

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION**

GEORGE SAMPSON; GREGORY PARKER;  
EDNA MCKENZIE; GLENN JONES; GWEN  
BAKER; JAMES HOLIDAY; CHERRY  
HOLIDAY; LAWRENCE REESE; ALETHIA  
BARRY; WILLIAM BROWN; GLENDA  
BROWN; KELVIN THOMAS; JACKIE  
THOMAS; PATRICIA WILSON; STEPHANIE  
ECHOLS; NADINE WILLIS; LEWINSTON  
PETGRAVE; and HYACINTH PETGRAVE;

Plaintiffs,

v.

Civ. Act. No. \_\_\_\_\_

ALL AMERICAN HOME ASSISTANCE  
SERVICES, INC., a Georgia corporation; DEREK  
HARRIS; LAWRENCE SPEAR; TIMOTHY  
SPEAR; ASIM SPEAR; LYNETTE TOWNES;  
TAYLOR YVET BAILEY (a.k.a. YVETTE M.  
BAILEY); RICK DAVIDSON; KAREN  
JOHNSON; SALEEMAH CANNON; SHAUNTA  
MOORE; TENEPHIUS (a.k.a. TONY)  
WILLIAMS; DERRICK MILLIN; and DOES 1  
through 20, inclusive;

Defendants.

**JURY TRIAL  
DEMANDED**

**COMPLAINT**

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Plaintiffs, through undersigned counsel, bring this complaint pursuant to the Fair Housing Act (“FHA”), 42 U.S.C. § 3601 *et seq.*, the Credit Repair Organizations Act (“CROA”), 15 U.S.C. § 1679 *et seq.*, and state law against All American Home Assistance Services, Inc. (“All American”); Derek Harris; Lawrence Spear; Timothy Spear; Asim Spear; Lynette Townes; Taylor Yvet Bailey (a.k.a. Yvette M. Bailey); Rick Davidson; Karen Johnson; Saleemah Cannon; ShAunta Moore; Tenephius (a.k.a. Tony) Williams; Derrick Millin (collectively, the “Individual Defendants”); and DOES 1 through 20 (sometimes collectively, “Defendants”) to seek relief from Defendants for their perpetration of a discriminatory, abusive, and predatory mortgage modification and foreclosure rescue scam operation that has targeted African American homeowners in an attempt to deprive them of their money and has placed many Plaintiffs at increased risk of losing their homes. Plaintiffs allege in support thereof the following:

### **INTRODUCTION**

1. In 2006, the housing bubble burst; residential real estate prices in the United States plummeted and foreclosures increased. By 2008, the United States entered what many consider to be the worst economic downturn since the Great Depression of the 1930s. This downturn, termed the “Great Recession,” has resulted in millions of Americans experiencing unemployment or

underemployment. The housing crisis continues to burden many individuals and families. The constant struggle to make their mortgage payments, together with the need for daily necessities, has taken a devastating financial and emotional toll on millions of homeowners.

2. The foreclosure epidemic has hit Georgia especially hard. Georgia ranked among the top five states in terms of the number of home foreclosures in 2011 and 2012.<sup>1</sup> Home values in metropolitan Atlanta fell approximately 31% from their mid-2007 peak through mid-2012.<sup>2</sup> By mid-2012, Atlanta home values had fallen farther from their January 2000 levels than had home values in any of the 20 U.S. cities tracked in the S&P/Case-Shiller index, other than Detroit, Michigan.<sup>3</sup>

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<sup>1</sup> See RealtyTrac Year-End Foreclosure Reports for 2011 and 2012, available at: <http://www.realtytrac.com/content/foreclosure-market-report/2011-year-end-foreclosure-market-report-6984> and <http://www.realtytrac.com/content/foreclosure-market-report/2012-year-end-foreclosure-market-report-7547>.

<sup>2</sup> Data taken from S&P/Case-Shiller Home Price Index as of September 2012, available at <http://www.nytimes.com/interactive/2011/05/31/business/economy/case-shiller-index.html#city/ATL>.

<sup>3</sup> *Id.*

3. As the foreclosure rate escalated to historic levels, the Individual Defendants operated a loan modification scam, as described herein. The scam was initially operated through National African American Relationships Institute, Inc. (“NAARI”) and NAARI Housing Counseling Agency, Inc. (“NAARI Housing”) (hereinafter referred to collectively as the “NAARI Entities”). After the NAARI Entities declared bankruptcy in 2012, the scam operation continued through a new corporation—Defendant All American Home Assistance Services, Inc.—which was incorporated in 2012 by Defendant Derek Harris.<sup>4</sup>

4. The Individual Defendants, operating through the NAARI Entities, have targeted their scam operation on African American homeowners who were susceptible to foreclosure due to unemployment, underemployment, or other circumstances. The lure of assistance to modify their home loans seemed for Plaintiffs (and, upon information and belief, many other homeowners) to be the lifeline needed to stave off financial ruin. However, in exchange for sizable up-

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<sup>4</sup> On October 30, 2012, “National African-American Relationship Institute, Inc.,” a.k.a. “NAARI, Inc.,” and purportedly doing business as “NAARI Housing and Counseling, Inc.” and “NAARI Housing Counseling Agency [sic], Inc.,” filed a voluntary petition for Chapter 7 bankruptcy. *See In re National African-American Relationship Institute, Inc.*, No. 1:12-bk-76994 (Bankr. N.D. Ga. 2012). Accordingly, consistent with provisions of the bankruptcy laws codified at 11 U.S.C. § 362(a), the NAARI Entities are not named as defendants in this Complaint at this time.

front fees, Defendants provided dubious (if any) services and caused further damage to Plaintiffs and many other homeowners.

5. Loan modification scammers like Defendants have been very successful in preying upon vulnerable homeowners. From March 2010 through January 15, 2013, homeowners across the United States have submitted over 29,000 complaints against alleged scammers to the Loan Modification Scam Prevention Network's Database maintained by the Lawyers' Committee for Civil Rights Under Law. The average reported loss by homeowners to alleged scammers is over \$3,000, with total reported losses of over \$70 million. In Georgia alone, over 1,100 complaints have been submitted to the National Database. The total reported losses from Georgia homeowners are over \$1.6 million.

6. In this action, Plaintiffs seek to enjoin all Defendants from engaging in their discriminatory, deceptive, and predatory practices and to recover damages from the Individual Defendants for Plaintiffs' financial losses and other injuries suffered as a result of the Individual Defendants' conduct, as well as punitive damages, prejudgment interest, and attorneys' fees.

**PARTIES**

7. Plaintiff George Sampson is an African American individual with a primary place of residence in Woodstock, Georgia.

8. Plaintiff Gregory Parker is an African American individual with a primary place of residence in Stone Mountain, Georgia.

9. Plaintiff Edna McKenzie is an African American individual with a primary place of residence in Covington, Georgia.

10. Plaintiff Glenn Jones is an African American individual with a primary place of residence in Stone Mountain, Georgia.

11. Plaintiff Gwen Baker is an African American individual with a primary place of residence in Ellenwood, Georgia.

12. Plaintiff James Holiday is an African American individual with a primary place of residence in Lithonia, Georgia.

13. Plaintiff Cherry Holiday is an African American individual with a primary place of residence in Lithonia, Georgia.

14. Plaintiff Lawrence Reese is an African American individual with a primary place of residence in College Park, Georgia.

15. Plaintiff Alethia Barry is an African American individual with a primary place of residence in Atlanta, Georgia.

16. Plaintiff William Brown is an African American individual with a primary place of residence in Marietta, Georgia.

17. Plaintiff Glenda Brown is an African American individual with a primary place of residence in Marietta, Georgia.

18. Plaintiff Kelvin Thomas is an African American individual with a primary place of residence in Covington, Georgia.

19. Plaintiff Jackie Thomas is an African American individual with a primary place of residence in Covington, Georgia.

20. Plaintiff Patricia Wilson is an African American individual with a primary place of residence in College Park, Georgia.

21. Plaintiff Stephanie Echols is an African American individual with a primary residence in Smyrna, Georgia.

22. Plaintiff Nadine Willis is an African American individual with a primary place of residence in Auburn, Alabama.

23. Plaintiff Lewinston Petgrave is an African American individual with a primary place of residence in Ellenwood, Georgia.

24. Plaintiff Hyacinth Petgrave is an African American individual with a primary place of residence in Ellenwood, Georgia.

25. Defendant All American Home Assistance Services, Inc. is a domestic and purportedly non-profit corporation incorporated under the laws of the State of Georgia on July 31, 2012. Upon information and belief and as alleged herein, All American was incorporated to continue and has continued the loan modification and foreclosure rescue scam activities previously perpetrated in the State of Georgia and elsewhere by the NAARI Entities following NAARI's filing of (1) dissolution papers with the Georgia Secretary of State and (2) a bankruptcy petition (which purported to also include NAARI Housing as a debtor) in October 2012.

26. Defendant Derek Harris is an individual with a primary place of residence in Ellenwood, Georgia. He was a principal, manager, salesperson and/or key operator of the NAARI Entities. Defendant Harris is also the incorporator and registered agent for Defendant All American and is presently a principal, manager, salesperson and/or key operator of Defendant All American. During the relevant time, Defendant Harris engaged in and/or directed business activities in the State of Georgia offering loan modification and foreclosure rescue services to consumers.

27. Defendant Lawrence Spear is an individual with a primary place of residence in Lithonia, Georgia. He was a principal, manager, salesperson and/or key operator of the NAARI Entities. Upon information and belief, Defendant

Lawrence Spear is a principal, manager, salesperson and/or key operator of Defendant All American. During the relevant time, Defendant Lawrence Spear engaged in and/or directed business activities in the State of Georgia offering loan modification and foreclosure rescue services to consumers.

28. Defendant Timothy Spear is an individual with a primary place of residence in Decatur, Georgia. He was a principal, officer, manager, salesperson and/or key operator of the NAARI Entities, holding, at various times, the positions of Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), and registered agent. Timothy Spear incorporated NAARI Housing in May 2010 and filed NAARI’s Notice of Intent to Dissolve with the Georgia Secretary of State in October 2012. He also executed the NAARI Entities’ bankruptcy petition on October 30, 2012, identifying himself as NAARI’s President. Upon information and belief, Defendant Timothy Spear is a principal, manager, salesperson and/or operator of Defendant All American. During the relevant time, Defendant Timothy Spear engaged in and/or directed business activities in the State of Georgia offering loan modification and foreclosure rescue services to consumers.

29. Defendant Asim Spear is an individual with a primary place of residence in Lithonia, Georgia. He was a manager or salesperson and/or an employee, agent, or independent contractor of the NAARI Entities, and identified

himself on the website LinkedIn.com as a Housing Counselor for “NAARI HCA,” which, upon information and belief, refers to NAARI Housing. Defendant Asim Spear is presently a manager or salesperson and/or an employee, agent, or independent contractor of Defendant All American, and identifies himself on LinkedIn.com as a Senior Mortgage Default Counselor at “All American Home Assistance Services, Inc.” During the relevant time, Defendant Asim Spear engaged in and/or directed business activities in the State of Georgia offering loan modification and foreclosure rescue services to consumers.

30. Defendant Lynette Townes is an individual with a primary place of residence in Mableton, Georgia. Defendant Townes was a manager or salesperson and/or an employee, agent, or independent contractor of the NAARI Entities. During the relevant time, Defendant Townes engaged in business activities in the State of Georgia offering loan modification and foreclosure rescue services to consumers.

31. Defendant Taylor Yvet Bailey (a.k.a. Yvette M. Bailey) is an individual with a primary place of residence in Douglasville, Georgia. Defendant Bailey was a manager or salesperson and/or an employee, agent, or independent contractor of the NAARI Entities. During the relevant time, Defendant Bailey

engaged in business activities in the State of Georgia offering loan modification and foreclosure rescue services to consumers.

32. Defendant Rick Davidson is an individual whose primary place of residence is unknown to Plaintiffs. Defendant Davidson was a manager or salesperson and/or an employee, agent, or independent contractor of the NAARI Entities. During the relevant time, Defendant Davidson engaged in business activities in the State of Georgia offering loan modification and foreclosure rescue services to consumers.

33. Defendant Karen Johnson is an individual whose primary place of residence is unknown to Plaintiffs. Defendant Johnson was a manager or salesperson and/or an employee, agent, or independent contractor of the NAARI Entities. During the relevant time, Defendant Johnson engaged in business activities in the State of Georgia offering loan modification and foreclosure rescue services to consumers.

34. Defendant Saleemah Cannon is an individual with a primary place of residence in Tucker, Georgia. Defendant Cannon was a manager or salesperson and/or an employee, agent, or independent contractor of the NAARI Entities. During the relevant time, Defendant Cannon engaged in business activities in the

State of Georgia offering loan modification and foreclosure rescue services to consumers.

35. Defendant ShAunta Moore is an individual with a primary place of residence in Covington, Georgia. Defendant Moore was a manager or salesperson and/or an employee, agent, or independent contractor of the NAARI Entities. During the relevant time, Defendant Moore engaged in business activities in the State of Georgia offering loan modification and foreclosure rescue services to consumers.

36. Defendant Tenephius (a.k.a. Tony) Williams is an individual with a primary place of residence in Lithonia, Georgia. Defendant Williams was a manager or salesperson and/or an employee, agent, or independent contractor of the NAARI Entities. During the relevant time, Defendant Williams engaged in business activities in the State of Georgia offering loan modification and foreclosure rescue services to consumers.

37. Defendant Derrick Millin is an individual with a primary place of residence in Tucker, Georgia. Defendant Millin was a manager or salesperson and/or an employee, agent, or independent contractor of the NAARI Entities. During the relevant time, Defendant Millin engaged in business activities in the

State of Georgia offering loan modification and foreclosure rescue services to consumers.

38. The true names and capacities of the Defendants identified only as DOES 1 through 20 (“Doe Defendants” or “Doe Defendant”) are unknown to Plaintiffs at this time. Plaintiffs intend to seek leave to amend this Complaint to insert the true names and capacities of the Doe Defendants when such are finally ascertained. Plaintiffs are informed and believe, and thereon allege, that each of the fictitiously named Doe Defendants is liable to Plaintiffs for the acts, events, and occurrences alleged herein as a result of said Doe Defendants’ relationship to the named Defendants or participation in said acts, events, and occurrences, or approval or ratification thereof.

### **JURISDICTION AND VENUE**

39. This action arises under the Fair Housing Act, 42 U.S.C. § 3601 *et seq.*, and the Credit Repair Organizations Act, 15 U.S.C. § 1679 *et seq.*, both laws of the United States. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1331 and 28 U.S.C. § 1343(a).

40. This Court has jurisdiction over Plaintiffs’ state law claims pursuant to 28 U.S.C. § 1367(a).

41. This Court has jurisdiction to grant both declaratory and injunctive relief under 28 U.S.C. § 2201 and 28 U.S.C. § 2202.

42. This Court has personal jurisdiction over Defendants because they are residents of Georgia.

43. Venue in this district is proper under 28 U.S.C. § 1391(b) because a substantial part of the events giving rise to Plaintiffs' claims occurred in this district.

### **DEFENDANTS' LOAN MODIFICATION SCAM**

#### **A. DEFENDANTS' LOAN MODIFICATION SCAM OPERATION**

44. The Individual Defendants initially operated the loan modification scam described herein through the NAARI Entities. The primary managers and operators of the NAARI Entities were Defendants Timothy Spear, Lawrence Spear, and Derek Harris, who, together with the other Individual Defendants, carried out the NAARI Entities' business activities. Defendant Timothy Spear served as NAARI's CEO in 2011 and as its CEO, CFO, and registered agent in 2012; he also incorporated Defendant NAARI Housing in 2010.

45. Out of several offices located in the metro Atlanta area, the Individual Defendants, through the NAARI Entities, engaged in a scheme to defraud and to extract thousands of dollars from the targeted homeowners, including Plaintiffs, by

promising to obtain loan modifications and perform other services in exchange for large up-front fees. To lure in unsuspecting homeowners, the Individual Defendants falsely claimed connections with banks, lenders, and government agencies and a near-perfect track record of success in obtaining loan modifications. They guaranteed successful results, but then failed to provide the promised services.

46. Plaintiffs, eighteen African American homeowners, placed their trust and confidence in the Individual Defendants and the NAARI Entities the Individual Defendants represented. Operating through the NAARI Entities, Defendants Timothy Spear, Lawrence Spear, and Derek Harris, together with the other Individual Defendants, violated the homeowners' trust and confidence by requiring Plaintiffs, and other homeowners, to pay up-front fees—usually \$1,500 but sometimes more or less—in order to obtain the Individual Defendants' and the NAARI Entities' alleged assistance and purported expertise in obtaining a loan modification.

47. After collecting the fee (often characterized by the Defendants as a “donation” or “contribution”), however, the Individual Defendants undertook little to no work to obtain the promised loan modifications or to fulfill the other

promises and representations they made when soliciting the homeowners' business.

48. Preying on Plaintiffs' few remaining hopes, the Individual Defendants promised to perform services they never intended to, or could not, provide and guaranteed outcomes they never intended to—and never could—secure. These promises and representations to Plaintiffs included, but were not limited to, the following: (a) promises of reduced monthly mortgage payments; (b) promises to lower existing loan balances; (c) promises of an ability to stop the foreclosure process; (d) promises of credit preservation and restoration; (e) promises of reduction in property taxes; (f) representations about a high success rate, usually in the 90-99% range, in obtaining loan modifications for their clients; (g) guarantees that homeowners would be granted loan modifications; (h) statements that their services are provided in association with the federal government's Home Affordable Modification Program (HAMP), the "Obama Administration's Homeowner Affordability and Stabilization Plan," or simply the "Obama Plan"; (i) representations of connections with banks, lenders, and federal government agencies; (j) promises to work directly with the homeowner's bank, lender, or loan servicer to expedite the approval process, and, in some instances, to provide legal assistance; and (k) representations that the up-front fees paid were "contributions"

or “donations” to a non-profit organization, allowing some or all of the amounts paid to be tax-deductible.

49. When the Individual Defendants made these representations and promises they knew them to be false or not achievable and made them as part of the scheme to lure homeowners into paying an up-front fee without performing the promised services.

50. The Plaintiffs and, upon information and belief, many other unsuspecting homeowners relied on the Individual Defendants’ misrepresentations and false promises and paid significant sums of money to the NAARI Entities in reliance on those misrepresentations and false promises.

51. The Individual Defendants also instructed many Plaintiffs, and, upon information and belief, many other homeowners, to stop making their mortgage payments and not to communicate directly with their lenders regarding the status of their loans. As a result, the Individual Defendants caused many homeowners, including certain Plaintiffs, to fall behind on their mortgages, subjecting them to risks of foreclosure, late fees, and damage to their credit.

52. The Individual Defendants never performed the promised loan modification services. Rather, they brought some Plaintiffs closer to foreclosure when Plaintiffs followed the Individual Defendants’ advice not to pay or contact

their lenders for months while these Individual Defendants were supposedly working to secure their loan modifications.

53. After weeks or months with little or no communication from the Individual Defendants, Plaintiffs contacted them seeking an update on their loan modification, but calls and letters often were ignored or Plaintiffs were shuffled to other representatives of the NAARI Entities who assured Plaintiffs that the NAARI Entities and their representatives were working to obtain loan modifications for Plaintiffs. Despite such assurances, Plaintiffs never saw any tangible evidence that real work was being performed on their behalf, and Plaintiffs never received the promised loan modifications.

54. Many Plaintiffs contacted the Individual Defendants and directly requested refunds of the fees they paid for the loan modification services that were not being provided, but those requests were denied or ignored.

**B. CONTINUATION OF DEFENDANTS' SCAM**

55. In August 2011, NAARI Housing was administratively dissolved by the Georgia Secretary of State because it failed to file its annual corporate registration. NAARI Housing continued to conduct business after its dissolution. On November 7, 2011, the Georgia State Department of Banking and Finance (the "Department of Banking and Finance" or the "Department") issued a Cease and

Desist Order against the NAARI Entities enjoining them from engaging in activities in violation of the Georgia Residential Mortgage Act, O.C.G.A. § 7-1-100 *et seq.* The Order became final on December 21, 2011. The Cease and Desist Order stated that the Department of Banking and Finance had documentation that the NAARI Entities had engaged in “residential mortgage originating, brokering, and/or lending activities without a valid license or pursuant to an applicable exemption.”

56. In defiance of the Cease and Desist Order, the Individual Defendants continued to perpetrate their loan modification scam activities through the NAARI Entities. For example, after having been ordered to cease and desist their operations by the Department of Banking and Finance, the NAARI Entities held at least three events at the Cobb Galleria advertising housing counseling services—on March 31, 2012, April 28, 2012, and June 15, 2012—urging homeowners to attend if they were interested in (1) lowering their monthly mortgage payment, (2) lowering their existing loan balance, (3) reducing their property taxes, and (4) obtaining credit preservation and restoration services. As described herein, many of the Plaintiffs in this action, and undoubtedly many other homeowners, were ensnared or maintained as client-victims after the issuance of the Cease and Desist Order.

57. The Atlanta affiliate of CBS, WGCL-TV, investigated the NAARI Entities and posted a report of the investigation on WGCL-TV's website on September 18, 2012. The online report states that "concerned citizens" had contacted CBS Atlanta News regarding thousands of dollars paid to the NAARI Entities. As shown in the report, Defendant Lawrence Spear confirmed with his own words that the NAARI Entities were continuing to act in violation of the Cease and Desist Order. For example, when a WGCL-TV reporter questioned Defendant Lawrence Spear about the then-current activities of the NAARI Entities, Mr. Spear stated: "We put together the program. We talk with the mortgage company . . . . Just now, we were on the phone with the mortgage company, with another property that she is having problems with, because they are broke."<sup>5</sup> The WGCL-TV report also stated that the NAARI Entities had failed to obtain mortgage modifications for customers who had paid money for such services.

58. The Individual Defendants also continued their activities by contacting several Plaintiffs in violation of the Cease and Desist Order.

59. On October 4, 2012, less than three weeks after the WGCL-TV report, the Department of Banking and Finance sent a letter informing the NAARI Entities

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<sup>5</sup> See [www.cbsatlanta.com/story/19579294/non-profit-under-fire-for-mortgage-counseling-donations](http://www.cbsatlanta.com/story/19579294/non-profit-under-fire-for-mortgage-counseling-donations)

that the Department “intends to institute legal proceedings” against the NAARI Entities “for failing to comply with the Cease and Desist Order.”<sup>6</sup>

60. Meanwhile, the United States Trustee was seeking sanctions against the NAARI Entities and Defendants Timothy Spear, Asim Spear, and ShAunta Moore (among others) based on their violations of the bankruptcy petition preparation rules set forth in 11 U.S.C. § 110.<sup>7</sup> The NAARI Entities apparently agreed to settle this sanctions proceeding by paying approximately \$20,000, and on October 5, 2012, the U.S. Trustee filed a motion seeking Bankruptcy Court approval of the proposed bankruptcy sanctions settlement. The Bankruptcy Court scheduled a settlement approval hearing for October 31, 2012.

61. Apparently in response to the September 2012 WGCL-TV report, the October 2012 letter from the Department of Banking and Finance, and the upcoming October 2012 hearing in the Bankruptcy Court to approve the \$20,000 settlement of the bankruptcy sanctions proceeding against Defendants Timothy

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<sup>6</sup> See *In re National African-American Relationship Institute, Inc.*, No. 1:12-bk-76994 (Bankr. N.D. Ga. 2012), Dkt. 9-2.

<sup>7</sup> The United States Trustee’s sanctions motions against the NAARI Entities and their employees were consolidated in a miscellaneous bankruptcy proceeding, Case No. 1:12-mp-00503 (Bankr. N.D. Ga.). The allegations set forth in paragraphs 38 through 53 of the U.S. Trustee’s amended sanctions motion in that proceeding (Dkt. 37) corroborate many of the allegations in this Complaint.

Spear, Asim Spear, ShAunta Moore, and others, Defendant Timothy Spear, as president of NAARI, filed a Notice of Intent to Dissolve NAARI as of October 12, 2012 (which was signed on October 15, 2012). Then, Defendant Timothy Spear filed a Chapter 7 bankruptcy petition purportedly on behalf of the NAARI Entities on October 30, 2012, in the United States Bankruptcy Court for the Northern District of Georgia.<sup>8</sup>

62. Notwithstanding the dissolution of the NAARI Entities and the filing of a bankruptcy petition, upon information and belief, the key Individual Defendants who directed and controlled the operations of the NAARI Entities—Defendants Timothy Spear, Lawrence Spear, and Derek Harris (together with at least Defendant Asim Spear)—have continued “business as usual” at Defendant All American, operating the same or substantially similar mortgage loan modification scamming activities that they previously had engaged in through the NAARI Entities.

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<sup>8</sup> Recently, on January 24, 2013, the Department of Banking and Finance filed a motion in the NAARI bankruptcy proceeding seeking relief from the Bankruptcy Code’s automatic stay so that the Department may file and pursue a Georgia state court action against NAARI for its violation of the Cease and Desist Order. In that motion, the Department does not indicate whether it intends to institute an action against the Individual Defendants or against Defendant All American. The Department’s motion for relief from the stay is set for hearing on February 27, 2013.

63. Upon information and belief, Defendant All American was formed with the purpose and intent to evade the legal problems facing the NAARI Entities. Defendant All American continues the NAARI Entities' illegal and fraudulent loan modification business.

64. Defendant All American initially operated out of the NAARI Entities' offices at 1399 Montreal Road, Tucker, Georgia, prior to moving to Defendant All American's new office location at 3301 Buckeye Road, 8th Floor, Atlanta, Georgia 30341. Defendant All American also initially used the same phone number as the NAARI Entities. Upon information and belief, all client information formerly belonging to NAARI and NAARI Housing, including all client files and client information stored electronically, was transferred to Defendant All American. When the NAARI Entities closed down their operations, the NAARI Entities' answering machine and those answering the phones referred callers to Defendant All American.

65. That Defendant All American is conducting "business as usual" is evident from the experiences of several Plaintiffs. Plaintiff Lewinston Petgrave, who had been working with the NAARI Entities, was referred in October 2012 by a voicemail message on the NAARI Entities' phone number to Defendant All American, and then met with a Defendant All American representative in the exact

same office in which he had visited the NAARI Entities previously and was asked during that meeting to sign a third-party authorization form for his lender to transfer his third party-authorization from the NAARI Entities to Defendant All American. Mr. Petgrave understands that Defendant All American has all the files that he had submitted initially to the NAARI Entities. Similarly, Plaintiff Willis was told that her and all other client information maintained by the NAARI Entities had been transferred to Defendant All American. Plaintiff Wilson was told by Defendant Cannon that the NAARI Entities were opening under a new name: All American Home Assistance Services, Inc. Yet another Plaintiff, Stephanie Echols, called the NAARI Entities' phone number in October 2012 (the same number that she had always called in order to reach the NAARI Entities) and was told that she had reached Defendant All American, as the NAARI Entities were no longer in business.

66. Defendants Timothy Spear, Lawrence Spear, and Derek Harris were all active in the senior leadership and operations of the NAARI Entities and, upon information and belief, continue to serve similar roles with Defendant All American. Defendants Timothy Spear, Lawrence Spear, and Derek Harris organized and operated the NAARI Entities and, upon information and belief, organized and continue to operate Defendant All American with the individual and

collective intent and purpose of offering illegal and fraudulent loan modification services for personal gain. Defendants Timothy Spear, Lawrence Spear, and Derek Harris have participated directly in the scamming activities and misconduct alleged herein and, as senior leaders of the NAARI Entities and Defendant All American, directed other Individual Defendants to engage in such scamming activities and other misconduct. Upon information and belief, Defendants Timothy Spear, Lawrence Spear, and Derek Harris, among other things, directed and/or participated in training sessions in which sales representatives working for the NAARI Entities were provided with talking points to use in luring potential loan modification clients. Upon information and belief, the sales script developed and transmitted to NAARI Entities' sales representatives by Defendants Timothy Spear, Lawrence Spear, and Derek Harris and others included claims that the NAARI Entities had a near-perfect success rate in obtaining loan modifications for clients, the NAARI Entities were non-profit entities, and payments made for the NAARI Entities' services were tax-deductible.

