

STATE OF NEW YORK
SUPREME COURT : COUNTY OF ERIE

BINGEL LLC, individually and as representative
of a proposed class of investor victims,
ROSEMARIE BINGEL,
RAO PROPERTIES, LLC,
MARC DIGIORE,
RONALD DIGIORE,
DANIEL DIGIORE,
CONSUMER CAPITAL LLC,
DEBRA SCHERRER,
FRANK PUGLISI
ANTHONY A. MADONIA,
SPANO’S ENTERPRISES LLC,
RICHARD SECCHIAROLI,
ANTHONY S. MADONIA, and
LYNN MADONIA,

VERIFIED COMPLAINT

Index No.:

Plaintiffs,

- v -

WOODHILL CAPITAL CORP.,
RICHARD TEPLITSKY,
THE ESTATE OF CHARLES MANGIONE,
STEVEN BASDEN, and
DAVID SHUMAKER,

Defendants.

Plaintiff Bingel LLC, individually and on behalf of a proposed class of investor victims,
and Plaintiffs RAO Properties, LLC, Consumer Capital LLC, Debra Scherrer, Frank Puglisi,
Anthony Madonia, Jr., Spano’s Enterprises, LLC, Richard Secchiaroli, Anthony Madonia, Sr.,
and Lynn Madonia (each a “Plaintiff” and collectively “Plaintiffs”) by and through their
attorneys, Duke Holzman Photiadis & Ritter LLP, as and for their Complaint against Woodhill
Capital Corp. (“Woodhill”), Richard Teplitsky (“Teplitsky”), Charles Mangione a/k/a The Estate

of Charles Mangione (“Mangione”), Steven Basden (“Basden”), David Shumaker (“Shumaker”), (each a “Defendant” and collectively “Defendants”), state and allege as follows:

NATURE OF CLAIMS

1. This lawsuit is a proposed class action based on Defendants’ investment fraud in violation of New York law which includes racketeering activities and securities laws violations.
2. Plaintiffs and the proposed class of similarly situated individuals were solicited by Defendants to make “investments” with Woodhill that were represented to be secured by specific equipment leases with accredited borrowers. Defendants would request specific investment amounts to fund identified equipment leases/loans to third parties. Defendants acted as an intermediary to distribute the investment proceeds, collect the loan repayments, and distribute payments to Plaintiffs. The terms of the third party leases/loans, security allegedly provided for the leases/loans, and the very existence of the leases/loans were materially misrepresented by Defendants to Plaintiffs.
3. Defendants solicited and obtained investment funds from Plaintiffs for the purpose of repaying earlier investors in furtherance of an illegal Ponzi scheme. For example, after notifying investors that all payments were being “suspended” on or about March 10, 2026, Defendants continued to solicit new investments despite the non-existence of new leases/loans.
4. The “investments,” equipment leases, and associated amortization schedules were fully promoted and administered by Defendants so as to constitute investment contracts and therefore securities.
5. Defendants’ investment “program” and Defendants’ activities in furtherance therefore violated the Securities Act of 1933, the Securities and Exchange Act of 1934, and the New York State Martin Act.

6. Defendants made material representations and transferred funds in furtherance of their investment “program” via wire and the U.S. Mail. Such activities constitute predicate acts of mail and wire fraud.

7. The investment “program” organized and operated by Defendants constitutes an enterprise within the meaning of 18 U.S.C. § 1961(4) and New York Penal Law § 460.10(3).

8. Plaintiffs seek relief on behalf of all victims of the fraudulent and illegal scheme perpetrated by Woodhill, Teplitsky, Basden, Shumaker, and Mangione for the period beginning in or before January 1, 2020 until in or about March 2026 (the “Class Period”).

9. This action seeks declaratory, injunctive, and equitable relief in addition to compensatory and punitive damages in redress for Defendants’ violations of New York law, the Racketeer Influenced and Corrupt Organizations (“RICO”) Act, New York Penal Law § 460.20, and state and federal securities laws

JURISDICTION

10. Jurisdiction is proper under Article 3 of the Civil Practice Law and Rules.

11. Venue in Erie County is proper based on the residence of some of the parties and the place where a substantial part of the events or omissions giving rise to Plaintiffs’ claims occurred.

PARTIES

12. Plaintiff Bingel LLC is a limited liability company organized under the laws of New York with a principal place of business at 117 Ruskin Road, Amherst, New York 14226.

13. Plaintiff Bingel LLC purchased or otherwise acquired fake and/or fraudulent investment contracts offered for sale by Defendants.

14. Plaintiff Rosemarie Bingel is an individual residing in Williamsville, New York.

15. Plaintiff Rosemarie Bingel purchased or otherwise acquired fake and/or fraudulent investment contracts offered for sale by Defendants.

16. Plaintiff RAO Properties LLC is a limited liability company organized under the laws of New York with a principal place of business at 36 Meadowview Lane, Williamsville, New York 14221.

17. Plaintiff RAO Properties LLC purchased or otherwise acquired fake and/or fraudulent investment contracts offered for sale by Defendants.

18. Plaintiff Marc DiGiore is an individual residing in Williamsville, New York.

19. Plaintiff Marc DiGiore purchased or otherwise acquired fake and/or fraudulent investment contracts offered for sale by Defendants.

20. Plaintiff Ronald DiGiore is an individual residing in Williamsville, New York.

21. Plaintiff Ronald DiGiore purchased or otherwise acquired fake and/or fraudulent investment contracts offered for sale by Defendants.

22. Plaintiff Daniel DiGiore is an individual residing in Clarence Center, New York.

23. Plaintiff Daniel DiGiore purchased or otherwise acquired fake and/or fraudulent investment contracts offered for sale by Defendants.

