

**From:** Vicki Jenkins [mailto:vickijenkins@cox.net]

**Sent:** Monday, March 09, 2009 8:06 PM

**To:** 'Will Carless'

**Subject:** Chronology of Events - Please correct anything that I have misinterpreted based on information that I acquired from you.. Thank you for everything.

**March 7, 2009**

**Subject: Summary of "Investor Partnership" with Jim McConville**

**When We got Involved:**

- 1) On Thanksgiving 2007, my husband and I had thanksgiving with our daughter Natalie Woodbury and her father and her stepmother. We decided to go on a wine tasting trip with our family and friends and met a lady, Charlene Lujan, whom Natalie has known for 10-15 years.
- 2) Charlene Lujan cornered my husband and me and said that she wanted to introduce us to a way of making money without placing anything down. (Phone No.( 925)-684-4242.) Charlene explained that she had made literally thousands of dollars as well as her family as a result of her association with her boss, Jim McConville of Diamond Home Properties in Hayward, Ca. She wanted us to meet him and wanted us to fly back up to Northern California around Christmas time to hear about this great income opportunity. Charlene invited us to stay at her home which she said she was able to purchase because of her association with Jim McConville.
- 3) Therefore, just prior to Christmas, 2007, after I explained the opportunity to Anne Marie Miller-Jones, she decided that she wanted to hear what Jim McConville and Charlene had to say. Due to our personal business, my husband was unable to attend. Anne Marie and I met Jim McConville in a restaurant/bar setting in Northern California along with another man called "Paul" who was his driver. Also attending this business partnership opportunity were approximately 10 other people, one of whom is a close friend of my daughter's, Profura \_\_\_\_\_ (Profura dropped out of the process when she and Charlene had some kind of falling out. Interestingly, Profura went to work for the attorney Arnie Laub located in San Francisco, Ca. who has been approached by Charlene and 40 other investors to handle a class action suit against Jim McConville. Profura is no longer working with the attorney.) This case has apparently been delegated to the FBI in Alameda County who turned it over to an investigator at the DA's office. His name is Pat Johnson (510) 639-7419.

## The Concept:

- 4) Jim McConville explained to the initial group at the restaurant, that he was a re-hab expert and/or a developer who invested in low to average income condominium buildings that are in trouble or are run down. He said he had been in the business for more than 40 years and literally has thousands of properties. The bottom line was that in exchange for use of a good credit score that he would pay the "investor" \$10,000 for every qualified loan. I asked if he was as successful as he said he was why he needed to borrow our credit. McConville stated that he was interested in acquiring more loans than the banks felt comfortable with so he solicits "investors." I asked how many investors he had. He said he has hundreds and he stated that he has done this with thousands of properties. He has apparently been able to develop this concept all over California and Hawaii.

If we qualified with a high enough fico score we were told that we would receive \$10,000 per unit or per loan 90-days after the first payment was made. I asked him how he justified the \$10,000 dollars that he paid investors to the IRS? He said it was perfectly legal and that he listed the investor on his income tax statement as an expense. I asked him if he sent out 1099s. He said that he did not have to since it was considered an expense.

Jim McConville said the average person qualified for three loans. He said that he invested 20% out of his own funds and would be responsible for all the monthly payments, the taxes and any encumbrances on the property. Further, that he had never been late with anyone's payment and then he had a fool-proof system to ensure that this did not occur. Further, there would be no money that comes out of the investors' pocket. I asked him how this would impact our credit. He said initially our credit score would be affected and lowered for about six months until the banks realized that the payments were being paid on time every month.

## **Why We Got Involved**

- 5) Knowing that several of my friends were beginning to suffer financially as well as my husband and I because of the backward slide in the economy, I asked him if Jim McConville if he would be willing to come out to my home and give a presentation. We felt comfortable with his presentation because of the relationship between Charlene and my daughter. Additionally, Jim McConville appeared to be understated and extremely humble. His grammar was poor, but other than that,

he appeared to be extremely smart and intelligent. He appeared to be a self-made man. He was dressed casually.

- 6) I did an investigation on line on Jim McConville's background and could find nothing that would signify a red flag or that he was involved in any crimes or fraudulent activities.

