| 1 2 3 4 5 6 7 8 9 | CDF LABOR LAW LLP Todd R. Wulffson, State Bar No. 150377 twulffson@cdflaborlaw.com Ashley A. Halberda, State Bar No. 272762 ahalberda@cdflaborlaw.com Osaama Saifi, State Bar No. 309172 osaifi@cdflaborlaw.com Christian Amos, State Bar No. 353197 camos@cdflaborlaw.com 18300 Von Karman Avenue, Suite 800 Irvine, CA 92612 Telephone: (949) 622-1661 Attorneys for Defendants and Cross-Complainant MICHAEL TURTURRO; OCMBC, INC.; and JE ALLIANCE | ET . |
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| 11 | SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF ORANGE | |
| 12 13 14 15 16 17 18 19 | HOME MORTGAGE ALLIANCE CORPORATION (HMAC), a California Corporation dba Jet Mortgage, Plaintiff, vs. MICHAEL TURTURRO an individual; OCMBC, Inc., a California corporation, dba Jet Advantage Mortgage; JET ALLIANCE, a California corporation, and DOES 1 through 50, inclusive, Defendants. MICHAEL TURTURRO an individual; JET ALLIANCE, a California corporation, and DOES 1 through 50, inclusive, Cross-Complainants, vs. HOME MORTGAGE ALLIANCE CORPORATION (HMAC), a California Corporation dba Jet Mortgage; ALFRED HANNA, an individual; and ROES 1 to 10, inclusive. Cross-Defendants. | Case No. 30-2024-01402022-CU-BT-WJC Assigned for All Purposes To: Judge: Richard Y. Lee Dept: W15 CROSS-COMPLAINT FOR DAMAGES AND INJUNCTIVE RELIEF FOR: 1. DEFAMATION 2. LIBEL 3. BREACH OF CONTRACT 4. INTENTIONAL INFERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE 5. NEGLIGENT INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE 6. INTENTIONAL INTERFERENCE WITH CONTRACTUAL RELATIONS 7. FRAUD 8. UNFAIR BUSINESS PRACTICES IN VIOLATION OF CALIFORNIA BUSINESS & PROFESSIONS CODE SECTION 17200, ET SEQ. |
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CROSS-COMPLAINT FOR DAMAGES AND INJUNCTIVE RELIEF

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damages to Cross-Complainants as alleged. Cross-Complainants will seek leave to amend this

Cross-Complaint to show their names and capacities when they have been ascertained.

II. JURISDICTION AND VENUE 1 2 6. This Court has jurisdiction over the allegations pursuant to California Code of Civil Procedure section 428.10 in that the claims arises out of the same transaction, occurrence, or series of transactions or occurrences as the cause brought against him and asserts a claim, right, or interest 5 in the property or controversy which is the subject of the cause brought against Cross-Complainants. 7. Efficiency in the determination of disputes would be served by hearing this Cross-6 Complaint, and all cause of action therein, together with Plaintiff's causes of action. 8 III. FACTS COMMON TO ALL CAUSES OF ACTION 9 **Alfred Hanna and HMAC** 10 8. In 2017, Hanna was investigated by the Federal Housing Finance Agency ("FHFA") 11 regarding Affiliated Funding Corporation, for which Hanna served as the Chief Executive Officer, 12 Secretary, and Chief Financial Officer. On May 19, 2017, the FHFA issued a Final Suspension Order (the "FHFA Final Order") which directed any regulated entity to cease any business relationship with 13 14 Affiliated Funding Corporation and any of its affiliates, including individuals, such as Hanna. 15 9. The FHFA's Final Order was based on its conclusion "that any business relationship between Affiliated Funding Corporation and a regulated entity would present excessive risk to the 16 safety and soundness of the regulated entity." 17 18 10. The FHFA's Final Order explained its conclusion as follows, "On or about September 19, 2014, the Mortgagee Review Board ("Board") of HUD advised Affiliated Funding Corporation 19 20 by letter that the Board had voted to permanently withdraw the company's HUD/FHA approval." 21 The Board specifically identified the following findings: 22 Failed to notify HUD/FHA that its license had been revoked by the State of 23 California Department of Corporations; Failed to properly analyze liabilities; 24 b. 25 Failed to ensure FHA-insured mortgage was not used as an investment; 26 Failed to resolve concerns related to the appraisal report; and 27 Failed to credit the unused Upfront Mortgage Insurance Premium to borrowers. 28

Compensation Agreement with HMAC, wherein HMAC agreed to compensate Turturro on a salary

basis and with eligible commissions and bonuses. On January 27, 2023, Turturro entered into a Compensation Plan Change and Chief Division Director Executive Compensation Agreement which further set forth the manner by which HMAC agreed to compensate Turturro during his employment.