**C. DEFENDANTS' TARGETING OF AFRICAN AMERICAN HOMEOWNERS**

67. Throughout their history of operations, Defendants Timothy Spear, Lawrence Spear, and Derek Harris, together with the other Individual Defendants, operating first through the NAARI Entities and later through Defendant All

American, have engaged in a pattern and practice of targeting African American homeowners, including Plaintiffs, for their foreclosure rescue scam. The name of the NAARI Entities' companies—the National *African American* Relationships Institute—indicates their targeted clientele. In furtherance of their scheme, the NAARI Entities advertised their services on local radio and cable television stations, including R & B radio station KISS 104.1, which has a high African American listenership, and on the Atlanta Public Access Cable Television Station (Channel 24).

68. The NAARI Entities' commercials were posted on various YouTube.com channels aimed at African American audiences. An example of this targeted advertising is the posting of a public service announcement—a “NAARI PSA”—featuring Defendant Tenephius (a.k.a. Tony) Williams, identified on the NAARI PSA as a “NAARI Trainer, Loan Modification Counseling (sic).” On the “NAARI PSA,” Defendant Williams proclaims that the NAARI Entities have “a ninety-eight percent success ratio” for their clients on loan modifications. The aforementioned NAARI PSA was posted by a company that produces commercials primarily for African American businesses and events.<sup>9</sup>

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<sup>9</sup> See <http://viizionmediagroup.wordpress.com/2009/10/09/home/> for examples of the company's commercials.

69. The NAARI Entities, either directly or through the Individual Defendants and other local agents, solicited clients at predominantly African American churches. They held “workshops” at churches with predominately African American memberships. They also enlisted sales associates to canvass predominately African American neighborhoods in the metro Atlanta area. These targeted efforts directed at Plaintiffs and other African American homeowners in the greater Atlanta area and elsewhere have scammed these homeowners, including Plaintiffs, out of thousands of dollars and put them at risk of foreclosure.

70. Defendants Timothy Spear, Lawrence Spear, and Derek Harris organized and operated the NAARI Entities and, upon information and belief, organized and continue to operate Defendant All American with the individual and collective intent and purpose to target African Americans for illegal and fraudulent loan modification services for personal gain. Defendants Timothy Spear, Lawrence Spear, and Derek Harris participated directly in the illegal targeting of African American homeowners alleged herein, and, as senior leaders and operators of the NAARI Entities and Defendant All American, directed other Individual Defendants to engage in such illegal targeting of African American homeowners.

## **INDIVIDUAL PLAINTIFFS' EXPERIENCES**

### **George Sampson**

71. Plaintiff George Sampson purchased his home in Woodstock, Georgia, in or around 2000 with a loan from Wells Fargo with a fixed interest rate of 5.75%. Mr. Sampson currently also has a second mortgage with Bank of America, which has a 5% fixed interest rate.

72. Mr. Sampson was introduced to the NAARI Entities in or around April 2012. While attending a concert series called "Wind Down Wednesdays" at Centennial Olympic Park in Atlanta, Georgia, a woman who Mr. Sampson later came to know as Defendant Taylor Yvet Bailey handed him a flyer advertising the NAARI Entities' loan modification services. Among other things, the flyer stated that the NAARI Entities had a "99% Success Ratio." Defendant Bailey struck up a conversation with Mr. Sampson while he was reviewing the information on the flyer. Defendant Bailey told Mr. Sampson that the NAARI Entities were a government agency that definitely could reduce his current interest rate of 5.75% to as low as 2% through a loan modification, and that Mr. Sampson would not have to make his mortgage payments for six months during the process.

73. At the time Mr. Sampson learned of the NAARI Entities, he was current on his mortgage, but he was interested in lowering his monthly expenses.

Mr. Sampson is a prostate cancer survivor, and, after his wife died in 2010, he experienced a reduction in monthly income. In light of his fixed income, Mr. Sampson wanted to ensure that he would be able, financially, to continue to live in the house that he shared with his wife for twelve of their thirty years of marriage.

74. At the concert, Defendant Bailey recommended that Mr. Sampson make an appointment to meet with her to start the loan modification application process.

75. Thereafter, Mr. Sampson called Defendant Bailey, and he met with her on or about April 27, 2012, at the NAARI Entities' Atlanta location close to the Fulton County/Cobb County border. Mr. Sampson was told to bring the following documentation to the meeting: (1) bank statements dating back two months; (2) tax returns for the last two years; (3) social security benefits information; and (4) mortgage statements for the last two years.

76. During his first meeting with Defendant Bailey at the NAARI Entities' office, Mr. Sampson provided Defendant Bailey with the requested documentation. After reviewing the documentation, Defendant Bailey told Mr. Sampson that his case was a "slam dunk." Defendant Bailey stated that the NAARI Entities worked with the government and had a current success rate of 99% in obtaining loan modification for their clients.

77. Defendant Bailey also told Mr. Sampson that in order to facilitate the loan modification process, he would need to make a “donation” of \$1,500 to the NAARI Entities. Defendant Bailey gave Mr. Sampson the impression that the NAARI Entities had substantial influence with the banks.

78. Mr. Sampson asked Defendant Bailey what the \$1,500 payment was for, and she stated that the money went to the lawyers the NAARI Entities engaged to facilitate the loan modification process. Defendant Bailey explained that the \$1,500 was for the work of lawyers on staff. Relying on Defendant Bailey’s representation, Mr. Sampson believed that the NAARI Entities had a staff of lawyers assigned to facilitate the loan modification process.

79. While in the NAARI Entities’ office for his first visit, Mr. Sampson also met Defendant Rick Davidson. Defendant Davidson made assurances to Mr. Sampson about the loan modification Mr. Sampson was seeking, stating that “this is going to work for you,” it’s a “done deal,” and that obtaining a loan modification was a “slam dunk.”

80. Defendant Davidson also told Mr. Sampson that NAARI would help lower Mr. Sampson’s mortgage interest rate to around 2%-3%, and certainly lower than his then current rate of 5.75%. In addition, Defendant Davidson reiterated the

same guarantee Defendant Bailey made by saying that the NAARI Entities had a 99% success rate.

81. In reliance on the representations and assurances that Defendants Bailey and Davidson made to Mr. Sampson during his meeting with them at the NAARI Entities' office, Mr. Sampson wrote the NAARI Entities a check for \$1,500.

82. Defendant Davidson also told Mr. Sampson not to pay his mortgage for one month. Later, Mr. Sampson realized that skipping a payment might negatively affect his mortgage, so he made his mortgage payment. However, by that time, Mr. Sampson had been assessed a late fee of \$50.

83. During their first meeting at the NAARI Entities' office, Defendant Bailey also asked Mr. Sampson to write a hardship letter. Defendant Bailey provided Mr. Sampson with a pre-printed form to complete, describing his current financial situation as well as his reasons for seeking a loan modification.

84. Mr. Sampson called Defendant Bailey approximately two to three weeks after their meeting at the NAARI Entities' office to ask for an update on the progress of his loan modification application. During this call, Mr. Sampson found that Defendant Bailey's tone of voice had changed—her tone was cold and she seemed annoyed with Mr. Sampson. But Defendant Bailey reassured Mr.

Sampson that the loan modification process was going forward and that the loan modification was going to happen. Relying on that representation, Mr. Sampson waited approximately two weeks before he called Defendant Bailey again to inquire about the status of his loan modification.

85. Mr. Sampson had not received updates on the status of his loan modification application from Defendant Bailey or any other representative of the NAARI Entities.

86. Frustrated with the lack of promised status updates, several days later Mr. Sampson went to the NAARI Entities' offices and requested a refund of the money he had paid because he believed that the NAARI Entities had not contacted his bank and he was dissatisfied with the lack of communication from the NAARI Entities about the progress of his loan modification. Mr. Sampson was told by a representative of the NAARI Entities that the "government" does not give any money back.

87. Upon information and belief, the NAARI Entities and their staff never contacted Wells Fargo or Bank of America to attempt to obtain a loan modification for Mr. Sampson. Mr. Sampson began working with both banks, independently of the NAARI Entities, to obtain a loan modification, and he asked representatives at Wells Fargo and Bank of America if they had been in contact with the NAARI

Entities regarding his mortgages. Those bank representatives told Mr. Sampson that the banks had no record of the NAARI Entities having contacted them on Mr. Sampson's behalf.

88. Mr. Sampson's last contact with the NAARI Entities was in May 2012. The NAARI Entities have not offered, and have refused when asked, to provide a refund of the money Mr. Sampson paid them, despite their failure to obtain a loan modification for him. Mr. Sampson has been distressed by the thought of how he was scammed by people he trusted and paid to help him.

89. As a result of interacting with the NAARI Entities and in reliance on representations made to him by Defendants Bailey and Davidson, Mr. Sampson lost \$1,500 and has suffered financial and emotional harm.

**Gregory Parker**

90. Plaintiff Gregory Parker lives in Stone Mountain, Georgia.

91. Mr. Parker and his wife purchased their home in or around 1997 with a loan from National City (now PNC) and with a fixed interest rate of 6.5%.

92. On June 19, 2012, Mr. Parker met two of the NAARI Entities' sales representatives, who were walking through his neighborhood ringing doorbells and handing out flyers. The sales representatives told Mr. Parker that the NAARI Entities would help Mr. and Mrs. Parker obtain a reduction in the principal and

interest rate on their mortgage. According to a worksheet filled out by the sales representatives on June 19, 2012, it purported that the NAARI Entities would help reduce Mr. Parker's mortgage interest rate from 6.5% to approximately 2%. The worksheet also stated that the NAARI Entities would help reduce the principal on the mortgage from \$112,000 to approximately \$50,000. The worksheet also represented that, with these reductions, Mr. Parker's new monthly mortgage payment would be approximately \$465 per month, down from the \$840 per month that Mr. Parker was paying at the time. The sales representatives set an appointment for Mr. Parker to come in to the NAARI Entities' office on June 21, 2012, at 7:00 p.m.

93. On June 21, 2012, Mr. Parker met with one of the sales representatives and Defendant Derek Harris at the NAARI Entities' office in Tucker, Georgia. At the meeting, Defendant Harris told Mr. Parker that the NAARI Entities would help get a loan modification for Mr. Parker's mortgage and help remove a lien on Mr. Parker's home, which was placed on his home in 1998 for past mortgage arrears. Defendant Harris said that the NAARI Entities would file a quiet title in court to have the lien on Mr. Parker's house removed. Defendant Harris represented that the entire process of obtaining a loan modification and clearing the lien would take about two months.

94. Defendant Harris also represented to Mr. Parker that the work of obtaining a loan modification and clearing the lien “wouldn’t be a problem.”

95. Defendant Harris told Mr. Parker to stop making his mortgage payments and to save the money for contributions to the NAARI Entities. Relying on that advice from Defendant Harris, Mr. Parker did not pay his monthly mortgage bill for two months. As a result, Mr. Parker and his wife fell behind on their mortgage payments.

96. Mr. Parker next visited NAARI’s office on July 7, 2012. On that visit, Mr. Parker met only with one of the sales representatives. In reliance on the representations made to him by Defendant Harris and other representatives of the NAARI Entities as alleged above, Mr. Parker brought a check for \$1,330, post-dated for July 21, 2012, as payment for the services Mr. Parker was told the NAARI Entities would provide. Mr. Parker also brought paperwork he had filled out. According to a contribution schedule Mr. Parker filled out at the July 7, 2012 meeting, Mr. Parker agreed to make four payments over four months, for a total of \$4,000.00. Mr. Parker’s understanding was that the payments covered the cost of loan modification services and the quiet title injunction.

97. Mr. Parker went back to the NAARI Entities’ office a third time to bring additional paperwork to the sales representative. On his fourth visit to the

NAARI Entities' office, Mr. Parker decided not to continue making payments. Mr. Parker had paid the first installment of \$1,330 but did not make any additional payments to the NAARI Entities.

98. Mr. Parker was told by Defendant Harris that a lawyer who worked in the same building as the NAARI Entities' Tucker office would file the quiet title injunction. Mr. Parker met with the lawyer around August 2012. At the meeting, the lawyer said that he was still working on the quiet title injunction.

99. Upon information and belief, the NAARI Entities never filed paperwork for a loan modification with Mr. Parker's lenders. Upon information and belief, the NAARI Entities never filed a quiet title injunction on his behalf.

100. Later, Mr. Parker spoke to Defendant Asim Spear, who took over his account when the sales representative he met on June 19, 2012, ceased working for the NAARI Entities. Mr. Parker asked for his money back because the NAARI Entities never followed through on requesting a loan modification or filing a quiet title injunction. Defendant Asim Spear told Mr. Parker that "we don't give money back."

101. Around October 2012, Mr. Parker received a call from Pamela Brown, who identified herself as a representative of the NAARI Entities. She asked Mr. Parker to return to working with the NAARI Entities and make payments for

additional services. Mr. Parker declined and asked for the return of his earlier payment. Ms. Brown refused to return his money.

102. Since that contact with Defendant Asim Spear and Pamela Brown, Mr. Parker has not had any further communication with any of the NAARI Entities. Mr. Parker never received a loan modification and never received a refund of the money he paid to the NAARI Entities.

103. As a result of interacting with the NAARI Entities and in reliance on representations made to him by Defendants Harris and Asim Spear, Mr. Parker suffered financial and emotional harm, lost \$1,330, is at greater risk of foreclosure, and, upon information and belief, has had his credit score damaged.

**Edna McKenzie**

104. Plaintiff Edna McKenzie lives in Covington, Georgia.

105. In 2006, Ms. McKenzie purchased her home. At the time she began working with the NAARI Entities, her monthly mortgage payment with Chase was approximately \$1,400 a month, with an interest rate of 6.125%.

106. Ms. McKenzie's mother became sick around 2008. Ms. McKenzie began paying her mother's mortgage, in addition to her own mortgage payment, and, as a result, Ms. McKenzie's financial situation deteriorated.

107. Ms. McKenzie heard about the NAARI Entities from a friend.

108. Ms. McKenzie first went to the NAARI Entities' office in early 2008 and met with Defendant Derek Harris. Defendant Harris told her that the NAARI Entities would work with her bank to get her interest rate lowered. He said that the NAARI Entities would be able to get the lowest rate available at the time.

109. Defendant Harris advised Ms. McKenzie to stop paying her monthly mortgage payments while the NAARI Entities worked with her bank. He told her that by not paying her mortgage, she would be able to afford a payment to the NAARI Entities. As a result, Ms. McKenzie skipped one monthly mortgage payment to her bank.

110. Defendant Harris told Ms. McKenzie that the NAARI Entities required payments. He told her that the NAARI Entities received funding from the U.S. government, but that funding covered only about one-quarter of the NAARI Entities' operating costs. He told her that her payment would be tax-deductible. He also told her that if she made a payment, then the NAARI Entities would put her file "on the top of the pile" to work on first.

111. Ms. McKenzie came back to NAARI's office for a second meeting. At the second meeting, relying on the representations made by Defendant Harris as alleged above, Ms. McKenzie made the payment requested by Defendant Harris of \$1,500. She also brought paperwork that Defendant Harris requested.

112. Defendant Harris told Ms. McKenzie that once the NAARI Entities submitted a loan modification request to her bank, then her bank would send her additional paperwork to fill out. Ms. McKenzie received this paperwork about one month later. She signed the paperwork and returned it to the bank.

113. Ms. McKenzie then met several times with the NAARI Entities regarding the loan modification process. She began working with Defendant Lawrence Spear.

114. One day, when Ms. McKenzie was in the waiting room at the NAARI Entities' office, Defendant Timothy Spear came out to meet her. He announced loudly so that everyone in the waiting room could hear: "Edna, congratulations, you got your modification." He told her that her mortgage payment would go down from about \$1,400 per month to about \$900 per month. Ms. McKenzie asked Defendant Timothy Spear if the new payment included taxes and insurance. He replied that it did. He told her to begin making the new payment of about \$900 per month to her bank.

115. Ms. McKenzie later found out that the figure of about \$900 per month did not include taxes and insurance. Her new total payment with taxes and insurance was about \$1,300, only one hundred dollars less than her original monthly payment.

116. Ms. McKenzie received a letter from her bank stating that she was behind on her mortgage payments because she had only been paying \$900, as Defendant Timothy Spear had told her to do.

117. While the NAARI Entities purportedly were working on Ms. McKenzie's loan modification, Defendants Lawrence and Timothy Spear discussed a forensic audit with Ms. McKenzie. They told Ms. McKenzie that her mortgage was likely improper. They told her, as examples, that banks overcharged in fees or offered loans that were too high relative to the homeowner's income. They told her that improper fees may be recoverable. They also told her that the mortgage may be entirely forgiven if there were many errors. Defendants Lawrence and Timothy Spear asked for a payment of \$2,000 to perform a forensic audit on Ms. McKenzie's mortgage, which would reveal improper fees or other errors by the mortgagor bank. Relying on the representations made to her by Defendants Lawrence and Timothy Spear, Ms. McKenzie agreed and paid \$2,000.

118. When the forensic audit was complete, Defendants Lawrence and Timothy Spear reviewed it with Ms. McKenzie. They told her there were a number of errors by the bank and they made red marks on the pages to indicate the errors. They told her that the NAARI Entities' attorney would work with her bank, Chase, to negotiate compensation for Ms. McKenzie for the errors.

119. Ms. McKenzie never heard from an attorney working on the forensic audit. She did talk with Jonathan Lewis, who, upon information and belief, served as a point person for forensic audits for the NAARI Entities.

120. Upon information and belief, the NAARI Entities did no work to negotiate compensation for the errors allegedly identified in the forensic audit. In early 2012, Mr. Lewis called Ms. McKenzie and told her that he had misplaced the forensic audit report. He asked Ms. McKenzie to send him another copy. She did so. Since then, she has called Mr. Lewis a number of times to find out the status of his work on the forensic audit, but each time she has been told that he is in a meeting.

121. At the end of 2011 or early 2012, Ms. McKenzie's daughter called Defendant Timothy Spear to request a refund of all payments that Ms. McKenzie paid to the NAARI Entities. Defendant Timothy Spear refused to do so.

122. As a result of interacting with the NAARI Entities and in reliance on representations made to her by Defendants Harris, Timothy Spear, and Lawrence Spear, Ms. McKenzie lost \$3,500, suffered financial and emotional harm, and, upon information and belief, has had her credit score damaged.

**Glenn Jones**

123. Plaintiff Glenn Jones lives in Stone Mountain, Georgia.

124. Mr. Jones purchased his home in 2007. In 2009, Mr. Jones refinanced his home with Citibank with an interest rate of 6% and a monthly payment of approximately \$1,400.

125. In 2010, Mr. Jones lost his job. He also had expenses for his special needs child. Therefore, he was seeking a way to reduce his monthly expenses, including his mortgage payment.

126. Mr. Jones learned about the NAARI Entities from a friend who worked as a sales associate for the NAARI Entities.

127. Mr. Jones met the sales associate and Defendant Derek Harris at the NAARI Entities' office in Tucker, Georgia, in the fall of 2011. Defendant Harris represented to Mr. Jones that the NAARI Entities would be able to successfully negotiate a loan modification for him. Defendant Harris told Mr. Jones to stop paying his mortgage so that he would qualify for a loan modification.

128. Defendant Harris also told Mr. Jones that the NAARI Entities specialized in using a forensic audit to identify improprieties by the mortgage lender, such as "robosigning" or "chain of custody" violations. Defendant Harris represented that the NAARI Entities would then use the improprieties to pursue "quiet title," meaning that Mr. Jones would own his house free and clear of the mortgage.

129. Before engaging the NAARI Entities, Mr. Jones was current with his mortgage payments. Around December 2011, he stopped paying his mortgage on the advice of Defendant Harris. He is now in default on his mortgage.

130. Relying on the representations made to him by Defendant Harris as alleged above, Mr. Jones paid \$2,000 to the NAARI Entities, including \$1,000 for loan modification services and \$1,000 for a forensic audit.

131. After submitting payment and submitting the relevant paperwork, Mr. Jones never visited the NAARI Entities' office again. Upon information and belief, the NAARI Entities never submitted any paperwork on his behalf and he never received the result of a forensic audit.

132. Mr. Jones tried to contact the NAARI Entities via telephone numerous times and was unsuccessful. In April 2012, Mr. Jones sent a letter to the NAARI Entities requesting a refund and threatening legal action. The NAARI Entities never responded to the letter. Mr. Jones has not received a refund of the money he paid to the NAARI Entities.

133. As a result of interacting with the NAARI Entities and in reliance on representations made to him by Defendant Derek Harris, Mr. Jones suffered financial and emotional harm, lost \$2,000, is at greater risk of foreclosure, and, upon information and belief, has had his credit score damaged.

**Gwen Baker**

134. Plaintiff Gwen Baker purchased her home in Ellenwood, Georgia, in 2006 using a first mortgage from SunTrust, which covered 80% of the purchase price of the home, and a second mortgage, which covered the remaining 20% of the purchase price. Her first mortgage carries a fixed 6% interest rate, and her second mortgage carries a fixed interest rate of 10%.

135. In August 2011, Ms. Baker received a flyer from a friend advertising loan modification services provided by the NAARI Entities and decided to seek help from the NAARI Entities. Also in August 2011, Ms. Baker visited the NAARI Entities' office in Tucker, Georgia. Although Ms. Baker was current on her mortgage at that time, she recently had experienced a reduction in her monthly income and was interested in reducing her monthly mortgage payment.

136. Ms. Baker first dealt with NAARI Entities' representative, Defendant Townes. During their initial conversation, Defendant Townes told Ms. Baker that the NAARI Entities had been affiliated with the U.S. Department of Housing and Urban Development ("HUD") and that the NAARI Entities were in business because HUD was overwhelmed with applications for loan modifications.

137. Defendant Townes also told Ms. Baker that she qualified for a loan modification because Ms. Baker was underwater on her mortgage and had

experienced a decrease in income. Defendant Townes guaranteed that the NAARI Entities could reduce Ms. Baker's mortgage interest rates to a combined 2% to 3% rate.

138. Defendant Townes told Ms. Baker that, in order for the NAARI Entities to keep their offices running and pay their bills, they asked clients to give them one month's mortgage payment for their services. Ms. Baker's monthly mortgage payment was over \$1,400, and she was at first reluctant to make an up-front payment in that amount to the NAARI Entities. Defendant Townes assured Ms. Baker, however, that the NAARI Entities would obtain a favorable loan modification for her. Defendant Townes insisted that the NAARI Entities required the payment up-front before they would start processing Ms. Baker's loan modification application. Defendant Townes stated further that the payment was a tax-deductible donation. Defendant Townes told Ms. Baker that the NAARI Entities had helped a significant number of people and gave examples of how the NAARI Entities had helped other distressed homeowners save their homes and reduce their monthly mortgage payments.

139. After hearing Defendant Townes's representations and in reliance on them, Ms. Baker agreed to pay \$735.50 up-front and to post-date a check for the

remaining \$735.50, payable in October 2011. Defendant Townes agreed to accept those payments.

140. At Defendant Townes's request, Ms. Baker provided the NAARI Entities with pay stubs and bank statements in October 2011. Later, in October 2011, Defendant Townes called Ms. Baker asking about the pay stubs and bank statements, even though Ms. Baker had already submitted them to the NAARI Entities.

141. After more time passed with no update from the NAARI Entities as to the status of her loan modification, Ms. Baker telephoned the NAARI Entities to inquire and was told by various representatives of the NAARI Entities that her paperwork had been submitted to the bank and that the NAARI Entities were waiting for a response.

142. Later, Defendant Townes told Ms. Baker that her file had been submitted to SunTrust on December 16, 2011, nearly four months after Ms. Baker's initial visit and first payment to the NAARI Entities.

143. Ms. Baker asked why it took the NAARI Entities so long to submit her application. Defendant Townes stated that the delay was a result of the NAARI Entities having gotten behind because they had so many clients they were trying to assist.

144. On January 15, 2012, Ms. Baker mailed a certified letter to the CEO of NAARI Housing Counseling Agency, Inc., Defendant Timothy Spear, expressing her displeasure with the lack of work by the NAARI Entities on her behalf. Ms. Baker's letter requested a full refund of the \$1,471 she had paid to the NAARI Entities. The letter further stated that Ms. Baker intended to report the NAARI Entities' activities to the Better Business Bureau and the Governor's Office of Consumer Affairs.

145. Shortly after Ms. Baker mailed the letter, she received a telephone call from Kim Worrell, who identified herself as a representative of the NAARI Entities. Ms. Worrell asked Ms. Baker to send updated information to be used for a loan modification application. Ms. Baker sent that updated information to Ms. Worrell on February 19, 2012.

146. On February 23, 2012, Ms. Worrell called Ms. Baker again. Ms. Worrell sought to encourage Ms. Baker that the NAARI Entities were working on her file and that Ms. Baker should stay the course because the process would take time. Ms. Baker told Ms. Worrell that she believed the NAARI Entities were running a scam and were taking people's money and making false claims and promises while doing nothing in return. Ms. Worrell assured Ms. Baker that the NAARI Entities were running a legitimate business and not a scam.

147. In March 2012, Ms. Baker spoke with Defendant Townes again about the status of her loan modification application. Defendant Townes said the process was very slow and suggested that Ms. Baker should skip a mortgage payment in an attempt “to get the bank’s attention” in order to speed up the process.

148. Despite Defendant Townes’s recommendation that Ms. Baker fail to make one or more mortgage payments, Ms. Baker has remained current on her mortgage payments.

149. During another telephone conversation between Ms. Baker and Defendant Townes in March 2012, Defendant Townes sought to reassure Ms. Baker about the “progress” the NAARI Entities were making on Ms. Baker’s behalf by saying that Defendant Townes would get SunTrust on a three-way call so that she, SunTrust, and Ms. Baker could all talk and get an update on the status of Ms. Baker’s loan modification application. A man came on the line and said that Ms. Baker’s loan modification was in negotiations and that it was being processed. The man said that it should not take much longer to get the loan modification processed.

150. Ms. Baker suspected that Defendant Townes had called someone other than a SunTrust representative in order to deceive Ms. Baker. By that time, Ms. Baker had been communicating directly with SunTrust about a loan

modification because she did not believe that the NAARI Entities were doing anything to seek a modification on her behalf.

151. Later, during one of Ms. Baker's phone calls to SunTrust, she asked whether any representative of the NAARI Entities had ever contacted SunTrust about the status of her loan modification application and was told that SunTrust had no record of ever having been contacted by any representative of the NAARI Entities about a loan modification application for Ms. Baker.

152. NAARI has not refunded the \$1,471 that Ms. Baker paid, despite her letter to Defendant Timothy Spear in January 2012 asking for a refund and notwithstanding the NAARI Entities' failure to obtain a loan modification for Ms. Baker or to, upon information and belief, even contact Ms. Baker's primary mortgage lender in an attempt to do so.

153. As a result of interacting with the NAARI Entities in reliance on representations made to her by Defendant Townes, Ms. Baker has lost the \$1,471 she paid them with no results and has suffered financial and emotional harm.

#### **James and Cherry Holiday**

154. Plaintiff James Holiday and his wife, Plaintiff Cherry Holiday, bought their home in Lithonia, Georgia in 1990 with a mortgage from GMAC.

155. In September 2011, a co-worker referred Mr. Holiday to the NAARI Entities. Mr. Holiday's co-worker said that she was working with the NAARI Entities to obtain a modification of her mortgage. At the time, Mr. and Mrs. Holiday were two months behind on their mortgage payments.

156. Mr. Holiday called the NAARI Entities' telephone number and spoke with Defendant Karen Johnson in September 2011. Defendant Johnson set up an appointment for an in-person meeting with Mr. Holiday at the NAARI Entities' office. Defendant Johnson told Mr. Holiday to bring certain paperwork and told Mr. Holiday that obtaining a mortgage modification for him would be no problem.

157. During Mr. and Mrs. Holiday's first visit to the NAARI Entities' office in or around September 2011, they met Defendant Derek Harris and Defendant Johnson. Defendant Johnson showed Mr. Holiday a chart indicating the individual success rates of various representatives of the NAARI Entities in obtaining loan modifications for their clients. Defendant Johnson's numbers, according to the chart, were among the highest of all of the representatives.

158. Mr. Holiday discussed his monthly budget with Defendant Johnson. Defendant Johnson told Mr. Holiday not to make any more mortgage payments to GMAC. Defendant Johnson represented that the NAARI Entities could reduce Mr.

Holiday's interest rate of 9.9% to 3% and that the process would take three months.

159. Mr. and Mrs. Holiday expressed concern about missing mortgage payments, particularly since they already were two months behind. Defendant Johnson reassured Mr. and Mrs. Holiday that they were making the right decision, and said that the missed payments would be forgiven or added back to their principal balance. Defendant Johnson told Mr. and Mrs. Holiday that they needed to be behind on their payments in order to get a mortgage modification. Additionally, Defendant Johnson told Mr. and Mrs. Holiday to spend their money so it would look like they did not have anything in the bank. Relying on Defendant Johnson's recommendation, Mr. and Mrs. Holiday did not make their scheduled mortgage payments.