### **When we got involved**

- 7) I had written several questions that I wanted readdressed and sent them to all the people that I had invited and had them send me any additional questions that they might have to make it a more efficient and productive meeting. We met on January 10, 2008. Along with Paul, Jim McConville's driver, Charlene Lujan and Rasul Rasuli, his mortgage person and about 15 of our friends also attended the meeting. I took minutes and recapped the answers and sent them to all the people that were at the meeting as well as those that were interested that were unable to attend. Please see Section 1 in the three-ring binder entitled Income Opportunities.
- 8) Out of six people that were interested, three of us qualified: Anne Marie Miller-Jones, Frances Greenspan, and the undersigned, Vicki Cobb-Jenkins. Anne Marie and Frances both qualified for three and I qualified for five. Please see Section 5 of the above mentioned binder for a listing of the properties that were purchased using my credit. Ann Marie was told that because she did not have enough cash in the bank that she would be required to pay \$9000 to a "backer" out of the \$30,000 dollars that she was to receive. Frances and I both had assets in the bank so we were supposedly going to receive the full amount. We gave them all the "normal disclosure information that is necessary to qualify for loans. (See Section 3) Please note that my fico score was 780 at this juncture and now I am receiving notices from credit card companies that have raised my interest rates, lowered my credit or have disqualified me all together from using their card.

### **The Process**

- 9) Jim and I met with Bahareh Shamlou (Jim McConville's notary) in approximately March the first time in Denny's in Carlsbad. The second time Jim and I met at her Aunt's home in the Escondido/San Marcos area who Bahareh said also was an investor and then a third time at Denny's. See Section legal size folder for a copy of the loan papers that we signed. However, because there was no copy machine available and the documents had to be signed immediately, I was unable to acquire a copy of the signed originals – but I asked for

copies of the unsigned documents. Each time, Bahareh had flown out to Southern California and returned to Northern California within hours for the sole purpose of notarizing our loan documentation.

*Note: My husband signed his rights to the property and I was listed as a married woman, sole owner of the property.*

- 10) Charlene called me approximately the early part of this year and said she wanted to talk to me about Jim McConville. She stated that he was a crook and that he still owed her \$10,000 and he let her go. At this point I did not know who to believe since I was beginning to doubt Charlene's credibility as well.
- 11) At some point (in retrospect) I drafted a letter for Jim McConville to sign to allow the investors to feel more comfortable with their decision. See said letter in Section 7 of the Income Opportunities binder. Essentially, the letter indicated that his corporation will not use our credit or any personal information for anything other than what is specified for each loan that is authorized and that said company agrees to pay all expenses on said property and that for whatever reason there is a foreclosure that the corporation will not hold the investor liable for any monies due and payable. Bahareh said he would have no problem signing the letter. However, Jim McConville never wrote or signed such a letter.
- 12) On October 13, 2008 I asked a couple of questions regarding a Power of Attorney for Real Estate that I was asked to sign (Section 4). I asked Laura why this was necessary. She said that the current property management company was doing a bad job and they needed to vote out the current board of directors and vote in a new board. They fired the current management company, and now as I understand it, the current management company is owned by Concord Management, a company also owned by Jim McConville who I just found out yesterday (March 6, 2009) is collecting rent from the condominiums that Frances, Anne Marie and I own. See Receipts in Section 10 as well as the questions that I posed in e-mail form. The rent that is being collected could more than sufficiently pay for the mortgage payments that are overdue.

### **The Consequences:**

- 13) My first payment was due and paid by McConville on April 1, 2008 and a second payment was made on May 1, 2008 both on time. There have been no other payments made since then. I was supposed to receive \$10,000 beginning in August, 2008. I began getting overdue payments from Citi as well as a flurry of calls from the

other banks I have loans with that the property is in default and foreclosure. Both Anne Marie and Frances are going through the same process. We were told in many repeated phone calls and e-mails from Laura Canton, the comptroller for the Diamond House Development Company, that she believed in Jim McConville and that he was going to obtain additional financing any day. On November 14, 2008 we received a letter addressed to: "Dear Borrower, stating enclosed was an authorization form for Diamond House Development to act on our behalf to clean up our credit." I did so and faxed them a copy of a notarized statement. However, our credit was not corrected. We believe this could be a stall tactic.

- 14) Since, this time there have been numerous e-mails and phone calls placed to Jim McConville, Bahareh, Rasul and primarily Laura Canton asking when Jim is going to take care of this matter. My husband (Jim Jenkins) has even tried to play the good guy and asked Jim McConville several times to return his call directly. But, Jim McConville has never returned one phone call. He has had his public relations person, Shaun, or Laura Canton who keep giving us the same song and dance. "Jim is a good guy and he really is on the "verge" of getting financing. The economy has hurt him as well and also my family who is also involved." My heart tells me that Laura earnestly believes in her boss.

