

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO  
WESTERN DIVISION

MORTGAGE LENDERS NETWORK, ) CASE NO. 3:04CV7767  
INC. )  
 ) JUDGE JACK ZOUHARY  
Plaintiff, )  
 )  
v. )  
 )  
ADKINS APPRAISAL SERVICES, INC., ) **AMENDED COMPLAINT**  
et al., ) **(JURY DEMAND ENDORSED)**  
 )  
Defendants. )

Plaintiff Mortgage Lenders Network USA, Inc., for its Amended Complaint against Defendants, Adkins Appraisal Services, Inc., Debra Adkins, Jay Riccardi, David G. Anderson, and Emilio Soli, states and alleges as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1332 as there is complete diversity between the Plaintiff and the Defendants and the amount in controversy exceeds \$75,000.

2. Venue is proper in this District pursuant to 28 U.S.C. §§ 1391 in that the claims alleged herein arose in this District and many acts and transactions that were part of the unlawful conspiracy and the fraudulent scheme alleged herein occurred in this District. Venue is proper in this District as to certain of the co-conspirator Defendants and, therefore, proper as to all.

PARTIES

3. Plaintiff Mortgage Lenders Network USA, Inc. ("MLN") is a Delaware corporation, with its principal place of business located at 213 Court Street, 11<sup>th</sup> Floor,

Middletown, Connecticut 06457. MLN is a mortgage lender that, *inter alia*, lends funds to individuals to purchase and/or refinance residential property.

4. Defendant Adkins Appraisal Services, Inc. ("Adkins Appraisal"), upon information and belief, is a corporation that conducts business in Ohio and Michigan, with its principal place of business located at 3014 E. Lincolnshire Blvd., Toledo, Ohio 43606.

5. Defendant Debra Adkins ("Adkins") is an individual who resides and/or is employed at 3014 E. Lincolnshire Blvd., Toledo, Ohio 43606. Adkins is a principal, owner and/or operator Adkins Appraisal.

6. Defendant Jay Riccardi ("Riccardi") is an individual who resides at 6317 Norham Court, Oklahoma City, Oklahoma 73118. At all relevant times, Riccardi was an employee, representative, and/or authorized agent of Adkins Appraisal.

7. Non-party Global Mortgage Co. ("Global Mortgage"), at all relevant times, was an Ohio corporation located at 410 East Sandusky Street, Findlay, Ohio 45840, that conducted business as a mortgage broker. As of September 12, 2003, Global Mortgage recorded its Certificate of Dissolution with the Ohio Secretary of State and, upon information and belief, is no longer a viable corporation conducting business in the State of Ohio.

8. Defendant David G. Anderson ("Anderson") is an individual who resides and/or is employed at 604 Orleans Avenue, Bowling Green, Ohio 43402. Anderson was a principal, owner, and/or operator of Global Mortgage.

9. Defendant Emilio Soli ("Soli") is an individual who resides and/or is employed at 3156 Crown Point Drive, Stow, Ohio 44224-5412. Soli was a principal, owner, and/or operator of Global Mortgage.

## FACTS

10. From in or around March of 2000 though September of 2000, Global Mortgage, Anderson, and Soli conspired with Adkins Appraisal, Adkins, and Riccardi to have Adkins Appraisal, Adkins, and Riccardi provide false and fraudulent appraisals of residential properties in return for payment from Global Mortgage, Anderson, and Soli.

11. Adkins Appraisal, Adkins, and Riccardi provided false and fraudulent appraisals to Global Mortgage, Anderson, and Soli for at least the following properties on the following dates, and such appraisals stated the value of the properties in the following amounts:

- (a) Appraisal of 142 Garfield Avenue, Findlay, Ohio 45840 ("Sanchez Property"), on or about March 10, 2000; \$98,000.
- (b) Appraisal of 409 Griffith Street, Sycamore, Ohio 44882 ("Rife Property"), on or about March 17, 2000; \$116,000.
- (c) Appraisal of 5556 State Route 19, Galion, Ohio 44833 ("Erf Property"), on or about March 24, 2000; \$158,000.
- (d) Appraisal of 441 West Wyandot Avenue, Upper Sandusky, Ohio 43351 ("Weatherholtz Property"), on or about April 7, 2000; \$111,000.
- (e) Appraisal of 14946 Wapakoneta Road, Grand Rapids, Ohio 43522 ("Tapley Property"), on or about April 11, 2000; \$231,000.
- (f) Appraisal of 11266 Township Road 196, Vanlue, Ohio 45890 ("Smith Property"), on or about April 12, 2000; \$138,000.
- (g) Appraisal of 2713 Chestnut Street, Toledo, Ohio 43608 ("Jones Property"), on or about April 24, 2000; \$43,000.
- (h) Appraisal of 220 South Hazel Street, Upper Sandusky, Ohio 43351 ("Garza Property"), on or about May 1, 2000; \$110,000.
- (i) Appraisal of 1120 North Union Street, Lima, Ohio 45801 ("Potter Property"), on or about May 9, 2000; \$77,000.

- (j) Appraisal of 2120 Maplewood Avenue, Toledo, Ohio 43620 ("McWhorter Property"), on or about May 13, 2000; \$48,000.
- (k) Appraisal of 12629 Township Road 45, Findlay, Ohio 45840 ("Weyer Property"), on or about June 18, 2000; \$128,000.
- (l) Appraisal of 2999 Remington Ridge Drive, Columbus, Ohio 43232 ("First Stuckey Property"), on or about July 2, 2000; \$220,000.
- (m) Appraisal of 1458 Atcheson Street, Columbus, Ohio 43203 ("Second Stuckey Property"), on or about July 2, 2000; \$85,000.
- (n) Appraisal of 4843 Imperial Drive, Toledo, Ohio 43623 ("Sears Property"), on or about July 20, 2000; \$150,000.
- (o) Appraisal of 1016 Elcliff Drive, Westerville, Ohio 43081 ("Johnson Property"), on or about July 1, 2000; \$150,000.
- (p) Appraisal of 755 Hamilton Street, Toledo, Ohio 43602 ("Stevens Property"), on or about August 25, 2000; \$48,000.
- (q) Appraisal of 829 Evesham Avenue, Toledo, Ohio 43607 ("Langston Property"), on or about September 8, 2000; \$43,000.
- (r) Appraisal of 440 Ewing Avenue, Findlay, Ohio 45840 ("Long Property"), on or about September 20, 2000; \$81,000.
- (s) Appraisal of 3141 Pomeroy Street, Toledo, Ohio 43608 ("Fench Property"), on or about September 21, 2000; \$49,000.

12. The appraisals identified in paragraph 11 of this Complaint (collectively the "Appraisals") were false and fraudulent in that they contained misrepresentations of fact, as set forth more fully below, and the appraised value of the properties were higher than the actual and/or market value of the properties.

13. The majority of the Appraisals were initially prepared by Riccardi on behalf on Adkins Appraisal. In such instances, Adkins, as Riccardi's supervisory appraiser, certified, *inter alia*:

I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

14. After the completion of each of the Appraisals, Adkins Appraisal, Adkins, and Riccardi forwarded the Appraisals to Global Mortgage, Anderson, and Soli and/or MLN via facsimile or United States mail.

15. For each of the above-listed properties identified in paragraph 11 of this Complaint, Global Mortgage, Anderson, and Soli submitted mortgage loan applications (with the false and fraudulent Appraisals) to MLN to induce MLN to grant a mortgage loan to the residential borrower from MLN. Global Mortgage, Anderson and Soli submitted these mortgage loan applications with Appraisals to MLN via facsimile or United States mail.

16. Based upon the information provided by Global Mortgage, Anderson, and Soli, including the false and fraudulent Appraisals, MLN extended mortgage loans for the following loans in the stated amounts:

- (a) On the Sanchez Property, Loan No. 2020019869, in the amount of \$78,000.00.
- (b) On the Rife Property, Loan No. 2020019941, in the amount of \$98,600.00.
- (c) On the Erf Property, Loan No. 2020020050, in the amount of \$134,300.00.
- (d) On the Weatherholtz Property, Loan No. 2020020200, in the amount of \$99,900.00.