- 19. On October 20, 2022, Turturro created Jet Alliance Corporation ("Jet Alliance"), an S Corporation where Turturro held the positions of Chief Executive Officer, Chief Financial Officer and Secretary.
- 20. Hanna and HMAC's unfair business practices were directly witnessed by Turturro. Turturro discovered that HMAC failed to properly and timely compensate many of its employees, many of whom were under Turturro's supervision at HMAC. For instance, employees were required to deposit their own funds with HMAC as a "reserve" for potential loan losses, monies that were never returned to HMAC's employees. Specifically, Turturro currently has a pending dispute before the Director of Industrial Relations regarding HMAC's failure to pay him over \$100,000.00 in unpaid wages and commissions.
- 21. Turturro also discovered that HMAC was not compensating many of its vendors. Turturro had a longstanding business relationship with one such vendor, and Turturro was compelled to advance payment to the vendor in order to maintain the relationship.
- 22. While Turturro was employed with HMAC, HMAC applied for and received Paycheck Protection Program ("PPP") loans. However, on information and believe, the funds received from these PPP loans were not utilized for the payroll of HMAC's employees who worked during the pandemic, but instead, were utilized to remodel HMAC's business offices.
- 23. Turturro further discovered that Hanna was restricted in engaging in a business relationship with any regulated entity. This news was devastating to Turturro. Hanna's unlawful conduct not only jeopardized the clients Turturro brought, but the account executives that Turturro brought, in addition to Turturro's own reputation. As soon as Turturro discovered this information, he had to take his clients, account executives, and himself away from HMAC and Hanna immediately.
- 24. Due to Cross-Defendants' unlawful conduct and the toxic work environment, Turturro resigned his employment with HMAC in April of 2024, and commenced employment with Defendant

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- 25. Following Turturro's resignation, Cross-Defendants engaged in a campaign to publicly defame and slander the reputation of Turturro and Jet Alliance. Cross-Defendants have made comments and posts on HMAC's website and various social media platforms that Turturro has stolen Jet Alliance (his own company) and its employees from HMAC. In particular, Cross-Defendants sent an e-mail to approximately 20,000 recipients highlighting the frivolous lawsuit that HMAC filed against Turturro, which included a link to the lawsuit and was accompanied with a written statement about the purported events leading up to the lawsuit. This defamatory written statement was provided to multiple mortgage news providers and posted on social media outlets.
- 26. On information and belief, Cross-Defendants have reached out to current and former colleagues of Turturro claiming that Turturro engaged in misconduct with respect to borrowers and brokers with which he had business dealings. In particular, Cross-Defendants recently spoke to David Hand of All American Lending Group and advised that Turturro "did you and your borrowers and every broker out there wrong." On information and belief, Cross-Defendants have made similar comments to several other of Turturro's business contacts.
- 27. Cross-Complainants are informed and believe that Hanna and HMAC committed other wrongful acts or omissions of which Cross-Complainants are presently unaware. Cross-Complainant shall conduct discovery to identify said wrongful acts, and will seek leave of Court to amend this Crossclaim to add said acts upon discovery.

