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SX-2018-CV-00146

TAMARA CHARLES | THE SUPERIOR COURT OF THE UNITED STATES VIRGIN ISLANDS
CLERK OF THE COURT DIVISION OF ST. CROIX

ERBEY HOLDING CORPORATION, JOHN
R. ERBEY FAMILY LIMITED
PARTNERSHIP, by its General Partner
JUPITER CAPITAL, INC., SALT POND
HOLDINGS, LLC, MUNUS, L.P., CARISMA
TRUST, by its Trustee VENIA, LLC, TRIBUE
LIMITED PARTNERSHIP, and
ALTISOURCE ASSET MANAGEMENT
CORPORATION,

Plaintiffs,

v.

BLACKROCK FINANCIAL MANAGEMENT,
INC., BLACKROCK INVESTMENT
MANAGEMENT, LLC, BLACKROCK
INVESTMENTS, LLC, BLACKROCK
CAPITAL MANAGEMENT, INC., PACIFIC
INVESTMENT MANAGEMENT COMPANY
LLC, PIMCO INVESTMENTS LLC, and JOHN
AND JANE DOES 1-10,

Defendants.

V.I. Superior Court No.

SX-2018-CV-146

Action for Damages

JURY TRIAL DEMANDED

THIRD AMENDED VERIFIED COMPLAINT¹

Plaintiffs Erbey Holding Corporation (“**Erbey Holding**”), John R. Erbey Family Limited Partnership (“**JREFLP**”), by its General Partner Jupiter Capital, Inc., Salt Pond Holdings, LLC (“**Salt Pond**”), Munus, L.P. (“**Munus**”), Carisma Trust (“**Carisma**”), by its trustee Venia, LLC, Tribue Limited Partnership (“**Tribue**”) (collectively, “**Shareholder Plaintiffs**”), and Altisource Asset Management Corporation (“**Altisource USVI**”) (collectively, with the Shareholder

¹ Plaintiffs submit this Third Amended Verified Complaint pursuant to the instructions and limitations set forth in the Court’s December 4, 2023 Order (“**12/4 Order**”). Nothing herein is intended to waive any argument Plaintiffs may have in the event they appeal the Court’s partial denial of Plaintiffs’ request for leave to amend. 12/4 Order at 3-4.

Plaintiffs, "**Plaintiffs**"), make the following allegations upon Plaintiffs' personal knowledge with regard to themselves and their own acts and damages, and upon information and belief as to all other matters:

INTRODUCTION

1. This case is about a covert criminal conspiracy perpetrated by two of the largest, most powerful financial firms in the world – known as "Blackrock" and "PIMCO" ("**Defendants,**" as further defined below) – with the specific intent and purpose of gouging enormous profits from the forced foreclosures and confiscation of the homes of hundreds of thousands of struggling families all across the United States. The linchpin of the willful and wanton scheme unleashed by these behemoth firms – they manage trillions of dollars of assets, more than the entire budget of the federal government – was to cripple, if not outright destroy, Ocwen Financial Corp. ("**OCN**"), Ocwen Mortgage Servicing, Inc. ("**Ocwen USVI,**" and, together with OCN and its subsidiaries, "**Ocwen**"), Altisource USVI, and certain of their subsidiaries, affiliates, and related companies (collectively, "**Ocwen/Altisource**"). Blackrock, PIMCO and their co-conspirators formed a criminal enterprise whose purpose was to retaliate against and financially ruin USVI-based Ocwen/Altisource because Ocwen had the fortitude to stand up to Defendants and push back against their greed-driven pro-foreclosure campaign.

2. During the relevant time period, Ocwen was a leading mortgage servicer committed to foreclosure prevention for financially challenged homeowners serving households in all 50 states and the U.S. territories, including the USVI. Ocwen USVI, through its offices in St. Croix, served as OCN's corporate nerve center. Altisource USVI was a real estate asset management company also based in St. Croix. Prior to being severely financially injured and nearly put out of business by Defendants' unlawful conduct, Ocwen USVI and Altisource USVI

played an important role in the USVI's economic development by providing Virgin Islanders well-paying jobs in a growing technological sector and indirect economic effects.

3. Ocwen was a pioneer in the mortgage industry that championed the idea of using mortgage loan modifications to protect distressed homeowners from losing their homes to foreclosure. Loan modifications allow homeowners to avoid foreclosure by reducing their interest rate and/or principal balance, resulting in lower, more affordable monthly payments. Ocwen was one of the first mortgage servicers to modify mortgages and reduce principal to help struggling families keep their homes. Ocwen's commitment to modifying mortgages not only prevents foreclosures and neighborhood blight, but also provides higher long-term returns for investors in bonds known as mortgage-backed securities ("**Mortgage Bonds**").

4. Since its founding in 1988, Ocwen has provided innovative solutions which have enabled hundreds of thousands of distressed borrowers and their families avoid foreclosure. With the onset of the 2008 financial crisis, fueled by speculators like Defendants who funded Wall Street's reckless mortgage lending feeding frenzy that saddled hardworking Americans with unsustainable mortgage loans, Ocwen redoubled its efforts to help families keep their homes.

5. By using Ocwen's strategy of making mortgages affordable through common sense modifications rather than foreclosing and evicting people from their homes, Ocwen reduced the damage suffered by financially strapped families and their communities, while at the same time protecting Mortgage Bond investors. Ocwen's pro-modification approach provided positive cash flows for the Mortgage Bond trusts as a whole and ultimately increased the net present value ("**NPV**") of the mortgages so that the trusts would receive greater returns from modifications than foreclosures. Mortgage servicers like Ocwen have an obligation to service loans and resolve delinquencies in a way that benefits the Mortgage Bond trust *as a whole*, not just one particular

class of investors within the trust.

6. Defendants, however, had a very different goal – to skim profits for themselves by pushing for unnecessary foreclosures with reckless disregard to the pain and loss suffered by others: homeowners would be evicted, neighborhoods would be destroyed, and mortgage investors not similarly situated to Defendants would be forced to incur greater losses on their investments. Defendants’ secret strategy was to exploit to their benefit Wall Street’s imprudent mortgage lending by punishing the true victims – the homeowners – and imposing needless losses on other Mortgage Bond investors.

7. Because Ocwen refused to go along with Defendants’ coldly calculated foreclosure plan, Ocwen/Altisource became the target of a concerted campaign of lies and vilification. Defendants relentlessly sought to discredit, undermine and ultimately destroy Ocwen/Altisource so that Ocwen would be cast aside and replaced with mortgage servicers that were unwilling or unable to perform loan modifications but instead would immediately conduct the foreclosures that Defendants wanted. This strategy financially benefitted Defendants, who positioned themselves first in line to receive the proceeds when homes were sold in foreclosure, while seriously damaging other Mortgage Bond investors, who stood to suffer greater losses than they would have if the loans were modified. Defendants were well aware that their ruthless strategy was contrary to the laws, regulations and policies of the United States, well-established industry standards, and contractual obligations explicitly provided for in the governing Mortgage Bond trust and mortgage servicing documents.

8. Defendants’ scheme was devious and unlawful: they secretly conspired to spread false accusations about and financially decimate Ocwen/Altisource. Utilizing various nefarious tactics, including improperly pressuring trustees and ratings agencies, Defendants first sought to

prevent Ocwen from expanding its mortgage business, thereby stopping more loan modifications that would benefit distressed homeowners. Defendants later sought to have Ocwen removed as loan servicer on thousands of its long-standing servicing contracts, including those for the servicing of loans managed by Altisource USVI, and put Ocwen/Altisource out of business altogether. Defendants' false and fraudulent statements and other intentionally unlawful and criminal actions wrongfully interfered with Ocwen/Altisource's contracts, commercial relations, and prospective business opportunities, causing them and Plaintiffs substantial injury.

9. Defendants' widespread campaign of vilification and slander included making knowingly false, fraudulent and reckless accusations that Ocwen was improperly taking money from homeowners and investors, engaging in improper modifications, and poorly servicing mortgage loans. Defendants and their agents spread malicious misrepresentations about Ocwen's loan servicing performance to make it appear that Ocwen's performance was sub-par, when, in fact, the opposite was true.

10. Further leveraging these attacks, Defendants and their co-conspirators engaged in manipulative short selling of OCN, AAMC and other publicly traded companies whose stock was owned by Shareholder Plaintiffs. This short selling was specifically intended to and did materially depress the value of those companies' stock and thereby threatened their continued viability. It also caused significant damage to their shareholders, including Shareholder Plaintiffs, and allowed Defendants and their co-conspirators to reap additional unlawful profits from their misconduct.

11. Defendants' unlawful scheme worked exactly as designed. By 2015, their wrongful and coordinated attacks, perpetrated through high-powered lawyers, influence-peddling Washington DC lobbyists and other operatives, had cast dark clouds over Ocwen/Altisource, causing them to lose significant business and greatly diminishing the value of their mortgage and

real estate management businesses.

12. Defendants' scheme also caused Ocwen/Altisource to lose numerous new business opportunities. With Ocwen/Altisource maligned and financially injured by Defendants' unlawful acts, banks and others that otherwise would have transferred their mortgage servicing to Ocwen or sold homes and loans to Altisource USVI were forced to find other parties to take the business or retain it for themselves, thereby depriving Ocwen/Altisource of additional revenues and profits.

13. Defendants' scheme proximately caused substantial financial injury to Plaintiffs, and further resulted in job losses to Virgin Islanders and economic harm in the USVI.

14. This lawsuit seeks to hold Defendants jointly and severally accountable for the damages caused by their tortious and criminal conduct.

THE PARTIES

15. Plaintiff Erbey Holding is a Delaware corporation with its principal office in the USVI.

16. Plaintiff JREFLP is a Georgia limited partnership with its principal office in Florida.

17. Plaintiff Salt Pond is a USVI limited liability company with its principal office in the USVI. The beneficial owners of more than 80% of Salt Pond's assets are two trusts, Frederiksted Trust and Christiansted Trust, organized under the laws of the USVI.

