

**SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK**

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**THE PEOPLE OF THE STATE OF NEW YORK,  
by LETITIA JAMES, Attorney General of the  
State of New York,**

**Petitioner,**

**-against-**

**AMENDED VERIFIED  
PETITION**

**Index No. 452357/2020**

**IAS Part 37**

**Hon. Arthur F. Engoron**

**LEASING EXPENSES COMPANY LLC;  
NLS EQUIPMENT FINANCE LLC;  
LEONARD MEZEI; ARIEL SCHACHTER;  
SARA KRIEGER; JAY COHEN;  
SARA Yael ELIAS COHEN, AS TRUSTEE  
OF THE JUNE 1, 2018 COHEN GST TRUST;  
DANIELA RACHEL COHEN, AS TRUSTEE  
OF THE JUNE 1, 2018 COHEN GST TRUST;  
MIRIAM ABRAMS, AS TRUSTEE OF THE  
JUNE 1, 2018 MEZEI GST TRUST;  
AMY FRIEDMAN, AS TRUSTEE OF THE  
JUNE 1, 2018 MEZEI GST TRUST;  
ANDREW MEZEI, AS TRUSTEE OF THE  
JUNE 1, 2018 MEZEI GST TRUST;  
FIELDSTON CAPITAL LLC;  
JS VENTURES HOLDINGS LLC;  
JOHN DOES 1-10.**

**Respondents.**

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The People of the State of New York, by their attorney, LETITIA JAMES, Attorney General of the State of New York, respectfully allege, upon information and belief:

### **INTRODUCTION**

1. The Attorney General brings this action to enjoin Respondents from attempting to enforce fraudulent equipment finance leases that were rescinded by a Decision and Order of this Court in *People v. Northern Leasing Systems, Inc.*, Index No. 450460/2016 (NYSCEF Doc. No. 941) (hereinafter “Northern Leasing Decision and Order”). Although the Northern Leasing Decision and Order was filed on June 8, 2020, the Respondents are continuing to enforce rescinded leases, resulting in fraudulent collections of potentially hundreds of thousands of dollars every month.

2. The Attorney General also seeks to enjoin Respondents from using two new entities (Leasing Expenses Company LLC and NLS Equipment Finance LLC) to continue the fraudulent scheme enjoined by the Northern Leasing Decision and Order. Respondents created both of these entities in or around 2018 or 2019 as part of the same common enterprise and fraudulent scheme that was the subject of the prior proceedings. However, the Attorney General was not aware of the existence of either of these entities until after receiving and investigating complaints submitted by defrauded lessees since the Northern Leasing Decision and Order.

3. In the Northern Leasing Decision and Order, the Honorable Lucy Billings, Justice of the New York State Supreme Court (New York County), granted summary determination in favor of a petition brought by the Attorney General and the Deputy Chief Administrative Judge for New York City Courts alleging fraud and other claims against parties including Northern

Leasing Systems, Inc. and its affiliated entities (“Northern Leasing”) as well as one of Northern Leasing’s principals Jay Cohen (“Cohen”) (collectively the “Northern Respondents”).<sup>1</sup>

4. The Attorney General filed the prior proceeding in April 2016 alleging that the Northern Respondents targeted small, family-owned businesses (such as flower shops, hair salons, automotive repair shops, bodegas, delis and restaurants), and trapped them into exorbitantly priced, never-ending lease agreements for credit card processing equipment. The lawsuit further alleged that Northern Leasing abused the judicial process by suing to collect on these leases in the Civil Court of the City of New York, and sought to vacate default judgments obtained by fraud, deception, or other improper means.

5. After four years of extensive litigation, including the Attorney General’s submission of hundreds of customer affidavits attesting to the deceptive and fraudulent practices used to create the Northern Respondents’ equipment finance leases (“EFLs”), the Court found the Northern Respondents liable under N.Y. Executive Law § 63(12) for engaging in “repeated and persistent fraud.” In particular, the Court found the Northern Respondents directly liable for “accepting and enforcing” EFLs that had been generated by independent sales organizations (“ISOs”) around the country, because the Northern Respondents’ “chosen method of procuring [equipment finance leases (“EFLs”)] both is deceptive in itself and has created an enterprise conducive to fraud.”

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<sup>1</sup> The full list of Northern Respondents in the prior action included Northern Leasing Systems, Inc.; Lease Finance Group LLC; MBF Leasing LLC; Lease Source-LSI, LLC, a/k/a Lease Source, Inc.; Golden Eagle Leasing LLC; Pushpin Holdings LLC; Jay Cohen, a/k/a Ari Jay Cohen, individually, as a principal of Northern Leasing Systems, Inc., as a member of Lease Finance Group LLC, and as an officer of Pushpin Holdings LLC; and Neil Hertzman, individually and as an officer of Northern Leasing Systems, Inc. (collectively the “Northern Respondents”). The petitioners also sought and were awarded relief against the Northern Respondents’ attorneys Joseph I. Sussman, P.C., Joseph I. Sussman and Eliyahu R. Babad (collectively the “Attorney Respondents”).

6. The Court's Decision elaborated on the fraudulent practices which pervaded the Northern Respondents' leases, stating that

The Northern Leasing respondents' failure to oversee the ISOs and to assess any meaningful penalty against them for presenting a fraudulent EFL has created an enterprise conducive to fraud. The forgeries, material misrepresentations, and non-cancelable EFLs even when the leased equipment is never delivered, does not function, or is returned would never occur but for the Northern Leasing respondents creating their market for the ISOs, through their commissions, and then washing their hands of the ISOs' conduct. Given the number of lessees' complaints about similar ISO misconduct, the Northern Leasing respondents were on notice that securing EFLs through the ISOs was conducive to fraud. That knowledge sustains petitioners' fraud claim.

More fundamentally, it is difficult to discern the "service" that the Northern Leasing respondents claim to provide by financing equipment worth a few hundred dollars for thousands of dollars over several years. The Northern Leasing respondents retain title to the equipment, but disclaim any warranty of the equipment, require the lessees to insure it, and leave responsibility for repairing or replacing defective equipment to the ISOs over which the Northern Leasing respondents retain no control.

Northern Leasing Decision and Order at 24-26 (citations omitted).

7. The Court ordered sweeping relief to remedy Northern Leasing's many years of fraudulent conduct, and to prevent Northern Leasing from engaging in any further fraud. The Court permanently enjoined the Northern Respondents "from conducting the business of equipment finance leasing or collection of debts under equipment finance leases and from purchasing, financing, transferring, servicing, or enforcing equipment finance leases." Northern Leasing Decision and Order at 53. Critically for this proceeding, the Court held that "[s]ince the Northern Leasing respondents procured their equipment finance leases through fraud under Executive Law § 63(12), the court rescinds their equipment finance leases entered from April 11, 2013, to the present."<sup>2</sup> *Id.*

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<sup>2</sup> The Court also granted other relief including restitution of all funds collected from lessees and lease guarantors since April 11, 2013; the vacatur of over 30,000 default judgments acquired against out-of-state fraud victims in New York City Civil Court; the disgorgement of all fees paid to Northern Leasing's attorneys; and the dissolution of Northern Leasing Systems, Inc.

8. Respondents are nonetheless using a new entity named Leasing Expenses Company LLC (“Leasing Expenses Company”) to continue to enforce fraudulent equipment finance leases that were rescinded by the Court’s Order and to make unauthorized withdrawals from the bank accounts of unsuspecting small business owners and their families based on leases that have been null and void since June 8, 2020. Respondents have brazenly made and continue to make these unauthorized withdrawals from lessees’ bank accounts without their consent or knowledge.

9. Respondents are also using a new entity named NLS Equipment Finance LLC (“NLS Equipment Finance”) to continue Northern Leasing’s fraudulent scheme. Respondents created this entity to originate and collect on fraudulent equipment finance leases that are essentially identical to the leases rescinded by the Northern Leasing Decision and Order. Respondents failed to disclose the existence of this new entity to either the Attorney General or the Court during the Northern Leasing proceedings.

10. Leasing Expenses Company and NLS Equipment Finance are alter egos of the Northern Respondents. They share owners, officers, directors and personnel with the Northern Respondents. They are commingling funds with each other and appear to be directing lease proceeds to the owners of Northern Leasing. They also share phone numbers and other contact information with the Northern Respondents, so that people who contact these new entities believe that they are communicating with the Northern Respondents. Complaints from Northern Leasing’s victims express disbelief that they are still losing money to Respondents’ fraudulent scheme despite the sweeping injunction issued by the Court.

11. The Attorney General now brings this proceeding to enjoin these ongoing violations of the Court’s Decision and Order. The Respondents named in this petition are

entities created and staffed by Northern Leasing's owners, officers, directors and personnel, as well as those individuals themselves. These Respondents are continuing Northern Leasing's fraudulent scheme to the financial detriment of lessees despite the clear order of this Court.

### **PARTIES**

12. Petitioner is the People of the State of New York, by its attorney, Letitia James, the Attorney General of the State of New York.

13. Respondent Leasing Expenses Company is a Delaware Limited Liability Company formed on June 20, 2019. Leasing Expenses Company's bank account statements for the period prior to July 15, 2020 list its address as 525 Washington Blvd, Floor 15, Jersey City, NJ 07310, which was also an address of Northern Leasing at that time. Its bank account statements since July 16, 2020 list its address as 250 West 90<sup>th</sup> Street, Apt. 10C, New York, NY 10024, which public records show as an address that also belongs to Respondent Ariel Schachter, who as set forth below, was an officer of Northern Leasing Systems, Inc. Leasing Expenses Company was initially half-owned by the June 1, 2018 Cohen GST Trust and half-owned by the June 1, 2018 Mezei GST Trust. On or about June 18, 2020, the Cohen and Mezei families transferred their ownership of this LLC to Respondent Schachter.

14. Respondent NLS Equipment Finance is a Delaware Limited Liability Company that was formed on February 5, 2018. Its website lists its address as 1333 Burr Ridge Parkway, Suite 200, Burr Ridge IL 60527-0833.<sup>3</sup> NLS Equipment Finance is half-owned by the June 1, 2018 Cohen GST Trust and (upon information and belief) is half-owned by the June 1, 2018 Mezei GST Trust.

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<sup>3</sup> MBF Leasing, which was one of the Northern Respondents, has also been identified in public records as using an address at a different location in Burr Ridge, IL.