- (e) On the Tapley Property, Loan No. 2020020379, in the amount of \$190,400.00.
- (f) On the Smith Property, Loan No. 2020020322, in the amount of \$110,400.00.
- (g) On the Jones Property, Loan No. 2020020588, in the amount of \$36,550.00.
- (h) On the Garza Property, Loan No. 2020020503, in the amount of \$82,500.00.
- (i) On the Potter Property, Loan No. 2020020672, in the amount of \$65,450.00.
- (j) On the McWhorter Property, Loan No. 2020020721, in the amount of \$36,000.00.
- (k) On the Weyer Property, Loan No. 2020020855, in the amount of \$90,300.00.
- (l) On the First Stuckey Property, Loan No. 2020020982, in the amount of \$187,000.00.
- (m) On the Second Stuckey Property, Loan No. 2020020983, in the amount of \$63,750.00.
- (n) On the Sears Property, Loan No. 2020021076, in the amount of \$135,000.00.
- (o) On the Johnson Property, Loan No. 2020020957, in the amount of \$166,600.00.
- (p) On the Stevens Property, Loan No. 2020021419, in the amount of \$36,800.00.
- (q) On the Langston Property, Loan No. 2020021464, in the amount of \$32,250.00.
- (r) On the Long Property, Loan No. 2020021864, in the amount of \$68,850.00.

- (s) On the Fench Property, Loan No. 2020021749, in the amount of \$36,700.00.

17. Global Mortgage, Anderson, and Soli produced and submitted the false and fraudulent Appraisals to MLN to induce MLN to extend loans to the various residential borrowers, which resulted in Global Mortgage, Anderson, and Soli receiving fees from the closing of the loan. Adkins Appraisal, Adkins, and Riccardi also received fees from each loan.

18. Specifically, Adkins Appraisal, Adkins, and Riccardi received fees from these loans in the following amounts:

- (a) On the Sanchez Property, Loan No. 2020019869; \$175.
- (b) On the Rife Property, Loan No. 2020019941; \$375.
- (c) On the Erf Property, Loan No. 2020020050; \$300.
- (d) On the Weatherholtz Property, Loan No. 2020020200; \$350.
- (e) On the Tapley Property, Loan No. 2020020379; \$25.
- (f) On the Smith Property, Loan No. 2020020322; \$200.
- (g) On the Jones Property, Loan No. 2020020588; \$250.
- (h) On the Garza Property, Loan No. 2020020503; \$250.
- (i) On the Potter Property, Loan No. 2020020672; \$200.
- (j) On the McWhorter Property, Loan No. 2020020721; \$450.
- (k) On the Weyer Property, Loan No. 2020020855; \$300.
- (l) On the First Stuckey Property, Loan No. 2020020982; \$350.
- (m) On the Second Stuckey Property, Loan No. 2020020983; \$50.
- (n) On the Sears Property, Loan No. 2020021076; \$250.
- (o) On the Johnson Property, Loan No. 2020020957; \$350.
- (p) On the Stevens Property, Loan No. 2020021419; \$375.

- (q) On the Langston Property, Loan No. 2020021464; \$450.
- (r) On the Long Property, Loan No. 2020021864; \$375.
- (s) On the Fench Property, Loan No. 2020021749; \$125.

19. Global Mortgage, Anderson, and Soli received fees from these loans in at least the following amounts for the following stated purposes:

- (a) On the Sanchez Property, Loan No. 2020019869; Loan Discount Fee - \$2,340, Loan Origination Fee - \$2,250, Document Preparation Fee - \$425, Wire Fee - \$350, Courier Fee - \$20.
- (b) On the Rife Property, Loan No. 2020019941; Loan Discount Fee - \$1,972, Loan Origination Fee - \$2,530, Document Preparation Fee - \$425, Wire Fee - \$350, Courier Fee - \$20.
- (c) On the Erf Property, Loan No. 2020020050; Loan Discount Fee - \$4,029, Loan Origination Fee - \$2,097.14, Document Preparation Fee - \$425, Wire Fee - \$350, Courier Fee - \$20.
- (d) On the Weatherholtz Property, Loan No. 2020020200: Loan Discount Fee - \$1,998, Mortgage Broker Fee - \$3,400, Document Preparation Fee - \$425, Wire Fee - \$350, Courier Fee - \$20.
- (e) On the Tapley Property, Loan No. 2020020379; Loan Origination Fee - \$2,800, Document Preparation Fee - \$425, Courier Fee - \$20.
- (f) On the Smith Property, Loan No. 2020020322; Loan Discount Fee - \$2,208, Loan Origination Fee - \$2,500, Document Preparation Fee - \$425, Wire Fee - \$350, Courier Fee - \$20, Processing Fee - \$500, Underwriting Fee - \$400.
- (g) On the Jones Property, Loan No. 2020020588; Loan Origination Fee - \$1,118, Document Preparation Fee - \$425, Wire Fee - \$350, Courier Fee - \$20, Processing Fee - \$425.
- (h) On the Garza Property, Loan No. 2020020503; Loan Origination Fee - \$5,100, Document Preparation Fee - \$425, Wire Fee - \$350, Courier Fee - \$20, Processing Fee - \$425.
- (i) On the Potter Property, Loan No. 2020020672; Loan Origination Fee - \$2,000, Document Preparation Fee - \$425, Wire Fee - \$350, Courier Fee - \$20, Underwriting Fee - \$700.