18. Plaintiff Carisma is a Nevada trust with its principal office in Nevada.

19. Plaintiff Munus is a Georgia limited partnership with its principal office in Georgia.

20. Plaintiff Tribue Limited Partnership is a USVI limited partnership with its principal office in the USVI.

21. Plaintiff Altisource USVI is a USVI corporation with its principal place of business at 5100 Tamarind Reef, Christiansted, St. Croix, USVI 00820. Altisource USVI's stock is publicly traded under the symbol AAMC.

22. Throughout the relevant time period, the Shareholder Plaintiffs were owners of shares of OCN, Altisource USVI and other publicly-traded related companies, and suffered damages as a result of Defendants' misconduct. OCN is a Florida corporation currently headquartered in Florida.

The Blackrock Defendants²

23. Defendants Blackrock Financial Management, Inc. ("**BFM**"), Blackrock Investment Management, LLC ("**BIM**"), Blackrock Investments, LLC ("**BIL**") and Blackrock Capital Management, Inc. ("**BCM**," and together with BFM, BIM, and BIL, the "**Blackrock Defendants**") manage and/or advise dozens, if not hundreds, of funds ("**Blackrock Funds**"), including funds that hold Mortgage Bond certificates at issue in this action.

24. Non-party and co-conspirator Blackrock, Inc. ("**Blackrock**")³ is a Delaware corporation doing business in the USVI. According to its 2017 Form 10-K filed with the U.S. Securities and Exchange Commission ("**SEC**"), Blackrock, "together[] with its subsidiaries . . . is a leading publicly traded investment management firm with more than \$6 trillion of assets under management." As Blackrock's 2017 10-K explained, Blackrock and its subsidiaries have "approximately 13,900 employees in more than 30 countries who serve clients in over 100 countries across the globe, and provide a broad range of investment, risk management and

² The allegations concerning the Defendants is largely based on information at the time this action was filed.

³ While Blackrock was removed as a named defendant pursuant to the 12/4 Order, on information and belief Blackrock participated in the conspiracy alleged herein. The changes to the allegations concerning Blackrock were made solely to comply with the 12/4 Order. Nothing herein waives or is intended to waive any of Plaintiffs' rights and arguments on appeal of the Court's dismissal of Blackrock for lack of personal jurisdiction.

technology services to institutional and retail clients worldwide.”

25. Blackrock owns, controls and directs the operations and affairs of the Blackrock Defendants. According to ADV forms filed with the SEC, each of the Blackrock Defendants is under Blackrock’s “common control” and shares “supervised persons.”

26. According to a Form ADV Part 2 brochure published by BFM (the “**Blackrock Brochure**”) and filed with the SEC in 2018, Blackrock “operates its investment management business through” various advisors and affiliates, including the Blackrock Defendants. Blackrock’s advisors, including Defendants BFM, BIM and BIL, “use the services of [Blackrock] affiliates which are broker-dealers” and “use the services of one or more BlackRock . . . subsidiaries or appropriate personnel of one or more BlackRock . . . subsidiaries for investment advice, portfolio execution and trading, operational support, and client servicing in their local or regional markets or their areas of special expertise without specific consent by the client” As the Blackrock Brochure explains, “[a]rrangements among affiliates take a variety of forms, including but not limited to dual employee, delegation, participating affiliate, sub-advisory, sub-agency, or other servicing agreements.” According to the Blackrock Brochure, “this practice is designed to make BlackRock’s global capabilities available to an Advisor’s clients in as seamless a manner as practical within a varying global regulatory framework.”

27. At the time this action was filed, Blackrock’s officers included: Chief Executive Officer Laurence Fink, Chief Operating Officer Robert Goldstein, President Robert Kapito, Chief Compliance Officer Charles Park and General Counsel Christopher Meade. The ADV forms filed with the SEC in 2018 for each of the Blackrock Defendants also list these five individuals as officers and “control persons,” which the SEC defines as a person with the “power, directly or indirectly, to direct the management or policies” of each company.

28. The Blackrock Defendants and Blackrock are owned, operated, managed and controlled globally from Blackrock's headquarters in New York located at 55 East 52nd Street, where each of the Blackrock Defendants and Blackrock has an office.

29. As Blackrock's 2017 10-K explained, Blackrock's "management directs the global operations of Blackrock and its subsidiaries *as one business . . .*" (emphasis added). Indeed, Blackrock "utilizes a consolidated approach to assess performance and allocate resources" and reports the financial results of Blackrock and its "controlled subsidiaries," including the Blackrock Defendants, on a consolidated basis.

30. By virtue of Blackrock's ownership, direction, management and control of each of its subsidiaries, the conduct of each of the Blackrock Defendants is imputed to the parent company, Blackrock.

31. Defendant BFM is a Delaware corporation registered with the USVI Division of Banking and Insurance to sell securities in the USVI and was doing business in the USVI. According to the Blackrock Brochure, BFM is an investment manager for "institutional and high net worth clients, separate accounts, pooled investment vehicles, private investment funds and U.S. registered investment companies." BFM is a wholly-owned subsidiary of Blackrock.

32. Defendant BIM is a Delaware limited liability company registered with the USVI Division of Banking and Insurance to sell securities in the USVI and is doing business in the USVI. According to the Blackrock Brochure, BIM is an investment manager for "institutional and high net worth clients, separate accounts, pooled investment vehicles and U.S. registered investment companies, and sponsors a separately managed account program." BIM also acts as sub-advisor to the Blackrock Funds.

33. Defendant BIL is a Delaware limited liability company registered with the USVI

Division of Banking and Insurance to sell securities in the USVI and is doing business in the USVI. The manager and sole member of BIL is BFM. BIL acts as distributor for the Blackrock Funds and Blackrock trusts. A distributor is an entity that sells or distributes funds to investors for fund management companies.

34. Defendant BCM is a Delaware corporation registered with the USVI Division of Banking and Insurance to sell securities in the USVI and is doing business in the USVI. BCM is a registered investment advisor and broker-dealer which, according to the Blackrock Brochure, manages assets “for institutional and high net worth clients, separate accounts, pooled investment vehicles, private investment funds, and U.S. registered investment companies.”

35. The Blackrock Defendants and Blackrock at all times controlled the actions of the Blackrock Funds. The actions the Blackrock Defendants and Blackrock took, and caused the Blackrock Funds to take, were intended to, and did, wrongfully benefit the Blackrock Defendants and Blackrock, including in the form of both direct gains and management fees earned from the Blackrock Funds.

The PIMCO Defendants

36. Defendant Pacific Investment Management Company, LLC (“**PIMCO**”) has its headquarters and principal place of business in Newport Beach, California. PIMCO is registered with the USVI Division of Banking and Insurance to sell securities in the USVI and is doing business in the USVI.

37. PIMCO is an investment management company with assets under management valued at approximately \$1.75 trillion. It has offices worldwide and employs approximately 2,300 professionals.

38. Defendant PIMCO Investments LLC (“**PI**,” and together with PIMCO, the

“PIMCO Defendants”) is a Delaware limited liability company with its main office located in New York. PI is a registered broker-dealer, including with the USVI Division of Banking and Insurance to sell securities in the USVI, and is doing business in the USVI. PI is a wholly owned subsidiary of PIMCO. According to PI’s filings with the Financial Industry Regulatory Authority (**“FINRA”**), PIMCO “direct[s] the management [and]/or policies of” PI. According to an ADV form filed with the SEC, the PIMCO Defendants are under “common control,” “share . . . supervised persons” and “share the same physical location.”

39. Together, the PIMCO Defendants direct, manage and control the operations of dozens, if not hundreds, of funds (**“PIMCO Funds”**), including funds that hold Mortgage Bond certificates at issue in this action. Many of the PIMCO Funds are organized as business trusts located in Massachusetts.

40. PIMCO acts as an investment advisor to, and directs and controls the actions of, its subsidiaries, including PI, and the PIMCO Funds.

41. According to its 2016 audited financials, PI “serves as the distributor and provides shareholder services to affiliated [PIMCO] institutional and retail mutual funds,” “serves as a solicitor for certain PIMCO retail managed accounts,” and “provides financial intermediary support, marketing and communications support as well as similar support for . . . initial public and secondary offerings of” various PIMCO Funds.

42. The audited financials state further that “[c]ertain management and other employees at PIMCO provide services to PI. These services generally consist of certain sales, account management, product management, marketing, legal, compliance, and other general and administrative services. In addition, PI is receiving the benefit of external services and various overhead that is initially paid by PIMCO.”

43. By virtue of PIMCO's ownership, direction, management and control of PI, the conduct of PI is imputed to its parent, PIMCO.

44. The actions the PIMCO Defendants took and caused the PIMCO Funds to take were intended to, and did, wrongfully benefit the PIMCO Defendants, including in the form of both direct gains and management fees earned from the PIMCO Funds.

Potential Additional Defendants

45. As set forth below, this action involves a criminal enterprise that damaged Plaintiffs. There are potential additional defendants and co-conspirators whose exact identities are currently unknown to Plaintiffs (the "**John and Jane Doe Defendants**"), including the officers, directors, employees, affiliates, and co-conspirators of Defendants and others. The Blackrock Defendants, Blackrock, and the PIMCO Defendants carried out their criminal scheme through the actions of their officers, directors, employees, affiliates, and co-conspirators whose identities and/or involvement are not fully known to Plaintiffs and are in the exclusive possession of Defendants.

JURISDICTION

46. This Court has jurisdiction over this action pursuant to 4 V.I.C. § 76.

47. This Court has jurisdiction over the Blackrock Defendants and the PIMCO Defendants pursuant to (i) 5 V.I.C. § 4903 because they caused tortious injury in the USVI by an act or omission outside the USVI, and regularly do or solicit business in the USVI, engage in other persistent course of conduct, and/or derive substantial revenue from goods used or consumed or services rendered in the USVI; and (ii) 14 V.I.C. § 607(j).

