

**UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA**

**ROBERT L. DANIELS,  
PLAINTIFF,**

**v.**

**COMPU-LINK CORPORATION  
d/b/a CELINK, CARYN  
EDWARDS, BLOOM  
RETIREMENT HOLDINGS  
INC. f/k/a AMERICAN  
ADVISORS GROUP, INC.,  
REVERSE MORTGAGE  
FUNDING LLC, ALBERTELLI  
LAW PARTNERS NORTH  
CAROLINA, P.A.,  
DEFENDANTS.**

**Case No.: 1:23-cv-01118**

**COMPLAINT  
(Jury Trial Demanded)**

Plaintiff Robert L. Daniels complains of Defendants as follows.

**SUMMARY**

1. The Defendants targeted Plaintiff Robert Daniels, an 87-year-old Durham resident, with the apparent goal of taking his home, because Defendants believed he was powerless to stop them. If the Defendants did not act with deliberate fraudulent intent, then the only explanation for their shocking conduct is gross negligence.

2. Mr. Daniels took a reverse mortgage against his home. Under the agreement, if the home stopped being his principal residence, he would be in

default of the agreement and the lender could foreclose. During all relevant times to this lawsuit, Mr. Daniels lived in his home. His home was always his principal residence. Whenever the lender asked him to confirm that fact, he did so.

3. But even though the lender and its agents knew, or with minimal inquiry should have known, that Mr. Daniels' home was indeed his principal residence, that he lived there, and was not in default of his obligations under his reverse mortgage agreement, the lender and its agents nonetheless proceeded with foreclosure.

4. The loan servicer and substitute trustee both knew that Mr. Daniels was not in default, but that did not stop them from filing false documents with the Clerk of Court in an effort to seize Mr. Daniels' home.

5. Each Defendant was a knowing player in this scam, and each was responsible for taking Mr. Daniels' home from him. Defendants are liable for breach of contract, breach of fiduciary duty, unfair and deceptive trade practices, unjust enrichment; and compensatory, punitive, and treble damages should be assessed against them.

## **PARTIES**

6. Plaintiff Robert Daniels, an 87-year-old citizen and resident of Durham County, North Carolina.

7. Defendant Reverse Mortgage Funding LLC is a New Jersey

limited liability company that conducts business in the State of North Carolina. Upon information and belief, Reverse Mortgage Funding's sole member is Reverse Mortgage Investment Trust, Inc., a Maryland corporation with a principal place of business in New Jersey.

8. Reverse Mortgage Funding filed a Chapter 11 bankruptcy in the United States Bankruptcy Court for the District of Delaware on November 30, 2022 (Case No. 22-11224).

9. The Chapter 11 Plan Administrator has consented to Reverse Mortgage Funding being named in this lawsuit so long as no relief is being sought against it.

10. Therefore, Reverse Mortgage Funding is being named solely as a necessary party and Mr. Daniels is not seeking any recovery from Reverse Mortgage Funding at this time.

11. Defendant Compu-Link Corporation d/b/a Celink is a Michigan corporation with a principal office in Lansing Michigan. Celink conducts business in the State of North Carolina.

12. Celink acted as the servicer of American Advisors' and Reverse Mortgage's loan with Mr. Daniels.

13. Upon information and belief, Caryn Edwards is the Assistant Secretary of Celink, is an Officer of the company, and is a citizen and resident of Texas.

14. Defendant Bloom Retirement Holdings Inc. f/k/a American Advisors Group, Inc. (“American Advisors”) is a California corporation that has conducted business in the State of North Carolina. American Advisors is engaged in the business of providing reverse mortgages.

15. Defendant Albertelli Law Partners North Carolina, P.A., is a Professional Association organized under the laws of the State of Florida with a principal office in Jacksonville, Florida. Albertelli is registered in and conducting business in the State of North Carolina.

### **JURISDICTION & VENUE**

16. Jurisdiction is proper under 28 U.S.C. § 1332 because there is complete diversity of parties and the amount in controversy exceeds \$75,000.

