

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NASSAU

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Henry Mook, David Thorpe, Ellen Shanahan, :
Terry Boddie, Joylynn Boddie, Angela :
Warbington-Hopkins, Albert Darwin, Melody :
Darwin, Randall Sweatt, Robert Moffett, Susan :
Moffett, Concetta Baker, Pherry Elden Baker, :
Joseph Iorio, Dianne Iorio :

Plaintiffs, :
: Index No.
- against - :

Homesafe America, Inc., United Legal :
Solutions, Inc. (a/k/a United Solutions Law :
Firm, United Solutions Corporation), Scott :
Schreiber, Guy Samuel, Angel Gonzalez, Josef :
Dahari, Chad Walters, Teresa Marie Votto, :
Damon Laylock, Rupali Ahluwalia (a/k/a Rupa :
Singh, Rupi Singh, Rupa Ahluwalia), Darrell :
Keys, David Ainbinder, Nicole Lake, William :
DiDonato, Richard Gates, Kevin Cogan, :
Odette Talbert, Angie Estevez, Sophia :
Ricketts, Miladys Borohquez, Debra Rennie :

Defendants. :
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STATE OF NEW YORK)
: ss
COUNTY OF NEW YORK)

DANIEL KOLB, being duly sworn, deposes and says:

1. I am a member of this Court, and the law firm of Davis Polk & Wardwell, attorneys for plaintiffs Henry Mook, David Thorpe, Ellen Shanahan, Terry Boddie, Joylynn Boddie, Angela Warbington-Hopkins, Albert Darwin, Melody Darwin, Randall Sweatt, Robert Moffett, Susan Moffett, Concetta Baker, Pherry Elden Baker, Joseph Iorio and Diane Iorio (collectively "Plaintiffs"). I submit this emergency affidavit in support of

Plaintiffs' application for the expedited issuance of a temporary restraining order pending the hearing of Plaintiffs' motion for: (1) an order of attachment, pursuant to C.P.L.R. §§ 6201 et seq., against the assets of the Defendants Homesafe America, Inc. ("Homesafe"), United Legal Solutions Incorporated (a/k/a United Solutions Law Firm, United Solutions Corporation) ("United Legal"), Scott Schreiber, and Guy Samuel (collectively, "Defendants") and any interest of the Defendants in personal or real property situated in the State of New York, or any debt owed to said Defendants, for the purpose of securing satisfaction of any judgment ultimately to be entered in this action; and (2) a preliminary injunction, pursuant to C.P.L.R. §§ 6301 et seq., enjoining Defendants' deceptive conduct described in Plaintiffs' Order to Show Cause. Plaintiffs further submit this emergency affidavit in support of their motion for expedited discovery, pursuant to C.P.L.R. §§ 3102 and 6220.

2. This is an action for damages resulting from Defendants' violations of N.Y. General Business Law § 349 (the "Deceptive Practices Act"); N.Y. General Business Law § 350, and 350-a (the "False Advertising"); N.Y. Banking Law § 590 ("Registration of Mortgage Brokers"); N.Y. Real Property Law § 265-b ("Distressed Property Consulting"); 15 U.S.C. § 1693e (the "Electronic Fund Transfer Act"); as well as for breach of contract; common law fraud; fraudulent inducement; fraudulent concealment; civil conspiracy to commit fraud; aiding and abetting fraud; and conversion.

3. Plaintiffs allege in this action that Defendants operated and continue to operate a series of for-profit mortgage modification companies that scam homeowners by falsely promising services that are never provided. Defendants are accused of promising to obtain mortgage modifications for Plaintiffs and other vulnerable homeowners like them

in exchange for an upfront fee. It is alleged that Defendants never followed through on the services they promised, kept the upfront fees they received from Plaintiffs, and failed to honor their money-back guarantee. Upon information and belief, Defendants never obtained a loan modification for any of the Plaintiffs in this action.

4. Defendants Samuel and Schreiber are the co-founders of Defendant Homesafe. In or around December 2010, Defendant Homesafe changed its name to United Legal and shifted many of its assets to a new corporation of the same name. Rho Aff., Ex. 25 ¶¶ 13, 49 (Samuel Aff.). In the past year, Defendant Samuel also started a new for-profit mortgage modification business known as Consumer First Corp.

5. Plaintiffs request ex parte equitable relief on an expedited basis to prevent defendant from removing any funds or other assets from the state, a removal that could be accomplished electronically on a moment's notice. Defendants have already engaged in the looting and dissipation of corporate assets, as is described in the accompanying papers, and as will be described more fully below. Plaintiffs seek an order of this Court that will permit Plaintiffs to obtain an order of attachment, and to preserve Plaintiffs' right to recourse in the form of damages before Defendants' assets vanish.

6. Plaintiffs further seek expedited discovery to facilitate the location of the funds that may already have been removed or dissipated by Defendants and to prevent additional destruction and discarding of highly relevant evidence.