Defendants Reached into the USVI

48. The Blackrock Defendants and PIMCO Defendants, among other things,

intentionally reached into the USVI and directed their unlawful and fraudulent attacks into the USVI by targeting Ocwen/Altisource, which (as detailed more fully below) were located in, operated out of, and provided substantial revenue to the USVI economy during the relevant period, as Defendants were well aware.

49. As among the most sophisticated financial institutions in the world, the Blackrock Defendants, Blackrock, and PIMCO Defendants fully understood the nature and location of Ocwen/Altisource's businesses and the damaging effects that their fraudulent scheme would have, and in fact had, in the USVI.

Defendants Engaged in Business in the USVI

50. During the relevant period, the Blackrock Defendants, Blackrock, and PIMCO Defendants served as investment managers and consultants for the Government Employees' Retirement System of the USVI ("**GERS**") and derived substantial revenues from such service. GERS is a defined pension plan for officials and employees of the Government of the Virgin Islands, and for their dependents and beneficiaries. During the relevant time, GERS was one of the largest funds in the USVI and was critical to the USVI economy. According to its website, GERS currently "serves over 8,761 retirees and pensioners and approximately 9,368 active members." The GERS website and official reports currently list "Blackrock" as an investment manager to GERS. Multiple other GERS reports during the relevant time period identify Blackrock and PIMCO as GERS investment managers. The GERS Administrator referred to PIMCO as "one of GERS largest bond consultants."

51. As GERS investment managers and consultants, the Blackrock Defendants, Blackrock, and the PIMCO Defendants recommended, directed the placement of, and received hundreds of millions of dollars of employee pension funds into Blackrock- and PIMCO-managed

funds and profited from the placement and management of those investments. Among other things, the Blackrock Defendants, Blackrock, and the PIMCO Defendants earned hundreds of thousands, if not millions, of dollars related to their work for GERS from (i) management fees, (ii) securities lending transactions, and/or (iii) additional related broker-dealer transactions conducted by Defendants and/or their affiliates.

52. In addition, the Blackrock Defendants, Blackrock, and the PIMCO Defendants derived substantial revenues from (i) owning, managing and advising as to millions of dollars of investments in USVI government bonds; and/or (ii) selling shares in the Blackrock Funds and PIMCO Funds to USVI residents.

53. Defendants and Blackrock also derived substantial revenue from USVI homeowners whose mortgages are included in numerous Mortgage Bond trusts, including those as to which Defendants and their co-conspirators sought to remove Ocwen as servicer, in the form of (i) principal and interest payments passed on to Defendants directly, and/or (ii) advisory and management fees associated with investments in Mortgage Bond instruments on behalf of their clients.

54. Blackrock also regularly does business and derives substantial revenues from services provided in the USVI based on its ownership of approximately 11% of the shares of First Bancorp, a financial holding company. First Bancorp's main subsidiary is FirstBank, which, among other things, provides retail and commercial banking services in the USVI, including consumer, commercial lending and deposit-taking activities. According to First Bancorp's filings with the SEC, First Bancorp had a total loan portfolio balance of approximately \$627 million in the USVI.

Defendants Consented to Jurisdiction

55. This Court also has jurisdiction over the Blackrock Defendants, Blackrock, and the PIMCO Defendants because they consented to jurisdiction by their conduct and statements, including by (i) registering to transact business and sell securities in the USVI and (ii) transacting business in the USVI (*e.g.*, purchasing USVI government bonds and managing investments on behalf of GERS).

56. For example, BFM, BIM, BCM and PIMCO each registered as an investment advisor in the USVI pursuant to the Virgins Islands Uniform Securities Act (“**VIUSA**”) by filing a copy of their Form ADV with the Lieutenant Governor of the USVI. The Form ADV is a form used by investment advisors to register with the SEC and state securities authorities.

57. The Form ADV provides in relevant part, that each filer “irrevocably appoint[s] the Secretary of State or other legally designated officer of the state in which [the filer] maintain[s] [its] principal office and place of business and any other state in which [the filer] [is] submitting a notice filing, as [] agents to receive service, and agree that such persons may accept service on [the filer’s] behalf, of any notice, subpoena, summons, order instituting proceedings, demand for arbitration, or other process or papers, and [the filer] further agree[s] that such service may be made by registered or certified mail, in any federal or state action, administrative proceeding or arbitration brought against [the filer] in any place subject to the jurisdiction of the United States, if the action, proceeding, or arbitration (a) arises out of any activity in connection with [the filer’s] investment advisory business that is subject to the jurisdiction of the United States, and (b) is founded, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisors Act of 1940, or any rule or regulation under any of these acts, or (ii) the

laws of the state in which [the filer] maintain[s] [its] principal office and place of business or of any state in which [the filer] [is] submitting a notice filing.”

58. By filing the Form ADV with the Lieutenant Governor of the USVI, BFM, BIM, BCM and PIMCO each consented to jurisdiction in the USVI.

59. BIL and PI registered in the USVI as broker dealers pursuant to the VIUSA by filing the Form BD with the Lieutenant Governor. The Form BD is a uniform form used by broker dealers to register with the SEC and state securities authorities.

60. Form BD provides in relevant part, that “[f]or the purpose of complying with the laws of the [the USVI] relating to either the offer or sale of securities or commodities, the undersigned and applicant hereby certify that the applicant is in compliance with applicable state surety bonding requirements and irrevocably appoint the administrator of [the USVI] or such other person designated by law, and the successors in such office, attorney for the applicant in [the USVI], upon whom may be served any notice, process, or pleading in any action or proceeding against the applicant arising out of or in connection with the offer or sale of securities or commodities, or out of the violation or alleged violation of the laws of [the USVI], and the applicant hereby consents that any such action or proceeding against the applicant may be commenced in any court of competent jurisdiction and proper venue within [the USVI] by service of process upon said appointee with the same effect as if applicant were a resident in [the USVI] and had lawfully been served with process in [the USVI].”

61. By registering as broker dealers in the USVI through the filing of their Form BD, BIL and PI consented to jurisdiction in the USVI.

62. PIMCO is also deemed to have consented to jurisdiction in the USVI through imputation of its agent and alter ego, PI; PI’s consent is set forth in the Form BD.

DETAILED ALLEGATIONS

History and Structure of Ocwen/Altisource

63. At all relevant times, Ocwen USVI was a corporate nerve center for Ocwen's mortgage servicing business. Ocwen USVI has its principal offices in St. Croix, built and operates a customer service center here, and has one of the largest private sector payrolls in the USVI.

64. Ocwen's primary assets are called mortgage servicing rights ("MSRs"), which are contractual rights to provide loan servicing for the mortgage loans held in the Trusts. Based on Ocwen's corporate structure, the MSRs were assets of Ocwen USVI subject to taxation in the USVI and generated significant tax revenues here.

65. Ocwen built an industry-leading mortgage servicing operation designed to assist struggling homeowners in keeping their homes while at the same time yielding positive cash flows for investors.

66. Ocwen has been one of the leading servicers of mortgages in the United States. Because of Ocwen's expertise in resolving troubled mortgage loans, banks and other institutional mortgage owners turned to Ocwen to service mortgages that were going delinquent as a result of the financial crisis.

67. Altisource USVI is an asset management company located in St. Croix. During the relevant time, among other things, Altisource USVI provided strategic and managerial oversight for a Real Estate Investment Trust ("REIT") that held affordable single-family rental homes throughout the United States. The REIT was a Maryland corporation. With its operations managed by Altisource USVI, the REIT's principal executive office was located at Altisource's principal office in the USVI.

68. Altisource USVI also relied on Altisource Portfolio Solutions S.A. ("ASPS"),

which provided real estate management services to Altisource USVI, the REIT and Ocwen. ASPS's principal executive office was and is located in Luxembourg.

69. A multitude of important management and services contracts existed, of which Defendants were aware, among and between Ocwen, Altisource USVI, the REIT and ASPS, as well as between Ocwen and a major provider of financing that was crucial to its servicing business, Home Loan Servicing Solutions ("HLSS"). Those contracts and the financing arrangement with HLSS were impinged and interfered with by Defendants' unlawful acts and criminal wrongdoing. At the relevant time, HLSS was a Cayman Islands corporation whose principal office was located in the Cayman Islands.

70. Altisource USVI's success was dependent on its strategic relationship and long-term contracts with Ocwen and ASPS, which gave Altisource USVI a competitive advantage based on Ocwen's loss mitigation performance and ASPS's real property management experience.

71. When Defendants and their co-conspirators (including Blackrock) targeted Ocwen/Altisource for destruction, it not only seriously hurt Ocwen, but it also crippled Altisource USVI's business, ultimately ending Altisource USVI's strategic relationship with Ocwen. In addition, Defendants' and their co-conspirators' unlawful conspiracy destroyed the REIT's ability to raise capital, which was critical to Altisource USVI's ability to expand its business. As a result, the stock price and business prospects of Altisource USVI collapsed, as they did for Ocwen and ASPS.

72. In addition, Defendants' and their co-conspirators' misconduct caused Virgin Islanders to lose jobs and suffer lost job opportunities. In two years after Ocwen's operations were established in the USVI, Ocwen USVI had approximately eighty-five employees, the vast majority of whom were long-time residents of St. Croix, and who collectively were earning millions of

dollars in compensation and benefits. Given Ocwen's rapidly increasing mortgage portfolio, significant additional job growth in the USVI was expected. Additionally, Altisource USVI anticipated adding more than fifty St. Croix-based professionals. Instead of realizing this job growth in the USVI, Defendants crippled Ocwen/Altisource, causing Ocwen USVI's presence and employee workforce in the Territory to shrink and Altisource USVI's growth to stagnate.

