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Fees waived under N.J. Ct. R. 1:13-2(a)

US BANK NATIONAL ASSOCIATION, AS : SUPERIOR COURT OF NEW JERSEY
 TRUSTEE FOR CSFB MORTGAGE- : CHANCERY DIVISION
 BACKED PASS-THROUGH : ESSEX COUNTY
 CERTIFICATES, SERIES 2006-3 :

Plaintiff :

v. :

JARRELL JONES AND :
 MRS. JARRELL JONES, HIS WIFE :
 MORTGAGE ELECTRONIC :
 REGISTRATION SYSTEMS, INC., AS : ANSWER AND AMENDED
 NOMINEE FOR INFINITY HOME : THIRD-PARTY COMPLAINT
 MORTGAGE COMPANY, INC.; :
 STATE OF NEW JERSEY :

Defendant :

JARELL JONES, :

Third-Party Plaintiff :

v. :

BLU FINANCIAL GROUP, INC., :
 MAURICE BETHEA, :
 URBAN UPLIFTMENT, INC., :
 BORN ASIATIC, INFINITY HOME :
 MORTGAGE COMPANY, INC., :
 EQUITY APPRAISAL SERVICES, INC., :
 CARLOS J. JAMBRINA, :
 WILLIAM OTTAVIANO, :
 GREENFIELD ASSET HOLDINGS, INC. :

Third-Party Defendants :

PRELIMINARY STATEMENT

Defendant/Third-Party Plaintiff Jarell Jones, a mother of seven children and first-time home buyer, is currently in danger of foreclosure due to the fraudulent actions of Third-Party Defendants who sold her the property, made fraudulent and predatory loans in connection with the purchase of the property, and overstated the value of the property. Liability passes on to Plaintiff, US BANK NATIONAL ASSOCIATION, as an assignee with no Holder in Due Course defense.

CONTESTED ANSWER

Defendant, Jarell Jones, whose principle residence is located at 18 Treacy Avenue, Newark, NJ 07108 in Answer to Plaintiff's Foreclosure Complaint says:

FIRST COUNT

1. Defendant, Jarell Jones, (hereinafter referred to as "Defendant") admits the allegation that a Note was executed on November 11, 2005 and as to the remaining allegations of Paragraph One of the First Count of Plaintiff's Complaint, Defendant denies the allegations to the extent they are inconsistent with the document, which speaks for itself.
2. Defendant admits that the Defendant executed a mortgage to Electronic Registration Systems, Inc, as nominee for Infinity Home Mortgage Company, Inc. As to the remaining allegations of Paragraph Two of the First Count of Plaintiff's Complaint, Defendant denies the allegations to the extent they are inconsistent with the document, which speaks for itself.
3. Defendant admits the allegations of Paragraph Three of the First Count of Plaintiff's Complaint.
4. Defendant neither admits nor denies the allegations of Paragraph Four of the First Count of Plaintiff's Complaint, as Defendant does not have sufficient knowledge to admit or deny this statement, leaving the Plaintiff to its proof.

5. Defendant admits that a mortgage existed and as to the remaining allegations of Paragraph Five of the First Count of Plaintiff's Complaint Defendant denies the allegations to the extent they are inconsistent with the document, which speaks for itself.

6. Defendant answers the allegations of Paragraph Six of the First Count of Plaintiff's Complaint as follows:

- a. Defendant denies the allegations of Subpart A of Paragraph Six of the First Count of the Plaintiff's Complaint, as Defendant, Jarell Jones, is a woman and the sole holder of the Note and Mortgage.
- b. Defendant neither admits nor denies the allegations of Subpart B of Paragraph Six of the First Count of the Plaintiff's Complaint, except for the allegation of the existence the Note and Mortgage which Defendant admits.
- c. Defendant denies the allegations of Subpart C of Paragraph Six of the First Count of the Plaintiff's Complaint, as the listed judgment does not pertain to the Defendant.

7. Defendant admits the allegations of Paragraph Seven of the First Count of Plaintiff's Complaint that a Note and Mortgage existed. As to the remaining allegations Defendant denies the allegations to the extent they are inconsistent with the document, which speaks for itself.

8. Defendant admits the allegations of Paragraph Eight of the First Count of Plaintiff's Complaint that a Note and Mortgage existed and that Defendant has not made payments as required by said Note or Mortgage, but denies liability for the nonpayment. As the underlying transaction was illegal and unconscionable, Plaintiff is not owed the entire unpaid principle sum due on the Note and Mortgage.

9. Defendant denies the allegations of Paragraph Nine of the First Count of Plaintiff's Complaint. As the underlying transaction was illegal and unconscionable, Plaintiff does not have a priority of lien against the Defendant.

10. Defendant denies the allegations of Paragraph Ten of the First Count of Plaintiff's Complaint.

WHEREFORE, Defendant demands judgment against the Plaintiff denying its requested relief.

SECOND COUNT

1. Defendant denies the allegations of Paragraph One of the Second Count of Plaintiff's Complaint.

2. Defendant denies the allegations of Paragraph Two of the Second Count of Plaintiff's Complaint.

3. Defendant admits the allegations of Paragraph Three of the Second Count of Plaintiff's Complaint that an installment payment was due on September 1, 2006 and has not been paid, but denies liability for the nonpayment as the underlying transaction was illegal and unconscionable.

4. Defendant admits that Defendant is in possession of the property and denies the remaining allegations of Paragraph Four of the Second Count of Plaintiff's Complaint.

WHEREFORE, Defendant demands judgment against the Plaintiff denying its requested relief.

FIRST AFFIRMATIVE DEFENSE

Defendant is entitled to recoupment because the Plaintiff is not a holder in due course.

1. The Plaintiff is liable as assignee of the Note for violations of New Jersey's Consumer Fraud Act, legal fraud, equitable fraud, fraudulent misrepresentation, and negligent misrepresentation, committed by Third-Party Defendant Infinity Home Mortgage Company as alleged in Paragraphs 96 – 153 of the 3rd Party Complaint *infra*.

2. The Plaintiff is liable as assignee because it had proper notice of Infinity Home Mortgage Company's fraudulent activity regarding the Defendant's "predatory" loan. The Plaintiff received this notice at a time and in a manner that gave it a reasonable opportunity to act upon the notice. The Plaintiff received notice in a variety of ways, including but not limited to the letter attached hereto as Exhibit 1.

3. Therefore, the Defendant is entitled to recoupment for the above violations under N.J.S.A. § 12A:3-302.

WHEREFORE, Defendant demands dismissal of Plaintiff’s complaint and such other relief as the Court deems just and equitable.

SECOND AFFIRMATIVE DEFENSE

Defendant is entitled to recoupment and other relief because the underlying mortgage transaction was fundamentally illegal and fraudulent.

1. The Plaintiff is not entitled to assert its claims because the underlying transaction in question was fundamentally fraudulent and illegal, as set forth in Paragraphs 35 – 95 of the Defendant’s 3rd Party Complaint *infra*.