- (j) On the McWhorter Property, Loan No. 2020020721; Loan Origination Fee - \$2,272.23, Document Preparation Fee - \$425, Wire Fee - \$350, Courier Fee - \$20.
- (k) On the Weyer Property, Loan No. 2020020855; Loan Origination Fee - \$3,850, Document Preparation Fee - \$425, Courier Fee - \$20.
- (l) On the First Stuckey Property, Loan No. 2020020982; Loan Origination Fee - \$5,000, Document Preparation Fee - \$425, Wire Fee and Deed Preparation Fee - \$65, Courier Fee - \$20, Processing Fee - \$350.
- (m) On the Second Stuckey Property, Loan No. 2020020983; Loan Origination Fee - \$3,000, Document Preparation Fee - \$425, Wire Fee and Deed Preparation Fee - \$65, Courier Fee - \$20, Processing Fee - \$350.
- (n) On the Sears Property, Loan No. 2020021076; Loan Origination Fee - \$3,000, Document Preparation Fee - \$425, Hold Signature and Wire Fee - \$35, Courier Fee - \$20.
- (o) On the Johnson Property, Loan No. 2020020957; Loan Origination Fee - \$5,497.80, Document Preparation Fee - \$425, Courier Fee - \$20, Processing Fee - \$350.
- (p) On the Stevens Property, Loan No. 2020021419; Loan Origination Fee - \$2,300.03, Document Preparation Fee - \$525, Wire Fee - \$350, Courier Fee - \$20, Hold Signature Fee - \$15.
- (q) On the Langston Property, Loan No. 2020021464; Loan Origination Fee - \$1,000, Document Preparation Fee - \$525, Courier Fee - \$20.
- (r) On the Long Property, Loan No. 2020021864; Loan Origination Fee - \$2,500, Document Preparation Fee - \$525, Courier Fee - \$20, Processing Fee - \$350.
- (s) On the Fench Property, Loan No. 2020021749; Loan Origination Fee - \$1,159.50, Document Preparation Fee - \$525, Courier Fee - \$20; Processing Fee - \$350.

## COUNT I - FRAUD

20. MLN restates and incorporates the allegations contained in each and every preceding paragraph as if fully rewritten herein.

21. Through their procurement, submission, and transmittal of the Appraisals, Global Mortgage, Anderson, and Soli made false and fraudulent representations of fact to MLN, including but not limited to the following:

- (a) The appraised values of the properties represented the actual values of those properties.
- (b) The comparable properties listed in the Appraisals were comparable to the appraised property.
- (c) The comparable properties listed in the Appraisals possessed the characteristics listed for each comparable property, including but not limited to date of sale, distance from appraised property, etc.
- (d) The comparable property existed.

22. Further, Adkins Appraisal, Adkins, and Riccardi made false and fraudulent representations of fact in the Appraisals, including but not limited to the following:

- (a) "I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis..."
- (b) "I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraised report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct."
- (c) "I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form."
- (d) "...[N]either my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property."

- (e) "I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan."
- (f) "I performed this appraisal in conformity with the Uniform Standard of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standard Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal..."
- (g) "I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparable in the appraised report."

