

UNITED STATES FEDERAL DISTRICT COURT
IN THE EASTERN DISTRICT OF PENNSYLVANIA

MARIA FULLANA-JORNET & CARLOS)
IUDICA, JOSEPH & DAWN)
DE LORENZO, KIM & FRANK JURY,)
KRISTY & FLINT SCHULZE, LISA)
NEWTON, MEGAN & GERALD)
SCHAEFER, CANDACE BUSHOUSE,)
FAYE RAN, TOM & BARBARA)
PINGREE, JAYMEE WAPPES,)
CHAD & MICHELLE MEENACH,)
ANNAMAE & CHRISTOPHER YOUNG)
KATHLEEN & MARK WASON,)
STEFAN & CLAUDIA WESSEL,)
BRENT & DEANNA HEINRICH,)
DAWN & JEFFREY JAREMA,)
GERI & IAIN PENNY)

Plaintiffs)

v.)

ADOPTION INTERNATIONAL)
PROGRAM, INC.)
a Pennsylvania For-Profit Corporation)
and)
ORSON MOZES)
and)
CHRISTEN BROWN)
and)
KEVIN ANDERSON)

Individuals)

Jointly and Severally)

Defendants)

Hon.: **PETRESE B. TUCKER**

Case No.: 08-0187

**PLAINTIFFS FIRST AMENDED
COMPLAINT FOR VIOLATIONS**

**OF: 18 U.S.C. §§ 1341, 1343,
18 U.S.C. § 1962(c)
18 U.S.C. § 1962(d)**

- UNJUST ENRICHMENT,**
- CONVERSION,**
- CIVIL CONSPIRACY,**
- FRAUDULENT
MISREPRESENTATION,**
- INNOCENT
MISREPRESENTATION.**
- INTENTIONAL INFLICTION
OF EMOTIONAL DISTRESS,**
- NEGLIGENT INFLICTION OF
EMOTIONAL DISTRESS**

PLAINTIFFS DEMAND A JURY

Joni M. Fixel (P56712)
Marlo D. Bruch-Barrett (P70362)
Fixel Law Offices, PLLC
Attorney for Plaintiffs
4990 Northwind Drive, Ste 121
East Lansing, MI 48823
(517) 332-3390

John Attiani (69278)
Law Offices of Maribeth Blessing, LLC
Local Counsel for Plaintiffs
310 Huntingdon Pike
Rockledge, PA 19046
(215) 663-9016

Maria Fullana-Jornet and Carlos Iudica, Joseph and Dawn De Lorenzo, Kim and Frank Jury, Kristy and Flint Schultze, Lisa Newton, Megan and Gerald Schaefer, Candace Bushouse, Faye Ran, Tom and Barbara Pingree, Jaymee Wappes, Chad and Michelle Meenach, Anna and Christopher Young, Kathleen and Mark Wason, Stefan and Claudia Wessel, Deanna and Brent Heinrich, Dawn and Jeffrey Jarema and Geri and Iain Penny (“Plaintiffs”) hereby allege and state the following Complaint against Defendants Adoption International Program, Inc., Orson Mozes, Christen Brown and Kevin Anderson (hereinafter referred to collectively as “Defendants”).

PARTIES

1. Plaintiffs Maria Fullana-Jornet and Carlos Iudica are United States citizens residing in the State of Pennsylvania.
2. Plaintiffs Joseph and Dawn De Lorenzo are United States citizens residing in the State of New Jersey.
3. Plaintiffs Kim and Frank Jury are United States citizens residing in the State of Kansas.
4. Plaintiffs Kristy and Flint Schultze are United States citizens residing in the State of Michigan.
5. Plaintiff Lisa Newton is a United States citizen residing in the State of Virginia.
6. Plaintiffs Megan and Gerald Schaefer are United States citizens residing in the State of Delaware.
7. Plaintiff Candace Bushouse is a United States citizen residing in the State of Michigan.

8. Plaintiff Faye Ran is a United States citizen residing in the State of New York.

9. Plaintiffs Tom and Barbara Pingree are United States citizens residing in the State of New York.

10. Plaintiff Jaymee Wappes is a United States citizen residing in the State of Indiana.

11. Plaintiffs Chad and Michelle Meenach are United States citizens residing in the State of Ohio.

12. Plaintiffs Anna and Christopher Young are United States citizens residing in the State of New York.

13. Plaintiffs Kathleen and Mark Wason are United States citizens residing in the State of Texas.

14. Plaintiffs Stefan and Claudia Wessel are United States citizens residing in the State of Rhode Island.

15. Plaintiffs Deanna and Brent Heinrich are United States citizens residing in the State of Pennsylvania.

16. Plaintiffs Dawn and Jeffrey Jarema are United States citizens residing in the State of Michigan.

17. Plaintiffs Geri and Iain Penny are United States citizens residing in the State of California.

18. Defendant Adoption International Program, Inc. ("AIP") is a Pennsylvania For-Profit Corporation with a principal place of business at 614 Darby Road, Havertown PA 19083 and a California For-Profit Corporation with a principal place of business at

1373 Schoolhouse Road, Santa Barbara CA 93108. Defendant AIP is licensed to perform adoptions by the State of Pennsylvania.

19. Defendant Orson Mozes is upon information and belief a United States citizen residing in the State of California. Mozes holds himself out to be the founder of AIP, its President and its Director. Mozes worked out of the AIP California office.

20. Defendant Christen Brown is upon information and belief a United States citizen residing in the State of California. Brown holds herself out to be the Executive Director of AIP. Brown worked out of the AIP California office. Brown swore to this court in Case No.: 03-5703, that “**I am involved in and oversee *all aspects of the business of Adoption International Program, Inc.***” (See Exhibit A)

21. Defendant Kevin Anderson is upon information and belief a United States citizen residing in the State of California. Anderson holds himself out to be a Manager of AIP. Anderson worked out of the AIP California office.

22. Upon information and belief, the Defendants ceased business as AIP in October 2007.

JURISDICTION AND VENUE

23. This action is brought under the Federal Racketeer Influenced and Corrupt Organization ("RICO") statute, 18 U.S.C. § 1961 et seq., and various other Pennsylvania statutes and common law doctrines. The matter in controversy exceeds the sum or value of Seventy-Five Thousand and 00/100 Dollars (\$75,000.00), exclusive of interest and costs, and is between citizens of different states. Jurisdiction is vested in this Court by virtue of 28 U.S.C. §§ 1331 and 1332.

24. Because claims brought under Pennsylvania law are also so related to Plaintiffs' federal claims, over which the Court has original jurisdiction, that they form part of the same case or controversy under Article III of the United States Constitution, the Court also has jurisdiction over Plaintiffs' Pennsylvania common law and statutory claims pursuant to 28 U.S.C. § 1367.

25. A substantial part of the events and omissions giving rise to the claims stated herein occurred in this District and all defendants are subject to the personal jurisdiction of this judicial district. Venue is proper in this District and Division pursuant to 28 U.S.C. §§ 1391 and to 18 U.S.C. §1965(b).

INTRODUCTORY ALLEGATIONS

Plaintiffs Fullana-Jornet and Iudica

26. Plaintiffs Maria Fullana-Jornet and Carlos Iudica ("Plaintiffs") decided to adopt internationally and found Defendant AIP offering adoptions from the Ukraine through an internet website. In March 2005, the Plaintiffs contacted Defendant Mozes and they were sent a video of a Ukrainian child, who was advertised on Defendant's website as a healthy child. Plaintiffs rejected this child after reviewing the video with a pediatrician due to medical deformities clear in the video. On April 14, 2005, the Plaintiffs signed an illusory contract with the Defendants. **(See Exhibit B)**

27. Several weeks later, Plaintiffs found another little girl on the same website. Once again Defendant Mozes send a video of the child. When Plaintiffs expressed interest in this 9 month old girl, Defendant Mozes told Plaintiffs to send money immediately, \$3000 for the Ukraine to "secure the little girl" (this is also called a referral) and \$7500 to his

agency. Plaintiffs sent the money and Defendant Mozes sent information for the Plaintiffs to complete a dossier. Defendants never disclosed that they did not have an office in Pennsylvania.

28. Plaintiffs were in the process of completing the home study required to be completed before an adoption when they were told that it was illegal for the Defendants to have referrals in the Ukraine. When Plaintiffs asked Defendant Mozes they were told **“Americans do not understand how the adoption process works. Referrals are a common process, there is nothing illegal, it is 100% o.k.”** A few weeks later the Ukrainian Government issued a moratorium and stopped all international adoptions.

29. Soon the closing of the Ukrainian international adoptions, Defendant Mozes said that the Plaintiffs had lost the referral and suggested that the Plaintiffs consider a Russian adoption. Plaintiffs started filling out additional paperwork for a Russian adoption when they received a request for more money from an associate of Defendants in Russia. When questioned about this request for funds, Defendant Mozes said the call was a mistake.