24. Plaintiff Consumer Capital LLC is a limited liability company organized under the laws of Nevada with a principal place of business at 3255 Pepper Lane #100A, Las Vegas, Nevada 89120.

25. Plaintiff Consumer Capital LLC purchased or otherwise acquired fake and/or fraudulent investment contracts offered for sale by Defendants.

26. Plaintiff Debra Scherrer is an individual residing in Fort Lauderdale, Florida.

27. Plaintiff Debra Scherrer purchased or otherwise acquired fake and/or fraudulent investment contracts offered for sale by Defendants.

28. Plaintiff Frank Puglisi is an individual residing in Fort Lauderdale, Florida.

29. Plaintiff Frank Puglisi purchased or otherwise acquired fake and/or fraudulent investment contracts offered for sale by Defendants.

30. Plaintiff Anthony A. Madonia is an individual residing in Las Vegas, Nevada.

31. Plaintiff Anthony A. Madonia purchased or otherwise acquired fake and/or fraudulent investment contracts offered for sale an individual residing in Las Vegas, Nevada. by Defendants.

32. Plaintiff Spano's Enterprises LLC is a Nevada LLC with a principal place of business at 4964 Del Pueblo Avenue, Las Vegas, Nevada 89141.

33. Plaintiff Spano's Enterprises LLC purchased or otherwise acquired fake and/or fraudulent investment contracts offered for sale by Defendants.

34. Plaintiff Richard Secchiaroli is an individual residing in Paso Robles, California.

35. Plaintiff Richard Secchiaroli purchased or otherwise acquired fake and/or fraudulent investment contracts offered for sale by Defendants.

36. Plaintiff Anthony S. Madonia is an individual residing in Henderson, Nevada.

37. Plaintiff Anthony S. Madonia purchased or otherwise acquired fake and/or fraudulent investment contracts offered for sale by Defendants.

38. Plaintiff Lynn Madonia is an individual residing in Henderson, Nevada.

39. Plaintiff Lynn Madonia purchased or otherwise acquired fake and/or fraudulent investment contracts offered for sale by Defendants.

40. Upon information and belief, Defendant Woodhill is a corporation organized under the laws of New York with a principal place of business at 13 S. Cayuga Road, Buffalo, New York 14221.

41. Upon information and belief, Woodhill is a business that provides financing for companies to purchase equipment and technology.

42. Upon information and belief, Defendant Teplitsky is a natural person and the president of Defendant Woodhill with a business address of 13 S. Cayuga Road, Buffalo, New York 14221.

43. Upon information and belief, Defendant Basden is a natural person and the chief executive officer of Defendant Woodhill with a business address of 13 S. Cayuga Road, Buffalo, New York 14221.

44. Upon information and belief, Defendant Shumaker is a natural person and the vice president of Defendant Woodhill with a business address of 13 S. Cayuga Road, Buffalo, New York 14221.

CLASS ACTION ALLEGATIONS

45. Plaintiffs bring this action as a class action pursuant to Article 9 of the Civil Practice Law and Rules on behalf of a class consisting of all persons or entities who purchased or otherwise acquired fraudulent investment contracts from or through Defendants during the Class Period and were damaged thereby (the "Class"). Excluded from the Class are Defendants and their immediate family members, legal representatives, heirs, successors or assigns, any entity in which any Defendant had or has a controlling interest, and the officers and directors of the corporate Defendant.

46. The members of the Class are so numerous that joinder of all members of the Class is impracticable. While the exact number of Class members is unknown to Plaintiffs at this time and can only be ascertained through appropriate discovery, Plaintiffs believe there are at least 70-100 members in the proposed Class. Plaintiffs believe other members of the proposed Class will be identified through records maintained by and in the possession of Defendants.

47. Common questions of law or fact exist as to all Class members and predominate over any questions affecting only individual Class members. Among the questions of law and fact common to the class are:

- a. The nature and characteristics of the “investments” offered by Defendants to the public were substantially the same;
- b. The representations to promote the investments documentation to support the “investments” were substantially the same;
- c. Whether statements and representations made by Defendants to the investing public and members of the Class misrepresented or omitted material facts about the nature of the investments being offered, the risks associated with such investments, and whether the underlying loans, in fact, existed, were secured, and/or made to accredited borrowers;
- d. Whether statements made to the investing public and the members of the Class misrepresented material facts about the business, operations, and management of Woodhill;
- e. Whether the investments constitute securities;
- f. Defendants’ management of the “equipment leases” and handling of the funds associated with the alleged leases; and

g. The extent to which Defendants paid or otherwise enriched themselves by misappropriation of Plaintiffs' funds;

h. Whether Defendants conduct constitutes unlawful racketeering activities in violation of Federal and State law; and

i. To what extent the members of the Class sustained damages and the proper measure of damages.

48. The claims of the Proposed Class representative, Bingel LLC, are typical of the claims of the Class.

49. The proposed Class representative, Bingel LLC, will fairly and adequately protect the interests of the Class and has, along with the other named Plaintiffs, retained counsel competent and experienced in class and investment contracts litigation, and has no interests that conflict with the Class.

50. A class action is superior to other available methods for the fair and efficient adjudication of this controversy because joinder of all Class members is impracticable. Investigations to date indicate there are at least 70 investor victims, many of whom reside in Erie County, New York, but others reside in Nevada, Florida, and California.

51. As the damages suffered by some individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

BACKGROUND

A. **Woodhill Capital- “Equipment Leasing” Funded by Investors**

52. Woodhill is, according to Defendants, a finance company that provides loans and other financing options for office furniture, construction equipment, logging equipment, medical equipment, and other business equipment and technology.

