

IN THE COURT OF COMMON PLEAS
SUMMIT COUNTY, OHIO

O&O INVESTMENTS, LLC, *et. al.*,) CASE NO. CV-2022-06-1968
)
 Plaintiffs,) JUDGE PATRICIA A. COSGROVE
)
 -v-)
)
 SP INVESTMENT SERVICES, LLC, *et.*)
al.,)
)
 Defendants.)

MARK E. DOTTORE, RECEIVER,)
 THE AEM SERVICES, LLC,)
)
 Cross-Claim and)
 Counterclaim)
 Plaintiff,)
)
 -v-)
)
 O&O INVESTMENTS, LLC, JEFF)
 OLDHAM AND RENE OLDHAM,)
)
 Counterclaim)
 Defendants,)
)
 and)
)
 SP INVESTMENT SERVICES, LLC,)
 DARREL L. SEIBERT, II, STEPHEN)
 PRUNESKI AND MARK DENTE, *et. al.*,)
)
 Cross-claim)
 Defendants,)
)
 and)

SP-AEM JOINT VENTURE)
 Law Offices of Stephen J. Pruneski,)
 LLC)
 One Cascade Plaza, Suite 1445)
 Akron, OH 44308)

New Party Cross-)
 claim Defendant,)

also serve:)

SP-AEM JOINT VENTURE)
 Law Offices of Stephen J. Pruneski,)
 LLC)
 234 Portage Trail)
 Cuyahoga Falls, OH 44221)

also serve:)

STEPHEN J. PRUNESKI)
 Member of SP Investment Services)
 2041 Hemlock Ct.)
 North Canton, OH 44720)

also serve:)

MARK E. DOTTORE,)
 Receiver of The AEM Services, LLC)
 2344 Canal Rd.,)
 Cleveland, OH 44113.)

**MARK E. DOTTORE, RECEIVER OF THE AEM SERVICES, LLC’S
 AMENDED ANSWER TO PLAINTIFFS’ FIRST AMENDED COMPLAINT
 AND AFFIRMATIVE DEFENSES; COUNTERCLAIMS AGAINST
 PLAINTIFFS; SECOND AMENDED CROSS-CLAIMS AGAINST
 DEFENDANTS MARK DENTE, SP INVESTMENT SERVICES, LLC,
 DARREL L. SEIBERT, II AND STEPHEN J. PRUNESKI**

Mark E. Dottore, (the “**Receiver**”), the duly appointed and acting Receiver of Defendant The AEM Services, LLC (“**AEM**”) *et al.*,¹ by and through counsel, for his

¹ The Receiver is the court-appointed receiver of the following entities: (1) The AEM Services, LLC;

Amended Answer and Affirmative Defenses to Plaintiffs' First Amended Complaint; Counterclaims against Plaintiffs; and Second Amended Cross-claims against Defendants Mark Dente, SP Investment Services, LLC, Darrel L. Seibert, II, and Stephen J. Pruneski, and new-party Cross-claim Defendant, SP-AEM Limited Partnership (the "**Answer, Counterclaims, and Cross-claims**"), states that as a result of his investigation, he believes that the following Answer, Counterclaims, and Cross-claims are true.

ANSWER TO THE FIRST AMENDED COMPLAINT

1. The Receiver denies each and every allegation made and contained in Paragraph 1 of Plaintiffs' First Amended Complaint.
2. Upon information and belief, the Receiver admits that Rene Oldham ("**R. Oldham**") and Jeff Oldham ("**J. Oldham**") are the former owners of O&O Investments LLC ("**O&O**") and denies each and every other allegation made and contained in Paragraph 2 of Plaintiffs' First Amended Complaint.
3. The Receiver admits that SP Investment Services LLC ("**SP Investment**") is an Ohio limited liability company, and denies each and every other allegation made and contained in Paragraph 3 of Plaintiffs' First Amended Complaint.
4. Upon information and belief, the Receiver admits the allegations in Paragraph 4 of Plaintiffs' First Amended Complaint.

(2) The AEM Services, LLC dba AEM Funding; (3) AEM Investments, LLC; (4) ARM Wholesale, LLC; (5) AEM Productions LLC; (6) AEM Capital Fund Ltd.; (7) Landmark Property Development, Ltd. fka Landmark Real Estate Endeavors, Ltd.; and (8) AEM Real Estate Group, LLC (the "**Receivership Entities**").

5. The Receiver admits that Defendant Steven J. Pruneski (“**Pruneski**”) is an attorney licensed to practice in Ohio and denies each and every other allegation made and contained in Paragraph 5 of Plaintiffs’ First Amended Complaint.

6. The Receiver admits that Defendant Darrel L. Seibert, II (“**Seibert**”) is an attorney licensed to practice in Ohio and denies for want of knowledge that he is owner of and/or employed by Seibert Enterprises and denies each and every other allegation made and contained in Paragraph 6 of Plaintiffs’ First Amended Complaint.

7. The Receiver admits that Defendant AEM is an Ohio limited liability company, but denies each and every other allegation made and contained in Paragraph 7 of Plaintiffs’ First Amended Complaint.

8. The Receiver admits that Defendant Mark Dente (“**Dente**”) is an individual living at 498 Weston Court, Copley, Ohio 44321, and denies each and every other allegation made and contained in Paragraph 8 of Plaintiffs’ First Amended Complaint.

9. The Receiver admits the allegations made and contained in Paragraph 9 of Plaintiffs’ First Amended Complaint.

10. Upon information and belief, the Receiver admits the allegations in Paragraph 10 of Plaintiffs’ First Amended Complaint but further answering states that many victims were told generally similar stories by Defendants Dente, Seibert, Pruneski, and the Plaintiffs which were fabrications and fraudulent.

11. Upon information and belief, the Receiver denies the allegations made and contained in Paragraph 11 of Plaintiffs' First Amended Complaint and further answering states that Plaintiffs worked with SP Investment, Seibert, and Pruneski to draft and distribute the Investor Plan to potential investor-victims.

12. The Receiver admits that the Investor Plan makes representations but further answering states that the Investor Plan's representations were false and fraudulent, and therefore denies each and every other allegation made and contained in Paragraph 12 of Plaintiffs' First Amended Complaint.

13. The Receiver states that Pruneski, Seibert, SP Investment, and SP-AEM, a Joint Venture ("SP-AEM," together with Pruneski, Seibert, and SP Investment, the "SP Defendants") and Plaintiffs O&O, R. Oldham, and J. Oldham (collectively, the "Plaintiffs" or the "O&O Plaintiffs") used the Investor Plan to find and solicit victims who invested in a Ponzi scheme which the SP Defendants, the Plaintiffs, and Dente characterized as a joint venture operated by the SP Defendants and Dente; and the Receiver further states that AEM was under the complete control of Dente and did not have a separate mind, will, or existence of its own and therefore, the Receiver denies each and every allegation appertaining to AEM made and contained in Paragraph 13 of Plaintiffs' First Amended Complaint.

14. The Receiver admits that the SP Defendants, Dente, and the O&O Plaintiffs made representations to potential investor-victims and denies for want of knowledge the allegations made and contained in Paragraph 14 of Plaintiffs' First

Amended Complaint that pertain to representations made between and among the SP Defendants, Dente, and the O&O Plaintiffs.

15. The Receiver denies for want of knowledge any and all allegations that pertain to representations made between and among the SP Defendants, Dente, and the O&O Plaintiffs; and further answering states that many victims were told generally similar stories by Defendants Dente, Seibert, Pruneski, and the Plaintiffs which were fabrications and fraudulent; and the Receiver denies each and every other allegation made and contained in Paragraph 15 of Plaintiffs' First Amended Complaint.

16. Upon information and belief, the Receiver admits the allegations made and contained in Paragraph 16 of Plaintiffs' First Amended Complaint.

17. The Receiver admits that the fictitious name "SP-AEM Joint Venture" was registered with the Ohio Secretary of State but denies for want of knowledge each and every other allegation made and contained in Paragraph 17 of Plaintiffs' First Amended Complaint.

18. The Receiver denies for want of knowledge each and every allegation made and contained in Paragraph 18 of Plaintiffs' First Amended Complaint.

19. The Receiver denies that Pruneski is an attorney at Buckingham Doolittle and Burroughs, LLP and denies for want of knowledge each and every other allegation made and contained in Paragraph 19 of Plaintiffs' First Amended Complaint.

20. The Receiver states that many victims were told generally similar stories by Defendants Dente, Seibert, Pruneski, and the Plaintiffs which were fabrications and fraudulent; and the Receiver denies each and every other allegation made and contained in Paragraph 20 of Plaintiffs' First Amended Complaint.

21. The Receiver denies the allegations in Paragraph 21 of Plaintiffs' First Amended Complaint.

22. The Receiver denies the allegations made and contained in Paragraph 22 of Plaintiffs' First Amended Complaint.

23. Upon information and belief, the Receiver admits the allegations in Paragraph 23 of Plaintiffs' First Amended Complaint.

24. Upon information and belief, the Receiver admits the allegations made and contained in Paragraph 24 of Plaintiffs' First Amended Complaint.

25. Upon information and belief, the Receiver admits the allegations in Paragraph 25 of Plaintiffs' First Amended Complaint.

26. The Receiver admits that the O&O Plaintiffs received payments from the SP Defendants as a result of their investment in SP-AEM and as a result of securing additional investors in SP-AEM; and specifically denies that the payments were interest payments; and further answering, the Receiver denies the remaining allegations made and contained in Paragraph 26 of Plaintiffs' First Amended Complaint.

27. The Receiver denies for want of knowledge each and every allegation made and contained in Paragraph 27 of Plaintiffs' First Amended Complaint.

28. In the response to the allegations contained in Paragraph 28 of Plaintiffs' First Amended Complaint, the Receiver admits that SP-AEM was a fraud perpetuated by the SP Defendants and Dente acting together through SP Investment and AEM, and in which the O&O Plaintiffs were "Affiliates" of SP Investment by virtue of an Affiliate Agreement by and between O&O and SP Investment dated March 15, 2020. Further answering, the Receiver states that the Joint Venture Agreement and the Security Agreement, and any other written or unwritten terms, conditions, promises, stipulations, provisions, grants, pledges, or guarantees made and contained therein, which purport to govern the fraudulent activity or division of profits of any such fraud by and among the SP Defendants and Dente are void *ab initio* or voidable and unenforceable, and otherwise not binding on the Receiver, and he repudiates them. The Receiver denies any remaining allegations made and contained in Paragraph 28 of Plaintiffs' First Amended Complaint.

29. The Receiver admits the allegations made and contained in Paragraph 29 of Plaintiffs' First Amended Complaint.

30. The Receiver admits that Seibert made the statements Plaintiffs allege were made in Paragraph 30 of Plaintiffs' First Amended Complaint, but denies any allegation made by the SP Defendants in Case No. CV-2022-06-1899 that the SP Defendants were not at all times relevant to the Plaintiffs' First Amended

Complaint, acting jointly and in concert with Dente to perpetrate and carry out a fraudulent scheme.

31. In response to the allegations contained in Paragraph 31 of Plaintiffs' First Amended Complaint, the Receiver specifically admits that SP Investment transferred millions of dollars in investment funds to AEM without requiring AEM to substantiate or identify the "wholesaling" contracts it represented were being purchased with the money. Further answering, the Receiver denies any allegation in Paragraph 31 of the Plaintiffs' First Amended Complaint that suggests that the SP Defendants were not, at all times relevant to the Plaintiffs' First Amended Complaint, acting jointly and in concert with Dente in furthering his Ponzi scheme; and further answering, states that the SP Defendants and the O&O Plaintiffs were finders, participants, and/or Affiliates in Dente Ponzi scheme, which was carried out in part through SP-AEM.

32. In response to the allegations contained in Paragraph 32 of the Plaintiffs' First Amended Complaint, the Receiver denies any allegation that suggests that the SP Defendants were not, at all times relevant to the Plaintiffs' First Amended Complaint, acting jointly and in concert with Dente in furthering his Ponzi scheme; and further answering, states that the SP Defendants and the O&O Plaintiffs were finders, participants, and/or Affiliates and in Dente Ponzi scheme, which was carried out in part through SP-AEM.

33. The Receiver admits that AEM failed to provide financial reporting or accounting information to SP Investment, but that because SP-AEM was a fraud

perpetuated by the SP Defendants and Dente acting together through SP Investment and AEM, and in which the O&O Plaintiffs were Affiliates, the SP Defendants never intended to obtain such information; and further answering, the Receiver denies each and every other allegation made and contained in Paragraph 33 of Plaintiffs' First Amended Complaint.

34. The Receiver admits that Seibert and Pruneski were at least grossly negligent but denies any allegation in Paragraph 34 of the Plaintiffs' First Amended Complaint that suggests that the SP Defendants were not, at all times relevant to the Plaintiffs' First Amended Complaint, acting jointly and in concert with Dente in furthering his Ponzi scheme; and also states that the SP Defendants and the O&O Plaintiffs were finders, participants, and/or Affiliates in the Dente Ponzi scheme which was carried out in part through SP-AEM; and further answering, the Receiver states that the Joint Venture Agreement and the Security Agreement were documents governing the fraudulent activity and dividing the profits of fraud and as such, are void *ab initio* or voidable and unenforceable and otherwise not binding on the Receiver, and he repudiates them.

35. The Receiver denies for want of knowledge the allegations made and contained in Paragraph 35 of Plaintiffs' First Amended Complaint; and further answering denies any allegation in Paragraph 35 of the Plaintiffs' First Amended Complaint that suggests that the SP Defendants were not at all times relevant to the Plaintiffs' First Amended Complaint, acting jointly and in concert with Dente in furthering his Ponzi scheme and also states that the SP Defendants and the O&O

Plaintiffs were finders, participants and/or Affiliates in the Dente Ponzi scheme which was carried out in part through SP-AEM.