30. Over the next 6 months, the Defendants sent several sets of papers for the Plaintiffs to complete to allow them to adopt from Russia. When the Plaintiffs inquired about the money they had sent to the Ukraine, Defendant Mozes told them that it would be deducted from the “international fees”. Finally, Defendant Mozes called and said that adoptions in Russia had become unstable and that the Plaintiffs needed to chose another country. He suggested Azerbaijan (“Azer”) or Kazakhstan (“Kaz”). When Plaintiffs expressed some concerns about the children from Kaz, Defendant Mozes told them that the kids from Kaz are very healthy due to good baby houses.

31. Once again the paperwork and dossier had to be renewed and it took the Plaintiffs approximately 9 months. Finally, on or about December 2006, Defendant Mozes sent the Plaintiffs a referral of a healthy, Caucasian, nine-month old baby girl from the Almaty region with a request to **“make up your minds immediately”**. Defendant Mozes told the Plaintiffs **“If you don’t like your referral, you can choose any other available kid”**. Plaintiffs feeling pressured accepted the referral that evening. Defendants never disclosed that photo listings and referrals of children are illegal in Kaz.

32. The next morning, after discussing how they felt pressured to accept the referral, the Plaintiffs telephoned Defendant Mozes to cancel the referral. Defendant Mozes said he had already sent all the paperwork to the embassy and it was **impossible** to stop the process. He stated **“the referral was written in stone and there is no way to change your minds”**. Then he told the Plaintiffs **“even if you don’t like the baby, you can choose between other kids in Kaz.”** Defendant Mozes repeatedly told the Plaintiffs **“IN ALL MY YEARS OF EXPERIENCE, NOBODY HAS RETURNED WITH EMPTY ARMS”**.

33. When Plaintiffs began seeing discrepancies between what the Defendants would mail and what they would verbally tell their clients, the Plaintiffs asked for clarification. Defendants assured the Plaintiffs that they could see other babies, all the babies were healthy and changing regions in Kaz was difficult but not impossible. Defendant Mozes promised to send health information regarding the referral but none was ever sent to the Plaintiffs.

34. In early 2007, the Plaintiffs began hearing stories from other AIP clients where referrals had been lost and many unhappy adoptive parents who had used AIP for an international adoption. Plaintiffs not wanting to jeopardize their adoption sent Defendant

Mozes sent him an e-mail stating that they didn't believe all the bad press and expressed confidence in his integrity.

35. In April 2007, the Plaintiffs and their son went to Kaz to see the baby girl and other children available for adoption.

36. The Defendants arrange for apartments for their clients to live in while visiting their child in Kaz. The Plaintiffs advised the Defendants that they would prefer to stay in a hotel but were pressured by Defendant Mozes to stay in the apartment to save money. Even though the Plaintiffs wanted to be taken to a hotel, the driver took them to the apartment. The Kaz coordinator, Ekaterina, wanted to charge the Plaintiffs \$2000 to stay in the apartment.

37. The apartment was full of dirt and garbage with only one broken bed. When the Plaintiffs insisted that they wouldn't stay in that apartment, Ekaterina and driver took them to another apartment. This apartment was larger, cleaner and had enough beds.

38. Even though it had only been 36 hours since leaving Pennsylvania, Ekaterina told the Plaintiffs that they had 15 minutes to be ready to go to the orphanage. They were told that there was someone from the adoption process waiting for them. When the Plaintiffs asked if they could cancel because they were so tired, they were told "impossible".

39. The Plaintiffs were told that the orphanage was in Almaty but it was 2 ½ hours away from the apartment. When the Plaintiffs asked if they could find a home in the country closer to the orphanage, they were advised that for security reasons, it was not allowed. When the Plaintiffs finally met the baby that they had been referred to by the Defendants, it was obvious that she had developmental problems. The baby could not sit up or rollover.

40. Plaintiff Maria Fullana-Jornet is a medical doctor and recognized several physical problems immediately. She insisted on seeing the medical records and one of the orphanage employees told the Plaintiffs the baby was born at 25 weeks. The orphanage doctor and Ekaterina tried to convince the Plaintiffs that the baby was a healthy baby, plaintiffs were upset and called Defendants to advise them that they would not accept this referral. Defendant Mozes told them that they would have to change Kaz coordinators.

41. The next day, Kaz coordinator Nigmat arrived and asked for \$2000 to make the changes in the orphanages and complete the paperwork. He told the Plaintiffs it would take a week to complete. Even though it took several days and Nigmat asked for \$300 in additional funds, the Plaintiffs were having trouble finding a notary to sign the new Power of Attorney so they could change regions.

42. One evening the Plaintiffs received a call from Ekaterina telling them that they must return the paperwork back to her or their adoption would be in danger. The Plaintiffs tried to reach Nigmat but were unsuccessful. Later that night, Nigmat called and told them that “something was wrong” and he would clarify the next day.

43. Nigmat called the next day and told the Plaintiffs that they were in danger and that Ekaterina was “after the Plaintiffs”. Nigmat told them to be very careful and not to leave the apartment. He also told them that he was going away for a few days and they wouldn’t be able to reach him.

44. The Plaintiffs called Defendant Mozes and told him that they wanted to move to a hotel if they were in danger. They also expressed concern over Nigmat’s odd behavior. Defendant Mozes said he would call Nigmat and later called the Plaintiffs and told

them to stay in the apartment. The Plaintiffs were in a strange country with no translator since the second day of arrival and now were in fear.

45. The next evening, Nigmat called and said he needed to meet with the Plaintiff to discuss some bad news. When the Plaintiffs and Nigmat met, the Plaintiffs were told that Ekaterina had threatened Nigmat with reporting to the head of adoptions (in Kaz) and that she would cause problems by exposing problems to the Kaz authorities if the adoption was turned over to Nigmat. Nigmat advised the Plaintiffs that they had to complete the adoption with Ekaterina or the only alternative was to return to the U.S. to start all over again. Nigmat said he would try to get the Plaintiffs dossier back as soon as possible to help the Plaintiffs be available to adopt. Nigmat also told the Plaintiffs that Defendants would be returning at least half of the money they had sent.

46. Plaintiffs never heard from Defendants again.

47. In the beginning of the adoption process, the Defendants assured Plaintiffs of their ability to coordinate the activities in the countries where they offered children for international adoptions. Defendants sent the Plaintiffs to Kaz with no coordination or oversight of the process.

48. Defendants assured Plaintiffs that they would receive medical information on the child that they were going to adopt. Defendants never sent any medical information to the Plaintiffs. Plaintiffs were told by Ekaterina that the standard second in country visit would not be necessary for the infant they had met at the orphanage. This would indicate that all parties knew that the child was a special needs infant and Defendants did not inform the Plaintiffs. To adopt a special needs child, the home study would have to reflect approval

for a special needs child. The Defendants knew or should have known that the home study was not approved for a special needs child.

49. Plaintiffs were induced into an adoption that Defendants never intended to complete through Defendants assurances and misrepresentations. Plaintiffs have been damaged financially and emotionally by the Defendants illegal activities.

Plaintiffs De Lorenzo

50. After years of fertility treatments, the Plaintiffs Joe and Dawn De Lorenzo (“Plaintiffs”) decide to investigate adoptions. On or about April 19, 2006, the Plaintiffs signed an illusory contract with the Defendants to adopt a child with the Defendants agency.

51. The same day Defendant Mozes sent three separate e-mails with childrens’ pictures and information on each of the children. The e-mail states that the Plaintiffs needed to obtain a Federal Express account to prevent fraud. Once the Plaintiffs had decided to move ahead with the adoption they could send the contract and money to the Defendants and they would make sure “no other party would be accepted for the same child”. It also stated that only 20% of the time the clients lose their *referrals* and another “equally lovely” child would be found for the adoptive parents. (See Exhibits C-E) Defendants never disclosed that photo listings and referrals of children are illegal in Kaz.

52. On April 21, 2006 the Defendants assured Plaintiffs that the process would take 2 months for a home study and another 2 months for the dossier preparation.

53. On or about April 25, 2006, Plaintiffs decided to adopt baby #879 Alexander from Kaz and were told that Defendants would hold the child once the Plaintiffs sent payment.

54. On April 25, 2006, Plaintiffs sent an e-mail questioning Defendants about negative feedback she had received when she inquired into the Defendant's reputation in international adoption. Defendant Mozes assured her that all she is reading is lies and that no AIP client gets stranded in Kaz or pays additional fees to travel to outlying areas of Kaz. It is rare that an adoptive parent has to travel to rural areas and then they are only charged an additional \$300.00. Defendant Mozes claims all the negative feedback is from competing adoption agencies.

55. On April 28, 2006, Plaintiff Dawn De Lorenzo who is a school teacher and inquires about summer travel and receives assurances from Defendants that he can have her on a plane within 2 months of receiving the dossier packet.

56. Defendant Mozes sends Plaintiffs a positive reference for AIP. Plaintiffs explain that they don't want to fall in love with a child and experience another loss. Defendants reassure Plaintiffs that there should be no loss and only 20% of referrals are lost. Defendants tell the Plaintiffs that even if a referral is lost, he can find another equally lovely child for them to adopt.