2. As a result, the Defendant cannot be liable to the Plaintiff for payment because the illegality of the transaction is sufficient to nullify the obligation under New Jersey’s Consumer Fraud Act, N.J.S.A. § 56:8-1 *et seq.*, and under N.J.S.A. § 12A:3-305.

WHEREFORE, Defendant demands dismissal of Plaintiff’s complaint and such other relief as the Court deems just and equitable.

THIRD-PARTY COMPLAINT

Statement of the Case

1. Third-Party Plaintiff, Jarell Jones (“Ms. Jones”) seeks relief for multiple violations of federal and state statutes, to wit: the Equal Credit Opportunity Act (15 U.S.C. §1691 *et seq.*), Federal Fair Housing Act (42 U.S.C. §§ 3601, *et seq.*) and the New Jersey Consumer Fraud Act (N.J.S.A. §§ 56:8-1 *et seq.*), as well as Common Law Fraud and Misrepresentation, Equitable Fraud, Conspiracy to Commit Fraud and Misrepresentation, and Conspiracy to Violate the New Jersey Consumer Fraud Act.

2. Upon information and belief, the corporate and individual Third-Party Defendants, conspiring and acting in concert with each other and others, regularly engaged in a widespread

pattern of fraudulent business activity known as “predatory property flipping and predatory lending” which involve deception and misrepresentation.

3. Upon information and belief, Third-Party Defendants consciously and intentionally targeted Ms. Jones, who is a low income African-American woman, as one of the victims of their combined fraudulent property flipping, selling, and lending schemes.

4. Upon information and belief, the overwhelming majority of predatory and inflated sales of residential property by Third-Party Defendants are made to inexperienced, minority home-buyers, similar to Ms. Jones, who was specifically targeted as a preferred victim because she lacked the experience or frame of reference to identify a predatory sale.

PARTIES

Third-Party Plaintiff:

5. Jarell Jones (“Ms. Jones”) is a low-income mother of African-American descent who, on or about November 11, 2005, purchased a home located at 18 Treacy Avenue, Newark, New Jersey 07108 (hereinafter “the property”) from defendant Blu Financial Group, Inc.

Third-Party Defendants and the role of each in the conspiracy to defraud Third-Party Plaintiff:

6. Blu Financial Group, Inc. (“Blu Financial”) is a New Jersey corporation with a listed address of 58 Vose Avenue, South Orange, New Jersey on all corporate documents given to Ms. Jones, and a listed address of 6 White Terrace, Newark, New Jersey on status reports obtained from the New Jersey Secretary of State.

7. Maurice Bethea (“Bethea”) is the owner, founder and President of Blu Financial Group, Inc., (“Blu Financial”) which, upon information and belief, is operated under Bethea’s complete control. Bethea’s address as registered agent of Blu Financial is 6 White Terrace, Newark, New Jersey.

8. Bethea played a variety of roles in the fraudulent conspiracy alleged herein, including but not limited to the following: discouraging and preventing Ms. Jones from shopping around for other houses to buy and mortgage lenders from which to obtain financing; falsely convincing Ms.

Jones that the property sale was fair and her best “deal” despite the fact that Blu Financial paid \$200,000 less than Ms. Jones for the same property only three months earlier. Bethea not only made a variety of misrepresentations, which will be described in detail below, but also played upon Ms. Jones’s race in an effort to convince her that he, as an African-American “Brother and Muslim” was motivated by a desire to help her obtain a home. He repeatedly invoked his own African-American race and religious background to both disarm and reassure Ms. Jones into believing that he would “never cheat her.”

9. Urban Upliftment, Inc., Born Asiatic, and Greenfield Asset Holdings, Inc are business entities, which, upon information and belief, are associated with Blu Financial, and wholly owned by Bethea, with an address listed as 55 Welland Avenue, Irvington, New Jersey, 07011. This is the location where Ms. Jones was taken for all meetings with Blu Financial.

10. Infinity Home Mortgage Company, Inc. (“Infinity”) is a New Jersey Corporation with offices listed as 1834 Olney Avenue, Suite 100, Cherry Hill, New Jersey 08003. Upon information and belief, Infinity prepared and obtained the fraudulent “predatory” loan for Ms. Jones based upon a variety of false, fraudulent and deceptive acts and statements upon which Ms. Jones relied, and also engaged in various acts of fraudulent concealment that furthered the fraudulent scheme.

11. Equity Appraisal Services, Inc. (“Equity Appraisal”), with an address listed at 19-A Chapin Road #2, P.O. Box 262, Pine Brook, New Jersey 07058, provided the over-inflated appraisal of the property Ms. Jones purchased and, upon information and belief, provided Blu Financial with various over-inflated values for prior and future properties Blu Financial sold to unsuspecting homebuyers.

12. William Ottaviano (“Ottaviano”), employed by Equity Appraisal, prepared and signed the over-inflated appraisal report on the property purchased by Ms. Jones. Upon information and belief, Ottaviano falsely represented himself as an officially licensed appraiser in the State of New Jersey despite the fact that he only held an expired appraiser trainee permit.

13. Carlos J. Jambrina (“Jambrina”) is the Assistant Vice President of Infinity and resides at 374 Tuvira Lane, Cherry Hill, New Jersey 08003. His role in the conspiracy to defraud Ms. Jones involved creating a variety of false, fraudulent and deceptive documents for the “predatory” loan.

STATEMENT OF FACTS

14. Third-Party Plaintiff Jones -- the mother of seven children and two grandchildren who all live with her -- had always dreamed of owning a home.

15. Ms. Jones never graduated from high school and was previously on public assistance.

16. However, recently Ms. Jones successfully obtained her high school diploma and has been fully employed for more than four years as an officer with the Transportation Security Administration (“TSA”) at Newark Liberty International Airport.

17. Since becoming fully employed, Ms. Jones had paid all of her bills on time until the Third-Party Defendants induced her into a mortgage transaction that exceeded her reasonable ability to pay.

Initial Meetings with Blu Financial

18. Beginning in 2004, Ms. Jones had conversations with representatives of Blu Financial regarding the potential purchase of a home.

19. Blu Financial came to Ms. Jones’s attention as a community-based company that had access to homes for sale in Newark, New Jersey.

20. In 2004 and early 2005, Defendant Bethea, Blu Financial’s president, told Ms. Jones that if she gave a down payment to Blu Financial, they would help her purchase the home of her dreams and obtain 100% financing.

21. Much of Bethea’s sales pitch played upon Blu Financial’s purported racial loyalties to other minority buyers like Ms. Jones, and was designed to generate an unwarranted trust and reliance upon his representations.

22. This race-based pitch, as part of a planned and calculated method of operation engaged in by Blu Financial, is consciously intended to overcome and disarm prospective minority home buyers, like Ms. Jones, of any natural skepticism they may have had at the outset.

