarily Title America LLC and USA Title, LLC) which were used by GNBT and its consultant.

This enterprise concluded its operations in late 2002, when the last of the loans originated by GNBT were purchased.

b. A description of the structure, purpose, function and course of conduct of the enterprise;

Both enterprises functioned as a continuing and functioning unit during the periods of time that they were in operation. The enterprises promoted and consummated and assigned and provided continued capital to finance the home equity mortgage loans made by CBNV and

GNBT. The liable persons were joined in purpose and in their goals to solicit and make the illegal second mortgage loans to borrowers of CBNV and GNBT nationwide (including Plaintiffs whose loans were made by CBNV and GNBT) and to sell those loans to the Investor Defendants, including primarily RFC, and the Defendant Class members. Each of the participants in the scheme profited from the scheme.

CBNV and GNBT, as participants in the scheme, made the loans to their borrowers, funneled the illegal and excessive charges from the loans to the Loan Production Offices and the Consultants, and sold the loans to the Investor Defendants and the Defendant Class Members. The Investor Defendants and the Defendant Class Members participated in the enterprise through their provision of the flow of operating capital to the enterprise through the purchase of the loans that met their criteria for their securitization purposes. The Investor Defendants securitized the loans in order to obtain capital to contribute to the continuation of the enterprises. The companies were affiliated with the Loan Production Offices and Consultants and CBNV and GNBT and were participating in a RESPA markup and kickback scheme.

The leadership structure of the enterprise included (1) primary decision makers at the Banks: (presidents and executive officers of the Banks including, David P. Summers, CBNV; Linda C. Alexionok, GNBT, James McCroan, Vice President, Mark Snipes, CFO, GNBT; Gary Linton, Senior Vice President, Secondary Marketing, GNBT); (2) the Shumway/Bapst Organization (the Shumway brothers and Randy Bapst); and (3) the primary decision makers at RFC and Irwin (Don Russell, and David Summers). These persons were signatories on the agreements which formed, in part, the basis of the scheme and were involved in the operation of the enterprises.

c. Whether each defendant is an employee, officer or director of the alleged enterprise;

Yes, the Defendants, along with the Shumway/Bapst Organization, participated in the design, operation or management of the enterprises and in the direction of the enterprises' affairs.

As noted, the leadership structure of the enterprise included (1) primary decision makers at the Banks: (presidents and executive officers of the Banks including, David P. Summers, CBNV; Linda C. Alexionok, GNBT, James McCroan, Vice President, Mark Snipes, CFO, GNBT; Gary Linton, Senior Vice President, Secondary Marketing, GNBT); (2) the Shumway/Bapst Organization (the Shumway brothers and Randy Bapst); and (3) the primary decision makers at RFC and Irwin (Don Russell, and David Summers). These persons were signatories on the agreements which formed the basis of the scheme and were involved in the operation of the enterprises.

The Defendants also knew of the nature of the conspiracy and that it extended beyond their individual roles in that it required the cooperation and assistance of the loan production offices and the affiliated title companies and service providers.

d. Whether each defendant is associated with the alleged enterprise;

Yes.

- e. **Whether it is alleged that each defendant is an individual or entity separate from the alleged enterprise, or that such defendant is the enterprise itself, or a member of the enterprise; and**

Yes, it is alleged that each defendant is an entity separate from and maintained a distinct existence from the RICO enterprises.

- f. **If any defendant is alleged to be the enterprise itself, or a member of the enterprise, an explanation whether each such defendant is a perpetrator, passive instrument or victim of the alleged racketeering activity.**

No Defendant is alleged to be the enterprise itself.

It is alleged that the Defendants and others are members of the RICO enterprises and perpetrators of, or conspirators with, the other members of the enterprises who perpetrated the unlawful conduct alleged.

The Defendants are perpetrators of the racketeering activity as explained in detail above.

- 7. State and describe in detail whether it is alleged that the pattern of racketeering activity and the enterprise are separate or have merged into one entity.**

No, Plaintiffs do not allege that the pattern of racketeering activity and the enterprise have merged into one entity. The enterprises are distinct and contained a structure that was separate from the pattern of racketeering activity in which it was engaged.