57. Plaintiffs ask Defendants for a recent photo of Alexander or they will go to another agency. The negative feedback on the internet from former AIP clients reflects that the 80% success rate is much lower.

58. On or about May 9, 2006 Plaintiffs were told by Defendants to send an additional \$2,500 immediately for foreign fees.

59. On or about June 14, 2006, Defendants notified all clients that there were changes in dossier requirements and now additional paperwork needed to be completed.

60. On or about July 25, 2006, Plaintiffs have an almost completed dossier and ask Defendants which region they will travel to in Kaz. Defendant Mozes tells Dawn De Lorenzo that she will find out the region right before traveling and she can pay the balance of the apartment fees when she arrives.

61. On or about August 4, 2006, Plaintiffs ask where the child lives in Kaz but gets no response from Defendants. When Plaintiffs point out that other AIP clients are told where their referral child lives, she is told that clients who travel blind (are not matched with a referral) are told the region but those with referrals are not given regions.

62. On or about August 24 2006, Plaintiffs receive a notice that the Defendant's employee Jayne is being replaced by Defendant Anderson.

63. On or about August 28, 2006, the Plaintiffs dossier is complete and received by Defendants. Defendant Anderson said he needs an additional \$440 to complete the paperwork but promises completion before the end of the week. When Plaintiffs ask if the baby boy is still available and the region he is in, Defendant Mozes advises Dawn De Lorenzo that "Updates are difficult and **she can't mention updates to anyone**". Mozes reassures Plaintiff that the child is still available but will only advise her if he gets another update from Kaz. Plaintiffs ask Defendants generalized questions about travel but Defendants evade answering the questions.

64. On or about October 5, 2006, Plaintiffs receive a call from Defendant Anderson advising that 12 dossier documents were not apostilled correctly. Plaintiffs make special arrangements to get these mistakes corrected immediately but wondered why it has taken Defendants 6 weeks to identify the problems.

65. Throughout October 2006, the Plaintiffs place several calls to Defendants to determine the region they will be traveling to in Kaz but Defendants evade answering the questions and later quit taking calls from the Plaintiffs.

66. Plaintiffs post their frustrations on their on line blog. Defendants threaten to drop the Plaintiffs as clients because the Plaintiffs have communicated by e-mail with other AIP clients in violation of the illusory contract. Defendants warn the Plaintiffs if they stop the process, they will get no refund of the money paid. Plaintiffs send a Demand Letter asking for a full refund of their money on October 17, 2006.

67. The Plaintiffs receive an e-mail from Defendants reminding them that they must mediate any problems in California before filing any lawsuit. Defendant Mozes **threatens to stop the Plaintiffs adoption** because they have violated the contract. No details on how the contract was violated were noted. Plaintiffs respond to Defendant Mozes by calling him an emotional rapist by promising services and children but not fulfilling his obligations.

68. On or about October 24, 2006, Plaintiffs ask Defendants if the dossier has been translated and is told that it has not been translated yet.

69. In November 2006, Defendant Anderson advises Plaintiffs that the dossier needs to be translated, then sent to the embassy in Washington DC and then the dossier gets sent to Kaz. Once it is approved by Kaz, a Letter of Invitation (“LOI”) will be issued by the Kaz government. Mid-November the Plaintiffs dossier is sent to Kaz and Defendants advise the Plaintiffs it will take another 6-8 weeks before the LOI is issued by the Ministry of Education.

70. On or about December 10, 2006, Defendant Mozes sends an e-mail to the Plaintiffs advising them that the child that they were to adopt, Alexander, was no longer available but **“he was looking for a really wonderful boy”** for the Plaintiffs. No reason was given to explain why Alexander was not available except for a reference to a paperwork problem. (See Exhibit F)

71. Plaintiffs are devastated by the news from the Defendants and have to take time off from work to process through the feelings of loss and grief associated with losing the child they thought they were going to adopt.

72. The next day, December 11, 2006, Defendants promise a new referral shortly and that the Plaintiffs LOI should be issued by the end of December. The Plaintiffs are advised not to travel blind (without a referral to select an adoptable child) and that they should be ready to travel in mid-January 2007.

73. On or about December 15, 2006, Plaintiff Joe De Lorenzo communicates to Defendants that he understands that there are bad feelings between Dawn De Lorenzo and Orson Mozes but that the Defendants are obligated to complete the arrangements. Plaintiff Joe De Lorenzo tells Defendants that the travel must have the following requirements; 1) No remote city, 2) there must be a translator and driver at all times, 3) Plaintiffs expect to be shown healthy kids in the correct age range, 4) no bribes before arriving at the baby house, and 5) no bribes under any circumstances.

74. On or about December 27, 2006, the Defendants e-mailed the Plaintiffs the visa application but evade Plaintiff's questions on when to book flights. Finally Defendants tell Plaintiffs that they will travel between January 14th and 21st. Plaintiff

Dawn De Lorenzo had to take a job as a substitute teacher with her school district to accommodate the continual changes of their travel dates for the adoption.

75. On or about January 8, 2007, Defendants advise that the travel date has been pushed back to January 28th. The next day, Defendants sent Plaintiffs information on baby boy, Stanislav (nickname Stas). The defendants accept this child as their new referral. Defendants send the medical information and information on how to wire money. Defendants instruct the Plaintiffs to wire \$2,000 and that there is an \$8,000 balance due when they arrive in Kaz plus lodging and other amenities. A 42 day stay in Kaz will cost \$7350.00. Clients pay \$175.00 per day for an apartment, driver and translator.

76. Plaintiffs inquire whether this will be a two trip visit for adoption (consisting of 42 days and later an additional 13 days) or a one visit trip of 60 days. Defendants advise the Plaintiffs for the one trip option the cost is \$10,500 or \$175/day.

77. Plaintiffs wired the money on January 15, 2007. On or about January 18, 2007, Plaintiffs receive news that the travel date may be pushed back to March 2007. When the Plaintiffs express anger about the unbearable stress and inconvenience to get time off from work, they are told that the staff in Kaz is bad and they are incompetent people and it isn't the Defendant's fault. Plaintiffs advise that if there are no guaranteed travel plans, they want a refund and the dossier returned.

78. On or about January 22, 2007, Defendants advise that the travel time is now February 12, 2007 with only a 10% chance that something will change the date.

79. On February 1, 2007, Defendants sent new pictures of Stas to the Plaintiffs.

80. On February 5, 2007, Defendants push back the travel dates to the end of February. Defendants blame the delay on incompetence in Kaz.

81. On or about February 7, 2007, Plaintiffs were asked by Defendants what they were going to name the boy. The Plaintiffs responded "Stephen Joseph". Defendants sent wire instructions for the remaining \$9950.00 owed.

82. Defendants advise Plaintiffs that they can get an expedited visa if they pay \$180 for visa expedition.

83. Defendant Mozes asks Plaintiffs to have their friends post on line that the Plaintiffs had received their LOI and to say kind things to make AIP look good to others.

84. On or about February 9, 2007, Defendants tell Plaintiffs they are cleared to book their flights to Kaz. The first available flight is February 18, 2007.

85. While waiting to travel, Defendants encourage the Plaintiffs to take an additional \$2500 to bribe the Kaz judge in charge of the adoption to waive the waiting period. When questioned about it, Defendants tell the Plaintiffs to only offer it if it appears that the judge will grant the waiver. Defendants want Plaintiffs to post pictures of Stephen on her blog but Plaintiffs refuse until the child is back in the United States.

86. On February 18, 2007, the Plaintiffs flew to Kaz. While waiting to go to Ust-Kamengorsk, the Plaintiffs were met by Nigmat who asked for the remainder of the foreign fees, apartment fees, driver and translator fees and \$1,500 bribe money for the judge. It is a Tuesday and the translator and driver are available to tell the Plaintiffs that their visit to the orphanage will be on Thursday since the coordinator, Almagul, is stuck in Astana.

87. Defendants e-mail Plaintiffs while they are settling in Kaz and, once again, encourage Plaintiffs to post something positive on her blog BUT not to put photos of Stas on the blog because “he is too cute and you never know who is reading the blog”.

88. On February 22, 2007, Plaintiffs visit Stas and he is sick with a cold. Pictures are taken and Plaintiffs are told that they can’t visit on the weekends. Later Defendants tell Plaintiffs that there will be no delays in the adoption and implied that the adoption judge will take the bribe, waiving the 17 day waiting period.

89. On March 1, 2007, after celebrating Stas’ first birthday at the orphanage, Plaintiffs receive a phone call from their interpreter who informs them to be ready earlier than usual in the morning because the representative from the MOE, Oksana, wants to speak with them about something. Plaintiffs contact Defendants and want to know why Oksana wants to speak to them and about what. The Defendants warned the Plaintiffs not to mention **referral photos or money to anyone, especially MOE!**

90. On March 2, 2007, Plaintiffs are told by Nigmat that the birth mother of Stas has returned and decided not to give him up for adoption. Plaintiffs are encouraged to choose another child **the same day!** Plaintiff Joe De Lorenzo wants to return to the U.S. but Plaintiff Dawn continues to visit the orphanage until she is matched with another child, Andrey. After three days of mourning, Joe returns to the orphanage with Dawn and they accept Andrey and must begin the entire fourteen day bonding process over again. Plaintiffs name this referral Stephen. From this point forward, references to Stephen, are addressing Andrey.