23. During June 2005, Ms. Jones had further discussions with Bethea about purchasing a home, during which Bethea aggressively continued to play upon the race issue, and his purported commitment to helping Ms. Jones and her family -- fellow African-Americans -- find the right house at the right price and achieve their share of the American dream -- home ownership.

24. On or about July 6, 2005, Ms. Jones went to Blu Financial and met with representatives to inform them of her decision to purchase a home. Ms. Jones gave Blu Financial a cash deposit in the amount of \$1700. (See Exhibit 2, attached hereto).

25. After tendering a deposit, Ms. Jones met with a Blu Financial employee named "Faheem" sometime in August 2005. Faheem drove her to see a 3-family house for sale at 18 Treacy Avenue in Newark, New Jersey, Essex County ("the property"). Ms. Jones did not see the inside of the property.

26. Unbeknownst to Ms. Jones, Blu did not own the property at the time Faheem showed her the house in July. Later, on August 19, 2005, Blu Financial purchased the property from CIT Group Consumer Finance Inc. ("CIT") for a total of \$185,125. (Ms. Jones would later pay \$435,000 for the same property). (See Exhibits 3 & 5, attached hereto).

27. After they viewed the inside of the home during a second visit to the property, Blu Financial employee Faheem told Ms. Jones that the house was "hers" if she wanted it. Faheem also stated that the property would look "brand new" after the repairs were finished in approximately ninety days.

28. It was impossible for Ms. Jones to determine how much work was necessary and whether the repairs to the property were substantial alterations or "cosmetic" in nature. Ms. Jones relied on Blu Financial's representations of the condition of the house.

29. That same day, Ms. Jones informed Blu Financial that she was interested in purchasing the property.

30. Defendant Bethea told Ms. Jones that Blu Financial would continue to repair the property and that the company would “provide everything” for the closing and mortgage process.

31. On this and other occasions, Ms. Jones was urged and encouraged to rely entirely on the Third-Party Defendants, individually and as a group, to look after and protect her interests, and was aggressively discouraged from retaining any independent advice and counsel, whether legal, financial or otherwise. In reliance on Bethea’s strong assurances, Ms. Jones did not seek assistance from a lawyer, bank or appraiser.

32. Ms. Jones was not given the initial sales price of the property at that time. Bethea mentioned many price quotes, ranging from \$300,000 to \$400,000. Ms. Jones was told that the property purchase price would not be finalized until the repairs were completed.

33. Upon information and belief, it is part of the fraudulent scheme alleged herein to withhold the quotation of any sale price for the property until after Blu Financial, acting in concert with the other Third-Party Defendants, obtains the maximum purchase price – based on over-inflated appraisals-- for its intended victims.

34. To further induce Ms. Jones into buying the property from Blu Financial, Bethea repeatedly stated to her that if her building wasn’t rented out, Blu would make the January mortgage payment for her.

Steering, Fraudulent Mortgage and Loan Transactions

35. After obtaining Ms. Jones’s \$1700 cash deposit and acting in collusion with Defendant Infinity and other individuals, Defendant Bethea convinced Ms. Jones to borrow more than \$400,000 for the purchase of the property.

36. Upon information and belief, Blu Financial provided loan application documents for Ms. Jones to sign that falsely indicated that she was a “single white male,” with “no dependents” and steered her to a loan with Infinity. (See Exhibit 4, attached hereto).

37. The Infinity mortgage application documents that Blu Financial asked Ms. Jones to sign were left blank in many material respects. Unsophisticated buyers like Ms. Jones do not understand that this is an improper business practice or realize that Infinity gave her an interest - only loan with a balloon payment. (See *id.*)

38. Ms. Jones was initially told that her mortgage payments would be approximately \$2500 per month and that they could easily be paid with rental income from future tenants Blu Financial would help her obtain.

39. Ms. Jones was never told to fill in any of the blank provisions on the application forms. Rather, Ms. Jones was only told by Third Party Defendants not to “worry about it” and to sign the blank documents.

40. Ms. Jones also received a brief telephone call from Third-Party Defendant Jambrina of Infinity, who would have discerned from her voice on the telephone that she was not a “single white male.”

41. Apart from the brief telephone call with Third Party Defendant Jambrina, at no time did Infinity personally interview Ms. Jones or ask her to submit documentation to verify income, debt, assets and source of funds to purchase the property.

42. Despite Ms. Jones’s less than perfect credit score, low annual income (\$31,000) and a prior bankruptcy when she was on public assistance, Infinity approved her for two mortgage loans totaling more than \$400,000.

43. Moreover, Infinity’s two November 1, 2005 Good Faith Estimates indicated two different sales prices and fraudulently alleged different down payments for Ms. Jones’ two mortgage applications. (See Exhibit 5, attached hereto).

44. When Ms. Jones asked Bethea why she did not have to provide pay stubs or fill out any paperwork, Bethea laughed and stated that “you make \$31,000 a year...How do you get approved for a loan for a \$400,000 house making that little? You have good credit, so you get no doc.

That's why we did a no doc loan." Bethea also stated that Blu Financial's good "business contacts" helped her obtain the loans.

45. In addition, Ms. Jones never met personally with the lender Infinity or its employee, Jambrina, who was listed on her mortgage documents as Infinity's Vice President and who, upon information and belief, acted on behalf of Infinity throughout the mortgage process.

46. The mortgage documents, signed by Infinity's Jambrina, characterize Ms. Jones as a "single white male," though she is an African-American female.

47. The mortgage application also falsely claims that Jambrina had a "face to face interview" with Ms. Jones. (See Exhibit 4, attached hereto).

48. Moreover, upon information and belief, Blu Financial and Infinity intentionally backdated a contract of sale, making it appear as if the contract had been signed on July 23, 2005, prior to the closing. However, Ms. Jones did not sign any documents related to the sale until November 2005. (See Exhibit 6, attached hereto).

49. Most importantly, Blu Financial did not own the property in July 2005, and therefore could not enter into a contract of sale for the property at that time. (See Exhibit 3, attached hereto).

Fraudulent Appraisal of the Property

50. Upon information and belief, as another part of the fraudulent conspiracy, prior to the completion of the sale, and in collusion with the Defendant Equity Appraisal, Blu Financial arranged for the preparation of a false and fraudulent appraisal of the property which misrepresented its fair market value, as well as a false and fraudulent inspection report and analysis of the physical condition of the property.

51. Equity Appraisers, upon information and belief, submitted a deliberately false appraisal of the property which appraised it at substantially more than its true market value.

52. The appraisal date on the Equity Appraisal documents is October 25, 2005, a mere 67 days after the date of sale from CIT to Blu Financial. The market value stated on the appraisal

report for the property is \$435,000, \$249,875 more than Blu Financial's initial purchase price. Upon information and belief, this over-inflated price is a result of fraudulent and deceptive appraisal practices by Equity Appraisal.