15. Respondent Leonard Mezei (“Mezei”) was the founding financier behind Northern Leasing and the principal investor (along with his business partner Jay Cohen) in the Northern Respondents. Upon information and belief, Mezei and/or trusts or other entities affiliated with Mezei are currently owners, investors and/or principals in Leasing Expenses Company and NLS Equipment Finance. Specifically, a trust created by Mezei for the benefit of his family members is currently a 50% owner of NLS Equipment Finance, and was previously a 50% owner of Leasing Expenses Company. In addition, entities affiliated with Mezei continue to receive payments from and do business with Leasing Expenses Company.

16. Respondent Ariel Schachter (“Schachter”) was an officer of Northern Leasing Systems Inc. until June 2020. Schachter is currently a manager of NLS Equipment Finance, and is a manager, member and the sole individual listed as signatory for Leasing Expenses Company bank accounts.

17. Respondent Sara Krieger (“Krieger”) served as an officer of Northern Leasing Systems, Inc., Lease Finance Group, LLC, Golden Eagle Leasing LLC and MBF Leasing LLC until June 2020. NLS Equipment Finance’s website lists Krieger as its Vice President of Operations. She is also a Manager of Leasing Expenses Company.

18. Respondent Jay Cohen (“Cohen”) is the principal of Northern Leasing and a named respondent in the prior proceeding. Cohen was described as NLS Equipment Finance’s CEO in a press release dated May 16, 2019 that was issued by Bryant Park Capital to announce that it had closed a \$20 million secured credit facility for the company.<sup>4</sup> Cohen’s counsel has denied that Cohen ever served in that capacity but has admitted to the Attorney General that

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<sup>4</sup> See <https://www.accesswire.com/545548/Bryant-Park-Capital-Arranges-20-Million-Senior-Secured-Credit-Facility-For-NLS-Equipment-Finance-LLC> (last visited Nov. 13, 2020).

Cohen “did assist NLS Equipment Finance LLC in a manner consistent with a consultant from time to time prior to June 8, 2020.” Cohen played or plays an unknown role in the operations of Leasing Expenses Company.

19. Respondents Sara Yael Elias Cohen and Daniela Rachel Cohen are Jay Cohen’s children and trustees of the June 1, 2018 Cohen GST Trust, which is a generation skipping trust with Jay Cohen’s children as beneficiaries and which holds a 50% membership interest in NLS Equipment Finance, and which previously held a 50% membership interest in Leasing Expenses Company.

20. Respondents Miriam Abrams, Amy Friedman and Andrew Mezei are Leonard Mezei’s children and trustees of the June 1, 2018 Mezei GST Trust, which upon information and belief holds a 50% membership interest in NLS Equipment Finance, and which previously held a 50% membership interest in Leasing Expenses Company.

21. Respondent Fieldston Capital LLC (“Fieldston Capital”) is a limited liability company that receives funds from Leasing Expenses Company. Public records list Respondent Mezei as a Manager of Fieldston Capital.

22. Respondent JS Ventures Holdings LLC (“JS Ventures”) is a Delaware limited liability company that receives funds from Leasing Expenses Company. Respondent Jay Cohen was the Manager of JS Ventures when it was formed. JS Ventures shares contact information with Northern Leasing: it is also located at 525 Washington Blvd., 15th Floor, Jersey City NJ 07310, and bank statements are sent to Lilibeth Pascua who uses the email address [beth.pascua@northernleasing.com](mailto:beth.pascua@northernleasing.com).

23. Respondents John Doe 1-10 are unknown owners, officers, directors and personnel of Leasing Expenses Company and NLS Equipment Finance.

### JURISDICTION

24. This Court has jurisdiction pursuant to Executive Law § 63(12) which authorizes the Attorney General to bring an action for injunctive relief, restitution, damages, disgorgement, and costs on behalf of the People of the State of New York “[w]henver any person shall engage in repeated fraudulent or illegal acts or otherwise demonstrate persistent fraud or illegality in the carrying on, conducting or transaction of business.”

### FACTUAL ALLEGATIONS

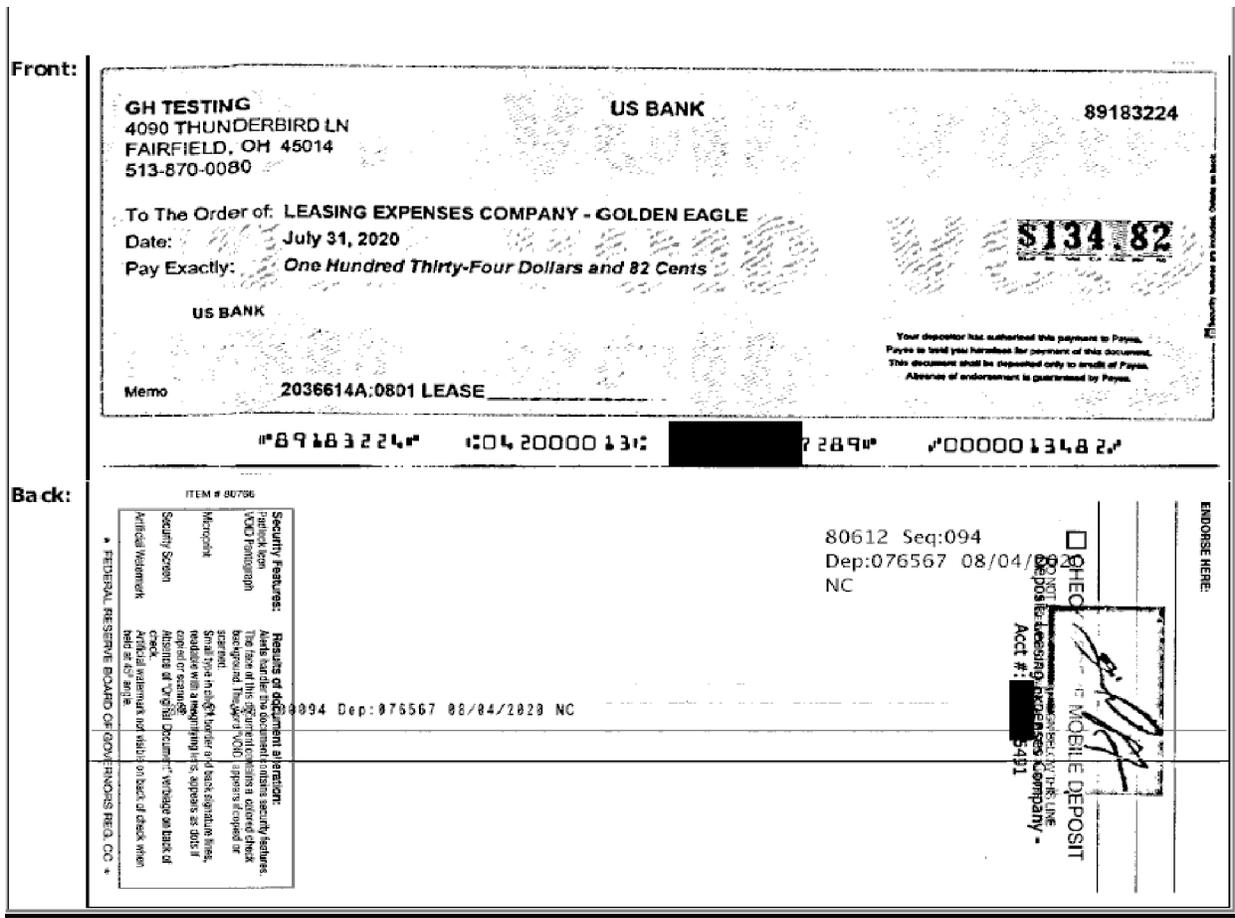
#### Leasing Expenses Company LLC is Fraudulently Enforcing Rescinded Leases in Defiance of the Northern Leasing Decision and Order

25. Respondents are subjecting individuals who were previously paying on leases to the Northern Respondents to unauthorized withdrawals, even though their leases were rescinded by the Northern Leasing Decision and Order. At times, these withdrawals were made by an entity named “Leasing Expenses Company” that the individual lessees had never heard of before.

26. As reflected in two recent affidavits submitted to the Attorney General, Leasing Expenses Company generated checks using individuals’ account information without their authorization. In both cases, the checks were used to take money from lessees who had been defrauded by the Northern Respondents, and who were making lease payments to the Northern Respondents up until the Northern Leasing Decision and Order. As these images show, both checks (which are also attached to the accompanying affidavits of Joanna Borrego and Perry Hock) were used to deposit unauthorized funds into the same Leasing Expenses Company account (Citibank account ending in 5491):

<b>PARADISO DELCATESSEN</b>		<b>CHASE</b>	<b>89194406</b>
791 AUZERAIS AVE SAN JOSE, CA 95126 408-295-6459			
			<b>DATE 07/31/2020</b>
<b>PAY EXACTLY</b>	One Hundred Thirty-Seven Dollars and 46 Cents		
			<b>\$137.46</b>
<b>TO THE ORDER OF</b>	LEASING EXPENSES COMPANY -MBF LEASING 111 Town Square Place 12th floor Jersey City, NJ 07310		
	CHASE		
<b>MEMO</b>	2033182:0801 LEASE P		
<small>Your depositor has authorized this payment to Payee. Payee to hold you harmless for payment of this document. This document shall be deposited only to credit of Payee. Absence of endorsement to guarantee by Payee.</small>			
*89194406*    *322271627*    *1405*    *000013746*			

ITEM # 80789		80612 Seq:022 Dep:076575 08/04/2020 NC	ENDORSE HERE:
<p><b>Security Features:</b></p> <p>Microprint</p> <p>Security Sequences</p>	<p><b>Results of detection:</b></p> <p>Microprint: Pass</p> <p>Security Sequences: Pass</p>	<p>80612 Dep: 076575 08/04/2020 NC</p>	<p><input checked="" type="checkbox"/> CHECK</p> <p>Deposit: Leasing Expenses Company -MBF</p> <p>FDIC</p> <p>Acct #: [REDACTED]</p> <p>5491 REC</p> <p><i>[Signature]</i></p>



27. Both of the leases identified by lease number in the above images were identified in the Northern Respondents' post-Decision accounting of leases that are eligible for restitution payments. In addition, both leases were originated after April 11, 2013. Therefore, both leases were rescinded by the Northern Leasing Decision and Order, and it is fraudulent for any party (much less an alter ego of the Northern Respondents) to collect unauthorized payments based on these leases.

28. The first check corresponds to lease number 2033182, which was signed in May 2016 by the late Anthony Paradiso. At the time that Mr. Paradiso signed this 60-month equipment finance lease, he was 87 years old and preparing to close his family's deli. He and his

family members nonetheless made monthly payments to MBF Leasing (one of the named Northern Respondents) even after his death in March 2020 because the Northern Respondents would not cancel his lease.