The fact that the enterprises are separate and apart from the alleged pattern of racketeering activities is evidenced by the fact that there are two related and substantively identical enterprises conducting the same types of predicate acts of racketeering on the same scale, based upon the same structure, scheme and design.

- 8. Describe the alleged relationship between the activities of the enterprise and the pattern of racketeering activity. Discuss how the racketeering activity differs from the usual and daily activities of the enterprise, if at all.**

Generally, the activities of the enterprises are the origination, sale, securitization and collection of mortgage loans. The activities of the enterprises are characterized by the mortgage lending operations of CBNV or GNBT and all the entities and activities necessary and commensurate with such lending activities, the financing of such activities and the sales and securitization of such loans.

The pattern of racketeering activity relates to the origination, sale, securitization and collection of second mortgage (home equity) loans made by such enterprises and results from the method in which the members of the enterprises conducted and participated both directly and indirectly, in the conduct of such racketeering activities within the enterprises and their

respective lending activities. This includes the racketeering activity described above including the charging of bogus, excessive, fraudulent, not bona fide, not reasonable, marked up, unearned and otherwise illegal settlement charges or fees. This also includes the payment of those settlement charges to persons who were not identified as the recipients of those fees on the HUD-1 Settlement Statements through an undisclosed fee split or kickback arrangement. This also further includes the material misrepresentation or concealment of the true cost of the loans, the true amount financed, the true finance charges, the true APR, and the true interest and other finance charges associated with such loans.

This racketeering activity was effectuated and perpetrated in a series of continuing criminal acts over a period of time that began in 1998 and ended in late 2002. These series of criminal acts of mail fraud, wire fraud, and money laundering, were committed in substantially the same or similar manner, with the same methods and using the same misrepresentations, fraud and concealments on the federally mandated disclosures, HUD-1 Settlement Statement, Itemization of Amount Financed, Truth in Lending Act Disclosure, HOEPA Disclosure, and the continuation of such racketeering activity in the origination, sale, securitization and collection of no less than 50,000 second mortgage loans constitutes a pattern of racketeering activity.

Further, the racketeering activity and its pattern of using the mails and wires and laundering the money from such unlawful activities to carry on such activities, was: (i) related one to another regarding the second mortgage loans made by such enterprises to approximately 50,000 borrowers or co-borrowers; and (ii) such racketeering activity continued over a number of years, first beginning at the CBNV enterprise and then continuing at the GNBT enterprise. The members of the enterprises, including the Defendants, and the Shumway/Bapst Organization, utilized this predatory scheme for the profit of the originating lender and, significantly, the Shumway/Bapst Organization and the remaining Defendants to continue the scheme and the flow of such second mortgage loans, charging the borrowers with these unlawful and illegal fees and misrepresenting the true costs of the loans and the finance charges associated with such loans, all of which deprived the Plaintiffs and the putative Class members with the true nature of such closing fees and the costs of such second mortgages and deprived them of the consumer protections provided by federal law.

The racketeering activity with respect to the second mortgage loans differed from the usual and daily activities of the enterprises in making and originating mortgage loans. The second mortgage loans provided the originating lenders and the Shumway/Bapst Organization and its related entities with the unique, but related and continuous opportunity of charging these illegal and hidden fees. The enterprises' racketeering activity used the concealment of facts concerning the relationship to the loan production offices to the Banks. The enterprises' racketeering activity also used the concealment of facts and the false representations on the HUD-1 Settlement Statements through the mails and wires, and by money laundering, to charge and profit from the borrowers' payment of the bogus and marked up settlement charges on high cost, high interest second mortgages, along with the corresponding interest and finance charges thereupon. The enterprises as distinguished from the racketeering activity made, for instance, first mortgage loans, that were not illegal and were not subject to the racketeering activity. Therefore the enterprises exist outside the alleged racketeering activity.