53. Woodhill’s website states it has been “in the financing business for almost 40 years,” and has “financed thousands of businesses[.]”

54. Woodhill holds itself out as offering “in depth and extensive industry experience.”

55. Teplitsky, Mangione, Basden, and/or Shumaker have been offering financial services and investment advisory, agency, and/or brokerage services through Woodhill since at least 2020 and in some instances dating back over 25 years.

56. Teplitsky, Basden, Mangione, and Shumaker, working through Woodhill, established a relationship with over 100 investor clients, including Plaintiffs and other Class members.

57. Defendants acted as investment brokers and/or agents towards Plaintiffs, Class members, and other investors.

58. Defendants solicited specific investment amounts from each Plaintiff which was represented to be for purposes of funding an equipment lease/loan to a third party and that said lease/loan was fully secured.

59. For each investment Defendants solicited and received from Plaintiffs, they provided an amortization schedule and, in some instances, other documentation to memorialize the use of Plaintiffs’ investment funds and the terms of repayment. The amortization schedules and other documents Defendants furnished were materially false, including that they

misrepresented the amount of financing provided to the third party, the interest rate charged to the third party, and in some cases that a third party even existed.

60. Defendants should have been, but were not, unbeknownst to Plaintiffs and other Class members, properly licensed to act as investment brokers, financial advisors and/or agents towards Plaintiffs, Class members, and other investors.

B. Defendants' Fraudulent Ponzi Scheme.

61. Beginning in or before 2020, Defendants conducted a fraudulent Ponzi scheme, victimizing Plaintiffs and other Class members.

62. Defendants induced, through false representations, assurances, and promises, Plaintiffs and other members of the investing public to make substantial investments in fraudulent investment contracts with Woodhill.

63. Defendants induced Plaintiffs to invest based on the representation that Plaintiffs' funds were being used to fund Equipment Financing Agreements.

64. Plaintiffs, at Defendants' direction, provided money for Defendants to loan to borrowers under Equipment Financing Agreements, i.e. investment contracts, in exchange for monthly guaranteed interest payments to Plaintiffs and other Class members. However, the money provided by Plaintiffs were loaned to borrowers (a) for smaller balances than Defendants listed in the investment contracts, allowing Defendants to pocket portions of the principals, (b) at higher interest rates than Defendants listed in the investment contracts, and (c) were fictitious insofar as they did not enter into Equipment Financing Agreements or other leases/loans.

65. Defendants' scheme included instances where they did not loan any of Plaintiffs' invested principals to borrowers, and instead defrauded Plaintiffs and other Class members by

pocketing the entire amount of Plaintiffs' investments for themselves or redirecting the funds to other undisclosed purposes.

66. Defendants offered to and did take cash and checks from Plaintiffs and other clients to fund the alleged Equipment Financing Agreements.

67. To solicit an investment contract, Defendants contacted Plaintiffs and other Class members via phone call and/or text message and specifically requested that Plaintiffs and other Class members provide Defendants with investment funds for existing Equipment Finance opportunities.

68. For example, as related to proposed Class representative Bingel LLC, Teplitsky contacted Robert Bingel, a representative of Bingel LLC, to request investment funds for an Equipment Finance opportunity.

69. Teplitsky represented to Mr. Bingel that the monies would be used to finance a specific Equipment Financing Agreement.

70. For example, on or about July 27, 2023, Teplitsky contacted Mr. Bingel via text message to advise Mr. Bingel there was a loan for Rustic Market Renovations LLC that needed fulfillment. Teplitsky requested Bingel LLC provide the monies to fulfill that loan opportunity.

71. On or about July 27, 2023, Bingel LLC provided a check of \$25,709.07 to finance the investment contract for Rustic Market Renovations LLC promoted by Defendants. Bingel LLC's investment check for Rustic Market Renovations LLC is attached hereto as **Exhibit 1**.

72. On or about July 27, 2023, the Equipment Financing Agreement between Woodhill and Rustic Market Renovations LLC was provided to Bingel LLC. The Equipment Financing Agreement between Woodhill and Rustic Market Renovations LLC is attached hereto as **Exhibit 2**.

73. After providing the financing, also on July 27, 2023, Bingel LLC received an Assignment between Rustic Market Renovations LLC and Bingel LLC, which was signed by Mr. Teplitsky as President of Woodhill. The Rustic Market Renovations LLC Assignment is attached hereto as **Exhibit 3**.

74. Following the execution of the Equipment Financing Agreement and Assignment, Bingel LLC received an Amortization Schedule from Woodhill outlining the original loan investment along with payment dates, interest rate, and payment amounts. The Amortization Schedule is attached hereto as **Exhibit 4**.

75. Every month thereafter, until March 2026, Bingel LLC would receive payment from Woodhill under the investment contracts along with an Investment Summary from Woodhill outlining the investment contracts and the remaining balances. By way of example, Bingel LLC's Investment Summary from February 2026 is attached hereto as **Exhibit 5**.

76. Each of the investments solicited by Defendants, although fraudulent, are securities within the Securities Act of 1933 and the Securities and Exchange Act of 1934.

77. Defendants' conduct is a violation of securities laws.

78. To lull Plaintiffs into a sense of security and comfort, and in furtherance of the Ponzi scheme, Defendants furnished Plaintiffs with periodic account statements and summaries that fraudulently indicated Plaintiffs' investment returns.

79. Defendants took all of the foregoing actions while knowing that the investment contracts they offered to Plaintiffs, Class members, and other clients were fraudulent.

80. Defendants misappropriated investment funds for their personal use.

81. On or about March 10, 2026, Defendants informed some Plaintiffs and other Class members that Defendants would cease providing payment to Plaintiffs and other Class members under the investment contracts.