91. On or about March 10, 2007, the Plaintiffs ask for more frequent visits with baby Stephen because Plaintiff Joe De Lorenzo needs to return to the states for his job after

court and only Dawn will have extra bonding time. Plaintiffs are told that they should be in court at the latest March 19, 2007.

92. On or about March 18, 2007, Claudia Wessel reads Plaintiffs blog and e-mails the Plaintiffs that she had been promised the same baby by the Defendants. When Plaintiffs confronted Defendant Mozes, he warns them to keep it quiet. Defendants advise Plaintiffs that all is well, not to worry.

93. On March 19, 2007, Plaintiffs go to court and their adoption is granted. Joe flies back to the United States the same day. Dawn stays to complete the mandatory waiting period.

94. On April 3, 2007, Dawn is anticipating picking up Stephen from the orphanage. When Almagul arrives to pick her up she inform her that this child's mother has filed a complaint in court and that she is fighting the court's decision to grant the adoption.

95. By April 9, 2007, Plaintiff Dawn De Lorenzo is **abandoned** in the Kaz apartment without a driver or translator or any other services. When she contacts the Defendants to find out where the driver and translator are, they promise to look into it.

96. Due to trouble with a wire transfer, the Defendants harassed the Plaintiffs about money. With Plaintiff Joe De Lorenzo back in the U.S. and Plaintiff Dawn De Lorenzo in Kaz, Joe advises Defendants to communicate only with him regarding the money transfer. The delay was caused by banking formalities.

97. On April 12, 2007, Plaintiffs realize that the adoption does not look as if it will be completed. Plaintiff Joe De Lorenzo warns Defendant Mozes of the emotional harm that Dawn will suffer if this adoption fails. He demands a full refund if the adoption fails and no child is brought home.

98. On April 17, 2007 Dawn returns to court to fight for their son, but the birthmother does not show up and the hearing is postponed to April 19, 2007. This delay causes Dawn to pay Almagul \$250.00 to extend her visa which expires on April 19, 2007. Dawn has now been in Kaz for 57 days.

99. On April 19, 2007 the courts hear the birthmother's objections, but the case needs to go before another court. With no ruling in site Joe and Dawn decide that she must fly home. Almagul has Power of Attorney and assures them she will attend any and all court proceedings. Dawn flies back to the United States on April 20, 2007.

100. After several requests for updates, the Plaintiffs finally find out that the first court date for the appeal will be May 16, 2007. On May 16, 2007, the birth mother and her attorney are no shows for the hearing. Kaz court adjourns the hearing to May 30, 2007.

101. Plaintiffs send e-mails to Defendants requesting updates on the May 30th hearing but none of the Defendants would tell the Plaintiffs what happened at the hearing.

102. On or about June 15, 2007 Plaintiffs receive a letter from the courts in Kaz. However, it is written in Russian. They ask the Defendants to have the letter translated, but they are being put off and told that the translator that AIP works with is on vacation.

103. On June 30, 2007, Plaintiffs called the Kaz embassy who confirmed that Defendant Mozes is no longer allowed to work in adoptions in Kaz. Plaintiffs are aware that Nigmat is not an attorney and cannot represent them in Kaz. The Plaintiffs are told that Almagul would no longer go to court for the Plaintiffs but they were told by Defendants that she did go to court for them.

104. In July 2007, **the Plaintiffs are forced to hire an attorney in Kaz to try to complete the adoption of Stephen.**

105. On July 16, 2007, Defendant Anderson advised that the Defendants stopped working on behalf of the Plaintiffs at the Plaintiffs request. The Plaintiffs never requested that the pursuit of the adoption stop. Defendants did no further work to complete the adoption of Stephen.

106. Plaintiffs hired Defendants to facilitate an adoption. After being matched with three boys and giving their hearts to each one, they lost them one by one. The Defendants did nothing to assist the Plaintiffs but induced them into an adoption process by offering children that were not available through an illegal process, leaving the Plaintiffs financially and emotionally devastated.

107. The Plaintiffs have lost over **\$76,785.00** by being induced into a fraudulent adoption scheme. Plaintiffs have been damaged financially and emotionally by the Defendants illegal activities.

Plaintiffs Jury

108. In February 2006, the Plaintiffs Jury (“Plaintiffs”) decide to investigate adoptions through using the Defendants. Defendant Mozes sent photo listings of babies #815, 913 and 906 to the Plaintiffs to review for a referral.

109. On or about February 5, 2006, the Plaintiffs are told to wire \$8850.00 to the Defendants and they will “hold” baby #815. The Defendants also sent a lengthy e-mail describing the adoption process, their experience and why the Plaintiff’s should trust the Defendants. Much of the inducement for the Plaintiffs centered on the fact that the Defendants are licensed to perform adoptions by the State of Pennsylvania. **(See Exhibit G)**

110. Plaintiffs wired money to the Defendants but expressed concerns over sending so much money when the required home study hadn't been done or approved. Defendants assured Plaintiff Frank Jury that it is rare to have a home study denied but if denied there would be no refunds of the fees spent up to that date. In March 2006, Plaintiffs ask Defendants for approximate travel dates, so Plaintiff Frank Jury can plan for time off of his job working for a professional hockey team. Plaintiffs are told to plan to travel in "summer to fall 2006."

111. Plaintiffs ask for information on the region where baby #815 is located but the Defendants refuse to give any further information. They are told to concentrate on learning the Kaz language. In May, the Plaintiffs wired Defendants additional money to cover foreign fees. Defendant Kevin Anderson confirmed receipt of the money.

112. In June 2005, Plaintiffs are told by Defendants employees that they have not completed their Dossier correctly. Plaintiffs ask if the home study needs to be completed before submitting the I-600A but the Defendant's staff didn't have the answer. The staff told the Plaintiffs that the original home study has to be notarized and apostilled along with the Doctor's reports, photos and other documents.

113. In August 2006, Plaintiffs asked Defendants again about the region where the baby #815 (now called Sanjar) was located. Defendants continued to refuse to tell the Plaintiffs where Sanjar was located. The Plaintiffs noticed that since the Defendants have received the \$11,850.00, the communication from Defendants had virtually ceased. Plaintiffs expressed these concerns to the Defendants. Plaintiff Frank Jury also clearly explained the impact of taking 8 weeks away from his job and how it caused problems.

(See Exhibit H)

114. In September 2006, Defendants advised the Plaintiffs that they were checking to see if Sanjar was still available. Later they told the Plaintiffs that **“they weren’t able to get the information because the Plaintiff’s dossier wasn’t in Kaz.”**

115. In October 2006, Defendants still weren’t sure where the Plaintiff’s dossier was located but promised to look into it.

116. On or about November 16, 2006, Plaintiffs received a letter advising them that their dossier had been sent for translation and that they would be updated during the process. The Plaintiffs were told to begin working on their visa applications.

117. On or about November 30, 2006, the Defendants advised Plaintiffs that baby #815 was no longer available but sent photo listings of other male children for them to review and choose. Defendants also told the Plaintiffs **“not to share the new boys’ information with anyone.”** (See Exhibit I)

118. Defendant Mozes sent e-mails and called the Plaintiffs several times to pressure them into accepting a new referral, Dmitri Ilyas. In his calls he stated **“If you don’t accept this referral, it could go to someone else and it may be a long time before another child is available.”** When Plaintiff Frank Jury asked how they could trust Defendants to hold this child, Defendant Mozes stated **“If you send over money each week to the people in Kaz they will be more likely to hold the child for you.”**

119. In December, Plaintiff Kim Jury wrote the Defendants a long letter explaining how she had given her heart to Sanjar for 9 months and the emotional impact of losing the referral. She described having to tell friends and family that they weren’t going to adopt baby #815, Sanjar and how her heart hurt. (See Exhibit J)

120. In January 2007, Defendants advised the Plaintiffs that they could expect their LOI in 14-21 days and that the Plaintiffs should be prepared to pay the remainder of the foreign fees at that time. Plaintiffs expressed concern that their home study would expire in April 2007 but are told by Defendants that it is “**yet unexpired**”, indicating there was nothing to worry about.

121. When Plaintiffs advised Defendants that they were only taking one trip and not two, the Defendants tried to charge the Plaintiffs approximately \$2000 extra dollars. The extra fees were different from the fee schedule that was spelled out clearly in the adoption information provided earlier by the Defendants. Defendants were adamant about the Plaintiffs taking 2 trips. When in frustration, Plaintiff Kim Jury wrote to the Defendants telling them that she now understood why Dawn and Joseph De Lorenzo were threatening to sue the Defendants. Defendant Orson Mozes responded that “the De Lorenzo’s are very happy.” (See **Exhibit K**)

122. Defendant Orson Moses told the Plaintiffs that “**they needed to travel as soon as possible to ensure that they didn’t lose the new referral.**” Even though this was during the prime hockey season and leaving might mean that Plaintiff Frank Jury could lose his job, the Plaintiffs felt **compelled** to follow the Defendant’s advice. As soon as the Plaintiffs left the apartment in Kaz, Plaintiffs Claudia and Stefan Wessel traveled and occupied the same apartment. This would indicate the Defendants wanted Plaintiffs Jury out of the apartment because they had another family ready to occupy the apartment.