This racketeering activity included the effort to continue the scheme and/or to fulfill the Investor Defendants' insatiable appetite to purchase such loans and securitize the same. The enterprises utilized the racketeering activity to impose the charges and to conceal facts from the Plaintiffs which would evidence that the settlement charges were not bona fide and not reasonable. This information would have revealed that the "material" disclosures of the amount financed, finance charge, and APR in the federally mandated disclosures of the Itemization of Amount Financed, Truth in Lending Act Disclosure and HOEPA Disclosure were inaccurate and unlawful in that they disguised or concealed the true costs of the loans. The racketeering activity allowed a mechanism for enterprises to conceal and misrepresent the true cost of the loans from the Plaintiffs.

Moreover, as a further part of this scheme, the enterprises used the pattern of racketeering activity to intentionally undermine the various protections that are provided to borrowers under federal law, including RESPA, TILA, and HOEPA, to ensure that the borrowers all fell victim to the predatory and unlawful lending scheme. The enterprises utilized the racketeering activity to cause Plaintiffs to incur finance charges and other interest charges that they would not otherwise have been obligated to pay in the absence of the fraudulent settlement charges.

9. Describe what benefits, if any, the alleged enterprise receives from the alleged pattern of racketeering.

As noted, the enterprise was utilized to make high interest, high cost loans that the participants could not otherwise make for economic and numerous regulatory reasons. The loans provided numerous monetary and reputational benefits to the Defendants.

Plaintiffs identify examples of how the enterprise and its members benefited from the origination of the loans at issue:

Banks:

- Earned significant income from the Section 800 "origination" fees generated on the loans, even after they paid out referral fees and kickbacks to the loan production offices.
- Benefited from the premiums that the Investor Defendants paid to purchase the loans.
- Benefited from the reputational benefits resulting from the loan volume they were generating.

Investor Defendants:

- Earned significant income through the securitization of the mortgage loans.

- These Defendants could not make or originate the volumes of loans necessary to the scheme but by capitalizing the scheme, the necessary loan volume for their insatiable securitization appetite was secured.

Loan Production Offices:

- Earned significant income from the Section 800 “origination” fees generated on the loans paid to them in the form of referral fees and kickbacks to the loan production offices.
- Benefited from their share of the premiums that the Investor Defendants paid to purchase the loans.

Title Companies:

- Earned significant income from the Section 1100 title charges fees generated on the loans

10. Describe the effect of the activities of the enterprise on interstate or foreign commerce.

The activities of the enterprises significantly affected interstate commerce. The enterprise involved multiple entities spread across the United States (in Virginia (CBNV, loan production offices and title companies), Florida (GNBT), Minnesota (RFC) and New York (JP Morgan)).

The enterprises conducted a nationwide direct mail marketing campaign to solicit the borrowers and to process and underwrite the loans. Borrowers were located across the United States. The enterprises used the mails and wires crossing state lines to intake loan applications and to receive information from borrowers, and to perform basic underwriting functions on the mortgage loans.

In order to close loans, the enterprises contracted with closing agents and other service providers to send original loan documents to borrowers located all over the United States using commercial carriers, to arrange for notaries to appear at “kitchen table” closings and other closings at or near the borrowers’ residences, and to return original executed closing documents through commercial carriers.

In addition, both Banks had in use at the time of the enterprises working websites at:

- CBNV: www.cbnv.com; www.communitybankplus.com; www.house-loan.com
- GNBT: www.gnbebi.com; www.myguarantybank.com

11. If the complaint alleges a violation of 18 U.S.C. § 1962(a), provide the following information:

- a. **The recipient of the income derived from the pattern of racketeering activity or through the collection of an unlawful debt; and**
- b. **A description of the use or investment of such income.**

Not applicable.

12. If the complaint alleges a violation of 18 U.S.C. § 1962(b), describe in detail the acquisition or maintenance of any interest in or control of the alleged enterprise.

Not Applicable.