160. Defendant Johnson said that the fee for the NAARI Entities' services was \$1,500. Relying on the representations made to him by Defendant Johnson as alleged above, Mr. Holiday paid the \$1,500 fee by check in two \$750 installments.

161. Thereafter, Mr. Holiday did not hear from the NAARI Entities between November 2011 and approximately March 2012.

162. By then, Mr. Holiday had begun working independently with GMAC to obtain a loan modification. In or about March 2012, Mr. Holiday received notification that his application had been denied.

163. Thereafter, Mr. Holiday called the NAARI Entities and was told by one of their representatives that Defendant Johnson was no longer handling his case and a new representative named Jackie had been assigned to the file.

164. When Mr. Holiday asked about the loan modification denial, Jackie told him that requests for modification are always denied on the first attempt.

165. Beginning on or around May 2012, Mr. Holiday left messages at the NAARI Entities' telephone number requesting a refund of the \$1,500 he paid, but to no avail. Mr. Holiday's calls have not been returned, and he has not received a refund.

166. As a result of interacting with the NAARI Entities and in reliance on representations made to them by Defendant Johnson, Mr. and Mrs. Holiday lost \$1,500, have suffered financial and emotional harm, are at greater risk of foreclosure, and upon information and belief, have had their credit scores damaged.

**Lawrence Reese**

167. Plaintiff Lawrence Reese, who is 60 years old, lives in College Park, Georgia.

168. Mr. Reese and his wife purchased their home in or around 1989 with a loan from South Trust. In or around 2003, Mr. Reese refinanced the mortgage and, in or around 2007 took out an equity line of credit, with a total monthly payment on the two loans of approximately \$1,600.

169. Mr. Reese first heard about the NAARI Entities in August 2012. At that time, he was current on his mortgage and tax payments, but was struggling to keep up with the payments because he was employed only sporadically.

170. On or around August 8, 2012, upon information and belief, Mr. Reese's mother encountered a representative of the NAARI Entities named Anita Robinson at her church, Greater Community Church, in Marietta, Georgia. Greater Community Church has a predominantly African American congregation. Mr. Reese's mother and Ms. Robinson, together, called Mr. Reese from the church. Mr. Reese told Ms. Robinson that he wanted to lower his interest rate; Ms. Robinson said the NAARI Entities could help him. Later that afternoon, Ms. Robinson called Mr. Reese and told him that there was an appointment available at the NAARI Entities' office later that week.

171. Before he went into the NAARI Entities' office, Mr. Reese's mother gave him a postcard advertising the NAARI Entities' services which, upon information and belief, she received from Ms. Robinson when the two met at church. One side of the postcard was titled "The Obama Plan, 'Default Counseling,'" and stated that "Almost any homeowner with any type of hardship qualifies. I.E. [sic] Laid-Off, Downsized, Loss of a Spouse, Illness, Divorce, and Predatory Loan." Mr. Reese also looked at the NAARI Entities' website before going into the NAARI Entities' office; the representations on the website, including statements that the NAARI Entities had helped many homeowners obtain loan modifications, were part of the reason he decided to pay the NAARI Entities for their purported services.

172. Before Mr. Reese went into the NAARI Entities' office, Ms. Robinson told him that a \$1,500 "contribution" would be required, which, according to Ms. Robinson, was to help keep the NAARI Entities operating. She also instructed him to bring to the meeting at the NAARI Entities' office the following documents: his 2010 and 2011 tax returns; his bank statements for June, July, and the first week of August 2012; his pay stubs for June, July, and the first week of August 2012; and a monthly utility bill. He followed these instructions.

173. On or about August 13, 2012, Mr. Reese met with Ms. Robinson and Defendant Davidson at the NAARI Entities' office at 1755 The Exchange, Atlanta, Georgia 30339. Defendant Davidson told him that the NAARI Entities were non-profit organizations that had helped hundreds of homeowners save their homes from foreclosure and reduce their monthly mortgage payments and, in some instances, eliminate second mortgages entirely.

174. Defendant Davidson told Mr. Reese that the NAARI Entities could get his mortgage payment reduced and that it would take 30-45 days to get the loan modification. Mr. Reese was informed that his new monthly mortgage payment was estimated to be \$798.87.

175. Mr. Reese filled out some paperwork, which Defendant Davidson reviewed. After reviewing the paperwork, Defendant Davidson told him that the NAARI Entities required \$1,500 to start the process for the loan modification application. Mr. Reese told Defendant Davidson that he did not have \$1,500.

176. Relying on the representations made to him by Defendant Davidson as alleged above, Mr. Reese paid the NAARI Entities \$900 to begin the loan modification process, and agreed to pay the additional \$600 by September 4, 2012.

177. Defendant Davidson advised Mr. Reese that during the loan modification process, he did not have to make his mortgage payments. Although

Mr. Reese did not like the idea of missing mortgage payments, he followed Defendant Davidson's advice and did not make his mortgage payments for two months.

178. On or around August 24, 2012, Mr. Reese received a letter from the NAARI Entities thanking him for working with them on his foreclosure; he was surprised to receive such a letter because his home was not in foreclosure. On the same date, he also received a letter from his bank warning him about foreclosure rescue scams. The letter from his bank caused Mr. Reese to become suspicious of the NAARI Entities, so he called Ms. Robinson to discuss the issue. She gave him Defendant Davidson's personal cell phone number.

179. Mr. Reese called Defendant Davidson and spoke with him, on or about August 29, 2012, to inquire about the status of his loan modification application. Defendant Davidson claimed that he would find out what the status of Mr. Reese's application was and would call him on September 4, 2012.

180. Mr. Reese did not receive a phone call from Defendant Davidson on September 4, 2012. On or about September 4, 2012, Mr. Reese called Defendant Davidson's cell phone and left a voicemail message requesting a refund. He never received a return call from Defendant Davidson. Shortly thereafter Mr. Reese

called the NAARI Entities' main office in Tucker, Georgia, and was told that someone would call him back.

181. On or about September 7, 2012, Mr. Reese received a phone call from Terri Thorton, a representative of the NAARI Entities, requesting that he provide his 2010 and 2011 tax returns; pay stubs for August and September 2012; utility bills for August and September 2012; and bank statements for August and September 2012. Ms. Thorton also set up an appointment for Mr. Reese for Monday, September 10, 2012, and informed him that he would need to make another "contribution."

182. On or around September 10, Mr. Reese called the NAARI Entities' office and spoke with Terri Thorton. Mr. Reese asked for a refund of the money he had paid the NAARI Entities. Ms. Thorton informed him that he could not have a refund because the money was a contribution.

183. Upon information and belief, the NAARI Entities never performed any of the loan modification services promised to Mr. Reese.

184. Mr. Reese has not received a loan modification.

185. As a result of his interactions with the NAARI Entities and in reliance on representations made to him by Defendant Davidson, Mr. Reese lost \$900 and suffered financial and emotional harm.

**Alethia Barry**

186. Plaintiff Alethia Barry lives in Atlanta, Georgia.

187. Ms. Barry purchased her home in approximately 1999 with a loan from Vericrest Financial/Citibank, (“Vericrest”) with an interest rate of 6.6%.

188. Ms. Barry is employed as a special education teacher. At times, she has experienced difficulties making her monthly mortgage payments. Ms. Barry has attempted unsuccessfully since 2008 to work with her lender to obtain a permanent loan modification.

189. Ms. Barry learned about the NAARI Entities in September 2010 from a friend of a friend. At the time, she was approximately two months behind on her mortgage payments. Ms. Barry called the NAARI Entities and, during that initial call, she was told that the NAARI Entities could (a) reduce her principal mortgage balance based on the current fair market assessment of her home, (b) reduce her interest rate to reflect the current market, and (c) rectify any derogatory information placed on her credit report.

190. On or around November 24, 2010, Ms. Barry went to the NAARI Entities’ office located in Tucker, Georgia, where she met with Defendant Williams. Defendant Williams assured Ms. Barry that her case was a “slam dunk” and a “no brainer.” Defendant Williams encouraged Ms. Barry to make a donation

of \$1,000 to the NAARI Entities for their services because the NAARI Entities were a non-profit organization.

191. Relying on the representations made to her by Defendant Williams as alleged above, Ms. Barry paid the \$1,000 fee to the NAARI Entities. Defendant Williams requested that she submit personal documentation including, but not limited to, bank statements, paystubs, W-2 tax forms and mortgage statements to the attention of Ms. Lisa Bibbs, Director of Processing. Ms. Barry complied with this request and submitted the requested paperwork to Ms. Bibbs.

192. During the November 24 meeting, Defendant Timothy Spear told Ms. Barry that it would be necessary for a forensic compliance audit to be conducted with respect to her home mortgage. Defendant Timothy Spear told her that the audit would reveal deficiencies in her current mortgage that the banks were obligated to remediate pursuant to new federal laws. The fee for this additional service was \$1,500. Relying on Defendant Timothy Spear's statements to her, Ms. Barry paid the additional \$1,500 for the forensic compliance audit during this November 24 meeting.

193. On or about January 22, 2011, the NAARI Entities submitted to Vericrest on Ms. Barry's behalf a "Forensic Compliance Audit" purporting to

identify deficiencies with her mortgage which, she had been told by Defendant Timothy Spear, her lender was legally obligated to correct.

194. On or about February 7, 2011, Vericrest sent Ms. Barry a letter acknowledging receipt of the NAARI Entities' January 22, 2011 submission on her behalf but advising that Vericrest viewed the NAARI Entities' submission as being without merit. In the February 7 correspondence, Vericrest stated that if Ms. Barry was interested in a loan modification, then she needed to complete and submit the paperwork Vericrest enclosed. Having already paid the NAARI Entities \$2,500 to communicate and negotiate directly with Vericrest on her behalf, Ms. Barry filled out the requested paperwork and sent it to the NAARI Entities for submission to Vericrest.

195. On or about February 14, 2011, Vericrest sent Ms. Barry correspondence requesting additional paperwork to evaluate her eligibility for a loan modification. She sent the requested documentation to the NAARI Entities for submission to Vericrest.

196. Vericrest sent Ms. Barry correspondence on or about early March 2011 offering an interest rate reduction, but the proposed interest rate reduction would be temporary and was not accompanied by a reduction in her principal balance.

197. On or about March 16, 2011, Ms. Barry sent a letter to Defendant Timothy Spear expressing her displeasure with the proposed temporary interest rate reduction offered by Vericrest. Based on the representations made to Ms. Barry, she had paid the NAARI Entities to (a) negotiate a permanent principal mortgage balance reduction based on fair assessment, (b) negotiate a permanent interest rate reduction to reflect the current market, and (c) rectify any derogatory information placed on her credit report.

198. In late March 2011, having received no response to her March 16 letter addressed to Defendant Timothy Spear, Ms. Barry went to the NAARI Entities' Tucker office location and asked to speak with a supervisor. During that office visit, she spoke with Defendant Timothy Spear and expressed her unhappiness that the NAARI Entities had submitted incorrect paperwork on her behalf; that she had to have direct contact with her bank regarding the matter, despite having paid the NAARI Entities to handle it; and that the offer from Vericrest of a temporary interest rate reduction was not what the NAARI Entities had promised her when she paid the fees for the NAARI Entities' services.

199. At the same meeting, Defendant Timothy Spear told Ms. Barry that it was good that the bank was speaking directly with her because this communication would improve her chances of receiving a loan modification. Ms. Barry repeated

her understanding that the NAARI Entities were to engage in all conversations with the bank. In an effort to reassure Ms. Barry that her case was proceeding along, Defendant Timothy Spear brought in an attorney named Joshua Davis to speak to her. Ms. Barry felt like Mr. Davis was brought into the conversation only to appease her. Mr. Davis did not provide any information related to the status of Ms. Barry's loan modification application. Thereafter, Ms. Barry's repeated calls to the NAARI Entities went unanswered and her requests to speak with somebody about her loan modification application were not honored.

200. In approximately late June 2011, to prevent falling further behind in her mortgage payments and out of sheer frustration with the NAARI Entities' failure to provide her with the results she was promised, Ms. Barry accepted Vericrest's offer of a temporary interest rate reduction for a two-year period. The temporary reduction is set to expire in 2013.

201. On or about July 2011, Ms. Barry received a call from a new representative of the NAARI Entities, whose name she does not recall. The new representative implored Ms. Barry to allow the NAARI Entities to look into the status of her application and to give the NAARI Entities another chance to help her. Ms. Barry declined and requested a refund of her money, but was told that the representative was not the proper party with whom to speak about obtaining a

refund. This was the last contact Ms. Barry has had with any of the NAARI Entities or their representatives.

202. Ms. Barry has not received a refund from the NAARI Entities.

203. Despite Ms. Barry's receiving a temporary interest rate reduction, she did not receive the results she paid the NAARI Entities to secure on her behalf, including (a) a permanent principal mortgage balance reduction based on fair assessment, (b) a permanent interest rate reduction to reflect the current market, and (c) resolution of any derogatory information placed on her credit report.

204. As a result of Ms. Barry's interactions with the NAARI Entities and in reliance on representations made to her by Defendants Williams and Timothy Spear, Ms. Barry has lost \$2,500, suffered financial and emotional harm, faces uncertainty about her ability to afford her mortgage payments in 2013 and, upon information and belief, her credit score has decreased.

### **William and Glenda Brown**

205. Plaintiffs William and Glenda Brown live in Marietta, Georgia.

206. They purchased their current home in 2007 with a loan from Bank of America with an interest rate of 6%.

207. In 2012, the Browns experienced a reduction in income. As a result, the Browns were looking for ways to reduce their monthly household expenses,

including monthly mortgage payments. Around June 2012. Mr. and Mrs. Brown saw an advertisement on a local television station for a job fair at the Cobb Galleria on June 15, 2012; the advertisement stated that housing counseling services would be available at this event. When the Browns saw the advertisement, they were current on their mortgage payments but they were having difficulty making ends meet.

208. On or around June 15, 2012, Mr. Brown attended the event at the Cobb Galleria to investigate the advertised housing counseling services. He saw a booth for the NAARI Entities advertising employment opportunities and loan modification services.

209. Mr. Brown approached the NAARI Entities' booth and spoke with Defendant Taylor Yvet Bailey about obtaining a loan modification. Defendant Bailey told Mr. Brown that (a) due to his reduction in income, the Browns were eligible for assistance through President Obama's Making Home Affordable Program; and (b) the Browns would not have to make their mortgage payments while their application was being processed.

210. Mr. Brown told Defendant Bailey that he would return later with Mrs. Brown to discuss the loan modification process further. The Browns returned later

that day to the NAARI Entities' booth. Mrs. Brown immediately recognized Defendant Bailey as a member of the church the Browns attended.

211. The Browns proceeded to discuss further with Defendant Bailey about getting a loan modification through the NAARI Entities. Because Mrs. Brown was familiar with Defendant Bailey from their church, they made an appointment to meet with her at the NAARI Entities' office at 1755 The Exchange, Suite 180, Atlanta, Georgia.

212. On or about June 20, 2012, The Browns met with Defendant Bailey at the NAARI Entities' office. At the June 20, 2012 meeting with Defendant Bailey, the Browns wrote a handwritten hardship letter on a form provided by Defendant Bailey. Mrs. Brown asked if they should draft a more professional letter because the current form appeared to have been copied numerous times, but Defendant Bailey told the Browns that it was not necessary to do so.

213. The Browns provided Defendant Bailey with financial documents consisting of three months of bank statements, paycheck stubs, and tax documents. Defendant Bailey told the Browns that because the NAARI Entities were a non-profit, they required a "donation" for the services they provided in order to cover administrative costs and pay their loan processors.

214. Although the money to be paid to the NAARI Entities was characterized as a “donation,” Defendant Bailey stated that the NAARI Entities would not begin processing the loan modification application until the “donation” was paid in full. The amount of the fee required for the work to be performed was set after Defendant Bailey reviewed the Browns’ mortgage paperwork. Defendant Bailey told them that the required fee was \$1,500. Defendant Bailey also explained what services the fee secured: the submission of a loan modification application on behalf of the Browns to Bank of America and responding to any requests by Bank of America.

215. Mrs. Brown told Defendant Bailey that the \$1,500 they were giving to the NAARI Entities was the money the Browns otherwise would have used to make their mortgage payment for the upcoming month. The Browns expressed concern to Defendant Bailey about paying the NAARI Entities, instead of Bank of America, the amount of \$1,500. In the end, however, in reliance on the representations and statements made to them by Defendant Bailey, the Browns paid the \$1,500 to the NAARI Entities. Defendant Bailey also instructed the Browns to stop paying their mortgage, and in reliance on that recommendation, the Browns complied.

216. Defendant Bailey, in the Browns' presence, called Bank of America to confirm that the NAARI Entities had their permission to discuss the Browns' mortgage with Bank of America. Defendant Bailey told the Browns that if they received any calls from Bank of America inquiring about their mortgage, they were to tell Bank of America that they were working with the NAARI Entities.

217. Defendant Bailey told the Browns that the loan modification process could take up to 60 days. After the June 20, 2012 meeting with Defendant Bailey, the Browns left the NAARI Entities' office with the understanding that they were paying a total of \$1,500 in two payments of \$500 and \$1,000, respectively, for the NAARI Entities to represent them throughout the entire loan modification application process.

218. Shortly after the June 20 meeting with Defendant Bailey, the Browns were contacted by John Beyer, a loan processor for the NAARI Entities assigned to their case. Mr. Beyer told the Browns that their loan modification application had been submitted to Bank of America and the review process would take 72 hours to complete.

219. Several weeks passed and the Browns called both the NAARI Entities' Tucker home office as well as the Atlanta office to get an update on their loan modification application. They had been told by Defendant Bailey at the June

20, 2012 meeting that their assigned processor would provide weekly updates on the status of their loan application. That did not happen.

220. On or about August 7, 2012, the Browns received a call from a Bank of America representative stating that the bank was in receipt of paperwork in their name requesting a loan modification. The paperwork that was submitted, however, was inadequate to start the loan modification process. The Bank of America representative requested the appropriate documentation from the Browns in order for the bank to be able to process their application for a loan modification.

221. The Browns submitted the requested paperwork directly to Bank of America, which included bank statements, paycheck stubs, and tax documents. Mrs. Brown promptly contacted Defendant Bailey to inform her about the conversation with Bank of America but was not able to reach her then and was unsuccessful in subsequent attempts to reach Defendant Bailey for approximately two weeks.

222. On August 10, 2012, Mrs. Brown was finally able to reach Defendant Bailey on the phone. Mrs. Brown expressed to Defendant Bailey her displeasure with the submission of the inadequate paperwork and inquired as to why the Browns needed to work directly with Bank of America since they paid the NAARI Entities to represent their interests. Defendant Bailey responded that as long as the

application was in the review stage, it was common for banks to request additional paperwork.

223. On or about August 22, 2012, Mr. Brown called the NAARI Entities' Tucker office attempting to speak with Defendant Bailey. He was routed to a "Mr. Asim," who, upon information and belief, was Defendant Asim Spear. Mr. Brown was told by Mr. Asim that because their home was not up for sale, he would have to wait until Mr. Asim could assist those homeowners with sale dates. Mr. Asim stated that once those homeowners' issues were addressed, he would provide an update on their loan modification application. That never happened.

224. The Browns were three months behind on their mortgage payments when they began to correspond directly with representatives from Bank of America. Since the August 7, 2012 phone call from Bank of America, the Browns have continued to work directly with Bank of America to obtain a loan modification. The last contact with Defendant Bailey was on August 10, 2012. The NAARI Entities have not offered to provide a refund to the Browns, despite the NAARI Entities' failure to obtain a loan modification on their behalf.

225. As a result of interacting with the NAARI Entities and in reliance on representations made to them by Defendant Bailey, the Browns have lost \$1,500,

suffered financial and emotional harm, and are at greater risk of foreclosure, and, upon information and belief, their credit scores have decreased.

**Kelvin and Jackie Thomas**

226. Plaintiff Kelvin Thomas and his wife, Plaintiff Jackie Thomas, purchased their home in Covington, Georgia, with a first mortgage loan from Countrywide (now with Bank of America) representing 80% of the purchase price of their home and a second mortgage loan from GMAC for the remaining 20% of the purchase price. The monthly payment on both mortgages totaled approximately \$1,200.

227. Mrs. Thomas lost her job in 2009, and since has worked only part-time. In late 2011, Mr. Thomas had foot surgery, which reduced the hours he was able to work. Thereafter, Mr. and Mrs. Thomas fell behind on their monthly mortgage payments.

228. In January 2012, one of Mr. Thomas's co-workers gave him the business card of Defendant ShAunta Moore, a representative of the NAARI Entities. Mr. Thomas's co-worker suggested that the NAARI Entities may be able to assist Mr. and Mrs. Thomas in obtaining a modification of their home loans. At that time, Mr. and Mrs. Thomas were two months behind on their monthly mortgage payments.

229. Thereafter, Mr. Thomas telephoned Defendant Moore at the number listed on her business card to discuss the NAARI Entities' services. Defendant Moore offered to come to Mr. and Mrs. Thomas's home to speak with them about the NAARI Entities' services.

230. Within a few days of his initial phone call to Defendant Moore, Defendant Moore came to Mr. and Mrs. Thomas's home. Defendant Moore said that the NAARI Entities could help Mr. and Mrs. Thomas obtain modifications of their home loans under the "Obama Plan." Defendant Moore encouraged Mr. and Mrs. Thomas to log on to the NAARI Entities' website that purported to identify the NAARI Entities as having a favorable rating with the Better Business Bureau.

231. After speaking with Mr. and Mrs. Thomas about their finances, Defendant Moore gave Mr. and Mrs. Thomas a written estimate in which Defendant Moore projected that the NAARI Entities would negotiate a modification that would reduce Mr. and Mrs. Thomas's total monthly mortgage payment (on both their first and second mortgages) from roughly \$1,200 per month to roughly \$900 per month.

232. Defendant Moore explained that the NAARI Entities would require a \$1,500 up-front "contribution" from Mr. and Mrs. Thomas for the NAARI Entities' services. Defendant Moore stated that the NAARI Entities were "non-

profit” organizations and that \$1,000 of the \$1,500 up-front “contribution” would be tax-deductible.

233. Defendant Moore told Mr. and Mrs. Thomas that the NAARI Entities would handle all communications with their lenders and that Mr. and Mrs. Thomas should not communicate directly with their lenders regarding modification of their home loans. Relying on Defendant Moore’s representation, Mr. Thomas requested that Bank of America authorize the NAARI Entities and their representatives to communicate with Bank of America on behalf of Mr. and Mrs. Thomas regarding their home loan.

234. Defendant Moore also told Mr. and Mrs. Thomas that they should not make their monthly mortgage payments and stated that it might be necessary for them to fall behind on their mortgage payments by three or four months before the lenders would work with the NAARI Entities on a modification of Mr. and Mrs. Thomas’s home loans, but that, thereafter, the NAARI Entities would be able to obtain a favorable modification of the loans for Mr. and Mrs. Thomas, and the payments that they had missed in the interim would be forgiven.

235. In reliance on Defendant Moore’s representations, Mr. and Mrs. Thomas missed additional mortgage payments, falling further behind on their mortgages.

236. A few days after the meeting with Defendant Moore at Mr. and Mrs. Thomas's home, Mrs. Thomas went to the NAARI Entities' office at 1399 Montreal Road in Tucker, Georgia, and, in reliance on Defendant Moore's representations to her and Mr. Thomas as alleged above, gave Defendant Moore a check for \$750, reflecting half of the "contribution" Mr. and Mrs. Thomas were told to make for the NAARI Entities' services. Mr. and Mrs. Thomas subsequently gave the NAARI Entities a second check for the remaining \$750. The NAARI Entities cashed both checks.

237. Thereafter, Mr. and Mrs. Thomas communicated with Defendant Moore and other representatives of the NAARI Entities regarding the status of efforts to obtain modifications of their home loans.

238. In April 2012, Mr. and Mrs. Thomas were introduced to and began working with the NAARI Entities' representative Vickie Woods-Moore. In one conversation, Ms. Woods-Moore told Mr. Thomas that Bank of America had told the NAARI Entities that Mr. and Mrs. Thomas were eligible for a loan modification under the United States Department of Treasury's Home Affordable Modification Plan ("HAMP") program.

239. In May 2012, Mr. and Mrs. Thomas were introduced to and began working with the NAARI Entities' representative Tiki Hardeman.

240. Ms. Hardeman told Mr. and Mrs. Thomas that the NAARI Entities would handle all communications with their lenders and that Mr. and Mrs. Thomas should not communicate directly with their lenders regarding modification of their home loans. Relying on Ms. Hardeman's representation, Mr. Thomas again requested that Bank of America authorize the NAARI Entities and their representatives to communicate with Bank of America on behalf of Mr. and Mrs. Thomas regarding their home loan.

241. In August 2012, a representative of Bank of America informed Mr. and Mrs. Thomas that they did not qualify for a loan modification under the HAMP program.

242. Thereafter, Mr. Thomas reached out to Ms. Hardeman to discuss his options. Ms. Hardeman attempted to persuade Mr. Thomas to pay the NAARI Entities an additional \$1,000 to conduct a forensic compliance audit of his mortgage loans. When he refused, Ms. Hardeman advised Mr. Thomas that his only other option was to effectuate a "short sale" of his home.

243. As a result of interacting with the NAARI Entities and in reliance on representations made to them by Defendant ShAunta Moore, Mr. and Mrs. Thomas lost \$1,500, suffered financial and emotional harm, are at greater risk of

foreclosure or otherwise losing their home, and, upon information and belief, have had their credit scores damaged.

**Nadine Willis**

244. Plaintiff Nadine Willis lives in Auburn, Alabama.

245. Ms. Willis purchased her home in or around 1994 with a mortgage from CitiMortgage. Her monthly mortgage payment is about \$563.

246. In 2008, Ms. Willis was forced to retire early—due to problems with her health—from the job she'd had for 30 years. As a result of her early retirement, her income was cut in half and she began to have difficulty making her mortgage payments.

247. In late 2010 or early 2011, because Ms. Willis was having trouble making her mortgage payments, she went online to search for help. She found the NAARI Entities by using a search engine to search for terms such as “housing counseling agency” or “MHA” (Making Home Affordable). Ms. Willis saw a photo on the NAARI Entities’ website of a happy African American couple whom the NAARI Entities had allegedly helped.

248. Approximately a few months after Ms. Willis learned of the NAARI Entities through her online search, she traveled to the NAARI Entities’ office in Tucker, Georgia, which is a two-to-three-hour drive from her home.

249. At the NAARI Entities' office in Tucker, Georgia, Ms. Willis met with Defendant Karen Johnson.

250. Defendant Johnson guaranteed to Ms. Willis that the NAARI Entities would be able to obtain a loan modification for her. She told Ms. Willis that NAARI had a 90% success rate in obtaining loan modifications for its customers. She also told Ms. Willis that her new monthly mortgage payment would be about \$350 per month. Ms. Johnson also instructed Ms. Willis not to make her mortgage payments and that her missed mortgage payments would be forgiven once she got a loan modification. Ms. Willis followed Defendant Johnson's instruction not to make her mortgage payments.

251. At the same meeting, Defendant Johnson told Ms. Willis that she needed to pay a fee of \$1,500 to the NAARI Entities to get the loan modification.

252. In reliance on Defendant Johnson's representations to her as alleged above, Ms. Willis paid the NAARI Entities \$1,500 in June and July 2011 in two payments (one for \$1,000 and one for \$500).

253. A few months after her first meeting at the NAARI Entities' offices, Ms. Willis's case was transferred to Anthony (Tony) Hill.

254. Ms. Willis met with Mr. Hill in or around April 2012 at the NAARI Entities' office in Tucker, Georgia. Mr. Hill guaranteed that the NAARI Entities

would get a loan modification for Ms. Willis. He told her that the NAARI Entities had a 99% success rate in getting loan modifications for their clients. Mr. Hill estimated that Ms. Willis's new monthly mortgage payment would be \$385. He also told her that she should not pay her mortgage while applying for a loan modification, and that her missed mortgage payments would be forgiven once her loan modification was approved. Ms. Willis followed Mr. Hill's instruction not to pay her mortgage.

255. As Ms. Willis understands it, the NAARI Entities submitted a loan modification application on her behalf; that application was denied in or around May 2012.