73. Ocwen USVI and Altisource USVI are both approved beneficiaries under the USVI Economic Development Commission (the "**EDC**") program. The EDC "is charged with promoting the growth, development and diversification of the economy of the [USVI] by developing the human and economic resources of the Territory, preserving job opportunities for residents of the [USVI], and promoting capital formation to support economic development in the Territory."

Mortgage Bond Trusts and the Loan Servicers' Duties to Service Loans in the Best Interest of the Trust as a Whole

74. Banks and other mortgage originators that make mortgage loans to homeowners often sell those loans to investors.

75. To do this, banks and mortgage originators package mortgages into pools and sell them to specially created trusts that issue securities (also referred to as bonds). When an investor buys a Mortgage Bond, the investor in effect buys an interest in all of the underlying mortgages owned by the trust.

76. Mortgage trusts issue securities in "tranches" (from the French word for "slice"), which means that holders of the senior Mortgage Bonds and holders of the junior Mortgage Bonds are entitled to different "slices" of rights to the mortgages and resulting mortgage payments and other funds in the Mortgage Bond trust.

77. Mortgage Bond trusts hire loan servicers like Ocwen to collect mortgage payments

from homeowners whose mortgages are aggregated in the trust. The mortgage servicer collects principal and interest payments and remits them to the trustee overseeing the Mortgage Bond trust. The trustee then passes the collections through to the senior and junior Mortgage Bond holders through a payment “waterfall” that tracks the rights of the various tranches.

78. Ocwen, as a loan servicer, has a duty to provide servicing to the Mortgage Bond trust in accordance with the operative servicing contracts and well-established industry standards. One of Ocwen’s primary duties is to service loans and maximize recoveries in a manner that is in the best interest of the Mortgage Bond trust as a whole, thereby fairly benefitting both senior and junior Mortgage Bond tranche holders rather than any particular class of investors.

79. In the case of delinquent loans, which reached historically high levels during the mortgage crisis, Ocwen’s main contractual obligation was to resolve the delinquencies in a way that reduced losses to the Mortgage Bond trust in the aggregate, *i.e.*, for the benefit of all Mortgage Bond investors, senior and junior.

80. For example, the American Securitization Forum (“ASF”), a leading industry group, in issuing guidance on loan modifications, stated that actions taken by the servicer “to maximize recovery [for the Mortgage Bond trust] should be deemed to be in the best interests of the investors.” The ASF made clear that the “in the best interests of” standard “should be interpreted by reference to the investors in [a Mortgage Bond] securitization in the aggregate, without regard to the specific impact on any particular class of investors, and in a manner that is neutral as to the effect on the cash flow waterfall or any particular class of securities.”

81. Over many years of servicing numerous mortgages, Ocwen determined that in most cases, providing delinquent homeowners/borrowers with modifications allowing them to keep their homes yielded the best return to the Mortgage Bond trust as a whole. In contrast,

foreclosures resulted in disproportionate gains to the senior tranche holders, including Defendants, by allowing them to recover their investment immediately rather than having to wait for payments from the homeowners over the lives of the mortgages. The corresponding losses resulting from foreclosures were larger and shouldered by the junior Mortgage Bond tranche holders, and there was an enormous adverse financial and emotional impact on homeowners, their families and communities.

82. For these reasons, confirmed in many independent industry studies over the years, Ocwen created programs and systems to reasonably avoid home foreclosures and keep homeowners in their homes.

In Response to the Financial Crisis, Ocwen Began a Pro-Active Mortgage Modification Program to Protect Homeowners and Investors

83. Very quickly after the onset of the financial crisis in 2008, Ocwen implemented a large-scale program of loan modifications to prevent struggling homeowners facing foreclosure from losing their homes. Ocwen was one of the first servicers to offer loan modifications. Initially, most modifications involved reducing the borrower's interest rate to achieve a smaller monthly payment that the homeowner could afford. Later, Ocwen also became one of the first servicers to offer delinquent borrowers a reduction of principal to help avoid foreclosure. Federal and state government officials applauded this approach and ultimately made mandatory consideration of loan modifications part of public policy with respect to mortgage servicers.

84. Ocwen successfully used loan modifications, including principal write-downs where appropriate, to keep hundreds of thousands of struggling families in their homes.

Defendants' Criminal Scheme to Profit from Foreclosures by Interfering with Ocwen's Business through Fraudulent Representations

85. The Defendants secretly concocted a criminal scheme to profit from the financial crisis by expediting foreclosures and thereby forcing homeowners from their homes. Defendants

and their officers, directors, employees, affiliates, and co-conspirators carried out their scheme directly and through, among other things, various agents (as further described below).

86. The severity of the financial crisis enabled investors to acquire Mortgage Bonds, even senior tranches, at significantly discounted prices. Defendants, directly or through their many affiliates, acquired and held a substantial volume of senior Mortgage Bonds and sought ways to increase foreclosures in the pursuit of windfall profits at the expense of the homeowners and other investors.

87. Defendants (and Blackrock) held Mortgage Bonds on behalf of their clients, who entrusted Defendants (and Blackrock) to manage their financial investments. Defendants (and Blackrock), including their officers, directors, and employees (who are John and Jane Doe Defendants), misused their clients' Mortgage Bond holdings for their own benefit.

88. In 2013 specifically, Defendants (and Blackrock) purchased a significant number of senior tranches of residential Mortgage Bonds. Defendants (and Blackrock) bought these senior tranches at least in part to carry out their fraudulent scheme. Defendants' (and Blackrock's) purchase of senior Mortgage Bonds in 2013 is corroborated by contemporaneous news reporting.

89. Defendants (and Blackrock) sought foreclosures which allow senior tranche holders to recover their investments immediately at the expense of financially distressed homeowners. Defendants (and Blackrock) opposed modifications which allow homeowners to remain in their homes, but caused senior tranche holders to recover their investments over a longer period of time.

90. During the financial crisis, non-profit community advocacy groups sought to work with Ocwen to help distressed homeowners keep their homes through loan modification programs. Defendants (and Blackrock) opposed this kind of homeowner assistance from the start and made

it clear that their goal was to keep homeowners underwater on their mortgages so the servicers could foreclose on the properties and increase Defendants' (and Blackrock's) unlawful gains. Defendants (and Blackrock) did not want distressed homeowners to receive any debt relief and vehemently opposed mortgage modifications that reduced principal.

91. Ocwen refused to accede to Defendants' and their co-conspirators' pro-foreclosure policy, because that policy was wrong in every respect – legally, contractually, morally, and from a public policy perspective. First, Ocwen had a duty to service loans for the benefit of all investors in the Mortgage Bond trust, not just the senior investors like Defendants (and Blackrock). Second, Ocwen's experience and independent expert studies confirmed that in the majority of delinquencies, modifying mortgages instead of foreclosing was in the best interest of the Mortgage Bond trust as a whole. Finally, Ocwen agreed with community advocates and policy commentators that it was wrong to kick homeowners out of their homes without first trying to help them.

92. Faced with Ocwen's rejection of the Defendants' and their co-conspirators' aggressive foreclosure policy, as detailed below, from at least as early as 2013 through at least as late as 2016, Defendants participated in an "association-in-fact" enterprise that engaged in a pattern of criminal activity in violation of CICO, 14 V.I.C. § 600 *et seq.* The enterprise secretly launched a multi-pronged attack on the operations, performance, existing and prospective contracts and business relations, and good will of Ocwen/Altisource, through false and fraudulent misrepresentations.

93. The enterprise consisted of, among others, Defendants, Blackrock, KORE Advisors ("**KORE**"), Metropolitan Life Insurance Company ("**MetLife**"), Sealink Funding Limited acting through its investment advisor Neuberger Berman Europe Limited ("**Sealink**"),

BlueMountain Capital Management (“**BlueMountain**”),⁴ and the Association of Mortgage Investors, a politically well-connected and secretive lobbying group and agent of Defendants and their co-conspirators (“**AMI**”).⁵ The enterprise’s purpose was to attempt to destroy Ocwen/Altisource by means of false and fraudulent misrepresentations designed to (i) limit Ocwen/Altisource’s continued modification of mortgage loans; (ii) damage Ocwen/Altisource’s business and standing with investors, regulators and others in the industry, including the New York State Department of Financial Services (“**NYSDFS**”); and (iii) block Ocwen/Altisource from obtaining new servicing contracts and business relations.

94. On information and belief, based on, among other things, information provided by market participants who interacted with Defendants and their co-conspirators and counterparties, the enterprise pursued a wrongful smear campaign against Ocwen/Altisource through covert means. The enterprise provided false and fraudulent information to ratings agencies and regulators to improperly influence the ratings process and cause spurious regulatory investigations. Later, the enterprise ratcheted up its smear campaign with public communications, including the dissemination of false accusations to trustees and through the media. The pattern of fraudulent and misleading accusations, both publicly and privately, was meant to denigrate Ocwen and its loan modification program, including the outrageous and patently false accusation that Ocwen/Altisource had unjustly enriched themselves at the expense of the Mortgage Bond trusts.

95. Defendants and other enterprise participants engaged in manipulative short selling, which was an integral part of the enterprise’s conspiratorial and coordinated attacks. Short

⁴ Notably, the head of BlueMountain holds a position on the board of directors for PNC Financial Services Group (“PNC”), which is the largest shareholder in Blackrock. The Chairman of PNC holds a position on Blackrock’s board of directors.

⁵ AMI’s principal office was and is located in Washington, DC. Defendants, among others, are members of AMI.

selling involves borrowing a security and selling it to another party with the intent that the security will decline in value. After such value declines, the short seller buys back the security at a lower price, returns the borrowed security, and keeps the difference in the amount between the higher original sale price and the lower buyback price. The same result as short selling can be accomplished by other means, including put options, which was done by BlueMountain, one of the enterprise participants. Short selling furthered the enterprise's goal of driving OCN and related companies out of business by driving down the price of their stock so that industry participants would no longer view those companies as viable.