53. The material misrepresentations contained in the Uniform Residential Appraisal Report prepared and signed by Third-Party Defendant and appraiser Ottaviano and by supervisory appraiser Louis Havens, of Equity Appraisers on or about November 3, 2005, include, but are not limited to the following:

- a. Falsely stating that the fair market value of the property was \$435,000, despite the fact that the property was purchased for \$185,000---less than three months earlier;
- b. Falsely stating that the sales price of the property prior to renovation was \$420,000;
- c. Upon information and belief, fraudulently and inaccurately describing the neighborhood location and amenities. A true description of the neighborhood, its amenities and crime rate would have substantially lowered the value of the property;
- d. Falsely misrepresenting the potential income from rental units as \$4000 per month, although upon information and belief, comparable rents in this Newark neighborhood were substantially lower;
- e. Upon information and belief, making false claims of completed alterations;
- f. Upon information and belief, overestimating other alterations and costs associated with repairs to the property that were not completed until January 2006, more than two months after the appraisal report was issued;
- g. Upon information and belief, listing predatory sales of other flipped properties sold by Bethea, Blu Financial, other affiliated entities (i.e., "Born Asiatic"), or other illegal property flippers for over-inflated prices, as comparable;

- h. Upon information and belief, falsely overstating the value of certain comparable properties and utilizing comparables that bore little resemblance to the subject property – they were substantially larger, superior in style, and/or located in a different neighborhood. (See Exhibit 8, attached hereto).
54. In addition, Third-Party Defendant Ottaviano falsely represented himself as a licensed appraiser in the State of New Jersey by practicing as an appraiser, by signing off on the preparation of the appraisal report for Ms. Jones' property, and by indicating that he had an active appraiser's license. (See Exhibit 8, attached hereto).
55. However, Ottaviano has never been officially licensed as appraiser in either the State of New Jersey or in any other State. Ottaviano had previously held a permit as a trainee appraiser, but this permit expired on August 31, 2002 -- prior to his appraisal of Ms. Jones' property. (See Exhibit 9, attached hereto).
56. Upon the expiration of his trainee permit, Ottaviano applied for a full appraiser's license on September 20, 2002, but never successfully completed the licensing process. Nonetheless, Ottaviano referenced the license number of his expired trainee permit on the appraisal report, indicating that it was due to expire on December 31, 2005. (see Exhibit 8, attached hereto).
57. Upon information and belief, a true market analysis of the property value in November of 2005 would range from \$185,000 (not renovated), to a maximum sales price of \$375,000 for a fully renovated property.
58. Ms. Jones was never shown any appraisal report, nor given a copy of it prior to or during the closing of the property.
59. If Ms. Jones had been informed of the property's true market value only two and a half months earlier of \$185,000 -- approximately \$249,875 lower than what she paid -- Ms. Jones would have been alerted to the likelihood of fraud and collusion between the Third-Party Defendants, and likely would have withdrawn from the transaction.

Further Fraudulent Misrepresentations/Inducements by Third-Party Defendants

60. On or about November 2005, although Ms. Jones was confused and very reluctant about going forward with the property purchase, she returned Blu Financial's phone messages to talk about a scheduled closing date on the property. As a result of Blu Financial's numerous phone calls to move forward with the sale, Ms. Jones agreed to go to Blu Financial's offices even though the renovations and repairs were not completed.

61. Ms. Jones believed that she had no choice but to go forward with the property purchase because she feared losing her \$1700 deposit.

62. During these in person and telephone conversations, Blu Financial continued its high-pressure tactics to convince Ms. Jones through deception and misrepresentation to go forward with the closing. Ms. Jones stated that Blu Financial even sent Bethea's father to her house to convince her to purchase the property.

63. When further convincing Ms. Jones to go forward with buying the property, Bethea assured her that as a fellow "African American and Muslim", he would never "cheat her," although he continually misrepresented the fair market housing values in Newark neighborhoods, stating that Newark housing was "going through the roof" and falsely claiming that people were buying properties in the same Newark area for \$600,000.

64. Bethea also personally showed Ms. Jones other properties that Blu Financial allegedly sold for "\$670,000," stating that her property, now fully renovated, was worth at least \$495,000, and that she was getting a fair deal. Bethea further stated that "if this house was in Livingston, it would be worth one million dollars."

Fraudulent Closing

65. Prior to the closing, Bethea stated to Ms. Jones that there should be no "stop and go" regarding signing of the mortgage and closing documents on the property. Bethea specifically instructed Ms. Jones not to "ask any questions" or "say anything to those White People" during the closing.

66. Bethea also requested that Ms. Jones write a check in the amount of \$21,000 that Blu Financial would not cash, but he failed to explain why the check was necessary. Prior to this conversation, neither he nor any of the other Third-Party Defendants ever told Ms. Jones that a down payment was necessary to complete the sale and financing.

67. However, Ms. Jones did not honor Bethea's request to submit a check in the amount of \$21,000, since her annual income was only \$31,000 per year and she did not have access to that much money.

68. On November 11, 2005, Ms. Jones met with Blu Financial and the "settlement" lawyer, Daniel Roy ("Roy"), to complete the closing to purchase the property for \$435,000. Accompanied by Blu Financial's Vice President Rayford Mark ("Mark"), Ms. Jones also met with Roy on the following Monday.

69. During these closing sessions, Ms. Jones was instructed to sign various documents and initial numerous individual pages after she was assured that each document was in order and should be signed. She specifically informed Roy that her name was misspelled on numerous documents.

70. Nevertheless, Roy instructed Ms. Jones to "just sign" and that "we will take care of that later."

71. In addition, none of the documents Ms. Jones signed was ever explained to her.

72. Moreover, Ms. Jones was not given any copies of the documents she signed during the closing, but received some documents in the mail a few weeks later.

73. A recent review of assorted closing documents obtained from the closing of the property reveals a \$30,000 down payment allegedly from "Ms. Jones" issued by Commerce Bank. (See Exhibit 7, attached hereto).

74. However, Ms. Jones never tendered a \$30,000 down payment deposit check, nor has she ever done business with Commerce Bank. (See Exhibit 7, attached hereto).

75. Upon information and belief, Third-Party Defendants Blu Financial, and Infinity paid this \$30,000 deposit to further their scheme to complete the fraudulent closing. (See Exhibit 7, attached hereto).

Predatory Lending & Property Flipping Schemes

76. Upon information and belief the fraudulent and discriminatory activities perpetrated by Third-Party Defendant, Blu Financial Group, illustrate a pattern of predatory lending and property flipping by these entities.