36. In response to the allegations made and contained in Paragraph 36 of Plaintiffs' First Amended Complaint, including all subparts contained therein, the Receiver admits that false representations were made in the Investor Plan as described in the allegations, but further answering, states that the O&O Plaintiffs were Affiliates of the SP Defendants and that they assisted in the drafting and distribution of the Investor Plan; and the Receiver further states that the SP Defendants and the O&O Plaintiffs were finders, participants and/or Affiliates in Dente Ponzi scheme which was carried out in part through SP-AEM.

37. Upon information and belief, the Receiver admits the allegations made and contained in Paragraph 37 of Plaintiffs' First Amended Complaint, but further answering states that the O&O Plaintiffs were Affiliates of the SP Defendants and that they assisted in the drafting and distribution of the Investor Plan to other investor-victims; and the Receiver further states that the SP Defendants and the O&O Plaintiffs as Affiliates used the Investor Plan they drafted and distributed to promote the Dente Ponzi scheme which was carried out in part through SP-AEM.

38. Upon information and belief, the Receiver denies the allegations made and contained in Paragraph 38 of Plaintiffs' First Amended Complaint; and further answering states that the O&O Plaintiffs were Affiliates of the SP Defendants and that they assisted in the drafting and distribution of the Investor Plan to other investor-victims and themselves received compensation for finding an investor.

39. Upon information and belief, the Receiver admits the allegations in Paragraph 39 of Plaintiffs' First Amended Complaint.

40. The Receiver admits the allegations in Paragraph 40(1) and (2) of Plaintiffs' First Amended Complaint. Further answering, the Receiver states that the agreements referenced in Paragraph 40(3), and any other terms, conditions, promises, stipulations, provisions, grants, pledges, or guarantees made and contained in any agreement, written or unwritten by and among the SP Defendants and Dente were made for fraudulent purposes, and therefore denies Paragraph 40(3) of Plaintiffs' First Amended Complaint.

41. The Receiver admits the allegations in Paragraph 41 of Plaintiffs' First Amended Complaint that the SP Defendants deliberately and fraudulently encouraged the O&O Plaintiffs to roll over their investments to AEM directly but the Receiver states that the SP Defendants' purpose for doing so was to take possession of the money that O&O invested in AEM by demanding that Dente turn it over to the SP Defendants directly upon its deposit into AEM; and further answering the Receiver repudiates any terms, conditions, promises, stipulations, provisions, grants, pledges, or guarantees made and contained in any agreement, written or unwritten by and among the SP Defendants and Dente because they were made for fraudulent purposes and are therefore void *ab initio* or voidable and unenforceable and otherwise not binding on the Receiver, and he repudiates them.

42. Upon information and belief, the Receiver admits the allegations in Paragraph 42 of Plaintiffs' First Amended Complaint and further answering the

Receiver repudiates any terms, conditions, promises, stipulations, provisions, grants, pledges, or guarantees made and contained in any agreement, written or unwritten by and among the SP Defendants and Dente because they were made for fraudulent purposes and are therefore void *ab initio* or voidable and unenforceable and otherwise not binding on the Receiver, and he repudiates them.

43. Upon information and belief, the Receiver admits the allegations in Paragraph 43 of Plaintiffs' First Amended Complaint regarding the four promissory notes from AEM and Dente, but denies the remaining allegations made and contained in Paragraph 43 of Plaintiffs' First Amended Complaint.

44. The Receiver denies the allegations in Paragraph 44 of Plaintiffs' First Amended Complaint and further answering states that the O&O Plaintiffs were Affiliates of the SP Defendants and therefore had imputed knowledge.

45. The Receiver denies the allegations in Paragraph 45 and all subparts of Plaintiffs' First Amended Complaint and further answering states that the O&O Plaintiffs were Affiliates of the SP Defendants and therefore had imputed knowledge.

46. The Receiver denies the allegations in Paragraph 46 of the Plaintiffs' First Amended Complaint and further answering states that the O&O Plaintiffs were Affiliates of the SP Defendants and therefore had imputed knowledge.

47. The Receiver admits the allegations in Paragraph 47 of the Plaintiffs' First Amended Complaint.

48. The Receiver admits the allegations in Paragraph 48 of the Plaintiffs' First Amended Complaint.

49. The Receiver denies each and every allegation made and contained in Paragraph 49 of Plaintiffs' First Amended Complaint.

50. The allegations made and contained in Paragraph 50 of Plaintiffs' First Amended Complaint constitute legal conclusions to which no response is required; but to the extent a response is required, the Receiver denies all allegations contained therein.

COUNT I (Negligence)

51. The Receiver reincorporates and reavers its responses to Paragraphs 1 through 50 of Plaintiffs' First Amended Complaint as if fully rewritten herein.

52. The Receiver admits that many victims were told generally similar stories by the SP Defendants and Defendant Dente and others which were fabrications and fraudulent and further answering, the Receiver states that the O&O Plaintiffs were Affiliates of the SP Defendants, had imputed knowledge and did not rely upon the representations when investing the funds in the Ponzi scheme.

53. The Receiver denies for want of knowledge the allegations that pertain to representations made between and among the SP Defendants, Dente and the O&O Plaintiffs; and further answering states that many victims were told generally similar stories by Defendants Dente, Seibert, Pruneski, and the Plaintiffs which were fabrications and fraudulent; and the Receiver denies each and every other allegation made and contained in Paragraph 54 of Plaintiffs' First Amended

Complaint because Plaintiffs had imputed knowledge and did not rely upon the representations when investing the funds in the Ponzi scheme.

54. The Receiver denies each and every allegation made and contained in Paragraph 54 of Plaintiffs' First Amended Complaint.

55. The Receiver denies each and every allegation made and contained in Paragraph 55 of Plaintiffs' First Amended Complaint.

COUNT II (Negligence)

56. The Receiver reincorporates and reavers its responses to Paragraphs 1 through 55 of Plaintiffs' First Amended Complaint as if fully rewritten herein.

57. The Receiver denies each and every allegation made and contained in Paragraph 57 of Plaintiffs' First Amended Complaint.

58. The Receiver denies each and every allegation made and contained in Paragraph 58 of Plaintiffs' First Amended Complaint.

59. The Receiver denies each and every allegation made and contained in Paragraph 59 of Plaintiffs' First Amended Complaint.

COUNT III (Breach of Fiduciary Duty)

60. The Receiver reincorporates and reavers its responses to Paragraphs 1 through 59 of Plaintiffs' First Amended Complaint as if fully rewritten herein.

61. The Receiver denies each and every allegation made and contained in Paragraph 61 of Plaintiffs' First Amended Complaint.

62. The Receiver denies each and every allegation made and contained in Paragraph 62 of Plaintiffs' First Amended Complaint.

63. The Receiver denies each and every allegation made and contained in Paragraph 63 of Plaintiffs' First Amended Complaint.

64. The Receiver denies each and every allegation made and contained in Paragraph 64 of Plaintiffs' First Amended Complaint.

COUNT IV (Fraud)

65. The Receiver reincorporates and reavers its responses to Paragraphs 1 through 64 of Plaintiffs' First Amended Complaint as if fully rewritten herein.

66. The Receiver denies for want of knowledge that the SP Defendants committed fraud when they solicited Plaintiffs to invest and re-invest money in SP-AEM, and further answering, states that the O&O Plaintiffs have affirmatively represented in Paragraph 27 of their First Amended Complaint that neither AEM nor Dente made any representations to them.

67. The Receiver denies for want of knowledge that the SP Defendants committed fraud when they solicited Plaintiffs to invest and re-invest money in SP-AEM, and further answering, states that the O&O Plaintiffs have affirmatively represented in Paragraph 27 of their First Amended Complaint that neither AEM nor Dente made any representations to them.

68. The Receiver admits that the SP Defendants knew their material misrepresentations or omissions of fact were false or made such material

misrepresentations or omissions of fact with at least an utter disregard or recklessness as to whether they were true or false; and further answering, states that the O&O Plaintiffs have affirmatively represented in Paragraph 27 of their First Amended Complaint that neither AEM nor Dente made any representations to them.

69. The Receiver admits that the SP Defendants made material misrepresentations of fact with an intent that the O&O Plaintiffs would join them in their fraudulent activities as Affiliates, and further answering states that the Plaintiffs have affirmatively represented in Paragraph 27 of their First Amended Complaint that neither AEM nor Dente made any representations to them.

70. The Receiver denies each and every allegation made and contained in Paragraph 70 of Plaintiffs' First Amended Complaint.

71. Upon information and belief, the Receiver admits the allegations in Paragraph 71 of Plaintiffs' First Amended Complaint.

72. The Receiver denies each and every allegation made and contained in Paragraph 72 of Plaintiffs' First Amended Complaint.

COUNT V (Negligent Misrepresentation)

73. The Receiver reincorporates and reavers its responses to Paragraphs 1 through 72 of Plaintiffs' First Amended Complaint as if fully rewritten herein.

74. The Receiver admits the allegations made and contained in Paragraph 74 of Plaintiffs' First Amended Complaint that Defendants had a financial and

pecuniary interest in Plaintiffs' investments, but denies the remaining allegations contained therein.

75. The Receiver denies each and every allegation made and contained in Paragraph 75 of Plaintiffs' First Amended Complaint.

76. The Receiver denies each and every allegation made and contained in Paragraph 76 of Plaintiffs' First Amended Complaint.

77. The Receiver denies each and every allegation made and contained in Paragraph 77 of Plaintiffs' First Amended Complaint.

COUNT VI (Constructive Fraud)

78. The Receiver reincorporates and reavers its responses to Paragraphs 1 through 77 of Plaintiffs' First Amended Complaint as if fully rewritten herein.

79. The Receiver admits the allegations in Paragraph 79 of Plaintiffs' First Amended Complaint.

80. The Receiver denies the allegations in Paragraph 80 of Plaintiffs' First Amended Complaint

81. The Receiver denies each and every allegation made and contained in Paragraph 81 of Plaintiffs' First Amended Complaint.

82. Upon information and belief, the Receiver admits the allegations in Paragraph 82 of Plaintiffs' First Amended Complaint.

83. The Receiver denies each and every allegation made and contained in Paragraph 83 of Plaintiffs' First Amended Complaint.

COUNT VII
(Recission of AEM Notes)

84. The Receiver reincorporates and reavers its responses to Paragraphs 1 through 83 of Plaintiffs' First Amended Complaint as if fully rewritten herein.

85. The Receiver denies each and every allegation made and contained in Paragraph 85 of Plaintiffs' First Amended Complaint.

86. The Receiver denies each and every allegation made and contained in Paragraph 86 of Plaintiffs' First Amended Complaint.

87. The Receiver denies each and every allegation made and contained in Paragraph 87 of the Plaintiffs' First Amended Complaint.

COUNT VIII
(Accounting)

88. The Receiver reincorporates and reavers its responses to Paragraphs 1 through 87 of Plaintiffs' First Amended Complaint as if fully rewritten herein.

89. The Receiver denies each and every allegation made and contained in Paragraph 89 of the Plaintiffs' First Amended Complaint.

90. The Receiver admits the allegations made and contained in Paragraph 90 of Plaintiffs' First Amended Complaint.

91. The Receiver admits the allegations made and contained in Paragraph 91 of Plaintiffs' First Amended Complaint, but states that as to AEM, no normal business records were maintained by Dente.

COUNT IX
(Receivership ORC 2735.01)

92. The Receiver reincorporates and reavers its responses to Paragraphs 1 through 91 of Plaintiffs' First Amended Complaint as if fully rewritten herein.

93. The Receiver admits the allegations made and contained in Paragraph 93 of Plaintiffs' First Amended Complaint.

94. The Receiver admits the allegations made and contained in Paragraph 94 of Plaintiffs' First Amended Complaint.

95. The Receiver admits the allegations made and contained in Paragraph 95 of Plaintiffs' First Amended Complaint; and further answering, the Receiver states that he is already Receiver of AEM, and the Receivership should be amended and expanded to include the assets of SP-AEM and SP Investment, and any assets that were received from AEM and the fraudulent Ponzi scheme by SP Investment, Seibert, and Pruneski are recoverable by the Receiver of AEM.

COUNT X
(Violations of Ohio Securities Act)

96. The Receiver reincorporates and reavers its responses to Paragraphs 1 through 95 of Plaintiffs' First Amended Complaint as if fully rewritten herein.

97. The Receiver admits that the SP Defendants and Dente offered an unregistered security for sale by way of the SP Investor Plan but denies the allegations on behalf of AEM.

98. The Receiver admits that the SP Defendants and O&O Plaintiffs received profits and commissions that were funds fraudulently obtained from other investor-victims who invested in the Dente/AEM Ponzi scheme.

99. The Receiver denies each and every allegation made and contained in Paragraph 99 of the Plaintiffs' First Amended Complaint.

100. The Receiver denies each and every allegation made and contained in Paragraph 100 of Plaintiffs' First Amended Complaint.

101. The Receiver states that the SP Defendants and Dente are personally liable to the Receiver as the stakeholders for all victims who invested money through the SP Defendants (including SP Investment and SP-AEM), and deny each and every other allegation made and contained in Paragraph 101 of Plaintiffs' First Amended Complaint.

102. The Receiver denies that Plaintiffs are entitled to the remedies described in Paragraph 102 of Plaintiffs' First Amended Complaint.

COUNT XI
(Breach of Contract—AEM Notes)

103. The Receiver reincorporates and reavers its responses to Paragraphs 1 through 102 of Plaintiffs' First Amended Complaint as if fully rewritten herein.

104. The Receiver denies each and every allegation made and contained in Paragraph 104 of the Plaintiffs' First Amended Complaint.

105. The Receiver denies each and every allegation made and contained in Paragraph 105 of Plaintiffs' First Amended Complaint.

106. The Receiver denies each and every allegation made and contained in Paragraph 106 of the Plaintiffs' First Amended Complaint.

107. The Receiver denies each and every allegation made and contained in Paragraph 107 of the Plaintiffs' First Amended Complaint.