82. Defendant Teplitsky, however, continued to solicit investments from other Class members for purported new equipment lease opportunities.

83. Upon information and belief, Defendants continue to control and access funds collected from Plaintiffs and other Class members.

84. During Plaintiffs' and counsel's investigation of the claims asserted herein, Defendants directed all inquiries to Frederick J. Gawronski, Esq. as counsel for Woodhill.

85. Attorney Gawronski advised that Defendants had created a "financial mess," that he was uncertain if and when any payments would resume, and he was uncertain if and when a financial accounting might be provided.

86. Attorney Gawronski stated that Defendants would not agree to hold Plaintiffs' and other Class members' investment monies held in Defendants' bank accounts in escrow or otherwise agree to a hold on the use or transfer out of Woodhill's bank accounts.

87. Attorney Gawronski would not confirm nor deny that Defendants had operated a Ponzi scheme.

88. Attorney Gawronski would not confirm nor deny that Defendants engaged in fraud.

89. Attorney Gawronski would not confirm nor deny that Defendants misappropriated and misused Plaintiffs' investment funds.

C. Plaintiffs' Losses as Caused by Defendants.

90. Proposed Class representative Bingel LLC has been a customer of Defendants for over three years.

91. Bingel LLC made investments—i.e. false and fraudulent investment contracts—with and brokered by Defendants.

92. Plaintiffs and other members of the investing public have made investments with and brokered by Defendants.

93. On or about March 10, 2026, Defendants ceased making payments under the investment contracts to Plaintiffs and other Class members.

94. Upon information and belief, Defendants ceased payments to Plaintiffs and other Class members under the investment contracts because the investment contracts were false and/or fraudulent.

95. Specific examples of the false and fraudulent sales of investment contracts by Defendants to Bingel LLC, Plaintiffs, and other members of the investing public include the following amounts of principals expended to finance fraudulent loans:

<u>Investor Victim</u>	<u>Principal Lost to Defendants</u>
Bingel LLC	\$388,551.79
Rosemarie Bingel	\$300,000.00
RAO Properties LLC	\$359,447.42
Marc DiGiore	\$115,000.00
Ronald DiGiore	\$285,879.00
Daniel DiGiore	\$148,461.02
Consumer Capital LLC	\$231,478.51

Debra Scherrer & Frank Puglisi	\$703,059.60
Anthony A. Madonia	\$4,537,078.12
Spano's Enterprises LLC	\$498,526.89
Richard Secchiaroli	\$210,112.27
Anthony S. Madonia & Lynn Madonia	\$5,598,842.59
Total lost by listed investor victims:	\$13,376,437.21

96. Further investigation is required to determine the full extent of the losses sustained by Plaintiffs and other investor victims.

97. Upon information and belief, at least sixty (60) other individuals purchased fraudulent investment contracts as a result of Defendants' false representations, unlawful activities, and other wrongful conduct and their losses exceed an additional \$5,000,000.00.

FIRST CAUSE OF ACTION

Common Law Fraud

98. Plaintiffs repeat and reallege the foregoing paragraphs as if fully set forth herein. Plaintiffs bring this cause of action on behalf of themselves and all others similarly situated.

99. Defendants made representations of material facts to Plaintiffs and other Class members that were false.

100. Defendants represented to Plaintiffs and other Class members that the investment contracts were bona fide, that the loans pursuant to the investment contracts were made at the same interest rates that Defendants listed in the investment contracts, and that the loans pursuant to the investment contracts were made for the same principal amounts that Defendants listed in the investment contracts.

101. Each of these representations to Plaintiffs and other Class members were false.

102. Defendants knew that such representations were false when he made them and/or they made such representations recklessly without regard for whether they were true or false.

103. Defendants made such representations to induce Plaintiffs and other Class members to rely upon them in deciding whether to purchase or otherwise acquire securities and other investments that were fraudulent, nonexistent, or otherwise improper.

104. Defendants directly or indirectly, singularly or in concert, by the use of the means and instrumentalities of interstate commerce, of the mails or the facilities of the national securities exchange, in connection with the purchase or sales of securities, knowing or recklessly: (a) employed devices, schemes and artifices to defraud; (b) made untrue statements of material fact and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and/or (c) engaged in acts, practices and/or courses of business which operated as a fraud and deceit upon investors, purchasers of securities, and other persons.

105. Plaintiffs and other Class members relied upon the statements and representations made by Defendants in deciding whether to invest, purchase, or otherwise acquire the investment contracts and other securities offered by Defendants, and Plaintiffs and other Class members were damaged by this reliance.

106. Plaintiffs and other Class members justifiably relied upon the representations made by Defendants.

107. As a direct and proximate cause of Defendants' representations and the reliance thereon by Plaintiffs and other class members, the Plaintiffs and other Class members sustained damages.

108. By reason of the foregoing, Plaintiffs and other Class members are entitled to judgment against Defendants, jointly and severally, for compensatory damages in an amount to be proven at trial, for punitive damages in an amount to be proven at trial, and interest, court costs, and attorneys' fees.

SECOND CAUSE OF ACTION

Unjust Enrichment

109. Plaintiffs repeat and reallege the foregoing paragraphs as if fully set forth herein. Plaintiffs bring this cause of action on behalf of themselves and all others similarly situated.

110. Defendants benefited from the receipt of funds, assets, and/or property received from Plaintiffs and other Class members and for which Defendants did not adequately compensate or provide value to Plaintiffs or other class members.

111. Defendants' enrichment was at the expense of Plaintiffs and other Class members.

112. Equity and good conscience require full restitution of the monies received by Defendants from Plaintiffs and other class members.