256. In or around August 2012, Ms. Willis again made the two-to-three-hour drive from her home to the NAARI Entities' office in Tucker, Georgia, where she met with Defendants Lawrence Spear and Karen Johnson. Defendant Lawrence Spear guaranteed that the NAARI Entities would get a loan modification for Ms. Willis. He told her that the NAARI Entities had a 90% success rate in getting loan modifications for their clients. He estimated that her new monthly mortgage payment would be \$385. He also told Ms. Willis that she should not pay her mortgage while she was applying for a loan modification, and that her missed mortgage payments would be forgiven once her loan modification was approved.

Ms. Willis followed Defendant Lawrence Spear's instruction not to pay her mortgage.

257. In order to resubmit her application for a loan modification, Defendant Lawrence Spear requested another payment of \$1,500 from Ms. Willis at their August 2012 meeting. She did not pay the additional fee, and Defendant Lawrence Spear reluctantly agreed to submit the package without an additional fee.

258. After her August 2012 meeting with Defendants Lawrence Spear and Karen Johnson, Ms. Willis called Defendant Lawrence Spear regularly to inquire about the status of her application. He repeatedly told her that the application had been submitted and he was waiting to hear back from her bank. After Ms. Willis called him three or four times, upon information and belief, Defendant Lawrence Spear transferred her case to Vicki Thomas. Ms. Willis called Ms. Thomas about once a week regarding her application; Ms. Thomas repeatedly told her that the application had been submitted and that she just needed to wait.

259. In or around October 2012, Ms. Willis called the NAARI Entities' office to inquire about her application for a loan modification. No one answered the call; rather, she heard a recording stating that the NAARI Entities had closed and referring clients to Defendant All American. Before Ms. Willis heard the recording, she did not know that the NAARI Entities were no longer in operation.

260. After Ms. Willis heard the recording regarding the NAARI Entities' closing, she called Vicki Thomas. Ms. Thomas told her that the NAARI Entities were closed and that all client information had been transferred to All American.

261. Despite repeated requests throughout the time Ms. Willis was working with the NAARI Entities, she never received a complete copy of the applications that she believes the NAARI Entities submitted to her bank.

262. Ms. Willis is now working with a HUD-certified housing counseling agency, which is free, to try to get a loan modification.

263. As a result of interacting with the NAARI Entities and in reliance on representations made to her by Defendants Lawrence Spear and Karen Johnson, Ms. Willis suffered financial and emotional harm, lost \$1,500, is at greater risk of foreclosure, and, upon information and belief, has had her credit score damaged.

**Patricia Wilson**

264. Plaintiff Patricia Wilson bought her home in College Park, Georgia, in 2005. She made a down payment and took out a single mortgage loan to purchase the property.

265. In May 2012, Ms. Wilson lost her job. Although she has been able to remain current on her mortgage payments by virtue of her pension and savings, she became concerned about being able to continue to afford her monthly mortgage

payment, which, inclusive of funds escrowed for property taxes and insurance, is approximately \$1,700 per month.

266. Ms. Wilson had heard about governmental programs such as the Home Affordable Modification Plan (“HAMP”) and others, under which she might seek to lower her monthly mortgage payment, but she was unsure whether she qualified for a reduced payment under any of those programs.

267. In August 2012, a representative of the NAARI Entities, Victoria Udoh, cold-called Ms. Wilson at home and suggested that Ms. Wilson should come to the NAARI Entities’ office in Tucker, Georgia, to discuss whether the NAARI Entities could assist her in obtaining a modification of her mortgage loan. Ms. Udoh represented to Ms. Wilson during this call that the NAARI Entities had a 99% success rate in obtaining home loan modifications for borrowers.

268. Based on Ms. Udoh’s representations, and wanting to learn more about whether the NAARI Entities could assist her in obtaining a modification of her mortgage, on August 22, 2012, Ms. Wilson made the trip to the NAARI Entities’ office in Tucker, Georgia.

269. During her August 22, 2012 visit to the NAARI Entities’ office, Ms. Wilson met with Ms. Udoh and Defendant Saleemah Cannon. At that meeting, Ms. Wilson explained that she had asked her mortgage lender (Bank of America)

whether she qualified for a modification under the HAMP program, but was told that she did not because she had refinanced her loan in 2010. Defendant Cannon told Ms. Wilson that she still qualified for a reduction in her monthly mortgage payment because of a hardship, *i.e.*, Ms. Wilson had lost her job and her monthly mortgage payment accounted for more than 31% of her monthly income. Defendant Cannon also told Ms. Wilson that, if she attempted to work directly with Bank of America to try to obtain a modification on her own, the bank would deny her request. Defendant Cannon said that the NAARI Entities had friends at Bank of America who would work with the NAARI Entities to modify Ms. Wilson's loan to a lower monthly payment. Defendant Cannon represented that the NAARI Entities would arrange to have Ms. Wilson's interest rate lowered from 4.875% to 2% and would also negotiate a reduction of the principal balance of Ms. Wilson's mortgage, with the effect that Ms. Wilson's total monthly mortgage payment would be reduced to \$961. Defendant Cannon also repeated Ms. Udoh's prior representation that the NAARI Entities had a 99% rate of success in obtaining mortgage modifications for homeowners.

270. Defendant Cannon and Ms. Udoh told Ms. Wilson that she would have to first make a donation or contribution to the NAARI Entities in the amount

of one month's mortgage payment before the NAARI Entities would begin work on her behalf.

271. Ms. Wilson was reluctant to make the up-front payment. Defendant Cannon and Ms. Udoh then brought in a male representative of the NAARI Entities who also repeated the claim that the NAARI Entities had a 99% success rate in obtaining mortgage modifications for homeowners.

272. Ultimately, the representations made by Defendant Cannon, Ms. Udoh, and the male representative of the NAARI Entities persuaded Ms. Wilson to make the up-front payment to the NAARI Entities.

273. Ms. Wilson was also comforted in part by her perception that the NAARI Entities' office looked very professional and legitimate and appeared to be crowded with other customers seeking assistance from the NAARI Entities at the time of Ms. Wilson's visit.

274. In reliance on the representations made by Defendant Cannon, Ms. Udoh, and the male representative of the NAARI Entities as alleged above, Ms. Wilson wrote the NAARI Entities a check in the amount of \$1,700, which was deposited almost immediately. The NAARI Entities later reimbursed Ms. Wilson for \$200 of that amount when she pointed out that \$200 of the \$1,700 was for

property taxes and insurance and was not part of her monthly mortgage loan payment.

275. Defendant Cannon told Ms. Wilson that the NAARI Entities would handle all communications with Bank of America regarding modification of Ms. Wilson's loan and that Ms. Wilson should not communicate with Bank of America, but should allow the NAARI Entities to handle such communications. Ms. Wilson followed that advice.

276. Defendant Cannon set another appointment for Ms. Wilson to return to the NAARI Entities' office one month later.

277. Between her first and second visits to the NAARI Entities' office, Ms. Wilson made several telephone calls to the NAARI Entities seeking updates on the progress of their efforts to obtain a modification of her mortgage loan. On each call, the NAARI Entities' representatives with whom Ms. Wilson spoke sought to reassure her that the NAARI Entities were working diligently on her behalf and that the process would simply take time.

278. When Ms. Wilson returned to the NAARI Entities' office for the second scheduled appointment, neither Defendant Cannon nor Ms. Udoh was at work. The NAARI Entities' representative with whom Ms. Wilson spoke seemed surprised that she was there. The representative telephoned Defendant Cannon and

Ms. Udoh, who came into the office to meet with Ms. Wilson. Ms. Wilson showed Defendant Cannon and Ms. Udoh a letter she had received from Bank of America stating that homeowners should not be charged money by third parties for loan modification services. Defendant Cannon and Ms. Udoh told Ms. Wilson that Bank of America sent such letters to homeowners to attempt to discourage them from working with the NAARI Entities because the NAARI Entities had been so successful in obtaining mortgage loan modifications for homeowners. Defendant Cannon and Ms. Udoh told Ms. Wilson to ignore any such correspondence from her lenders, to let the NAARI Entities continue their work on her behalf, and to come back and see them again in one month. Defendant Cannon also told Ms. Wilson that her file had been given to the NAARI Entities' underwriter Tiki Hardeman, who was working with Bank of America to negotiate a mortgage modification for Ms. Wilson.

279. After several weeks went by with no word from the NAARI Entities, Ms. Wilson called the NAARI Entities' office again. She heard a recorded message stating that the NAARI Entities had closed operations at the direction of the Georgia Department of Banking and Finance.

280. Thereafter, Ms. Wilson telephoned Defendant Cannon, who told Ms. Wilson that the NAARI Entities would soon open up under the new name “All American Home Assistance Services, Inc.”

281. Later, Ms. Wilson spoke with another representative of the NAARI Entities who told her that All American Home Assistance Services, Inc. would have its offices located at 3301 Buckeye Road, 8th Floor, Atlanta, Georgia, 30341.

282. Ms. Wilson also spoke with Defendant Derek Harris of the NAARI Entities and asked for a refund of the \$1,500 she paid to the NAARI Entities. Defendant Harris stated that the NAARI Entities were out of business, and that Ms. Wilson should consult with the Georgia Secretary of State to attempt to get her money back.

283. Ms. Wilson has not received a refund of the \$1,500 she paid to the NAARI Entities, and the NAARI Entities did not obtain a modification of her mortgage loan.

284. As a result of interacting with the NAARI Entities and in reliance on representations made to her by Defendants Saleemah Cannon and Derek Harris, Ms. Wilson lost \$1,500 and has suffered financial and emotional harm.

**Stephanie Echols**

285. Plaintiff Stephanie Echols lives in Smyrna, Georgia.

286. In December 1999, Ms. Echols purchased her home with a loan from Bank of America.

287. In 2009, Ms. Echols lost her job. She began withdrawing money from her 401(k) in order to make her mortgage payments. Ms. Echols paid her monthly mortgage payments using funds from her 401(k) through March 2012, ultimately depleting her 401(k) to roughly 10% of what it once was. After her March 2012 mortgage payment, she could no longer afford to pay her mortgage, and stopped paying.

288. On March 15, 2012, Ms. Geneva Vanderhorst, an acquaintance from Ms. Echols' predominantly African American church who worked with the NAARI Entities as a "Housing Counselor," sent Ms. Echols an email regarding the NAARI Entities' services. The email advertised the NAARI Entities as a "National Non-Profit organization" with "many programs and a 98% success rate." The email stated that, as a "Housing Counselor," Ms. Vanderhorst was "helping those in need of mortgage reduction/modification or to stop foreclosure." The email further stated: "We even counsel those [that] have already been foreclosed on but have not been evicted yet and still live in their home." The email asked the recipients to pass on Ms. Vanderhorst's phone number and email address to anyone

in need and further stated: “Time is of the essence, no need to give your home back when you can have your payment reduced.”

289. In or about April 2012, Ms. Echols went to the NAARI Entities’ office located at 1755 The Exchange, Suite 180, Atlanta, Georgia. She met with Defendant Rick Davidson and Ms. Vanderhorst for approximately one hour during this April visit. Defendant Davidson told her that the NAARI Entities had relationships with loan servicers and had been helping homeowners with loan modification assistance for quite a while. Defendant Davidson also stated that 97% of the individuals that the NAARI Entities worked with were able to get their loan modified. Defendant Davidson requested that Ms. Echols submit certain personal documentation, including bank statements, paystubs, and tax forms, for the loan modification process.

290. Defendant Davidson also told Ms. Echols that, in order to move forward with the NAARI Entities’ help, the NAARI Entities required payment of a \$1,500 fee. Defendant Davidson said that the fee was to cover the work that the NAARI Entities would do to get Ms. Echols’ home loan modified.

291. After discussing with her husband, and in reliance on the representations made to her by Defendant Davidson as alleged above, Ms. Echols wrote two checks addressed to NAARI Housing Counseling, each in the amount of

\$750. She refused to pay the entire \$1,500 at once, but agreed to split the fee up in two payments. The first check was dated April 13, 2012, and the second check was dated May 13, 2012.

292. A few weeks after her in-person consultation in April, Ms. Echols returned to the NAARI Entities' office to drop off copies of the documentation that Defendant Davidson had requested during that initial April meeting.

293. Pamela Brown, from the NAARI Entities' Tucker office, served as Ms. Echols' counselor. Ms. Echols never met Ms. Brown in person but she spoke with her on the telephone approximately five times in total.

294. In May 2012, Ms. Brown called Ms. Echols and told her that she should have received a loan modification letter from Bank of America. Ms. Echols was out of town at the time so she had not seen any such letter, but she asked Ms. Brown about the terms of the modification. Ms. Brown stated that she did not know. The next day, Ms. Brown called Ms. Echols, telling her that she had made a mistake and her loan had not been modified.

295. Although Ms. Echols already had provided the NAARI Entities with the documents requested during the initial April meeting, Ms. Brown again requested in June 2012 that Ms. Echols provide copies of paystubs, bank statements, and tax forms, which Ms. Echols provided via facsimile. To ensure

that the documents were received, she also gave copies of them to Defendant Davidson and expressed to him her concern about Ms. Brown's poor service.

296. At the time of her initial consultation with the NAARI Entities, Ms. Echols' mortgage was being serviced by Bank of America. Ms. Echols subsequently received a letter, dated June 28, 2012, stating that, effective June 18, 2012, her loan was being transferred from Bank of America to Ocwen Loan Servicing, LLC ("Ocwen").

297. On July 23, 2012, Ms. Echols faxed the June 28, 2012 letter from Ocwen to Ms. Brown and Defendant Davidson. In the fax coversheet, Ms. Echols noted that the letter stated that default must be cleared by August 6 or her property may be foreclosed upon. She asked Ms. Brown to let her know if she had already contacted Ocwen regarding the loan modification that the NAARI Entities were allegedly working on, or if Ms. Echols should contact them herself. Ms. Brown never responded.

298. On several occasions, Ms. Echols stressed to Ms. Vanderhorst and Defendant Davidson that she did not think that Ms. Brown was handling her account appropriately because Ms. Brown did not keep her apprised of the status of her work; she did not timely respond to Ms. Echols' telephone calls and inquiries;

and she complained about her large case load, using that as an excuse for her failure to communicate.

299. In September 2012, the NAARI Entities changed Ms. Echols' loan counselor from Ms. Brown to Maggie Kakopa.

300. On September 18, 2012, Ms. Echols faxed Ms. Kakopa additional documentation, including two months of bank statements, a copy of her phone bill, and pay stubs.

301. In approximately September 2012, Ms. Echols saw a television news report regarding the NAARI Entities and the fact that the Georgia Attorney General's office had been investigating the NAARI Entities' loan modification practices.

302. The day after seeing the television news report, Ms. Echols called the NAARI Entities' office and spoke to Defendant Asim Spear. Defendant Asim Spear stated that he was the owner of the organization. Defendant Asim Spear said that those seeking the NAARI Entities' services were simply asked to give a \$1,500 "donation." Ms. Echols was never told that the \$1,500 that she paid them was a "donation." Rather, she was told that it was a fee that had to be paid in order to move forward.

303. On the same telephone call, Defendant Asim Spear also told Ms. Echols that the NAARI Entities had been in business several years, and that the allegations that Ms. Echols heard about on the news report were related to certain mortgage transactions that the NAARI Entities used to do, but no longer do. Defendant Asim Spear reassured Ms. Echols that the NAARI Entities were working on her account.

304. In early October 2012, Ms. Echols called the NAARI Entities to follow up with Ms. Kakopa, as Ms. Kakopa had told Ms. Echols that her account was in underwriting. Although Ms. Echols called the number that she had always called to reach the NAARI Entities' office, the person answering the phone told her that she had reached All American Home Assistance Services. When Ms. Echols said that she was trying to reach the NAARI Entities, she was told that NAARI was no longer in business. The person answering the phone told Ms. Echols that she would ask someone from All American Home Assistance Services to return her call, but no one ever did.

305. Ms. Echols immediately called Ocwen herself. On that call, she learned that Ocwen was missing certain key information that it needed in order to process a loan modification for her. In particular, Ms. Echols was told that Ocwen did not have her hardship letter, which she had completed and given to the NAARI

Entities in April of 2012. She was also informed by Ocwen that several other required documents were missing, which were documents that the NAARI Entities should have, but had never, requested from her—documents pertaining to her business, for example. Ms. Echols was told by Ocwen that no one had submitted the required paperwork on her behalf in order for her loan to be submitted to underwriting to get a loan modification.

306. Ms. Echols also called Defendant Davidson. He informed her that NAARI was no longer in business because it had failed to comply with banking regulations.

307. In mid-October 2012, Ms. Echols received a letter from a law firm, Richard B. Maner, P.C., informing her that her loan had been referred to the law firm for handling and that her house would enter foreclosure on December 4, 2012.

308. Shortly thereafter, Ms. Echols sought counseling from Neighborhood Assistance Corporation of America (“NACA”), a non-profit, HUD-certified counseling agency, and from Operation HOPE, another non-profit organization. These organizations immediately requested all required documentation from her and have been working diligently on her behalf to obtain a loan modification. Ms. Echols’ foreclosure was initially delayed until February 2013, and she is now

working with her bank on a trial modification plan pursuant to which she is currently able to remain in her home.

309. As a result of interacting with the NAARI Entities, and in reliance on representations made to her by Defendants Davidson and Asim Spear, Ms. Echols lost \$1,500, suffered financial and emotional harm, and, upon information and belief, has had her credit score damaged.

**Lewinston and Hyacinth Petgrave**

310. Plaintiffs Lewinston and Hyacinth Petgrave purchased their home in Ellenwood, Georgia, in or around 2006 with a loan from First Franklin (now Bank of America). Their current monthly mortgage payment is approximately \$2,141.

311. Mr. Petgrave first heard about the NAARI Entities in or around early March 2012. Mrs. Petgrave had learned of the NAARI Entities from a friend of hers and told Mr. Petgrave about them. At that time, Mr. and Mrs. Petgrave were current on their mortgage and tax payments, but were struggling to keep up with the payments.

312. After Mrs. Petgrave told Mr. Petgrave about the NAARI Entities, he called the NAARI Entities' office. Mr. Petgrave spoke with Defendant Derrick Millin, and set up an appointment to meet with him at the NAARI Entities' office at 1399 Montreal Road, Tucker, Georgia, on or about April 2, 2012. During the

same phone call, Defendant Millin told Mr. Petgrave to bring various documents to their meeting, including Mr. and Mrs. Petgrave's bank statements, tax returns, pay stubs, utility bills, and statement of homeowner's insurance coverage.

313. On or about April 2, 2012, Mr. and Mrs. Petgrave went into the NAARI Entities' office at 1399 Montreal Road in Tucker, Georgia. They brought the documents Defendant Millin had instructed them to bring, and met with him. Defendant Millin guaranteed that the NAARI Entities would obtain a loan modification for Mr. and Mrs. Petgrave. He stated that he had been successful in obtaining loan modifications for every one of his clients thus far. He told Mr. and Mrs. Petgrave that he used to work at a bank and knows how the banks think. He told them that their new monthly payment would be about \$1,200 to \$1,300, and that it would take three months to get the loan modification. Defendant Millin also told them that the NAARI Entities would communicate with their bank regarding the application for a loan modification, and that they should not speak with their bank. During the meeting, Defendant Millin called Mr. and Mrs. Petgrave's bank and they gave permission over the phone for the NAARI Entities to speak to the bank on their behalf. Defendant Millin informed them that they had to pay \$3,500 to the NAARI Entities in order to get the loan modification, but that the payment was tax-deductible because the NAARI Entities were non-profit organizations.

Defendant Millin said that the NAARI Entities had an attorney on staff and, if their bank refused to offer them a loan modification, that attorney would take the bank to court to force the bank to agree to the loan modification.

314. At the meeting on or about April 2, 2012, in reliance on the statements made to them by Defendant Millin as alleged above, Mr. Petgrave gave the NAARI Entities a check for \$1,750 and provided a second check dated May 2, 2012, for an additional \$1,750. The NAARI Entities cashed both checks.

315. At the meeting on or about April 2, 2012, Defendant Millin told Mr. and Mrs. Petgrave that they should stop making their mortgage payments while the NAARI Entities worked on their application for a loan modification. The Petgraves followed Defendant Millin's instruction and stopped making their mortgage payments.

316. About a week after the April 2, 2012 meeting, Mr. Petgrave returned to the NAARI Entities' office at 1399 Montreal Road to provide some additional documents, including mortgage statements. A NAARI Entities' agent named Nicole copied the papers for Mr. Petgrave and told him that he would hear from the NAARI Entities soon.

317. Mr. Petgrave received no communication from the NAARI Entities for the next several months. He waited until the end of June 2012 to call the

NAARI Entities because Defendant Millin had told Mr. and Mrs. Petgrave that it would take three months to get the loan modification. Mr. Petgrave called the NAARI Entities repeatedly to speak with Defendant Millin, and each time he was told that Defendant Millin would call him back. However, Mr. Petgrave never received a return call from Defendant Millin. Mr. Petgrave finally obtained Defendant Millin's cell phone number and reached him in early July. Defendant Millin told Mr. Petgrave he was on the road and would have someone else from the office call him.

318. After he spoke with Defendant Millin on his cell phone, later in July, Mr. Petgrave called the NAARI Entities again and spoke with NAARI Entities' employee John Beyer. Mr. Beyer told Mr. Petgrave that he needed to resubmit all of his paperwork for a loan modification application to the NAARI Entities. Mr. Petgrave resubmitted all of his paperwork in August.

319. After resubmitting his paperwork to the NAARI Entities in August 2012, Mr. Petgrave waited until late September or early October 2012 to contact the NAARI Entities because it was his understanding that it would take three months to get the loan modification. When Mr. Petgrave called the NAARI Entities in late September or early October 2012, he spoke with a NAARI Entities' employee named Terri, who said she was taking over his file. She told him that his

application was not submitted properly and he needed to re-submit his paperwork to the NAARI Entities for the loan modification application. Once again, Mr. Petgrave resubmitted the requested paperwork to the NAARI Entities.

320. The next time Mr. Petgrave called the NAARI Entities' office, sometime around the first or second week of October 2012, he heard a recording stating that the NAARI Entities had closed and referring all customers to Defendant All American. He called the phone number for Defendant All American several times over the next couple of days and was repeatedly told that someone would return his call; he never received a return call.

321. On or around October 10, 2012, Mr. Petgrave went into Defendant All American's office, located in the exact same office where he had previously visited the NAARI Entities (1399 Montreal Road, Tucker, Georgia). Mr. Petgrave met with a Defendant All American agent named Andre. Andre told Mr. Petgrave that he needed to submit a new third-party authorization form to give Defendant All American permission to speak with Mr. Petgrave's bank on his behalf. Mr. Petgrave submitted a new third-party authorization form to Defendant All American. He was not asked to submit any other paperwork to Defendant All American. Upon information and belief, Defendant All American had Mr. and Mrs. Petgrave's complete case file from the NAARI Entities.

322. Mr. Petgrave went by Defendant All American's office at 1399 Montreal Road in Tucker, Georgia, in late October 2012, and the office was unoccupied.

323. In December 2012, Mr. Petgrave received a notice from his bank that his loan modification application was missing information.

324. Mr. and Mrs. Petgrave have not received a loan modification.

325. As a result of their interactions with the NAARI Entities and Defendants All American and Millin, and in reliance on representations made to them by Defendant Millin, Mr. and Mrs. Petgrave lost \$3,500, suffered financial and emotional harm, are at greater risk of foreclosure, and, upon information and belief, have had their credit scores damaged.

## **CLAIMS**

### **COUNT I: Violation of the Fair Housing Act, 42 U.S.C. § 3604(a)**

#### ***(All Plaintiffs Against All Defendants)***

326. Plaintiffs repeat and incorporate by reference the allegations contained in the preceding paragraphs 1 through 325 as if fully set forth herein.

327. Defendants' acts and policies as documented above, in particular in paragraphs 67 through 70 and paragraphs 170 and 288, constitute acts in furtherance of a pattern of intentional discrimination on the basis of race and have

had an adverse and disproportionate impact on African American homeowners. Defendants intentionally targeted African American homeowners for their fraudulent and predatory loan modification and foreclosure rescue scam operation, placing them at risk of foreclosure and otherwise making housing unavailable to them.

328. Defendants' acts, policies, and practices constitute "reverse redlining" or "targeting" and violate the Fair Housing Act, as amended, 42 U.S.C. § 3604(a) by making housing unavailable on the basis of race.

329. As a proximate result of such discriminatory housing practices, Plaintiffs have suffered economic loss, mental anguish, emotional distress, deprivation of civil rights, and the prospective loss of their home.

330. Plaintiffs seek injunctive relief against Defendants and damages from the Individual Defendants. Additionally, the Individual Defendants' actions were intentional, malicious, wanton, and in willful disregard for the rights and feelings of Plaintiffs and entitle Plaintiffs to recover punitive damages from the Individual Defendants.

**COUNT II: Violation of the Fair Housing Act, 42 U.S.C. § 3605**

***(All Plaintiffs Against All Defendants)***

331. Plaintiffs repeat and incorporate by reference the allegations contained in the preceding paragraphs 1 through 330 as if fully set forth herein.

332. Defendants engage in residential real estate-related transactions, as defined in 42 U.S.C. § 3605(b), through their fraudulent and predatory loan modification and foreclosure rescue scam operation.

333. Defendants' acts, policies, and practices as documented above, in particular in paragraphs 67 through 70 and paragraphs 170 and 288, constitute acts in furtherance of a pattern of intentional discrimination on the basis of race and have had an adverse and disproportionate impact on African American homeowners. Defendants intentionally targeted African American homeowners for fraudulent and predatory loan modification and foreclosure rescue scam operations involving transactions related to residential real estate.

334. Defendants' acts, policies, and practices constitute "reverse redlining" or "targeting" and discriminate on the basis of race in making real estate-related transactions available and in the terms or conditions of such transactions, in violation of the Fair Housing Act, as amended, 42 U.S.C. § 3605(a).

335. As a proximate result of such discriminatory housing practices, Plaintiffs have suffered economic loss, mental anguish, emotional distress, deprivation of civil rights, and the prospective loss of their homes.

336. Plaintiffs seek injunctive relief against Defendants and damages from the Individual Defendants. The Individual Defendants' actions were intentional, malicious, wanton, and in willful disregard for the rights and feelings of Plaintiffs, and entitle Plaintiffs to recover punitive damages from the Individual Defendants.

**COUNT III: Violation of the Credit Repair Organizations Act,**  
**15 U.S.C. § 1679 et seq.**

*(Alethia Barry Against Derek Harris, Lawrence Spear,  
Timothy Spear, and Tenephius (a.k.a. Tony) Williams)*

*(Stephanie Echols Against Derek Harris, Lawrence Spear, Timothy Spear, Rick  
Davidson, and Asim Spear)*

*(James & Cherry Holiday Against Derek Harris, Lawrence Spear,  
Timothy Spear, and Karen Johnson)*

*(Kelvin & Jackie Thomas Against Derek Harris, Lawrence Spear,  
Timothy Spear, and ShAunta Moore)*

*(Nadine Willis Against Derek Harris, Lawrence Spear,  
Timothy Spear, and Karen Johnson)*

337. Plaintiffs repeat and incorporate by reference the allegations contained in the preceding paragraphs 1 through 336 as if fully set forth herein.

338. The Credit Repair Organizations Act ("CROA"), 15 U.S.C. § 1679 et seq., was enacted to ensure that prospective buyers of the services of a credit repair

organization are provided with the information necessary to make an informed decision regarding the purchase of such services and to protect the public from unfair or deceptive advertising and business practices by credit repair organizations.

339. Each of Defendants Harris, Lawrence Spear, and Timothy Spear, who directed and controlled the operations of the NAARI Entities; Defendants Williams, Davidson, Asim Spear, Johnson, and Moore, who directly interacted with Plaintiffs; and the NAARI Entities was a “credit repair organization” under 15 U.S.C. § 1679a(3)(A), because each of them was a “person who use[d] any instrumentality of interstate commerce or the mails to sell, provide, or perform (or represent that such person can or will sell, provide, or perform) any service, in return for the payment of money or other valuable consideration, for the express or implied purpose of . . . (i) improving any consumer’s credit record, credit history, or credit rating; or (ii) providing advice or assistance to any consumer with regard to any activity or service described in clause (i).”

340. Plaintiffs Alethia Barry, Stephanie Echols, James and Cherry Holiday, Kelvin and Jackie Thomas, and Nadine Willis are “consumers” within the meaning of 15 U.S.C. § 1679(a)(1).