13. If the complaint alleges a violation of 18 U.S.C. § 1962(c), provide the following information:

- a. **The identity of each person or entity employed by, or associated with, the enterprise and**

These include the following persons identified in answers to Questions No. 2 and 3 were associated with the above-described enterprises.

1. The Bank Defendants:

- a. Community Bank of Northern Virginia (“CBNV”)

Currently known employees/agents:

- David P. Summers (President and CEO)
- Joseph L. Malone (Chairman of the Board)
- Denise M. Calabrese (Senior Compliance Officer)
- Karen Benedict (CFO)
- Dale G. Phelps (CFO)
- Frederick E. Brooks (Operations, Secondary Marketing Manager)
- Christopher D. Mortenson (Senior Loan Officer)
- Richard A. Hutchinson (Senior Operations Manager)
- Robert W. Patterson (Senior Credit Administration Officer)
- Donald Schmaltz (Loan Production Manager)
- John E. Grace (Secondary Marketing Officer)
- Duffy Kneer (Underwriting)
- Valerie Cintron (Closing)
- Angela Howard (Quality Control)
- Shannon R. Palmquist (Underwriting and Post Closing Manager)
- Dewey Hiltner (Senior Loan Officer)
- William R. Easby-Smith (Director)
- Cyrus Katzen (Director)

- David A. Dickens (Director)
- Norman C. Hardee (Director)
- Otis R. Pool (Director)

b. Guaranty National Bank of Tallahassee (“GNBT”)

Currently known employees/agents:

- Linda C. Alexionok, CEO
- Mark Snipes, CFO,
- Gary Linton, Senior Vice President, Secondary Marketing
- James P. McCroan
- Joseph P. Grinder, Quality Assurance Director
- David A. Barrett (Chairman of the Board)
- Calvin Brooks (Vice president)
- Rica Barrett (Director)
- Kenneth Fuqua (Director)
- Wilma Lauder (Director)
- Tom Oldewilder (Attorney)
- Carl Mugnolo (Loan Officer)

2. The “Investor” or “Non-Bank Defendants”:

a. GMAC-Residential Funding Corp., now known as Residential Funding Company, LLC. (“GMAC-RFC” or “RFC”).

Employees/agents:

- Don Russell
- David Marple
- Steven Mangold

b. JP Morgan Chase Bank, formerly known as The Chase Manhattan Bank (“JP Morgan-Chase”).

c. Irwin Union Bank and Trust Company (“Irwin”).

Currently known employees/agents:

- David Sommer (Director, Correspondent Lending)
- Lisa Quiroz (Operations Manager)
- Jo Ann M. Duncan (Associate Director, Intermediary Management)
- Mary Miller (Client Relations Specialist)
- Spencer J. Carlsen (Senior Vice President)

- Brenda Nirenstein
 - Pam Lapato
 - Erika Fontes
 - Edwin K. Corbin
 - Gary Iorfido
 - Brian Cline (Chief Compliance Officer)
 - Paul Jullien (Compliance Consultant)
 - Aris C. Angelopoulos
3. Defendant Class members
 4. The Shumway/Bapst Organization (David, Devan and Chris Shumway, and Randy Bapst)
 5. Affiliated Loan Production Offices and Consultants, including:

These alleged wrongdoers and known principals include:

- EquityPlus Financial, LLC (Randy Bapst, David Shumway)
- Equity Guaranty, LLC (Randy Bapst, David Shumway, Michael Morin)
 - Currently known employees:
 - Shiraj Mundy
 - Joel DeClue
 - Thomas Eck IV
 - Lisa Purdue
 - Theresa Ritter
 - James Bell
 - Lee Jacobsen

CBNV Loan Production Offices (approx. 1998-2000):