96. Defendants and other enterprise participants engaged in what is commonly known as a "short and distort" scheme whereby Defendants and their co-conspirators manufactured the negative publicity needed for a stock price to decline to allow the shorting party to profit from the sale. Throughout 2013, 2014, and 2015, when the enterprise publicized, through counsel, their fraudulent and misleading statements and threats of legal action against OCN, short sales of OCN's and the other related public companies' common stock surged just prior to such announcements.

97. By letter dated June 28, 2013 Gibbs & Bruns LLP ("**Gibbs & Bruns**"), a law firm located in Houston, Texas, which had represented Defendants in other actions, now acting on behalf of the enterprise as its agent, wrote to various trustees making false and fraudulent allegations and requesting that the trustees refuse to consent to have servicing portfolios transferred from OneWest to Ocwen. The June 28, 2013 letter included, among others, the following fraudulent and/or misleading statements:

- "Ocwen's dramatically short advance period is no doubt related to its equally poor redefault and re-modification rates."
- "[Certain statistics] illustrate[] the extreme degree to which Ocwen's practices diverge from those of other servicers."

- “Ocwen’s modification practices deviate so radically from what is prudent and in the best interest of Certificateholders.”

The cc: line of the letter lists certain of Gibbs & Bruns’s clients, including enterprise participants (i) Defendant “Pacific Investment Management Company LLC”; (ii) Defendant BFM “and its advisory affiliates,” which include the other Blackrock Defendants and Blackrock; and (iii) Kore, MetLife and Sealink.

98. During this period, the enterprise was pushing its pro-foreclosure scheme by insisting that certain Mortgage Bond-related settlement agreements contain provisions that would chill the ability of servicers such as Ocwen to carry out loan modifications to help struggling homeowners. For example, in a November 15, 2013 press release, Gibbs & Bruns described a settlement agreement among enterprise participants and JPMorgan Chase, which “require[d] several changes in mortgage servicing of the mortgage loans in the [t]rusts” at issue in that settlement and highlighted that “principal modifications, *though authorized by the applicable governing agreements*, may not reduce principal below 115% of” the loan-to-value ratio. (emphasis added). This pro-foreclosure provision, designed to benefit only senior tranche holders such as Defendants (and Blackrock), significantly reduced loan servicers’ ability to perform modifications and keep homeowners in their homes.

99. In January 2014, the enterprise, through Gibbs & Bruns, publicized negative information about Ocwen to the press, including at a conference in Las Vegas for the Structured Finance Industry Group.

100. In February 2014, the enterprise publicized the intent of several members to bring suit against Ocwen based on claims of improper loan servicing. In newspaper articles at the time, according to unnamed “sources,” Gibbs & Bruns was working with certain Blackrock and PIMCO entities, as well as other investors, to consider legal action against Ocwen. While short selling

increased and Ocwen's shares fell significantly based on these threats, no such suit was ever brought. On information and belief, the enterprise orchestrated these press reports, which were intended to damage Ocwen/Altisource.

101. Defendants were so opposed to any form of debt relief for homeowners that they pressured Ocwen to adopt procedures that would have gutted its loan modification program. In a meeting at their offices in California in or around April 2014 attended by Mr. Erbey, PIMCO representatives threatened Ocwen, and attempted to coerce Ocwen into using a sham discount rate for the NPV calculation, which PIMCO knew would have been in violation of applicable regulations and industry standards and made it virtually impossible to make modifications. Ocwen flatly rejected this outrageous demand designed to result in tens, if not hundreds, of thousands of unnecessary foreclosures. At the time, due to the coordinated and covert nature of Defendants' campaign, Mr. Erbey did not recognize PIMCO's request as being part and parcel of Defendants' conspiracy.

102. As part of its fraudulent scheme, the enterprise sought to influence the NYSDFS directly and through AMI. In February 2014, the NYSDFS prevented Ocwen from completing its acquisition of \$39 billion of MSRs from Wells Fargo.

103. On March 11, 2014, the enterprise utilized AMI to keep up attacks on Ocwen by having AMI announce on Twitter that AMI "unites RMBS around criticism of Ocwen servicing abuses. Look for a forthcoming letter to Trustees, Mastr Servicers, xo AMI."

104. On July 23, 2014, AMI announced on Twitter that it had held a "great investor conference including @NYDFS @FHFA @FannieMae" The next day, AMI tweeted to announce that it had had "meetings with regulators th[at] week."

105. In an explicit acknowledgement that the enterprise was aware of Ocwen's MSR

contracts and was intending to harm them, on July 24, 2014, AMI's Twitter account included the following tongue and cheek comment: "No \$Ocwen MSRs were harmed during [its] meetings with regulators [that] week."

106. Thereafter, from July through December 2014, AMI continued to retweet negative information concerning Ocwen. Indeed, AMI had for years been seeking to influence regulators and others in the Mortgage Bond industry to enact policies that would advance the interests of senior tranche holders but violate industry standards, guidelines and contracts.

107. On information and belief, including information received from market participants, the enterprise provided support and information to the NYSDFS and other regulators, including negative and possibly fraudulent information concerning Ocwen/Altisource.

108. Notably, within hours of a settlement between Ocwen and the NYDFS announced on December 22, 2014, AMI launched a pre-planned press release "applaud[ing]" the NYSDFS and stating that "AMI is pleased to be a resource for state and federal policy-makers and thought leaders on housing finance and mortgage issues."

109. The same day, AMI’s Twitter account included a photo of a front page newspaper article about the Ocwen settlement picturing the Superintendent of NYSDFS, Benjamin Lawsky, under a “thank you!” note from AMI:



110. Thereafter, in early 2015, the coordinated onslaught against Ocwen/Altisource continued. By letter dated January 23, 2015, the enterprise used Gibbs & Bruns to send a communication styled as an event-of-default notice to trustees of more than one hundred Mortgage Bond trusts with which Ocwen had contracts to provide mortgage servicing (the “**Fraudulent Default Notice**”). The Fraudulent Default Notice was rife with falsified and intentionally misleading data and other statements proffered in support of allegations that Ocwen/Altisource had improperly taken money from Mortgage Bond trusts and investors, engaged in improper modifications and provided poor quality servicing. The goal of the Fraudulent Default Notice was to have Ocwen removed as servicer for those Mortgage Bond trusts.

111. In the Fraudulent Default Notice, Gibbs & Bruns stated that it represented “holders or investment managers for holders . . . each of whom is copied on this correspondence” and

“authorized” the Fraudulent Default Notice. The cc: line of the letter lists certain of Gibbs & Bruns’s clients, including enterprise participants (i) Defendant “Pacific Investment Management Company LLC”; (ii) Defendant BFM “and its advisory affiliates,” which include the other Blackrock Defendants (and Blackrock); and (iii) Kore, MetLife and Sealink.

112. The Fraudulent Default Notice claimed that Defendants and others had “engaged a highly qualified non-agency servicing expert to analyze a massive amount of publicly available loan-level information,” whose conclusions allegedly demonstrated various servicing violations by Ocwen. Although not identified in the Fraudulent Default Notice, it has been confirmed that this servicing expert was Scott Gimpel (“**Gimpel**”), who founded and now runs a data analytics firm named Webbs Hill located in Stamford, Connecticut.

113. Based on discussions with individuals in the financial industry from mid to late 2016 through 2019, it has since been revealed that Gimpel’s data, assumptions and purported findings had been intentionally manipulated by Defendants, their co-conspirators, and/or their agents to create the false impression that they supported the enterprise’s spurious conclusions.

114. Indeed, shortly after the Fraudulent Default Notice was published, Scott Burg (“**Burg**”), a senior executive at the investment management firm Deer Park, who knows Gimpel personally, called Gimpel to challenge him as to the veracity of the contentions in the Fraudulent Default Notice. During the call, Gimpel immediately sought to distance himself from those conclusions, stating words to the effect that he never should have agreed to the engagement, and admitting that the data Gimpel used could be made to look however his clients wanted, referring to Defendants and the other enterprise participants. It was the worst thing his clients ever did, Gimpel told Burg; they “twisted” the information.

115. Dana Schultz (“**Schultz**”), who at the time was an Executive Director at Nomura,

also took action in response to her belief that Gimpel's conclusions were untrue. Like Burg, Schultz knew Gimpel personally. He attended Schultz's wedding. As recounted by a fellow-senior Nomura executive (who later became an officer of Altisource USVI), Schultz contacted Gimpel after the Fraudulent Default Notice was published to challenge his analysis as knowingly false. Schultz also relayed that Gimpel's reports were sold or otherwise provided to others. On information and belief, the NYSDFS was a recipient of Gimpel's analysis. Ocwen/Altisource's effective use of loan modifications was well known to Nomura, who reported shortly before the Fraudulent Notice of Default was issued that "Ocwen has the highest success rate across all servicers."⁶

116. Roberto Sella, a hedge fund executive at LL Funds, likewise believed that Gimpel's analysis was knowingly distorted. When the Fraudulent Default Notice was published, Sella and his colleagues recognized that its insinuations were specious. As pointed out by Sella, Gimpel knowingly failed to disaggregate the data supporting those conclusions in order to achieve a specific result, namely, a misleading portrayal of Ocwen's servicing practices. As to the assertion in the Fraudulent Notice of Default that other servicers would somehow have returned billions of dollars more than Ocwen, Sella found that number "extraordinarily misleading." Sella called out the Defendants' scheme for what it was, an improper attempt "to pay down senior classes [of Mortgage Bonds] in the fastest manner possible to the detriment of both subordinate bondholders and homeowners."⁷ Sella was later told that Gimpel regretted conducting his analysis because it undermined Gimpel's reputation as an analyst.