29. Respondents, however, fraudulently continued to withdraw money from Mr. Paradiso's bank account even after Mr. Paradiso's lease was rescinded by the Northern Leasing Decision and Order. Some of these withdrawals were made by Leasing Expenses Company, including the one made through the unauthorized check shown above. Others (as recently as November 2, 2020) were made in the name of MBF Leasing, even though MBF Leasing was enjoined from lease collections by the Northern Leasing Decision and Order. These withdrawals are described in more detail in the accompanying affidavit of Mr. Paradiso's granddaughter Joanna Borrego.

30. Ms. Borrego had spoken with MBF Leasing about her grandfather's lease before his death. She tried again to reach them by phone at the number listed on their monthly statements (866-781-0440) during the Summer of 2020, in part to find out why they had stopped sending her monthly invoices, but nobody would answer or return her voicemail messages. She subsequently called the same phone number on or about November 2, 2020 and spoke to a customer service representative whom she believed worked for MBF to complain about their unauthorized withdrawals from her grandfather's account.

31. On or about November 11, 2020, Ms. Borrego received for the first time a written monthly invoice under the name "Leasing Expenses Company" that was sent to her late grandfather's long-closed Paradiso Delicatessen. The invoice used the same lease number as her grandfather's original lease documents and the prior MBF Leasing monthly invoices; purported to demand collections on this rescinded lease; and is further proof that Leasing Expenses

Company is currently attempting to collect money in violation of the Northern Leasing Decision and Order. (An affidavit of Joanna Borrego, Mr. Paradiso's granddaughter, attesting to these facts is annexed to the Affirmation of Mark Ladov ("Ladov Aff.") as Exhibit AA.)

32. The second check shown above (made out to "Leasing Expenses Company – Golden Eagle") was discovered by Perry Hock in August 2020 when he was reconciling his small business's checking account. Mr. Hock had never heard of Leasing Expenses Company and did not understand how it had obtained his account information to create this check. Leasing Expenses Company repeatedly hung up on Mr. Hock when he tried to contact them, and Mr. Hock is in the process of changing his business's bank account to prevent further fraudulent withdrawals.

33. Mr. Hock later came to understand that this check (which was dated July 31, 2020) related to his equipment finance lease with Capital A Leasing. Capital A Leasing was one of Northern Leasing's affiliated entities, Golden Eagle (identified on the check) was a Northern Respondent, and Mr. Hock's lease was identified in the Northern Respondents' post-Decision accounting as eligible for restitution. Therefore, this lease (which was originated in August 2016) was rescinded by the Northern Leasing Decision and Order in June 2020.

34. On September 18, 2020, Mr. Hock contacted Capital A Leasing via fax and mail to provide formal notice to cancel his August 2016 lease contract. He addressed his fax to the phone number he had previously used for Capital A Leasing. In response, Mr. Hock received an email on or about October 2, 2020 from "Client.Services@nlsequipment.com" terminating "Lease 2036614A with no further monies due and the equipment does not need to be returned to us." The domain ("nlsequipment.com") sending this email is also the domain used for the

website of NLS Equipment Finance LLC. (An affidavit of Perry Hock attesting to these facts is annexed as Ladov Affirmation Ex. BB.)

35. Other complaints make similar allegations of fraudulent collection activity by Leasing Expenses Company. For example, a complaint filed on or about July 29, 2020 with the Federal Trade Commission described a mailing sent to a beauty supply store in Richmond, VA threatening a bank account withdrawal by an entity named “Leasing Expenses Company LFG.” This complainant stated that she tried to call a number provided but could only reach voicemail.

36. Similarly, a Facebook post dated November 5, 2020 in a public forum for victims of Northern Leasing reported that it “[l]ooks like Lease Finance Group LLC out of Jersey City NJ changed their name to Leasing Expenses Company with a different Jersey City address.” Other complaints posted to that Facebook page state that individuals who were defrauded by Northern Leasing are now getting collection calls again. *See* “Lease Finance Group Northern Leasing Scam/Fraud” forum page, <https://www.facebook.com/groups/126054007437062> (last visited Nov. 19, 2020).

37. Bank records for Leasing Expenses Company LLC show that Leasing Expenses Company’s mailing address for the period prior to July 15, 2020 was 525 Washington Blvd, Floor 15, Jersey City, NJ 07310, which was also an address of Northern Leasing at that time. Bank account statements for the period since July 16, 2020 list Leasing Expenses Company’s address as 250 West 90<sup>th</sup> Street, Apt. 10C, New York, NY 10024. Public records show this as an address that also belongs to Respondent Ariel Schachter, a former officer of Northern Leasing Systems.

38. Leasing Expenses Company was originally formed as a 50/50 venture between the Cohen and Mezei families and was previously co-owned by the June 1, 2018 Cohen GST

Trust and the June 1, 2018 Mezei GST Trust. The company's initial Managers were respondents Krieger and Schachter. On or about June 18, 2020, the Cohen and Mezei family trusts transferred their membership interests in the company to Ariel Schachter.

39. Leasing Expenses Company's bank records show that it first began taking in deposits after the Northern Leasing Decision and Order. Although bank records produced to date do not identify individual lease deposits, the total sums of money flowing into this account totaled hundreds of thousands of dollars. For example, Leasing Expenses Company's known accounts (including the account that withdrew money from Mr. Hock and Mr. Paradiso's accounts) received deposits totaling over \$1.5 million between July 16 and August 15, 2020.

**NLS Equipment Finance is Continuing the Northern Respondents' Fraudulent Scheme**

40. As reflected in recent consumer complaints received by the Attorney General and other law enforcement agencies (including from prior victims of Northern Leasing), NLS Equipment Finance LLC and its ISOs continue to use the same fraudulent and deceptive practices, including forgery, to trap individuals into outrageously priced non-cancelable equipment finance leases for inexpensive credit card swiping equipment as the Northern Respondents. The types of fraudulent practices alleged – including false promises of savings, false offers of a free trial, and concealing that the transaction involved a non-cancelable lease – are parallel those found in the Northern Leasing litigation.

41. The Northern Respondents have used NLS Equipment Finance LLC to originate new leases starting in at least 2019.

42. For example, café owner Kevin Kershner called Northern Leasing in approximately May 2019 to complain that he could not afford his \$500/month lease, which he

had been defrauded into in January 2016. He was told that Northern Leasing would not amend his existing lease, but that they would reduce his monthly lease payments to approximately \$300 per month if he extended his lease term by an additional year and three months. At no time was Mr. Kirshner told that extending his lease term would result in a lease with a new entity. As a result of this conversation, Mr. Kershner was given a new 24-month lease on or about May 30, 2019. Although this lease was in the name of “NLS Equipment Finance LLC,” Mr. Kershner believed that the lease was with Northern Leasing, and that he was continuing to make monthly payments to Northern Leasing.

43. Mr. Kershner made payments on this lease, even after he closed his business, until June 2020, when he attempted to contact Northern Leasing about his payments and was unable to get through or leave a message on their phone. He subsequently went online and discovered that Northern Leasing was part of an ongoing investigation and lawsuit brought by the New York State Attorney General. He filed a complaint with the Attorney General’s office and did not make a payment to Respondents in June 2020. When Mr. Kershner received his July 2020 credit card statement, he nonetheless discovered that NLS Equipment Finance had charged his credit card without his permission. Since then, Respondents have contacted Mr. Kershner by phone repeatedly to demand payment on their fraudulent lease. (An affidavit of Mr. Kershner attesting to these facts is attached as Ladov Affirmation Ex. DD.)

44. Similar complaints have been filed with other law enforcement agencies and the Better Business Bureau. These complaints are strikingly consistent with the record of hundreds of complaints against the Northern Respondents that resulted in a finding of liability for fraud in the Northern Leasing Decision and Order.

45. For example, the Illinois Attorney General (“IL AG”) has also received complaints concerning NLS Equipment Finance LLC (which uses a mailing address in Burr Ridge, IL).

46. John Ryan of Monroeville PA filed a complaint with the IL AG on or about July 8, 2020 complaining that he had been deceived into a lease with NLS Equipment Finance by a salesperson who misled him about potential savings. Mr. Ryan states that he assumed that this salesperson (like others who sold credit card processing accounts in his experience) was offering free equipment as part of their agreement. Mr. Ryan says that he only saw one page of the contracts he was told to sign, and that the salesperson never sent him copies of these contracts afterward as she had promised. He only understood the lease terms when “the contracts came in the mail on approximately 12/21/19 and for the first time I saw the exorbitant price they had me locked into for a \$300-\$400 machine.”

47. Elizabeth Hendricks of the Broken Top Candle Company in Bend, OR similarly complained to the IL AG that a sales rep deceived her company into believing that new credit card services would cost “around \$7 a month,” and convinced her company to switch to a physical card reader as part of the deal. She states that this small business then discovered that this agreement “turned out to be a completely inflexible contract for \$64.95 a month for 48 months. We don’t use it, and are just held hostage for this \$3000+ thing that was leased to us under false pretenses.” Although the company has tried to cancel this lease with NLS, “They are 100% unwilling to accept unused equipment back with a penalty even.”

48. Similar complaints have been filed with law enforcement agencies and Better Business Bureaus around the country. For example, a review of the Consumer Sentinel national database of consumer complaints hosted by the Federal Trade Commission (FTC) found multiple

complaints against NLS Equipment Finance filed with the FTC, Consumer Financial Protection Bureau, other Attorneys General and the Better Business Bureau in the past year. These complaints describe in detail the fraudulent practices used by ISOs to acquire leases for NLS Equipment Finance, including deception and forgery of electronic signatures. These complaints also describe NLS Equipment Finance's refusal to address non-working equipment and its persistent refusal to acknowledge any of these fraudulent practices or to cancel leases under these or any circumstances.

49. The Court's finding in the prior proceeding is thus equally true here: "The forgeries, material misrepresentations, and non-cancelable EFLs even when the leased equipment is never delivered, does not function, or is returned would never occur but for the Northern Leasing respondents creating their market for the ISOs, through their commissions, and then washing their hands of the ISOs' conduct." Northern Leasing Decision and Order at 25.

50. In short, these complaints show that NLS Equipment Finance is continuing to engage in the exact same fraudulent conduct that was enjoined against the Northern Respondents. Based on the evidence that NLS Equipment Finance is an alter ego of the Northern Respondents, and that it is continuing the Northern Respondents' fraudulent scheme, the Court should subject NLS Equipment Finance (and its owners, officers, directors and personnel) to the injunction and other relief set forth in the Northern Leasing Decision and Order.