AFFIRMATIVE DEFENSES

1. The Plaintiffs' First Amended Complaint fails to state any claims upon which relief can be granted.

2. The O&O Plaintiffs' claims are barred by the equitable doctrines of unclean hands, inequitable behavior, fraud, deceit, unconscionability, bad faith, reckless disregard for facts, willful blindness, acquiescence, ratification, waiver, laches, estoppel, and accord and satisfaction.

3. The O&O Plaintiffs contributed to their own injury or loss, and/or have acted dishonorably.

4. The O&O Plaintiffs seek to retain benefits obtained through fraud and participation in fraud.

5. The O&O Plaintiffs' claims are barred by a failure of consideration.

6. The O&O Plaintiffs have no damages or have failed to mitigate their damages.

7. Any alleged damages suffered by the O&O Plaintiffs resulted from their own conduct, and the conduct of their agents and enablers.

8. The O&O Plaintiffs' damages are a result of a fraudulent Ponzi scheme which they promoted, endorsed, encouraged, helped, sponsored, supported and participated in.

9. The O&O Plaintiffs' claims and damages are barred by their failure to act in a commercially reasonable manner.

10. The O&O Plaintiffs' claims and damages are barred by their failure to demonstrate objective good faith when they had a duty to inquire.

11. The purported Security Agreement and the purported Joint Venture Agreement between The AEM Services, LLC and SP Investments were illegal contracts and/or were entered into to further an illegal purpose.

12. The O&O Plaintiffs did not rely, reasonably or otherwise, upon some or all of the representations that may have been made by Dente.

13. The Receiver reserves the right to assert additional defenses pending further investigation and discovery in this matter.

**CROSS-CLAIMS AGAINST SP SERVICES, LLC, STEPHEN J. PRUNESKI,
DARREL L. SEIBERT II, AND MARK DENTE**

AND

COUNTERCLAIMS AGAINST O&O INVESTMENTS, LLC

INTRODUCTION

1. This case centers on a fraudulent scheme perpetrated by Defendant Mark Dente (“**Dente**”) and The AEM Services, LLC (“**AEM**”), which Dente owned and controlled.

2. Dente marketed AEM to investors as a real estate “wholesaling” company that earned profits by entering into real estate purchase contracts at a discount and then selling and assigning them for a greater sum.

3. Dente told investors that he had long-standing relationships with banks which owned and wanted to sell distressed properties, and also with *bona fide* third-party purchasers who wanted to purchase the contracts, and that he acted as a matchmaker between them. He also told investors that he and AEM used funds they gave to AEM to pay for the real estate they contracted to purchase from the banks and sourced returns to investors from the profits received from the assignments/sales of the real estate purchase contracts.

4. The Dente-AEM investment “opportunity” offered the best of both worlds—astronomical returns of typically 2% to 4% per month (or 24 - 48% annualized), with no market risk.

5. To lend legitimacy to AEM and to downplay any risk associated with the transactions, Dente personally guaranteed each AEM Note.

6. Between January 1, 2018 and June 2022, Dente and AEM raised at least \$184 million from investors.

7. In reality, Dente operated AEM as a Ponzi scheme.

8. AEM’s purported real estate wholesaling business was a sham because the real estate purchase contracts did not exist, AEM did not have any special relationships with banks or third-party *bona fide* purchasers, and AEM did not generate any revenue through real estate wholesaling transactions.

9. The funds transferred to AEM from investor-victims were immediately commingled with other money in AEM and AEM-related accounts.

10. AEM used most of the new investor-victim money it raised to pay fictitious returns to earlier investors.

11. Dente took some of the investment proceeds for his own personal use—including extravagant home improvements, vacation homes, luxury cars, country club dues, and large cash withdrawals.

12. The investment scam offered by Dente through AEM was based on the sale of unregistered securities.

13. By selling unregistered securities and lying to investors about AEM's business, and instead, running AEM as a fraudulent Ponzi scheme, Dente committed securities fraud, wire fraud, theft by deception and received stolen property.

14. A significant portion of the Dente's AEM investment "opportunities" were offered and sold to prospective investors through Defendants Stephen J. Pruneski ("**Pruneski**") and Darrel Seibert II ("**Seibert**")—two attorneys licensed to practice law in Ohio.

15. Seibert and Pruneski organized Defendant SP Investment Services, LLC ("**SP Investment**") and promised investors that it was a buffer between investors and AEM and that it provided additional safeguards such as oversight, a security agreement, and collateral in order to market AEM's bogus investment opportunities.

16. Pruneski and Seibert joined with Dente in violating federal and state securities laws by selling unregistered securities and by committing fraud in the marketing of AEM Notes and investment “opportunities.” They also joined with Dente in the wire fraud, the theft by deception and receiving stolen property.

17. Pruneski and Seibert had actual knowledge of facts material to their investor-victims’ decision to invest but failed to disclose them to their investor-victims.

18. Pruneski and Seibert willfully ignored glaring red flags that signaled AEM was a scam.

19. Pruneski and Seibert hid from their investor-victims the enormous compensation they received and they hid the fact that their fees were being paid out of the profits that otherwise would have gone to the investor-victim—meaning there was a zero-sum game between Seibert’s and Pruneski’s compensation and the “profit” paid to their investor-victims. If Pruneski and Seibert negotiated with the investor to accept a lower return, their compensation was accordingly higher.

20. Pruneski and Seibert acted with scienter and/or intentionally concealed this conflict of interest from their investor-victims, so that they could reap vast compensation by selling bogus investments in AEM.

21. To assist SP Investment’s activities and help them find AEM investors, Pruneski and Seibert entered into an Affiliate Agreement with O&O Investment, LLC (“O&O”) (*See Exhibit A*).

22. Together, Pruneski, Seibert, Rene Oldham, Jeff Oldham, SP Investment, and O&O created marketing materials containing materially false information and used them to attract new investor money. All of them were paid commissions and fictitious profits for locating new investor-victims.

23. The Receiver brings this lawsuit to recover all money paid by AEM and its related entities to Dente, SP Investment, Seibert, Pruneski, Rene Oldham, Jeff Oldham, and O&O, and to request punitive damages and for other remedies at law or in equity that are appropriate.

PARTIES

24. Receiver is the court-appointed receiver for the assets of the Receivership Entities, pursuant to the June 22, 2022 Order Appointing Receiver, and various amendments thereto (the “**Receiver Order**”), entered by the Court of Common Pleas in the matter captioned *Christopher Longo v. The AEM Services, LLC, et al.*, Summit County Common Pleas Case No. CV-2022-05-1754 (the “**Longo Case**”).

25. The Cross-claims and Counterclaims are brought under the authority granted the Receiver pursuant to Paragraph 2(h) of the Receiver Order, whereby he “is authorized to institute, prosecute, or intervene in any lawsuit or summary proceeding against any other person(s) or entity(ies) to preserve and/or maximize the value of the Property or to obtain possession of any of the Property unlawfully in the possession of third parties.”

26. Dente is an individual resident of the State of Ohio with an address of 498 Weston Court, Copley, Ohio 44321.

27. Seibert is an individual and an attorney licensed to practice law in the State of Ohio and lists his address with the Ohio Supreme Court as 16295 S. Tamiami Tr. Suite #422, Fort Myers, FL 33908.

28. Seibert is the managing member and 80% owner of SP Investment.

29. Pruneski is an individual and an attorney licensed to practice law in the State of Ohio, with an address listed with the Ohio Supreme Court as Law Offices of Stephen J. Pruneski LLC, 234 Portage Trail, Cuyahoga Falls, OH 44221 Summit County.

30. Pruneski is the 20% owner of SP Investment.

31. SP Investment is an active Ohio limited liability company, with an unknown principal place of business (as of June 6, 2022), but its registered agent is identified as the Law Offices of Stephen J. Pruneski, LLC, 2041 Hemlock Ct., North Canton, OH, 44720, as of April 2023.

32. SP-AEM Joint Venture (“**SP-AEM**”) is a fictitious name registered with the Ohio Secretary of State by SP Investment.

33. On March 12, 2020, O&O was organized as a Georgia limited liability company with its principal office address at 1915 Gene Sarazen Dr., Braselton, Georgia 30571.

34. O&O was administratively dissolved on September 30, 2021.

35. Upon information and belief, Plaintiffs Jeffrey A. Oldham and Rene Oldham are individuals and the owners of O&O. According to the records of the Georgia Secretary of State, Jeffrey A. Oldham was the registered agent.

FACTS COMMON TO ALL COUNTS

Overview of the Dente-AEM Ponzi Scheme

36. Since the mid-2000s, Dente owned and operated multiple entities that purported to be in the real estate business, in one way or another.

37. In 2008, hundreds of foreclosure lawsuits were filed against Dente and the entity he owned with his wife, Landmark Property Development Ltd. f/k/a Landmark Real Estate Endeavors.

38. Because Landmark had failed, and its properties were the subject of hundreds of foreclosures, Dente formed AEM to continue his fraudulent real estate practices.

39. Dente formed AEM on June 15, 2016, with no stated purpose and was its sole owner.

40. From January 2018 and continuing until June 2022, Dente claimed to conduct a real estate wholesaling business through AEM.

41. In describing AEM's wholesaling business to investors, Dente represented that AEM:

- a. had strategic relationships with banks with title to distressed real estate parcels they wished to sell;

- b. was able to purchase the real estate parcels at a substantial discount;
- c. generated revenues by reselling the real estate parcels to third-party purchasers who were interested in improving them and “flipping” them;
- d. would use investor funds to purchase a 50% interest in specific real estate parcels which were offered for sale by the banks;
- e. would use a portion of the revenue generated by the real estate transactions to pay the guaranteed return to investors identified in each of the AEM Notes.

42. AEM also purchased real estate directly from owner-sellers, renovated it and sold the renovated parcels to end-user purchasers.

43. Over a span of four years and unrelated to its non-existent “wholesaling” business, AEM purchased and renovated approximately 215 homes with money borrowed from a private equity fund to finance its renovation activities.

44. AEM’s pitch to potential investors did not describe an investment in its renovation business and in fact, those activities did not generate sufficient revenues—or indeed any profits—to repay the hundreds of investor-victims the millions of dollars they invested in AEM’s fictitious wholesaling business.

45. While AEM was purportedly in the business of wholesaling and renovating multiple thousands of real estate properties and earning scores of

millions of dollars, it operated out of a former gasoline filling station located at the intersection of Market Street and Miller Road in Akron, Ohio.

46. Its staff consisted of three executive members, an office worker, and several other employees, including Dente's son, Anthony. AEM kept no business records and filed no tax returns.

47. No later than January 2018, Dente and AEM started selling investment interests in AEM to investors. Once an investor agreed to put money into AEM, the investor received a cognovit promissory note (an "**AEM Note**") that identified the terms of the purported investment:

- a. the value received from the investor;
- b. the term of the investment—which was typically 45 to 60 days;
- c. the guaranteed profit on the note or the rate that guaranteed interest accrued;
- d. signatures by AEM (by Mark Dente) and Mark Dente individually.

48. At the time the AEM Notes were issued to prospective investors, Dente knew that AEM could never pay off the AEM Notes because in reality, AEM had no real estate wholesaling business, had no real estate purchase contracts with any bank or financial institution, and also had no third-party *bona fide* purchasers to whom to assign the fictitious real estate purchase contracts.

49. Dente acted with actual knowledge. At the time he signed the AEM Notes, Dente knew, or recklessly disregarded, that the representations made to prospective investors were false. He knew, or recklessly disregarded, that AEM had

not entered into any residential real estate purchase agreements and had not assigned any such contracts to third-party purchasers.

50. Although he knew that the representations he made to investor-victims were false, Dente continued to execute cognovit promissory notes on behalf of AEM to raise money from new investor-victims.

51. The misrepresentations made to investor-victims were material. In making an investment decision, a reasonable investor would consider it important that rather than following the represented business model, AEM was not generating revenue through the fictitious wholesaling business and was paying investment “returns” with new investor principal.

52. Dente realized that to keep the scheme afloat he would need new investor-victims to contribute money, because his friends and acquaintances had already invested in AEM.

The Partnership Between Dente, Seibert, and Pruneski

53. Dente solicited Seibert and Pruneski in late 2019 to help him raise capital for AEM and promised them exorbitant returns on investment for their help.

54. To do so, Seibert and Pruneski formed SP Investment and then immediately entered into a Joint Venture Agreement (attached hereto as Exhibit B) and a Security Agreement (attached hereto as Exhibit C) with Dente and AEM.

55. The Joint Venture Agreement created a partnership known as the SP-AEM Joint Venture, and it was organized by Dente, Seibert, and Pruneski to

facilitate the flow of cash into the Dente/AEM Ponzi scheme, then rake off fake returns into SP Investment.

56. The Joint Venture Agreement was executed on February 25, 2020, and obligated:

- a. SP Investment (and therefore Seibert and Pruneski) to contribute *at least* \$1.5 million to AEM and to perform all administrative services required for investors they located, such as the drafting of legal agreements, collection, and distribution of money and false profits;
- b. AEM (and therefore Dente) to provide to SP Investment:
 - i. AEM cognovit promissory notes guaranteed by Mark Dente;
 - ii. a guaranty of payment to SP Investment in the form of the grant of a security interest in the wholly fabricated real estate wholesale transactions;
 - iii. a quarterly accounting of funds generated through the real estate wholesale transactions; and
- c. the participants to divide the false profits depending on the amount of money infused by SP Investment, allowing SP Investment to keep up to 75% of all revenues obtained from the phony wholesaling transactions that Dente peddled, but which never existed.

57. The Security Agreement between SP Investment and AEM purportedly:

- a. granted a security interest to SP Investment in the fictitious residential real estate purchase contracts with the banks who supposedly were working with Dente and AEM, and also pledged as security cash, lists, spreadsheets, and future rights;
- b. allowed SP Investment rights to examine and inspect the collateral, audit and value the collateral, and to demand any “further acts, deeds and assurances” as SP Investment may require to assure itself of the authenticity and substance of its collateral;
- c. allowed SP Investment to perfect its interest in the collateral.