- EquityPlus Financial, LLC (Randy Bapst, David Shumway)
- Community Home Mortgage, LLC (William MacNeill, Mark Clem)
- Community Plus Financial, Inc. (“Reston”)(Chris Leavy)
- Fidelity First, LLC (“Columbia”)(James Raker)
 - Related entities:
 - Fidelity First Financial Corp (Delaware Corp)
 - Fidelity First Lending, Inc. d.b.a. Valley Pine Mortgage
 - Fidelity First Lending, Inc. d.b.a. Union First Funding Group
 - Fidelity First Mortgage, LLC
 - Fidelity First Mortgage, LLC d.b.a Union First Funding Group
- First Security Savings, Inc. (“Reston South”)(Eric Johnson)
- Interbank/Market Makers, LLC (“Herndon”)(James O’Connor)

- America's Mortgage, LLC (James Niblock)
 - Related entities:
 - AmericasBank Mortgage Corp.
 - Americas Mortgage Corporation
 - Americas Mortgage, LLC

CBNV/GNBT Loan Production Offices (approx. 2000-2002)

- Equity Guaranty, LLC (Randy Bapst, David Shumway)
- EquityPlus Financial, LLC (Randy Bapst, David Shumway)
- Columbia, Maryland Office (Dwight Hiltner, Rob Posner, Bon Shanklin)
- Landham, Maryland Office
- Rockville, Maryland Office (Chris Leavy)
- Tyson, Virginia Office (Jon Romano, Dave Oliverio)

6. *Affiliated Title Companies and Service Providers*

These alleged wrongdoers and known principals include:

- Title America, LLC
 - Title America Holdings, Inc.
- USA Title LLC (Mary Jo Speier, Steve Parrish)
 - Related Entities:
 - USA Settlements, LLC
 - USA Settlements Holdings, Inc.
- Resource Title, LLC (Millard Rubenstein)
- Home Title (Dennis Hoover)
- Papermaster Title and Escrow (Stephen J. Papermaster)
- Paramount Title & Escrow (Benjamin Soto)
- First National Title & Escrow (James R. Niblock)
- General American Corporation
- Mediapro, LLC

b. Whether the same entity is both the liable "person" and the "enterprise" under § 1962(c).

None of those identified above are both the liable person and the enterprise under §1962(c). Instead, the enterprises and each of them are separate and apart from the liable persons and the non defendants, who are members of the enterprise.

14. If the complaint alleges a violation of 18 U.S.C. § 1962(d), describe in detail the alleged conspiracy.

The objective of the conspiracy at issue was to generate as many high interest and high cost residential second mortgage loans as possible because the more loans generated meant that

more profit was generated from the beginning of the transaction chain through the securitization of such loans and then the subsequent and continued collection of the high-cost interest generated from such loans. Therefore, the Defendants conspired to originate, sell, securitize and collect high cost, high interest second mortgage loans containing fraudulent, unearned, bogus, marked up, not bona fide, not reasonable, and otherwise fraudulent fees and through a pattern of racketeering activity which would conceal the true costs of the loans from the Class members through misrepresentations of the material disclosures required by federal law.

The members of the enterprises and the Defendants and the Defendant Class members agreed and became co-conspirators with the other members of the respective enterprises as to the goal of the enterprises and facilitated and supported the endeavor by providing the flow of capital to the Banks, making them subject to conspiracy liability under 18 U.S.C. § 1962(d).

The scheme described in detail above ended when the loan purchasers, including the Investor Defendants and the Defendant Class members stopped the flow of capital to the Banks and the Consultants, even though the damages from such a scheme continued over the life of such loans.

Additionally, the Investor Defendants and the Defendant Class members conspired with and agreed, knowingly, to participate in the racketeering acts and goals of the enterprise as set forth with particularity above. They agreed with the Consultants and the Banks to the conducting of the enterprise through the fraudulent scheme, which agreement included the their actual participation in the enterprises by pre-approving loans and financing their operations, which allowed the enterprises to not only continue, but to proliferate, making more victims on the one hand, but on the other, more profits for the Consultants, the Banks and the Investor Defendants and the Defendant Class members, The scheme was dependent upon the continuous source of money and flow of capital necessary to continue the scheme and the enterprise, all in violation of 18 U.S.C. § 1962(d).