**Leasing Expenses Company and NLS Equipment Finance are Alter Egos and/or Part of the Same Common Enterprise as the Northern Respondents**

51. Connections between Leasing Expenses Company, NLS Equipment Finance and the Northern Respondents show that these entities are part of a common enterprise, and that

Leasing Expenses Company and NLS Equipment Finance are also alter egos of the Northern Respondents.

52. As noted above, Leasing Expenses Company shared a mailing address with the Northern Respondents prior to the Northern Leasing Decision and Order. Since then, this entity has used the address of Northern Leasing executive Ariel Schachter as its mailing address. Schachter is also a manager of NLS Equipment Finance LLC.

53. Leasing Expenses Company and NLS Equipment Finance have used the Northern Respondents' phone numbers and other contact information and have represented themselves to the public as part of the same common enterprise, as explained in the affidavits and complaints attached to this Petition. As a result, multiple lessees have had communications and/or transactions with Leasing Expenses Company and NLS Equipment Finance while thinking that they were communicating and/or transacting with one of the Northern Respondents.<sup>5</sup>

54. NLS Equipment Finance is engaged in the same fraudulent scheme as the Northern Respondents. Its lease forms are in many respects identical in style and substance to leases used by the Northern Respondents, including that the leases state that they are non-cancelable. Although NLS Equipment Finance is based in Burr Ridge, IL (which was formerly the business address for MBF Leasing, one of the Northern Respondents), it operates identically to the Northern Respondents.

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<sup>5</sup> Sharing business assets such as customer lists and contact information potentially violates the TRO issued in the prior proceeding, which barred the Northern Respondents from dispensing of any assets for less than market value. See *People v. Northern Leasing*, No. 450460/2016, Order to Show Cause granting TRO (NYSCEF Doc. No. 187), as modified by subsequent Order to Show Cause (NYSCEF Doc. No. 197). When the Attorney General inquired as to how NLS Equipment Finance had access to this type of information, the Northern Respondents did not respond.

55. Both of these new entities were created by Northern Leasing's owners, officers, directors and personnel in or around 2018 and 2019 as part of their then-ongoing fraudulent scheme. Northern Leasing executives Schachter and Krieger are still operating these new entities. Krieger is the signatory on leases originated by NLS Equipment Finance, just as she was previously the signor of leases for the Northern Respondents.

56. These new entities are also effectively owned by Jay Cohen and Leonard Mezei, the two men who were 50/50 partners in the Northern Leasing enterprises.

57. In response to an inquiry from the Attorney General, counsel for the Northern Respondents has acknowledged that a "generation skipping trust, with Respondent Jay Cohen's children as beneficiaries, holds a 50% membership interest in NLS Equipment Finance LLC." This trust has subsequently been identified as the June 1, 2018 Cohen GST Trust. Cohen had similarly structured his ownership interest in Northern Leasing so that he was not personally the owner of Northern Leasing, and his ownership interest was instead represented by trusts benefiting his family members.

58. Upon information and belief, the other 50% membership interest in NLS Equipment Finance LLC is owned by a similar trust (the June 1, 2018 Mezei GST Trust) created by Mezei and his family.<sup>6</sup> Mezei similarly structured Northern Leasing so that his interests were owned by a family trust.

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<sup>6</sup> In a letter dated August 7, 2020, the Attorney General directly asked the Northern Respondents whether Leonard Mezei held a financial interest in NLS Equipment Finance LLC. In an email response dated September 14, 2020, Counsel for the Northern Respondents acknowledged the membership interest of the Cohen family trust, but conspicuously failed to answer the question of whether Mezei had any similar interest. The Attorney General followed up with an email dated September 25, 2020 that again asked specifically for an explanation of Mezei's interests in NLS Equipment Finance LLC. To date, the Northern Respondents have failed to respond to that inquiry despite repeated promises to do so.

59. Leasing Expenses Company is also directing money to the owners of Northern Leasing. Leasing Expenses Company bank records show wire transfers (on July 14, August 5, August 25 and September 9, 2020) totaling \$309,500 to an entity named Fieldston Capital. Public records show that Fieldston Capital is managed by Mezei. Leasing Expenses Company made identical wire transfers totaling \$309,500 on the same four dates to JS Ventures, which was managed by Cohen and shares a mailing address and contact information with Northern Leasing. Mezei and Cohen family trusts were previously 50/50 partners in Northern Leasing, and Mezei and Cohen are believed to structure all of their ventures as 50/50 partnerships.

60. Leasing Expenses Company LLC and NLS Equipment Finance LLC are also commingling funds with each other. Bank records for one of the accounts operated by Leasing Expenses Company LLC show that it wired a total of \$1,973,790 to NLS Equipment Finance LLC between June 30, 2020 and September 9, 2020. The same records show wires totaling \$1,194,000 going to an account in Ariel Schachter's name between July 7, 2020 and October 20, 2020.

**FIRST CAUSE OF ACTION  
FRAUD  
Pursuant to N.Y. Exec. Law § 63(12)**

61. The Attorney General repeats and re-alleges, as though fully set forth herein, paragraphs 1-58.

62. Executive Law § 63(12) authorizes the Attorney General to bring an action or proceeding when any person or entity engages in repeated fraudulent acts or persistent fraud in the operation of a business.

63. Fraud under Executive Law § 63(12) is broadly defined to include “any device, scheme or artifice to defraud and any deception, misrepresentation, concealment, suppression, false pretense, false promise or unconscionable contractual provisions.”

64. Respondents’ repeated fraudulent business practices include, but are not limited to:

- (a) Enforcing the Northern Respondents’ leases in defiance of the Court’s June 8, 2020 Decision and Order;
- (b) Making unauthorized withdrawals from individuals’ bank accounts based on leases that were rescinded by the Court’s June 8, 2020 Decision and Order;
- (c) Collecting on leases without any legal basis or authority to do so;
- (d) Engaging in the fraudulent conduct enjoined by the Northern Leasing Decision and Order, including by enforcing leases that were induced through forgery, fraud and misrepresentation, and refusing to cancel leases even when the leased equipment does not function properly or is returned.

65. Respondents are part of the same common enterprise as the Northern Respondents, who were already found liable for fraud by the Court’s June 8, 2020 Decision and Order, and are also operating as alter egos of the Northern Respondents. For example:

- (a) Respondents are controlled by the same owners, officers, directors and personnel as the Northern Respondents;
- (b) Respondents have shared office addresses and telephone numbers with the Northern Respondents;
- (c) Respondents have shared leases and customers with the Northern Respondents without paying for these assets in arms’ length transactions;

(d) Respondents have intermingled their funds with each other and with accounts controlled by the owners, officers, directors and personnel of the Northern Respondents;

(e) Respondents have represented themselves as part of a common enterprise to defrauded lessees.

Accordingly, Respondents have engaged in fraud by using these entities to continue the fraudulent scheme enjoined by the Court's June 8, 2020 Decision and Order.

66. By reason of the conduct alleged herein, Respondents have engaged in repeated and persistent fraudulent conduct in violation of Executive Law § 63(12).

#### **PRAYER FOR RELIEF**

Wherefore, it is respectfully requested that the Court issue an order and judgment as follows:

A. Permanently enjoining Respondents from engaging in the illegal and fraudulent practices alleged in the Petition;

B. Permanently enjoining Respondents from collecting or attempting to collect on leases that were rescinded by the Court's June 8, 2020 Decision and Order;

C. Permanently enjoining Respondents (and any other entities owned, operated, controlled or created by Respondents) from conducting the business of equipment finance leasing or collection of debts under equipment finance leases and from purchasing, financing, transferring, servicing, or enforcing equipment finance leases;

D. Directing Respondents to render an accounting to the Attorney General of all sums received as a result of their illegal and fraudulent acts;

E. Directing Respondents to make full monetary restitution and pay compensatory damages to all injured persons or entities;

F. Directing Respondents to render an accounting of profits and to disgorge all profits resulting from the illegal and fraudulent practices alleged herein;

G. Awarding Petitioner costs against each Respondent pursuant to CPLR § 8303(a)(6);  
and

H. Granting such other and further relief as is just and proper.

Dated: New York, New York  
December 11, 2020

LETITIA JAMES  
Attorney General of the State of New York



By: \_\_\_\_\_

Jane M. Azia, Bureau Chief  
Laura Levine, Deputy Bureau Chief  
Mary Alestra, Special Counsel  
Mark Ladov, Assistant Attorney General  
**Office of the New York Attorney General**  
**Bureau of Consumer Frauds and Protection**  
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New York, New York 10005  
(212) 416-8622  
[mark.ladov@ag.ny.gov](mailto:mark.ladov@ag.ny.gov)

*Attorneys for Petitioner*  
*People of the State of New York, by Letitia James,*  
*Attorney General of the State of New York*

VERIFICATION

STATE OF NEW YORK        )  
  )ss:  
COUNTY OF KINGS        )

Mark Ladov, being duly sworn, deposes and says:

I am an Assistant Attorney General in the Office of Letitia James, Attorney General of the State of New York, assigned to the Bureau of Consumer Frauds and Protection. I am duly authorized to make this verification.

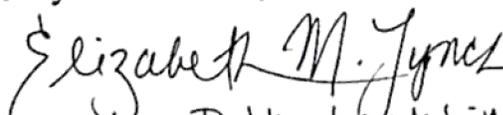
I have read the foregoing Petition and know the contents thereof, which are to my knowledge true, except as to matters therein stated to be alleged upon information and belief, and as to those matters, I believe them to be true. The grounds for my beliefs as to all matters stated upon information and belief are investigatory materials contained in the files of the Bureau of Consumer Frauds and Protection in the Office of Letitia James, Attorney General of the State of New York.

The reason this verification is not made by Petitioner is because Petitioner is a body politic, and the Attorney General of the State of New York is the Petitioner's duly authorized representative.