FIRST CAUSE OF ACTION

Defamation

(Against All Cross-Defendants)

- 28. Cross-Complainants incorporate by reference the allegations in the above paragraphs as though fully set forth herein.
- 29. Cross-Defendants engaged in a campaign to publicly defame the reputation of Turturro and Jet Alliance. Cross-Defendants have made comments and posts on HMAC's website and various social media platforms that Turturro has stolen Jet Alliance (his own company) and its employees from HMAC, which were broadcast to various recipients and further circulated by various

were publicized and subsequently understood by such recipients to be about Cross-Complainants.

| 1 | Turturro has been damages in an amount to be proven at trial. | |
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| 2 | FOURTH CAUSE OF ACTION | |
| 3 | Intentional Interference with Prospective Economic Advantage | |
| 4 | (Against All Cross-Defendants) | |
| 5 | 40. Cross-Complainants incorporate by reference the allegations in the above | |
| 6 | paragraphs as though fully set forth herein. | |
| 7 | 41. At all relevant times, Jet Alliance was in economic relationships, including, but not | |
| 8 | limited to, relationships with existing and prospective employees and clients, that likely would | |
| 9 | have resulted in an economic benefit to Jet Alliance. The Defendants were aware of these business | |
| 10 | relationships. | |
| 11 | 42. Through the acts and conduct described in this Complaint, the Cross-Defendants | |
| 12 | deliberately and intentionally disrupted and interfered with Jet Alliance's business relationships, | |
| 13 | including, but not limited to, causing existing and/or prospective employees and/or clients to | |
| 14 | change their business relationship with Jet Alliance as a result of the Cross-Defendants' wrongful | |
| 15 | conduct and defamation. | |
| 16 | 43. As a direct and proximate result of the Cross-Defendants' wrongful actions, Jet | |
| 17 | Alliance's relationships with clients, prospects, and employees were disrupted, and Jet Alliance has | |
| 18 | suffered damages according to proof, in excess of the jurisdictional minimum of this Court. | |
| 19 | 44. Jet Alliance is informed and believes that the Cross-Defendants' above-described | |
| 20 | wrongful conduct is ongoing, and that Jet Alliance will suffer irreparable harm if the Cross- | |
| 21 | Defendants are not prevented from continuing to engage in such conduct. As a result, injunctive | |
| 22 | relief is required in order to prevent any further harm to Jet Alliance. | |
| 23 | 45. The acts and conduct of Cross-Defendants described in this Complaint are | |
| 24 | despicable, oppressive, fraudulent, malicious, and committed in bad faith and in reckless and | |
| 25 | conscious disregard of Jet Alliance's rights, such that Jet Alliance is consequently entitled to an | |
| 26 | award of punitive damages. | |
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FIFTH CAUSE OF ACTION

Negligent Interference with Prospective Economic Advantage (Against All Cross-Defendants)

- 46. Cross-Complainants incorporate by reference the allegations in the above paragraphs as though fully set forth herein.
- 47. At all relevant times, Jet Alliance was in economic relationships, including, but not limited to, relationships with existing and prospective employees and clients, that likely would have resulted in an economic benefit to Jet Alliance. The Defendants were aware of these business relationships.
- 48. Through the acts and conduct described in this Complaint, the Cross-Defendants disrupted and interfered with Jet Alliance's business relationships, including, but not limited to, causing existing and/or prospective employees and/or clients to change their business relationship with Jet Alliance as a result of the Cross-Defendants' wrongful conduct and defamation.
- 49. Jet Alliance is informed and believes that Cross-Defendants knew or should have known of these relationships.
- 50. Jet Alliance is informed and believes that Cross-Defendants failed to act with reasonable care and engaged in wrongful conduct as described above.
- 51. As a direct and proximate result of the Cross-Defendants' wrongful actions, Jet Alliance's relationships with clients, prospects, and employees were disrupted, and Jet Alliance has suffered damages according to proof, in excess of the jurisdictional minimum of this Court.
- 52. Jet Alliance is informed and believes that the Cross-Defendants' above-described wrongful conduct is ongoing, and that Jet Alliance will suffer irreparable harm if the Cross-Defendants are not prevented from continuing to engage in such conduct. As a result, injunctive relief is required in order to prevent any further harm to Jet Alliance.
- 53. The acts and conduct of Cross-Defendants described in this Complaint are despicable, oppressive, fraudulent, malicious, and committed in bad faith and in reckless and conscious disregard of Jet Alliance's rights, such that Jet Alliance is consequently entitled to an award of punitive damages.