58. In actuality, the agreements between AEM and SP Investment comprised a written, structured, well-defined plan, scheme, and design, the intent and purpose of which was to commit fraud by providing for the organized disposition of the spoils of the parties’ conspiracy.

59. Seibert and Pruneski used SP Investment to charge and then conceal exorbitant fees or returns on the amounts their investor-victims contributed to the Dente/AEM Ponzi scheme.

Compensation Paid to SP Investment, Seibert, and Pruneski

60. Seibert and Pruneski were handsomely rewarded for their participation in the Dente Ponzi Scheme.

61. On February 24, 2020, Dente and SP Investment executed a facially defective cognovit promissory note (“**Promissory Note 1**”) from AEM and Dente to

SP Investment in the sum of \$9,926,000.00, funded by money obtained from investors. A copy of Promissory Note 1 is attached hereto as Exhibit D.

62. By its terms, Promissory Note 1 promised to pay SP Investment a profit of \$893,340.00 or 9% in 59 days. On an annualized basis, the interest to be paid was 145.8%.

63. Promissory Note 1 was accompanied by Appendix A, which is a seven (7) page, two-column list of dollar amounts with no other identifying information, address, or other classification. Accordingly, Appendix A was a completely meaningless list of numbers.

64. Yet, Seibert claimed that Dente “alleged” that the list of dollar amounts on Appendix A represented actual properties that were business transactions of Dente and AEM. See Seibert’s affidavit (the “**Seibert Affidavit**”), attached to the Complaint in *SP Investment Services, LLC, v. The AEM Services, LLC, et. al.*, Summit County Court of Common Pleas Case No. 2022-06-1899 (the “**Cognovit Note Case**”). No reasonable person, much less a lawyer, could rely upon such a representation, and the Seibert Affidavit does not swear that Seibert, Pruneski, or SP Investment ever relied in any way upon Appendix A.

65. AEM and Dente gave two additional promissory notes to SP Investment (referred to herein as “**Promissory Note 2**” and “**Promissory Note 3**,” respectively) which were also attached as Exhibits to the Cognovit Note Case and are attached hereto as Exhibits E and F, respectively.

66. Promissory Note 2 was in the amount of \$2,096,050 and promised to provide a \$419,300 profit in a mere 46 days, while Note 3 was in the amount of \$68,000 and promised to provide a \$10,200 profit in 61 days.

67. Both Promissory Note 2 and Promissory Note 3 each had an appendix like the one attached to Promissory Note 1, purportedly listing transactions and the guaranteed profit to be paid by AEM. Just as with Appendix A to Promissory Note 1, no rational person, much less any practicing lawyer, could have relied on the appendices to Promissory Notes 2 and 3 as anything meaningful.

68. Seibert and Pruneski received Promissory Notes 1, 2, and 3 to reward them for their ruthless solicitation of various individuals and business entities to invest in the Dente Ponzi Scheme. The investor-victims paid money to SP Investment and SP Investment funneled the funds to an SP-AEM bank account (over which Seibert and Pruneski had control) and thereafter, into the Ponzi scheme through a bank account in the name of an entity known as AEM Wholesale LLC.

69. The upshot was that SP Investment took cognovit promissory notes from AEM at a rate of 145.8% per annum, while SP Investment gave notes to its investors in amounts varying from 10% per annum to roughly 60% per annum. The difference inured to the benefit of Seibert, Pruneski, and SP Investment.

Dente's Marketing of the Dente Ponzi Scheme

70. Dente was relentless in his promotion of his Ponzi Scheme, touting guaranteed high rates of return and flaunting the "success" of his business (and

therefore the soundness of his offered business “opportunity”) by living a lavish lifestyle.

71. Potential investors were offered advice on ways they could afford to get in on the deal. For example, Dente offered investment opportunities by:

- a. promising potential investors that if they mortgaged their homes or took out personal loans to obtain investment money, AEM would make the payments on their debt;
- b. inducing potential investors to use their IRA funds as a source of investment capital and introducing them to an entity that would allow this sort of self-directed investment; and
- c. offering even higher rates of interest when investors threatened to “cash in” their investment.

Marketing by Seibert, Pruneski, SP Investment, Rene Oldham, and O&O

72. Once Dente partnered with Seibert and Pruneski, they raised millions for Dente. Between February 2020 and May 2022, Seibert and Pruneski located prospective investors, met with them, provided information on AEM’s purported business, answered questions and—if the individual decided to invest—obtained the investor’s signature on paperwork they generated.

73. Seibert and Pruneski also set up meetings between the prospective investors and Dente so that they could discuss with the investor the “investment opportunity.”

74. Together with Rene Oldham, Seibert and Pruneski drafted documents containing false and fabricated information about AEM, including verbatim statements about “wholesale” real estate transactions touted by Dente, and provided it to prospective investors (the “**Investor Plan**”). A copy of the Investor Plan is attached as Exhibit G.

75. The Investor Plan gave the appearance that AEM was a successful business that earned revenue through wholesale real estate transactions.

76. For example, the Investor Plan contained completely fabricated transaction and revenue amounts for AEM’s imaginary wholesale business. See Exhibit G, pg. 2, “550 homes with revenues in excess of \$4.4 million” in 2018; “1675 homes with revenues in excess of \$14.35 million” in 2019; “1225 homes with revenues in excess of \$15.2 million” year to date in 2020.

77. The Investor Plan also projected that AEM would “place under contract” between 2,000 and 2,200 homes in 2020. *Id.*

78. In their Investor Plan, Seibert, Pruneski, and Rene Oldham promised investors that their money would be used as “initial purchase payment funds” for foreclosed properties; that their funds would be “continuously reinvested into new product upon the repayment of the notes by AEM;” and that there were guardrails on SP Investment-funded transactions to prevent AEM from “getting too aggressive” in its purchasing strategies.

79. Seibert and Pruneski represented that the SP Investment transaction structure served three critical goals. It: (a) provided for authentication and

monitoring of the real estate wholesaling transactions and confirmation that they were real; (b) ensured that investor funds were being used as represented, that is, to fund real estate wholesale transactions rather than being siphoned off for some other purpose; and (c) promised a critical safeguard: their investment was secured and collateralized by the (purported) residential real estate contracts in which AEM had an interest.

80. Seibert and Pruneski also represented that SP Investment provided fraud protection by separating AEM from the investor's principal and income stream. Seibert, Pruneski, and SP Investment—not AEM—were going to control the money flow. As lawyers, they were both overseeing and supervising the transactions and profits.

81. Once an investor was ready to invest, Pruneski drafted an agreement (each, an "**Investor Agreement**") between SP Investment and the Investor that provided the terms for the purported investment and provided the investor with copies of the Joint Venture Agreement and the Security Agreement. However, not all investors received an Investor Agreement, but an exemplary copy of such an Investor Agreement is attached as Exhibit H.

82. After the investor executed the Investor Agreement that Pruneski prepared, SP Investment gave the investor a short-term promissory note (around 180 days) that also was prepared by Pruneski (the "**SP Notes**").

83. The SP Notes were not uniform and paid rates between 10% and 60% per annum, with an average rate of around 32%.

84. Seibert and Pruneski provided the minimum rate the investor would accept as interest, because the less the investor-victim made in interest, the more money Seibert and Pruneski made in returns on SP Investment's AEM Notes.

85. The SP Notes were not cognovit promissory notes, so they actually provided less security and protection for the investor-victim than the AEM Notes.

Fraudulent Misrepresentations made by Dente, Seibert, and Pruneski

86. AEM's purported wholesaling business was fake in its entirety.

87. Rather than paying investor returns through *bona fide* real estate transactions, Dente operated AEM as a Ponzi scheme by using investor money to pay (a) purported investment "returns" to other investors; (b) for personal luxury items for Dente and his family members (including renovations and monthly payments on his personal residence which included an indoor basketball court and scoreboard), a vacation home, a Tesla automobile, college tuition money, and cash withdrawals by cashier checks; (c) AEM's "operating expenses," including exorbitant salaries to AEM officers; and (d) outrageous returns to SP Investment, Seibert, and Pruneski.

88. Seibert and Pruneski acted with actual knowledge or reckless disregard of the truth when they disseminated their Investor Plan containing blatantly false and deceptive representations about AEM.

89. Neither Seibert nor Pruneski ever verified AEM's purported relationships with banks, third-party purchasers of transactions, or the existence of the real estate allegedly securing such transactions.

90. Neither Seibert nor Pruneski ever obtained a single residential real estate wholesaling contract to review.

91. Seibert and Pruneski also acted with actual knowledge or reckless disregard of the truth when, in the Joint Venture Agreement and the Security Agreement, they made assurances and promises of guardrails and safeguards.

92. Unbeknownst to their investor-victims, Seibert, Pruneski, and Dente completely disregarded both agreements.

93. Instead, Seibert and Pruneski routinely wired investor money from the SP Investment KeyBank account no. ***4992 into a KeyBank account No.***5015 in the name of SP Investment Services LLC DBA SP-AEM Joint Venture, which they controlled (the “**SP-AEM Account**”).

94. From the SP-AEM Account, they wired the money to Keybank account No. ***5023 in the name of AEM Wholesale at any time they desired and as soon as they received it.

95. From March 2020 through March 2022, SP Investment deposited money into SP-AEM KeyBank ***5015 which was then transferred to KeyBank AEM Wholesale account ***5023. The same day money was deposited into ***5023, it was withdrawn and deposited directly into KeyBank AEM account ***3937. Put another way, any funds Dente received through AEM Wholesale KeyBank account ***5023 were promptly commingled into the AEM bank account No. ***3937 and spent any way Dente chose, including paying earlier investor-victims and SP Investment, Seibert and Pruneski.

96. On at least one instance, the SP Defendants convinced an investor to invest \$100,000 in the fraudulent scheme. On May 17, 2021, the investor's \$100,000 was deposited into the SP-AEM KeyBank account ***5015. On the same day the money was deposited, it was withdrawn and deposited into account ***2476 nominally titled in SP Investment's name but controlled by Seibert and his wife. They converted the money to their own use.

97. In 2020, SP Investment received at least \$1,095,600 from AEM; in 2021, SP Investment received at least \$2,129,145; in 2022, SP Investment received at least \$2,050,000. The total amount of disbursements paid by AEM to SP Investment is \$5,274,745.

98. Seibert received distributions of \$2,283,565 through SP Investment. (See, Answer of Darrell Seibert II to Interrogatory 9, attached as Exhibit I).

99. Pruneski received distributions of \$585,000 through SP Investment., (See, Answer of Stephen J. Pruneski to Interrogatory No. 9, attached as Exhibit J).

100. Seibert and Pruneski paid themselves as compensation over 54% of the cash AEM paid to SP Investment from March 2020 through April 2022.

101. Seibert also received \$2,477,252 directly from AEM KeyBank account No. ***3937 and Seibert Enterprises, LLC, a company owned by received \$945,533 directly from AEM KeyBank account No. ***3937. These are funds that did not transfer through SP Investment and are in addition to amounts Seibert received from SP Investment. Seibert received total distributions of \$5,706,350 (i) directly from AEM and (ii) from AEM through SP Investment.

102. Pruneski received \$70,000 directly from AEM KeyBank account No. ***3937. These are funds that did not transfer through SP Investment and are in addition to amounts he received from SP Investment. Pruneski received total distributions of \$655,000 (i) directly from AEM and (ii) from AEM through SP Investment.

**Dente, Seibert, Pruneski, SP Investment, and SP-AEM
Participated in the Offering and Sale of Unregistered Securities**

103. In addition to committing fraud by running a Ponzi scheme and making material misrepresentations to investors, Defendants Dente, Seibert, and Pruneski engaged in the unlawful offer and sale of unregistered securities.

104. The AEM Notes and the SP Notes were “securities” as that term is defined in § 2(a)(1) of the Securities Act of 1933 (15 U.S.C. 77t(b)); and Sections 3(a)(10) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(d) and 78u(e)).

105. The AEM Notes and the SP Notes were “securities” as that term is defined in the Ohio Securities Act (Ohio Revised Code §§ 1707.01 *et. seq.*).

106. As discussed above, Defendants Dente, Seibert, Pruneski, SP Investment, and SP-AEM offered and sold AEM Notes and SP Notes to investors in unregistered transactions.

107. No registration statement was ever filed or in effect for the offer or sale of the AEM Notes or the SP Notes.

108. The AEM Notes and the SP Notes were not exempt from the registration requirements of federal and Ohio securities law.

Seibert, Pruneski, SP Investment, and SP-AEM Defrauded Investors by Concealing How and How Much they were Compensated

109. Dente and AEM paid Seibert, Pruneski, and SP Investment huge returns they styled as a “Division of Revenues” on the fake wholesale real estate transactions—between 50% and 75% of the “revenues” earned. Exhibit B, Joint Venture Agreement ¶ IX. The revenue paid to SP Investment was graduated, that is, the percent earned by SP Investment depended upon how much they could harvest from new investor-victims.

110. For each investor-victim who worked with Seibert and Pruneski, Seibert and Pruneski earned and/or received a return of 148.5% less whatever they paid to the investor-victim, which was between two and ten times more than the investor-victim earned in returns on the same investment.

111. The fee structure created an adverse relationship between the interests of investor-victims on the one hand, and Seibert and Pruneski on the other hand. There was a zero-sum game between their compensation and the investor-victim’s returns. The more Seibert and Pruneski earned, the less they paid to the investor-victim as returns on their investment.

112. Nevertheless, Seibert and Pruneski did not disclose that zero-sum game to their investor-victims and continued to offer and sell investments in AEM

through short-term promissory notes issued by SP Investment while actively concealing their compensation.

113. This astronomical, “guaranteed” return would have been a prominent red flag to investors—a tell-tale sign that the AEM Notes were a sham.

114. Indeed, in a February 23, 2022, text message Seibert sent to Dente, Seibert demonstrates the premeditation and deliberateness of the failure to disclose their compensation to investors when he cautions Dente: “Remember Jeff and Rene do not know anything about the short-term notes or what you were paying on those notes.” *See* Exhibit K, [SP Investment Doc. No. 002633].