  
\_\_\_\_\_  
Mark Ladov  
Assistant Attorney General

Sworn to before me this

11th day of December, 2020

  
Notary Public located in the County of Queens, NY  
Notarized Pursuant to Executive Order 202.7

ELIZABETH M LYNCH  
Notary Public, State of New York  
No. 02LY6247159  
Qualified in Queens County  
Commission Expires Aug. 22, 2023

Attachment 1:  
  
Redline of Edits to  
Verified Petition

**SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK**

-----X  
**THE PEOPLE OF THE STATE OF NEW YORK,  
by LETITIA JAMES, Attorney General of the  
State of New York,**

**Petitioner,**

**-against-**

**AMENDED VERIFIED  
PETITION  
Index No. 452357/2020  
IAS Part 37  
Hon. Arthur F. Engoron**

**LEASING EXPENSES COMPANY LLC;  
NLS EQUIPMENT FINANCE LLC;  
LEONARD MEZEI;  
ARIEL SCHACHTER;  
SARA KRIEGER;  
JAY COHEN;  
~~UNKNOWN JAY COHEN FAMILY TRUST;~~  
~~SARA Yael ELIAS COHEN, AS TRUSTEE~~  
~~OF THE JUNE 1, 2018 COHEN GST TRUST;~~  
~~DANIELA RACHEL COHEN, AS TRUSTEE~~  
~~OF THE JUNE 1, 2018 COHEN GST TRUST;~~  
~~MIRIAM ABRAMS, AS TRUSTEE OF THE~~  
~~JUNE 1, 2018 MEZEI GST TRUST;~~  
~~AMY FRIEDMAN, AS TRUSTEE OF THE~~  
~~JUNE 1, 2018 MEZEI GST TRUST;~~  
~~ANDREW MEZEI, AS TRUSTEE OF THE~~  
~~JUNE 1, 2018 MEZEI GST TRUST;~~  
FIELDSTON CAPITAL LLC;  
JS VENTURES HOLDINGS LLC;  
JOHN DOES 1-10.**

**Respondents.**

-----X  
Of Counsel:  
JANE M. AZIA  
Bureau Chief, Bureau of Consumer Frauds and  
Protection

LAURA LEVINE  
Deputy Bureau Chief, Bureau of Consumer Frauds  
and Protection

MARY ALESTRA  
Special Counsel, Consumer Frauds and Protection  
Bureau

MARK LADOV  
Assistant Attorney General, Consumer Frauds and  
Protection Bureau

28 Liberty Street  
New York, NY 10005  
(212) 416-8000

The People of the State of New York, by their attorney, LETITIA JAMES, Attorney General of the State of New York, respectfully allege, upon information and belief:

### INTRODUCTION

1. The Attorney General brings this action to enjoin Respondents from attempting to enforce fraudulent equipment finance leases that were rescinded by a Decision and Order of this Court in *People v. Northern Leasing Systems, Inc.*, Index No. 450460/2016 (NYSCEF Doc. No. 941) (hereinafter “Northern Leasing Decision and Order”). Although the Northern Leasing Decision and Order was filed on June 8, 2020, the Respondents are continuing to enforce rescinded leases, resulting in fraudulent collections of potentially hundreds of thousands of dollars every month.

2. The Attorney General also seeks to enjoin Respondents from using two new entities (Leasing Expenses Company LLC and NLS Equipment Finance LLC) to continue the fraudulent scheme enjoined by the Northern Leasing Decision and Order. Respondents created both of these entities in or around 2018 or 2019 as part of the same common enterprise and fraudulent scheme that was the subject of the prior proceedings. However, the Attorney General was not aware of the existence of either of these entities until after receiving and investigating complaints submitted by defrauded lessees since the Northern Leasing Decision and Order.

3. In the Northern Leasing Decision and Order, the Honorable Lucy Billings, Justice of the New York State Supreme Court (New York County), granted summary determination in favor of a petition brought by the Attorney General and the Deputy Chief Administrative Judge for New York City Courts alleging fraud and other claims against parties including Northern

Leasing Systems, Inc. and its affiliated entities (“Northern Leasing”) as well as one of Northern Leasing’s principals Jay Cohen (“Cohen”) (collectively the “Northern Respondents”).<sup>1</sup>

4. The Attorney General filed the prior proceeding in April 2016 alleging that the Northern Respondents targeted small, family-owned businesses (such as flower shops, hair salons, automotive repair shops, bodegas, delis and restaurants), and trapped them into exorbitantly priced, never-ending lease agreements for credit card processing equipment. The lawsuit further alleged that Northern Leasing abused the judicial process by suing to collect on these leases in the Civil Court of the City of New York, and sought to vacate default judgments obtained by fraud, deception, or other improper means.

5. After four years of extensive litigation, including the Attorney General’s submission of hundreds of customer affidavits attesting to the deceptive and fraudulent practices used to create the Northern Respondents’ equipment finance leases (“EFLs”), the Court found the Northern Respondents liable under N.Y. Executive Law § 63(12) for engaging in “repeated and persistent fraud.” In particular, the Court found the Northern Respondents directly liable for “accepting and enforcing” EFLs that had been generated by independent sales organizations (“ISOs”) around the country, because the Northern Respondents’ “chosen method of procuring [equipment finance leases (“EFLs”)] both is deceptive in itself and has created an enterprise conducive to fraud.”

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<sup>1</sup> The full list of Northern Respondents in the prior action included Northern Leasing Systems, Inc.; Lease Finance Group LLC; MBF Leasing LLC; Lease Source-LSI, LLC, a/k/a Lease Source, Inc.; Golden Eagle Leasing LLC; Pushpin Holdings LLC; Jay Cohen, a/k/a Ari Jay Cohen, individually, as a principal of Northern Leasing Systems, Inc., as a member of Lease Finance Group LLC, and as an officer of Pushpin Holdings LLC; and Neil Hertzman, individually and as an officer of Northern Leasing Systems, Inc. (collectively the “Northern Respondents”). The petitioners also sought and were awarded relief against the Northern Respondents’ attorneys Joseph I. Sussman, P.C., Joseph I. Sussman and Eliyahu R. Babad (collectively the “Attorney Respondents”).

6. The Court's Decision elaborated on the fraudulent practices which pervaded the Northern Respondents' leases, stating that

The Northern Leasing respondents' failure to oversee the ISOs and to assess any meaningful penalty against them for presenting a fraudulent EFL has created an enterprise conducive to fraud. The forgeries, material misrepresentations, and non-cancelable EFLs even when the leased equipment is never delivered, does not function, or is returned would never occur but for the Northern Leasing respondents creating their market for the ISOs, through their commissions, and then washing their hands of the ISOs' conduct. Given the number of lessees' complaints about similar ISO misconduct, the Northern Leasing respondents were on notice that securing EFLs through the ISOs was conducive to fraud. That knowledge sustains petitioners' fraud claim.

More fundamentally, it is difficult to discern the "service" that the Northern Leasing respondents claim to provide by financing equipment worth a few hundred dollars for thousands of dollars over several years. The Northern Leasing respondents retain title to the equipment, but disclaim any warranty of the equipment, require the lessees to insure it, and leave responsibility for repairing or replacing defective equipment to the ISOs over which the Northern Leasing respondents retain no control.

Northern Leasing Decision and Order at 24-26 (citations omitted).

7. The Court ordered sweeping relief to remedy Northern Leasing's many years of fraudulent conduct, and to prevent Northern Leasing from engaging in any further fraud. The Court permanently enjoined the Northern Respondents "from conducting the business of equipment finance leasing or collection of debts under equipment finance leases and from purchasing, financing, transferring, servicing, or enforcing equipment finance leases." Northern Leasing Decision and Order at 53. Critically for this proceeding, the Court held that "[s]ince the Northern Leasing respondents procured their equipment finance leases through fraud under Executive Law § 63(12), the court rescinds their equipment finance leases entered from April 11, 2013, to the present."<sup>2</sup> *Id.*

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<sup>2</sup> The Court also granted other relief including restitution of all funds collected from lessees and lease guarantors since April 11, 2013; the vacatur of over 30,000 default judgments acquired against out-of-state fraud victims in New York City Civil Court; the disgorgement of all fees paid to Northern Leasing's attorneys; and the dissolution of Northern Leasing Systems, Inc.

8. Respondents are nonetheless using a new entity named Leasing Expenses Company LLC (“Leasing Expenses Company”) to continue to enforce fraudulent equipment finance leases that were rescinded by the Court’s Order and to make unauthorized withdrawals from the bank accounts of unsuspecting small business owners and their families based on leases that have been null and void since June 8, 2020. Respondents have brazenly made and continue to make these unauthorized withdrawals from lessees’ bank accounts without their consent or knowledge.

9. Respondents are also using a new entity named NLS Equipment Finance LLC (“NLS Equipment Finance”) to continue Northern Leasing’s fraudulent scheme. Respondents created this entity to originate and collect on fraudulent equipment finance leases that are essentially identical to the leases rescinded by the Northern Leasing Decision and Order. Respondents failed to disclose the existence of this new entity to either the Attorney General or the Court during the Northern Leasing proceedings.

10. Leasing Expenses Company and NLS Equipment Finance are alter egos of the Northern Respondents. They share owners, officers, directors and personnel with the Northern Respondents. They are commingling funds with each other and appear to be directing lease proceeds to the owners of Northern Leasing. They also share phone numbers and other contact information with the Northern Respondents, so that people who contact these new entities believe that they are communicating with the Northern Respondents. Complaints from Northern Leasing’s victims express disbelief that they are still losing money to Respondents’ fraudulent scheme despite the sweeping injunction issued by the Court.

11. The Attorney General now brings this proceeding to enjoin these ongoing violations of the Court’s Decision and Order. The Respondents named in this petition are

entities created and staffed by Northern Leasing's owners, officers, directors and personnel, as well as those individuals themselves. These Respondents are continuing Northern Leasing's fraudulent scheme to the financial detriment of lessees despite the clear order of this Court.

### PARTIES

12. Petitioner is the People of the State of New York, by its attorney, Letitia James, the Attorney General of the State of New York.

13. Respondent Leasing Expenses Company is ~~believed to be~~ a Delaware Limited Liability Company formed on June 20, 2019. Leasing Expenses Company's bank account statements for the period prior to July 15, 2020 list its address as 525 Washington Blvd, Floor 15, Jersey City, NJ 07310, which was also an address of Northern Leasing at that time. Its bank account statements since July 16, 2020 list its address as 250 West 90<sup>th</sup> Street, Apt. 10C, New York, NY 10024, which public records show as an address that also belongs to Respondent Ariel Schachter, who as set forth below, was an officer of Northern Leasing Systems, Inc. [Leasing Expenses Company was initially half-owned by the June 1, 2018 Cohen GST Trust and half-owned by the June 1, 2018 Mezei GST Trust. On or about June 18, 2020, the Cohen and Mezei families transferred their ownership of this LLC to Respondent Schachter.](#)

14. Respondent NLS Equipment Finance is a Delaware Limited Liability Company that was formed on February 5, 2018. Its website lists its address as 1333 Burr Ridge Parkway, Suite 200, Burr Ridge IL 60527-0833.<sup>3</sup> [NLS Equipment Finance is half-owned by the June 1, 2018 Cohen GST Trust and \(upon information and belief\) is half-owned by the June 1, 2018 Mezei GST Trust.](#)

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<sup>3</sup> MBF Leasing, which was one of the Northern Respondents, has also been identified in public records as using an address at a different location in Burr Ridge, IL.