15. Describe the alleged injury to business or property.

The Class members' "property" was directly injured. The Class Members justifiably relied to their detriment or, alternatively, may be logically presumed to have relied to their detriment, and incurred monetary loss by consummating the lending transactions with what was represented to be and was believed to be legitimate lenders, but were, in fact, part of a predatory scheme in which the Banks used a consulting arrangement scheme to lend an air of legitimacy to the transaction. It was, in fact a false air of legitimacy, upon which misrepresentations plaintiffs and the Class members justifiably relied to their detriment or, alternatively, may be logically presumed to have relied to their detriment in that instead of dealing with legitimate lenders, the Plaintiffs and Class members unknowingly, dealt with a fraudulent and illegitimate scheme.

The Class members were damaged by reason of such fraudulent racketeering activity as follows:

- Had the Class members known that the excessive and unlawful fees charged to them on their second mortgage loans and were being used as part of a fraudulent

and illegitimate scheme that funneled what turned out to be excessive charges paid for by the Class members to the Consultants and their affiliated entities including certain title companies, the Class members would have been unwilling to pay such fees and charges. Thus, the Class members were damaged by reason of the racketeering activity by the payment of the fraudulent, unearned, bogus, marked up, not bona fide, not reasonable, and otherwise fraudulent fees. Those damages are trebled under 18 U.S.C. §1964(c).

- Had the Class members known that the fees charged in connection with their loans were neither bona fide nor reasonable, then they would have known the true costs of their loans, which are the intended consumer protections provided by the Real Estate Settlement Procedures Act and the Truth in Lending Act and Home Ownership and Equity Protection Act, and are effectuated through the federally mandated uniform and legally defined “material disclosures” of the finance charge and Annual Percentage Rate on the HUD-1 Settlement Statement, Itemization of Amount Financed, Truth in Lending Act Disclosure and the Home Ownership and Equity Protection Act Disclosure. Therefore, because the fraudulent acts were intentional, and intentionally directed to deprive the Class members of information necessary to understand or consider the true costs of their loans, the Class members were injured by Defendants’ intentional concealment and/or misrepresentation of the true costs of their loans. Congress has expressly provided for damages when the defendant has deprived the borrower of the true costs of the loans at 15 U.S.C. § 1640. Those damages are trebled under 18 U.S.C. §1964(c).

16. Describe the direct causal relationship between the alleged injury and the violation of the RICO statute.

The direct causal relationship between the injuries to the Class members and the violations of the RICO statute in that without the violations of RICO, and the predicate acts of mail and wire fraud, and money laundering:

- the Defendants would have been unable to originate high cost, high interest mortgage loans containing bogus, excessive and marked up settlement charges;
- the Defendants would have been unable to conceal from the Class members information which would reveal that the settlement charges were neither bona fide nor reasonable;
- the Defendants would have been unable to charge and collect from the Class members: (1) the illegal marked up settlement charges, (2) the settlement charges that were neither bona fide nor reasonable;
- the Defendants would have been unable to misrepresent the “material” disclosures required by TILA and HOEPA and to conceal the true costs of the loans so as to deprive the Class members of the consumer protections provided by law; and

- the Defendants would have been unable to obtain the Class members' agreement to pay illegal finance charges and interest amounts.

17. List the damages sustained by each plaintiff for which each defendant is allegedly liable.

The damages sustained by each Plaintiff and the Class Members are as follows:

- The Class members relied to their detriment by consummating the lending transactions and paying the illegal fees and interest charges and finance charges that they would otherwise be obligated to pay in the absence of Defendants' frauds;
- Each Class member paid illegal or excessive settlement or closing costs in Section 800 and 1100 of their HUD-1 Settlement statements, including, but not limited to, fees illegally paid to the participants in the enterprises despite what was disclosed to them on their HUD-1 Settlement Statements;
- These illegal fees were financed into the principal amounts of the loan. As such, the Class members paid interest and finance charges on the loans and the illegal fees that they would otherwise not be obligated to pay in the absence of the frauds; and
- Because the fraudulent acts were intentional, and intentionally directed to deprive the Class members of information necessary to understand or consider the true costs of their loans, the Class members are entitled to the damages that Congress has expressly provided to consumers when the defendant has deprived the borrower of the true costs of the loans at 15 U.S.C. § 1640. Those damages are trebled under 18 U.S.C. §1964(c); and
- The Class members were also deprived of the time value of their money such that pre-judgment interest is warranted.