115. Seibert and Pruneski knowingly, recklessly, or negligently disregarded that they had not disclosed their compensation and their upside benefit at the expense of their investor-victims, or the unbelievable returns promised, earned, accrued, and paid from the AEM Notes.

116. Information about Seibert’s and Pruneski’s compensation was material. In making an investment decision, a reasonable prospective investor would have found it important that (a) the individuals selling them the SP Note and therefore the AEM Notes had a guaranteed investment of 145.8%--a rate that would have been a signal to investors that the AEM investment opportunity was too good to be true.

**Seibert and Pruneski Knowingly Sold Investments in AEM Notes
Despite Glaring Red Flags Signaling that AEM was a Fraud**

117. Both Seibert and Pruneski are attorneys and sophisticated businessmen—indeed, they were advisors to businessmen. Seibert had organized and run businesses. Pruneski had worked as a commercial lawyer for decades.

118. Despite their experience, Seibert and Pruneski acted with scienter or recklessly when, despite the presence of multiple red flags, they encouraged investors to invest in AEM, falsely described AEM's business, and assured investor-victims that AEM was a successful company.

119. Seibert and Pruneski investigated both Dente and AEM. As a result of their investigation and their review of public records, and before they began soliciting investors, Seibert and Pruneski knew that Dente was a wildly unsuccessful businessman, and that Gathagan had a checkered reputation.

120. Seibert and Pruneski knew that:

- a. Dente had been a defendant in hundreds of cases filed in Summit County Common Pleas Court;
- b. Most of these cases against Dente resulted from Dente's failure to pay on real estate contracts;
- c. Dente's home was being foreclosed for the second time (it had been foreclosed four years earlier);
- d. Failing to disclose the existence of the foreclosure cases to investors was a material omission and therefore a misrepresentation;

- e. The IRS was one of the defendants in the Dente foreclosure cases because Dente owed the IRS years of back taxes;
- f. Dente had repeatedly failed and refused to provide them with relevant information he had promised to provide, and later claimed that AEM's operations were a secret;
- g. Dente's offered list of collateral to purportedly secure the transactions they were touting was incomplete and incomprehensible;
- h. AEM's financial statements were barebones and nonsensical;
- i. Gathagan had six disclosure events material to his broker's license (presently unregistered), as noted on the FINRA brokercheck website;
- j. Homes which AEM had purportedly sold through "wholesale" transactions had no connection with AEM (for example, 832 Diagonal Rd, Akron, Ohio 44333);
- k. They had never seen a residential real estate purchase agreement consistent with the claims Dente was making;
- l. Only one, partially-redacted assignment of such a contract had been shown to them, but not the purchase agreement itself;
- m. The corporate headquarters and staff were inconsistent with the type and amount of business AEM claimed to have.

121. Despite these many red flags, Seibert and Pruneski offered and sold SP Notes to investors which evidenced the investor-victim's "investment" in AEM and AEM Notes, with scienter or with reckless disregard of the truth of the statements they made to investors about AEM's business and the AEM Notes themselves in the Investor Plan and elsewhere.

122. In doing so, Seibert and Pruneski with scienter and recklessly engaged in a fraudulent scheme by selling securities in the form of bogus SP Notes as investments in AEM.

Upon the Collapse of the Dente-AEM Ponzi Scheme, Seibert and Pruneski's Actions Demonstrated their Actual Knowledge that AEM was a Sham

123. In late 2021, Seibert and Pruneski were so concerned about AEM's actions and inactions, they sought legal advice from securities attorneys at Buckingham, Doolittle and Burroughs about whether they (Seibert and Pruneski) had violated federal and state securities laws.

124. By January 2022, AEM was more than 30 days in default on SP Investment's AEM Notes, prompting Seibert and Pruneski to make increasingly aggressive demands for payment.

125. Seibert and Pruneski also asked Dente and AEM for information regarding SP Investment's purported collateral, and AEM's financial position.

126. Dente and the AEM officers they contacted repeatedly ducked their calls and text messages and otherwise failed and refused to provide any payments or information about AEM's financial condition.

127. Despite Dente and AEM being in default on its obligations under the AEM Notes owned by SP Investment, Seibert and Pruneski never advised their investor-victims about the default, the lack of financial information, the inability to communicate with Dente and AEM, or the violations of securities laws.

128. Instead, Seibert and Pruneski surreptitiously put themselves first and preyed on their own investor-victims by demanding that AEM pay them on the investments they made individually, as well as those made by their family members, and their businesses—as a priority and to the detriment of their investor-victims.

129. In February 2022, Seibert and Pruneski began to advise their investor-victims that SP Investment would no longer accept new investment money.

130. Instead, they advised the investor-victims who wished to continue to put new money into the Dente-AEM Ponzi scheme (the “**Late Investors**”) to invest their money directly with Dente and AEM.

131. Seibert and Pruneski then facilitated the Late Investor’s transactions directly with AEM, by transmitting the AEM Notes to the Late Investors and maintaining them as business records of SP Investment.

132. In March and April 2022, Seibert and Pruneski knew that over \$1 million in Late Investor money was flowing into AEM, but continued to demand that AEM pay SP Investment on the AEM Notes it owned, again prioritizing themselves, their families, and businesses over their investor-victims.

133. Because SP Investment, Seibert, and Pruneski knew that AEM Notes were in default at the time they were directing their Late Investors to invest directly with AEM, any payment they demanded from AEM would come from the Late Investor money that Seibert and Pruneski had directed to AEM.

134. For example, Plaintiffs were Late Investors. On April 14 and 15, 2022, Plaintiffs invested \$1 million in new cash money directly with AEM. Within three business days, AEM transferred the \$1 million Plaintiffs “invested” back to SP Investment.

135. Then, on April 20, 2022, SP Investment transferred \$1,275,000 to Seibert and \$250,000 to Pruneski for their personal use.

136. In May 2022, the Dente-AEM Ponzi scheme collapsed and its victims began to file lawsuits.

137. On June 8, 2022, SP Investment filed the Cognovit Note Case seeking recovery of over \$11 million against Dente, his family members, AEM officers, and various AEM Entities alleging SP Investment was the victim. The amount prayed for in the Complaint includes the false profits they claim they are owed.

138. Seibert and Pruneski used their legal expertise to “walk their complaint” through the courthouse and took cognovit judgments ahead of legitimate victims who filed cognovit complaints and were waiting in line for the Court to act on them.

139. Seibert and Pruneski continue to deny that they were involved in running a Ponzi scheme or even that a Ponzi scheme occurred. Rather, they allege they are victims.

140. After one of the AEM officers, Jason Ramus, filed a bankruptcy, Seibert and Pruneski filed an \$11 million proof of claim under oath in that case, seeking recovery of the false investment profits SP Investment earned in the Ponzi scheme Seibert and Pruneski promoted, facilitated, and prolonged.

141. Seibert and Pruneski also seek to enforce SP Investment's bogus Security Agreement so that they can step ahead in priority of payment to the investors they victimized.

The Fraudulent Transfers

142. According to the bank records of AEM, and particularly KeyBank account no. *****3937 (the "**Main AEM Account**"), AEM made various transfers to SP Investment KeyBank account no. ***4992 and Fifth Third account no. ***0574 (collectively, the "**SP Transfers**") totaling at least Four Million Six Hundred Sixty-Four Thousand Seven Hundred Forty-Five Dollars (\$4,664,745.00).

143. The SP Transfers made to or for the benefit of SP Investments are set forth in detail in Exhibit L.

144. According to the Main AEM Account records, AEM made transfers to SP-AEM account no. ****5015, (collectively, the "**SP-AEM Transfers**") totaling at least Seven Hundred Thousand Dollars (\$700,000.00). The SP-AEM Transfers made to or for the benefit of SP-AEM are set forth in detail in Exhibit M.

145. According to the Main AEM Account records, AEM made various transfers to Seibert account nos. ***2795 and ***2476 (collectively, the “**Seibert Transfers**”) totaling at least Two Million Four Hundred Seventy-Seven Thousand Two Hundred Fifty-Two Dollars (\$2,477,252.00). The Seibert Transfers made to or for the benefit of Seibert are set forth in detail in Exhibit N.

146. According to the Main AEM Account records, AEM made various transfers to Pruneski account no. ****1452 (collectively, the “**Pruneski Transfers**”) totaling at least Seventy Thousand Dollars (\$70,000.00). The Pruneski Transfers made to or for the benefit of Pruneski are set forth in detail in Exhibit O.

147. According to the Main AEM Account records, AEM made various transfers to O&O account no. ***** (collectively, the “**O&O Transfers**”) totaling at least Four Hundred Twenty-Five Thousand Dollars (\$425,000.00). The O&O Transfers made to or for the benefit of O&O are set forth in detail in Exhibit P.

148. According to the Main AEM Account records, AEM made various transfers to Dente account no. ***** (collectively, the “**Dente Transfers**”) totaling at least Four Million Seven Hundred Ninety-Nine Thousand Two Hundred Fifty-One Dollars (\$4,799,251.00). The Dente Transfers made to or for the benefit of Dente are set forth in detail in Exhibit Q.

149. Throughout the remainder of this pleading, the “**Transfers**” shall mean collectively all of the SP Transfers, the SP-AEM Transfers, the Seibert Transfers, the Pruneski Transfers, the O&O Transfers, and the

Dente Transfers. The Transfers received by SP Investment, SP-AEM, Seibert, Pruneski, O&O, and Dente were funded with money received from other investor/victims in the Dente Ponzi scheme.

150. Each of the Transfers were made to or for the benefit of one or more of SP Investment, SP-AEM, Seibert, Pruneski, O&O, R. Oldham, J. Oldham, and Dente.

151. AEM received less than reasonably equivalent value in exchange for each of the Transfers.

152. The Receiver's investigation is ongoing. During this proceeding, the Receiver may learn, through discovery or otherwise, of additional transfers made to SP Investment, SP-AEM, Seibert, Pruneski, O&O, R. Oldham, J. Oldham or Dente (collectively, the "**Cross- and Counterclaim Defendants**") by one or more of the Receivership Entities, that are avoidable. The Receiver may also learn, through discovery or otherwise, that Transfers made by one or more of the Cross- and Counterclaim Defendants to one or more of the Cross- and Counterclaim Defendants. It is the Receiver's intention to avoid all Transfers made by any Receivership Entity of any interest in property to or for the benefit of Cross- and Counterclaim Defendants. It is also the Receiver's intention to recover a judgment against all entities that are the first transferee of any Transfer for the value of the avoided Transfers. It is also the Receiver's intention to recover a judgment against each subsequent transferee for the value of any portion of an avoided Transfer that was paid to that subsequent transferee. To that end, the Receiver reserves the right

to supplement the information contained in this pleading regarding the Transfers and any additional or subsequent transfers discovered during the time that this proceeding is pending.

153. To the extent that any of the recovery counts that follow are inconsistent with each other, they are to be treated as being pleaded in the alternative.

CAUSES OF ACTION

COUNT I

Avoidance of Fraudulent Transfers to SP Investment, SP-AEM, Pruneski, Seibert, O&O, R. Oldham, J. Oldham, and Dente pursuant to R.C. § 1336.07

154. The Receiver incorporates by reference each and every allegation made and contained in the preceding paragraphs as if fully rewritten herein.

155. “In an action for relief arising out of a transfer . . . that is fraudulent under section 1336.04 or 1336.05 of the Revised Code, a creditor . . . may obtain . . . [a]voidance of the transfer . . . to the extent necessary to satisfy the claim of the creditor[.]” R.C. §1336.07(A)(1).

156. The Receiver is entitled to avoid every Transfer AEM made by whatever means to SP Investment.

157. The Receiver is entitled to avoid every Transfer AEM made by whatever means to SP-AEM.

158. The Receiver is entitled to avoid every Transfer AEM made by whatever means to Seibert.

159. The Receiver is entitled to avoid every Transfer AEM made by whatever means to Pruneski.

160. The Receiver is entitled to avoid every Transfer AEM made by whatever means to O&O, R. Oldham, or J. Oldham.

161. The Receiver is entitled to avoid every Transfer AEM made by whatever means to Dente.

162. The cumulative damage suffered by the Receivership Estate as a result of the Transfers is in excess of Twenty-five Thousand Dollars (\$25,000.00).

COUNT II
**Avoidance of Fraudulent Transfer to SP Investment pursuant to
R.C. § 1336.07(A)(1)**

163. The Receiver incorporates by reference each and every allegation made and contained in the preceding paragraphs as if fully rewritten herein.

164. The Receiver is entitled to avoid the security interest given by AEM to SP Investment as such is described in the Complaint filed in the Cognovit Note Case, paragraphs 25 and 27 herein, and Exhibit C.

COUNT III
**Judgment Against Each of the First Transferees for the Value of Whatever
Avoided Transfer Went Directly from AEM to them pursuant to
R.C. § 1336.08(B)(1)(a) (against SP Investment, SP-AEM, Seibert,
Pruneski, O&O, and Dente)**

165. The Receiver incorporates by reference each and every allegation made and contained in the preceding paragraphs as if fully rewritten herein.

166. “[T]o the extent a transfer is voidable in an action by a creditor . . . under division (A)(1) of section 1336.07 of the Revised Code, the creditor . . . may recover a judgment for the value of the asset transferred . . . or the amount necessary to satisfy the claim of the creditor . . . whichever is less. The judgment

may be entered against . . . (a) The first transferee of the asset[.]” R.C. §1336.08(B)(1)(a).

167. SP Investments is the first transferee of each of the SP Transfers.

168. The Receiver is entitled to a judgment against SP Investments for the value of the SP Transfers which are avoided by this Court.

169. SP-AEM is the first transferee of each of the SP-AEM Transfers.

170. The Receiver is entitled to a judgment against SP-AEM for the value of the SP-AEM Transfers which are avoided by this Court.