113. By reason of the foregoing, Plaintiffs and other Class members are entitled to judgment against Defendants, jointly and severally, for compensatory damages in an amount to be proven at trial, and interest, court costs, and attorneys' fees.

THIRD CAUSE OF ACTION

Breach of Fiduciary Duty

114. Plaintiffs repeat and reallege the foregoing paragraphs as if fully set forth herein. Plaintiffs bring this cause of action on behalf of themselves and all others similarly situated.

115. Defendants acted as investment brokers and/or agents on behalf of Plaintiffs and other Class members.

116. Defendants represented themselves to be acting in Plaintiffs' best interest by seeking secure, accredited loans and financing agreements to create safe and secure investment opportunities. Defendants held themselves out to be in a position of confidence and trust with respect to each Plaintiff and class member.

117. Defendants should have been, but were not, properly licensed to act as investment brokers and/or agents towards Plaintiffs, Class members, and other investors.

118. Defendants had a fiduciary duty to act in good faith and in Plaintiffs' and other Class members' best interests.

119. Defendants had a fiduciary duty to make truthful and complete disclosures to Plaintiffs and other Class members.

120. Defendants breached their fiduciary duties by failing to act in Plaintiffs' and other Class members' best interests by creating and promoting fake and fraudulent investment contracts.

121. Defendants breached their fiduciary duties by failing to make truthful and complete disclosures to Plaintiffs and other Class members regarding the investment contracts and other securities.

122. Defendants obtained an improper advantage at the expense of Plaintiffs and other Class members.

123. As a direct and proximate result of this conduct, Plaintiffs and other Class members sustained damages.

124. By reason of the foregoing, Plaintiffs and other Class members are entitled to judgment against Defendants, jointly and severally, for compensatory damages in an amount to

be proven at trial, for punitive damages in an amount to be proven at trial, and interest, court costs, and attorneys' fees.

FOURTH CAUSE OF ACTION

Conversion

125. Plaintiffs repeat and reallege the foregoing paragraphs as if fully set forth herein. Plaintiffs bring this cause of action on behalf of themselves and all others similarly situated.

126. Plaintiffs and other Class members had a possessory right and interest in their funds, assets, property, and investments.

127. Defendants converted Plaintiffs' and other Class members' funds, assets, property, and investments and thereby deprived Plaintiffs and other Class members of the use of such funds, assets, property, and investments.

128. Defendants acted consciously, willfully, wantonly, and maliciously in converting the funds, assets, property, and investments of Plaintiffs and other Class members.

129. As a direct and proximate result of this conduct, Defendants have had the use of the funds, assets, property, and investments they converted.

130. By reason of the foregoing, Plaintiffs and other Class members are entitled to judgment against Defendants, jointly and severally, for compensatory damages in an amount to be proven at trial, for punitive damages in an amount to be proven at trial, and interest, court costs, and attorneys' fees.

FIFTH CAUSE OF ACTION

Constructive Trust

131. Plaintiffs repeat and reallege the foregoing paragraphs as if fully set forth herein. Plaintiffs bring this cause of action on behalf of themselves and all others similarly situated.

132. The assets of Plaintiffs and other Class members have been wrongfully diverted as a result of Defendants' fraudulent acts and omissions in violation of the securities laws, breaches of fiduciary duties, conversions, and other wrongdoings done for Defendants' own interests and enrichment.

133. Funds, assets, and other property from Plaintiffs and other Class members were deposited in Defendants' bank account(s).

134. Plaintiffs and other Class members have no adequate remedy at law.

135. Due to Defendants' fraudulent acts and omissions in violation of the securities laws, breaches of fiduciary duties, conversions, and other wrongdoings, Plaintiffs and other Class members are entitled to the imposition of a constructive trust with respect to any transfer of funds, assets, or property received from Plaintiffs or other Class members, as well as any profits in the past and on a going forward basis in connection with the fraudulent investment contracts and other securities.

136. By reason of the foregoing, Plaintiffs and other Class members are entitled to the imposition of a constructive trust with respect to any transfer of funds, assets, or property received from Plaintiffs or other Class members, as well as any profits in the past and on a going forward basis in connection with the fraudulent investment contracts and other securities.

SIXTH CAUSE OF ACTION

Demand for Accounting

137. Plaintiffs repeat and reallege the foregoing paragraphs as if fully set forth herein. Plaintiffs bring this cause of action on behalf of themselves and all others similarly situated.

138. The funds, assets, investments, and/or property of Plaintiffs and the Class have been wrongfully diverted as a result of fraudulent acts and omissions in violation of the securities laws, conversions, and other wrongdoings of Defendants for their own interests and enrichment.

139. Funds, assets, and other property from Plaintiffs and other Class members were deposited in Defendants' bank account(s).

140. Defendants were unjustly enriched by the deposit of the funds, assets, investments, and/or property wrongfully deposited in Defendants' bank account(s).

141. Plaintiffs and other Class members have no adequate remedy at law.

142. To compensate Plaintiffs and other Class members for the amount of monies Defendants diverted for their own benefit, it is necessary for Defendants to provide an accounting of any transfer of funds, assets, or property received from Plaintiffs or other Class members, as well as any profits in the past and on a going forward basis in connection with the fraudulent investment contracts and other securities.

143. Complete information regarding the amount of such transfers misused and of any profits received by Defendants is within the sole possession, custody, and control of Defendants.

144. By reason of the foregoing, Plaintiffs are entitled to an accounting from Defendants of: (a) any transfer of funds, assets, or property received from Plaintiffs and any other Class members; and (b) any profits in the past and on a going forward basis received by Defendants in connection with the fraudulent investment contracts and other securities.