15. Respondent Leonard Mezei (“Mezei”) was the founding financier behind Northern Leasing and the principal investor (along with his business partner Jay Cohen) in the Northern Respondents. Upon information and belief, Mezei and/or trusts or other entities affiliated with Mezei are currently owners, investors and/or principals in Leasing Expenses Company and NLS Equipment Finance. Specifically, a trust created by Mezei for the benefit of his family members is currently a 50% owner of NLS Equipment Finance, and was previously a 50% owner of Leasing Expenses Company. In addition, entities affiliated with Mezei continue to receive payments from and do business with Leasing Expenses Company.

16. Respondent Ariel Schachter (“Schachter”) was an officer of Northern Leasing Systems Inc. until June 2020. Schachter is currently a manager of NLS Equipment Finance, and is a manager, member and the sole individual listed as signatory for Leasing Expenses Company bank accounts.

17. Respondent Sara Krieger (“Krieger”) served as an officer of Northern Leasing Systems, Inc., Lease Finance Group, LLC, Golden Eagle Leasing LLC and MBF Leasing LLC until June 2020. NLS Equipment Finance’s website lists Krieger as its Vice President of Operations. She is also a Manager of Leasing Expenses Company.

18. Respondent Jay Cohen (“Cohen”) is the principal of Northern Leasing and a named respondent in the prior proceeding. Cohen was described as NLS Equipment Finance’s CEO in a press release dated May 16, 2019 that was issued by Bryant Park Capital to announce that it had closed a \$20 million secured credit facility for the company.<sup>4</sup> Cohen’s counsel has denied that Cohen ever served in that capacity but has admitted to the Attorney General that

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<sup>4</sup> See <https://www.accesswire.com/545548/Bryant-Park-Capital-Arranges-20-Million-Senior-Secured-Credit-Facility-For-NLS-Equipment-Finance-LLC> (last visited Nov. 13, 2020).

Cohen “did assist NLS Equipment Finance LLC in a manner consistent with a consultant from time to time prior to June 8, 2020.” Cohen played or plays an unknown role in the operations of Leasing Expenses Company.

19. Respondents [Sara Yael Elias Cohen and Daniela Rachel Cohen are Jay Cohen’s children and trustees of the “Unknown Jay Cohen Family Trust”–June 1, 2018 Cohen GST Trust, which is a generation skipping trust with Jay Cohen’s children as beneficiaries and which holds a 50% membership interest in NLS Equipment Finance, and which previously held a 50% membership interest in Leasing Expenses Company.](#)

19-20. Respondents [Miriam Abrams, Amy Friedman and Andrew Mezei are Leonard Mezei’s children and trustees of the June 1, 2018 Mezei GST Trust, which upon information and belief holds a 50% membership interest in NLS Equipment Finance, and which previously held a 50% membership interest in Leasing Expenses Company.](#)

20-21. Respondent Fieldston Capital LLC (“Fieldston Capital”) is a limited liability company that receives funds from Leasing Expenses Company. Public records list Respondent Mezei as a Manager of Fieldston Capital.

21-22. Respondent JS Ventures Holdings LLC (“JS Ventures”) is a Delaware limited liability company that receives funds from Leasing Expenses Company. Respondent Jay Cohen was the Manager of JS Ventures when it was formed. JS Ventures shares contact information with Northern Leasing: it is also located at 525 Washington Blvd., 15th Floor, Jersey City NJ 07310, and bank statements are sent to Lilibeth Pascua who uses the email address [beth.pascua@northernleasing.com](mailto:beth.pascua@northernleasing.com).

22-23. Respondents John Doe 1-10 are unknown owners, officers, directors and personnel of Leasing Expenses Company and NLS Equipment Finance.

## JURISDICTION

23-24. This Court has jurisdiction pursuant to Executive Law § 63(12) which authorizes the Attorney General to bring an action for injunctive relief, restitution, damages, disgorgement, and costs on behalf of the People of the State of New York “[w]henver any person shall engage in repeated fraudulent or illegal acts or otherwise demonstrate persistent fraud or illegality in the carrying on, conducting or transaction of business.”

## FACTUAL ALLEGATIONS

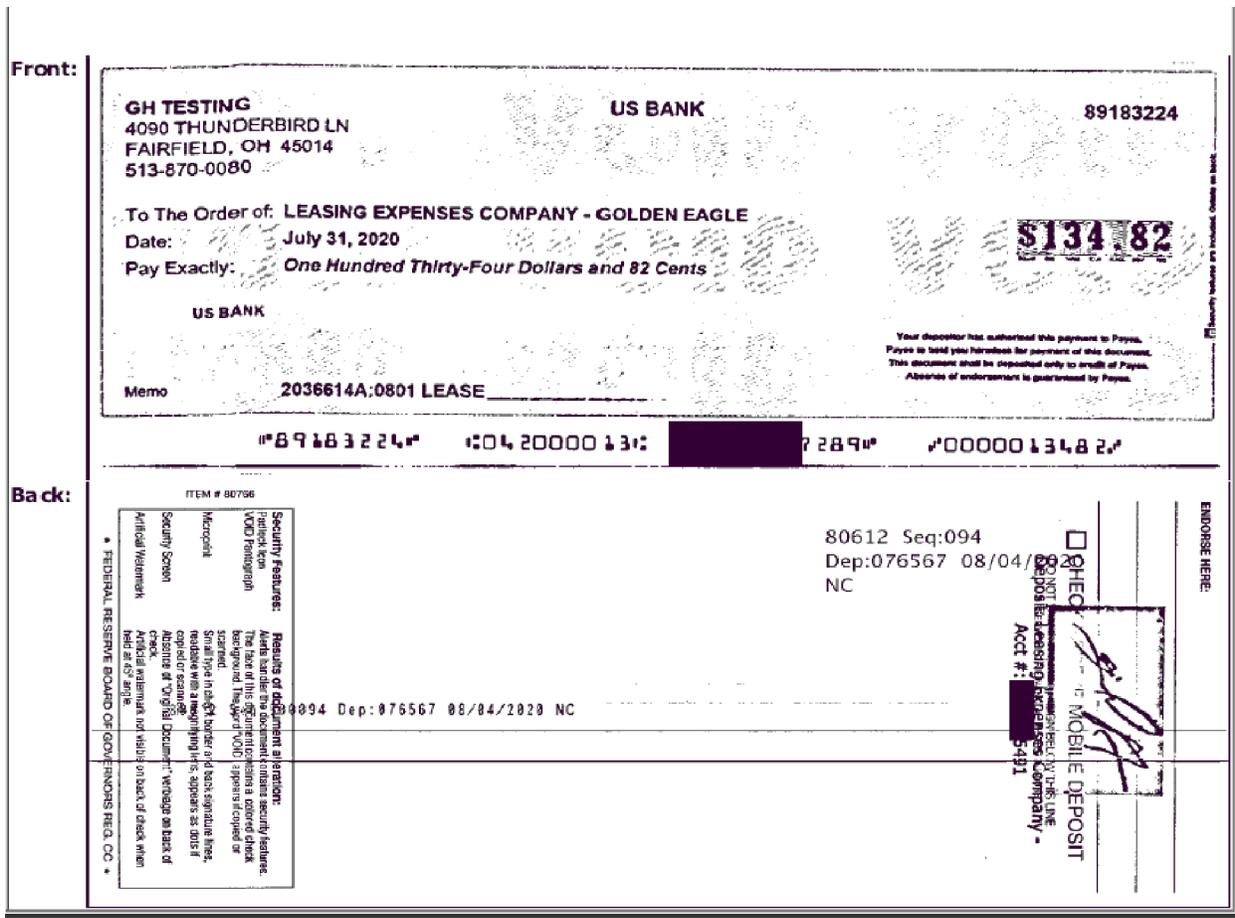
### Leasing Expenses Company LLC is Fraudulently Enforcing Rescinded Leases in Defiance of the Northern Leasing Decision and Order

24-25. Respondents are subjecting individuals who were previously paying on leases to the Northern Respondents to unauthorized withdrawals, even though their leases were rescinded by the Northern Leasing Decision and Order. At times, these withdrawals were made by an entity named “Leasing Expenses Company” that the individual lessees had never heard of before.

25-26. As reflected in two recent affidavits submitted to the Attorney General, Leasing Expenses Company generated checks using individuals’ account information without their authorization. In both cases, the checks were used to take money from lessees who had been defrauded by the Northern Respondents, and who were making lease payments to the Northern Respondents up until the Northern Leasing Decision and Order. As these images show, both checks (which are also attached to the accompanying affidavits of Joanna Borrego and Perry Hock) were used to deposit unauthorized funds into the same Leasing Expenses Company account (Citibank account ending in 5491):

<b>PARADISO DELCATESSEN</b> 791 AUZERAIS AVE SAN JOSE, CA 95126 408-295-6459	<b>CHASE</b>	<b>89194406</b>
<b>PAY EXACTLY</b> One Hundred Thirty-Seven Dollars and 46 Cents		<b>DATE</b> 07/31/2020
<b>TO THE ORDER OF</b>	<b>LEASING EXPENSES COMPANY -MBF LEASING</b> 111 Town Square Place 12th floor Jersey City, NJ 07310	<b>\$137.46</b>
<b>MEMO</b>	<b>CHASE</b> <b>2033182:0801 LEASE P</b>	<small>Your depositor has authorized this payment to Payee. Payee to hold you harmless for payment of this document. This document shall be deposited only to credit of Payee. Absence of endorsement to guarantee by Payee.</small>

<p>ITEM # 80789</p> <p>Security Features:</p> <ul style="list-style-type: none"> <li>Microprint</li> <li>Security Seals</li> </ul>	<p>80612 Seq:022 Dep:076575 08/04/2020 NC</p> <p>8022 Dep: 076575 08/04/2020 NC</p>	<p>ENDORSE HERE:</p> <p><input checked="" type="checkbox"/> CHECK Deposit: Leasing Expenses Company -MBF Federal Acct #: [REDACTED]</p> <p><b>DEPOSIT</b> Leasing Expenses Company -MBF 5491 REC</p>
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26-27. Both of the leases identified by lease number in the above images were identified in the Northern Respondents' post-Decision accounting of leases that are eligible for restitution payments. In addition, both leases were originated after April 11, 2013. Therefore, both leases were rescinded by the Northern Leasing Decision and Order, and it is fraudulent for any party (much less an alter ego of the Northern Respondents) to collect unauthorized payments based on these leases.