23. These representations were material to the transactions at hand.

24. Global Mortgage, Anderson, Soli, Adkins Appraisal, Adkins, and Riccardi made the representations falsely, with knowledge of their falsity, or with such utter disregard and recklessness as to whether they are true or false that knowledge may be inferred.

25. Global Mortgage, Anderson, Soli, Adkins Appraisal, Adkins, and Riccardi made the false and fraudulent representations with the intent of misleading MLN.

26. MLN justifiably relied upon the false and fraudulent representations in determining to extend mortgage loans to residential borrowers.

27. As a direct and proximate result of the false and fraudulent representations made by Global Mortgage, Anderson, Soli, Adkins Appraisal, Adkins, and Riccardi, MLN has suffered, and will continue to suffer, damages due to the fact that the value of the properties at issue is less than the false and fraudulent values Global Mortgage, Anderson, Soli, Adkins Appraisal, Adkins, and Riccardi submitted to MLN.

## COUNT II – CIVIL CONSPIRACY

28. MLN restates and incorporates the allegations contained in each and every preceding paragraph as if fully rewritten herein.

29. By acting in concert, Global Mortgage, Anderson, Soli, Adkins Appraisal, Adkins, and Riccardi maliciously combined to cause damages to MLN, in a way not competent for one alone.

30. Global Mortgage, Anderson, Soli, Adkins Appraisal, Adkins, and Riccardi possessed a common understanding or design to commit the wrongful acts against MLN.

31. As a direct and proximate result of the civil conspiracy committed by Global Mortgage, Anderson, Soli, Adkins Appraisal, Adkins, and Riccardi, MLN has suffered, and will continue to suffer, damages.

## COUNT III – BREACH OF CONTRACT

32. MLN restates and incorporates the allegations contained in each and every preceding paragraph as if fully rewritten herein.

33. Between March and September of 2000, Global Mortgage, Anderson, Soli, Adkins Appraisal, Adkins, and Riccardi entered into agreements whereby Adkins Appraisal, Adkins, and Riccardi would perform appraisals on the properties detailed above, in return for payment from the Global Mortgage, Anderson, and Soli and/or the residential borrowers.

34. Adkins Appraisal, Adkins, and Riccardi breached those agreements by, *inter alia*, rendering inaccurate appraisal values.

35. In entering into those agreements, Global Mortgage, Anderson, Soli, Adkins Appraisal, Adkins, and Riccardi intended to benefit MLN.

36. MLN is a third-party beneficiary of those agreements.

37. As a direct and proximate result of Adkins Appraisal's, Adkins', and Riccardi's breach of those agreements, MLN has suffered, and will continue to suffer, damages.

**WHEREFORE**, Plaintiff Mortgage Lenders Network USA, Inc. prays for the following relief against Defendants:

(a) Compensatory damages in an amount not less than \$250,000.00, to compensate MLN for all injury resulting from the conduct of Global Mortgage, Anderson, Soli, Adkins Appraisal, Adkins, and Riccardi;

(b) Punitive damages in amount not less than \$1,000,000, to punish Global Mortgage, Anderson, Soli, Adkins Appraisal, Adkins, and Riccardi and to deter future unlawful behavior;

(c) Attorneys' fees, expenses, and costs; and

(d) For such other and further relief, in law or in equity, as this Court deems just and reasonable.

Respectfully submitted,

WALTER & HAVERFIELD LLP

/s/ Bonnie S. Finley

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(216) 781-1212

Attorneys for Plaintiff

Mortgage Lenders Network USA, Inc.

**JURY DEMAND**

Plaintiff hereby demands a trial by jury on any and all issues triable of right by a jury pursuant to Rule 38 of the Federal Rules of Civil Procedure.

/s/ Bonnie S. Finley  
One of the Attorneys for Plaintiff  
Mortgage Lenders Network USA, Inc.

**CERTIFICATE OF SERVICE**

This notifies the parties that a true and accurate copy of the foregoing **Amended Complaint** was served by ordinary U.S. Mail upon the following and electronically filed with the Court on this 14th day of April, 2006:

Adkins Appraisal Services, Inc.  
c/o Debra Adkins  
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*Attorney for Defendant*  
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/s/ Bonnie S. Finley  
One of the Attorneys for Plaintiff  
Mortgage Lenders Network USA, Inc.