

PRESS RELEASE

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FRAUD AND CORRUPTION; THE REAL REASONS WHY THE DEAL TO SELL BERT'S MARKET "FIZZLED OUT" THIS PAST SUMMER

Detroit, Michigan. September 21, 2015. FICTITIOUS SHERIFF AUCTIONS AND BIDDERS, FALSIFIED LEGAL DOCUMENTS, CONSPIRACY TO COMMIT FRAUD, AND PUBLIC CORRUPTION ARE JUST SOME OF THE CHARGES BEING LODGED AGAINST WAYNE COUNTY PUBLIC OFFICIALS, OFFICERS, DIRECTORS, AND EMPLOYEES. A number of Wayne County homeowners as well as business property owner Bert Dearing, Jr. have jointly filed an official "Verified Complaint and Request for Criminal Investigation of Public Corruption and Foreclosure Fraud in Wayne County" with local FBI investigators. The petitioners have corroborating proof and evidence of the elaborate scheme used by foreclosing attorneys like TROTT & TROTT, ORLANS ASSOCIATES and FABRIZIO & BROOK to defraud Wayne County and other county residents out of their homes and businesses; much like the scam being played out in an effort to steal Bert's Market Place, a well-known Detroit eatery and entertainment spot located in the heart of Detroit's Eastern Market District.

Fraud induced background of the Wayne County Sheriff's Deed and the July 21-23, 2015 online auction of Bert's Market Place

Countless Metro Detroiter's rallied together to support Bert's Market Place from being sold during the online auction held July 21-23, 2015. Unbeknownst to the public and local media are the circumstances surrounding the auction that involves an elaborate foreclosure and mortgage/lease scam perpetrated against longtime local businessman Bert Dearing, Jr., owner of Bert's Market Place. On August 20, 2015 a formal complaint was filed against the perpetrators in the U.S. District Court for the Eastern District of Michigan, Southern Division; which is the real reason why they could not finalize the deal on the property.

The scam has ultimately resulted in the perpetrators gaining over \$70,000 in commissions and security deposits, rent payments (\$50,500 to date), deeds to multiple properties and land and potential profits from the auction where the closing bid was \$2,084,250.00. Those involved used manipulation and undue influence to steal money from Bert and to secure their bad faith contracts and bogus property deeds. The perpetrators intended to defraud Bert of his Market Place property as well as six of his other Detroit properties through misrepresentation and concealment of intertwined personal and business relationships.

Phase I: The "Overlay for the Underplay"

A bogus foreclosure process. The elaborate scheme to steal Bert's properties began as early as March 2014 with the recording of illegal mortgage assignments in the Wayne County Register of Deeds office nearly **11 years** after the mortgage was executed; the commencement of a July 11, 2014 foreclosure by advertisement process and a Wayne County Sheriff's sale on August 21, 2014 whereby the property was allegedly sold for an inflated price of \$477,628.38 (despite the fact that Bert's principal mortgage balance was less than \$130,000).

Eastern Market 1, LLC, is a new company, formed on May 14, 2014, which was only 2 weeks prior to receiving the assignment of the mortgage from HSBC Bank, USA. Typically, a well established bank would not/could not assign the mortgage note to a newly formed company that's outside the securitization chain. To investigators it would appear that there is a connection between the parties.

A fraudulent sheriff's deed. Like many Wayne County residential property owners who were the only ones to appear at the sheriff's auction regarding their homes, Bert too, was the only one to appear at the Wayne County Sheriff's sale on August 21, 2014 regarding his Market Place property. No one else was there to bid on his property. This means that Bert's property **was never sold** and per confirmation received from the Detroit Legal News, there is no third-party receipt from the alleged "highest bidder" showing payment made to the Wayne County Sheriff's Department for the property. This also means that because no sale occurred the property was returned to the bank. Since HSBC Bank, USA had already transferred its alleged interest in the property to Eastern Market 1, LLC via the illegal mortgage assignment that means they would receive the property. However, the sheriff's deed prepared by Eastern Market 1, LLC's attorney lists them as the "highest bidder". Yet, given the facts they were not at the sale to bid, paid no money for the property and as the banks alleged assignee, the property was returned to them automatically.

A fraudulent redemption certificate. There was no bid, no sale and no money paid to Wayne County for the property and yet Eastern Market 1, LLC recorded a legal document stating that they accepted payment of \$496,994.18 from another company named Simon Holdings Group - 2727 Russell, LLC to "redeem" the property from them. The attorney for Eastern Market 1, LLC prepared, signed and recorded the fraudulent default notice, the sheriff's deed and later, the certificate of redemption. All of said documents were notarized by his wife, a Michigan Notary Public, in direct violation of Michigan law. The actions of Eastern Market 1, LLC and its attorney show the intent to defraud Bert of his property by misrepresenting the facts and concealing the truth from the public.

So, let's review the facts: we know that no certified payments were received by the Wayne County Sheriff for the property; that Eastern Market 1, LLC was not present in order to bid at the auction; there was no sale of the property. Later it's discovered that the owners of Eastern Market 1, LLC and Simon Group have a personal/business connection of more than 30+ years. No money changed hands - the "Certificate of Redemption" prepared, signed and recorded by the attorney for Eastern Market 1, LLC is fraudulent.

Phase II: “Actors take your places.”

The players were very organized and the plays were well calculated. After the fraudulent foreclosure process and sheriff’s sale part of the scam, the next phase began with the onslaught of misrepresentations made by the connected players who approached Bert offering financial options to “redeem” his property, which in actuality had never been sold.

Before the foreclosure occurred and later during the alleged 6-month redemption period, Bert was approached by Luke Investments. He was also introduced to B2 Funding Solutions, LLC who introduced him to Soaring Pine Capital Real Estate & Debt Funding, LLC, another new company formed on **May 13, 2014**, just one day prior to Eastern Market 1, LLC. Unbeknownst to Bert, the families of the owners of the two companies, Soaring Pine and Eastern Market 1, LLC have a personal and business relationship that span over 30 years.

During the last **two days** before the expiration of the 6-month redemption period, which incidentally the attorney for Eastern Market 1, LLC set for a non-business day (Saturday), the perpetrators used manipulation and undue influence to pressure Bert into their unconscionable (bad faith) contracts. Luke Investments presented a contract on February 19, 2015 and Soaring Pine presented a contract on February 20, 2015. All the while the owner of Luke Investments and the owner of Soaring Pine had teamed up and created a new company together called Simon Group Holdings – 2727 Russell, LLC (the alleged “redeemers” of the property).

Phase III: Behind the scenes connections

A summary of the facts in the case filed in the U.S. District Court shows concealed business connections and the intent to obtain both collateral and equitable interest in Bert’s properties through conspiracy and misrepresentation.

Phase IV: The Online Commercial Property Auction

Bert was not aware of the complexity of the foreclosure fraud and the defective sheriff’s deed until after the expiration of the presumed 6 month redemption period. However, by that time the perpetrators had already recorded their bogus documents in the Wayne County Register of Deeds office; they were collecting monthly rent payments and despite the fact that Bert was only four months into an alleged 2-year lease, scheduled the property for the July 21-23, 2015 auction. This shows obvious bad faith because not only did they demand a \$50k security deposit; a 2-year buy-back lease with exorbitant rent payments (\$10,100/mo) and deeds to multiple properties, after only four months into the alleged lease agreement they scheduled the Market Place property for auction.

Stay tuned, this battle isn’t over; the investigation continues and Bert Dearing’s complaint in federal court is still pending.

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