117. The enterprise participants, including Defendants, knew that conclusions in the Fraudulent Default Notice were fraudulent but nevertheless publicized them to the public and to

⁶ Agency MBS: Market Overview and Relative Value, Nomura, Securitized Products Weekly at 26 (Oct. 24, 2014).

⁷ *In Defense of Ocwen Servicing*, April 2015, LL Funds, LLC.

Ocwen's and Altisource USVI's contractual counterparties. The following are among the false and misleading assertions in the Fraudulent Default Notice concerning Ocwen, Altisource USVI and others:

- “Instead of servicing mortgage loans for and on behalf of the Certificateholders, Ocwen . . . seeks to maximize its own servicing fees and the fees of affiliated vendors, including Altisource and [HLSS].”
- “Because these vendors are affiliates of Ocwen, rather than entities at true “arms length” from Ocwen, the terms on which Ocwen engages these vendors are materially worse than those it could obtain from true third parties.”
- “Ocwen and its affiliated vendors like Hubzu and Altisource also extract even more fees during the auction process, including fees for property preservation and for valuation and appraisal-related services.”
- “[As] a result of its management structure and, indeed, its very business model, Ocwen has repeatedly and materially failed to service the mortgage loans for and on behalf of the Certificateholders. Instead, Ocwen’s servicing activities have been used to maximize its own fees and those of related parties in which Mr. Erbey has major ownership stakes, including Altisource and [HLSS]. . . This pervasive self-dealing and unjust enrichment of Ocwen’s corporate affiliates constitutes a fundamental breach of Ocwen’s basic prudent servicing obligations under the” governing agreements.
- “Ocwen . . . repeatedly engages in . . . [NPV]-negative modifications in order to maximize its servicing fees and prematurely recoup advances. Ocwen’s imprudent modification practices are summarized in the sections and tables below. Individually, and certainly collectively, these practices demonstrate systematic and devastating breaches of Ocwen’s obligations as servicer-not just in the 119 Trusts in Exhibit A, but also in thousands of other Ocwen-serviced RMBS trusts.”
- “Ocwen’s imprudent modification practices result in materially higher re-default and re-modification rates when fairly compared to modifications by other servicers.”
- Certain data “demonstrates Ocwen’s reliance on extreme and imprudent modifications, including extreme forgiveness or deferment of principal . . . Ocwen’s extreme modifications, alone, are evidence of its imprudent servicing practices and its failure to service the loans for and on behalf of Certificateholders, its fundamental duty under the PSAs.”
- “[W]hen compared to other servicers’ modifications on an apples-to-apples basis (by controlling for the magnitude of the borrower’s payment reduction), Ocwen’s

modifications result in significantly higher re-default rates and cause significantly greater losses to the RMBS trusts for which it acts as servicer.”

- “Exhibit F hereto presents 1,022 examples of specific loan modifications in the Trusts identified by the Servicing Expert that have *no conceivable rationale* other than the premature recovery advances. . . . Each of the loan modifications set out in Exhibit F constitutes imprudent servicing and has materially harmed the Trusts by depriving the Trusts of cash flows that would have resulted from prudent servicing practices.”
- “Although Exhibit F presents extensive loan-level examples of Ocwen’s wholly improper modifications, the following loans are representative of Ocwen’s failure in this regard,” and citing five specific loans.
- “The Servicing Expert has also analyzed publicly available data for each modification performed by Ocwen in the Trusts and has identified a paradox in Ocwen’s advance and modification practices that can only be explained by Ocwen’s attempt to maximize its own servicing fees and financial performance, at the expense of the Trusts and Certificateholders.”
- “The Servicing Expert has also compared Ocwen’s publicly available loan-level data on its servicing with the Trusts’ remittance reports, to ascertain whether Ocwen is performing its obligations to account accurately for Trust cash flows and assets. What the Servicing Expert found is shocking. In many instances, Ocwen’s own data simply does not reconcile with the data in the remittance reports. . . . Somehow, between Ocwen’s receipt of trust cash and its remittance of funds to the Trustees, millions and millions of dollars simply disappear, without explanation or any ability to trace what happened to them.”
- “Although Exhibit G presents extensive loan-level examples of Ocwen’s failure to advance shortly following a modification, the following loans are representative of Ocwen’s failure in this regard,” and citing three specific loans.
- “Just with respect to . . . 2,033 loans, the Servicing Expert has identified approximately \$21 million in cash flow shortfalls to the Trusts, or approximately \$10,600 per loan.”
- “Ocwen’s own data failed to account for approximately \$24 million in mysterious expenses. That is to say, setting aside the discrepancies between Ocwen’s own data and the Trusts’ remittance reports, the Servicing Expert was unable to reconcile Ocwen’s own data without assuming that \$24 million in additional, undisclosed expenses were actually incurred in connection with the loan liquidation.”
- “Although Exhibit H presents extensive loan-level examples of Ocwen’s failure to account for principal and interest to the Trusts, the following loans are representative of Ocwen’s failure in this regard,” citing three specific loans.

- “Ocwen’s systematic failure to account for Trust cash flow constitutes an egregious violation of its duty to prudently service the mortgage loans”
- “Ocwen settled [claims made by regulators] using over \$2 billion in the Certificateholders’ money”; *see also* “Ocwen’s use of Trust property to pay penalties for its own alleged misconduct raises serious issues of self-dealing, unjust enrichment, and breach of its obligation to service mortgages solely in the best interests of the Certificateholders and the Trusts.”
- A study conducted by a “highly qualified economic consulting firm” shows that “if the trusts (and loans) serviced by Ocwen had instead been serviced by other servicers, *they would have returned approximately \$26 billion more to investors than they actually returned.*”
- “Ocwen simply ignores the governing agreements” related to the MBS trusts.

118. Each of the foregoing statements and others in the Fraudulent Default Notice was known, or should have been known, by the enterprise participants to be false, misleading and based on manipulated data, and made with the purpose and intent to deceive the recipients and others, and to inflict harm on Ocwen/Altisource, with the intent and effect of injuring Plaintiffs.

119. BlueMountain, for its part in the enterprise, had its counsel send a notice of default on January 23, 2015 (the “**BlueMountain Default Notice**”), the same day the Fraudulent Default Notice was sent. This coordinated attack by BlueMountain focused on Ocwen’s contractual relationships with HLSS in order to destroy Ocwen’s critical financing pipeline, thereby triggering cross-default provisions in Ocwen’s other contracts, and effectively rendering Ocwen unable to finance and operate its servicing business.

120. In fact, three events occurred on January 23, 2015. The Fraudulent Default Notice and the BlueMountain Default Notice were released on the same day that Ocwen entered into a consent order with the California Department of Business Oversight (“**DBO Consent Order**”). This was no coincidence. The enterprise timed the release of the two default notices to the announcement of the DBO Consent Order to maximize the damage of the enterprise’s allegations

and the corresponding drops in the stock prices of OCN and related public companies.

121. BlueMountain sent a second default notice with similar allegations on February 20, 2015.

122. KORE, for its part in the enterprise, stepped up the attack on Ocwen when its principal, Gary Kosinski, leveled the false and outrageous accusation made to a leading Mortgage Bond investor during the relevant time period that Ocwen was engaged in “criminal behavior.” KORE was represented by the same counsel, Gibbs & Bruns, which had previously represented Defendants and issued the Fraudulent Default Notice.

123. Due to intentional concealment and use of intermediaries, Plaintiffs have not been able to uncover the full extent and nature of (i) the enterprise; (ii) the manner in which the enterprise was controlled and operated; (iii) its unlawful purpose, including the enterprise’s efforts to improperly influence regulators, ratings agencies, trustees and others; and (iv) the dates, times and relevant details of many of the enterprise’s false and misleading statements. Those facts are uniquely within the enterprise participants’ knowledge and control and can only be uncovered through discovery. Plaintiffs could not with reasonable diligence have discovered prior to mid-2016 the tortious conduct of Defendants, including that the data and conclusions in the report of the servicing expert proffered by Defendants and their counsel and cited in the Fraudulent Default Notice had been falsified.

124. Defendants’ motives for proffering falsified conclusions are now clear. For their pro-foreclosure, anti-modification campaign to succeed, they had to find a way to overcome the many industry reports, from independent sources, that demonstrated Ocwen’s superior loan servicing performance. While the enterprise, including Defendants, was falsely disparaging Ocwen in 2015, Morgan Stanley, a leading financial industry firm, published a report that

highlighted the truth about Ocwen’s effectiveness: “Not only does Ocwen have a higher success rate on mortgages that went delinquent when it held the servicing rights, but it also seems to succeed at keeping borrowers in their homes when it takes on a delinquent or modified mortgage from another servicer.”

125. Another study released by LL Funds in 2015 “identified [Ocwen] as a preferred servicer, as Ocwen is more likely to modify – rather than liquidate through the foreclosure process – a delinquent borrower, in some cases modifying multiple times.” The study concluded not only that “these modifications clearly benefit the delinquent homeowner,” but also that “Ocwen deserves credit for this aggressive modification practice, and bondholders, overall, are better off as a result of it.”

126. Community advocacy groups also praised Ocwen for protecting homeowners and investors. In 2014, the National Community Reinvestment Coalition recognized that Ocwen’s mortgage modification programs “align the interests of borrowers, servicers and investors, mak[ing] the program a win-win for all involved.”

127. In May 2016, the false and fraudulent misrepresentations being spread by the enterprise were further disproven by an independent expert report by Duff & Phelps, a leading corporate finance advisory firm hired by Wells Fargo, one of the largest Mortgage Bond trustees at the time, to investigate and review Ocwen’s servicing practices. The Duff & Phelps report praised Ocwen’s performance in protecting homeowners while servicing their mortgages. By this time, however, the fraudulent smear campaign undertaken by Defendants and their co-conspirators inflicted devastating adverse impacts upon Ocwen/Altisource.