123. While in Kaz, in April 2007, Plaintiff Frank Jury wrote the Defendants about the multiple bad experiences he was having in Kaz. He titled his e-mail “helpless in Kazakhstan” and asked when the departure date was for the Plaintiffs. He clearly

described being left helpless in Kaz with a toddler and no outside assistance. Defendant's response was "**he was letting everyone know**". (See **Exhibit L**)

124. On or about June 18, 2006, Defendant Kevin Anderson advised the Plaintiffs that they were missing Powers of Attorney ("POA") from their package and the Plaintiffs needed to correct this as soon as possible because "**the Judge pushed the adoption through without the right POA.**" (See **Exhibit M**)

125. On or about July 2007, after the Plaintiffs returned home with the baby, the Plaintiffs asked for a return of overpayment for the apartment and receipts for tax purposes. But over the next 2 months, the Defendants used multiple excuses not to refund any money to the Plaintiffs or provide receipts. The Plaintiffs had even provided the information for the Defendants to produce a receipt. (See **Exhibit N**)

126. The Plaintiffs returned home with their son, Dmitri, but not before being fraudulently induced into a referral that failed and later being compelled to travel which caused Plaintiff Frank Jury to lose his job with the hockey team. The Plaintiffs were overcharged for much of the work done by or for the Defendants. Due to the Defendants negligence, the Plaintiffs have lost the apartment that was provided as a member of the hockey team staff, as well as the salary Frank would have been making. It was through the Defendants fraud and negligence that these Plaintiffs have suffered financially and emotionally.

Plaintiffs Schulze

127. During the month of May 2007, Plaintiffs Flynt and Kristy Schulze ("Plaintiffs") searched the internet researching international adoptions. They were confident that an Azerbaijan adoption was what they wanted to pursue. During that

search they sent an e-mail inquiry to Defendants. Almost immediately (after sending a contract), Defendant Mozes called. Mozes made the adoption seem easy and problem free and implied that he had the smoothest adoptions in the business. When Plaintiff Kristy Schulze asked why his agency fees were higher than other agencies, he responded that he **“was not a non-profit agency, but that was good for folks like you who want a quick adoption.”** Mozes said that his agency didn’t have to jump through the hoops that the others had to as non-profits. He also told the Plaintiffs that he had **“connections that enable him to get the job done quicker, with special perks to AIP families, such as better in country facilities, a better relationship and more rights at the baby houses.”**

128. Plaintiffs contacted Defendants to inquire about adopting from Kaz or Azerbaijan (“Azer”). Plaintiff Kristy Schulze inquired about 5 different photo listings of children offered for adoption by the Defendants. Once he knew that the Plaintiffs preferred a very young child, Defendant Mozes assured Plaintiffs that Kaz adoptions were better than Azer because the children were younger. Even though Defendant Mozes had led the Plaintiffs to believe that they were looking at babies from Azer.

129. Plaintiffs were told on May 31, 2007 that they had a 95% chance of bringing home Baby #87 by the end of 2007. Defendant Mozes told Plaintiffs to send the agency fees by cashier’s check **immediately to hold the child**. While Defendant assured Plaintiffs that he **“always gets the most attractive and smartest children because of his connections.”** (See Exhibit O)

130. Plaintiffs signed a contract with the Defendants on June 3, 2007 to begin an adoption. Part of the instructions for sending money to the Defendants clearly directed

Plaintiffs to send the money to the “satellite office” at 1373 School house Road, Santa Barbara CA 93108. Although licensed by the State of Pennsylvania, the Defendants were physically located in California and only used the Pennsylvania license as a mechanism to gain trust from their clients. **(See Exhibit P)**

131. On or about June 5, 2007, the Plaintiffs paid \$8,850.00 to the Defendants advising them to hold baby #87. **(See Exhibit Q)**

132. On or about June 6, 2007, the Defendants sent information about baby #87 whose name is Kseniya.

133. On or about June 20, 2007, Plaintiffs inquired about adopting 2 children and Defendants responded that Defendants would check into it before the Plaintiff’s trip to Kaz. Defendant Orson Mozes knew at that time that only sibling groups are allowed when adopting more than one child but withheld this information from the Plaintiffs. Yet on or about June 28, 2007, Plaintiffs learn from Defendant Kevin Anderson that only sibling groups are allowed to be adopted. **(See Exhibit R)**

134. On July 2, 2007, the Plaintiffs received an e-mail instructing them to wire \$3,000 to Ravil Ramazanov. Plaintiff Kristy Schulze questioned why this was different that the fee packet had instructed them when they first began working with the Defendants and was told by Defendant Anderson “**that email went to a number of clients, which is why the amount was wrong. A portion of the foreign fee will be wired at different times during the adoption process. Our coordinator is currently in Uzbekistan, which is why the money must be wired to him there.**” **(See Exhibit S)**

135. On or about July 18, 2007, Defendant Kevin Anderson called Plaintiff Kristy Schulze to advise that the child was still available but “**she must wire the money to the**

coordinator immediately or he couldn't guaranty that baby #87 wouldn't go to another family." Feeling under pressure, the Plaintiffs wired the money as instructed.

136. On or about August 10, 2007, the Plaintiffs received an e-mail advising them that the Defendants adoptions were under scrutiny at the U.S. Embassy in Kaz. (See **Exhibit T**)

137. On August 13, 2007, Plaintiffs called Defendant Anderson to inquire about the Embassy investigation and was told that Defendant Mozes had left town and was missing. He assured Plaintiffs that Defendant Brown (as owner of the Agency) was very ethical, honest and wanted to make sure that all adoptions were completed. He stated at that time that they would probably complete all adoptions through **Heritage Adoptions**. Plaintiffs asked why they were asked to wire money when Defendants Anderson and Brown knew that Defendant Mozes was gone. Plaintiffs were told that they were the last family asked to wire money. When Plaintiffs verbally requested a refund they were told to **"put it in writing."**

138. On August 13, 2007 and again on August 15, 2007, the Plaintiffs sent letters to the Defendants requesting a full refund. They had found out that Defendant Mozes had disappeared and that the United States Embassy in Kaz was investigating the Defendants. The Plaintiffs clearly explained how they had been induced to use the Defendant's agency by Defendant Orson Mozes and how Defendant Kevin Anderson instructed them to wire money to Kaz even when he thought it was a bad practice. (See **Exhibit U**)

139. Plaintiffs were induced into an adoption that Defendants never intended to complete through Defendants assurances and misrepresentations. Plaintiffs have damages

in excess of \$11,850 plus legal fees to recover their money. Plaintiffs have been damaged financially and emotionally by the Defendants illegal activities.

Plaintiff Newton

140. Plaintiff Lisa Newton (Plaintiff) was the founder, Principal, CEO and co-owner of the Draw Academy, a private PreK-8 school with 250 students in Texas, when she began investigating adopting a child. She contacted the Defendants to check into the photo listings of five girls. Defendants sent Plaintiff general health information. While trying to decide which little girl to adopt, the Defendants called to encourage Plaintiff to **“put money down soon to hold the infant.”**

141. On or about February 16, 2006, Plaintiff signed the Defendant’s illusory contract to adopt a child from Kaz. Plaintiff sent her fees and was assured by Defendant Mozes that **“We can hold this child while you do your home study and immigration and get your dossier together. All agency fees are in this email.”** Defendant Mozes verbally told Plaintiff that although he couldn’t guaranty the child she had chosen as a referral, there was a 95% chance of her getting her referral and the adoption would move along very fast. If she would hurry and send \$11,850, he would take the child’s photo down from the photo listings. **(See Exhibit V)**

142. On or about March 1, 2006, Plaintiff shared the good news with family that she was adopting baby girl #906 and that she was assured by Defendants that it would be competed. Plaintiff put up the picture of the girl at home and in the school where she worked, using the adoption as a tool to teach students about adoption and geography. Her business partner was aware of the time required away from the school to travel to visit her adopted daughter.

143. On or about July 2006, Plaintiff was told by Defendants that **she had lost her referral**, little girl #906 but quickly sent an e-mail with information on a “new girl”. Plaintiff accepted the “new girl”. After giving her heart once again to another little girl #906, Plaintiff received a series of e-mails from Kaz directly from the other AIP clients telling her that they were traveling to bring that little girl home and complete their adoption of her as their child.

144. On or about July 20, 2006, Plaintiff was told by Defendants that her papers had all been approved by the Kaz government and she should be ready to travel to Almaty in 4-6 weeks. Now Plaintiff was to travel blind to choose a child when she arrived in Kaz.