***Wrongful Conduct Towards Plaintiff Alethia Barry***

341. Plaintiff Barry incorporates by reference and restates the allegations contained in paragraphs 186 through 204 of this Complaint, which support Plaintiff Barry's claim under the Credit Repair Organizations Act.

342. Plaintiff Barry was behind on her mortgage payments when she engaged the NAARI Entities, Defendant Williams, and Defendant Timothy Spear for their services, and Plaintiff Barry was told that any derogatory information on her credit report would be rectified through this assistance.

343. As paragraphs 186 through 204 of this Complaint illustrate, the NAARI Entities, Defendant Williams, and Defendant Timothy Spear violated 15 U.S.C. § 1679b(a)(3) by "mak[ing] or us[ing] any untrue or misleading representation of the services of the credit repair organization" when communicating with Plaintiff Barry.

344. As paragraphs 186 through 204 of this Complaint illustrate, the NAARI Entities, Defendant Williams, and Defendant Timothy Spear violated 15 U.S.C. § 1679b(a)(4) by "engag[ing], directly or indirectly, in any act, practice, or course of business that constitutes or results in the commission of, or an attempt to commit, a fraud or deception on any person in connection with the offer or sale of

the services of the credit repair organization” during their interaction with Plaintiff Barry.

345. As paragraphs 186 through 204 of this Complaint illustrate, the NAARI Entities, Defendant Williams, and Defendant Timothy Spear violated 15 U.S.C. § 1679b(b) by “charg[ing] or receiv[ing] any money or other valuable consideration for the performance of any service which the credit organization has agreed to perform for any consumer before such service is fully performed.”

346. The NAARI Entities, Defendant Williams, and Defendant Timothy Spear violated 15 U.S.C. § 1679d to the extent that they provided services to Plaintiff Barry without a “written and dated contract” that sets forth “the terms and conditions of payment” and “a full and detailed description of the services to be performed” (including “all guarantees of performance,” an estimated completion date, and a notice-of-cancellation-rights disclosure).

347. The NAARI Entities, Defendant Williams, and Defendant Timothy Spear violated 15 U.S.C. § 1679c by failing to provide Plaintiff Barry with the statutorily required “Consumer Credit File Rights” disclosure statement before any contract or agreement was executed.

348. The NAARI Entities, Defendant Williams, and Defendant Timothy Spear violated 15 U.S.C. § 1679e by failing to provide Plaintiff Barry with the

statutorily required “Notice of Cancellation” form along with any contract or agreement.

349. The NAARI Entities, Defendant Williams, and Defendant Timothy Spear failed to comply with the foregoing provisions of CROA with respect to Plaintiff Barry. Therefore, Defendants Williams and Timothy Spear are liable to Plaintiff Barry pursuant to 15 U.S.C. § 1679g for actual damages (the greater of the amount of any actual damage sustained by Plaintiff Barry or the amount paid by Plaintiff Barry, to be determined at trial), punitive damages, costs of this action, and reasonable attorneys’ fees.

350. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure the NAARI Entities’, Defendant Williams’s, and Defendant Timothy Spear’s violations of 15 U.S.C. §§ 1679b(a)(3), 1679b(a)(4), 1679b(b), 1679d, 1679c & 1679e against Plaintiff Barry. Defendants Harris, Timothy Spear, and Lawrence Spear are therefore liable to Plaintiff Barry pursuant to O.C.G.A. § 51-12-30 and 15 U.S.C. § 1679g for actual damages (the greater of the amount of any actual damage sustained by Plaintiff Barry or the amount paid

by Plaintiff Barry, to be determined at trial), punitive damages, costs of this action, and reasonable attorneys' fees.

***Wrongful Conduct Towards Plaintiff Stephanie Echols***

351. Plaintiff Echols incorporates by reference and restates the allegations contained in paragraphs 285 through 309 of this Complaint, which support Plaintiff Echols' claim under the Credit Repair Organizations Act.

352. Plaintiff Echols was behind on her mortgage payments when she engaged the NAARI Entities, Defendant Davidson, and Defendant Asim Spear for their services.

353. As paragraphs 285 through 309 of this Complaint illustrate, the NAARI Entities, Defendant Davidson, and Defendant Asim Spear violated 15 U.S.C. § 1679b(a)(3) by "mak[ing] or us[ing] any untrue or misleading representation of the services of the credit repair organization" when communicating with Plaintiff Echols.

354. As paragraphs 285 through 309 of this Complaint illustrate, the NAARI Entities, Defendant Davidson, and Defendant Asim Spear violated 15 U.S.C. § 1679b(a)(4) by "engag[ing], directly or indirectly, in any act, practice, or course of business that constitutes or results in the commission of, or an attempt to commit, a fraud or deception on any person in connection with the offer or sale of

the services of the credit repair organization” during their interaction with Plaintiff Echols.

355. As paragraphs 285 through 309 of this Complaint illustrate, the NAARI Entities, Defendant Davidson, and Defendant Asim Spear violated 15 U.S.C. § 1679b(b) by “charg[ing] or receiv[ing] any money or other valuable consideration for the performance of any service which the credit organization has agreed to perform for any consumer before such service is fully performed.”

356. The NAARI Entities, Defendant Davidson, and Defendant Asim Spear violated 15 U.S.C. § 1679d to the extent that they provided services to Plaintiff Echols without a “written and dated contract” that sets forth “the terms and conditions of payment” and “a full and detailed description of the services to be performed” (including “all guarantees of performance,” an estimated completion date, and a notice-of-cancellation-rights disclosure).

357. The NAARI Entities, Defendant Davidson, and Defendant Asim Spear violated 15 U.S.C. § 1679c by failing to provide Plaintiff Echols with the statutorily required “Consumer Credit File Rights” disclosure statement before any contract or agreement was executed.

358. The NAARI Entities, Defendant Davidson, and Defendant Asim Spear violated 15 U.S.C. § 1679e by failing to provide Plaintiff Echols with the

statutorily required “Notice of Cancellation” form along with any contract or agreement.

359. The NAARI Entities, Defendant Davidson, and Defendant Asim Spear failed to comply with the foregoing provisions of CROA with respect to Plaintiff Echols. Therefore, Defendants Davidson and Asim Spear are liable to Plaintiff Echols pursuant to 15 U.S.C. § 1679g for actual damages (the greater of the amount of any actual damage sustained by Plaintiff Echols or the amount paid by Plaintiff Echols, to be determined at trial), punitive damages, costs of this action, and reasonable attorneys’ fees.

360. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure the NAARI Entities’, Defendant Davidson’s and Defendant Asim Spear’s violations of 15 U.S.C. §§ 1679b(a)(3), 1679b(a)(4), 1679b(b), 1679d, 1679c & 1679e against Plaintiff Echols. Defendants Harris, Timothy Spear, and Lawrence Spear are therefore liable to Plaintiff Echols pursuant to O.C.G.A. § 51-12-30 and 15 U.S.C. § 1679g for actual damages (the greater of the amount of any actual damage sustained by Plaintiff Echols or the

amount paid by Plaintiff Echols, to be determined at trial), punitive damages, costs of this action, and reasonable attorneys' fees.

***Wrongful Conduct Towards Plaintiffs James & Cherry Holiday***

361. Plaintiffs James and Cherry Holiday incorporate by reference and restate the allegations contained in paragraphs 154 through 166 of this Complaint, which support Plaintiffs James and Cherry Holiday's claims under the Credit Repair Organizations Act.

362. Plaintiffs James and Cherry Holiday were behind on their mortgage payments when they engaged the NAARI Entities and Defendant Johnson for their services.

363. As paragraphs 154 through 166 of this Complaint illustrate, the NAARI Entities and Defendant Johnson violated 15 U.S.C. § 1679b(a)(3) by "mak[ing] or us[ing] any untrue or misleading representation of the services of the credit repair organization" when communicating with Plaintiffs James and Cherry Holiday.

364. As paragraphs 154 through 166 of this Complaint illustrate, the NAARI Entities and Defendant Johnson violated 15 U.S.C. § 1679b(a)(4) by "engag[ing], directly or indirectly, in any act, practice, or course of business that constitutes or results in the commission of, or an attempt to commit, a fraud or

deception on any person in connection with the offer or sale of the services of the credit repair organization” during their interaction with Plaintiffs James and Cherry Holiday.

365. As paragraphs 154 through 166 of this Complaint illustrate, the NAARI Entities and Defendant Johnson violated 15 U.S.C. § 1679b(b) by “charg[ing] or receiv[ing] any money or other valuable consideration for the performance of any service which the credit organization has agreed to perform for any consumer before such service is fully performed.”

366. The NAARI Entities and Defendant Johnson violated 15 U.S.C. § 1679d to the extent that they provided services to Plaintiffs James and Cherry Holiday without a “written and dated contract” that sets forth “the terms and conditions of payment” and “a full and detailed description of the services to be performed” (including “all guarantees of performance,” an estimated completion date, and a notice-of-cancellation-rights disclosure).

367. The NAARI Entities and Defendant Johnson violated 15 U.S.C. § 1679c by failing to provide Plaintiffs James and Cherry Holiday with the statutorily required “Consumer Credit File Rights” disclosure statement before any contract or agreement was executed.

368. The NAARI Entities and Defendant Johnson violated 15 U.S.C. § 1679e by failing to provide Plaintiffs James and Cherry Holiday with the statutorily required “Notice of Cancellation” form along with any contract or agreement.

369. The NAARI Entities and Defendant Johnson failed to comply with the foregoing provisions of CROA with respect to Plaintiffs James and Cherry Holiday. Therefore, Defendant Johnson is liable to Plaintiffs James and Cherry Holiday pursuant to 15 U.S.C. § 1679g for actual damages (the greater of the amount of any actual damage sustained by Plaintiffs James and Cherry Holiday or the amount paid by Plaintiffs James and Cherry Holiday, to be determined at trial), punitive damages, costs of this action, and reasonable attorneys’ fees.

370. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure the NAARI Entities’ and Defendant Johnson’s violations of 15 U.S.C. §§ 1679b(a)(3), 1679b(a)(4), 1679b(b), 1679d, 1679c & 1679e against Plaintiffs James and Cherry Holiday. Defendants Harris, Timothy Spear, and Lawrence Spear are therefore liable to Plaintiffs James and Cherry Holiday pursuant to O.C.G.A. § 51-12-30 and 15 U.S.C. § 1679g for actual

damages (the greater of the amount of any actual damage sustained by Plaintiff James and Cherry Holiday or the amount paid by Plaintiffs James and Cherry Holiday, to be determined at trial), punitive damages, costs of this action, and reasonable attorneys' fees.

***Wrongful Conduct Towards Plaintiffs Kelvin & Jackie Thomas***

371. Plaintiffs Kelvin and Jackie Thomas incorporate by reference and restate the allegations contained in paragraphs 226 through 243 of this Complaint, which support Plaintiffs Kelvin and Jackie Thomas's claims under the Credit Repair Organizations Act.

372. Plaintiffs Kelvin and Jackie Thomas were behind on their mortgage payments when they engaged the NAARI Entities and Defendant Moore for their services.

373. As paragraphs 226 through 243 of this Complaint illustrate, the NAARI Entities and Defendant Moore violated 15 U.S.C. § 1679b(a)(3) by "mak[ing] or us[ing] any untrue or misleading representation of the services of the credit repair organization" when communicating with Plaintiffs Kelvin and Jackie Thomas.

374. As paragraphs 226 through 243 of this Complaint illustrate, the NAARI Entities and Defendant Moore violated 15 U.S.C. § 1679b(a)(4) by

“engag[ing], directly or indirectly, in any act, practice, or course of business that constitutes or results in the commission of, or an attempt to commit, a fraud or deception on any person in connection with the offer or sale of the services of the credit repair organization” during their interaction with Plaintiffs Kelvin and Jackie Thomas.

375. As paragraphs 226 through 243 of this Complaint illustrate, the NAARI Entities and Defendant Moore violated 15 U.S.C. § 1679b(b) by “charg[ing] or receiv[ing] any money or other valuable consideration for the performance of any service which the credit organization has agreed to perform for any consumer before such service is fully performed.”

376. The NAARI Entities and Defendant Moore violated 15 U.S.C. § 1679d to the extent that they provided services to Plaintiffs Kelvin and Jackie Thomas without a “written and dated contract” that sets forth “the terms and conditions of payment” and “a full and detailed description of the services to be performed” (including “all guarantees of performance,” an estimated completion date, and a notice-of-cancellation-rights disclosure).

377. The NAARI Entities and Defendant Moore violated 15 U.S.C. § 1679c by failing to provide Plaintiffs Kelvin and Jackie Thomas with the

statutorily required “Consumer Credit File Rights” disclosure statement before any contract or agreement was executed.

378. The NAARI Entities and Defendant Moore violated 15 U.S.C. § 1679e by failing to provide Plaintiffs Kelvin and Jackie Thomas with the statutorily required “Notice of Cancellation” form along with any contract or agreement.

379. The NAARI Entities and Defendant Moore failed to comply with the foregoing provisions of CROA with respect to Plaintiffs Kelvin and Jackie Thomas. Therefore Defendant Moore is liable to Plaintiffs Kelvin and Jackie Thomas pursuant to 15 U.S.C. § 1679g for actual damages (the greater of the amount of any actual damage sustained by Plaintiffs Kelvin and Jackie Thomas or the amount paid by Plaintiffs Kelvin and Jackie Thomas, to be determined at trial), punitive damages, costs of this action, and reasonable attorneys’ fees.

380. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure the NAARI Entities’ and Defendant Moore’s violations of 15 U.S.C. §§ 1679b(a)(3), 1679b(a)(4), 1679b(b), 1679d, 1679c & 1679e against Plaintiffs Kelvin and Jackie Thomas. Defendants Harris, Timothy

Spear, and Lawrence Spear are therefore liable to Plaintiffs James and Cherry Holiday pursuant to O.C.G.A. § 51-12-30 and 15 U.S.C. § 1679g for actual damages (the greater of the amount of any actual damage sustained by Plaintiffs Kelvin and Jackie Thomas or the amount paid by Plaintiffs Kelvin and Jackie Thomas, to be determined at trial), punitive damages, costs of this action, and reasonable attorneys' fees.

***Wrongful Conduct Towards Plaintiff Nadine Willis***

381. Plaintiff Willis incorporates by reference and restates the allegations contained in paragraphs 244 through 263 of this Complaint, which support Plaintiff Willis's claim under the Credit Repair Organizations Act.

382. Plaintiff Willis was behind on her mortgage payments when she engaged the NAARI Entities, Defendant Johnson, and Defendant Lawrence Spear for their services.

383. As paragraphs 244 through 263 of this Complaint illustrate, the NAARI Entities, Defendant Johnson, and Defendant Lawrence Spear violated 15 U.S.C. § 1679b(a)(3) by "mak[ing] or us[ing] any untrue or misleading representation of the services of the credit repair organization" when communicating with Plaintiff Willis.

384. As paragraphs 244 through 263 of this Complaint illustrate, the NAARI Entities, Defendant Johnson, and Defendant Lawrence Spear violated 15 U.S.C. § 1679b(a)(4) by “engag[ing], directly or indirectly, in any act, practice, or course of business that constitutes or results in the commission of, or an attempt to commit, a fraud or deception on any person in connection with the offer or sale of the services of the credit repair organization” during their interaction with Plaintiff Willis.

385. As paragraphs 244 through 263 of this Complaint illustrate, the NAARI Entities, Defendant Johnson, and Defendant Lawrence Spear violated 15 U.S.C. § 1679b(b) by “charg[ing] or receiv[ing] any money or other valuable consideration for the performance of any service which the credit organization has agreed to perform for any consumer before such service is fully performed.”

386. The NAARI Entities, Defendant Johnson, and Defendant Lawrence Spear violated 15 U.S.C. § 1679d to the extent that they provided services to Plaintiff Willis without a “written and dated contract” that sets forth “the terms and conditions of payment” and “a full and detailed description of the services to be performed” (including “all guarantees of performance,” an estimated completion date, and a notice-of-cancellation-rights disclosure).

387. The NAARI Entities, Defendant Johnson, and Defendant Lawrence Spear violated 15 U.S.C. § 1679c by failing to provide Plaintiff Willis with the statutorily required “Consumer Credit File Rights” disclosure statement before any contract or agreement was executed.

388. The NAARI Entities, Defendant Johnson, and Defendant Lawrence Spear violated 15 U.S.C. § 1679e by failing to provide Plaintiff Willis with the statutorily required “Notice of Cancellation” form along with any contract or agreement.

389. The NAARI Entities, Defendant Johnson, and Defendant Lawrence Spear failed to comply with the foregoing provisions of CROA with respect to Plaintiff Willis. Therefore Defendant Johnson and Defendant Lawrence Spear are liable to Plaintiff Willis pursuant to 15 U.S.C. § 1679g for actual damages (the greater of the amount of any actual damage sustained by Plaintiff Willis or the amount paid by Plaintiff Willis, to be determined at trial), punitive damages, costs of this action, and reasonable attorneys’ fees.

390. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure the NAARI Entities’, Defendant Johnson’s, and

Defendant Lawrence Spear's violations of 15 U.S.C. §§ 1679b(a)(3), 1679b(a)(4), 1679b(b), 1679d, 1679c & 1679e against Plaintiff Willis. Defendants Harris, Timothy Spear, and Lawrence Spear are therefore liable to Plaintiff Willis pursuant to O.C.G.A. § 51-12-30 and 15 U.S.C. § 1679g for actual damages (the greater of the amount of any actual damage sustained by Plaintiff Willis or the amount paid by Plaintiff Willis, to be determined at trial), punitive damages, costs of this action, and reasonable attorneys' fees.

**COUNT IV: False Advertising in Violation of**  
**O.C.G.A. §§ 10-1-420 and 10-1-421**

*(By All Plaintiffs Against All Defendants)*

391. Plaintiffs incorporate by reference and restate the allegations contained in paragraphs 1 through 390 of this Complaint and, in particular, the allegations contained in paragraphs 45, 48, 49, 53, 56, 65, and 67 through 325, which support Plaintiffs' claim of false advertising in violation of O.C.G.A. §§ 10-1-420 and 10-1-421.

392. Defendants advertised loan modification and other services for sale within this state by means of radio, telephone, television, handbills, bills, pamphlets, letters, signs, other publications, and word of mouth, with the intent not to provide the services so advertised and thereby violated O.C.G.A. § 10-1-420.

393. In connection with their advertisement of loan modification and other services for sale within this state by means of publication, radio, television, or advertising device or by public outcry or proclamation, Defendants made statements concerning such services and/or matters connected with the proposed performance thereof which were untrue or fraudulent and were known or should have been known by the exercise of reasonable care by Defendants to have been untrue or fraudulent thereby violated O.C.G.A. § 10-1-421.

394. Defendants' false advertising in violation of O.C.G.A. §§ 10-1-420 and 10-1-421 led Plaintiffs and the public to believe that Defendants intended to perform the loan modification and other services as advertised.

395. Defendants did not intend to and did not perform the loan modification and other services so advertised.

396. Plaintiffs have been harmed and aggrieved by Defendants' wrongful conduct and violations of O.C.G.A. §§ 10-1-420 and 10-1-421.

397. Unless Defendants are restrained from continuing to engage in false advertising in violation of O.C.G.A. §§ 10-1-420 and 10-1-421, Plaintiffs and members of the public will suffer irreparable injury.

398. Accordingly, and pursuant to O.C.G.A. § 10-1-423, this Court should enjoin Defendants from continuing with their false and deceptive advertising of loan modification and other services.

**COUNT V: Unfair or Deceptive Practices in Violation of**  
**O.C.G.A. § 10-1-393(20)(B)**

*(James & Cherry Holiday against All American, Derek Harris,  
Lawrence Spear, Timothy Spear, and Karen Johnson)*

*(Alethia Barry against All American, Derek Harris, Lawrence Spear,  
Timothy Spear, and Tenephius (a.k.a. Tony) Williams)*

*(Kelvin & Jackie Thomas against All American, Derek Harris,  
Lawrence Spear, Timothy Spear, and ShAunta Moore)*

*(Stephanie Echols against All American, Derek Harris, Lawrence Spear,  
Timothy Spear, Rick Davidson, and Asim Spear)*

399. James and Cherry Holiday, Alethia Barry, Kelvin & Jackie Thomas, and Stephanie Echols incorporate by reference and restate the allegations contained in paragraphs 1 through 398 of this Complaint, and, in particular, the allegations in paragraphs 4, 25 through 38, 44 through 57, 62 through 66, 154 through 166, 186 through 205, 226 through 243, and 285 through 309, which support their claims of unfair or deceptive practices in violation of O.C.G.A. § 10-1-393(20)(B).

400. All American (as the successor to the NAARI Entities and, upon information and belief, on its own); the NAARI Entities; Defendants Harris, Lawrence Spear, and Timothy Spear (as the managers and operators of the NAARI

Entities); and Defendants Johnson, Williams, Moore, Davidson, and Asim Spear (as the individuals who directly interacted with the Holidays, Ms. Barry, the Thomases, and Ms. Echols), advertised services to assist debtors whose home loans were in default with intent not to assist such debtors as advertised, or made false or misleading representations to such debtors about assisting the debtors in connection with their home loans.

401. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure the violations of O.C.G.A. § 10-1-393(20)(B) by the NAARI Entities, Defendants Johnson, Williams, Moore, Davidson, and Asim Spear that caused injury to James and Cherry Holiday, Alethia Barry, Kelvin & Jackie Thomas, and Stephanie Echols, and are therefore responsible for those violations of O.C.G.A. § 10-1-393(20)(B) pursuant to O.C.G.A. § 51-12-30.

402. Plaintiffs James and Cherry Holiday, Alethia Barry, Kelvin and Jackie Thomas, and Stephanie Echols suffered injury or damages as the result of the wrongful conduct of the NAARI Entities and Defendants Derek Harris, Lawrence Spear, Timothy Spear, Johnson, Williams, Moore, Davidson, and Asim Spear. Plaintiffs James and Cherry Holiday, Alethia Barry, Kelvin and Jackie Thomas,

and Stephanie Echols therefore seek equitable injunctive relief against All American, as the successor to the NAARI Entities, and seek equitable and injunctive relief and to recover their damages and reasonable attorneys' fees and expenses from Defendants Harris, Lawrence Spear, Timothy Spear, Johnson, Williams, Moore, Davidson, and Asim Spear.

403. Moreover, because the wrongful actions of Defendants Harris, Lawrence Spear, Timothy Spear, Johnson, Williams, Moore, Davidson, and Asim Spear as alleged in this Count, were intentional, malicious, wanton, and in willful disregard for the rights and feelings of Plaintiffs James and Cherry Holiday, Alethia Barry, Kelvin and Jackie Thomas, and Stephanie Echols, Plaintiffs James and Cherry Holiday, Alethia Barry, Kelvin and Jackie Thomas, and Stephanie Echols are entitled to recover punitive damages from these Individual Defendants.

**COUNT VI: Deceptive Practices Toward the Elderly,**  
**O.C.G.A. § 10-1-850 et seq.**

*(George Sampson against Derek Harris, Lawrence Spear,  
Timothy Spear, Taylor Yvet Bailey, and Rick Davidson)*

*(Lawrence Reese against Derek Harris, Lawrence Spear,  
Timothy Spear, and Rick Davidson)*

*(Patricia Wilson against Derek Harris, Lawrence Spear,  
Timothy Spear, and Saleemah Cannon)*

*(Lewinston Petgrave against Derek Harris, Lawrence Spear,  
Timothy Spear, and Derrick Millin)*

404. Plaintiffs George Sampson, Lawrence Reese, Patricia Wilson, and Lewinston Petgrave incorporate by reference and restate the allegations contained in paragraphs 1 through 403 of this Complaint.

405. Plaintiffs George Sampson, Lawrence Reese, Patricia Wilson, and Lewinston Petgrave are each 60 years of age or older.

***Wrongful Conduct Towards Plaintiff George Sampson***

406. Plaintiff Sampson incorporates by reference and restates the allegations contained in paragraphs 71 through 89 of this Complaint, which support Plaintiff Sampson's claim of deceptive practices toward the elderly in violation of O.C.G.A. § 10-1-850 *et seq.*

407. The wrongful conduct of the NAARI Entities, Defendant Taylor Yvet Bailey, and Defendant Rick Davidson towards Mr. Sampson, as specified in paragraphs 71 through 89 of this Complaint, constituted violations of Georgia Code Title 10, Chapter 1, Article 15, committed against Plaintiff Sampson.

408. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure violation of Georgia Code Title 10, Chapter 1, Article 15 by the NAARI Entities and Defendants Bailey and Davidson, which

caused injury to Plaintiff Sampson. By virtue of their knowledge and direction of Defendants Bailey and Davidson, Defendants Harris, Timothy Spear, and Lawrence Spear knew that the actions of the NAARI Entities, Defendants Bailey and Davidson violated Georgia Code Title 10, Chapter 1, Article 15. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for those violations of Georgia Code Title 10, Chapter 1, Article 15, pursuant to O.C.G.A. § 51-12-30.

409. Mr. Sampson suffered damage or injury as the result of these violations of Georgia Code Title 10, Chapter 1, Article 15 by Defendants Bailey and Davidson and, pursuant to O.C.G.A. § 51-12-30, suffered damage or injury as a result of the violations of Georgia Code Title 10, Chapter 1, Article 15 procured by Defendants Harris, Lawrence Spear, and Timothy Spear and is entitled to recovery of those damages.

410. Moreover, because the wrongful actions of Defendants Harris, Lawrence Spear, Timothy Spear, Bailey, and Davidson, as alleged in this Count, were intentional, malicious, wanton, and in willful disregard for the rights and feelings of Plaintiff Sampson, Plaintiff Sampson is entitled to recover punitive damages.

***Wrongful Conduct Towards Plaintiff Lawrence Reese***

411. Plaintiff Reese incorporates by reference and restates the allegations contained in paragraphs 167 through 185 of this Complaint, which support Plaintiff Reese's claim of deceptive practices toward the elderly in violation of O.C.G.A. § 10-1-850 *et seq.*

412. The wrongful conduct of the NAARI Entities and Defendant Rick Davidson towards Mr. Reese, as specified in paragraphs 167 through 185 of this Complaint, constituted violations of Georgia Code Title 10, Chapter 1, Article 15, committed against Plaintiff Reese.

413. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure violation of Georgia Code Title 10, Chapter 1, Article 15 by the NAARI Entities and Defendant Davidson which caused injury to Plaintiff Reese. By virtue of their knowledge and direction of Defendant Davidson, Defendants Harris, Timothy Spear, and Lawrence Spear knew that the actions of the NAARI Entities and Defendant Davidson violated Georgia Code Title 10, Chapter 1, Article 15. Accordingly, Defendants Harris, Timothy Spear,

and Lawrence Spear are responsible for those violations of Georgia Code Title 10, Chapter 1, Article 15, pursuant to O.C.G.A. § 51-12-30.

414. Mr. Reese suffered damage or injury as the result of these violations of Georgia Code Title 10, Chapter 1, Article 15 by Defendant Davidson and, pursuant to O.C.G.A. § 51-12-30, suffered damage or injury as a result of the violations of Georgia Code Title 10, Chapter 1, Article 15 procured by Defendants Harris, Lawrence Spear, and Timothy Spear.

415. Moreover, because the wrongful actions of Defendants Harris, Lawrence Spear, Timothy Spear, and Davidson, as alleged in this Count, were intentional, malicious, wanton, and in willful disregard for the rights and feelings of Plaintiff Reese, Plaintiff Reese is entitled to recover punitive damages.

***Wrongful Conduct Towards Plaintiff Patricia Wilson***

416. Plaintiff Wilson incorporates by reference and restates the allegations contained in paragraphs 264 through 284 of this Complaint, which support Plaintiff Wilson's claim of deceptive practices toward the elderly in violation of O.C.G.A. § 10-1-850 *et seq.*

417. The wrongful conduct of the NAARI Entities and Defendant Saleemah Cannon towards Ms. Wilson, as specified in paragraphs 264 through 284

of this Complaint, constituted violations of Georgia Code Title 10, Chapter 1, Article 15, committed against Plaintiff Wilson.

418. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure violation of Georgia Code Title 10, Chapter 1, Article 15 by the NAARI Entities and Defendant Cannon which caused injury to Plaintiff Wilson. By virtue of their knowledge and direction of Defendant Cannon, Defendants Harris, Timothy Spear, and Lawrence Spear knew that the actions of Defendant Cannon violated Georgia Code Title 10, Chapter 1, Article 15. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for those violations of Georgia Code Title 10, Chapter 1, Article 15, pursuant to O.C.G.A. § 51-12-30.