128. The tortious conduct of the enterprise caused Ocwen/Altisource to lose existing and prospective business, including by sabotaging the strategic relationships among those

companies. Following those coordinated attacks, in March 2015 Wells Fargo, as trustee, terminated Ocwen as servicer for two trusts. The enterprise's fraudulent campaign blocked Ocwen from getting mortgage servicing business from banks and other financial institutions, and forced Altisource USVI to drop Ocwen as servicer. The loss of business decreased the market value of several of the public companies, including OCN, Altisource USVI, the REIT and ASPS, causing damage to Altisource USVI and the Shareholder Plaintiffs, as holders of those stocks.

129. As a result of the malicious attacks by Defendants and their co-conspirators against Ocwen/Altisource and their interference with Ocwen/Altisource's contractual relations, Defendants caused Plaintiffs to suffer substantial monetary losses.

CAUSES OF ACTION

COUNT I

CIVIL VIOLATION OF THE CRIMINALLY INFLUENCED AND CORRUPT ORGANIZATIONS ACT ("CICO") (Shareholder Plaintiffs against All Defendants)

130. All of the preceding allegations are repeated and re-alleged as if fully set forth herein.

131. Section 605 of Title 14 of the Virgin Islands Code ("**V.I.C.**") provides in part that "[i]t is unlawful for any person employed by, or associated with, any enterprise . . . to conduct or participate in, directly or indirectly, the affairs of the enterprise through a pattern of criminal activity."

132. Further, 14 V.I.C. § 605(d) provides that "[i]t is unlawful for any person to conspire or attempt to violate, either directly or through another or others, the provisions of section 605, subsections (a), (b), and (c)."

133. Pursuant to 14 V.I.C. § 607(a), an aggrieved person may institute civil proceedings

against any person to obtain relief from a violation of § 605.

134. Pursuant to 14 V.I.C. § 607(c), any person directly or indirectly injured by conduct constituting a violation of § 605 is entitled to treble damages for the injury that person sustained. The statute provides that such damages, among other things, are not limited to competitive or distinct injury.

135. The USVI has recognized that “in addition to the more traditional criminal offenses, sophisticated criminal activity can involve the illegal manipulation of legitimate business and other enterprises by the use of fraudulent schemes and practices.” 14 V.I.C. § 603(b). Furthermore, CICO expressly contemplates liability for persons located outside the Territory. 14 V.I.C. § 607(f) (“Personal service of any process in a proceeding or action under this section may be made upon any person outside the Territory of the Virgin Islands if the person was a principal in any conduct constituting a violation of this chapter in this Territory.”).

136. Defendants were members of an unlawful enterprise whose purpose was to damage the operations, performance, existing and prospective contracts and business relations, and good will of Ocwen/Altisource.

137. At all times relevant, the enterprise conspired to, attempted to engage in, and engaged in repeated concerted acts of intentional misconduct designed to destroy Ocwen/Altisource and the strategic relationships among the companies, and to improperly force foreclosures on homeowners, including by, among other things, (i) maliciously disseminating knowingly false conclusions in the Fraudulent Default Notice; (ii) repeatedly publicizing other fraudulent claims concerning Ocwen/Altisource, including allegations of improperly taking money, improper modifications and poor quality servicing; (iii) short selling intended to damage Ocwen/Altisource; and (iv) attempting to pressure Ocwen to employ a sham discount rate in

calculating NPV to increase foreclosures.

138. Defendants' intentional misconduct in furtherance of their unlawful enterprise violated Virgin Islands law, including:

- a. 14 V.I.C. § 834 (penalizing any person who “knowingly and designedly, by false or fraudulent representation or pretenses, defrauds any other person of money or property”);
- b. 14 V.I.C. § 833 (penalizing, among other things, any “party . . . to any bond [or] . . . contract or conveyance . . . had, made or contrived, with intent to deceive and defraud others, or to defeat, hinder, or delay . . . others of their just debts, damages, or demands”); and
- c. 14 V.I.C. § 1089 (penalizing, among others, any “officer, director, . . . attorney, or agent of any association, or *corporation* (public *or private*), [who] fraudulently appropriates to any use or purpose not in the due and lawful execution of his trust, any property which he has in his possession or under his control by virtue of his trust, or secretes it with a fraudulent intent to appropriate it to such use or purpose.) (emphasis added).⁸

139. By attempting and conspiring to violate, and in fact violating Title 14, Chapter 41, and Title 14, Chapter 55, Defendants' misconduct constituted “criminal activity” as defined in 14 V.I.C. § 604(e).

140. Defendants' participation in this unlawful enterprise constituted a pattern of criminal activity violated 14 V.I.C. § 605(a).

141. As a direct and proximate result of Defendants' criminal activity and violations of 14 V.I.C. §§ 605(a) and 605(d), Shareholder Plaintiffs suffered significant indirect injury, including but not limited to lost value of their stock holdings.

142. Defendants' misconduct was outrageous and generally culpable, beyond the bounds of industry standards and not justifiable under the circumstances.

⁸ While the Court “sustained” Plaintiffs' objection to the Staff Master's conclusions regarding the predicate acts, 12/4 Order at 26, Plaintiffs are not clear whether the 12/4 Order permits pleading 14 V.I.C. §§ 651 and 652 as additional predicate acts at this time. For the avoidance of doubt, Plaintiffs intend to pursue those predicate acts in discovery and at trial for purposes of both Counts I and II.

143. Accordingly, Shareholder Plaintiffs are entitled to all civil remedies permitted to an aggrieved person pursuant to 14 V.I.C. § 607, including statutory treble damages, for the damages caused by Defendants' unlawful criminal enterprise.

COUNT II

CICO (Altisource USVI against All Defendants)

144. All of the preceding allegations are repeated and re-alleged as if fully set forth herein.

145. 14 V.I.C. § 605(a) provides in part that “[i]t is unlawful for any person employed by, or associated with, any enterprise . . . to conduct or participate in, directly or indirectly, the affairs of the enterprise through a pattern of criminal activity.”

146. Further, 14 V.I.C. § 605(d) provides that “[i]t is unlawful for any person to conspire or attempt to violate, either directly or through another or others, the provisions of section 605, subsections (a), (b), and (c).”

147. Pursuant to 14 V.I.C. § 607(a), an aggrieved person may institute civil proceedings against any person to obtain relief from a violation of § 605.

148. Pursuant to 14 V.I.C. § 607(c), any person directly or indirectly injured by conduct constituting a violation of § 605 is entitled to treble damages for the injury that person sustained. The statute provides that such damages, among other things, are not limited to competitive or distinct injury.

149. The USVI has recognized that “in addition to the more traditional criminal offenses, sophisticated criminal activity can involve the illegal manipulation of legitimate business and other enterprises by the use of fraudulent schemes and practices.” 14 V.I.C. § 603(b). Furthermore, CICO expressly contemplates liability for persons located outside the Territory. 14

V.I.C. § 607(j) (“Personal service of any process in a proceeding or action under this section may be made upon any person outside the Territory of the Virgin Islands if the person was a principal in any conduct constituting a violation of this chapter in this Territory.”).

150. Defendants were members of an unlawful enterprise whose purpose was to damage the operations, performance, existing and prospective contracts and business relations, and good will of Ocwen/Altisource.

151. At all times relevant, the enterprise engaged in repeated concerted acts of intentional misconduct designed to destroy Ocwen/Altisource and the strategic relationships among the companies, and to improperly force foreclosures on homeowners, including by, among other things, (i) maliciously disseminating knowingly false conclusions in the Fraudulent Default Notice; (ii) repeatedly publicizing other fraudulent claims concerning Ocwen/Altisource, including allegations of improperly taking money, improper modifications and poor quality servicing; (iii) short selling intended to damage Ocwen/Altisource; and (iv) attempting to pressure Ocwen to employ a sham discount rate in calculating NPV to increase foreclosures.

152. Defendants’ intentional misconduct in furtherance of their unlawful enterprise violated Virgin Islands law, including:

- a. 14 V.I.C. § 834 (penalizing any person who “knowingly and designedly, by false or fraudulent representation or pretenses, defrauds any other person of money or property”);
- b. 14 V.I.C. § 833 (penalizing, among other things, any “party . . . to any bond [or] . . . contract or conveyance . . . had, made or contrived, with intent to deceive and defraud others, or to defeat, hinder, or delay . . . others of their just debts, damages, or demands”); and
- c. 14 V.I.C. § 1089 (penalizing, among others, any “officer, director, . . . attorney, or agent of any association, or *corporation* (public *or private*), [who] fraudulently appropriates to any use or purpose not in the due and lawful execution of his trust, any property which he has in his possession or under his control by virtue of his trust, or secretes it with a fraudulent intent to appropriate it to such use or purpose.)

(emphasis added).

153. By attempting and conspiring to violate, and in fact violating Title 14, Chapter 41 and Title 14, Chapter 55, Defendants' misconduct constituted "criminal activity" as defined in 14 V.I.C. § 604(e).

154. Defendants' participation in this unlawful enterprise constituted a pattern of criminal activity violated 14 V.I.C. § 605(a).

155. As a direct and proximate result of Defendants' criminal activity and violations of 14 V.I.C. §§ 605(a) and 605(d), Altisource USVI suffered significant injury, including but not limited to lost value of its stock and injury to its operations, performance, existing and prospective contracts and business relations, and good will.

156. Defendants' misconduct was outrageous and generally culpable, beyond the bounds of industry standards and not justifiable under the circumstances.

157. Accordingly, Altisource USVI is entitled to all civil remedies permitted to an aggrieved person pursuant to 14 V.I.C. § 607, including statutory treble damages, for the damages caused by Defendants' unlawful criminal enterprise.

COUNT III

TORTIOUS INTERFERENCE WITH CONTRACT (Altisource USVI against All Defendants)

158. All of the preceding allegations are repeated and re-alleged as if fully set forth herein.

159. As detailed above, Altisource USVI, Ocwen, the REIT, HLSS and ASPS had contracts and strategic relationships with each other and third parties concerning asset management, real estate management, financing and the servicing of mortgages, including mortgages for homeowners in the USVI.