17. Venue is proper in this District under 28 U.S.C. § 1391(b)(2) because a substantial part of the events or omissions giving rise to these claims occurred in the District. Venue is also proper in the District under 28 U.S.C. § 1391(d) because Defendants have sufficient contacts with this District to subject them to personal jurisdiction in this District if this District were a separate state.

### **FACTS**

18. Plaintiff Robert Daniels was the owner of a home at 30 Stonewall Way, Durham, NC.

19. In or about September 2018, Mr. Daniels saw a television

commercial for American Advisors' reverse mortgage product. He requested information and received marketing material and a contract in the mail.

20. On or about December 26, 2018, Mr. Daniels entered into a North Carolina Home Equity Conversion Mortgage Adjustable-Rate Loan Agreement with American Advisors (the "Reverse Mortgage Agreement"). A copy of the Reverse Mortgage Agreement is attached as **Exhibit 1**.

21. The loan was a reverse mortgage under the Reverse Mortgage Act, N.C. Gen. Stat. § 53-255 *et seq.*

22. On or about December 28, 2018, Mr. Daniels drew \$68,850.00 against the Reverse Mortgage.

23. This loan is memorialized in several documents, all dated December 26, 2018:

- a. an "Adjustable-Rate Deed of Trust" with American Advisors Group, which secured payment of the Reverse Mortgage draw ("Original DOT"), recorded with the Durham Register of Deeds at Book 8573, Page 953, **Exhibit 2**;
- b. an "Adjustable Rate Second Note" with American Advisors ("Second Note"), **Exhibit 3**;
- c. an "Adjustable Rate Second Deed of Trust" with American Advisors Group, which named as beneficiary the Commissioner of Housing and Urban Development ("Second DOT"), recorded with the Durham Register of Deeds at Book 8573, Page 969, **Exhibit 4**;
- d. a HUD-1 Settlement Statement, showing the principal amount of the reverse mortgage draw to be \$68,850.00. **Exhibit 5**.

24. On June 17, 2022, American Advisors assigned its deeds of trust to Reverse Mortgage Funders. **Exhibits 6.** Upon information and belief it did not assign its Second Deed of trust to Reverse Mortgage Funders.

25. Article 21 of the NC General Statutes is the Reverse Mortgage Act. The purpose of the Act “is to authorize reverse mortgage transactions and to clarify other provisions of North Carolina law that might otherwise apply to reverse mortgage loans, and to provide protection for elderly homeowners who enter into reverse mortgage transactions.” N.C. Gen. Stat. § 53-256.

26. A reverse mortgage is defined as

A loan for a definite or indefinite term (i) secured by a first mortgage or first deed of trust on the principal residence of the mortgagor located in North Carolina, (ii) the proceeds of which are disbursed to the mortgagor in one or more lump sums, or in equal or unequal installments, either directly by the lender or the lender’s agent, and (iii) that requires no repayment until a future time, upon the earliest occurrence of one or more events specified in the reverse mortgage loan contract.

N.C. Gen. Stat. § 53-257(6).

27. Because Mr. Daniels’ loan was a reverse mortgage (as defined by North Carolina law), he had no obligation to repay the mortgage during his lifetime. His heirs could repay the mortgage upon his death, or repayment could be triggered by an extremely limited defined set of events of default.

28. The Reverse Mortgage Act limits the “events of default” a lender may provide for in its reverse mortgage contracts. The Act states: “A reverse

mortgage loan contract may provide for a borrower's default, thereby triggering early repayment of the loan, based *only* upon one or more of the following terms and conditions." N.C. Gen. Stat. § 53-267 (emphasis added). The statute goes on to define the only six permissible grounds for default that a lender may include in their agreement, only two of which are relevant here:

- (4) The home is not the principal residence of at least one of the borrowers for a period of 12 consecutive months for reasons of physical or mental illness.
- (5) For reasons other than physical or mental illness, the home ceases to be the principal residence of the borrower for a period of 180 consecutive days and is not the principal residence of another borrower under the loan, without prior written permission from the lender.

N.C. Gen. Stat. § 53-267.

29. There are four agreements that govern the relationship between American Advisors and Mr. Daniel: (1) the Reverse Mortgage Agreement, (2) the Original DOT, (3) the Second Note Agreement, and (4) the Second DOT.