SEVENTH CAUSE OF ACTION

Violation of 18 U.S.C. § 1962(c) and N.Y. Penal Law § 460.20(1)(a)

145. Plaintiffs repeat and reallege the foregoing paragraphs as if fully set forth herein. Plaintiffs bring this cause of action on behalf of themselves and all others similarly situated.

146. At all times relevant to this action, an enterprise as defined in 18 U.S.C. § 1961(4) and N.Y. Penal Law § 460.10(3) existed vis-à-vis the investment "program" promoted and operated by Defendants.

147. The enterprise consisted of Woodhill, Teplitsky, Mangione, Basden, and Shumaker together with other persons known and unknown (collectively the “Enterprise”), and consisted of an association-in-fact enterprise within the meaning of 18 U.S.C. § 1961(4) and N.Y. Penal Law § 460.10(3).

148. The Enterprise functioned as a continuing unit since in or before 2020 with an ascertainable structure separate and distinct from the pattern of racketeering activity in which it engaged.

149. The Enterprise was an ongoing organization with a common purpose of providing financing services, more specifically providing and brokering investment contracts, which Defendants sold to Plaintiffs and other Class members as Equipment Financing Contracts.

150. The Enterprise engaged in, and its activities affected, interstate commerce. Upon information and belief, the Enterprise solicited funds from investors located in multiple states, including but not limited to New York, Florida, California, and Nevada for purported investment opportunities and used interstate wire and mail communications, including but not limited to phone calls, emails, and the United States Postal Service to negotiate loan terms, transmit documents, and distribute proceeds to individuals and entities in different states.

151. The pattern of racketeering activity consisted of at least the following predicate acts under 18 U.S.C. § 1962(c) and N.Y. Penal Law § 460.20(1)(a):

- a. Violations of federal securities laws, including but not limited to (a) acting as an investment broker and/or agent to provide false and fraudulent investment contracts, which constitute securities, (b) promoting and selling unregistered securities, (c) making materially false statement and/or omissions in connection with the promotion and sale of securities in violation of Rule 10b-5.

- b. Use of the United States Postal Service to defraud Plaintiffs and other Class members, including but not limited to use of the United States Postal Service to make false statements of material facts regarding Plaintiffs' and other Class members' investment contracts.
- c. Engaging in the transmission of substantial funds to and from Plaintiffs via wire transactions, including directly accessing Plaintiffs bank accounts.

152. The pattern of racketeering activity extended from in or about 2020 through at least March 10, 2026, and thus constituted a "pattern of criminal activity" within the meaning of 18 U.S.C. § 1962(c) and N.Y. Penal Law § 460.10(4).

153. As a direct and proximate result of Defendants' and the remaining members of the Enterprise's racketeering activities and violations of 18 U.S.C. § 1962(c) and N.Y. Penal Law § 460.20(1)(a), Plaintiffs and other Class members have been injured in their businesses and/or property by losing the principal amounts as stated herein.

154. The Enterprise conducted or participated, directly or indirectly, in the conduct of the Enterprise's affairs through a pattern of racketeering activity, as defined by 18 U.S.C. § 1961(1), (5) and N.Y. Penal Law § 460.10(1), (4).

155. By reason of the Enterprise's violation of 18 U.S.C. § 1962(c) and N.Y. Penal Law § 460.10(1)(a), Plaintiffs and other Class members have been injured in their businesses and property.

156. By reason of the foregoing, Plaintiffs and other Class members are entitled to judgment against Defendants, jointly and severally, for compensatory damages in an amount to be proven at trial, for punitive damages in an amount to be proven at trial, and interest, court costs, and attorneys' fees.

WHEREFORE, Plaintiffs demand relief and judgment against Defendants, jointly and severally, as follows:

- a. Determining that this action is a proper class action, designating Plaintiff Bingel LLC as Lead Plaintiff, certifying Plaintiff Bingel LLC as Class Representative, and designating the counsel for Plaintiff Bingel LLC and all Plaintiffs named herein as Lead Counsel;
- b. Awarding compensatory damages in favor of Plaintiffs and all other class members against Defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be determined at trial, plus interest;
- c. Awarding punitive damages in an amount to be proven at trial as against Defendants, jointly and severally, as allowed by law;
- d. Awarding Plaintiffs and the Class reasonable costs and expenses incurred in this action, including counsel fees and expert fees;
- e. Awarding extraordinary, equitable, and/or injunctive relief as permitted by law and equity, including but not limited to an accounting and the imposition of a constructive trust; and
- f. Such other and further relief as this court deems just and proper.

Dated: Buffalo, New York
April 3, 2026

DUKE HOLZMAN PHOTIADIS & RITTER LLP

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critter@dukeholzman.com
njoerg@dukeholzman.com
mburns@dukeholzman.com

VERIFICATION

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

MICHAEL DIGIORE, being duly sworn, deposes and says that he is a Member and Manager of Plaintiff RAO PROPERTIES, LLC ("RAO") the limited liability company named in the aforesaid verified Complaint; that he has read the foregoing verified Complaint and knows the contents thereof; that the same are true to his own knowledge, except as to matters therein stated to be alleged upon information and belief, and to those matters he believes it to be true. Deponent further says that the reason this verification is made by deponent and not by RAO is because RAO is a limited liability company, and the grounds for deponent's belief as to all matters in the said verified Complaint not stated upon his own knowledge are investigations which deponent has caused to be made concerning the subject matter of this matter and information acquired by deponent in the course of his duties as a member of the said limited liability company and from the books and records of said company.

Handwritten signature of Michael DiGiore
Michael DiGiore

Subscribed and sworn to before me
this 3 day of April, 2026.