| 1 | SIXTH CAUSE OF ACTION | | | |
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| 2 | Intentional Interference with Contractual Relations | | | |
| 3 | | (Against Hanna) | | |
| 4 | 54. Cı | ross-Complainants incorporate by reference each of the allegations in the above | | |
| 5 | paragraphs as fully set forth herein. | | | |
| 6 | 55. At | t all relevant times, Turturro was in valid and existing contractual relationships | | |
| 7 | with HMAC. | | | |
| 8 | 56. Cr | ross-Complainants are informed and believe Hanna was aware of the contractual | | |
| 9 | relationship between Turturro and Hanna. | | | |
| 10 | 57. Ct | coss-Complainants are informed and believe that Hanna's wrongful conduct | | |
| 11 | described above-referenced paragraphs was intended to disrupt this contractual relationship. | | | |
| 12 | 58. As | s a direct and proximate result of Hanna's intentional actions, Turturro has | | |
| 13 | suffered damages | s in an amount according to proof, in excess of the jurisdictional minimum of this | | |
| 14 | Court. | | | |
| 15 | | SEVENTH CAUSE OF ACTION | | |
| 16 | | Fraud | | |
| 17 | | (Against All Cross-Defendants) | | |
| 18 | 59. Cı | ross-Complainants incorporate by reference the allegations in the above | | |
| 19 | paragraphs as tho | ough fully set forth herein. | | |
| 20 | 60. Cı | ross-Complainants are informed and believe, that Cross-Defendants made an | | |
| 21 | intentional representation of a material fact to Cross-Complainants when they employed Turturro | | | |
| 22 | and intended to engage in fraudulent conduct in violation of the FHFA's Final Order for their | | | |
| 23 | financial benefit and to the detriment of Cross-Complainants, as well as intending to violate | | | |
| 24 | applicable laws regulating the mortgage industry. | | | |
| 25 | 61. Cı | ross-Complainants are informed and believe, that Cross-Defendants never | | |
| 26 | intended to abide | by the terms of the FHFA's Final Order and adhere to applicable laws regulating | | |
| 27 | the mortgage industry. | | | |
| 28 | 62. Cr | coss-Complainants were harmed as a result of the foregoing fraudulent acts by | | |

| 1 | Cross-Defendants, which caused or was a substantial factor in Cross-Complainants' harm, in an | |
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| 2 | amount to be determined at trial, specifically including, but not limited to attorneys' fees, costs, and | |
| 3 | other damages incurred by Cross-Complainants as a result of Cross-Defendants' fraudulent | |
| 4 | conduct. | |
| 5 | 63. Cross-Defendants engaged in a deliberate, cold, callous, fraudulent, and intentional | |
| 6 | manner in order to injure and damage Cross-Complainants and with a conscious disregard of | |
| 7 | Cross-Complainants' rights. Such acts were despicable and constitute malice, fraud, and | |
| 8 | oppression. Cross-Complainants seeks punitive damages against Hanna and HMAC's, in order to | |
| 9 | deter them from similar conduct in the future. | |
| 10 | EIGHTH CAUSE OF ACTION | |
| 11 | Unfair Business Practices in Violation of | |
| 12 | California Business & Professions Code section 17200, et seq. | |
| 13 | 64. Cross-Complainants incorporate by reference the allegations in the above paragraphs | |
| 14 | as though fully set forth herein. | |
| 15 | 65. Cross-Defendants by and through their agents have engaged in business acts or | |
| 16 | practices that are unlawful, unfair, or fraudulent. Cross-Defendants have also intentionally interfere | |
| 17 | with and are seeking to impede the ability of its former employees, including Turturro, to participate | |
| 18 | in their profession. | |
| 19 | 66. Cross-Complainants are likely to be unfairly disadvantaged by Cross-Defendants' | |
| 20 | utilization of Turturro's employment with HMACs as an improper means to prevent him from | |
| 21 | competing in the mortgage industry and practicing his chosen profession, acting as a defacto non- | |
| 22 | compete and non-solicitation in violation of California law. Further, Cross-Defendants' failure to | |
| 23 | pay their vendors forced Turturro to personally compensate such vendors in order to maintain their | |
| 24 | relationship. | |
| 25 | 67. California Business & Professions Code section 16600 et al makes it illegal for an | |
| 26 | employer to prevent its former employees from competing with their former employer and doing so | |
| 27 | is considered an act of unfair competition within the meaning of Business & Professions Code section | |
| 28 | 17200 Cross-Defendants' effort to restrict its former employees from participating in their chosen | |