419. Ms. Wilson suffered damage or injury as the result of these violations of Georgia Code Title 10, Chapter 1, Article 15 by Defendant Cannon and, pursuant to O.C.G.A. § 51-12-30, suffered damage or injury as a result of the violations of Georgia Code Title 10, Chapter 1, Article 15 procured by Defendants Harris, Lawrence Spear, and Timothy Spear.

420. Moreover, because the wrongful actions of Defendants Harris, Lawrence Spear, Timothy Spear, and Cannon, as alleged in this Count, were intentional, malicious, wanton, and in willful disregard for the rights and feelings of Plaintiff Wilson, Plaintiff Wilson is entitled to recover punitive damages.

***Wrongful Conduct Towards Lewinston Petgrave***

421. Plaintiff Lewinston Petgrave incorporates by reference and restates the allegations contained in paragraphs 310 through 325 of this Complaint, which support Plaintiff Lewinston Petgrave's claim of deceptive practices toward the elderly in violation of O.C.G.A. § 10-1-850 *et seq.*

422. The wrongful conduct of the NAARI Entities and Defendant Derrick Millin towards Mr. Petgrave, as specified in paragraphs 310 through 325 of this Complaint, constituted violations of Georgia Code Title 10, Chapter 1, Article 15, committed against Plaintiff Lewinston Petgrave.

423. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure violation of Georgia Code Title 10, Chapter 1, Article 15 by the NAARI Entities and Defendant Millin which caused injury to Plaintiff Lewinston Petgrave. By virtue of their knowledge and direction of

Defendant Millin, Defendants Harris, Timothy Spear, and Lawrence Spear knew that the actions of Defendant Millin violated Georgia Code Title 10, Chapter 1, Article 15. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for those violations of Georgia Code Title 10, Chapter 1, Article 15, pursuant to O.C.G.A. § 51-12-30.

424. Mr. Petgrave suffered damage or injury as the result of these violations of Georgia Code Title 10, Chapter 1, Article 15 by Defendant Millin and, pursuant to O.C.G.A. § 51-12-30, suffered damage or injury as a result of the violations of Georgia Code Title 10, Chapter 1, Article 15 procured by Defendants Harris, Lawrence Spear, and Timothy Spear.

425. Moreover, because the wrongful actions of Defendants Harris, Lawrence Spear, Timothy Spear, and Cannon, as alleged in this Count, were intentional, malicious, wanton, and in willful disregard for the rights and feelings of Plaintiff Lewinston Petgrave, Plaintiff Lewinston Petgrave is entitled to recover punitive damages.

426. To remedy the wrongful conduct of the above-named Defendants, Mr. Sampson, Mr. Reese, Ms. Wilson, and Mr. Petgrave seek recovery of their damages suffered, punitive damages, civil penalties, and reasonable attorneys' fees as provided in O.C.G.A. § 10-1-850, *et seq.*

**COUNT VII: Fraud / Intentional Misrepresentation**

*(All Plaintiffs Against Derek Harris, Lawrence Spear, and Timothy Spear)*

*(George Sampson Against Taylor Yvet Bailey and Rick Davidson)*

*(Gwen Baker Against Lynette Townes)*

*(James & Cherry Holiday Against Karen Johnson)*

*(Lawrence Reese Against Rick Davidson)*

*(Alethia Barry against Tenephius (a.k.a. Tony) Williams)*

*(William & Glenda Brown Against Taylor Yvet Bailey)*

*(Kelvin & Jackie Thomas Against ShAunta Moore)*

*(Nadine Willis Against Karen Johnson)*

*(Patricia Wilson Against Saleemah Cannon)*

*(Stephanie Echols against Rick Davidson and Asim Spear)*

*(Lewinston & Hyacinth Petgrave against Derrick Millin)*

427. Plaintiffs incorporate by reference and restate the allegations contained in paragraphs 1 through 403 of this Complaint.

***Plaintiff George Sampson's Claim***

428. Mr. Sampson incorporates by reference and restates the allegations contained in paragraphs 71 through 89 of this Complaint, which specify the NAARI Entities', Defendant Taylor Yvet Bailey's and Defendant Rick Davidson's misrepresentations to Mr. Sampson, and which support Mr. Sampson's claim of fraud by intentional misrepresentation.

429. As alleged in paragraphs 71 through 89 of this Complaint, the NAARI Entities', Defendant Bailey's, and Defendant Davidson's misrepresentations to Mr. Sampson included false representations that the NAARI Entities were a government agency; the NAARI Entities had a 99% rate of success in obtaining loan modifications; the NAARI Entities would negotiate a loan modification for Mr. Sampson; the NAARI Entities would obtain a modification of Mr. Sampson's loans resulting in an interest rate of 2% - 3% on his loans; the \$1,500 up-front "donation" Mr. Sampson made for the NAARI Entities' services would be used to pay lawyers the NAARI Entities engaged to facilitate the loan modification process; Mr. Sampson should not pay his mortgage during the modification "process"; and the NAARI Entities would not refund Mr. Sampson's "donation" because NAARI was a government agency that would not give money back.

430. The NAARI Entities and Defendants Bailey and Davidson knew that their misrepresentations to Mr. Sampson were false when made, or they made their misrepresentations recklessly and without regard for the truth of the misrepresentations, intending to deceive Mr. Sampson.

431. The NAARI Entities and Defendants Bailey and Davidson intended that Mr. Sampson would rely upon their misrepresentations and made the misrepresentations in part to persuade Mr. Sampson to make an up-front payment to the NAARI Entities for loan modification services.

432. Mr. Sampson reasonably relied upon the NAARI Entities' and Defendants Bailey's and Davidson's misrepresentations and was not reasonably able to discover the truth of those misrepresentations at the time that Mr. Sampson relied on those representations to his detriment.

433. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Defendant Bailey's and Defendant Davidson's misrepresentations to Mr. Sampson. Defendants Harris, Timothy Spear, and Lawrence Spear knew that the misrepresentations to Mr. Sampson by the NAARI Entities and Defendants Bailey and Davidson were false when made, or acted

recklessly and without regard for the truth of the misrepresentations, intending that Mr. Sampson would be deceived by the misrepresentations. By virtue of their knowledge and direction of the activities of Defendants Bailey and Davidson, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Mr. Sampson. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the misrepresentations made to Plaintiff Sampson by Defendants Bailey and Davidson, pursuant to O.C.G.A. § 51-12-30.

434. Mr. Sampson suffered damages as a result of the misrepresentations made by the NAARI Entities and Defendants Bailey and Davidson, and procured by Defendants Harris, Timothy Spear, and Lawrence Spear, and as a result of Mr. Sampson's reasonable reliance on the misrepresentations in an amount to be proven at trial.

435. Moreover, because the wrongful actions of Defendants Harris, Lawrence Spear, Timothy Spear, Bailey, and Davidson as alleged in this Count were intentional, malicious, wanton, and in willful disregard for the rights and feelings of Plaintiff Sampson, Plaintiff Sampson is entitled to recover punitive damages.

***Plaintiff Gregory Parker's Claim***

436. Mr. Parker incorporates by reference and restates the allegations contained in paragraphs 90 through 103 of this Complaint, which specify the NAARI Entities' and Defendant Harris's misrepresentations to Mr. Parker, and which support Mr. Parker's claim of fraud by intentional misrepresentation.

437. As alleged in paragraphs 90 through 103 of this Complaint, the NAARI Entities' and Defendant Harris's misrepresentations to Mr. Parker included false representations that the NAARI Entities would help Mr. Parker and his wife obtain a reduction in the principal and interest rate on their mortgage; the NAARI Entities would help reduce Mr. Parker's mortgage interest rate from 6.5% to approximately 2%; the NAARI Entities would help reduce the principal on the mortgage from \$112,000 to approximately \$50,000; Mr. Parker's new mortgage payment would be approximately \$465 per month, down from \$840 per month; the NAARI Entities would help remove a lien on Mr. Parker's home by filing a quiet title in court; the process of obtaining a loan modification and clearing the lien would take about two months; and Mr. Parker did not need to make his mortgage payments while working with the NAARI Entities.

438. The NAARI Entities and Defendant Harris knew that their misrepresentations to Mr. Parker were false when made, or the NAARI Entities

and Defendant Harris made their misrepresentations recklessly and without regard for the truth of the misrepresentations, intending to deceive Mr. Parker.

439. The NAARI Entities and Defendant Harris intended that Mr. Parker would rely upon their misrepresentations and made the misrepresentations in part to persuade Mr. Parker to make an up-front payment to the NAARI Entities for loan modification services.

440. Mr. Parker reasonably relied upon the NAARI Entities' and Defendant Harris's misrepresentations and was not reasonably able to discover the truth of those misrepresentations at the time that Mr. Parker relied on those representations to his detriment.

441. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Defendant Harris's misrepresentations to Mr. Parker. Defendants Harris, Timothy Spear, and Lawrence Spear knew that the misrepresentations to Mr. Parker by Defendant Harris were false when made, or acted recklessly and without regard for the truth of the misrepresentations, intending that Mr. Parker would be deceived by the misrepresentations. By virtue of their knowledge and direction of Defendant Harris's activities, Defendants

Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Mr. Parker. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the misrepresentations made to Plaintiff Parker by Defendant Harris, pursuant to O.C.G.A. § 51-12-30.

442. Mr. Parker suffered damages as a result of the misrepresentations made by Defendant Harris and procured by Defendants Harris, Timothy Spear, and Lawrence Spear, and as a result of Mr. Parker's reasonable reliance on the misrepresentations in an amount to be proven at trial.

443. Moreover, because the wrongful actions of Defendants Harris, Lawrence Spear, Timothy Spear, Harris as alleged in this Count were intentional, malicious, wanton, and in willful disregard for the rights and feelings of Plaintiff Parker, Plaintiff Parker is entitled to recover punitive damages.

***Plaintiff Edna McKenzie's Claim***

444. Ms. McKenzie incorporates by reference and restates the allegations contained in paragraphs 104 through 122 of this Complaint, which specify the misrepresentations of the NAARI Entities, Defendant Harris, and Defendant Lawrence Spear to Ms. McKenzie, and which support Ms. McKenzie's claim of fraud by intentional misrepresentation.

445. As alleged in paragraphs 104 through 122 of this Complaint, NAARI Entities', Derek Harris's, and Lawrence Spear's misrepresentations to Ms. McKenzie included false representations that the NAARI Entities would be able to get Ms. McKenzie the lowest interest rate available at the time; Ms. McKenzie should stop making her mortgage payments while she worked with the NAARI Entities; Ms. McKenzie's payment to the NAARI Entities would be tax-deductible; that Ms. McKenzie's total monthly mortgage payment, including taxes and insurance, had gone down to \$900; and the NAARI Entities' attorney would work with her bank to negotiate compensation for errors they had allegedly discovered in her mortgage.

446. The NAARI Entities and Defendants Harris and Lawrence Spear knew that their misrepresentations to Ms. McKenzie were false when made, or they made their misrepresentations recklessly and without regard for the truth of the misrepresentations, intending to deceive Ms. McKenzie.

447. The NAARI Entities and Defendants Harris and Lawrence Spear intended that Ms. McKenzie would rely upon their misrepresentations and made the misrepresentations in part to persuade Ms. McKenzie to make an up-front payment to the NAARI Entities for loan modification services.

448. Ms. McKenzie reasonably relied upon the NAARI Entities', Defendant Harris's, and Defendant Lawrence Spear's misrepresentations and was not reasonably able to discover the truth of those misrepresentations at the time that Ms. McKenzie relied on those representations to her detriment.

449. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure the misrepresentations of Defendants Harris and Lawrence Spear to Ms. McKenzie. Defendants Harris, Timothy Spear, and Lawrence Spear knew that the misrepresentations to Ms. McKenzie by Defendants Harris and Lawrence Spear were false when made, or acted recklessly and without regard for the truth of the misrepresentations, intending that Ms. McKenzie would be deceived by the misrepresentations. By virtue of their knowledge and direction of the activities of Defendants Harris and Lawrence Spear, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Ms. McKenzie. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the misrepresentations made to Plaintiff McKenzie by Defendants Harris and Lawrence Spear, pursuant to O.C.G.A. § 51-12-30.

450. Ms. McKenzie suffered damages as a result of the misrepresentations made by Defendants Harris and Lawrence Spear, and procured by Defendants Harris, Timothy Spear, and Lawrence Spear, and as a result of Ms. McKenzie's reasonable reliance on the misrepresentations in an amount to be proven at trial.

451. Moreover, because the wrongful actions of Defendants Harris, Lawrence Spear, and Timothy Spear as alleged in this Count were intentional, malicious, wanton, and in willful disregard for the rights and feelings of Plaintiff McKenzie, Plaintiff McKenzie is entitled to recover punitive damages.

***Plaintiff Glenn Jones's Claim***

452. Mr. Jones incorporates by reference and restates the allegations contained in paragraphs 123 through 133 of this Complaint, which specify the NAARI Entities' and Defendant Harris's misrepresentations to Mr. Jones, and which support Mr. Jones's claim of fraud by intentional misrepresentation.

453. As alleged in paragraphs 123 through 133 of this Complaint, the NAARI Entities' and Defendant Harris's misrepresentations to Mr. Jones included false representations that the NAARI Entities would negotiate a loan modification for him; Mr. Jones should stop paying his mortgage so he would qualify for a loan modification; and the NAARI Entities specialized in using a forensic audit to identify improprieties by the mortgage lender and would then use the improprieties

to pursue “quiet title,” meaning that Mr. Jones would own his house free and clear of the mortgage.

454. The NAARI Entities and Defendant Harris knew that their misrepresentations to Mr. Jones were false when made, or they made the misrepresentations recklessly and without regard for the truth of the misrepresentations, intending to deceive Mr. Jones.

455. The NAARI Entities and Defendant Harris intended that Mr. Jones would rely upon their misrepresentations and made the misrepresentations in part to persuade Mr. Jones to make an up-front payment to the NAARI Entities for loan modification services.

456. Mr. Jones reasonably relied upon the NAARI Entities’ and Defendant Harris’s misrepresentations and was not reasonably able to discover the truth of those misrepresentations at the time that Mr. Jones relied on those representations to his detriment.

457. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Timothy Spear and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure the misrepresentations of Defendant Harris to Mr. Jones. Defendants Timothy Spear and Lawrence Spear knew that the misrepresentations

to Mr. Jones by Defendant Harris were false when made, or acted recklessly and without regard for the truth of the misrepresentations, intending that Mr. Jones would be deceived by the misrepresentations. By virtue of their knowledge and direction of Defendant Harris's activities, Defendants Timothy Spear and Lawrence Spear proximately caused damage to Mr. Jones. Accordingly, Defendants Timothy Spear and Lawrence Spear are responsible for the misrepresentations made to Plaintiff Jones by Defendant Harris, pursuant to O.C.G.A. § 51-12-30.

458. Mr. Jones suffered damages as a result of the misrepresentations made by the NAARI Entities and Defendant Harris and procured by Defendants Timothy Spear and Lawrence Spear, and as a result of Mr. Jones's reasonable reliance on the misrepresentations in an amount to be proven at trial.

459. Moreover, because the wrongful actions of Defendants Harris, Lawrence Spear, and Timothy Spear as alleged in this Count were intentional, malicious, wanton, and in willful disregard for the rights and feelings of Plaintiff Jones, Plaintiff Jones is entitled to recover punitive damages.

***Plaintiff Gwen Baker's Claim***

460. Ms. Baker incorporates by reference and restates the allegations contained in paragraphs 134 through 153 of this Complaint, which specify the

misrepresentations of the NAARI Entities and Defendant Lynette Townes to Ms. Baker, and which support Ms. Baker's claim of fraud by intentional misrepresentation.

461. As alleged in paragraphs 134 through 153 of this Complaint, the NAARI Entities' and Defendant Townes's misrepresentations to Ms. Baker included false representations that Ms. Baker's up-front payment of \$1,471 to NAARI was tax-deductible; the NAARI Entities and Defendants Townes would negotiate a loan modification for Ms. Baker; and the NAARI Entities and Defendants Townes would obtain a reduction of Ms. Baker's interests rates on her mortgage loans to 2% to 3%. Defendant Townes also falsely purported to telephone a representative of Ms. Baker's primary mortgage lender, SunTrust, and discuss Ms. Baker's loan with Ms. Baker on the line, in an effort to cause Ms. Baker to believe that the NAARI Entities and Defendant Townes were actively and diligently pursuing a home loan modification on Ms. Baker's behalf, when in fact the NAARI Entities and Defendant Townes were not doing so.

462. The NAARI Entities and Defendant Townes knew that their misrepresentations to Ms. Baker were false when made, or they made the misrepresentations recklessly and without regard for the truth of the misrepresentations, intending to deceive Ms. Baker.

463. The NAARI Entities and Defendant Townes intended that Ms. Baker would rely upon their misrepresentations and made the misrepresentations in part to persuade Ms. Baker to make an up-front payment to the NAARI Entities for loan modification services.

464. Ms. Baker reasonably relied upon the NAARI Entities' and Defendant Townes's misrepresentations and was not reasonably able to discover the truth of those misrepresentations at the time that Ms. Baker relied on those representations to her detriment.

465. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Defendant Townes's misrepresentations to Ms. Baker. Defendants Harris, Timothy Spear, and Lawrence Spear knew that the misrepresentations to Ms. Baker by Defendant Townes were false when made, or acted recklessly and without regard for the truth of the misrepresentations, intending that Ms. Baker would be deceived by the misrepresentations. By virtue of their knowledge and direction of Defendant Townes's activities, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Ms. Baker. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are

responsible for the misrepresentations made to Plaintiff Baker by Defendant Townes, pursuant to O.C.G.A. § 51-12-30.

466. Ms. Baker suffered damages as a result of the misrepresentations made by Defendant Townes, and procured by Defendants Harris, Timothy Spear, and Lawrence Spear, and as a result of Ms. Baker's reasonable reliance on the misrepresentations in an amount to be proven at trial.

467. Moreover, because the wrongful actions of Defendants Harris, Lawrence Spear, Timothy Spear, and Townes as alleged in this Count were intentional, malicious, wanton, and in willful disregard for the rights and feelings of Plaintiff Baker, Plaintiff Baker is entitled to recover punitive damages

***Plaintiffs James & Cherry Holiday's Claim***

468. Mr. and Mrs. Holiday incorporate by reference and restate the allegations contained in paragraphs 154 through 166 of this Complaint, which specify the misrepresentations of the NAARI Entities and Defendant Karen Johnson to Mr. and Mrs. Holiday, and which support Mr. and Mrs. Holiday's claim of fraud by intentional misrepresentation.

469. As alleged in paragraphs 154 through 166 of this Complaint, the NAARI Entities' and Defendant Johnson's misrepresentations to Mr. and Mrs. Holiday included false representations that the NAARI Entities and Defendant

Johnson had a high rate of success in obtaining loan modifications; the NAARI Entities and Defendant Johnson would negotiate a loan modification for Mr. and Mrs. Holiday; Mr. and Mrs. Holiday should not make their monthly mortgage payments; and that any missed payments would be forgiven by the lender(s) or simply added to the Holidays' loan balance(s).

470. The NAARI Entities and Defendant Johnson knew that their misrepresentations to Mr. and Mrs. Holiday were false when made, or they made the misrepresentations recklessly and without regard for the truth of the misrepresentations, intending to deceive Mr. and Mrs. Holiday.

471. The NAARI Entities and Defendant Johnson intended that Mr. and Mrs. Holiday would rely upon the NAARI Entities' and Defendant Johnson's misrepresentations and made the misrepresentations in part to persuade Mr. and Mrs. Holiday to make an up-front payment to the NAARI Entities for loan modification services.

472. Mr. and Mrs. Holiday reasonably relied upon the NAARI Entities' and Defendant Johnson's misrepresentations and were not reasonably able to discover the truth of those misrepresentations at the time that Mr. and Mrs. Holiday relied on those representations to their detriment.

473. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Defendant Johnson's misrepresentations to Mr. and Mrs. Holiday. Defendants Harris, Timothy Spear, and Lawrence Spear knew that the misrepresentations made to Mr. and Mrs. Holiday by Defendant Johnson were false when made, or acted recklessly and without regard for the truth of the misrepresentations, intending that Mr. and Mrs. Holiday would be deceived by the misrepresentations. By virtue of their knowledge and direction of Defendant Johnson's activities, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Mr. and Mrs. Holiday. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the misrepresentations made to Mr. and Mrs. Holiday by Defendant Johnson, pursuant to O.C.G.A. § 51-12-30.

474. Mr. and Mrs. Holiday suffered damages as a result of the misrepresentations made by Defendant Johnson, and procured by Defendants Harris, Timothy Spear, and Lawrence Spear, and as a result of Mr. and Mrs. Holiday's reasonable reliance on the misrepresentations in an amount to be proven at trial.

475. Moreover, because the wrongful actions of Defendants Harris, Lawrence Spear, Timothy Spear, and Johnson as alleged in this Count, were intentional, malicious, wanton, and in willful disregard for the rights and feelings of Mr. and Mrs. Holiday, Mr. and Mrs. Holiday are entitled to recover punitive damages.

***Plaintiff Lawrence Reese's Claim***

476. Mr. Reese incorporates by reference and restates the allegations contained in paragraphs 167 through 185 of this Complaint, which specify the NAARI Entities' and Defendant Rick Davidson's misrepresentations to Mr. Reese, and which support Mr. Reese's claim of fraud by intentional misrepresentation.

477. As alleged in paragraphs 167 through 185 of this Complaint, the NAARI Entities' and Defendant Davidson's misrepresentations to Mr. Reese included false representations that the NAARI Entities had helped many people obtain loan modifications; that the NAARI Entities could obtain a loan modification for him in 30-45 days; that his payment for the loan modification was a "contribution;" that his new monthly mortgage payment would be \$798.87; and that Mr. Reese did not need to make his loan payments during the modification process.

478. The NAARI Entities and Defendant Davidson knew that their misrepresentations to Mr. Reese were false when made, or they made the misrepresentations recklessly and without regard for the truth of the misrepresentations, intending to deceive Mr. Reese.

479. The NAARI Entities and Defendant Davidson intended that Mr. Reese would rely upon their misrepresentations and made the misrepresentations in part to persuade Mr. Reese to make an up-front payment to the NAARI Entities for loan modification services.

480. Mr. Reese reasonably relied upon the NAARI Entities' and Defendant Davidson's misrepresentations and was not reasonably able to discover the truth of those misrepresentations at the time that Mr. Reese relied on those representations to his detriment.

481. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Defendant Davidson's misrepresentations to Mr. Reese. Defendants Harris, Timothy Spear, and Lawrence Spear knew that the misrepresentations made to Mr. Reese by Defendant Davidson were false when made, or acted recklessly and without regard for the truth of the

misrepresentations, intending that Mr. Reese would be deceived by the misrepresentations. By virtue of their knowledge and direction of Defendant Davidson's activities, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Mr. Reese. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the misrepresentations made to Plaintiff Reese by Defendant Davidson, pursuant to O.C.G.A. § 51-12-30.

482. Mr. Reese suffered damages as a result of the misrepresentations made by Defendant Davidson, and procured by Defendants Harris, Timothy Spear, and Lawrence Spear, and as a result of Mr. Reese's reasonable reliance on the misrepresentations in an amount to be proven at trial.

483. Moreover, because the wrongful actions of Defendants Harris, Lawrence Spear, Timothy Spear, and Davidson as alleged in this Count were intentional, malicious, wanton, and in willful disregard for the rights and feelings of Plaintiff Reese, Plaintiff Reese is entitled to recover punitive damages.

***Plaintiff Alethia Barry's Claim***

484. Ms. Barry incorporates by reference and restates the allegations contained in paragraphs 186 through 204 of this Complaint, which specify the misrepresentations of the NAARI Entities, Defendant Tenephius (a.k.a. Tony)

Williams, and Defendant Timothy Spear to Ms. Barry, and which support Ms. Barry's claim of fraud by intentional misrepresentation.

485. As alleged in paragraphs 186 through 204 of this Complaint, the representations of the NAARI Entities and Defendants Timothy Spear and Williams to Ms. Barry included false representations that the NAARI Entities would reduce her principal mortgage balance based on the current fair market assessment of her home, reduce her interest rate to reflect the current market, and rectify any derogatory information placed on her credit report.

486. The NAARI Entities and Defendants Timothy Spear and Williams knew that their misrepresentations to Ms. Barry were false when made, or they made their misrepresentations recklessly and without regard for the truth of the misrepresentations, intending to deceive Ms. Barry.

487. The NAARI Entities and Defendants Timothy Spear and Williams intended that Ms. Barry would rely upon their misrepresentations and made the misrepresentations in part to persuade Ms. Barry to make an up-front payment to the NAARI Entities for loan modification services.

488. Ms. Barry reasonably relied upon the NAARI Entities' and Defendants Timothy Spear's and Williams's misrepresentations and was not

reasonably able to discover the truth of those misrepresentations at the time that Ms. Barry relied on those representations to her detriment.

489. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Defendants Timothy Spear's and Williams's misrepresentations to Ms. Barry. Defendants Harris, Timothy Spear, and Lawrence Spear knew that the misrepresentations made to Ms. Barry by Defendants Timothy Spear and Williams were false when made, or acted recklessly and without regard for the truth of the misrepresentations, intending that Ms. Barry would be deceived by the misrepresentations. By virtue of their knowledge and direction of Defendants Timothy Spear's and Williams's activities, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Ms. Barry. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the misrepresentations made to Plaintiff Barry by Defendants Timothy Spear and Williams, pursuant to O.C.G.A. § 51-12-30.

490. Ms. Barry suffered damages as a result of the misrepresentations made by Defendant Timothy Spear and Defendant Williams, and procured by Defendants Harris, Timothy Spear, and Lawrence Spear, and as a result of Ms.

Barry's reasonable reliance on the misrepresentations in an amount to be proven at trial.

491. Moreover, because the wrongful actions of Defendants Harris, Lawrence Spear, Timothy Spear, and William as alleged in this Count were intentional, malicious, wanton, and in willful disregard for the rights and feelings of Plaintiff Barry, Plaintiff Barry is entitled to recover punitive damages.

***Plaintiffs William & Glenda Brown's Claim***

492. Mr. and Mrs. Brown incorporate by reference and restate the allegations contained in paragraphs 205 through 225 of this Complaint, which specify the misrepresentations of the NAARI Entities, Defendant Taylor Yvet Bailey, and John Beyer to Mr. and Mrs. Brown, and which support Mr. and Mrs. Brown's claim of fraud by intentional misrepresentation.

493. As alleged in paragraphs 205 through 225 of this Complaint, the NAARI Entities', Defendant Bailey's, and Mr. Beyer's misrepresentations to Mr. and Mrs. Brown included false representations that Mr. and Mrs. Brown would not have to make their mortgage payments while their loan modification application was being processed and they should stop making their mortgage payments; the process to obtain a loan modification could take up to 60 days; and their loan

modification had been submitted to Bank of America and the review process would take 72 hours to complete.

494. The NAARI Entities and Defendant Bailey knew that their misrepresentations to Mr. and Mrs. Brown were false when made, or they made their misrepresentations recklessly and without regard for the truth of the misrepresentations, intending to deceive Mr. and Mrs. Brown.

495. The NAARI Entities and Defendant Bailey intended that Mr. and Mrs. Brown would rely upon their misrepresentations and made the misrepresentations in part to persuade Mr. and Mrs. Brown to make an up-front payment to the NAARI Entities for loan modification services.

496. Mr. and Mrs. Brown reasonably relied upon the NAARI Entities', Defendant Bailey's, and Mr. Beyer's misrepresentations and were not reasonably able to discover the truth of those misrepresentations at the time that Mr. and Mrs. Brown relied on those representations to their detriment.

497. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Defendant Bailey's and Mr. Beyer's misrepresentations made to Mr. and Mrs. Brown. Defendants Harris, Timothy

Spear, and Lawrence Spear knew that the misrepresentations made to Mr. and Mrs. Brown by Defendant Bailey and Mr. Beyer were false when made, or acted recklessly and without regard for the truth of the misrepresentations, intending that Mr. and Mrs. Brown would be deceived by the misrepresentations. By virtue of their knowledge and direction of Defendant Bailey's and Mr. Beyer's activities, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Mr. and Mrs. Brown. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the misrepresentations made to Mr. and Mrs. Brown by Defendant Bailey and Mr. Beyer, pursuant to O.C.G.A. § 51-12-30.