27-28. The first check corresponds to lease number 2033182, which was signed in May 2016 by the late Anthony Paradiso. At the time that Mr. Paradiso signed this 60-month equipment finance lease, he was 87 years old and preparing to close his family's deli. He and his

family members nonetheless made monthly payments to MBF Leasing (one of the named Northern Respondents) even after his death in March 2020 because the Northern Respondents would not cancel his lease.

28-29. Respondents, however, fraudulently continued to withdraw money from Mr. Paradiso's bank account even after Mr. Paradiso's lease was rescinded by the Northern Leasing Decision and Order. Some of these withdrawals were made by Leasing Expenses Company, including the one made through the unauthorized check shown above. Others (as recently as November 2, 2020) were made in the name of MBF Leasing, even though MBF Leasing was enjoined from lease collections by the Northern Leasing Decision and Order. These withdrawals are described in more detail in the accompanying affidavit of Mr. Paradiso's granddaughter Joanna Borrego.

29-30. Ms. Borrego had spoken with MBF Leasing about her grandfather's lease before his death. She tried again to reach them by phone at the number listed on their monthly statements (866-781-0440) during the Summer of 2020, in part to find out why they had stopped sending her monthly invoices, but nobody would answer or return her voicemail messages. She subsequently called the same phone number on or about November 2, 2020 and spoke to a customer service representative whom she believed worked for MBF to complain about their unauthorized withdrawals from her grandfather's account.

30-31. On or about November 11, 2020, Ms. Borrego received for the first time a written monthly invoice under the name "Leasing Expenses Company" that was sent to her late grandfather's long-closed Paradiso Delicatessen. The invoice used the same lease number as her grandfather's original lease documents and the prior MBF Leasing monthly invoices; purported to demand collections on this rescinded lease; and is further proof that Leasing Expenses

Company is currently attempting to collect money in violation of the Northern Leasing Decision and Order. (An affidavit of Joanna Borrego, Mr. Paradiso's granddaughter, attesting to these facts is annexed to the Affirmation of Mark Ladov ("Ladov Aff.") as Exhibit AA.)

31-32. The second check shown above (made out to "Leasing Expenses Company – Golden Eagle") was discovered by Perry Hock in August 2020 when he was reconciling his small business's checking account. Mr. Hock had never heard of Leasing Expenses Company and did not understand how it had obtained his account information to create this check. Leasing Expenses Company repeatedly hung up on Mr. Hock when he tried to contact them, and Mr. Hock is in the process of changing his business's bank account to prevent further fraudulent withdrawals.

32-33. Mr. Hock later came to understand that this check (which was dated July 31, 2020) related to his equipment finance lease with Capital A Leasing. Capital A Leasing was one of Northern Leasing's affiliated entities, Golden Eagle (identified on the check) was a Northern Respondent, and Mr. Hock's lease was identified in the Northern Respondents' post-Decision accounting as eligible for restitution. Therefore, this lease (which was originated in August 2016) was rescinded by the Northern Leasing Decision and Order in June 2020.

33-34. On September 18, 2020, Mr. Hock contacted Capital A Leasing via fax and mail to provide formal notice to cancel his August 2016 lease contract. He addressed his fax to the phone number he had previously used for Capital A Leasing. In response, Mr. Hock received an email on or about October 2, 2020 from "Client.Services@nlsequipment.com" terminating "Lease 2036614A with no further monies due and the equipment does not need to be returned to us." The domain ("nlsequipment.com") sending this email is also the domain used for the

website of NLS Equipment Finance LLC. (An affidavit of Perry Hock attesting to these facts is annexed as Ladov Affirmation Ex. BB.)

34-35. Other complaints make similar allegations of fraudulent collection activity by Leasing Expenses Company. For example, a complaint filed on or about July 29, 2020 with the Federal Trade Commission described a mailing sent to a beauty supply store in Richmond, VA threatening a bank account withdrawal by an entity named “Leasing Expenses Company LFG.” This complainant stated that she tried to call a number provided but could only reach voicemail.

35-36. Similarly, a Facebook post dated November 5, 2020 in a public forum for victims of Northern Leasing reported that it “[l]ooks like Lease Finance Group LLC out of Jersey City NJ changed their name to Leasing Expenses Company with a different Jersey City address.” Other complaints posted to that Facebook page state that individuals who were defrauded by Northern Leasing are now getting collection calls again. *See* “Lease Finance Group Northern Leasing Scam/Fraud” forum page,

<https://www.facebook.com/groups/126054007437062> (last visited Nov. 19, 2020).

37. Bank records for Leasing Expenses Company LLC show that Leasing Expenses Company’s mailing address for the period prior to July 15, 2020 was 525 Washington Blvd, Floor 15, Jersey City, NJ 07310, which was also an address of Northern Leasing at that time. Bank account statements for the period since July 16, 2020 list Leasing Expenses Company’s address as 250 West 90<sup>th</sup> Street, Apt. 10C, New York, NY 10024. Public records show this as an address that also belongs to Respondent Ariel Schachter, a former officer of Northern Leasing Systems.

36-38. [Leasing Expenses Company was originally formed as a 50/50 venture between the Cohen and Mezei families and was previously co-owned by the June 1, 2018 Cohen GST](#)

[Trust and the June 1, 2018 Mezei GST Trust. The company's initial Managers were respondents Krieger and Schachter. On or about June 18, 2020, the Cohen and Mezei family trusts transferred their membership interests in the company to Ariel Schachter.](#)

[37.39.](#) Leasing Expenses Company's bank records show that it first began taking in deposits after the Northern Leasing Decision and Order. Although bank records produced to date do not identify individual lease deposits, the total sums of money flowing into this account totaled hundreds of thousands of dollars. For example, Leasing Expenses Company's known accounts (including the account that withdrew money from Mr. Hock and Mr. Paradiso's accounts) received deposits totaling over \$1.5 million between July 16 and August 15, 2020.

### **NLS Equipment Finance is Continuing the Northern Respondents' Fraudulent Scheme**

[38.40.](#) As reflected in recent consumer complaints received by the Attorney General and other law enforcement agencies (including from prior victims of Northern Leasing), NLS Equipment Finance LLC and its ISOs continue to use the same fraudulent and deceptive practices, including forgery, to trap individuals into outrageously priced non-cancelable equipment finance leases for inexpensive credit card swiping equipment as the Northern Respondents. The types of fraudulent practices alleged – including false promises of savings, false offers of a free trial, and concealing that the transaction involved a non-cancelable lease – are parallel those found in the Northern Leasing litigation.

[39.41.](#) The Northern Respondents have used NLS Equipment Finance LLC to originate new leases starting in at least 2019.

[40.42.](#) For example, café owner Kevin Kershner called Northern Leasing in approximately May 2019 to complain that he could not afford his \$500/month lease, which he

had been defrauded into in January 2016. He was told that Northern Leasing would not amend his existing lease, but that they would reduce his monthly lease payments to approximately \$300 per month if he extended his lease term by an additional year and three months. At no time was Mr. Kirshner told that extending his lease term would result in a lease with a new entity. As a result of this conversation, Mr. Kershner was given a new 24-month lease on or about May 30, 2019. Although this lease was in the name of “NLS Equipment Finance LLC,” Mr. Kershner believed that the lease was with Northern Leasing, and that he was continuing to make monthly payments to Northern Leasing.

41-43. Mr. Kershner made payments on this lease, even after he closed his business, until June 2020, when he attempted to contact Northern Leasing about his payments and was unable to get through or leave a message on their phone. He subsequently went online and discovered that Northern Leasing was part of an ongoing investigation and lawsuit brought by the New York State Attorney General. He filed a complaint with the Attorney General’s office and did not make a payment to Respondents in June 2020. When Mr. Kershner received his July 2020 credit card statement, he nonetheless discovered that NLS Equipment Finance had charged his credit card without his permission. Since then, Respondents have contacted Mr. Kershner by phone repeatedly to demand payment on their fraudulent lease. (An affidavit of Mr. Kershner attesting to these facts is attached as Ladov Affirmation Ex. DD.)

42-44. Similar complaints have been filed with other law enforcement agencies and the Better Business Bureau. These complaints are strikingly consistent with the record of hundreds of complaints against the Northern Respondents that resulted in a finding of liability for fraud in the Northern Leasing Decision and Order.

[43.45.](#) For example, the Illinois Attorney General (“IL AG”) has also received complaints concerning NLS Equipment Finance LLC (which uses a mailing address in Burr Ridge, IL).

[44.46.](#) John Ryan of Monroeville PA filed a complaint with the IL AG on or about July 8, 2020 complaining that he had been deceived into a lease with NLS Equipment Finance by a salesperson who misled him about potential savings. Mr. Ryan states that he assumed that this salesperson (like others who sold credit card processing accounts in his experience) was offering free equipment as part of their agreement. Mr. Ryan says that he only saw one page of the contracts he was told to sign, and that the salesperson never sent him copies of these contracts afterward as she had promised. He only understood the lease terms when “the contracts came in the mail on approximately 12/21/19 and for the first time I saw the exorbitant price they had me locked into for a \$300-\$400 machine.”

[45.47.](#) Elizabeth Hendricks of the Broken Top Candle Company in Bend, OR similarly complained to the IL AG that a sales rep deceived her company into believing that new credit card services would cost “around \$7 a month,” and convinced her company to switch to a physical card reader as part of the deal. She states that this small business then discovered that this agreement “turned out to be a completely inflexible contract for \$64.95 a month for 48 months. We don’t use it, and are just held hostage for this \$3000+ thing that was leased to us under false pretenses.” Although the company has tried to cancel this lease with NLS, “They are 100% unwilling to accept unused equipment back with a penalty even.”

[46.48.](#) Similar complaints have been filed with law enforcement agencies and Better Business Bureaus around the country. For example, a review of the Consumer Sentinel national database of consumer complaints hosted by the Federal Trade Commission (FTC) found multiple

complaints against NLS Equipment Finance filed with the FTC, Consumer Financial Protection Bureau, other Attorneys General and the Better Business Bureau in the past year. These complaints describe in detail the fraudulent practices used by ISOs to acquire leases for NLS Equipment Finance, including deception and forgery of electronic signatures. These complaints also describe NLS Equipment Finance's refusal to address non-working equipment and its persistent refusal to acknowledge any of these fraudulent practices or to cancel leases under these or any circumstances.