| 1 | profession is a violation of | f California law, and runs afoul of principles of fair competition. | |
|----|--|--|--|
| 2 | 68. Cross-Defe | endants' efforts to intimidate its former employees for the purpose of | |
| 3 | restraining and restricting employee mobility and stifling its competitors' ability to compete in th | | |
| 4 | open market is the exact type of conduct contemplated by the California law, which was enacted to | | |
| 5 | ensure open and fair competition regardless of jurisdiction. | | |
| 6 | 69. Further, C | ross-Defendants failures to compensate its vendors and forcing its | |
| 7 | employees to pay for them in order to maintain those relationships, and misuse of its PPP loans is | | |
| 8 | violation of Business & Professions Code section 17200 et seq. | | |
| 9 | 70. Cross-Com | aplainants are informed and believe that Cross-Defendants' above- | |
| 10 | described wrongful conduct is ongoing, and that Cross-Complainants will suffer irreparable harm i | | |
| 11 | Cross-Defendants are not prevented from continuing to engage in such conduct. As a result | | |
| 12 | injunctive relief and restitution are required in order to prevent any further harm to Cross | | |
| 13 | Complainants. | | |
| 14 | | IV. PRAYER FOR RELIEF | |
| 15 | WHEREFORE, Cross-Complainants respectfully request: | | |
| 16 | 1. For injunct | ive and declaratory relief; | |
| 17 | 2. For restitut | ion; | |
| 18 | 3. For special | , compensatory, incidental, consequential and nominal damages; | |
| 19 | 4. For reasona | able attorneys' fees and costs of suit; and | |
| 20 | 5. For such of | her and further relief as the Court may deem proper. | |
| 21 | | | |
| 22 | Dated: July 29, 2024 | CDF LABOR LAW LLP | |
| 23 | | Ashley A. Halberda Osaama Saifi Christian Amas | |
| 24 | | Christian Amos | |
| 25 | | By: | |
| 26 | | Todd R. Wulffson | |
| 27 | | Attorneys for Defendants and Cross-Complainants MICHAEL TURTURRO; OCMBC, INC.; and JET | |
| 28 | | ALLIANCE | |
| | | 13 CROSS-COMPLAINT FOR DAMAGES AND | |

| 1 | PROOF OF SERVICE | | |
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| 3 | STATE OF CALIFORNIA, COUNTY OF ORANGE. | | |
| 4 | I, the undersigned, declare that I am employed in the aforesaid County, State of California. I am over the age of 18 and not a party to the within action. My business address is 18300 Von Karman Avenue, Suite 800, Irvine, CA 92612. On July 28, 2024, I served upon the interested party(ies) in this action the following document described as: CROSS-COMPLAINT FOR DAMAGES AND INJUNCTIVE RELIEF FOR: | | |
| 5 | | | |
| 6 | | | |
| 7 | By the following method: | | |
| 8 | 8 Alan Wayne Lindeke, Esq. | | |
| 9 | | | |
| 10 | 1 Park Plaza, Suite 600 Irvine, CA 92618 | | |
| 11 | Telephone: (714) 357-7432 | | |
| 12 | E-MAIL: alindeke@seldenlindeke.com | | |
| 13 | For processing by the following method: | | |
| 14 | persons at the electronic service addresses listed above. For represented parties, I confirmed the appropriate electronic service address for the counsel being served. For unrepresented parties, if any, the unrepresented party(ies) have expressly consented to | | |
| 15 | | | |
| 16 | | | |
| 17 | I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. | | |
| 18 | Executed on July 28, 2024, at Irvine, California. | | |
| 19 | | | |
| 20 | Ana Cantoran (Type or print name) (Signature) | | |
| 21 | (Type of print name) (Signature) | | |
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| | 14 X-COMPLAINT FOR DAMAGES AND | | |

X-COMPLAINT FOR DAMAGES AND INJUNCTIVE RELIEF