77. Predatory lending is described as an imposition of “unfair and abusive loan terms on borrowers, often through aggressive sales tactics, taking advantage of borrowers’ lack of understanding of extremely complicated transactions, and outright deception.” (Available at <http://www.acorn.org>, last visited March 20, 2007). Tactics employed by predatory lenders include, inducing buyers into signing “sales contract[s] or loan documents that are blank or that contain information which [are] not true,” and selling the property for “a lot more than other homes in the neighborhood.” See Don’t Be A Victim of Loan Fraud, U.S. Dep’t of Housing and Urban Development (available at www.hud.gov, last visited March 20, 2007).

78. Property flipping is described as “a practice whereby a recently acquired property is resold for a considerable profit with an artificially inflated value, often abetted by a lender's collusion with the appraiser.” See U.S. Dep’t of Housing and Urban Development, Mortgagee Letter 2003-07 (available www.hudclips.org, last visited March 20, 2007). Property flippers often target low-income, predominately minority neighborhoods. See Ada Focer, *Mortgage Fraud and Property "Flipping" Skew Low-Income Housing Markets*, (available at <http://www.nhi.org/online/issues/113/focer.html>, last visited, March 20, 2007).

79. Upon information and belief, third-party defendant Blu Financial Group targeted its discriminatory activities against people of color and neighborhoods in northern New Jersey in which the majority of residents are non-white.

80. Upon information and belief, the properties sold by Blu Financial Group, Born Asiatic, Greenfield Assets Holdings, and Mr. Bethea, individually between 2002 and 2006 reveal a pattern of property flipping in minority communities in northern New Jersey.

Third-Party Plaintiff's Financial Damages Due to Fraudulent Misrepresentations

81. In January 2006, Ms. Jones moved into the property with her family without any tenants or rental assistance payments as had been promised by Blu Financial.

82. In fact, Ms. Jones never received ten months of rent from one of her rental units.

83. Thus, Ms. Jones has fallen behind in all of her bills and is in substantial debt.

84. Ms. Jones has insufficient income for basic needs such as groceries and meals due to her purchase of the property.

85. Most significantly, Ms. Jones cannot afford to pay her \$3528 monthly mortgage payments with a yearly income of \$31,000 and has been unable to refinance due to the low market value of her home, which, upon information and belief, is worth at least \$60,000 less than the \$435,000 purchase price.

86. Ms. Jones has had to borrow from her relatives and retirement pension, but has quickly run out of all reserves to pay her bills.

87. Upon information and belief, Ms. Jones has a lower credit rating as a result of her missed payments; she has also incurred other financial difficulties associated with the purchase of the property.

88. In addition, while Bethea and Blu Financial represented to Ms. Jones that the house would be finished upon her move-in date, more than year later, repairs in the house remain unfinished, contrary to representations.

89. Upon information and belief, the heating system in Ms. Jones's property was not properly installed, and neither Blu Financial nor Bethea have taken any action to ensure the system is installed and functioning properly as promised.

90. Also, the basement has flooded repeatedly and water has leaked from cracked windows and from the roof through the ceilings.

91. Moreover, no certificate of occupancy (“CO”) was ever issued to Ms. Jones. Upon information and belief, no CO was ever issued on the property although Blu Financial repeatedly promised Ms. Jones that one would be given to her.

92. On November 2, 2006, Third-Party Defendants Mark and Bethea began contacting Ms. Jones again because, upon information and belief, they were informed that she might be considering legal action against them.

93. Mark and Bethea attempted additional high pressure tactics to encourage Ms. Jones to allow them to “help” and offered her nominal sums if she signed a “release.”

94. In addition, Mark warned Ms. Jones that suing Third-Party Defendants “would go nowhere” because it would be “easy for Bethea and Blu Financial to hide assets.”

95. Ms. Jones is fearful that her entire family is in danger of potential homelessness and has suffered significant economic damages, constant depression, anxiety, loss of sleep and physical discomfort as a result of Third-Party Defendants’ actions.

FIRST COUNT

THIRD-PARTY DEFENDANTS HAVE VIOLATED NEW JERSEY’S CONSUMER FRAUD ACT, N.J.S.A. 56:8-2.

96. Third-Party Defendants have made false promises and misrepresentations, engaged in unconscionable commercial practices, and have used deception in connection with the marketing and sale of the property to Ms. Jones in violation of the Consumer Fraud Act, including but not limited to the following:

- a. Representing that the price being paid by Ms. Jones was the true value of the property being sold;

- b. Representing and promising that the property being sold to Ms. Jones by Blu Financial and their representatives, employees and/or agents, would be completely repaired before Ms. Jones moved into the property;
- c. Representing to Ms. Jones that she did not need her own attorney, bank or appraiser;
- d. Representing and promising that Blu Financial would obtain a CO or its equivalent;
- e. Representing and promising that Blu Financial would pay Ms. Jones' mortgage payment if a tenant was not obtained in the rental unit;
- f. Representing and promising that Ms. Jones would be provided with copies of all documents relating to their transactions;
- g. Representing that Ms. Jones would be able to rent two units and use the rental proceeds to help defray mortgage costs.

97. The aforesaid representations and promises were untrue, deceptive, and false for the following reasons:

- a. The property, at the time of sale, was worth substantially less than the appraised value and sale price;
- b. Ms. Jones was induced into taking out two mortgages that she was completely unable to afford to repay;
- c. The property purchased by Ms. Jones was never completely repaired before or after move-in, despite numerous assurances;
- d. The property was not approved for a CO or its equivalent;
- e. The property lacked adequate roofing and requires major repairs;
- f. Ms. Jones in truth and in fact did need her own attorney and/or bank and appraiser to protect her interests rather than relying upon Third-Party Defendants who were solely interested in protecting their own interests;

- g. Ms. Jones did not receive a CO or its equivalent in violation of N.J.A.C. 5:23-2.23 Uniform Construction Code Certificate Requirements;
- h. Ms. Jones paid an over inflated price for her property even if completely renovated and repaired;
- i. Ms. Jones was not given complete copies of the documents she signed in connection with the purchase of the property;

98. Each separate misrepresentation, deception and false promise made by each defendant in this matter constitutes a separate and distinct violation of N.J.S.A 56:8-2.

99. In addition, the Corporate and Individual Third-Party Defendants have knowingly concealed, suppressed and/or omitted material facts in connection with the marketing, sale and financing of the property to Ms. Jones with intent to deceive and/or induce reliance, including, but not limited to, the following:

- a. Failing to disclose that the repairs to the property would not be completed;
- b. Failing to disclose the true market value of the property;
- c. Failing to disclose the prior purchase price of the property, prior to the closing;
- d. Failing to disclose the balloon payment interest only loan;
- e. Failing to provide copies of closing documents to Ms. Jones in order to prevent her from discovering falsehoods on the documents.

100. Each of the foregoing knowing omissions of material facts constitutes a separate and distinct violation of the Consumer Fraud Act, N.J.S.A. 56:8-2.

101. As a direct and proximate result of the aforementioned acts of Third-Party Defendants, Ms. Jones suffered an ascertainable loss.