498. Mr. and Mrs. Brown suffered damages as a result of the misrepresentations made by Defendant Bailey and Mr. Beyer and procured by Defendants Harris, Timothy Spear, and Lawrence Spear, and as a result of Mr. and Mrs. Brown's reasonable reliance on the misrepresentations in an amount to be proven at trial.

499. Moreover, because the wrongful actions of Defendants Harris, Lawrence Spear, Timothy Spear, and Bailey, as alleged in this Count, were intentional, malicious, wanton, and in willful disregard for the rights and feelings of Mr. and Mrs. Brown, Mr. and Mrs. Brown are entitled to recover punitive damages.

*Plaintiffs Kelvin & Jackie Thomas's Claim*

500. Mr. and Mrs. Thomas incorporate by reference and restate the allegations contained in paragraphs 226 through 243 of this Complaint, which specify the misrepresentations by the NAARI Entities and Defendant ShAunta Moore to Mr. and Mrs. Thomas, and which support Mr. and Mrs. Thomas's claim of fraud by intentional misrepresentation.

501. As alleged in paragraphs 226 through 243 of this Complaint, the NAARI Entities' and Defendant Moore's misrepresentations to Mr. and Mrs. Thomas included false representations that the NAARI Entities were a non-profit agency; a portion of the up-front "contribution" the NAARI Entities demanded from Plaintiffs would be tax-deductible; the NAARI Entities would negotiate a loan modification for Mr. and Mrs. Thomas; and that the Thomases' primary mortgage lender, Bank of America, had told Defendant Moore that the Thomases qualified for a modification of their home loan under the Home Affordable Modification Plan ("HAMP").

502. The NAARI Entities and Defendant Moore knew that their misrepresentations to Mr. and Mrs. Thomas were false when made, or they made their misrepresentations recklessly and without regard for the truth of the misrepresentations, intending to deceive Mr. and Mrs. Thomas.

503. The NAARI Entities and Defendant Moore intended that Mr. and Mrs. Thomas would rely upon their misrepresentations and made the misrepresentations in part to persuade Mr. and Mrs. Thomas to make an up-front payment to the NAARI Entities for loan modification services.

504. Mr. and Mrs. Thomas reasonably relied upon the NAARI Entities' and Defendant Moore's misrepresentations and were not reasonably able to discover the truth of those misrepresentations at the time that Mr. and Mrs. Thomas relied on those representations to their detriment.

505. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Defendant Moore's misrepresentations made to Mr. and Mrs. Thomas. Defendants Harris, Timothy Spear, and Lawrence Spear knew that the misrepresentations made to Mr. and Mrs. Thomas by Defendant Moore were false when made, or acted recklessly and without regard for the truth of the misrepresentations, intending that Mr. and Mrs. Thomas would be deceived by the misrepresentations. By virtue of their knowledge and direction of Defendant Moore's activities, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Mr. and Mrs. Thomas. Accordingly,

Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the misrepresentations made to Mr. and Mrs. Thomas by Defendant Moore, pursuant to O.C.G.A. § 51-12-30.

506. Mr. and Mrs. Thomas suffered damages as a result of the misrepresentations made by Defendant Moore, and procured by Defendants Harris, Timothy Spear, and Lawrence Spear, and as a result of Mr. and Mrs. Thomas's reasonable reliance on the misrepresentations in an amount to be proven at trial.

507. Moreover, because the wrongful actions of Defendants Harris, Lawrence Spear, Timothy Spear, and Moore as alleged in this Count were intentional, malicious, wanton, and in willful disregard for the rights and feelings of Mr. and Mrs. Thomas, Mr. and Mrs. Thomas are entitled to recover punitive damages.

***Plaintiff Nadine Willis's Claim***

508. Ms. Willis incorporates by reference and restates the allegations contained in paragraphs 244 through 263 of this Complaint, which specify the misrepresentations of the NAARI Entities, Defendant Karen Johnson, and Defendant Lawrence Spear to Ms. Willis, and which support Ms. Willis's claim of fraud by intentional misrepresentation.

509. As alleged in paragraphs 244 through 263 of this Complaint, the misrepresentations of the NAARI Entities, Defendant Johnson, Mr. Hill, and Defendant Lawrence Spear to Ms. Willis included false representations that the NAARI Entities had at least a 90% success rate in obtaining loan modifications for its customers; the NAARI entities could obtain a loan modification for Ms. Willis and her new monthly mortgage payment would be \$350 or \$385; Ms. Willis should not make her mortgage payments while her application was pending; and missed mortgage payments would be forgiven once Ms. Willis got the loan modification.

510. The NAARI Entities, Defendant Johnson, and Defendant Lawrence Spear knew that their misrepresentations to Ms. Willis were false when made, or they made their misrepresentations recklessly and without regard for the truth of the misrepresentations, intending to deceive Ms. Willis.

511. The NAARI Entities, Defendant Johnson, Mr. Hill, and Defendant Lawrence Spear intended that Ms. Willis would rely upon their misrepresentations and made the misrepresentations in part to persuade Ms. Willis to make an up-front payment to the NAARI Entities for loan modification services.

512. Ms. Willis reasonably relied upon the misrepresentations of the NAARI Entities, Defendant Johnson, Mr. Hill, and Defendant Lawrence Spear and

was not reasonably able to discover the truth of those misrepresentations at the time that Ms. Willis relied on those representations to her detriment.

513. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Defendant Johnson's, Mr. Hill's, and Defendant Lawrence Spear's misrepresentations made to Ms. Willis. Defendants Harris, Timothy Spear, and Lawrence Spear knew that the misrepresentations made to Ms. Willis by Defendant Johnson, Mr. Hill, and Defendant Lawrence Spear were false when made, or acted recklessly and without regard for the truth of the misrepresentations, intending that Ms. Willis would be deceived by the misrepresentations. By virtue of their knowledge and direction of the activities of Defendant Johnson, Mr. Hill, and Defendant Lawrence Spear, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Ms. Willis. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the misrepresentations made to Plaintiff Willis by Defendants Johnson and Lawrence Spear and Mr. Hill, pursuant to O.C.G.A. § 51-12-30.

514. Ms. Willis suffered damages as a result of the misrepresentations made by Defendant Johnson, Mr. Hill, and Defendant Lawrence Spear, and

procured by Defendants Harris, Timothy Spear, and Lawrence Spear, and as a result of Ms. Willis's reasonable reliance on the misrepresentations in an amount to be proven at trial.

515. Moreover, because the wrongful actions of Defendants Harris, Lawrence Spear, Timothy Spear, and Johnson, as alleged in this Count, were intentional, malicious, wanton, and in willful disregard for the rights and feelings of Plaintiff Willis, Plaintiff Willis is entitled to recover punitive damages.

***Plaintiff Patricia Wilson's Claim***

516. Ms. Wilson incorporates by reference and restates the allegations contained in paragraphs 264 through 284 of this Complaint, which specify the misrepresentations of the NAARI Entities', Defendant Saleemah Cannon, and Ms. Udoh to Ms. Wilson, and which support Ms. Wilson's claim of fraud by intentional misrepresentation.

517. As alleged in paragraphs 264 through 284 of this Complaint, the misrepresentations of the NAARI Entities, Defendant Cannon, and Ms. Udoh to Ms. Wilson included false representations that the NAARI Entities had a 99% rate of success in obtaining loan modifications; the NAARI Entities would negotiate a loan modification for Ms. Wilson that would reduce her monthly payment to \$961.00 and reduce her interest rate to 2%; and that the NAARI Entities had

friends at Bank of America who would work with the NAARI Entities to modify Ms. Wilson's loan to a lower monthly payment. Defendant Cannon and Ms. Udoh, acting on behalf of the NAARI Entities, also falsely represented to Ms. Wilson that Bank of America sent Ms. Wilson a letter stating that homeowners should not be charged money by third parties for loan modification services in an attempt to discourage Ms. Wilson from working with the NAARI Entities because the NAARI Entities had been so successful in obtaining mortgage loan modifications for homeowners.

518. The NAARI Entities and Defendant Cannon knew that their misrepresentations to Ms. Wilson were false when made, or they made the misrepresentations recklessly and without regard for the truth of the misrepresentations, intending to deceive Ms. Wilson.

519. The NAARI Entities and Defendant Cannon intended that Ms. Wilson would rely upon their misrepresentations and made the misrepresentations in part to persuade Ms. Wilson to make an up-front payment to the NAARI Entities for loan modification services.

520. Ms. Wilson reasonably relied upon the NAARI Entities', Defendant Cannon's, and Ms. Udoh's misrepresentations and was not reasonably able to

discover the truth of those misrepresentations at the time that Ms. Wilson relied on those representations to her detriment.

521. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Defendant Cannon's and Ms. Udoh's misrepresentations to Ms. Wilson. Defendants Harris, Timothy Spear, and Lawrence Spear knew that the misrepresentations to Ms. Wilson by Defendant Cannon and Ms. Udoh were false when made, or acted recklessly and without regard for the truth of the misrepresentations, intending that Ms. Wilson would be deceived by the misrepresentations. By virtue of their knowledge and direction of Defendant Cannon's and Ms. Udoh's activities, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Ms. Wilson. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the misrepresentations made to Plaintiff Wilson by Defendant Cannon and Ms. Udoh, pursuant to O.C.G.A. § 51-12-30.

522. Ms. Wilson suffered damages as a result of the misrepresentations made by Defendant Cannon and Ms. Udoh, and procured by Defendants Harris,

Timothy Spear, and Lawrence Spear, and as a result of Ms. Wilson's reasonable reliance on the misrepresentations in an amount to be proven at trial.

523. Moreover, because the wrongful actions of Defendants Harris, Lawrence Spear, Timothy Spear, and Cannon, as alleged in this Count were intentional, malicious, wanton, and in willful disregard for the rights and feelings of Plaintiff Wilson, Plaintiff Wilson is entitled to recover punitive damages.

***Plaintiff Stephanie Echols's Claim***

524. Ms. Echols incorporates by reference and restates the allegations contained in paragraphs 285 through 309 of this Complaint, which specify the NAARI Entities', Geneva Vanderhorst's, Defendant Rick Davidson's, and Defendant Asim Spear's misrepresentations to Ms. Echols, and which support Ms. Echols's claim of fraud by intentional misrepresentation.

525. As alleged in paragraphs 285 through 309 of this Complaint, the misrepresentations of the NAARI Entities, Ms. Vanderhorst, Defendant Davidson, and Defendant Asim Spear made to Ms. Echols included false representations that the NAARI Entities were a "National Non-Profit organization" with "many programs and a 98% success rate;" as a "Housing Counselor," Ms. Vanderhorst was "helping those in need of mortgage reduction/modification or to stop foreclosure. We even counsel those [that] have already been foreclosed on but

have not been evicted yet and still live in their home;” the NAARI Entities had relationships with loan servicers and had been helping homeowners with loan modification assistance for quite a while; 97% of the individuals that the NAARI Entities worked with were able to get their loan modified; and the allegations that Ms. Echols heard about on the news report were related to certain mortgage transactions that the NAARI Entities used to do, but no longer do.

526. The NAARI Entities and Defendants Davidson and Asim Spear knew that their misrepresentations to Ms. Echols were false when made, or they made their misrepresentations recklessly and without regard for the truth of the misrepresentations, intending to deceive Ms. Echols.

527. The NAARI Entities, Ms. Vanderhorst, Defendant Davidson, and Defendant Asim Spear intended that Ms. Echols would rely upon their misrepresentations in part to persuade Ms. Echols to make an up-front payment to The NAARI Entities for loan modification services.

528. Ms. Echols reasonably relied upon the misrepresentations of the NAARI Entities, Ms. Vanderhorst, Defendant Davidson, and Defendant Asim Spear and was not reasonably able to discover the truth of those misrepresentations at the time that Ms. Echols relied on those representations to her detriment.

529. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Ms. Vanderhorst's, Defendant Davidson's, and Defendant Asim Spear's misrepresentations made to Ms. Echols. Defendants Harris, Timothy Spear, and Lawrence Spear knew that the misrepresentations made to Ms. Echols by Ms. Vanderhorst, Defendant Davidson, and Defendant Asim Spear were false when made, or acted recklessly and without regard for the truth of the misrepresentations, intending that Ms. Echols would be deceived by the misrepresentations. By virtue of their knowledge and direction of Ms. Vanderhorst's, Defendant Davidson's, and Defendant Asim Spear's activities, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Ms. Echols. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the misrepresentations made to Plaintiff Echols by Defendant Davidson, Defendant Asim Spear, and Ms. Vanderhorst, pursuant to O.C.G.A. § 51-12-30.

530. Ms. Echols suffered damages as a result of the misrepresentations made by Ms. Vanderhorst, Defendant Davidson, and Defendant Asim Spear, and procured by Defendants Harris, Timothy Spear, and Lawrence Spear, and as a

result of Ms. Echols's reasonable reliance on the misrepresentations in an amount to be proven at trial.

531. Moreover, because the wrongful actions of Defendants Harris, Lawrence Spear, Timothy Spear, Davidson, and Asim Spear as alleged in this Count were intentional, malicious, wanton, and in willful disregard for the rights and feelings of Plaintiff Echols, Plaintiff Echols is entitled to recover punitive damages.

***Plaintiffs Lewinston & Hyacinth Petgrave's Claim***

532. Mr. and Mrs. Petgrave incorporate by reference and restate the allegations contained in paragraphs 310 through 325 of this Complaint, which specify the misrepresentations made by the NAARI Entities and Defendant Derrick Millin to Mr. and Mrs. Petgrave, and which support Mr. and Mrs. Petgrave's claim of fraud by intentional misrepresentation.

533. As alleged in paragraphs 310 through 325 of this Complaint, the NAARI Entities' and Defendant Millin's misrepresentations made to Mr. and Mrs. Petgrave included false representations that guaranteed that the NAARI Entities would obtain a loan modification for Mr. and Mrs. Petgrave; that Defendant Millin had been successful in obtaining loan modifications for every one of his clients thus far; that their new monthly payment would be about \$1,200 to \$1,300; that it

would take three months to get the loan modification; that the NAARI Entities would communicate with their bank regarding the application for a loan modification, and that they should not speak with their bank; that NAARI was a non-profit, so the payment for the loan modification was tax-deductible; and that they should stop making their mortgage payments while the NAARI entities worked on their application for a loan modification.

534. The NAARI Entities and Defendant Millin knew that their misrepresentations made to Mr. and Mrs. Petgrave were false when made, or they made their misrepresentations recklessly and without regard for the truth of the misrepresentations, intending to deceive Mr. and Mrs. Petgrave.

535. The NAARI Entities and Defendant Millin intended that Mr. and Mrs. Petgrave would rely upon their misrepresentations and made the misrepresentations in part to persuade Mr. and Mrs. Petgrave to make an up-front payment to the NAARI Entities for loan modification services.

536. Mr. and Mrs. Petgrave reasonably relied upon the NAARI Entities' and Defendant Millin's misrepresentations and were not reasonably able to discover the truth of those misrepresentations at the time that Mr. and Mrs. Petgrave relied on those representations to their detriment.

537. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Defendant Millin's misrepresentations made to Mr. and Mrs. Petgrave. Defendants Harris, Timothy Spear, and Lawrence Spear knew that the misrepresentations made to Mr. and Mrs. Petgrave by Defendant Millin were false when made, or acted recklessly and without regard for the truth of the misrepresentations, intending that Mr. and Mrs. Petgrave would be deceived by the misrepresentations. By virtue of their knowledge and direction of Defendant Millin's activities, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Mr. and Mrs. Petgrave. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the misrepresentations made to Mr. and Mrs. Petgrave by Defendant Millin, pursuant to O.C.G.A. § 51-12-30.

538. Mr. and Mrs. Petgrave suffered damages as a result of the misrepresentations made by Defendant Millin, and procured by Defendants Harris, Timothy Spear, and Lawrence Spear, and as a result of Mr. and Mrs. Petgrave's reasonable reliance on the misrepresentations in an amount to be proven at trial.

539. Moreover, because the wrongful actions of Defendants Harris, Lawrence Spear, Timothy Spear, and Millin as alleged in this Count were intentional, malicious, wanton, and in willful disregard for the rights and feelings of Mr. and Mrs. Petgrave, Mr. and Mrs. Petgrave are entitled to recover punitive damages.

**COUNT VIII: Negligent Misrepresentation**

*(All Plaintiffs Against Derek Harris, Lawrence Spear, and Timothy Spear)*

*(George Sampson Against Taylor Yvet Bailey and Rick Davidson)*

*(Gwen Baker Against Lynette Townes)*

*(James & Cherry Holiday Against Karen Johnson)*

*(Lawrence Reese Against Rick Davidson)*

*(Alethia Barry Against Tenephius (a.k.a. Tony) Williams)*

*(William & Glenda Brown Against Taylor Yvet Bailey)*

*(Kelvin & Jackie Thomas Against ShAunta Moore)*

*(Nadine Willis Against Karen Johnson)*

*(Patricia Wilson Against Saleemah Cannon)*

*(Stephanie Echols Against Rick Davidson and Asim Spear)*

*(Lewinston & Hyacinth Petgrave Against Derrick Millin)*

***Plaintiff George Sampson's Claim***

540. Mr. Sampson incorporates by reference and restates the allegations contained in paragraphs 71 through 89 of this Complaint, which specify the NAARI Entities', Defendant Taylor Yvet Bailey's, and Defendant Rick

Davidson's misrepresentations to Mr. Sampson, and which support Mr. Sampson's claim of fraud by negligent misrepresentation.

541. The NAARI Entities and Defendants Bailey and Davidson had no reasonable grounds to believe their misrepresentations were true when made, and intended for Mr. Sampson to rely on the misrepresentations.

542. Mr. Sampson reasonably relied upon the misrepresentations of the NAARI Entities and Defendants Bailey and Davidson and was not reasonably able to discover the truth of those misrepresentations at the time that Mr. Sampson relied on those representations to his detriment.

543. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Defendant Bailey's and Defendant Davidson's negligent misrepresentations to Mr. Sampson. By virtue of their knowledge and direction of the activities of Defendants Bailey and Davidson, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Mr. Sampson. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the negligent misrepresentations made by Defendants Bailey and Davidson to Plaintiff Sampson.

544. Mr. Sampson suffered damages as the result of the misrepresentations made by Defendants Bailey and Davidson, and procured by Defendants Harris, Timothy Spear, and Lawrence Spear, and as the result of Mr. Sampson's reasonable reliance on the misrepresentations in an amount to be proven at trial.

***Plaintiff Gregory Parker's Claim***

545. Mr. Parker incorporates by reference and restates the allegations contained in paragraphs 90 through 103 of this Complaint, which specify the misrepresentations of the NAARI Entities and Defendant Derek Harris to Mr. Parker, and which support Mr. Parker's claim of fraud by negligent misrepresentation.

546. The NAARI Entities and Defendant Harris had no reasonable grounds to believe their misrepresentations were true when made, and intended for Mr. Parker to rely on the misrepresentations.

547. Mr. Parker reasonably relied upon the misrepresentations of the NAARI Entities and Defendant Harris and was not reasonably able to discover the truth of those misrepresentations at the time that Mr. Parker relied on those representations to his detriment.

548. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence

Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Defendant Harris's negligent misrepresentations to Mr. Parker. By virtue of their knowledge and direction of the activities of Defendant Harris, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Mr. Parker. Accordingly, Defendants Timothy Spear and Lawrence Spear are responsible for the negligent misrepresentations made by Defendant Harris to Plaintiff Parker.

549. Mr. Parker suffered damages as the result of the misrepresentations made by Defendant Harris, and procured by Defendants Harris, Timothy Spear, and Lawrence Spear, and as the result of Mr. Parker's reasonable reliance on the misrepresentations in an amount to be proven at trial.

***Plaintiff Edna McKenzie's Claim***

550. Ms. McKenzie incorporates by reference and restates the allegations contained in paragraphs 104 through 122 of this Complaint, which specify the misrepresentations of the NAARI Entities, Defendant Derek Harris, and Defendant Lawrence Spear to Ms. McKenzie, and which support Ms. McKenzie's claim of fraud by negligent misrepresentation.

551. The NAARI Entities and Defendants Harris and Lawrence Spear had no reasonable grounds to believe their misrepresentations were true when made, and intended for Ms. McKenzie to rely on the misrepresentations.

552. Ms. McKenzie reasonably relied upon the misrepresentations of the NAARI Entities and Defendants Harris and Lawrence Spear and was not reasonably able to discover the truth of those misrepresentations at the time that Ms. McKenzie relied on those representations to her detriment.

553. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Defendants Harris's and Lawrence Spear's negligent misrepresentations made to Ms. McKenzie. By virtue of their knowledge and direction of the activities of Defendants Harris and Lawrence Spear, Defendants Harris, Timothy Spear and Lawrence Spear proximately caused damage to Ms. McKenzie. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the negligent misrepresentations made by Defendants Harris and Lawrence Spear to Plaintiff McKenzie.

554. Ms. McKenzie suffered damages as the result of the misrepresentations made by Defendants Harris and Lawrence Spear, and procured

by Defendants Harris, Timothy Spear, and Lawrence Spear, and as the result of Ms. McKenzie's reasonable reliance on the misrepresentations in an amount to be proven at trial.

***Plaintiff Glenn Jones's Claim***

555. Mr. Jones incorporates by reference and restates the allegations contained in paragraphs 123 through 133 of this Complaint, which specify the misrepresentations of the NAARI Entities and Defendant Derek Harris to Mr. Jones, and which support Mr. Jones's claim of fraud by negligent misrepresentation.

556. The NAARI Entities and Defendant Harris had no reasonable grounds to believe their misrepresentations were true when made, and intended for Mr. Jones to rely on the misrepresentations.

557. Mr. Jones reasonably relied upon the misrepresentations of the NAARI Entities and Defendant Harris and was not reasonably able to discover the truth of those misrepresentations at the time that Mr. Jones relied on those representations to his detriment.

558. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities,

acted to procure and did procure Defendant Harris's negligent misrepresentations made to Mr. Jones. By virtue of their knowledge and direction of the activities of Defendant Harris, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Mr. Jones. Accordingly, Defendants Timothy Spear and Lawrence Spear are responsible for the negligent misrepresentations made by Defendant Harris to Plaintiff Jones.

559. Mr. Jones suffered damages as the result of the misrepresentations made by Defendant Harris, and procured by Defendants Harris, Timothy Spear, and Lawrence Spear, and as the result of Mr. Jones's reasonable reliance on the misrepresentations in an amount to be proven at trial.

***Plaintiff Gwen Baker's Claim***

560. Ms. Baker incorporates by reference and restates the allegations contained in paragraphs 134 through 153 of this Complaint, which specify the misrepresentations of the NAARI Entities and Defendant Lynette Townes to Ms. Baker, and which support Ms. Baker's claim of fraud by negligent misrepresentation.

561. The NAARI Entities and Defendant Townes had no reasonable grounds to believe their misrepresentations were true when made, and intended for Ms. Baker to rely on the misrepresentations.

562. Ms. Baker reasonably relied upon the misrepresentations of the NAARI Entities and Defendant Townes and was not reasonably able to discover the truth of those misrepresentations at the time that Ms. Baker relied on those representations to her detriment.

563. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Defendant Townes's negligent misrepresentations made to Ms. Baker. By virtue of their knowledge and direction of the activities of Defendant Townes, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Ms. Baker. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the negligent misrepresentations made by Defendant Townes to Plaintiff Baker.

564. Ms. Baker suffered damages as the result of the misrepresentations made by Defendant Townes, and procured by Defendants Harris, Timothy Spear, and Lawrence Spear, and as the result of Ms. Baker's reasonable reliance on the misrepresentations in an amount to be proven at trial.

*Plaintiffs James & Cherry Holiday's Claim*

565. Mr. and Mrs. Holiday incorporate by reference and restate the allegations contained in paragraphs 154 through 166 of this Complaint, which specify the misrepresentations of the NAARI Entities and Defendant Karen Johnson to Mr. and Mrs. Holiday, and which support Mr. and Mrs. Holiday's claim of fraud by negligent misrepresentation.

566. The NAARI Entities and Defendant Johnson had no reasonable grounds to believe their misrepresentations were true when made, and intended for Mr. and Mrs. Holiday to rely on the misrepresentations.

567. Mr. and Mrs. Holiday reasonably relied upon the misrepresentations of the NAARI Entities and Defendant Johnson and were not reasonably able to discover the truth of those misrepresentations at the time that Mr. and Mrs. Holiday relied on those representations to their detriment.

568. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Defendant Johnson's negligent misrepresentations made to Mr. and Mrs. Holiday. By virtue of their knowledge and direction of the activities of Defendant Johnson, Defendants Harris, Timothy Spear, and Lawrence

Spear proximately caused damage to Mr. and Mrs. Holiday. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the negligent misrepresentations made by Defendant Johnson to Mr. and Mrs. Holiday.

569. Mr. and Mrs. Holiday suffered damages as the result of the misrepresentations made by Defendant Johnson, and procured by Defendants Harris, Timothy Spear, and Lawrence Spear, and as the result of Mr. and Mrs. Holiday's reasonable reliance on the misrepresentations in an amount to be proven at trial.

***Plaintiff Lawrence Reese's Claim***

570. Mr. Reese incorporates by reference and restates the allegations contained in paragraphs 167 through 185 of this Complaint, which specify the misrepresentations of the NAARI Entities and Defendant Rick Davidson to Mr. Reese, and which support Mr. Reese's claim of fraud by negligent misrepresentation.

571. The NAARI Entities and Defendant Davidson had no reasonable grounds to believe their misrepresentations were true when made, and intended for Mr. Reese to rely on the misrepresentations.

572. Mr. Reese reasonably relied upon the misrepresentations of the NAARI Entities and Defendant Davidson and was not reasonably able to discover

the truth of those misrepresentations at the time that Mr. Reese relied on those representations to his detriment.

573. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Defendant Davidson's negligent misrepresentations made to Mr. Reese. By virtue of their knowledge and direction of the activities of Defendant Davidson, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Mr. Reese. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the negligent misrepresentations made by Defendant Davidson to Plaintiff Reese.

574. Mr. Reese suffered damages as the result of the misrepresentations made by Defendant Davidson, and procured by Defendants Harris, Timothy Spear, and Lawrence Spear, as the result of Mr. Reese's reasonable reliance on the misrepresentations in an amount to be proven at trial.

***Plaintiff Alethia Barry's Claim***

575. Ms. Barry incorporates by reference and restates the allegations contained in paragraphs 186 through 204 of this Complaint, which specify the misrepresentations of the NAARI Entities, Defendant Tenephius (a.k.a. Tony)

Williams, and Defendant Timothy Spear to Ms. Barry, and which support Ms. Barry's claim of fraud by negligent misrepresentation.

576. The NAARI Entities and Defendants Williams and Timothy Spear had no reasonable grounds to believe their misrepresentations were true when made, and intended for Ms. Barry to rely on the misrepresentations.

577. Ms. Barry reasonably relied upon the misrepresentations of the NAARI Entities and Defendants Williams and Timothy Spear and was not reasonably able to discover the truth of those misrepresentations at the time that Ms. Barry relied on those representations to her detriment.

578. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Defendants Williams' and Timothy Spear's negligent misrepresentations made to Ms. Barry. By virtue of their knowledge and direction of the activities of Defendants Williams and Timothy Spear, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Ms. Barry. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the negligent misrepresentations made by Defendants Williams and Timothy Spear to Plaintiff Barry.

579. Ms. Barry suffered damages as the result of the misrepresentations made by Defendants Williams and Timothy Spear, and procured by Defendants Harris, Timothy Spear, and Lawrence Spear, and as the result of Ms. Barry's reasonable reliance on the misrepresentations in an amount to be proven at trial.

***Plaintiffs William & Glenda Brown's Claim***

580. Mr. and Mrs. Brown incorporate by reference and restate the allegations contained in paragraphs 205 through 225 of this Complaint, which specify the misrepresentations of the NAARI Entities and Defendant Taylor Yvet Bailey to Mr. and Mrs. Brown, and which support Mr. and Mrs. Brown's claim of fraud by negligent misrepresentation.

581. The NAARI Entities and Defendant Bailey had no reasonable grounds to believe their misrepresentations were true when made, and intended for Mr. and Mrs. Brown to rely on the misrepresentations.

582. Mr. and Mrs. Brown reasonably relied upon the misrepresentations of the NAARI Entities and Defendant Bailey and were not reasonably able to discover the truth of those misrepresentations at the time that Mr. and Mrs. Brown relied on those representations to their detriment.

583. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence

Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Defendant Bailey's negligent misrepresentations made to Mr. and Mrs. Brown. By virtue of their knowledge and direction of the activities of Defendant Bailey, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Mr. and Mrs. Brown. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the negligent misrepresentations made by Defendant Bailey to Mr. and Mrs. Brown.

584. Mr. and Mrs. Brown suffered damages as the result of the misrepresentations made by Defendant Bailey, and procured by Defendants Harris, Timothy Spear, and Lawrence Spear, and as the result of Mr. and Mrs. Brown's reasonable reliance on the misrepresentations in an amount to be proven at trial.

***Plaintiffs Kelvin & Jackie Thomas's Claim***

585. Mr. and Mrs. Thomas incorporate by reference and restate the allegations contained in paragraphs 226 through 243 of this Complaint, which specify the misrepresentations of the NAARI Entities and Defendant ShAunta Moore to Mr. and Mrs. Thomas, and which support Mr. and Mrs. Thomas's claim of fraud by negligent misrepresentation.

586. The NAARI Entities and Defendant Moore had no reasonable grounds to believe their misrepresentations were true when made, and intended for Mr. and Mrs. Thomas to rely on the misrepresentations.

587. Mr. and Mrs. Thomas reasonably relied upon the misrepresentations of the NAARI Entities and Defendant Moore and were not reasonably able to discover the truth of those misrepresentations at the time that Mr. and Mrs. Thomas relied on those representations to their detriment.

588. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Defendant Moore's negligent misrepresentations made to Mr. and Mrs. Thomas. By virtue of their knowledge and direction of the activities of Defendant Moore, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Mr. and Mrs. Thomas. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the negligent misrepresentations made by Defendant Moore to Mr. and Mrs. Thomas.

589. Mr. and Mrs. Thomas suffered damages as the result of the misrepresentations made by Defendant Moore, and procured by Defendants Harris,

Timothy Spear, and Lawrence Spear, and as the result of Mr. and Mrs. Thomas's reasonable reliance on the misrepresentations in an amount to be proven at trial.

***Plaintiff Nadine Willis's Claim***

590. Ms. Willis incorporates by reference and restates the allegations contained in paragraphs 244 through 263 of this Complaint, which specify the misrepresentations of the NAARI Entities, Defendant Karen Johnson, Anthony Hill, and Defendant Lawrence Spear to Ms. Willis, and which support Ms. Willis's claim of fraud by negligent misrepresentation.

591. The NAARI Entities, Defendant Johnson, Mr. Hill, and Defendant Lawrence Spear had no reasonable grounds to believe their misrepresentations were true when made, and intended for Ms. Willis to rely on the misrepresentations.

592. Ms. Willis reasonably relied upon the misrepresentations of the NAARI Entities, Defendant Johnson, Mr. Hill, and Defendant Lawrence Spear and was not reasonably able to discover the truth of those misrepresentations at the time that Ms. Willis relied on those representations to her detriment.

593. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities,

acted to procure and did procure Defendant Johnson's, Mr. Hill's, and Defendant Lawrence Spear's negligent misrepresentations made to Ms. Willis. By virtue of their knowledge and direction of the activities of Defendant Johnson, Mr. Hill, and Defendant Lawrence Spear, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Ms. Willis. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the negligent misrepresentations made by Mr. Hill and Defendants Johnson and Lawrence Spear to Plaintiff Willis.

594. Ms. Willis suffered damages as the result of the misrepresentations made by Defendant Johnson, Mr. Hill, and Defendant Lawrence Spear, and procured by Defendants Harris, Timothy Spear, and Lawrence Spear, and as the result of Ms. Willis's reasonable reliance on the misrepresentations in an amount to be proven at trial.

***Plaintiff Patricia Wilson's Claim***

595. Ms. Wilson incorporates by reference and restates the allegations contained in paragraphs 264 through 284 of this Complaint, which specify the misrepresentations of the NAARI Entities, Ms. Udoh, and Defendant Saleemah Cannon to Ms. Wilson, and which support Ms. Wilson's claim of fraud by negligent misrepresentation.

596. The NAARI Entities, Ms. Udoh, and Defendant Cannon had no reasonable grounds to believe their misrepresentations were true when made, and intended for Ms. Wilson to rely on the misrepresentations.

597. Ms. Wilson reasonably relied upon the misrepresentations of the NAARI Entities, Ms. Udoh, and Defendant Cannon and was not reasonably able to discover the truth of those misrepresentations at the time that Ms. Wilson relied on those representations to her detriment.

598. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Ms. Udoh's and Defendant Cannon's negligent misrepresentations made to Ms. Wilson. By virtue of their knowledge and direction of the activities of Defendant Cannon, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Ms. Wilson. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the negligent misrepresentations made by Ms. Udoh and Defendant Cannon to Plaintiff Wilson.

599. Ms. Wilson suffered damages as the result of the misrepresentations made by Defendant Cannon, and procured by Defendants Harris, Timothy Spear,

and Lawrence Spear, and as the result of Ms. Wilson's reasonable reliance on the misrepresentations in an amount to be proven at trial.

***Plaintiff Stephanie Echols's Claim***

600. Ms. Echols incorporates by reference and restates the allegations contained in paragraphs 285 through 309 of this Complaint, which specify the misrepresentations of the NAARI Entities, Geneva Vanderhorst, Defendant Rick Davidson, and Defendant Asim Spear to Ms. Echols, and which support Ms. Echols's claim of fraud by negligent misrepresentation.

601. The NAARI Entities, Ms. Vanderhorst, Defendant Davidson, and Defendant Asim Spear had no reasonable grounds to believe their misrepresentations were true when made, and intended for Ms. Echols to rely on the misrepresentations.

602. Ms. Echols reasonably relied upon the misrepresentations of the NAARI Entities, Ms. Vanderhorst, Defendant Davidson, and Defendant Asim Spear and was not reasonably able to discover the truth of those misrepresentations at the time that Ms. Echols relied on those representations to her detriment.

603. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities,

acted to procure and did procure Ms. Vanderhorst's, Defendant Davidson's, and Defendant Asim Spear's negligent misrepresentations made to Ms. Echols. By virtue of their knowledge and direction of the activities of Ms. Vanderhorst, Defendant Davidson, Defendant Asim Spear, and Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Ms. Echols. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the negligent misrepresentations made by Ms. Vanderhorst, Defendant Davidson, and Defendant Asim Spear to Plaintiff Echols.

604. Ms. Echols suffered damages as the result of the misrepresentations made by Ms. Vanderhorst, Defendant Davidson, and Defendant Asim Spear, and procured by Defendants Harris, Timothy Spear, and Lawrence Spear, and as the result of Ms. Echols's reasonable reliance on the misrepresentations in an amount to be proven at trial.

***Plaintiffs Lewinston & Hyacinth Petgrave's Claim***

605. Mr. and Mrs. Petgrave incorporate by reference and restate the allegations contained in paragraphs 310 through 325 of this Complaint, which specify the misrepresentations of the NAARI Entities and Defendant Derrick Millin to Mr. and Mrs. Petgrave, and which support Mr. and Mrs. Petgrave's claim of fraud by negligent misrepresentation.

606. The NAARI Entities and Defendant Millin had no reasonable grounds to believe their misrepresentations were true when made, and intended for Mr. and Mrs. Petgrave to rely on the misrepresentations.

607. Mr. and Mrs. Petgrave reasonably relied upon the misrepresentations of the NAARI Entities and Defendant Millin and were not reasonably able to discover the truth of those misrepresentations at the time that Mr. and Mrs. Petgrave relied on those representations to their detriment.

608. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure Defendant Millin's negligent misrepresentations made to Mr. and Mrs. Petgrave. By virtue of their knowledge and direction of the activities of Defendant Millin, Defendants Harris, Timothy Spear, and Lawrence Spear proximately caused damage to Mr. and Mrs. Petgrave. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the negligent misrepresentations made by Defendant Millin to Mr. and Mrs. Petgrave.

609. Mr. and Mrs. Petgrave suffered damages as the result of the misrepresentations made by Defendant Millin, and procured by Defendants Harris,

Timothy Spear, and Lawrence Spear, and as the result of Mr. and Mrs. Petgrave's reasonable reliance on the misrepresentations in an amount to be proven at trial.

**COUNT IX: Breach of Fiduciary Duty**

*(All Plaintiffs Against Derek Harris, Lawrence Spear, and Timothy Spear)*

*(George Sampson Against Taylor Yvet Bailey and Rick Davidson)*

*(Gwen Baker Against Lynette Townes)*

*(James & Cherry Holiday Against Karen Johnson)*

*(Lawrence Reese Against Rick Davidson)*

*(Alethia Barry Against Tenephius (a.k.a. Tony) Williams)*

*(William & Glenda Brown Against Taylor Yvet Bailey)*

*(Kelvin & Jackie Thomas Against ShAunta Moore)*

*(Nadine Willis Against Karen Johnson)*

*(Patricia Wilson Against Saleemah Cannon)*

*(Stephanie Echols Against Rick Davidson and Asim Spear)*

*(Lewinston & Hyacinth Petgrave Against Derrick Millin)*

610. Mr. Sampson, Mr. Parker, Ms. McKenzie, Mr. Jones, Ms. Baker, Mr. and Mrs. Holiday, Mr. Reese, Ms. Barry, Mr. and Mrs. Brown, Mr. and Mrs. Thomas, Ms. Willis, Ms. Wilson, Ms. Echols, and Mr. and Mrs. Petgrave incorporate by reference and restate the allegations contained in paragraphs 71 through 89, 90 through 103, 104 through 122, 123 through 133, 134 through 153, 154 through 166, 167 through 185, 186 through 204, 205 through 225, 226 through 243, 244 through 263, 264 through 284, 285 through 309, and 310 through 325,

respectively, of this Complaint, which support their claims of breach of fiduciary duty.

***Plaintiff George Sampson's Claim***

611. Mr. Sampson contractually retained the NAARI Entities, Defendant Taylor Yvet Bailey, and Defendant Rick Davidson as his agents to act on his behalf in negotiating a home loan modification. In addition, Defendants Bailey and Davidson represented to Mr. Sampson that they would handle all aspects of negotiating a home loan modification on his behalf. Therefore, the NAARI Entities and Defendants Bailey and Davidson entered into confidential or fiduciary relationships with Mr. Sampson to act with the utmost good faith and in his best interests.

612. Defendants Bailey and Davidson knowingly acted against Mr. Sampson's best interests and breached their fiduciary duties to Mr. Sampson by failing to perform services as promised, and for which Mr. Sampson paid. Additionally, to the extent that Defendants Bailey and Davidson performed any services for Mr. Sampson, they failed to act as reasonable and careful agents would have under the same or similar circumstances, and thereby breached their fiduciary duties to Mr. Sampson.

***Plaintiff Gregory Parker's Claim***

613. Mr. Parker contractually retained the NAARI Entities and Defendant Derek Harris as his agents to act on his behalf in negotiating a home loan modification. In addition, Defendant Harris represented to Mr. Parker that he would handle all aspects of negotiating a home loan modification on his behalf. Therefore, the NAARI Entities and Defendant Harris entered into confidential or fiduciary relationships with Mr. Parker to act with the utmost good faith and in his best interests.

614. Defendant Harris knowingly acted against Mr. Parker's best interests and breached his fiduciary duties to Mr. Parker by failing to perform services as promised, and for which Mr. Parker paid. Additionally, to the extent that Defendant Harris performed any services for Mr. Parker, he failed to act as a reasonable and careful agent would have under the same or similar circumstances, and thereby breached his fiduciary duties to Mr. Parker.

***Plaintiff Edna McKenzie's Claim***

615. Ms. McKenzie contractually retained the NAARI Entities, Defendant Derek Harris, and Defendant Lawrence Spear as her agents to act on her behalf in negotiating a home loan modification. In addition, Defendants Harris and Lawrence Spear represented to Ms. McKenzie that they would handle all aspects of

negotiating a home loan modification on her behalf. Therefore, the NAARI Entities and Defendants Harris and Lawrence Spear entered into confidential or fiduciary relationships with Ms. McKenzie to act with the utmost good faith and in her best interests.

616. Defendants Harris and Lawrence Spear knowingly acted against Ms. McKenzie's best interests and breached their fiduciary duties to Ms. McKenzie by failing to perform services as promised, and for which Ms. McKenzie paid. Additionally, to the extent that Defendants Harris and Lawrence Spear performed any services for Ms. McKenzie, they failed to act as reasonable and careful agents would have under the same or similar circumstances, and thereby breached their fiduciary duties to Ms. McKenzie

***Plaintiff Glenn Jones's Claim***

617. Mr. Jones contractually retained the NAARI Entities and Defendant Derek Harris as his agents to act on his behalf in negotiating a home loan modification. In addition, Defendant Harris represented to Mr. Jones that he would handle all aspects of negotiating a home loan modification on his behalf. Therefore, the NAARI Entities and Defendant Harris entered into confidential or fiduciary relationships with Mr. Jones to act with the utmost good faith and in his best interests.

618. Defendant Harris knowingly acted against Mr. Jones's best interests and breached his fiduciary duties to Mr. Jones by failing to perform services as promised, and for which Mr. Jones paid. Additionally, to the extent that Defendant Harris performed any services for Mr. Jones, he failed to act as a reasonable and careful agent would have under the same or similar circumstances, and thereby breached his fiduciary duties to Mr. Jones.

***Plaintiff Gwen Baker's Claim***

619. Ms. Baker contractually retained the NAARI Entities and Defendant Lynette Townes as her agents to act on her behalf in negotiating a home loan modification. In addition, Defendant Townes represented to Ms. Baker that she would handle all aspects of negotiating a home loan modification on her behalf. Therefore, the NAARI Entities and Defendant Townes entered into confidential or fiduciary relationships with Ms. Baker to act with the utmost good faith and in her best interests.

620. Defendant Townes knowingly acted against Ms. Baker's best interests and breached her fiduciary duties to Ms. Baker by failing to perform services as promised, and for which Ms. Baker paid. Additionally, to the extent that Defendant Townes performed any services for Ms. Baker, she failed to act as a

reasonable and careful agent would have under the same or similar circumstances, and thereby breached her fiduciary duties to Ms. Baker.

***Plaintiffs James & Cherry Holiday's Claim***

621. Mr. and Mrs. Holiday contractually retained the NAARI Entities and Defendant Karen Johnson as their agents to act on their behalf in negotiating a home loan modification. In addition, Defendant Johnson represented to Mr. and Mrs. Holiday that she would handle all aspects of negotiating a home loan modification on their behalf. Therefore, the NAARI Entities and Defendant Johnson entered into confidential or fiduciary relationships with Mr. and Mrs. Holiday to act with the utmost good faith and in their best interests.

622. Defendant Johnson knowingly acted against Mr. and Mrs. Holiday's best interests and breached her fiduciary duties to Mr. and Mrs. Holiday by failing to perform services as promised, and for which Mr. and Mrs. Holiday paid. Additionally, to the extent that Defendant Johnson performed any services for Mr. and Mrs. Holiday, she failed to act as a reasonable and careful agent would have under the same or similar circumstances, and thereby breached her fiduciary duties to Mr. and Mrs. Holiday.

***Plaintiff Lawrence Reese's Claim***

623. Mr. Reese contractually retained the NAARI Entities and Defendant Rick Davidson as his agents to act on his behalf in negotiating a home loan modification. In addition, Defendant Davidson represented to Mr. Reese that he would handle all aspects of negotiating a home loan modification on his behalf. Therefore, the NAARI Entities and Defendant Davidson entered into confidential or fiduciary relationships with Mr. Reese to act with the utmost good faith and in his best interests.

624. Defendant Davidson knowingly acted against Mr. Reese's best interests and breached his fiduciary duties to Mr. Reese by failing to perform services as promised, and for which Mr. Reese paid. Additionally, to the extent that Defendant Davidson performed any services for Mr. Reese, he failed to act as a reasonable and careful agent would have under the same or similar circumstances, and thereby breached his fiduciary duties to Mr. Reese.

***Plaintiff Alethia Barry's Claim***

625. Ms. Barry contractually retained the NAARI Entities, Defendant Tenephius (a.k.a. Tony) Williams, and Defendant Timothy Spear as her agents to act on her behalf in negotiating a home loan modification. In addition, Defendants Williams and Timothy Spear represented to Ms. Barry that they would handle all

aspects of negotiating a home loan modification on her behalf. Therefore, the NAARI Entities and Defendants Williams and Timothy Spear entered into confidential or fiduciary relationships with Ms. Barry to act with the utmost good faith and in her best interests.

626. Defendants Williams and Timothy Spear knowingly acted against Ms. Barry's best interests and breached their fiduciary duties to Ms. Barry by failing to perform services as promised, and for which Ms. Barry paid. Additionally, to the extent that Defendants Williams and Timothy Spear performed any services for Ms. Barry, they failed to act as reasonable and careful agents would have under the same or similar circumstances, and thereby breached their fiduciary duties to Ms. Barry

***Plaintiffs William & Glenda Brown's Claim***

627. Mr. and Mrs. Brown contractually retained the NAARI Entities and Defendant Taylor Yvet Bailey as their agents to act on their behalf in negotiating a home loan modification. In addition, Defendant Bailey represented to Mr. and Mrs. Brown that she would handle all aspects of negotiating a home loan modification on their behalf. Therefore, the NAARI Entities and Defendant Bailey entered into confidential or fiduciary relationships with Mr. and Mrs. Brown to act with the utmost good faith and in their best interests.

628. Defendant Bailey knowingly acted against Mr. and Mrs. Brown's best interests and breached her fiduciary duties to Mr. and Mrs. Brown by failing to perform services as promised, and for which Mr. and Mrs. Brown paid. Additionally, to the extent that Defendant Bailey performed any services for Mr. and Mrs. Brown, she failed to act as a reasonable and careful agent would have under the same or similar circumstances, and thereby breached her fiduciary duties to Mr. and Mrs. Brown.

***Plaintiffs Kelvin & Jackie Thomas's Claim***

629. Mr. and Mrs. Thomas contractually retained the NAARI Entities and Defendant ShAunta Moore as their agents to act on their behalf in negotiating a home loan modification. In addition, Defendant Moore represented to Mr. and Mrs. Thomas that she would handle all aspects of negotiating a home loan modification on their behalf. Therefore, the NAARI Entities and Defendant Moore entered into confidential or fiduciary relationships with Mr. and Mrs. Thomas to act with the utmost good faith and in their best interests.

630. Defendant Moore knowingly acted against Mr. and Mrs. Thomas's best interests and breached her fiduciary duties to Mr. and Mrs. Thomas by failing to perform services as promised, and for which Mr. and Mrs. Thomas paid. Additionally, to the extent that Defendant Moore performed any services for Mr.

and Mrs. Thomas, she failed to act as a reasonable and careful agent would have under the same or similar circumstances, and thereby breached her fiduciary duties to Mr. and Mrs. Thomas.

***Plaintiff Nadine Willis's Claim***

631. Ms. Willis contractually retained the NAARI Entities, Defendant Karen Johnson, and Defendant Lawrence Spear as her agents to act on her behalf in negotiating a home loan modification. In addition, Defendant Johnson and Defendant Lawrence Spear represented to Ms. Willis that they would handle all aspects of negotiating a home loan modification on her behalf. Therefore, the NAARI Entities, Defendant Johnson, and Defendant Lawrence Spear entered into confidential or fiduciary relationships with Ms. Willis to act with the utmost good faith and in her best interests.

632. Defendant Johnson and Defendant Lawrence Spear knowingly acted against Ms. Willis's best interests and breached their fiduciary duties to Ms. Willis by failing to perform services as promised, and for which Ms. Willis paid. Additionally, to the extent that Defendant Johnson and Defendant Lawrence Spear performed any services for Ms. Willis, they failed to act as reasonable and careful agents would have under the same or similar circumstances, and thereby breached their fiduciary duties to Ms. Willis.

***Plaintiff Patricia Wilson's Claims***

633. Ms. Wilson contractually retained the NAARI Entities and Defendant Saleemah Cannon as her agents to act on her behalf in negotiating a home loan modification. In addition, Defendant Cannon represented to Ms. Wilson that she would handle all aspects of negotiating a home loan modification on her behalf. Therefore, the NAARI Entities and Defendant Cannon entered into confidential or fiduciary relationships with Ms. Wilson to act with the utmost good faith and in her best interests.

634. Defendant Cannon knowingly acted against Ms. Wilson's best interests and breached her fiduciary duties to Ms. Wilson by failing to perform services as promised, and for which Ms. Wilson paid. Additionally, to the extent that Defendant Cannon performed any services for Ms. Wilson, she failed to act as a reasonable and careful agent would have under the same or similar circumstances, and thereby breached her fiduciary duties to Ms. Wilson

***Plaintiff Stephanie Echols's Claim***

635. Ms. Echols contractually retained the NAARI Entities, Defendant Rick Davidson, and Defendant Asim Spear as her agents to act on her behalf in negotiating a home loan modification. In addition, Defendant Davidson and Defendant Asim Spear represented to Ms. Echols that they would handle all

aspects of negotiating a home loan modification on her behalf. Therefore, the NAARI Entities, Defendant Davidson, and Defendant Asim Spear entered into confidential or fiduciary relationships with Ms. Echols to act with the utmost good faith and in her best interests.

636. Defendant Davidson and Defendant Asim Spear knowingly acted against Ms. Echols's best interests and breached their fiduciary duties to Ms. Echols by failing to perform services as promised, and for which Ms. Echols paid. Additionally, to the extent that Defendant Davidson and Defendant Asim Spear performed any services for Ms. Echols, they failed to act as reasonable and careful agents would have under the same or similar circumstances, and thereby breached their fiduciary duties to Ms. Echols.

***Plaintiffs Lewinston & Hyacinth Petgrave's Claim***

637. Mr. and Mrs. Petgrave contractually retained the NAARI Entities and Defendant Derrick Millin as their agents to act on their behalf in negotiating a home loan modification. In addition, Defendant Millin represented to Mr. and Mrs. Petgrave that he would handle all aspects of negotiating a home loan modification on their behalf. Therefore, the NAARI Entities and Defendant Millin entered into confidential or fiduciary relationships with Mr. and Mrs. Petgrave to act with the utmost good faith and in their best interests.

638. Defendant Millin knowingly acted against Mr. and Mrs. Petgrave's best interests and breached his fiduciary duties to Mr. and Mrs. Petgrave by failing to perform services as promised, and for which Mr. and Mrs. Petgrave paid. Additionally, to the extent that Defendant Millin performed any services for Mr. and Mrs. Petgrave, he failed to act as a reasonable and careful agent would have under the same or similar circumstances, and thereby breached his fiduciary duties to Mr. and Mrs. Petgrave.

***All Plaintiffs' Claims Against Harris, Timothy Spear, and Lawrence Spear***

639. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure the breaches of fiduciary duty by the Individual Defendants alleged above in this Count. Defendants Harris, Timothy Spear, and Lawrence Spear knew that the Individual Defendants interacting with Plaintiffs as alleged in this Count, through their actions, undertook fiduciary duties to the Plaintiffs and proximately caused damages to Plaintiffs through their breaches of those duties. Accordingly, Defendants Harris, Timothy Spear, and Lawrence Spear are responsible for the breaches of fiduciary duties alleged in this Count, pursuant to O.C.G.A. § 51-12-30.

640. Plaintiffs suffered damages as the result of the breaches of fiduciary duty by the Individual Defendants, and procured by Defendants Harris, Timothy Spear, and Lawrence Spear, in an amount to be proven at trial.

**COUNT X: Unjust Enrichment**

*(All Plaintiffs Except for Alethia Barry Against Derek Harris, Lawrence Spear, and Timothy Spear)*

*(George Sampson Against Taylor Yvet Bailey and Rick Davidson)*

*(Gwen Baker Against Lynette Townes)*

*(James & Cherry Holiday Against Karen Johnson)*

*(Lawrence Reese Against Rick Davidson)*

*(William & Glenda Brown Against Taylor Yvet Bailey)*

*(Kelvin & Jackie Thomas Against ShAunta Moore)*

*(Nadine Willis Against Karen Johnson)*

*(Patricia Wilson Against Saleemah Cannon)*

*(Stephanie Echols Against Rick Davidson and Asim Spear)*

*(Lewinston & Hyacinth Petgrave Against Derrick Millin)*

641. Mr. Sampson, Mr. Parker, Ms. McKenzie, Mr. Jones, Ms. Baker, Mr. and Mrs. Holiday, Mr. Reese, Mr. and Mrs. Brown, Mr. and Mrs. Thomas, Ms. Willis, Ms. Wilson, Ms. Echols, and Mr. and Mrs. Petgrave (the “Unjust Enrichment Plaintiffs”) incorporate by reference and restate the allegations contained in paragraphs 71 through 89, 90 through 103, 104 through 122, 123 through 133, 134 through 153, 154 through 166, 167 through 185, 205 through

225, 226 through 243, 244 through 263, 264 through 284, 285 through 309, and 310 through 325, respectively, of this Complaint, which support their claims of unjust enrichment.

642. The Individual Defendants induced the Unjust Enrichment Plaintiffs to make an up-front monetary “donation,” “contribution,” or payment to the NAARI Entities, thereby conferring value and benefit to the Individual Defendants.

643. The Individual Defendants have not compensated the Unjust Enrichment Plaintiffs for the value they received and have been unjustly enriched to the detriment of the Unjust Enrichment Plaintiffs.

644. Through improper action or wrongful conduct and with intent to injure and without privilege, Defendants Harris, Timothy Spear, and Lawrence Spear, who directed and controlled the acts and practices of the NAARI Entities, acted to procure and did procure this unjust enrichment by the Individual Defendants. Defendants Harris, Timothy Spear, and Lawrence Spear knew that the Individual Defendants interacting with Plaintiffs as alleged in this Count, through their actions, unjustly enriched themselves to the detriment of the Plaintiffs and thereby proximately caused damages to Plaintiffs. Accordingly, Defendants

Harris, Timothy Spear, and Lawrence Spear are responsible to the Plaintiffs for the unjust enrichment alleged in this Court, pursuant to O.C.G.A. § 51-12-30.

645. To remedy the Individual Defendants' unjust enrichment at the expense of the Unjust Enrichment Plaintiffs, this Court should order the return of all amounts the Unjust Enrichment Plaintiffs paid the Individual Defendants.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs respectfully request that the Court enter an Order:

- (i) Declaring that the foregoing acts of the Defendants violate the Fair Housing Act (42 U.S.C. §§ 3604 and 3605), the Credit Repair Organizations Act (15 U.S.C. §§ 1579 *et seq.*), O.C.G.A. § 10-1-420; O.C.G.A. § 10-1-421; O.C.G.A. § 10-1-393(20)(B); and O.C.G.A. § 10-1-850;
- (ii) Granting a temporary restraining order enjoining Defendants from continuing to operate their loan modification and foreclosure rescue scam and from engaging in any activity in the real estate or financial services sector;
- (iii) Preliminarily enjoining Defendants from continuing to operate their loan modification and foreclosure rescue scam and from engaging in any activity in the real estate or financial services sector;

- (iv) Permanently enjoining Defendants from continuing to operate their loan modification and foreclosure rescue scam and from engaging in any activity in the real estate or financial services sector;
- (v) For the return or destruction of any original or copies, whether in hard copy or electronic form, of any materials in Defendants' possession that contain personally identifiable information of any Plaintiff;
- (vi) For an accounting of the books and records of Defendants and all persons and entities acting in coordination with Defendants to determine the amount due from Defendants to Plaintiffs and the location and source of all monies and property obtained by Defendants from Plaintiffs;
- (vii) Awarding compensatory damages to Plaintiffs in an amount to be determined at trial that would fully compensate Plaintiffs for their injuries caused by the Defendants;
- (viii) Awarding restitution to Plaintiffs of money wrongfully taken from them;
- (ix) Awarding Plaintiffs treble and/or punitive damages to the extent permitted by law;

- (x) Awarding Plaintiffs their reasonable attorneys' fees and costs, pursuant to 42 U.S.C. § 3613(c)(2), 15 U.S.C. § 1679g(a)(3), and other applicable federal and Georgia law;
- (xi) Awarding Plaintiffs pre-judgment interest; and
- (xii) Awarding Plaintiffs such other relief as this Court deems just and equitable.

**DEMAND FOR JURY TRIAL**

Plaintiffs demand a trial by jury for all issues so triable.

Dated: February 15, 2013

Respectfully submitted,

*s/ John A. Chandler*

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\* applications for admission *pro hac vice* to  
be filed

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