We felt that after several months of not wanting to believe this was all happening and still hoping to believe and trust the good in people, we kept postponing the inevitable. Last week I called the FBI in Santa Ana, who said the case would have to be handled in Northern California. The agent took down my information and said he would have someone call me. No one had to date. I then called Pat Johnson in the District Attorney's office in Alameda whom I discovered that Charlene had spoken, and left a message.

The next day (March 4, 2009) a reporter contacted us and Frances and I decided to meet with him in addition to calling the FBI again.

Apparently, according to the reporter, a realtor noted that 70 out of the 90 units where our properties are located are in foreclosure. This peaked her curiosity. She called the real estate reporter at the San Diego Voice who in turn involved an investigative report, Will Carless. Will and Kelly \_\_\_\_\_ have been investigating this potential scam for approximately two months and what they discovered is that all the units had different names on the grant deeds, but the return address for all loans and investors were the same.

Our next move is to determine whether a lien can be placed on our own properties since we believe this is both a civil and federal crime to avoid any future demands made on this property. My husband is 66

years old and has worked all his life to retire. I am 63 and we stand to lose everything that we have gained because we got in our own way and gave into fear and desperation at a very volatile time in the economy.

On Thursday, March 5, 2009, Frances and I met with a reporter at the properties in Escondido. Interestingly, we learned that these properties are now valued at \$90,000. They were appraised originally at \$186,000 when McConville purchased them, but somehow he managed to take out each loan for an average price of \$296,000. This inflated appraisal was also true of a 480-square foot studio apartment that Frances reluctantly owns whose loan value is stated at \$186,000. A home, 1700 square feet that is less than a block away, sold for the same price. To date, no one has been able to find out the appraisers name, but we have a hunch that he also works as part of a broad-scope team effort with Jim McConville. This issues combined with the fact that Jim McConville is renting out properties that are in our name as the owner and is banking the money, infuriates us. The rent could have more than paid the monthly payments that are due.

Jim McConville had also said at some point we will need to sign the deed over to him, but not until the building is sold. If the building is sold the monies should be divided between all the "investors."

While on the property scouting around yesterday with the reporters, we spoke with a couple of tenants to verify whom they all paid their rent to and each one said Concord Properties, which again is owned by Jim McConville. The property manager living on the property had a tenant ask him who we were. The manager came out and said that we would have to leave while talking on his cell phone apparently to Jim McConville. The reporter said, *"Why? These are the owners."*

The manager said, *"They most certainly are not. The owner is Jim McConville. You will need to speak to him."*

The reporter said, *"I would love to. I have tried to call him several times and he will not return any of my phone calls."*

The property manager then hung up his cell phone and said, *"He had nothing to do with anything or any of this."*

Today on March 9, 2009, Will Carless, the reporter called Frances and I and said that he had met with the attorneys who had drawn up the contract between the seller and Jim McConville. Interestingly, Will found out that Jim McConville was paid \$150,000 on each property out of the loan money that he borrowed from the bank in each of the investor's names. Therefore, the appraised value of the home was considerably inflated. The homes Had an original value of somewhere around \$90,000. Other condos in the same complex are currently selling for a maximum value of \$186,000. Each of the

loans taken out in my name were around \$286,000. On top of the \$286,000 Jim McConville paid \$60,000 for each home to the lender.

The copy of the loan documentation that I received when I signed each document was supposed to be a copy of the original loan documentation (without signatures). This document does not indicate any where on this copy nor does it include any clause that pertains to the fact that Jim McConville was supposed to receive \$150,000 for each loan transaction.

This situation is not only embarrassing, that we all fell for such a devious scheme, but we are prepared to swallow our pride if it helps others from making the same mistake. Frances and Anne Marie were in the same desperate state of affairs that we are and we all feel truly humbled. However, be that as it may, we willingly submit this summary to the Federal Bureau of Investigation, the Attorney General's Office, and the District Attorney's office in hopes that Jim McConville will be stopped from hurting any others. PLEASE HELP US!

Sincerely,

Vicki Cobb –Jenkins  
Anne Marie Miller-Jones and  
Frances Greenspan