18. List all other federal causes of action, if any, and provide the relevant statute numbers.

Count I: Violations of the Real Estate Settlement Procedures Act ("RESPA"), 12 U.S.C. §2607

Count II: Violations of the Truth in Lending Act ("TILA") and the Home Ownership and Equity Protection Act ("HOEPA") for Inaccurate and Understated Material Disclosures; 15 U.S.C. §§1602(aa), 1639, 1640, 1641; Regulation Z at 12 C.F.R. § 226.32

Count III: Multiple Violations of the Substantive Provisions of TILA and HOEPA, 15 U.S.C. §§1635, 1639, 1640, 1641; Regulation Z at 12 C.F.R. § 226.32

Count IV: Declaratory Judgment that the Class Members Have a Right to Rescind their Loans , 15 U.S.C. §§1635, 1639, 1640, 1641 Regulation Z at 12 C.F.R. § 226.32

19. List all pendent state claims, if any.

None.

20. Provide any additional relevant information that would be helpful to the court in processing the RICO claim.

Plaintiffs refer the Court to the Third Circuit's decisions in:

- *In re Community Bank of Northern Virginia*, 418 F.3d 277 (3rd Cir. 2005)("Community Bank I")
- *In re Community Bank of Northern Virginia*, 622 F.3d 275 (3rd Cir. 2010)("Community Bank II").

Dated: October 18, 2011

By /s/ R. Bruce Carlson

R. Bruce Carlson (PA ID #56657)
Gary Lynch (PA ID # 56887)
Stephanie K. Goldin (PA ID # 202865)
CARLSON LYNCH LTD.
– *Interim Class Counsel*
P.O. Box 367
231 Melville Lane
Sewickley, PA 15143
(412) 749-1677
(412) 749-1686 (Facsimile)

Daniel O. Myers
LAW OFFICES OF DANIEL O. MYERS
1127 Queensborough Blvd., Suite 105
Mt. Pleasant, SC 29464
(843) 654-7440
(843) 654-7441

A. Hoyt Rowell, III
RICHARDSON, PATRICK, WESTBROOK
& BRICKMAN, LLC
1037 Chuck Dawley Blvd., Bldg. A

By /s/ R. Frederick Walters

By /s/ Garrett M. Hodes
R. Frederick Walters
J. Michael Vaughan
David M. Skeens
Garrett M. Hodes
WALTERS BENDER STROHBEHN &
VAUGHAN, P.C.
– *Interim Class Counsel*
2500 City Center Square
12th & Baltimore
P.O. Box 26188
Kansas City, MO 64196
(816) 421-6620
(816) 421-4747 (Facsimile)

Scott C. Borison, Esq.
LEGG LAW FIRM, LLC
5500 Buckeystown Pike
Frederick, MD 21703
(301) 620-1016
(301) 620-1018 (Facsimile)

Mt. Pleasant, SC 29464
(843) 727-6550

Franklin R. Nix, Esq.
LAW OFFICES OF FRANKLIN NIX
1020 Foxcroft Road, N.W.
Atlanta, GA 30327-2624
(404) 261-9759
(404) 261-1458 (Facsimile)

Knox McLaney, Esq.
MCLANEY & ASSOCIATES, P.C.
P. O. Box 4276
Montgomery, AL 36104
(334) 265-1282
(334) 265-2319 (Facsimile)

CERTIFICATE OF SERVICE

I hereby certify that I filed this document electronically with the United States District Court for the Western District of Pennsylvania with notice of case activity to be generated and sent electronically by the Clerk of the Court to all designated persons this 18th day of October 2011.

/s/ Garrett M. Hodes