30. The Reverse Mortgage Agreement does not have a default provision and does not describe any circumstances under which the lender could foreclose because the borrower was not living in the house.

31. The Original DOT states that the Lender may require immediate payment in full of all sums if:

- (i) The Property ceases to be the Principal Residence of a Borrower for reasons other than death..., or

- (ii) For a period of longer than twelve (12) consecutive months, a Borrower fails to occupy the Property because of physical or mental illness ....

**Exhibit 2, ¶ 10(C).**

32. The Original DOT also provides that the Lender may not unilaterally accelerate a loan, but may only do so with the permission of a Commissioner of the United States Department of Housing and Urban Development. This requirement for government approval of acceleration of debt goes beyond North Carolina’s statutory provisions and should have provided Mr. Daniels with real additional protection.

33. The relevant provisions of the Second Note and Second DOT are identical to those of the Original DOT.

34. On or about January 7, 2020, Mr. Daniels received an “Annual Reverse Mortgage Statement” from American Advisors. **Exhibit 7.**

35. The Statement indicated that the loan was current and active and offered no indication that there was any issue with the reverse mortgage, nor did it indicate that Mr. Daniels was not in compliance with his agreement in any way.

36. On or about January 6, 2021, Mr. Daniels received another “Annual Reverse Mortgage Statement” from American Advisors, which likewise showed that the loan was current and active, did not indicate that there was any issue with the reverse mortgage, and did not state that there



was any question regarding Mr. Daniels' continuing compliance. **Exhibit 8.**

37. On or about January 6, 2022, Mr. Daniels received an "Annual Reverse Mortgage Statement," this time from Reverse Mortgage Funding LLC. This Statement also showed that the loan was current and active, did not indicate that there was any issue with the reverse mortgage, and did not raise any question as to Mr. Daniels' continuing compliance. **Exhibit 9.**

38. On or about January 3, 2022, Mr. Daniels received an "Annual Occupancy Certificate: 2nd Notice," from Reverse Mortgage Funding LLC, requesting he confirm that his home (which was the address to which the Notice was mailed) was his primary residence.

39. Mr. Daniels does not recall receiving any "Annual Occupancy Certificate" request prior to this ostensibly 2nd Notice, but in any event, Mr. Daniels signed and dated the "Annual Occupancy Certificate: 2nd Notice" confirming that the Home was indeed his "Primary Residence" and mailed it to Reverse Mortgage Funding LLC on or about February 2, 2022. **Exhibit 10.**

40. On or about February 3, 2022, Mr. Daniels received another "Monthly Statement" from Reverse Mortgage Funding. The Statement offered no indication that Reverse Mortgage Funding had any concerns about the loan. The statement represented that the loan was current and active, and gave no indication that Mr. Daniels was not in compliance with the loan's terms. **Exhibit 11.**

41. The next month, on or about March 3, 2022, Mr. Daniels received a “Monthly Statement” from Reverse Mortgage Funding, now stating, “Current Loan Status: Default: Unreturned Occupancy Certificate.” **Exhibit 12.** Mr. Daniels had already mailed back the “Occupancy Certificate” confirmation on or about February 2, 2022, and in any event, the mere failure to complete a certificate was not, under North Carolina law, an event of default.

42. Later that month, Plaintiff received a “Mortgage Due & Payable Notification” from Reverse Mortgage Funding, dated March 23, 2022. The Notification reads, in part, that “The reverse mortgage in the amount of \$75,452.45 as calculated to the end of the current month, is technically in default due to the non-occupancy of the property as the principal residence.” The Notice explained that the default could be “resolved” if the Borrower would “move back to re-occupy the property as their principal residence.” **Exhibit 13.** However, the “Notification” proved no explanation whatsoever of the reasons the Lender came to its conclusion that Mr. Daniels did not live in the house.

43. As soon as he received the “Mortgage Due & Payable Notification,” Mr. Daniels promptly contacted Reverse Mortgage Funding by telephone on March 31, 2022.