7. Plaintiffs seek expedited relief enjoining Defendants' deceptive practices and false advertising in order to prevent future harm to other consumers. Plaintiffs are authorized to enjoin Defendants' unlawful conduct to protect the public from future harm pursuant to Sections 349 and 350 of the New York General Business Law.

8. In February of 2011, Defendant Schreiber sued Homesafe America and his co-founder Defendant Samuel in a stockholder derivative action. Among other claims brought in New York State Supreme Court, Schreiber accused Samuel of stealing approximately \$181,000.00 of Homesafe's money to form a rival company. Both sides submitted affidavits and exhibits, including bank records, merchant account statements, and the company's internal profit/loss charts. See Rho Aff., Exs. 19-36. These public records make clear that expedited relief enjoining any future violations of the law by Defendants is warranted. These public records likewise make clear that Defendants have engaged in a course of conduct involving the looting, dissipation, and transfer of corporate assets.

9. On May 16, 2011, the Honorable Stephen A. Bucaria of Nassau County Supreme Court ruled that Defendants Schreiber and Samuel violated Real Property Law Section 265-b by accepting upfront fees for loan modification services. Judge Bucaria dismissed the case on the grounds of in pari delicto and referred the matter to the New York Attorney General's Office for further action. See Schreiber v. Homesafe, No. 002344-2011, 2011 N.Y. Slip Op. 31445U (N.Y. Sup. Ct., May 16, 2011). To the best of my knowledge, the New York Attorney General has taken no public action against Defendants since Justice Bucaria's order.

10. In his filings with the Court in Schreiber, Defendant Samuel admits that Homesafe's "entire operation was illegal" and "continues to operate illegally." Rho Aff., Ex. 21 at 5 (March 7, 2011 Defendants' Cross-Motion to Dismiss and Memorandum of Law in Opposition to Plaintiff's Order to Show Cause and In Support of Defendant's Motion to Dismiss, Schreiber v. Homesafe, No. 002344-11 (N.Y. Sup. Ct., May 16, 2011)).

11. Upon information and belief, Defendants' deceptive and fraudulent websites – which make many of the false representations that form the basis of the allegations in this action – continue to operate currently. As of June 26, 2011, at least four of Defendants' websites remain online: <http://www.ulsicco.com>; <http://www.yourmortgagereliefnow.com>; <http://www.theobamahamp.net>; and <http://www.theobamahamp.com>. These websites are materially misleading and violate New York's prohibitions against deceptive practices and false advertising.

12. In the Schreiber lawsuit, Schreiber and Samuel both submitted sworn affidavits and other filings describing the systematic looting, concealment, and assignment of hundreds of thousands of dollars of Homesafe's assets. The most egregious of these acts include:

- a. The wasting or depositing of over \$46,000 of corporate assets in the Dominican Republic without a plausible business purpose;
- b. The looting of approximately \$175,000 of the company's assets by Defendant Samuel;
- c. The transfer of \$50,000 in unreported profits;
- d. The disposal or assignment of all or almost all of Homesafe's remaining assets to another legal entity incorporated by Schreiber, United Legal Solutions.

13. Defendants likewise have assumed new corporate identities throughout the time period that they have engaged in illegal activities. Upon information and belief, Defendant Schreiber formed a new company on December 10, 2010 called United Legal Solutions Incorporated. This company is based at the same address that Homesafe America is located. Upon information and belief, United Legal Solutions Incorporated is run by Schreiber, and most or all remaining funds, employees and clients were

subsequently transferred from Homesafe to United Legal Solutions. Rho Aff., Ex. 25 ¶¶ 13, 49 (Samuel Aff.).

14. Upon information and belief, Defendants have attempted to dump and destroy customer files that are relevant to the pending action. In the Schreiber lawsuit, Schreiber submitted a sworn affidavit describing how he and his employees left thirty to thirty five boxes of outstanding customer files in front of the offices of Samuel's new company, Consumer First Law Group. Schreiber further states that when he returned to his offices the next morning, he found the files "had been messily left outside Homesafe's office building with no one watching over them." Rho Aff., Ex. 26 ¶ 34 (Schreiber Mar. Aff.). Absent expedited discovery, there is an imminent risk that Defendants will continue to dump and destroy documents that are pertinent to this action.

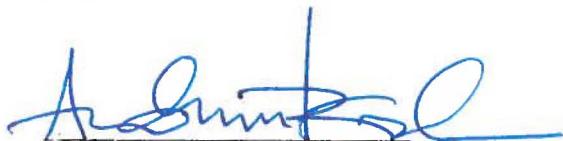
15. There has been no prior application for the relief sought herein, nor has any prior application been made for any provisional remedy.

DATED: June 26, 2011
New York, NY



DANIEL F. KOLB

Sworn to before me this
26th day of June, 2011



Notary Public NEW YORK
NOTARY PUBLIC, State of New York
No. 02BR6217198
Qualified in Kings County
Certificate Filed in New York County
Commission Expires Feb. 8, 2014