Handwritten signature of Notary Public
Notary Public

AMBER MARIE EISKANT
Notary Public - State of New York
No. 01E16253056
Qualified in Erie County
My Commission Expires 12/19/2027

VERIFICATION

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

MARC DIGIORE, being duly sworn, deposes and says that he has read the foregoing verified Complaint and knows the contents thereof; that the same are true to his own knowledge, except as to matters therein stated to be alleged upon information and belief, and to those matters he believes it to be true.



Marc DiGiore

*New York
Erie County*

Subscribed and sworn to before me
this 3 day of April, 2026.




Notary Public

DOGAN B KAHRAMAN
Notary Public-State of New York
No. 01KA6354126
Qualified in Erie County
My Commission Exp. 02/06/2029


VERIFICATION

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

RONALD DIGIORE, being duly sworn, deposes and says that he has read the foregoing verified Complaint and knows the contents thereof; that the same are true to his own knowledge, except as to matters therein stated to be alleged upon information and belief, and to those matters he believes it to be true.


Ronald DiGiore

Subscribed and sworn to before me
this 3rd day of April, 2026.

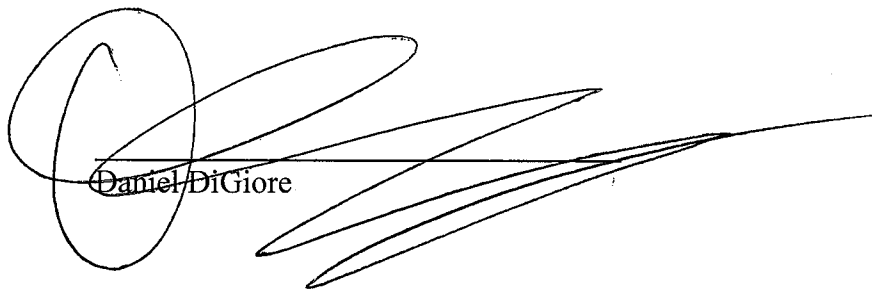

Notary Public

DALTON FURMAN
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01FU0014821
Qualified in Erie County
Commission Expires October 24, 2027


VERIFICATION

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

DANIEL DIGIORE, being duly sworn, deposes and says that he has read the foregoing verified Complaint and knows the contents thereof; that the same are true to his own knowledge, except as to matters therein stated to be alleged upon information and belief, and to those matters he believes it to be true.


Daniel DiGiore

Subscribed and sworn to before me
this 3rd day of April, 2026.



Notary Public

DALTON FURMAN
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01FU0014821
Qualified in Erie County
Commision Expires October 24, 2027

VERIFICATION

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

NICOLE K. JOERG, being duly sworn, deposes, and says that I am an attorney at law and a partner of the firm Duke, Holzman, Photiadis & Ritter LLP, attorneys for Plaintiff CONSUMER CAPITAL LLC ("Consumer Capital"), in the above action; I have read the foregoing verified Complaint and know the contents thereof and that the same are true to my own knowledge, except as to matters therein stated to be alleged upon information and belief, and to those matters I believe it to be true; grounds for my belief as to all matters contained in the foregoing verified Complaint are records and documents currently in my possession pertaining to this matter, information obtained from Plaintiff Consumer Capital, and my general investigation of the facts in this case. The reason why this verification is not made by Plaintiff Consumer Capital is that Plaintiff Consumer Capital is a limited liability company, and none of their officers reside at, or are in, Erie County where I have my office.

Nicole K. Joerg (with handwritten signature)

Subscribed and sworn to before me this 3 day of April, 2026.

Kristine Celeste (with handwritten signature)
Notary Public

KRISTINE N. CELESTE
Notary Public, State of New York
Qualified in Niagara County
Reg. No. 02CE6404840
My Commission Expires March 2, 2028

VERIFICATION

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

NICOLE K. JOERG, being duly sworn, deposes, and says that I am an attorney at law and a partner of the firm Duke, Holzman, Photiadis & Ritter LLP, attorneys for Plaintiff DEBRA SCHERRER (“Scherrer”), in the above action; I have read the foregoing verified Complaint and know the contents thereof and that the same are true to my own knowledge, except as to matters therein stated to be alleged upon information and belief, and to those matters I believe it to be true; grounds for my belief as to all matters contained in the foregoing verified Complaint are records and documents currently in my possession pertaining to this matter, information obtained from Plaintiff Scherrer, and my general investigation of the facts in this case. The reason why this verification is not made by Plaintiff Scherrer is that Plaintiff Scherrer is an individual that does not reside in Erie County where I have my office.



Nicole K. Joerg

Subscribed and sworn to before me
this 3 day of April, 2026.




Notary Public

KRISTINE N. CELESTE
Notary Public, State of New York
Qualified in Niagara County
Reg. No. 02CE6404840
My Commission Expires March 2 2028

VERIFICATION

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

NICOLE K. JOERG, being duly sworn, deposes, and says that I am an attorney at law and a partner of the firm Duke, Holzman, Photiadis & Ritter LLP, attorneys for Plaintiff FRANK PUGLISI (“Puglisi”), in the above action; I have read the foregoing verified Complaint and know the contents thereof and that the same are true to my own knowledge, except as to matters therein stated to be alleged upon information and belief, and to those matters I believe it to be true; grounds for my belief as to all matters contained in the foregoing verified Complaint are records and documents currently in my possession pertaining to this matter, information obtained from Plaintiff Puglisi, and my general investigation of the facts in this case. The reason why this verification is not made by Plaintiff Puglisi is that Plaintiff Puglisi is an individual that does not reside in Erie County where I have my office.



Nicole K. Joerg

Subscribed and sworn to before me
this 3 day of April, 2026.