160. The Defendants were aware of these contracts and the strategic relationships that were reasonably likely to lead to an economic benefit and to other third parties entering into additional or more lucrative contracts with Altisource USVI and its affiliates, including the REIT.

161. In an effort to profit by preventing Ocwen from carrying out loan modifications, the Defendants intentionally interfered with these contracts and targeted Ocwen/Altisource for destruction through improper and wrongful means, and for improper purposes contrary to governmental and other policies prohibiting premature foreclosures, including by making false representations concerning improperly taking money, improper modifications and improper servicing, and by short selling as part of an undisclosed criminal scheme intended to damage Ocwen/Altisource.

162. Defendants' wrongful conduct resulted in termination of business for Ocwen/Altisource, including the termination of Ocwen's contracts as servicer by Wells Fargo in March 2015.

163. Defendants sought to, among other things, force foreclosures on tens, if not hundreds, of thousands of homeowners solely in order for Defendants to earn ill-gotten gains. That conduct was (i) outrageous and motivated by evil intent and/or reckless indifference to the rights of others; (ii) beyond the bounds of industry standards; and (iii) not justifiable under the circumstances. Punitive damages should be imposed on Defendants to punish them for their misconduct.

164. As a direct and proximate result of result of the improper and wrongful interference of the Defendants, Altisource USVI suffered damages in an amount to be proven at trial.

COUNT IV

TORTIOUS INTERFERENCE WITH PROSPECTIVE ADVANTAGE (Altisource USVI against All Defendants)

165. All of the preceding allegations are repeated and re-alleged as if fully set forth herein.

166. As detailed above, Altisource USVI, Ocwen, the REIT, HLSS and ASPS had business relations, including strategic relationships, with each other and third parties that were reasonably likely to lead to an economic benefit and to other third parties entering into additional or more lucrative contracts with Altisource USVI and its affiliates, including the REIT.

167. The Defendants were aware of these prospective economic benefits, strategic relationships, and anticipated contracts.

168. In an effort to profit by preventing Ocwen from carrying out loan modifications, the Defendants intentionally interfered with these relationships and anticipated contracts, including Ocwen's efforts to acquire additional MSRs from Wells Fargo and others, through improper and wrongful means, including by making false representations concerning improperly taking money, improper modifications, and improper servicing, and by short selling as part of an undisclosed criminal scheme intended to damage Ocwen/Altisource.

169. Defendants sought to, among other things, force foreclosures on tens, if not hundreds, of thousands of homeowners solely in order for Defendants to earn ill-gotten gains. That conduct was (i) outrageous and motivated by evil intent and/or reckless indifference to the rights of others; (ii) beyond the bounds of industry standards; and (iii) not justifiable under the circumstances. Punitive damages should be imposed on Defendants to punish them for their misconduct.

170. As a direct and proximate result of the improper and wrongful interference of the

Defendants, Altisource USVI suffered damages in an amount to be proven at trial.

COUNT V

**PRIMA FACIE TORT
(RESTATEMENT (SECOND) OF TORTS § 870)
(Altisource USVI against All Defendants)**

171. All of the preceding allegations are repeated and re-alleged as if fully set forth herein.

172. Each of the Defendants intentionally took the aforesaid actions, including false statements and short selling, to damage the business and property of Ocwen/Altisource.

173. Each of the Defendants intended that their actions would cause harm to Altisource USVI. There was no valid business reason for Defendants' conduct. Their goal was to damage Ocwen/Altisource.

174. Defendants knew that their actions would cause harm to Altisource USVI.

175. Defendants' unprecedented misconduct, which was aimed at destroying USVI-based companies and targeted unrelated homeowners by forcing unnecessary foreclosures, cannot be redressed through other common law torts.

176. Defendants sought to, among other things, force foreclosures on tens, if not hundreds, of thousands of homeowners solely in order for Defendants to earn ill-gotten gains. That conduct was (i) outrageous and motivated by evil intent and/or reckless indifference to the rights of others; (ii) beyond the bounds of industry standards; and (iii) not justifiable under the circumstances. Punitive damages should be imposed on Defendants to punish them for their misconduct.

177. As a direct and proximate result of the outrageous actions of the Defendants, Altisource USVI suffered damages in an amount to be proven at trial.

COUNT VI

**CIVIL CONSPIRACY
(Altisource USVI against All Defendants)**

178. All of the preceding allegations are repeated and re-alleged as if fully set forth herein.

179. Defendants engaged in the aforesaid tortious acts, including false statements and short selling, in concert with each other pursuant to a common objective and design.

180. Each Defendant gave substantial assistance or encouragement to the other Co-Defendants in accomplishing a tortious result.

181. Defendants sought to, among other things, force foreclosures on tens, if not hundreds, of thousands of homeowners solely in order for Defendants to earn ill-gotten gains. That conduct was (i) outrageous and motivated by evil intent and/or reckless indifference to the rights of others; (ii) beyond the bounds of industry standards; and (iii) not justifiable under the circumstances. Punitive damages should be imposed on Defendants to punish them for their misconduct.

182. As a direct and proximate result of the misconduct by Defendants, Altisource USVI suffered damages in an amount to be proven at trial.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for judgment against all Defendants, jointly and severally, as follows:

- A. Awarding compensatory damages in an amount to be proven at trial;
- B. Awarding treble damages pursuant to 14 V.I.C. § 607.
- C. Awarding punitive damages at the maximum amount permitted by law;
- D. Awarding prejudgment interest, as well as reasonable attorneys' fees and other costs;

and

E. Awarding such other relief as this Court may deem just and proper.

A Jury Trial is Demanded as to All Issues.

Dated: December 18, 2023

/s/ Gordon C. Rhea
Gordon Rhea, Esq. (Bar #220)
Gordon C. Rhea, P.C.
1533 Appling Drive
Mount Pleasant, SC 29464
grhea@rpwb.com
Tel: (340) 244-8768
Fax: (843) 216-6509

Joel H. Holt, Esq. (Bar #6)
Law Offices of Joel H. Holt
2132 Company Street,
Christiansted, VI 00820
holtvi@aol.com
Tel: (340) 773-8709
Fax: (340) 773-8677

Nicholas Cutaia, Esq. (admitted *pro hac vice*)
Charles Jacob, Esq. (admitted *pro hac vice*)
Adam J. Safer, Esq. (admitted *pro hac vice*)
Isabel P. Sukholitsky, Esq. (admitted *pro hac vice*)
Goulston & Storrs PC
730 Third Avenue, 12th Floor
New York, NY 10017
ncutaia@goulstonstorrs.com
cjacob@goulstonstorrs.com
asafer@goulstonstorrs.com
isukholitsky@goulstonstorrs.com
Tel: (212) 878-5065

Counsel for Plaintiffs

14 V.I.C. § 607 Certification

Counsel hereby certifies that he has affixed his signature hereto pursuant to the requirements of 14 V.I.C. § 607(d) and has sent a true copy to the Attorney General as required by § 607(f).

Dated: December 18, 2023

/s/ Gordon C. Rhea
Gordon Rhea, Esq. (Bar #220)
Gordon C. Rhea, P.C.
1533 Appling Drive
Mount Pleasant, SC 29464
grhea@rpwb.com
Tel: (340) 244-8768
Fax: (843) 216-6509

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 18th day of December, 2023, I caused the foregoing Motion to be served by email as agreed between the Parties on Counsel for the Defendants:

Counsel for the Blackrock Defendants:

Maria Tankenson Hodge, Esq.
Hodge and Hodge
1340 Taarneberg
St. Thomas, Virgin Islands 00802
maria@hodgelawvi.com
Phone: (340) 774-6845, Ext: 110

Mark A. Kirsch, Esq.
King & Spalding LLP
1185 Avenue of the Americas 34th Floor
New York, NY 10036
MKirsch@kslaw.com
Tel: (212) 790-5329

Christopher M. Joralemon, Esq.
Jefferson Bell, Esq.
Gibson Dunn & Crutcher, LLP
200 Park Avenue
New York, NY 10166
cjoralemon@gibsondunn.com
jbelle@gibsondunn.com
Tel: (212) 351-4000

Counsel for the PIMCO Defendants:

Kevin F. D'Amour, Esq.
Gaylin Vogel, Esq.
Barnes, D'Amour & Vogel
P.O. Box 10829
St. Thomas, VI 00801
Tel: (340) 774-8188
Kevin.damour@comcast.net
Gaylin.vogel@comcast.net


John C. Ertman
Ertman Dulis & Helisek PLLC
112 W. 34th St. 18th Fl.
New York, New York 10120
john.ertman@ertmanlaw.com
Tel: (917) 846-3603 / M. (908) 337-8063

/s/ Gordon C. Rhea, Esq.

VERIFICATION

I, William C. Erbey, in my capacity as (i) President of Erbey Holding Corporation, (ii) Trustee of the Frederiksted Trust; (iii) Trustee of the Christiansted Trust; (iv) General Partner of the Tribue Limited Partnership; and (v) interim Chief Executive Officer of Altisource Asset Management Corporation, based on belief after reasonable inquiry, verify under penalty of perjury, on behalf of Plaintiffs Erbey Holding Corporation, Salt Pond Holdings LLC, Tribue Limited Partnership and Altisource Asset Management Corporation, that the foregoing is true and correct.

Executed on: December 18, 2023



William C. Erbey

VERIFICATION

I, John R. Erbey, in my capacity as (i) President of Jupiter Capital, Inc. and (ii) a member of Venia LLC, based on belief after reasonable inquiry, verify under penalty of perjury under the laws of the United States Virgin Islands, on behalf of Plaintiffs John R. Erbey Family Limited Partnership, Munus L.P., and Carisma Trust, that the foregoing is true and correct.

Executed on: December 15, 2023



John R. Erbey