171. Seibert is the first Transferee of each of the Seibert Transfers.

172. The Receiver is entitled to a judgment against Seibert for the value of the Seibert Transfers which are avoided by this Court.

173. Pruneski is the first transferee of each of the Pruneski Transfers.

174. The Receiver is entitled to a judgment against Pruneski for the value of the Pruneski Transfers which are avoided by this Court.

175. O&O is the first transferee of each of the O&O Transfers.

176. The Receiver is entitled to a judgment against O&O for the value of the O&O Transfers which are avoided by this Court.

177. Dente is the first transferee of each of the Dente Transfers.

178. The Receiver is entitled to a judgment against Dente for the value of the Dente Transfers which are avoided by this Court.

179. The judgments to which the Receiver is entitled as described above are each in excess of Twenty-five Thousand Dollars (\$25,000.00).

COUNT IV**Judgment against each of the Subsequent Transferees for the Value of any Portion of an Avoided Transfer that was Paid from SP Investments, SP-AEM, Seibert, Pruneski, O&O, R. Oldham, J. Oldham, or Dente to any of them pursuant to R.C. § 1336.08(B)(1)(b) (against SP Investments, SP-AEM, Seibert, Pruneski, O&O, R. Oldham, J. Oldham, and Dente)**

180. The Receiver incorporates by reference each and every allegation made and contained in the preceding paragraphs as if fully rewritten herein.

181. “[T]o the extent a transfer is voidable in an action by a creditor . . . under division (A)(1) of section 1336.07 of the Revised Code, the creditor . . . may recover a judgment for the value of the asset transferred . . . or the amount necessary to satisfy the claim of the creditor . . . whichever is less. The judgment may be entered against . . . (b) Any subsequent transferee other than a good faith transferee who took for value or from any subsequent transferee.” R.C. §1336.08(B)(1)(b).

182. The Receiver is entitled to a judgment against each subsequent transferee for the value of any portion of an avoided Transfer that was paid to that subsequent transferee.

183. Based on information available to him at this time, the Receiver believes that the judgments he is seeking in this Count IV will each exceed Twenty-five Thousand Dollars (\$25,000.00).

COUNT V

**Engaging in Pattern of Corrupt Activity under R.C. §§ 2923.32, *et seq.*
(against Dente, SP Investment, SP-AEM, Pruneski, and Seibert)**

184. The Receiver incorporates by reference each and every allegation made and contained in the preceding paragraphs as if fully rewritten herein.

185. Dente, SP Investment, SP-AEM, Pruneski, and Seibert are persons as that term is defined in R.C. 2923.31(G).

186. Dente and the SP Defendants are and have been associated with an enterprise—an ongoing structured association described in the Joint Venture Agreement and the Security Agreement as well as other written and oral agreements; and/or an association-in-fact enterprise whose members functioned as a continuing unity for a common purpose of achieving the objectives of the enterprise—and they conducted and participated in the affairs of that enterprise through a pattern of corrupt activity.

187. The enterprise consisted of, among others, Dente, SP Investment, SP-AEM, Pruneski, Seibert (collectively, the “**RICO Defendants**”), O&O, R. Oldham and J. Oldham.

188. The enterprise was a Ponzi scheme that continued for multiple years and existed to defraud hundreds of investor-victims by obtaining and taking their money for whatever purpose occurred to the RICO Defendants.

189. A Ponzi scheme is a fraudulent arrangement in which profits to investors are not derived from any underlying business venture but are taken from monies received from new investors. *In re Taubman*, 160 B.R. 964, 978 (Bankr. S.D.

Ohio 1993). Ponzi schemes are characterized by promises to pay high rates of interest and investments are induced through an illusion of paying returns to investors from legitimate business activities that are non-existent. *Id.*

190. The pattern of corrupt activity includes, but is not limited to unlawfully, willfully, and knowingly, soliciting, and conspiring with others to violate the Exchange Act; the Ohio Securities Act; R.C. §§ 2913.02 *et seq.* entitled “Theft;” R.C. §§ 2913.05, *et seq.* entitled “Telecommunications Fraud;” and R.C. §§ 2913.51 entitled “Receiving Stolen Property,” as more fully outlined below.

191. The RICO Defendants violated the Exchange Act and the Ohio Securities Act as described within this Complaint, by knowingly selling unregistered securities; disseminating blatantly false information in the Investor Plan and otherwise to their investor-victims; failing to disclose to their investor-victims material information known to them about the financial instability of Dente and his previous business activities, such as hundreds of lawsuits filed against him including the foreclosure of his home twice; failing to disclose to their investor-victims material information known to them about Dente’s current business activities such as Dente’s inability to provide any evidence of an ongoing business activity as was described in the Investor Plan, or any cogent financial or tax records; failing to disclose material information to their investor-victims about their investment returns and/or other compensation they were receiving from each transaction; failing to disclose the inverse relationship between the RICO

Defendants and the investor-victim which allowed them to keep and retain more money if the investor-victim accepted a lower return.

192. Not only did the RICO Defendants knowingly withhold information material to the investor-victims' decision to participate in the offered investment, each of them also failed to warn investor-victims that they had acquired information that AEM was a continuing fraud thereby creating, confirming, and perpetuating a false impression as to the continuing quality of the investment in AEM.

193. With respect to the RICO Defendants' taking of the investor-victims' money to perpetuate the Ponzi Scheme, the acceptance of each separate transfer of funds from an investor-victim in connection with the scheme described in this Complaint constitutes a separate instance of securities fraud under the Exchange Act and the Ohio Securities Act and, thus, is also a corrupt activity which, taken together, constitute a pattern of corrupt activity within the meaning of the Corrupt Practices Act.

194. The RICO Defendants repeatedly violated R.C. § 2913.05 and 18 U.S.C. § 1343 by knowingly disseminating and transmitting materially false and misleading information through the Investor Plan and their communications with their investor-victims by means of wire, radio, satellite, telecommunications, telecommunications device and/or telecommunications service, writings, data, sounds or voice with the intent to execute or otherwise further the enterprise's Ponzi scheme.

195. With respect to the allegations set forth above, each separate use of the wire and telecommunications facilities in connection with the scheme described in this Complaint constitutes a separate instance of wire fraud and, thus, is also a corrupt activity which, taken together, constitute a pattern of corrupt activity within the meaning of the Corrupt Practices Act.

196. The RICO Defendants violated R.C. § 2913.02(A) which makes it a crime to “knowingly obtain or exert control over [the owner’s] property or services . . . (3) By deception. . . . Whoever violates this section is guilty of theft.”

197. With respect to the RICO Defendants’ theft of the investor-victims’ money to perpetuate the Ponzi Scheme, the acceptance of each separate transfer of funds from an investor-victim in connection with the scheme described in this Complaint constitutes a separate instance of theft by deception and, thus, is also a corrupt activity which, taken together, constitute a pattern of corrupt activity within the meaning of the Corrupt Practices Act.

198. The RICO Defendants violated R.C. §§ 2913.51(A) and (C) which make it a crime to “receive, retain, or dispose of property of another knowing or having reasonable cause to believe that the property has been retained through the commission of a theft.”

199. With respect to the RICO Defendants’ theft of the investor-victims’ money to perpetuate the Ponzi Scheme, the acceptance of each separate transfer of funds from an investor-victim in connection with the scheme described in this Complaint constitutes a separate instance of receiving stolen property and, thus, is

also a corrupt activity which, taken together, constitute a pattern of corrupt activity within the meaning of the Corrupt Practices Act.

200. As members of the enterprise, the RICO Defendants knowingly, intentionally, and maliciously engaged in, attempted to engage in, conspired to engage in, solicited others to engage in, and participated in, both directly and indirectly, the affairs of the enterprise through a pattern of corrupt activity.

201. These corrupt activities are related in that they had the same or similar purposes, results, participants, victims, and methods of commission.

202. The corrupt activities were continuous and occurred over multiple years, although the acts were not so connected that they constitute a single event.

203. In violating the various criminal statutes described in this Cross-claim, the RICO Defendants were aware that their conduct would probably result in loss of the investor-victims' money by theft, the fraudulent sale of securities, telecommunications and wire fraud, and receiving stolen property; and further, each of them had the intention and/or knowledge of wrongdoing that constitutes *mens rea* pursuant to R.C. § 2901(B).

204. These corrupt activities did not merely injure AEM. They also injured all investor-victims in the AEM scheme by perpetuating it, and further injured the Copley and Akron community as well.

205. The pattern of activity described herein was integral to the enterprise's Ponzi scheme as the heart of the artifice of its fraudulent activities. Put another

way, the Ponzi scheme would have failed, collapsed, and died out without the continued illegal activity of the RICO Defendants as described in this pleading.

206. As a direct and proximate result of the affairs of the enterprise through a pattern of corrupt activity, including the above-listed corrupt activities, AEM was injured.

207. AEM was the intended target of the enterprise's wrongful conduct, and its injuries include compensatory damages in an amount in excess of \$25,000 which equals the amount of its debt to those investor-victims whose money was lost to them in the Ponzi scheme, and who require compensation for that loss.

COUNT VI

Civil Liability for Damages for Criminal Acts Pursuant to R.C. § 2307.60 against Dente, SP Investment, SP-AEM, Seibert, and Pruneski

208. The Receiver incorporates by reference each and every allegation made and contained in the preceding paragraphs as if fully rewritten herein.

209. The Receivership Entities, including but not limited to AEM, have been injured by a criminal act, and therefore have, and may recover full damages in, a civil action pursuant to R.C. § 2307.60.

210. Pursuant to R.C. § 2307.60, in a civil action, the Receiver may recover full damages resulting from any criminal act against individual actors who operated inside a corporate form without the obligation to pierce the corporate veil.

211. The RICO Defendants violated the Ohio Securities Act as has been detailed in this Cross-claim.

212. The RICO Defendants violated R.C. 2913.02 entitled “Theft” when they—with intent—used deception in the form of false representations and statements in the Investor Plan and in other statements oral and written to solicit and obtain money advanced to them by their investor-victims as has been described in this Cross-claim.

213. The RICO Defendants violated R.C. 2913.05 entitled “Telecommunications fraud” when they—with intent—knowingly used wire, radio, satellite, telecommunications and telecommunications devices to defraud their investor-victims as has been described in this Cross-claim.

214. The RICO Defendants violated R.C. 2913.51(A) and (C) entitled “Receiving Stolen Property” when they—with intent—knowingly received money from their investor-victims which they had procured as a result of theft by deception as has been described in this Cross-claim.

215. The RICO Defendants knowingly, intentionally, and maliciously engaged in, attempted to engage in, conspired to engage in both directly and indirectly, the criminal activities described in this Cross-claim.

216. In violating the various criminal statutes described in this Cross-claim, the RICO Defendants were aware that their conduct would result in loss of the investor-victims’ money by theft, the fraudulent sale of securities, telecommunications and wire fraud, and receiving stolen property; and further, each of them had the intention and/or knowledge of wrongdoing that constitutes *mens rea* pursuant to R.C. § 2901(B).

217. As a direct and proximate result of the criminal acts committed by affairs of the enterprise through a pattern of corrupt activity, including the above-listed corrupt activities, AEM was injured.

218. AEM was the intended target of the enterprise's wrongful conduct and its injuries include compensatory damages in an amount in excess of \$25,000 which equals the amount of its debt to those investor-victims whose money was lost to them in the Ponzi scheme and who require compensation for that loss.

COUNT VII

Civil Conspiracy against Dente, SP Investment, SP-AEM, Seibert, Pruneski, O&O, R. Oldham, and J. Oldham

219. The Receiver incorporates by reference each and every allegation made and contained in the preceding paragraphs as if fully rewritten herein.

220. Dente and the SP Defendants all had a vested interest in raising as much money as they could from as many investor-victims as possible to keep the Ponzi Scheme afloat and pay them outrageous "returns" on their investments."

221. As discussed above, the SP Defendants knew from the outset, or willfully turned a blind eye to, the fact that the AEM Notes and the SP Notes were fraudulent.

222. The SP Defendants and the O&O Plaintiffs, through their research at the outset of their collaboration with Dente, had actual knowledge about Dente's fraudulent activities and/or they ignored red flags that put them on a duty of inquiry regarding Dente's activities.

223. The SP Defendants knew, or willfully turned a blind eye to, the fact that they were selling unregistered securities and failing to disclose material facts to their investor-victims in violation of state and federal securities law, and that they were committing other criminal acts such as theft, wire fraud, and receiving stolen property as described earlier in this Cross-claim.

224. Dente and the SP Defendants worked together to raise substantial sums of money from an ever-widening pool of investor-victims to sustain and to profit from the continuation of the Ponzi scheme.

225. A secondary purpose of the continued fundraising was to pay enough money to investor-victims that nobody asked hard questions or otherwise acted to interfere with the fraud.

226. Dente and the SP Defendants knew from the outset or came to know during the course of perpetration of the fraud, through consultation with legal counsel or otherwise, that the Ponzi scheme was failing and that their participation was unlawful; and further, that AEM would not be able to satisfy the SP Notes and the AEM Notes.

227. At that point, the SP Defendants declined to accept further investment in the Ponzi scheme through SP Investment and SP-AEM, and advised their SP investor-victims who wanted to make additional investments in the Ponzi scheme to invest directly in AEM.

228. The SP Defendants, in directing those investors to work with Dente directly, wrongfully, and intentionally avoided sounding any alarms or raising any

red flags. Their purpose in doing so was to ensure that AEM raised enough money to pay the SP Defendants amounts they claimed were due under the SP Notes. By engaging in this conduct, money invested by the SP Defendants' investor-victims was recycled and repaid directly to SP Investment, SP-AEM, and therefore to Seibert and Pruneski.

229. Dente and the SP Defendants prioritized payment to themselves and paid themselves first—ahead of the SP Investment investor-victims and ahead of the AEM investor-victims.