[47.49.](#) The Court's finding in the prior proceeding is thus equally true here: "The forgeries, material misrepresentations, and non-cancelable EFLs even when the leased equipment is never delivered, does not function, or is returned would never occur but for the Northern Leasing respondents creating their market for the ISOs, through their commissions, and then washing their hands of the ISOs' conduct." Northern Leasing Decision and Order at 25.

[48.50.](#) In short, these complaints show that NLS Equipment Finance is continuing to engage in the exact same fraudulent conduct that was enjoined against the Northern Respondents. Based on the evidence that NLS Equipment Finance is an alter ego of the Northern Respondents, and that it is continuing the Northern Respondents' fraudulent scheme, the Court should subject NLS Equipment Finance (and its owners, officers, directors and personnel) to the injunction and other relief set forth in the Northern Leasing Decision and Order.

**Leasing Expenses Company and NLS Equipment Finance are Alter Egos and/or Part of the Same Common Enterprise as the Northern Respondents**

[49.51.](#) Connections between Leasing Expenses Company, NLS Equipment Finance and the Northern Respondents show that these entities are part of a common enterprise, and that

Leasing Expenses Company and NLS Equipment Finance are also alter egos of the Northern Respondents.

50-52. As noted above, Leasing Expenses Company shared a mailing address with the Northern Respondents prior to the Northern Leasing Decision and Order. Since then, this entity has used the address of Northern Leasing executive Ariel Schachter as its mailing address. Schachter is also a manager of NLS Equipment Finance LLC.

51-53. Leasing Expenses Company and NLS Equipment Finance have used the Northern Respondents' phone numbers and other contact information and have represented themselves to the public as part of the same common enterprise, as explained in the affidavits and complaints attached to this Petition. As a result, multiple lessees have had communications and/or transactions with Leasing Expenses Company and NLS Equipment Finance while thinking that they were communicating and/or transacting with one of the Northern Respondents.<sup>5</sup>

52-54. NLS Equipment Finance is engaged in the same fraudulent scheme as the Northern Respondents. Its lease forms are in many respects identical in style and substance to leases used by the Northern Respondents, including that the leases state that they are non-cancelable. Although NLS Equipment Finance is based in Burr Ridge, IL (which was formerly the business address for MBF Leasing, one of the Northern Respondents), it operates identically to the Northern Respondents.

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<sup>5</sup> Sharing business assets such as customer lists and contact information potentially violates the TRO issued in the prior proceeding, which barred the Northern Respondents from dispensing of any assets for less than market value. See *People v. Northern Leasing*, No. 450460/2016, Order to Show Cause granting TRO (NYSCEF Doc. No. 187), as modified by subsequent Order to Show Cause (NYSCEF Doc. No. 197). When the Attorney General inquired as to how NLS Equipment Finance had access to this type of information, the Northern Respondents did not respond.

[53.55.](#) Both of these new entities were created by Northern Leasing's owners, officers, directors and personnel in or around 2018 and 2019 as part of their then-ongoing fraudulent scheme. Northern Leasing executives Schachter and Krieger are still operating these new entities. Krieger is the signatory on leases originated by NLS Equipment Finance, just as she was previously the signor of leases for the Northern Respondents.

[54.56.](#) These new entities are also effectively owned by Jay Cohen and Leonard Mezei, the two men who were 50/50 partners in the Northern Leasing enterprises.

[55.57.](#) In response to an inquiry from the Attorney General, counsel for the Northern Respondents has acknowledged that a "generation skipping trust, with Respondent Jay Cohen's children as beneficiaries, holds a 50% membership interest in NLS Equipment Finance LLC."

[This trust has subsequently been identified as the June 1, 2018 Cohen GST Trust.](#) Cohen had similarly structured his ownership interest in Northern Leasing so that he was not personally the owner of Northern Leasing, and his ownership interest was instead represented by trusts benefiting his family members.

[56.58.](#) Upon information and belief, the other 50% membership interest in NLS Equipment Finance LLC is owned [by a similar trust \(the June 1, 2018 Mezei GST Trust\) created \(in whole or in part\) by Mezei or an entity affiliated with Mezei and his family.](#)<sup>6</sup> [Mezei similarly structured Northern Leasing so that his interests were owned by a family trust.](#)

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<sup>6</sup> In a letter dated August 7, 2020, the Attorney General directly asked the Northern Respondents whether Leonard Mezei held a financial interest in NLS Equipment Finance LLC. In an email response dated September 14, 2020, Counsel for the Northern Respondents acknowledged the membership interest of the Cohen family trust, but conspicuously failed to answer the question of whether Mezei had any similar interest. The Attorney General followed up with an email dated September 25, 2020 that again asked specifically for an explanation of Mezei's interests in NLS Equipment Finance LLC. To date, the Northern Respondents have failed to respond to that inquiry despite repeated promises to do so.

57-59. Leasing Expenses Company is also directing money to the owners of Northern Leasing. Leasing Expenses Company bank records show wire transfers (on July 14, August 5, August 25 and September 9, 2020) totaling \$309,500 to an entity named Fieldston Capital. Public records show that Fieldston Capital is managed by Mezei. Leasing Expenses Company made identical wire transfers totaling \$309,500 on the same four dates to JS Ventures, which was managed by Cohen and shares a mailing address and contact information with Northern Leasing. Mezei and Cohen family trusts were previously 50/50 partners in Northern Leasing, and Mezei and Cohen are believed to structure all of their ventures as 50/50 partnerships.

58-60. Leasing Expenses Company LLC and NLS Equipment Finance LLC are also commingling funds with each other. Bank records for one of the accounts operated by Leasing Expenses Company LLC show that it wired a total of \$1,973,790 to NLS Equipment Finance LLC between June 30, 2020 and September 9, 2020. The same records show wires totaling \$1,194,000 going to an account in Ariel Schachter's name between July 7, 2020 and October 20, 2020.

**FIRST CAUSE OF ACTION**  
**FRAUD**  
**Pursuant to N.Y. Exec. Law § 63(12)**

59-61. The Attorney General repeats and re-alleges, as though fully set forth herein, paragraphs 1-58.

60-62. Executive Law § 63(12) authorizes the Attorney General to bring an action or proceeding when any person or entity engages in repeated fraudulent acts or persistent fraud in the operation of a business.

~~61-63.~~ Fraud under Executive Law § 63(12) is broadly defined to include “any device, scheme or artifice to defraud and any deception, misrepresentation, concealment, suppression, false pretense, false promise or unconscionable contractual provisions.”

~~62-64.~~ Respondents’ repeated fraudulent business practices include, but are not limited to:

- (a) Enforcing the Northern Respondents’ leases in defiance of the Court’s June 8, 2020 Decision and Order;
- (b) Making unauthorized withdrawals from individuals’ bank accounts based on leases that were rescinded by the Court’s June 8, 2020 Decision and Order;
- (c) Collecting on leases without any legal basis or authority to do so;
- (d) Engaging in the fraudulent conduct enjoined by the Northern Leasing Decision and Order, including by enforcing leases that were induced through forgery, fraud and misrepresentation, and refusing to cancel leases even when the leased equipment does not function properly or is returned.

~~63-65.~~ Respondents are part of the same common enterprise as the Northern Respondents, who were already found liable for fraud by the Court’s June 8, 2020 Decision and Order, and are also operating as alter egos of the Northern Respondents. For example:

- (a) Respondents are controlled by the same owners, officers, directors and personnel as the Northern Respondents;
- (b) Respondents have shared office addresses and telephone numbers with the Northern Respondents;
- (c) Respondents have shared leases and customers with the Northern Respondents without paying for these assets in arms’ length transactions;

(d) Respondents have intermingled their funds with each other and with accounts controlled by the owners, officers, directors and personnel of the Northern Respondents;

(e) Respondents have represented themselves as part of a common enterprise to defrauded lessees.

Accordingly, Respondents have engaged in fraud by using these entities to continue the fraudulent scheme enjoined by the Court's June 8, 2020 Decision and Order.

64.66. By reason of the conduct alleged herein, Respondents have engaged in repeated and persistent fraudulent conduct in violation of Executive Law § 63(12).

#### **PRAYER FOR RELIEF**

Wherefore, it is respectfully requested that the Court issue an order and judgment as follows:

A. Permanently enjoining Respondents from engaging in the illegal and fraudulent practices alleged in the Petition;

B. Permanently enjoining Respondents from collecting or attempting to collect on leases that were rescinded by the Court's June 8, 2020 Decision and Order;

C. Permanently enjoining Respondents (and any other entities owned, operated, controlled or created by Respondents) from conducting the business of equipment finance leasing or collection of debts under equipment finance leases and from purchasing, financing, transferring, servicing, or enforcing equipment finance leases;

D. Directing Respondents to render an accounting to the Attorney General of all sums received as a result of their illegal and fraudulent acts;

E. Directing Respondents to make full monetary restitution and pay compensatory damages to all injured persons or entities;

F. Directing Respondents to render an accounting of profits and to disgorge all profits resulting from the illegal and fraudulent practices alleged herein;

G. Awarding Petitioner costs against each Respondent pursuant to CPLR § 8303(a)(6);  
and

H. Granting such other and further relief as is just and proper.

Dated: New York, New York  
~~November 23~~ December , 2020

LETITIA JAMES  
Attorney General of the State of New York



By: \_\_\_\_\_  
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*Attorney General of the State of New York*

**VERIFICATION**

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

Mark Ladov, being duly sworn, deposes and says:

I am an Assistant Attorney General in the Office of Letitia James, Attorney General of the State of New York, assigned to the Bureau of Consumer Frauds and Protection. I am duly authorized to make this verification.

I have read the foregoing Petition and know the contents thereof, which are to my knowledge true, except as to matters therein stated to be alleged upon information and belief, and as to those matters, I believe them to be true. The grounds for my beliefs as to all matters stated upon information and belief are investigatory materials contained in the files of the Bureau of Consumer Frauds and Protection in the Office of Letitia James, Attorney General of the State of New York.

The reason this verification is not made by Petitioner is because Petitioner is a body politic, and the Attorney General of the State of New York is the Petitioner’s duly authorized representative.

\_\_\_\_\_  
Mark Ladov  
Assistant Attorney General

Sworn to before me this

23<sup>rd</sup>-11th day of ~~November~~December, 2020