44. Mr. Daniels spoke with an agent of Reverse Mortgage Funding and explained that he has lived at his home since April 2001, that the property has

been, and continued to be, his principal place of residence, and that he has done everything required by the terms and conditions of the agreement. Mr. Daniels asked what needed to be done to make sure his loan was in good standing.

45. The Reverse Mortgage Funding agent directed Plaintiff's attention to an addendum entitled "Letter of Intent" which had been enclosed with the "Mortgage Due & Payable Notification." **Exhibit 14.** Defendant's agent instructed the elderly Mr. Daniels to check the box marked "Intend on requesting that the property be deeded back to the owner of the loan," and then sign and date the Letter of Intent, and fax it back to Reverse Mortgage Funding. **Exhibit 15.**

46. The Letter of Intent did not have a space to indicate that Plaintiff's home was and had always been Mr. Daniels' property, and Plaintiff understood his answer to mean that he, the owner, would keep the property. Regardless of the Letter's lack of clarity, the Letter of Intent does state that: "By completing this form and signing below, you are not obligating yourself to take the actions above."

47. Mr. Daniels further asked the Defendants' representative to send a copy of the loan agreement to him at his selfsame home address.

48. Mr. Daniels had also asked the representative to correct the lender's records to clarify that he still lived at his home, as he always had. Defendant Reverse Mortgage's representatives had sent loan documents to Mr.

Daniels at his home address, and at least as of April 1, 2022, knew that Plaintiff remained living in his home.

49. On or about April 1, 2022, Mr. Daniels received a letter confirming his communication and sending him “documents you requested from the Reverse Mortgage Servicing Department.” A copy is attached as **Exhibit 16**.

50. On June 17, 2022, American Advisors assigned its deeds of trust to Reverse Mortgage Funders. **Exhibits 6**. Upon information and belief it did not assign its Second Deed of trust to Reverse Mortgage Funders.

51. On August 15, 2022, Albertelli Law Partners became Substitute Trustee by filing a “Substitution Of Trustee” with the Register of Deeds, attached as **Exhibit 17**.

52. On August 17, 2022, Albertelli Law sent Mr. Daniels a document called a “Statement Of Debt” to Plaintiff’s home address, the only address Albertelli Law had for Mr; Daniels, and the only address at which Mr. Daniels lived. A copy is attached as **Exhibit 18**.

53. At all times Albertelli Law had both actual and constructive knowledge that Mr. Daniels was living in his home; upon information and belief, at no time did Albertelli Law make even the slightest attempt to find an alternative address for Mr. Daniels.

54. Albertelli Law’s letter to Mr. Daniels did not indicate that Plaintiff was in default of his mortgage, nor did it say how he could cure the default.

Under N.C. Gen. Stat. § 53-268, Albertelli Law was *required* to give Mr. Daniels 90 days' notice of the lender's intent to initiate foreclosure proceedings. ("the lender must give the borrower not less than 90 days' notice of its intent to initiate foreclosure proceedings").

55. Instead, on August 22, 2022, only five days after the letter, Albertelli Law filed a "Notice of Hearing on Foreclosure of Deed of Trust" in Durham County and commenced foreclosure proceeding 22-SP-660. A copy is attached as **Exhibit 19**.

56. Albertelli Law willfully failed to comply with the statutes regarding foreclosure and acted with as much speed as possible to eject Mr. Daniels from his home.

57. The Notice Plaintiff received was a form document that did not even apply to Mr. Daniels' situation:

- a. Paragraph 4 of the Notice recites a laundry list of possible reasons for a default by Mr. Daniels – none of which apply to him.
- b. Paragraph 7 falsely states that no requests for information had been made in the past two years, even though Reverse Mortgage had complied with at least one such request on April 1.

*See*, **Exhibit 19**.

58. Tellingly, the Notice of Hearing was served by certified mail to Mr. Daniels at his home, with the Green Card indicating that Plaintiff had received the Notice *at his home*. There was no investigation and no effort to serve Mr.

Daniels at any other address because Albertelli Law and the lender knew that he did not live at any other address. A copy of the certified mail receipt is attached as **Exhibit 20**.