145. On or about July 28, 2006, Defendant Mozes told Plaintiff that she “**may jeopardize her Kaz adoption**” because she posted comments on an on-line group. Plaintiff responded by removing herself from the group. She also quickly reassured Defendant Mozes that she didn’t say she had “lost a referral but that she had lost a photo-listing.” Defendant Mozes knew at this time both referrals and photo-listings were prohibited by the Kaz government but used the on-line group information to intimidate the Plaintiff.

146. In August 2006, the Defendants advised Plaintiff that her paperwork had “just arrived” in Kaz and that the travel dates would now be 6-8 weeks away when she received her LOI. The Defendants told Plaintiff that the Kaz government closes for vacation during the month of August so nothing would be done during that time.

147. Over the summer of 2006, Plaintiff’s business partner told her that the stress of the adoptions and lost referrals had caused her to lose her focus. She was asked

to have limited contact with the school staff and children and she was told that her leadership abilities had been compromised from the ongoing strain of the adoptions. Plaintiff had to reduce her hours at work and disseminate some of her duties to her business partner.

148. On or about August 14, 2006, Plaintiff accepted a new photo listing from Defendants for baby # 951. Child #951 is a child born prematurely and Plaintiff asked whether baby #951 would be considered a special needs child qualifying for Texas subsidies. Defendant Mozes replies **“They said they could mark special needs because all children that are orphans have special needs”**. Defendants knew that the Plaintiff wanted a mentally healthy child but would accept a physically challenged child. Later when the Defendants sent medical paperwork on the child it was obvious that the medical reports belonged to another child, not child #951. The medical report sent had the incorrect eye color, hair color, birth weight and scores. This was another attempt to hide the true medical information on the child to induce Plaintiff to continue to adopt.

149. On August 24, 2006, Plaintiff received her LOI and visa support number. On the same date, Defendant Mozes sent all clients an e-mail advising them that he was aware of complaints about his service and that due to governmental problems, there was a risk of losing referrals. In fear of falling out of favor with the Defendants and jeopardizing her adoption, Plaintiff sent Mozes an e-mail vowing her support.

150. Plaintiff called to verify that baby #951 was indeed still available at the baby house before she traveled to Kaz. The day the Plaintiff flew to Kaz, the other AIP family arrived in the U.S., having completed their adoption of the second referral the Plaintiff had been promised by the Defendants.

151. Plaintiff arrived at the baby house to find a very sick baby #951, now named Dinara. Plaintiff decided to complete the adoption of this special needs child and brought Dinara home. Once home, Dinara was evaluated by a specialist for international adoption medical evaluations and found her to be Severally Delayed One Year. Dinara was 16 months behind in all ways. This was not just a premature baby, Dinara has special needs and may always need Special Education. Dinara continues to be evaluated as a special needs child and learning disabled.

152. The Plaintiff began this adoption as a CEO/Principal who at the time of her adoption with the Defendants she was earning \$124,000.00 per year with full benefits paid. She was forced to resign her position and sell her business due to the ongoing stress, delays and actions of the Defendants. Plaintiff now works in the public schools systems as a contract employee, making half of her former wages and has to contribute to fund her benefits through the public school system. Plaintiff has been unable to secure an administrative position in the new school district. Plaintiff has been damaged financially and emotionally by the Defendant's illegal activities.

Plaintiffs Schaefer

153. On or about March 27, 2007, Plaintiff's Gerald and Megan Schaefer ("Plaintiffs") inquired information on the photo listings for child #45. Plaintiffs advised the Defendants that their homestudy was already done and wondered what the timing was for completing an adoption with the Defendant's agency. Defendant Mozes responded with **"When you give us the dossier most clients are on the plane 2 to 2 1/2 months later. The Kazakhstan embassy takes about two weeks to process our client's dossiers. We have never had a client refused. Very good chances we are really**

working closely with the area. It would be almost impossible to adopt a Caucasian child without holding her too much competition. Remember no one can adopt her until July so that is really in your favor...” (See Exhibit W)

154. Plaintiffs signed the Defendant’s illusory contract and began discussing fees. Defendants demanded \$10,100 to hold the child (\$8,850 agency fee plus \$1250 foreign fees with the foreign fee balance being \$15,200). Defendants are told that the Plaintiffs will need to transfer money but can send half of the money now. Defendants urge the Plaintiffs to send some money.

155. On or about March 29, 2007, Defendants take Baby #45 off of the photo listings and write to the Plaintiffs to tell them that there are now two other families interested in the same child that showed interest **“the minute we took the listing down.”**

156. On or about April 5, 2007, Defendant Anderson sent the Plaintiffs e-mails with the dossier packet as an attachment.

157. On or about April 16, 2007, Plaintiffs advise Defendants that their current home study provider, Bethany, will not update their home study to reflect a Kaz adoption because it would jeopardize Bethany’s ability to do adoptions in Kaz. Bethany told the Plaintiffs that their Kaz facilitator had never heard of AIP. Defendant Mozes responded **“This is not true. No one would be jeopardized.” (See Exhibit X)**

158. Throughout the month of April 2007, Defendant Anderson helped the Plaintiffs complete their dossier. On or about May 7, 2007, Defendant Anderson told the Plaintiffs that their dossier looked to be in **“perfect order”**.

159. On or about May 30, 2007, the Plaintiffs inquired about the dossier clearance since it was sent for translations three weeks prior. Defendant Anderson

advised that the **“Courier has to get two more documents apostilled.”** Anderson blamed the embassy and said that they (the embassy) were not doing things on schedule. He advised that the Courier could go in 2 days to have the documents apostilled.

160. The next day, June 1, 2007, Anderson sent an e-mail that admitted that he is the courier but since it is a Friday, he wouldn't be able to go until the following Monday. Plaintiffs told Defendant Anderson that they had paid extra to expedite the dossier and there had been nothing but delays by the Defendants. Plaintiff's offer to do part of the work if it would help.

161. On or about June 5, 2007, Defendant Anderson told the Plaintiffs that the documents were finally apostilled and the dossier would be sent to Kaz on this date. He told the Plaintiffs that they would go to Ust region for their adoption.

162. In June and July 2007, the Plaintiffs e-mail the Defendants for updates but were told that they (Defendants) won't know anything until the LOI is issued.

163. On or about August 6, 2007, Plaintiff Megan Schaefer had a telephone conversation with Defendant Brown. Plaintiff asked for an update as Defendant Anderson told her that they hadn't heard from the Kaz coordinators in over 2 weeks. Defendant Brown indicated that the other adoption agencies rushed in to the MOE to report that there were changes at AIP and the changes were why the MOE was asking for new paperwork from AIP before they would start processing adoptions again. Defendant Brown said **“This is all just part of International Adoption! There have been other times when dossiers were held up for a month. It will start moving again, you just need to have faith. Everything happens at the right time so you will be over there at the perfect time to meet YOUR child.”**

164. On or about August 27, 2007, Plaintiffs called and wrote the Defendants. It had now been 4 months since the dossier was sent to Kaz. Plaintiffs told Defendant Anderson how their lives have been on hold during this wait because they never knew if they would have to travel. Plaintiffs tell Defendant Anderson how they are afraid that their papers will expire. Defendant Anderson responds “**I understand your frustration. Unfortunately, every one of our clients is in the same situation you are in. With documents expiring, time is of the essence for everyone except the Ministry of Education, who has the final say in the matter. At this time, I have no updates on the status of dossiers or children. We are finishing an agreement with another agency, so we can submit dossiers through them, but that process is not finished yet....**”

165. On or about September 19, 2007, Plaintiffs received the Transfer Notice that their adoptions were being transferred to Heritage Adoptions.

166. On or about October 9, 2007, Defendant Anderson sent his new contact information to the Plaintiffs. It came from a Heritage adoption e-mail account and he gave the Plaintiffs the new telephone numbers. (See **Exhibit Y**)

167. In October 2007, Plaintiffs received an e-mail greeting from the Directors of Heritage Adoptions welcoming Defendant Anderson as an employee working in California, offering the Plaintiffs a chance to sign a new contract with Heritage for the small fee of \$1,000.00. (See **Exhibit Z**)

168. On or about October 10, Plaintiff Megan Schaefer e-mailed Defendant Anderson to advise that she wanted her files returned to her and did not want Heritage to have her personal information. Defendant Anderson replied “**I know nothing about your**

request for documents to AIP. I am no longer involved with that agency in any way.” (See Exhibit aa)

169. Plaintiffs have not received a refund and have paid for documents and home studies that have or will soon expire. Defendants have been unjustly enriched by inducing the Plaintiffs into an adoption using illegal photo listings. Plaintiffs have been damaged financially and emotionally by the Defendants illegal activities.

Plaintiff Bushouse

170. On or about November 29, 2004, Plaintiff Candace Bushouse (“Plaintiff”) signed the Defendant’s illusory contract to adopt a child through the Defendant’s agency. On or about that date she sent \$12,850 to the Defendants and wired \$5,000 to Kaz to “hold a child” which was a little girl that she had seen on the Defendant’s photo listings. The Defendants sent the Plaintiff the package to get her dossier completed.