Notary Public

KRISTINE N. CELESTE
Notary Public, State of New York
Qualified in Niagara County
Reg. No. 02CE6404840
My Commission Expires March 2, 2028

VERIFICATION

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

NICOLE K. JOERG, being duly sworn, deposes, and says that I am an attorney at law and a partner of the firm Duke, Holzman, Photiadis & Ritter LLP, attorneys for Plaintiff ANTHONY A. MADONIA ("Anthony A. Madonia"), in the above action; I have read the foregoing verified Complaint and know the contents thereof and that the same are true to my own knowledge, except as to matters therein stated to be alleged upon information and belief, and to those matters I believe it to be true; grounds for my belief as to all matters contained in the foregoing verified Complaint are records and documents currently in my possession pertaining to this matter, information obtained from Plaintiff Anthony A. Madonia, and my general investigation of the facts in this case. The reason why this verification is not made by Plaintiff Anthony A. Madonia is that Plaintiff Anthony A. Madonia is an individual that does not reside in Erie County where I have my office.

Nicole K. Joerg (with handwritten signature)

Subscribed and sworn to before me this 3 day of April, 2026.

Kristine Celeste (with handwritten signature)
Notary Public

KRISTINE N. CELESTE
Notary Public, State of New York
Qualified in Niagara County
Reg. No. 02CE6404840
My Commission Expires March 2, 2028

VERIFICATION

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

NICOLE K. JOERG, being duly sworn, deposes, and says that I am an attorney at law and a partner of the firm Duke, Holzman, Photiadis & Ritter LLP, attorneys for Plaintiff SPANO’S ENTERPRISES LLC (“Spano’s Enterprises”), in the above action; I have read the foregoing verified Complaint and know the contents thereof and that the same are true to my own knowledge, except as to matters therein stated to be alleged upon information and belief, and to those matters I believe it to be true; grounds for my belief as to all matters contained in the foregoing verified Complaint are records and documents currently in my possession pertaining to this matter, information obtained from Plaintiff Spano’s Enterprises, and my general investigation of the facts in this case. The reason why this verification is not made by Plaintiff Spano’s Enterprises is that Plaintiff Spano’s Enterprises is a limited liability company, and none of their officers reside at, or are in, Erie County where I have my office.



Nicole K. Joerg

Subscribed and sworn to before me
this 3 day of April, 2026.



Notary Public

KRISTINE N. CELESTE
Notary Public, State of New York
Qualified in Niagara County
Reg. No. 02CE6404840
My Commission Expires March 2, 2028

VERIFICATION


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

NICOLE K. JOERG, being duly sworn, deposes, and says that I am an attorney at law and a partner of the firm Duke, Holzman, Photiadis & Ritter LLP, attorneys for Plaintiff RICHARD SECCHIAROLI (“Secchiaroli”), in the above action; I have read the foregoing verified Complaint and know the contents thereof and that the same are true to my own knowledge, except as to matters therein stated to be alleged upon information and belief, and to those matters I believe it to be true; grounds for my belief as to all matters contained in the foregoing verified Complaint are records and documents currently in my possession pertaining to this matter, information obtained from Plaintiff Secchiaroli, and my general investigation of the facts in this case. The reason why this verification is not made by Plaintiff Secchiaroli is that Plaintiff Secchiaroli is an individual that does not reside in Erie County where I have my office.



Nicole K. Joerg

Subscribed and sworn to before me
this 3 day of April, 2026.



Notary Public

KRISTINE N. CELESTE
Notary Public, State of New York
Qualified in Niagara County
Reg. No. 02CE6404840
My Commission Expires March 2, 2028

VERIFICATION

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

NICOLE K. JOERG, being duly sworn, deposes, and says that I am an attorney at law and a partner of the firm Duke, Holzman, Photiadis & Ritter LLP, attorneys for Plaintiff ANTHONY S. MADONIA (“Anthony S. Madonia”), in the above action; I have read the foregoing verified Complaint and know the contents thereof and that the same are true to my own knowledge, except as to matters therein stated to be alleged upon information and belief, and to those matters I believe it to be true; grounds for my belief as to all matters contained in the foregoing verified Complaint are records and documents currently in my possession pertaining to this matter, information obtained from Plaintiff Anthony S. Madonia, and my general investigation of the facts in this case. The reason why this verification is not made by Plaintiff Anthony S. Madonia is that Plaintiff Anthony S. Madonia is an individual that does not reside in Erie County where I have my office.



Nicole K. Joerg

Subscribed and sworn to before me
this 3 day of April, 2026.



Notary Public

KRISTINE N. CELESTE
Notary Public, State of New York
Qualified in Niagara County
Reg. No. 02CE6404840
My Commission Expires March 2, 2028

VERIFICATION

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

NICOLE K. JOERG, being duly sworn, deposes, and says that I am an attorney at law and a partner of the firm Duke, Holzman, Photiadis & Ritter LLP, attorneys for Plaintiff LYNN MADONIA (“Lynn Madonia”), in the above action; I have read the foregoing verified Complaint and know the contents thereof and that the same are true to my own knowledge, except as to matters therein stated to be alleged upon information and belief, and to those matters I believe it to be true; grounds for my belief as to all matters contained in the foregoing verified Complaint are records and documents currently in my possession pertaining to this matter, information obtained from Plaintiff Lynn Madonia, and my general investigation of the facts in this case. The reason why this verification is not made by Plaintiff Lynn Madonia is that Plaintiff Lynn Madonia is an individual that does not reside in Erie County where I have my office.



Nicole K. Joerg

Subscribed and sworn to before me
this 3 day of April, 2026.



Notary Public

KRISTINE N. CELESTE
Notary Public, State of New York
Qualified in Niagara County
Reg. No. 02CE6404840
My Commission Expires March 2, 2028