59. Four days later, Caryn Edwards, an Officer of Celink, signed an “Affidavit of Indebtedness,” **Exhibit 21**.

60. Ms. Edwards claimed under oath that 30 Stonewall Way was no longer Mr. Daniels’ address. But Ms. Edwards knew, or if she had done so much as a cursory investigation should have known, that that statement was false, since Albertelli Law had just served Mr. Daniels at his home and did not list any other address as a possible principal residence for him.

61. Both Albertelli Law and Celink were operating in bad faith. They knew Mr. Daniels had not vacated his residence—indeed, he had been served there. Even if Mr. Daniels had ceased to live at his home for a period of time – and the evidence shows that that never happened – Albertelli Law and Celink knew that at the time they attempted the foreclosure Mr. Daniels was not in default, since he was living in the house.

62. The foreclosure hearing was on October 4, 2022. On October 3, 2022, the elderly and infirm Mr. Daniels fell down the stairs in his home. On the morning of October 4, 2022, Mr. Daniels called the substitute trustee to ask that the hearing be continued because he was unable to attend.

63. Albertelli Law ignored Mr. Daniels and proceeded with the

foreclosure hearing instead.

64. Upon information and belief, Albertelli Law did not tell the Clerk of Court about Mr. Daniels' request.

65. At the October 4 foreclosure hearing Albertelli Law presented Ms. Edwards' false affidavit statements to the Clerk and on such fraudulent basis obtained a Notice of Sale, setting the sale for November 8, 2022.

66. Mr. Daniels never received the Notice of Sale, and Plaintiff believed that Albertelli had continued the hearing as he had requested.

67. A Certificate of Service filed September 15, 2022 (**Exhibit 22**), confirms that Mr. Daniels was never sent a copy of the "Substitute Trustee's Notice Of Sale". Instead, a letter (which apparently was not delivered) was addressed to "Occupant or Spouse of Daniels." A copy of the "Substitute Trustee's Notice of Sale of Real Property" is attached as **Exhibit 23**.

68. The sale went forward on November 8, 2022, and an upset bid was filed on November 15, 2022.

69. Mr. Daniels does not recall receiving any of these notices.

70. The first time he became aware of the sale was when the Sheriff appeared to evict the elderly and ailing Plaintiff.

**FIRST CLAIM FOR RELIEF**  
**(Breach of Contract against**  
**Reverse Mortgage, American Advisors and Celinek)**

71. Plaintiff incorporates the preceding paragraphs by reference.

72. The Reverse Mortgage Agreement and the Original Deed of Trust constitute a valid contract between Mr. Daniels and American Advisors.

73. American Advisors assigned its rights under the contract to Reverse Mortgage.

74. Celinek served as American Advisors' and Reverse Mortgage's agent in performing the contract.

75. The Reverse Mortgage Agreement is governed by the Reverse Mortgage Act, N.C. Gen. Stat. § 53-255 *et seq.*

76. Under the Original Deed of Trust, the lender may require immediate payment in full of the debt and foreclose only with approval of the Commissioner of Housing and Urban Development.

77. The lender did not obtain that approval.

78. Once approval of the Commissioner is obtained, the lender could foreclose if the property ceased to be Mr. Daniels' principal residence.

79. The property never ceased to be Mr. Daniels' principal residence.

80. Nonetheless, Celinek, American Advisors, and Reverse Mortgage proceeded to wrongfully foreclose on and sell Mr. Daniels' residence.



81. Their actions constituted a breach of their contract with Mr. Daniels, as well

82. Celink, American Advisors, and Reverse Mortgage are liable to Mr. Daniels in an amount in excess of \$75,000 to be proved at trial.

**SECOND CLAIM FOR RELIEF**  
**(Breach of Fiduciary Duty against Albertelli Law)**

83. Plaintiff incorporates the preceding paragraphs by reference.

84. Albertelli Law served as trustee in the foreclosure of Mr. Daniels' home.

85. To state a claim for breach of fiduciary duty, a plaintiff must allege that a fiduciary relationship existed, and that the fiduciary failed to act in good faith and with due regard to plaintiff's interests.