171. In February 2005, Plaintiff gave up her referral knowing that she had just began the adoption process and the little girl was able to be adopted during the time it would take to get the dossier approved. At the time she gave up her referral, Defendant Mozes told her **“I guarantee that we will have another girl available in three weeks.”**

172. In June 2005, Plaintiff discussed with Defendant Mozes that she knew that she was traveling blind but wanted some assurances that she could get her dossier returned if she didn’t find a child to adopt. She also reminded him that it was now five months later and the Defendants have not given her another referral. She requested some new photo listings to choose prior to traveling. Defendant Mozes responds **“No children before you leave they must be off the registry and we will show you a wonderful child girl fare healthy Caucasian under a year when you get there. We went over**

this. Money has to be paid when you get there. Yes you can get your dossier back.

No one has more children than us so that would be a mistake but like you said it is a life decision so I understand.”

173. On or about September 9, 2005, Defendants sent Plaintiff a photo listing of child #823. Defendants sent a message that the Plaintiff has made a mistake on her fee payment and a demand for payment to “hold the child”.

174. On or about September 19, 2005, Plaintiff accepted child #820 as a referral. The child’s name is Abramova Vilena. The Plaintiff told Defendants that she had some concern about their interpreter and was concerned about traveling as a single mom with a child. Later the Plaintiff found out that this little girl was adopted by another family.

175. On or about November 1, 2005, Defendants promises that the LOI should be coming by November 12th. But Defendants claimed that they were having trouble “connecting with Kaz”.

176. Plaintiff told Defendants that she had already adopted her first son from Kaz by traveling blind and it only took 9 months from start to finish and now with Defendants agency, she has to worry about her documents expiring before she gets her LOI.

177. On or about January 25, 2006, Plaintiff asked Defendant if 8 weeks to issue the LOI was still correct and was told by Defendant that “the agency was taking care of the LOI.”

178. On or about March 24, 2006, Plaintiff finally left Michigan for Kaz to arrive on March 26, 2006. Plaintiff was to be working with coordinator named Gabit.

Plaintiff was told by Defendants that she was traveling to Ust-Kamagorsk and had purchased plane tickets to Ust-Kamagorsk. Upon arrival she was told that she would be traveling instead to Uralsk. No reason was given and the funds for the extra plane ticket were wasted.

179. By April 13, 2006, Gabit had disappeared. After several inquiries, Plaintiff was told that Gabit was working with another family in Astana. During this period, Plaintiff was bonding with her baby McKayla.

180. On or about April 19, 2006, Plaintiff completed her required bonding period but Gabit was still missing and no court date had been arranged. From April 19th to the 23rd, the Plaintiff was left messages by Gabit and Defendant Mozes giving her 3 different court dates. Plaintiff told the translator that with Gabit missing and no confirmed court dates that she was going to call the American Embassy. Gabit returned on April 24, 2006 and the Plaintiff had to remind Gabit to get a court date.

181. On or about May 6, 2006, Plaintiff finally went to Court and the adoption was granted for McKayla. Plaintiff had paid an extra \$2,000.00 to have the 15 day waiting period waived, which the court granted. On May 10, 2006, the new birth certificate was issued after being submitted incorrectly twice due to bad instructions by Gabit the coordinator. Due to the delays caused by Gabit and the Defendant's, Plaintiff needlessly spent the \$2,000.00 because she could not return home with McKayla until long after the 15 day waiting period. Plaintiff asked Defendant Mozes for a return of these funds which he refused.

182. Plaintiff found out while in Kaz that the Defendants coordinator failed to arrange for a passport for baby McKayla and that would take an additional week before

McKayla could travel. Plaintiff's visa expired on May 18, 2006 and McKayla's passport wouldn't be ready until May 19, 2006. Plaintiff had to pay additional funds for the embassy fees, additional medicals for McKayla and additional living expenses for a 9 week stay in Kaz.

183. Plaintiff encountered another family who were clients of AIP while in Kaz. The other family had multiple problems with their adoption and had threatened to contact the American Embassy but they told the Plaintiff that they didn't contact the Embassy because Defendant Mozes told them that he would make sure that the Plaintiff's adoption would fail if they made any calls to the American Embassy. This family didn't want to threaten the Plaintiff's adoption so they didn't make any calls.

184. On or about May 19, 2006, Plaintiff and baby McKayla were able to go to Almaty. They were taken to an apartment provided by the Defendants. The apartment was filthy, there was no running water in the bathroom sink, and most of the time the electric didn't work. The Plaintiff couldn't warm up food for the baby. When the Plaintiff asked the coordinator to be moved to a different apartment, she was told that there were no other apartments available. Yet when the Plaintiff told the coordinator that she was going to call the American Embassy to report the unsanitary and unsafe conditions of the apartment, they found an apartment within 2 hours.

185. Plaintiff and McKayla finally returned home on May 30, 2006. The delays from the disappearance of Gabit and untimely filing of the paperwork made the Plaintiff lose 30 days of wages, 30 days lost being with her 3 year old son and a 30 day delay in getting proper medical care for McKayla. The adoption from beginning to end cost the

Plaintiff almost \$49,500.00 without taking in to account the costs of the delays. Plaintiff has been damaged financially and emotionally by the Defendant's illegal activities.

Plaintiff Ran

186. Plaintiff Faye Ran ("Plaintiff") is the Assistant Provost at a small private college in New York where she has worked for the past 26 years. Blessed with financial and physical stability, she wished to add to her family. In March 2005, while researching European adoptions, Plaintiff came across an internet photo listing of a little boy who resembled her birth daughter.

187. On or about March 18, 2005, Plaintiff contacted Defendants and told them that she was interested in adopting 2 children, a boy and girl. She told him that she was particularly interested in child #665 on the photo listings. Defendant Mozes told Plaintiff **"once you sign the contract, the little boy will be taken off of the listing and the orphanage will be told that a prospective parent had started the process, so no one else can take the child. The child will be yours."**

188. Defendants required all clients to open a Federal Express account so the Defendants could ship documents at the expense of the clients. When Plaintiff discovered exorbitant charges made to the Plaintiff's Fed Ex account by AIP not having to do with the Plaintiff's papers, she called them, complained and cancelled the Fed Ex account. The Plaintiff told them "I will mail my papers directly from New York City and my College mailroom where I trust the staff to tell me the correct amounts of postage."

189. On or about April 15, 2005, Plaintiff signed a contract with the Defendants. She was sent more pictures, a video of the little boy and the child's medical report. As the Plaintiff watched the video with her daughter, child #665, Eliezer, became

her son and her daughter's brother. Defendants assured Plaintiff Eli would be home by October or November.

190. The Plaintiff did not see any photo listings of girls that she was interested in adopting but Defendants assured her that once she arrived in the Ukraine, she would see many more pictures at the central adoption agency. Plaintiff specifically asked whether adopting 2 children required that the kids be siblings. Defendants responded **"No."** Defendants did tell Plaintiff that all of her paperwork would need to be done in duplicate and there would be additional fees.

191. Later the Plaintiff found out that she would only be allowed to adopt one child or siblings but not 2 unrelated children. Plaintiff paid extra costs of duplicate notarizations and apostilles and copying (8 sets of everything had to be submitted). Plaintiff had to do her paperwork over again in March and April and November and December due to the documents expiring and continuous Power of Attorney changes by the Defendants.

192. Defendants recommended Phyllis Labella to perform her home study. According to the Defendants **"she has a good relationship with AIP and knows just what to do."** Ms. Labella did a quick interview with the Plaintiff and approved her for adoption.

193. Defendant Mozes made it very clear to the Plaintiff early in the adoption process that if a client proved to be what he called "troublesome" he would drop the adoption and no monies would be refunded. Defendant Mozes yielded enormous power of their clients because adoptive parents were afraid to offend him and end their adoption.

Defendant Mozes could be nice to an adoptive parent but would quickly turn nasty and become verbally abusive if challenged by an adoptive parent.

194. In mid-April, Plaintiff began to receive e-mails from the Defendants instructing her to send \$3000 of the foreign fees to Gulshad Minulina in Almaty, Kaz. When the Plaintiff asked why she was sending money to anyone in Kaz when she was adopting in Ukraine. Defendant Mozes responded by stating “**this person is the head lawyer for AIP’s Ukraine operation and he pressures me to send the money as soon as possible.**” (See Exhibit bb)

195. In mid-September, Plaintiff was told that her application had been translated but not submitted and that she had missed the submission date by a few days because the Ukraine had closed its doors on September 19th for foreign adoptions due to political upheavals. At that time, Plaintiff put a stop on the \$3,500 foreign fee check she had just sent to the Defendants.