WHEREFORE, Third-Party Plaintiff, Ms. Jones, demands judgment against Third-Party Defendants, jointly and severally for:

- a. Actual, consequential, treble and punitive damages resulting from Third-Party Defendants' fraud;

- b. Any reasonable attorney's fees and costs of litigation;
- c. Other relief as the Court deems just.

SECOND COUNT

AGAINST ALL THIRD-PARTY DEFENDANTS

COMMON LAW FRAUD

102. Third-Party Plaintiff repeats and re-alleges the allegations set forth above as if set forth fully herein.

103. Third-Party Defendants knew that the representations made to Ms. Jones were false.

Third-Party Defendants' misrepresentations include but are not limited to the following:

- a. Representing that the price being paid by Ms. Jones was the true value of the property being sold based on the fraudulent appraisals it arranged;
- b. Representing that Ms. Jones would be able to rent two units and use the rental proceeds to afford the mortgage costs;
- c. Representing and promising that Third-Party Defendant Blu Financial would pay Ms. Jones' mortgage payment if a tenant was not obtained in one or both rental units.

104. Third-Party Defendants intended to induce Ms. Jones to act based on their false representations.

105. Ms. Jones reasonably relied on Third-Party Defendants' misrepresentations by taking out two mortgages that she was completely unable to afford to repay.

106. As a result of the fraudulent acts by Third-Party Defendants, Ms. Jones has suffered the following damages:

- a. Ms. Jones has fallen behind in all of her bills and is in substantial debt;
- b. Ms. Jones has been unable to afford her \$3528 monthly mortgage payments with a yearly salary of \$31,000;

- c. Ms. Jones has a lower credit rating as a result of her missed payments and other financial difficulties associated with the purchase of the property;
- d. Ms. Jones has been unable to refinance to a lower mortgage or mortgages due to the over-inflated price she paid for her property.

WHEREFORE, Third-Party Plaintiff, Ms. Jones, demands judgment against Third-Party Defendants for:

- a. Actual, consequential, and punitive damages resulting from Third-Party Defendants' fraud;
- b. Other relief as the Court deems just.

THIRD COUNT

AGAINST ALL THIRD-PARTY DEFENDANTS

EQUITABLE FRAUD

107. Third-Party Plaintiff repeats and re-alleges the allegations set forth above as if set forth fully herein.

108. Third-Party Defendants made several misrepresentations that they intended Third-Party Plaintiff Ms. Jones to rely on. Third-Party Defendants' misrepresentations include but are not limited to the following:

- a. Representing that the price being paid by Ms. Jones was the true value of the property being sold;
- b. Representing that Ms. Jones would be able to rent two units and use the rental proceeds to help defray mortgage costs;
- c. Representing and promising that Third-Party Defendant Blu Financial would pay Ms. Jones' mortgage payment if a tenant was not obtained in the rental unit

109. As a result of the Third-Party Defendants' misrepresentations, Ms. Jones has suffered the following damages:

- a. Ms. Jones has fallen behind in all of her bills and is in substantial debt;
- b. Ms. Jones has been unable to afford her \$3528 monthly mortgage payments with a yearly salary of \$31,000;
- c. Ms. Jones has a lower credit rating as a result of her missed payments and other financial difficulties associated with the purchase of the property;
- d. Ms. Jones has been unable to refinance to a lower mortgage or mortgages due to the over-inflated price she paid for her property.

WHEREFORE, Third-Party Plaintiff, Ms. Jones, demands judgment against Third-Party Defendants for:

- a. Rescission of any contract or agreement related to the purchase of the property and the financing thereof;
- b. Other relief as the Court deems just.

FOURTH COUNT

AGAINST ALL THIRD-PARTY DEFENDANTS

FRAUDULANT MISREPRESENTATION

110. Third-Party Plaintiff Ms. Jones repeats and re-alleges the allegations set forth above as if set forth fully herein.

111. The true value of 18 Treacy Avenue was a material term of the transaction between the parties.

112. Third-Party Defendants' representations as to the value of the property being sold induced Third-Party Plaintiff Ms. Jones to enter into the transaction.

113. Third-Party Defendants' representations as to the true value of the property being sold were knowingly false.

114. Ms. Jones justifiably relied on Third-Party Defendants' misrepresentations as to the value of 18 Treacy Avenue in purchasing the property.

WHEREFORE, Third-Party Plaintiff, Ms. Jones, demands judgment against Third-Party Defendants for:

- a. Actual, consequential, punitive damages resulting from Third-Party Defendants' fraud;
- b. Other relief as the Court deems just.

FIFTH COUNT

AGAINST ALL THIRD-PARTY DEFENDANTS

NEGLIGENT MISREPRESENTATION

115. Third-Party Plaintiff Ms. Jones repeats and re-alleges the allegations set forth above as if set forth fully herein.

116. The true value of 18 Treacy Avenue was a material term of the transaction between the parties.

117. Third-Party Defendants failed to exercise reasonable care in obtaining the true value of the property being sold.

118. As a result, Third-Party Defendants' representations as to the true value of the property being sold were false.

119. Ms. Jones justifiably relied on Third-Party Defendants' misrepresentations as to the value of 18 Treacy Avenue in purchasing the property.

WHEREFORE, Third-Party Plaintiff Ms. Jones, demands judgment against Third-Party Defendants for:

- a. Actual, consequential, resulting from Third-Party Defendants' negligent actions;
- b. Other relief as the Court deems just.

SIXTH COUNT

AGAINST ALL THIRD-PARTY DEFENDANTS

CIVIL CONSPIRACY TO VIOLATE THE CONSUMER FRAUD ACT

120. Third-Party Plaintiff Ms. Jones repeats and re-alleges the allegations set forth above as if set forth herein.

121. Third-Party Defendants conspired and colluded with each other to violate the New Jersey Consumer Fraud Act by entering into a conspiratorial agreement to, among other things, (a) steer Third-Party Plaintiff to a mortgage loan with a principal amount known to far exceed the fair market value of the property; (b) conceal from Third-Party Plaintiff the actual fair market value of the property she was purchasing; (c) mislead Third-Party Plaintiff into purchasing the property at a grossly inflated price; and (d) cause Third-Party Plaintiff to purchase the property not fully completed and lacking a CO.

122. The role of Defendant Blu Financial, acting through various other private Third-Party Defendants, in furtherance of the conspiracy to commit consumer fraud is set forth in Paragraph 8 above.

123. The role and conduct of Third-Party Defendant Bethea, acting through other private Third-Party Defendants, in furtherance of the conspiracy to commit consumer fraud are set forth in Paragraphs 7 and 8 above.

124. The role and conduct of Third-Party Defendant Infinity, in furtherance of the conspiracy to commit consumer fraud, are set forth in Paragraph 10 above.

125. The role and conduct of Third-Party Defendant Jambrina, on behalf of Infinity, in furtherance of the conspiracy to commit consumer fraud are set forth in Paragraphs 13, 46 and 47 above.