230. Accordingly, Dente and the SP Defendants combined and engaged in a civil conspiracy to (a) commit actual and constructive fraud, (b) conduct a Ponzi scheme and/or aid and abet Dente in the conduct of a Ponzi scheme, (c) violate the federal and Ohio Securities laws and other criminal statutes, including theft by deception, wire fraud, and receiving stolen property; and (d) deceive investor-victims in the Ponzi scheme and then deprive them of their money.

231. Dente and the SP Defendants' conduct was intentional and reckless.

232. As a direct and proximate and proximate cause of Dente and the SP Defendants' civil conspiracy, AEM and the Receivership Entities have suffered damages in an amount in excess of \$25,000.

COUNT VIII

Appointment of a Receiver R.C. §§ 1336.07(A)(3)(b) and 2735.01 *et seq.*

233. The Receiver incorporates by reference each and every allegation made and contained in the preceding paragraphs as if fully rewritten herein.

234. The Receiver is entitled to the appointment of a Receiver over SP Investment, SP-AEM, and O&O pursuant to R.C. §§ 1336.07(A)(3)(b) which provides:

In an action for relief arising out of a transfer . . . that is fraudulent under §§ 1336.04 or 1336.05 of the Revised Code, a creditor . . . subject to the limitations in § 1335.08 of the Revised Code, may obtain . . . (b) appointment of a Receiver to take charge of . . . other property of the transferee; (c) any other relief that the circumstances may require.

235. Because SP Investment, SP-AEM, and O&O acted in concert with a Ponzi scheme or were on their own separate Ponzi schemes, each of them were insolvent from inception.

236. SP Investment is a defendant in lawsuits filed by those the SP Defendants defrauded. The SP Defendants are settling with these plaintiffs and other investor-victims who are threatening suit. As such, the SP Defendants are preferring some investor-victims over other investor-victims who do not have the wherewithal to file or threaten lawsuits against the SP Defendants.

237. The SP Defendants are asserting claims in bankruptcy proceedings and elsewhere seeking to step in front of and assert priority over other investor-victims and thereby profit from their unlawful activities.

238. In short, the SP Defendants flagrantly and boldly are asserting claims in this proceeding and in other pending proceedings including in the bankruptcy court seeking treatment as ordinary investor-victims when in fact, they were perpetrators of the Ponzi scheme and profited from it by receiving millions of dollars

in payments of investor-victim money. For example, the SP Defendants assert that the Joint Venture Agreement and the Security Agreement are valid and enforceable and that they are entitled to all the money recovered in the Receivership Estate and elsewhere.

239. Due to the insolvent nature of SP Investment, SP-AEM, and O&O and in light of the fraudulent and criminal behavior described in this Cross-claim, AEM and the investor victims will suffer irreparable harm if a receiver is not appointed over SP Investment and SP-AEM pursuant to R.C. 1336.07(A)(3)(b) and 2735.01 *et seq.*

240. Due to the insolvent nature of O&O, a Receiver should be appointed to take control of its assets pursuant to R.C. 1336.07(A)(3)(b) and 2735.01 *et seq.*

COUNT IX

Determination of the Nature, Extent, and Priority of the Joint Venture Agreement and the Security Agreement

241. The Receiver incorporates by reference each and every allegation made and contained in the preceding paragraphs as if fully rewritten herein.

242. The entry into the Joint Venture Agreement and the Security Agreement involved violations of Ohio law.

243. Because the Joint Venture Agreement and the Security Agreement involved violations of Ohio law, the contracts are null and void, or in the alternative voidable and legally unenforceable.

244. The Security Agreement must include a grant of a security interest in collateral and includes a description of the collateral that reasonably identifies the collateral.

245. A UCC financing statement must provide notice of the specific items of collateral or the kinds or types of property subject to a security interest and the identity of the collateral must be objectively determinable.

246. The description of the collateral in the Security Agreement and the UCC financing statement is deficient and therefore the grant and the perfection of the security interest is invalid.

247. The security interest in the Security Agreement did not attach to the collateral because there was no collateral; SP Investment did not give value; and/or AEM did not have rights in the collateral.

248. The Receiver seeks a declaratory judgment establishing that Dente, any of the SP Defendants and/or any of the O&O Plaintiffs do not have any valid secured or unsecured interest (regardless of priority and extent) in any asset or assets of the Receivership Estate.

249. The Receiver requests that this Court issue declaratory judgment denying any secured or unsecured claim of Dente, the SP Defendants, and the O&O Plaintiffs in any asset or assets of the Receivership Estate.

COUNT X**Liability for Treble, Punitive, or Exemplary Damages; Attorneys' Fees and Costs (against SP Investment, SP-AEM, Seibert, and Pruneski)**

250. The Receiver incorporates by reference each and every allegation made and contained in the preceding paragraphs as if fully rewritten herein.

251. Dente and the SP Defendants acted with criminal intent, malice and aggravated or egregious fraud.

252. The Receiver is entitled to recover punitive or exemplary damages against Dente and the SP Defendants, plus attorneys' fees and costs.

253. Pursuant to R.C. § 2923.34(E) and (F), the Receiver is entitled to recover treble damages, reasonable attorneys' fees, and costs.

WHEREFORE, the Receiver prays for relief as follows:

- A. On Count I, a judgment avoiding each of the Transfers (as defined above) and any other similar transfers as proven at trial; and
- B. On Count II, a judgment avoiding the security interest given by AEM to SP; and
- C. On Count III, a judgment in favor of the Receiver and against each of SP, SP-AEM, Seibert, Pruneski, O&O, and Dente for the value of the SP Transfers, the SP-AEM Transfers, the Seibert Transfers, the Pruneski Transfers, the O&O Transfers, and the Dente Transfers avoided by the Court and received by each of them, respectively; and
- D. On Count IV, a judgment in favor of the Receiver and against each of SP, SP-AEM, Seibert, Pruneski, O&O, R. Oldham, J. Oldham, and Dente for the value of the SP Transfers, the SP-AEM Transfers, the Seibert Transfers, the Pruneski Transfers, the O&O Transfers, and the Dente Transfers avoided by the Court subsequently transferred from any of SP, SP-AEM, Seibert, Pruneski, O&O, or Dente to each of them, respectively; and
- E. On Count V, a judgment in favor of the Receiver and against each of the RICO Defendants, jointly and severally, in an amount to be

proven at trial sufficient to compensate the investor-victims for the total amount that the investor-victims lost in the AEM Ponzi scheme; and

- F. On Count VI, a judgment in favor of the Receiver and against each of the RICO Defendants, jointly and severally, in an amount to be proven at trial sufficient to compensate the investor-victims for their losses in the AEM Ponzi scheme; and
- G. On Count VII, a judgment in favor of the Receiver and against each of SP, SP-AEM, Seibert, Pruneski, O&O, R. Oldham, J. Oldham, and Dente, jointly and severally, for all losses suffered by AEM and the investor-victims resulting from the civil conspiracy of Dente, SP, SP-AEM, Seibert, Pruneski, O&O, R. Oldham, J. Oldham, and Dente; and
- H. On Count VIII, a judgment appointing a receiver over the assets of each of SP, Seibert, Pruneski, O&O, R. Oldham, and J. Oldham; and
- I. On Count IX, a declaratory judgment that the Joint Venture Agreement between SP and AEM creating SP-AEM and the Security Agreement from AEM in favor of SP null and void or legally unenforceable under Ohio law.
- J. On Count X, a judgment in favor of the Receiver and against each of SP, SP-AEM, Seibert, Pruneski, O&O, R. Oldham, J. Oldham, and Dente for treble damages for the amounts determined to be due to the Receivership Estate by each of them; and
- K. For such other and further relief as is just.

Date: April 23, 2024

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on April 23, 2024, *Mark E. Dottore, Receiver of the AEM Services, LLC's Amended Answer To Plaintiffs' First Amended Complaint and Affirmative Defenses; Counterclaims Against Plaintiffs; Second Amended Cross-Claims Against Defendants Mark Dente, SP Investment Services, LLC, Darrel L. Seibert, II and Stephen J. Pruneski* was filed electronically. Notice of this filing will be sent by operation of the court's electronic filing system to all parties who have made an appearance in this case.

/s/ Mary K. Whitmer
Mary K. Whitmer

*One of the Attorneys for Mark E. Dottore,
Receiver*

IN THE COURT OF COMMON PLEAS
SUMMIT COUNTY, OHIO

MARK E. DOTTORE, solely in his)	CASE NO.
capacity as the Receiver for the)	
Receivership Entities)	JUDGE
2344 Canal Road)	
Cleveland, Ohio 44113-2535)	
)	
Plaintiff,)	
)	
v.)	
)	
RONALD TODD HARPER, Trustee)	
for the Ronald T. Harper Living)	
Trust Dated August 28, 2020)	
PO Box 648)	
Napoleon, Ohio 43545-0648)	
)	
Defendant.		

**COMPLAINT TO AVOID AND TO RECOVER TRANSFERRED
PROPERTY OR THE VALUE OF TRANSFERRED PROPERTY**

Comes now Mark E. Dottore, solely in his capacity as the Receiver (the “Receiver”) for the Receivership Entities¹, and for his complaint says as follows:

**THE FRAUDULENT PONZI SCHEME AND THE
BACKGROUND FOR THIS PROCEEDING**

1. On July 1, 2022, Sheryl Maxfield, the Director of the State of Ohio Department of Commerce, through the office of the State of Ohio Attorney General,

¹As of the date of the filing of this complaint, the “Receivership Entities” are The AEM Services, LLC (“AEM Services”), AEM Investments, LLC (“AEM Investments”), AEM Wholesale, LLC (“AEM Wholesale”), AEM Productions, LLC (“AEM Productions”), AEM Real Estate Group, LLC (“AEM Real Estate”), AEM Capital Fund, Ltd. (“AEM Capital Fund”), A&J RE Holdings, LLC (“A&J”), and Landmark Property Development f/k/a Landmark Real Estate Endeavors (“Landmark”).

David Yost (the “**Ohio AG**”) filed a complaint (the “**Department’s Complaint**”) against Mark Dente and other named defendants thereby commencing Summit County Court of Common Pleas Case No. CV-2022-07-2228, entitled *Sheryl Maxfield, Director State of Ohio Department of Commerce v. Mark Dente, et al.* (the “**AG Case**”). A copy of the Department’s Complaint is available from the Summit County Clerk of Courts website commencing at <https://clerkweb.summitoh.net/RecordsSearch/Disclaimer.asp?toPage=SelectDivision.asp> (the “**Summit County Clerk’s Records**”).

2. In the Department’s Complaint, the Director of the State of Ohio Department of Commerce (the “**Director**”) alleged, *inter alia*,

1. The Director brings this action to stop an ongoing fraudulent scheme in which Defendants² have raised millions of dollars from dozens of investors throughout the State of Ohio. Since at least June 2016, Defendants have engaged in and continue to engage in a pattern and practice of misusing investor funds that were supposed to be earmarked solely for investment purposes to instead enrich themselves personally and fund a lavish lifestyle.

2. Defendant Mark Dente purports to manage a portfolio of real estate investments. He entices investors, some of them elderly and on fixed incomes, with promises of significant returns, including in some instances returns as high as 36% over nine months. Dente sells investors securities primarily in the form of promissory notes and LLC interests. The investments are issued from various entities that Dente and his wife, Sharon Dente, own or control.

3. The Dentes own or control numerous purported investment businesses, many **with** similar names, all of which are referred to collectively herein as the “Dente Businesses.” Since 2016,

²The “Defendants” named in the Department’s Complaint are Mark Dente, individually and as Trustee of the Mark and Sharon Dente Living Trust dated February 22, 2000, Sharon Dente, individually and as Trustee of the Mark and Sharon Dente Living Trust dated February 22, 2000, AEM Services, AEM Funding, AEM Wholesale, AEM Productions, AEM Investments, AEM Capital Fund, and Landmark.

the primary Dente Businesses through which Defendants have raised investor funds include AEM Services, LLC; The AEM Services, LLC d/b/a AEM Funding; and AEM Capital Fund, Ltd. In addition to these entities, the Dentes also own or control AEM Wholesale, LLC; AEM Investments, LLC; AEM Productions, LLC; and Landmark Property Development, Ltd. f/k/a Landmark Real Estate Endeavors [sic], Ltd. Upon information and belief, all the Dente Business have been used by Dente to improperly commingle and misappropriate investor funds.

4. Dente tells investors that their money will be used solely to purchase and renovate real estate properties owned or operated by the Dente Businesses. In reality, a significant portion of the money that investors entrust to Dente is not used for investment purposes but rather treated by Dente as his own personal slush fund. Dente transfers and commingles investor funds into his personal banking accounts and improperly uses those funds to make numerous non-business purchases or other payments benefiting only himself or his family or friends.

7. Dente also uses newly-acquired Investor funds to repay prior investors in classic Ponzi-scheme fashion. Dente deposits investor funds directly into various business and personal accounts, including accounts in the name of Mark and **Sharon** Dente and accounts in the name of the Dente Businesses. Of approximately \$13 million that was raised from investors since November 2016, much of the money was either improperly used by Dente for non-business purposes or paid to earlier investors.

3. On June 22, 2022, the Summit County, Ohio Court of Common Pleas (the “**State Court**”) entered its order (the “**Order Appointing Receiver**”) in Case No. CV-2022-05-1754, *Christopher Longo v. The AEM Services, LLC, et al.* (the “**Receivership Case**”) appointing Mark E. Dottore (“**Mr. Dottore**”) as the receiver “to take possession of and to manage all the affairs of . . . The AEM Services, LLC (“AEM”), and to further take control of all assets and real property held in or by that entity.” A copy of the Order Appointing Receiver is available from the Summit County Clerk’s Records.

4. On July 15, 2022, the State Court entered its order (the “**First Amended Order Appointing Receiver**”) appointing Mr. Dottore as the receiver for AEM Investments and AEM Wholesale “and all their real and personal property [.]” ¶ 1 of the First Amended Order Appointing Receiver provides, in pertinent part, that “all of [the] real and personal property [of AEM Investments and AEM Wholesale] . . . together with The AEM Services LLC . . . and all of its assets of the same kind and nature . . . shall hereafter constitute the Receivership Estate.” A copy of the First Amended Order Appointing Receiver is available from the Summit County Clerk’s Records.