196. On or about October 20, 2005, Defendant Mozes called the Plaintiff and swore her to secrecy. **Mozes said that he was able to get a few families registered and said that her application in the Ukraine would be grandfathered in but she had to send him \$3,500 immediately.**” The Plaintiff was so happy to be able to move forward with the adoption and sent the money. (See Exhibit cc)

197. In January 2006, it appeared that the Ukraine would re-open for adoptions. The Plaintiff thinking she was already registered was ready to travel. The Defendants stalled and avoided answering the Plaintiff’s questions about her registration. Finally, Defendants admitted to the Plaintiff that **she was not registered.**

198. Again more documents would need to be redone and more money was required for translations. Plaintiff paid these additional fees. **(See Exhibit dd)**

199. Defendants had promised Plaintiff that her adoption would be submitted in January or February 2006 but when asked the Defendants avoided answering why her papers weren't submitted. Finally, Defendant Mozes told the Plaintiff that his in-country representative was pregnant and having difficulties. Mozes yelled at the Plaintiff when she asked why he didn't have a back-up representative. Within a week, Defendants advised the Plaintiff that they had a new representative, Igor Ruban.

200. Defendant Mozes later called the Plaintiff and told her that she needed to redo her paperwork because her Notary's license was expiring. Upon investigation, Plaintiff found this to be false. Later Orson told the Plaintiff that Igor Ruban would **"doctor the documents to make sure they are good."** Plaintiff told the Defendants that they were **not** to falsify, alter or tamper with her documents or any of her records.

201. Defendant Mozes called two days later and said that Igor Ruban couldn't submit her documents because Ukraine wasn't accepting single parent adoptions. Again, upon investigation and inquiry, the Plaintiff was able to find out that the Ukraine was allowing single family adoptions. Plaintiff sent the information on to the Defendants but they refused to submit her adoption paperwork.

202. When Plaintiff asked for her dossier to be returned and her money to be refunded, the Defendants tried to get her to switch her adoption to Kaz and directed her to look at their Kaz children photo listing. Kaz adoptions cost more money. Plaintiff said no and again demanded her money back.

203. After this the Defendant Mozes refused to answer any calls from the Plaintiff. Through her own efforts the Plaintiff was able to retrieve her dossier from Igor Ruban. **(See Exhibit ee)**

204. Plaintiff continued to try to call Mozes and finally was able to reach Defendant Anderson to request her money to be refunded. Defendant Anderson wanted to know why she wanted a refund since she “left” the agency. Plaintiff explained that she didn’t leave the agency, the Defendants refused to complete her adoption and she wanted her money and documents back. Despite numerous e-mails and calls, nothing was received from the Defendants. **(See Exhibit ff-hh)**

205. Plaintiff was induced into sending money and giving her love to a child in the photo listing through an illegal process. Plaintiff has been damaged financially and emotionally by the Defendant’s illegal activities.

Plaintiffs Pingree

206. Plaintiffs Tom and Barbara Pingree (“Plaintiffs”) began investigating foreign adoptions in late 2006 and in early 2007 contacted the Defendants for information on the photo listing of child #900.

207. On or about January 3, 2007, Defendants sent Plaintiffs the contracts, fee schedule, information packet and application. The e-mail asked for \$8,850 to “hold” the child and to be able to let all other parties know that the Plaintiffs had selected the child. Defendants would send dossier package once the check clears. Defendant Mozes tells Plaintiffs they would be working with Defendant Anderson. **(See Exhibit ii)**

208. In April, Plaintiff Barbara wrote Defendants with questions and concerns about problems she had read about with Kaz adoptions. She told Defendants how they

already consider this baby their son and want to avoid broken hearts due to unreliable adoption coordinators. Defendant Mozes responds “**No adoption is problem free. Birth Mothers or relatives can come back even after court. *This has only happened once but it can happen.....*” and “*..I would say that almost all of our clients come home with children they love. The few that do not cannot because they cannot find a child they like even if healthy.*” (See Exhibit jj)**

209. Throughout spring and summer 2007, Plaintiffs frequently requested more information, (including a name) on child #900 but Defendants do not provide any further information.

210. In June 2007, Plaintiffs learned that photo listing, holding and referrals of children are prohibited in Kaz. When Plaintiff Tom questioned Defendant Anderson about these facts, he was assured that “**AIP’s partners in Kaz are able to “put aside” children at the orphanage, and our clients are able to get their referrals 80-90% of the time.**”

211. On or about July 12, 2007, after confirming the Kaz laws with the United States embassy, the Plaintiffs sent the Defendants a demand letter asking for the refund of their money for being fraudulently induced into an illegal process of adopting children.

(See Exhibit kk)

212. The Plaintiffs heard nothing back from the Defendants until they received an e-mail on August 10, 2007, where the Defendants were asking clients to contact the US Embassy to help move their adoptions forward. (See Exhibit ll)

213. Plaintiffs were induced into sending money and giving their love to a child in the photo listing through an illegal process. Plaintiffs have been damaged financially and emotionally by the Defendants illegal activities.

Plaintiff Wappes

214. On or about May 9, 2006, Plaintiff Jaymee Wappes (“Plaintiff”) asked the Defendants about a photo listing on their website. That same day Defendant Orson Mozes called the Plaintiff and told her that he would **“hold the child while she completed her paperwork.”** The Plaintiff told the Defendant that she didn’t have the money available because she was going to take out a loan. Defendant Mozes told the Plaintiff to **“Send all the money you have right now or I won’t take the photo listing down.”** Plaintiff sent the Defendants all the money she had in the bank account because she was afraid that she needed to move quickly. The next week, Plaintiff obtained a loan for the balance of the fees.

215. Between May 9 and December 11, 2006, the Plaintiff worked on getting all of the necessary paperwork completed. Each time a document needed to be notarized and apostilled, she took a day off from work (Indiana State offices are not open on the weekends) and drove the 200 miles to Indianapolis. At times, the Defendants “forgot” to send her all of the documents and later the Plaintiff again had to take time off of work and travel to Indianapolis. During that time Defendant Mozes told Plaintiff that she would be working with Defendant Anderson. He also said **“20% of the time clients will lose their referral because a birth parent or relative comes back to claim the child or some other unforeseen circumstance happens.”** (See Exhibit mm)

216. On or about December 11, 2006, the Plaintiff's dossier was completed and sent to Kaz for the first time.

217. On or about January 24, 2007, Defendants called to advise Plaintiff that her dossier had been declined in Kaz because she had a female roommate sharing home expenses. Defendants referred Plaintiff to move her adoption to the Ukraine. Plaintiff asked for a refund but Defendants would not discuss returning her money.

218. On or about February 5, 2007, Defendant Mozes called Plaintiff and told her that if her homestudy was revised to reflect that her roommate had a separate entrance to the home, she would still qualify for a Kaz adoption. Plaintiff had the homestudy revised on February 8, 2007.

219. On or about February 19, 2007, the Plaintiff sent the documents to the Defendants. On the same date Defendant Anderson wrote the Plaintiff telling her she needed another FBI Clearance and asking for **“cashiers checks for \$1150 for Nina and \$200 to AIP as well as the \$440 postal money order for the embassy of Kazakhstan.”** (See Exhibit nn)

220. On or about June 7, 2007, Plaintiff's dossier was resubmitted to the Kaz government. On or about June 18, 2007, Defendant Anderson sent the visa information to the Plaintiff. When the Plaintiff called the Defendants with questions on the Visa packet she received an e-mail from Defendant Anderson on June 22 2007, telling her that he had sent it prematurely. (See Exhibit oo) Plaintiff called Defendants several times over the next few days but received no return calls.

221. On or about July 5, 2007, Plaintiff e-mailed Defendant Anderson for an update on her adoption and he responded that there was nothing to report. Not satisfied

with that answer, Plaintiff e-mailed Defendant Mozes and got a response from Defendant Anderson using Defendant Mozes's e-mail account. This response advised her that Orson Mozes no longer worked for AIP and that Defendant Anderson had taken over his duties. When the Plaintiff told Defendant Anderson that "SOMETHING IS NOT ADDING UP", Defendant Anderson responded "**Orson had a nervous breakdown and left. He just disappeared. Luckily, he had me do a backup of his computer, so I have all of his files. I have taken over the position and things are running smoothly....**" (See Exhibit pp)

222. After several days, telephone calls and e-mails to the Defendants, on July 31, 2007, Plaintiff sent a note to Defendants asking who Christen Brown Moses (sp) was, whether it was legal to have photo listings for Kaz adoptions and requesting an appointment in person. Defendant Anderson replied "**There is a debate on the legality of putting photos on websites. I have always been told, and continue to be told that certain areas of Kazakhstan forbid it, but other areas do not. That is why we would only post children from certain areas. Because I question what I am being told, I have removed all the children from the websites until I am certain as to the legality of it. Christen is Orson's wife. They have been going through a divorce for the last year. When he left, she decided to continue on with the company in order to finish the adoptions for the clients who have already signed up with us. We are not taking new customers and neither Christen nor myself, are interested in pursuing this line of work. Christen has never been involved with the company but feels a moral responsibility to the clients that Orson has left behind. So, that's the story. We are continuing on to finish adoptions. I understand your concern, but we are completing adoptions and sending clients over....**" (See Exhibit qq)