126. The role and conduct of Third-Party Defendant Equity Appraisers in furtherance of the conspiracy to commit consumer fraud are set forth in Paragraph 11 above.

127. The role and conduct of Third-Party Defendant Ottaviano, on behalf of Equity Appraisers, in furtherance of the conspiracy to commit consumer fraud are set forth in Paragraphs 12, 54, 55, and 56 above.

128. The unconscionable commercial practices, misrepresentations and intentional omissions made jointly and/or individually by the Third-Party Defendants, or through their agents, misled the Third-Party Plaintiff, preventing her from discovering the scheme, causing Third-Party Defendants to unfairly profit from the transaction.

129. But for the unconscionable commercial practices, misrepresentations and acts of concealment of the Third-Party Defendants, jointly and/or individually, Third-Party Plaintiff would not have proceeded with the purchase of the property or entered into the financing thereto.

130. By virtue of the instant conspiracy to defraud, Third-Party Plaintiff has sustained an ascertainable loss and economic damages including but not limited to (a) the difference between the actual value of the property she purchased and what she paid for it; (b) the cost of repairing the property and curing the violations to obtain a certificate of occupancy; and (c) damage to her credit.

WHEREFORE, Third-Party Plaintiff, Ms. Jones, demands judgment against Third-Party Defendants, jointly and severally for:

- a. Treble and punitive damages resulting from Third-Party Defendants' consumer fraud;
- b. Any reasonable attorney's fees and costs of litigation;
- c. Other relief as the Court deems just.

SEVENTH COUNT

AGAINST ALL THIRD-PARTY DEFENDANTS

CIVIL CONSPIRACY TO COMMIT FRAUD AND MISREPRESENTATION

131. Third-Party Plaintiff Ms. Jones repeats and re-alleges the allegations set forth above as if set forth fully herein.

132. Third-Party Defendants conspired and colluded with each other to commit a fraud on Third-Party Plaintiff by entering into a conspiratorial agreement to, among other things, (a) steer Third-Party Plaintiff to a mortgage loan with a principal amount known to far exceed the fair market value of the property; (b) conceal from Third-Party Plaintiff the actual fair market value of the property she was purchasing; (c) deceive Third-Party Plaintiff into purchasing the property at a grossly inflated price; and (d) deceive Third-Party Plaintiff into purchasing the property not fully completed and lacking a CO.

133. The role of Third-Party Defendant Blu Financial, acting through various other private Third-Party Defendants, in furtherance of the conspiracy to commit fraud is set forth in Paragraph 8 above.

134. The role and conduct of Third-Party Defendant Bethea, acting through other private Third-Party Defendants, in furtherance of the conspiracy to defraud Third-Party Plaintiff are set forth in Paragraphs 7 and 8 above.

135. The role and conduct of Third-Party Defendant Infinity, in furtherance of the conspiracy to commit fraud, are set forth in Paragraph 10 above.

136. The role and conduct of Third-Party Defendant Jambrina, on behalf of Infinity, in furtherance of the conspiracy to commit fraud are set forth in Paragraphs 13, 46 and 47 above.

137. The role and conduct of Third-Party Defendant Equity Appraisers, in furtherance of the conspiracy to commit fraud are set forth in Paragraph 11 above.

138. The role and conduct of Third-Party Defendant Ottaviano, on behalf of Equity Appraisers, in furtherance of the conspiracy to commit fraud are set forth in Paragraphs 12, 54, 55, and 56 above.

139. All of the omissions and misrepresentations made jointly and/or individually by the Third-Party Defendants, or through their agents, were intended to deceive and defraud Third-Party Plaintiff, and to prevent her from discovering the fraudulent scheme, so that Third-Party Defendants could unfairly profit from the transaction.

140. But for the fraudulent misrepresentations and acts of concealment of the Third-Party Defendants, jointly and/or individually, Third-Party Plaintiff would not have proceeded with the purchase of the property or entered into the financing thereto.

141. By virtue of the instant conspiracy to defraud, Third-Party Plaintiff has sustained economic damages, represented by (a) the difference between the actual value of the property she purchased and what she paid for it, but not less than \$60,000; (b) the cost of repairing the property and curing the violations to obtain a certificate of occupancy; and (c) damage to her credit in an amount not yet known.

142. Third-Party Plaintiff has suffered constant depression, anxiety, loss of sleep, physical discomfort and worry about possible homelessness as the result of having been victimized by the Third-Party Defendants and the conspiracy to commit fraud against her.

143. Third-Party Defendants' conduct toward Third-Party Plaintiff was not only morally reprehensible but, upon information and belief, is also part of a pattern of fraudulent and predatory selling and/or lending directed at vulnerable segments of the public – to wit, inexperienced minority home buyers. Third-Party Defendants should be punished for their implementation of a willful and reprehensible fraudulent scheme whose goal is to victimize and defraud large segments of the public, by an award of punitive damages in an amount sufficient to punish the Third-Party Defendants and deter similar conduct.

WHEREFORE, Third-Party Plaintiff, Ms. Jones, demands judgment against Third-Party Defendants for:

- a. Actual, consequential, punitive damages resulting from Third-Party Defendants' fraud;
- b. Other relief as the Court deems just.

EIGHTH COUNT

**AGAINST THIRD-PARTY DEFENDANTS BLU FINANCIALGROUP INC. AND
INFINITY HOME MORTGAGE COMPANY**

EQUAL CREDIT OPPORTUNITY ACT, 42 U.S.C. § 1691

144. Third-Party Plaintiff Ms. Jones repeats and re-alleges the allegations set forth above as if set forth fully herein.

145. Upon information and belief, Infinity, in the ordinary course of business at all relevant times, regularly extends credit, arranges for the extension of credit, and/or participates in the decision of whether or not to extend credit, and is therefore a “creditor” as defined by the Equal Credit Opportunity Act (“ECOA”)(15 U.S.C. §1691a(3); Reg. B, 12 C.F.R. §202.2).

146. Upon information and belief, Blu Financial, in the ordinary course of business at all relevant times, regularly arranges for the extension of credit and/or participates in the decision of whether or not to extend credit, and is therefore a “creditor” as defined by the Equal Credit Opportunity Act (“ECOA”)(15 U.S.C. §1691a(3); Reg. B, 12 C.F.R. §202.2(1)).

147. The ECOA prohibits a creditor from discriminating against an applicant for credit with respect to any aspect of the credit transaction on the basis of, among other things, gender, race, color, or national origin. “Any aspect of a credit transaction” means every aspect of an applicant’s dealings with a creditor, including but not limited to information requirements, investigation procedures, standards of creditworthiness, terms of credit, furnishing of credit information, and alteration of credit. 12 C.F.R. §202.2(m).