86. Trustees have a long-recognized fiduciary duty to both the debtor and creditor in a typical foreclosure proceeding. *Lynn v. Fannie Mae*, 235 N.C. App. 77, 83, 760 S.E.2d 372, 376 (2014).

87. Albertelli Law and its agents and employees had a fiduciary relationship with Mr. Daniels.

88. Albertelli Law failed to act in good faith and with due regard to Mr. Daniels' interest when it and its agents and employees:

- a. violated the North Carolina Reverse Mortgage Act;
- b. continued with the foreclosure when it knew that Mr. Daniels was

- living in his home as his principal residence and was not in default;
- c. knowingly filed false documents with the court to allow the foreclosure to go forward;
  - d. failed to observe reasonable standards of fair dealing;
  - e. failed to be faithful to its duties to Mr. Daniels by not continuing the hearing upon learning that he could not attend;
  - f. failed to serve notices upon Mr. Daniels as it was required to do by law.

89. Mr. Daniels has been harmed by Albertelli Law's breach of fiduciary duty in an amount in excess of \$75,000 to be proved at trial.

90. Albertelli Law's conduct was intentional, malicious, and oppressive or was done with such willful and wanton disregard for Mr. Daniels' rights of that, as a result of such conduct, Mr. Daniels is entitled to recover punitive damages from Albertelli Law.

**THIRD CLAIM FOR RELIEF**  
**(Unfair and Deceptive Trade Practices against**  
**Reverse Mortgage, American Advisors, Celink and Edwards)**

91. Plaintiff incorporates the preceding paragraphs by reference.

92. The actions of Defendants Reverse Mortgage, American Advisors, Celink and Edwards, their agents and employees described in this Complaint constitute unfair and deceptive acts and practices, including but not limited to:

- a. violating N.C. Gen. Stat. § 53-270(1) by misrepresenting material facts, making false promises, or engaging in a course of misrepresentation through agents or otherwise;
- b. violating N.C. Gen. Stat. § 53-270(4) by engaging in acts or

practices that are unfair or deceptive, or that operated as a fraud on Mr. Daniels;

- c. generally violating the North Carolina Reverse Mortgage Act;
- d. foreclosing on Mr. Daniels home when they knew that Mr. Daniels was living in his home as his principal residence;
- e. knowingly preparing and causing to be filed false documents with the court to allow the foreclosure to go forward;
- f. failing to observe reasonable standards of fair dealing.

93. The actions of Defendants Reverse Mortgage, American Advisors, Celink and Edwards, their agents and employees were in or affecting commerce.

94. As a direct and proximate result of the actions of Defendants Reverse Mortgage, American Advisors, Celink and Edwards, their agents and employees, Mr. Daniels has suffered damages in an amount to be determined at trial.

95. Pursuant to North Carolina General Statute § 75-16, Mr. Daniels is entitled to treble damages and his reasonable attorneys' fees.

**FOURTH CLAIM FOR RELIEF**  
**(Unjust Enrichment against all Defendants)**

96. Plaintiff incorporates the preceding paragraphs by reference.

97. By wrongfully foreclosing on Mr. Daniels' home Defendants received a substantial benefit.

98. The benefit was not given by Mr. Daniels to Defendants gratuitously.

99. Because of their wrongful conduct, Defendants have received the value of Mr. Daniels' home in circumstances under which they should not have equitably received it.

100. Defendants have been unjustly enriched in an amount to be determined at trial.

### **JURY DEMAND**

Mr. Daniels demands a trial by jury of all issues so triable pursuant to Rule 38 of the Federal Rules of Civil Procedure.

**WHEREFORE**, Plaintiff Robert Daniels respectfully requests that the Court:

- a. Award Plaintiff compensatory damages;
- b. Award Plaintiff punitive damages for Defendants' willful and wanton conduct;
- c. Award Plaintiff treble damages under Chapter 75 of the North Carolina General Statutes;
- d. Award Plaintiff the costs of this action and his reasonable attorneys' fees as permitted by statute;
- e. Make no monetary award against Reverse Mortgage Funding at this time; and
- f. Grant to Plaintiff such other and further relief as this Court may deem just and equitable.

Dated: December 22, 2023

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