

Fraud Surrounding the Auction of Bert's Market Place



Fraud Surrounding the Auction of Bert's Market Place

There is much speculation in the local news regarding the auction scheduled for Bert's Marketplace, a well-known Detroit eatery and entertainment spot located in the heart of Detroit's Eastern Market. Countless Metro Detroiters have rallied together to support Bert's Market Place from being sold on July 21, 2015. Unbeknownst to the public and local media are the circumstances surrounding the auction that involves an elaborate foreclosure and wrap-around mortgage/lease scam perpetrated against longtime local businessman Bert Dearing, Jr., owner of Bert's Market Place.

The scam has ultimately resulted in the perpetrators gaining over \$70,000 in commissions and security deposits, \$50,500 in rent payments (to date), deeds to

multiple properties & land and potential profits from the auction where the starting bid is \$700,000. Those involved used manipulation and undue influence to steal money from Bert and to secure their bad faith contracts & bogus property deeds. The perpetrators intended to defraud Bert of his Market Place property as well as eight of his other Detroit properties. So how did this elaborate scheme take place?

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 \$150,000).

Eastern Market I, 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 assign the mortgage, nearly 11 years later, to a company that was only 2 weeks old. To investigators it would appear that there is a connection between the parties.

A fraudulent sheriff's deed. Bert was the only one to appear at the Wayne County Sheriff's sale on August 21, 2014. No one 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 was no 3rd party receipt from the alleged "highest bidder" for payment made to the Wayne County Sheriff's Department. This also means that because no sale occurred the property was allegedly returned to the bank. HSBC Bank, USA already transferred (via the 2014 mortgage assignments) its alleged interest in the property to Eastern Market I, LLC which means they would receive the property. However, the sheriff's deed prepared by Eastern Market I, LLC's attorney lists them as the "highest bidder". Yet, given the fact that Eastern Market I LLC **was 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 (i.e. the "wrap-around").

A fraudulent redemption certificate. There was **no bid, no sale and no money paid** to Wayne County for the property and yet Eastern Market I, 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.

Eastern Market I, LLC's Attorney Roy C. Sgroi **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 relative (possibly his spouse) in direct violation of Michigan law (MCL 55.291). The actions of Eastern Market I, LLC's 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 I, 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 I, 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 Eastern Market I, LLC's attorney is fraudulent.

Phase II: "Actor's 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, LLC (owned by Emre Uralli). He was also introduced to B2 Funding Solutions, LLC (owned by Beth Beal) who introduced him to Soaring Pine Capital Real Estate & Debt Funding, LLC (owned by Sam Simon), another new company, formed on **May 13, 2014**, just one day prior to Eastern Market I, LLC. Unbeknownst to Bert, the owners of the two companies, Soaring Pine and Eastern Market I, LLC families 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 I, 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, LLC presented a contract on February 19, 2015; while 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 show the following:

- 1.** The Simon family (Simon Group Holdings & Soaring Pine) and the Ali-Ahmad family (Eastern Market I, LLC) have personal/business connections spanning more than 30+ years and there is no coincidence that Sam Simon formed Soaring Pine Capital Real Estate & Debt Funding, LLC in Delaware on **May 13, 2014**, just one day before Charles Ali-Ahmad formed Eastern Market I, LLC, in Michigan on **May 14, 2014**, which is the company the mortgage was allegedly assigned to just two weeks later on **May 28, 2014**. It is also the company to which Sam Simon's "*Simon Group Holdings – 2727 Russell, LLC*" later allegedly paid \$496,994.18 to "redeem" the property. The "*Sheriff's Deed on Mortgage Sale*" and "*Certificate of Redemption*" was prepared and signed by

Eastern Market I, LLC's attorney, Roy C. Sgroi (who had a relative notarize his sworn statements and documents); and

2. That Emre Uralli of Luke Investments (refer to slide #6) was already working with Sam and Victor Simon of Soaring Pines behind the scenes with the intent to obtain both collateral and equitable interest in Bert's properties through conspiracy and misrepresentation by the following actions:

a. Emre Uralli created the 2727 Russell Street Trust on December 18, 2014 which was a **full two months prior** to knowing Bert would potentially sign a deal with his company in February 2015; and

b. Emre Uralli immediately recorded the quit claim deed to the trust he created after Bert had already verbally cancelled the deal; and

c. Six days later Emre Uralli deeded the property from the trust to the company he and Sam Simon created (the next day after Bert's meeting with him) via facsimile transmission to the State at **12:20 p.m.** that afternoon **before** Bert had arrived in Simon's office to sign the lease agreement at **3:00 p.m.**; and

d. Emre Uralli sent Bert 2 letters; one as the "Manager" of the 2727 Russell Street, LLC and one as the representative of his company Citi Investment Group both, the next day after Bert signed the lease agreement with Simon, with both letters informing Bert to send the rent payment to **his** address at 712 Cass Avenue, Detroit, Michigan (instead of the Simon's in Birmingham, Michigan); and

e. By the time Bert signed the lease agreement Simon had amended the company filings with the State to take his name off the title (from "Simon Group Holdings – 2727 Russell, LLC" to simply "2727 Russell Street, LLC" of which Emre Uralli acts as a silent partner and manager.

Phase IV: The Auction

Bert was unaware of the complexity of the foreclosure fraud and the defective sheriff's deed until after the presumed 6 month redemption period. He was also unaware of the deals that were made behind his back between the companies. By the time Bert was able to piece together what happened, the perpetrator's had already recorded their bogus documents in the Wayne County Register of Deeds office; were collecting monthly rent payments and despite the fact that Bert was only four months into their alleged 2-year lease, scheduled the property for a July 21-23, 2015 auction.

This shows obvious bad faith because the property was never sold; they required Bert pay them a \$50,000 security deposit at the last minute; monthly rent payments (\$50,500 to date), deeds to business property and others and then suddenly they scheduled an auction for the property while only 4 months into the bogus 2-year lease agreement.

Conclusion

This scam has ultimately resulted in the perpetrators gaining over \$70,000 in initial commissions and security deposits, \$50,500 in monthly rental payments, deeds to multiple properties and land and the scheduling of a \$700,000 auction, whereby they could make even more money. Those involved used manipulation, duress and undue influence to steal money and to secure their bad faith contracts and property deeds.

But stay tuned, this battle isn't over yet; Bert intends to expose their fraud and to file formal charges against them. Documented proof of their fraud is recorded on public record.

Now you know the truth! Please continue to support Bert's Market Place, a well-known place for good food, great live entertainment & convenient social and business gatherings. The announcement of the auction & on-going construction in front of Bert's Market Place has hampered Bert's business, please feel free to give a donation at: <http://www.gofundme.com/saveberts#> (It's going to take funding to fight!)

July 13, 2015