148. Infinity and Blu Financial discriminated against Third-Party Plaintiff in violation of the ECOA by, upon information and belief, knowingly targeting members of Third-Party Plaintiff’s race and gender, and steering them to the extension of mortgage financing in a principal amount known to exceed the fair market value of the property, on terms that are onerous to the borrower, but highly profitable to the Third-Party Defendants.

149. By reason of such targeting and steering of Third-Party Plaintiff as set forth above, Ms. Jones was induced to enter into two mortgage loans the cost of which, over the lives of the loans, exceeded by hundreds of thousands of dollars the cost of financing a truly fair market purchase.

150. By reason of such conduct set forth above, Third-Party Plaintiff has suffered compensatory damages in an amount to be determined at trial.

151. Pursuant to 15 U.S.C. §1691e(a) Third-Party Plaintiff is entitled to actual damages in an amount to be proved at trial, but no less than \$435,000 and damage to her credit in an amount not yet known or ascertainable.

152. Pursuant to 15 U.S.C. §1691e(d) Third-Party Plaintiff is entitled to recover the costs of this action, including reasonable attorneys fees.

153. Further, by reason of the conduct of said Third-Party Defendants as alleged above, the Third-Party Plaintiff is entitled to the rescission or reformation of the mortgage and note entered into between Ms. Jones, Infinity, Mortgage Electronic Registration System, and any successor or assignee of said mortgage and note.

WHEREFORE, Third-Party Plaintiff, Ms. Jones, demands judgment against Third-Party Defendants for:

- a. Actual, consequential, punitive damages resulting from Third-Party Defendants' discrimination;
- b. Any reasonable attorney's fees and costs of litigation;
- c. Other relief as the Court deems just.

NINTH COUNT

AGAINST THIRD-PARTY DEFENDANT BLU FINANCIAL GROUP INC.

FAIR HOUSING ACT, 42 U.S.C. §3601 et seq.

154. Third-Party Plaintiff Ms. Jones repeats and re-alleges the allegations set forth above as if set forth fully herein.

155. The Fair Housing Act prohibits discrimination against any person in the terms and conditions of the sale of a residential property or any other residential real estate-related transaction on account of the person's race, color, religion, sex, familial status, or national origin. 42 U.S.C. §§ 3604(b) & 3605.

156. Upon information and belief, Blu Financial, in the ordinary course of business at all relevant times, regularly sold or brokered the sale of residential real estate, thus engaging in residential real estate-related transactions as defined by the Federal Fair Housing Act §3605(b)(2).

157. Blu Financial has discriminated against Third-Party Plaintiff by, upon information and belief, routinely targeting its fraudulent activities to members of African-American communities believing them to be unsophisticated and vulnerable to predatory practices.

158. Upon information and belief, Blu Financial has routinely induced members of these communities to purchase over-appraised homes and obtain loans that Defendant knew or should have known that the borrowers would be unable to repay.

159. By reason of the conduct set forth, Third-Party Plaintiff was induced to enter into two mortgage loans the cost of which, over the lives of the loans, exceeded by hundreds of thousands of dollars the cost of financing a truly fair market purchase.

160. By reason of the conduct set forth above, Third-Party Plaintiff has suffered economic loss as well as deep and constant depression, fear, anxiety, loss of sleep, physical discomfort, for which she is entitled to compensatory damages in an amount to be determined at trial.

WHEREFORE, Third-Party Plaintiff, Ms. Jones, demands judgment against Third-Party Defendants for:

- a. Actual, consequential, punitive damages resulting from Third-Party Defendants' fraud;
- b. Any reasonable attorney's fees and cost of litigation;
- c. Other relief as the Court deems just.

JURY DEMAND

Third-Party Plaintiff demands a trial by jury as to all matters triable by jury.

WHEREFORE, Third-Party Plaintiff demands judgment for the relief requested in this Answer and Third Party complaint.

Dated: April 4, 2007

SETON HALL UNIVERSITY
SCHOOL OF LAW
CENTER FOR SOCIAL JUSTICE
Attorneys for Defendant/Third Party
Plaintiff Jarell Jones

By: _____
Linda E. Fisher, Esq.

DESIGNATION OF TRIAL COUNSEL

Pursuant to Rule 4:25-4, Linda E. Fisher, Esq. of the Seton Hall University School of Law Center for Social Justice is hereby designated as trial counsel for the Defendant/Third Party Plaintiff in this matter.

Dated: April 4, 2007

SETON HALL UNIVERSITY
SCHOOL OF LAW
CENTER FOR SOCIAL JUSTICE
Attorneys for Defendant/Third Party
Plaintiff Jarell Jones

By: _____
Linda E. Fisher, Esq.

CERTIFICATION PURSUANT TO RULE 4:5-1

The undersigned does hereby certify that the matter in controversy is the subject of no other pending lawsuits, proceedings or arbitrations in existence or currently contemplated of which I am aware.

Dated: April 4, 2007

SETON HALL UNIVERSITY
SCHOOL OF LAW

CENTER FOR SOCIAL JUSTICE
Attorneys for Defendant/Third Party
Plaintiff Jarell Jones

By: _____
Linda E. Fisher, Esq.

SERVICE UPON ATTORNEY GENERAL

Service of a copy of the Contested Answer, Affirmative Defenses, Third Party Complaint, in this matter is being made upon the Attorney General of the State of New Jersey, pursuant to the Consumer Fraud Act for the purpose of encouraging intervention, by mailing a copy of said complaint Via Regular Mail on April 4, 2007 to the Honorable Stuart Rabner, Attorney General, Office of the Attorney General, Hughes Justice Complex, P.O. Box 080, Trenton, NJ 08652.

Copy to the Director of the New Jersey Division of Consumer Affairs, 124 Halsey Street, Newark, New Jersey 07101.
Dated: April 4, 2007

SETON HALL UNIVERSITY
SCHOOL OF LAW
CENTER FOR SOCIAL JUSTICE
Attorneys for Defendant/Third Party
Plaintiff Jarell Jones

By: _____
Linda E. Fisher, Esq.

DEMAND FOR PRODUCTION OF INSURANCE AGREEMENTS

Pursuant to R. 4:10-2(b), demand is hereby made that Third-Party Defendants disclose to the undersigned whether there are any insurance agreements or policies under which any person or firm carrying on an insurance business may be liable to satisfy all or part of a judgment which may be entered in the action or to indemnify or reimburse for payment made to satisfy the judgment. If so, please attach a copy of each, or in the alternative state, under oath and

certification: (a) policy number; (b) name and address of insurer; (c) inception and expiration date; (d) names and addresses of all persons insured thereunder; (e) personal injury limits; (f) property damage limits; and (g) medical payment limits.

Dated: April 4, 2007

SETON HALL UNIVERSITY
SCHOOL OF LAW
CENTER FOR SOCIAL JUSTICE
Attorneys for Defendant/Third Party
Plaintiff Jarell Jones

By: _____
Linda E. Fisher, Esq.