5. On August 11, 2022, the State Court entered its order (the “**Second Amended Order Appointing Receiver**”) which (a) recognized the filing of the AG Case and the request in the AG Case for the appointment of a receiver over, *inter alia*, AEM Services, AEM Funding, AEM Wholesale, AEM Investments, AEM Productions, AEM Capital Fund, and Landmark, (b) confirmed the appointment of Mr. Dottore as the receiver for AEM Services, AEM Investments, and AEM Wholesale, and (c) appointed Mr. Dottore as the receiver for Mark Dente, Sharon Dente, Anthony Dente, Unlimited Acquisitions, LLC (“**Acquisitions**”), AEM Productions, AEM Real Estate, AEM Capital Fund, The Mark and Sharon Dente Living Trust (the “**Dente Trust**”), A&J, and Landmark “and all their real and personal property.” A true and correct copy of the Second Amended Order Appointing Receiver is available from the Summit County Clerk’s Records.

6. On November 2, 2022, the State Court entered its order (the “**November 2, 2022 Order**”) vacating the Second Amended Order Appointing Receiver to the extent that the Second Amended Order Appointing Receiver applied to Mark Dente, Sharon Dente, Anthony Dente, Acquisitions, and the Dente Trust. A copy of the November 2, 2022 Order is available from the Summit County Clerk’s Records.

7. The Second Amended Order Appointing Receiver as modified by the November 2, 2022 Order is hereafter referred to as the “**Operative Receiver Order**”.

8. The Receiver’s forensic accountant has conducted an independent investigation of the banking records and the reconstructed books and records related to the Receivership Entities and concluded from his investigation that Dente was operating a Ponzi scheme using AEM Services and the Receivership Entities for the period from at least April 2019 and perhaps earlier through its collapse in mid-2022.

9. After reviewing the report of his forensic accountant, and based on his own experience, the Receiver concurs with his forensic accountant that Dente operated a classic Ponzi scheme using the Receivership Entities for the period from at least April 2019 and perhaps earlier through its collapse in mid-2022 (collectively, the “**Dente/AEM Ponzi Scheme**”).

10. In reviewing the activities of the Receivership Entities, especially AEM Services, the Receiver’s forensic accountant analyzed a period from April 2019

through June 2022. A good example of AEM Services' cash flow is found in the sample month of November 2020. In that month, 87% of deposits into AEM Services' bank account XXXXX937 were clearly from investors, while only 12% came from AEM Services' real estate business revenues. After the payment of expenses, including extravagant salaries to the AEM Services' executive staff, 67% of withdrawals were paid back to investors. AEM Services' normal activity was to deposit money from investors and then pay that money to other investors often on the same day or the next business day.

11. Over \$200 million moved in and out of AEM Services' bank account XXXXX937 from January 2018 through June 2022. The average monthly cash balance was only \$1.1 million.

12. In addition to the overwhelming evidence that new investor money paid earlier investors, the Dente/AEM Ponzi Scheme manifested the following additional characteristics of a typical Ponzi scheme:

a. AEM Services did not keep books and records. There were no comprehensive and/or accurate accounting books or records and no coherent financial statements. The Receiver's forensic accountant harvested the information supporting this Complaint from AEM Services' bank statements. In addition, AEM Services did not complete or file any federal or state tax returns for the years 2019 through 2022.

b. AEM Services commingled its funds between and among other AEM Services-related Receivership Entities and between the Receivership Entities and Dente's personal and family bank accounts.

c. Dente and his family members lived lavish lifestyles. During the pendency of the Dente/AEM Ponzi Scheme, Dente transferred between \$1 million and \$2 million from AEM Services to his personal bank accounts to support his lifestyle. Among other expenditures, Dente improved his residence, purchased a vacation home, funded numerous trips to Las Vegas, enjoyed season tickets to the Cleveland Cavaliers, and paid expensive private tuition to Ohio Wesleyan and Kent State University.

d. The scheme collapsed when investors already trapped in AEM Services refused to accept increasingly higher interest rates as a further incentive to remain invested and demanded an exit instead. By May 2022, Dente could no longer find enough new investors willing to contribute enough money to sustain the outflow of funds required to pay out fleeing investors. When the scheme collapsed AEM Services had only about 20 real estate properties in its portfolio.

ACTIONS BY THE RECEIVER

13. The Operative Receiver Order provides, in pertinent part, that "all of [the] real and personal property [of the named entities] . . . and all other assets arising out of, or pertaining to each entity, of whatever kind and nature, . . . shall

hereinafter constitute the Receivership Estate.” Operative Receiver Order, ¶ 1 at pp. 1-2.

14. The Receiver is charged, *inter alia*, with taking possession and control of all of the property of the Receivership Entities including any real property and “all other assets of whatever kind or nature belonging to the Receivership Entities” (collectively, the “**Assets**” or “**Receivership Assets**”). Operative Receiver Order, ¶ 2 at p. 3.

15. The Receiver is in the process of marshalling those assets. However, such assets will not be sufficient to reimburse the people who thought they were investing in AEM Services or any of the other Receivership Entities. Consequently, the Receiver must use his authority to pursue recovery from (a) investors in the Dente/AEM Ponzi Scheme who received fictitious profits to the detriment of other defrauded investors whose money was consumed by the Dente/AEM Ponzi Scheme, (b) people who received transfers from AEM Services or any of the Receivership Entities but did not give value for said transfers, and (c) people who did not invest in good faith in the Dente/AEM Ponzi Scheme. Absent this and other recovery actions, the Receiver will be unable to satisfy the totality of the claims of all the investors in the Dente/AEM Ponzi Scheme.

16. The instant action is brought by the Receiver as part of his continuing duty “to file litigation, including but not limited to, actions to recover property transferred or for turnover of any of the Assets when turnover is otherwise appropriate under Ohio law, actions to determine ownership of the Assets, actions

to avoid liens and to recover transferred, alienated and consigned Assets; and actions to determine the extent and priority of lien interests in the Asset” (Operative Receiver Order, ¶ 2) and his authority to “institute, prosecute, or intervene in any lawsuit or summary proceeding against any other person(s) or entity(ies) to preserve and/or maximize the value of the Assets or to obtain possession of any of the Assets unlawfully in the possession of third parties.” (Operative Receiver Order, ¶ 3.j.)

17. Pursuant to that certain administrative order entered on July 20, 2022 (the “**Transfer Order**”), all cases “seeking relief against AEM [Services], [Mark] Dente and other persons or businesses associated with AEM or Dente” and “any future cases regarding AEM, Dente or any person or entity associated with either of them” have been transferred to the Honorable Patricia A. Cosgrove. A copy of the Transfer Order is available from the Summit County Clerk’s Records.

JURISDICTION AND VENUE

18. This Court has jurisdiction over the subject matter of this action pursuant to Section 2305.01 of the Ohio Revised Code.

19. Venue for this matter is proper in this Court pursuant to Rule 3(C) of the Ohio Rules of Civil Procedure, including, but not limited to Rule (3)(C)(1), (3) and (6).

NATURE OF THIS PROCEEDING

20. This action is brought pursuant to the Ohio Uniform Fraudulent Transfer Act (Ohio Revised Code Chapter 1336³) and other applicable law to avoid the transfers specifically identified below and to recover the value of the transfers so that the value of the transfers can be equitably distributed among all the victims of the Dente/AEM Ponzi Scheme.

GENERAL ALLEGATIONS

21. At all times relevant hereto, the liabilities of AEM Services and the related Receivership Entities were greater than the assets of AEM Services and the related Receivership Entities.

22. At all times relevant hereto, the Dente/AEM Ponzi Scheme was insolvent because the sum of its debts was greater than all its assets at fair valuation. *See* O.R.C. § 1336.02(A)(1).

23. At all times relevant hereto, the Dente/AEM Ponzi Scheme was insolvent because it was not generally paying its debts as they became due. *See* O.R.C. § 1336.02(A)(2).

24. Because the Dente/AEM Ponzi Scheme never had sufficient assets to pay off all its obligations to its investors, every transfer of any asset by AEM Services or any of the Receivership Entities to any other person was made with

³Unless otherwise indicated, all Section, Chapter, and Title references are to the Ohio Revised Code (“**O.R.C.**”), all references to the Civil Rules or “Rule XX” are to the Ohio Rules of Civil Procedure (the “**Civil Rules**”), and all references to the “Summit County Rules” or to the “Local Rule x.xx” are to the Rules of the Court of Common Pleas, General Division of Summit County, Ohio.

actual intent to hinder, delay, or defraud creditors of the Dente/AEM Ponzi Scheme. See O.R.C. § 1336.04(A)(1).

25. Because the Dente/AEM Ponzi Scheme never had sufficient assets to pay off all its obligations to investors, at the time of each and every transfer of any asset by AEM Services or any of the Receivership Entities to any person, AEM Services and the Receivership Entities were engaged in a business for which their remaining assets were unreasonably small in relation to its business. See O.R.C. § 1336.04(A)(2)(a).

26. Because the Dente/AEM Ponzi Scheme never had sufficient assets to pay off all its obligations to investors, at the time of each and every transfer of any asset by AEM Services or any of the Receivership Entities to any person, AEM Services and the Receivership Entities intended to incur, or believed or reasonably should have believed that AEM Services and the Receivership Entities would incur, debts beyond their ability to pay as those debts became due. See O.R.C. § 1336.04(A)(2)(b).

THE DEFENDANT

27. Ronald Todd Harper (“**Harper**”) is a citizen of the State of Ohio.

28. Harper received payments from AEM Services as set forth in detail in the attached Exhibit A.

THE TRANSFERS

29. According to the bank records of AEM Services, and particularly KeyBank account no. *****3937, AEM Services made various transfers (collectively,

the “**Transfers**”), to Harper account no. *****8770 totaling at least One Million Two Hundred Ninety-Five Thousand Four Hundred Fifty-Seven Dollars (\$1,295,457.00).

30. The Transfers received by Harper constitute non-existent profits supposedly earned from their investment in AEM Services, but, in reality, they were other people’s money.

31. The Transfers were made to or for the benefit of Harper and are set forth in detail in the attached Exhibit A.

32. AEM Services received less than reasonably equivalent value in exchange for each of the Transfers.

33. The Receiver’s investigation is ongoing. During this proceeding, the Receiver may learn, through discovery or otherwise, of additional transfers made to Harper by one or more of the Receivership Entities that are avoidable or that the amounts described in Paragraph 31 were not received by AEM. It is the Receiver’s intention to avoid and recover all transfers made by any Receivership Entity of any interest in property to or for the benefit of Harper. To that end, the Receiver reserves the right to (i) supplement the information contained in this Complaint regarding the Transfers and any additional transfers discovered during the time that this proceeding is pending.

34. To the extent that any of the recovery counts that follow are inconsistent with each other, they are to be treated as being pled in the alternative.

COUNT I
AVOIDANCE OF FRAUDULENT TRANSFER – O.R.C. § 1336.07

35. The Receiver incorporates by reference all the allegations contained in the preceding paragraphs as if fully rewritten herein.

36. The Receiver is entitled to avoid each of the Transfers pursuant to O.R.C. § 1336.07(A)(1).

37. The Receiver is entitled to damages in excess of twenty-five thousand dollars (\$25,000.00).

COUNT II
JUDGMENT FOR THE VALUE OF
AVOIDED TRANSFERS – O.R.C. § 1336.08(B)(1)

38. The Receiver incorporates by reference all the allegations contained in all the preceding paragraphs as if fully rewritten herein.

39. Harper was the first transferee of each of the Transfers.

40. Pursuant to O.R.C. § 1336.08(B)(1)(a), the Receiver is entitled to a judgment against Harper for the value of the Transfers.

41. The Receiver is entitled to damages in excess of twenty-five thousand dollars (\$25,000.00).

COUNT III
JUDGMENT IMPOSING A CONSTRUCTIVE TRUST

42. The Receiver incorporates by reference all the allegations contained in all the preceding paragraphs as if fully rewritten herein.

43. Harper was the recipient of monies wrongfully and fraudulently obtained by Dente and AEM Services from people who bought AEM Cognovit Notes, thereby diminishing the amounts available to pay AEM Services' creditors.

44. In equity, a constructive trust should be impressed upon assets acquired by Harper with the monies transferred from AEM Services to Harper. *See*, O.R.C. § 1336.07(A)(3)(c) and § 1336.10.

45. The Receiver is entitled to damages in excess of Twenty-Five Thousand Dollars (\$25,000.00).

WHEREFORE, the Receiver prays that this Court enter judgment against Harper:

- i. avoiding all the Transfers pursuant to O.R.C. § 1336.07(A);
- ii. imposing a constructive trust in favor of the Receiver over all monies and assets obtained with the monies that Harper received from AEM Services;
- iii. for damages in excess of twenty-five thousand dollars (\$25,000.00);
- iv. for post-judgment interest as allowed by Ohio law;
- v. for the costs of this action including the Receiver's reasonable attorneys' fees; and
- vi. granting such other and further relief as the Court deems just and equitable.

Dated: March 26, 2024

Respectfully submitted,

/s/ Mary K. Whitmer

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Exhibit A

Transfers from KeyBank Acct. No. *****3937 to
Ronald T. Harper Acct. No. *****8770

Date of Transfer	Amount of Transfer
02/14/2020	\$ 1,500.00
04/14/2020	1,500.00
09/15/2020	24,214.00
11/13/2020	3,043.00
01/14/2021	48,000.00
03/12/2021	48,000.00
05/14/2021	48,000.00
10/04/2021	86,200.00
12/08/2021	70,000.00
12/14/2021	105,000.00
02/16/2022	210,000.00
04/14/2022	24,000.00
02/11/2022	626,000.00
Total	\$1,295,457.00