

EXHIBIT B

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF VERMONT

WEI WANG, GUANGYI XIONG, AND)
XIAOFENG FENG,)
individually, and on behalf)
of a class of similarly situated persons,)

Plaintiffs,)

v.)

SHEN JIANMING, SHENLAW LLC)
DARREN SILVER,)
DARREN SILVER & ASSOCIATES LLP,)
DAI & ASSOCIATES LLP, NGUYEN HUAN,)
SCHNADER, HARRISON, SEGAL & LEWIS LLP)
TING GENG,)
THE LAW OFFICES OF GENG & ZHANG, PLLC)
LESLIE I. SNYDER, LESLIE I. SNYDER, P.A.,)
RUBEN FLORES, THE FLORES GROUP,)
YUN CHENG,)
CHENG YUN & ASSOCIATES, PLLC,)
individually, and on behalf of a class of)
similarly situated persons,)

Defendants.)

CLASS ACTION COMPLAINT

Plaintiffs, Wei Wang (“Wang”), Guangyi Xiong (“Xiong”), and Xiaofeng Feng (“Feng”), individually, and on behalf of similarly situated persons, (collectively referred to herein as “Plaintiffs” or “Plaintiff-clients”), by and through their attorneys, Barr Law Group, as and for the Complaint against Defendants, Shen Jianming and ShenLaw LLC (collectively referred to as “Shen”), Darren Silver, Darren Silver & Associates LLP (collectively referred to as “Silver”), Dai & Associates, LLP (referred to as “Dai”), Nguyen Huan, Schnader, Harrison, Segal & Lewis LLP (collectively referred to as “Huan”), Ting Geng (referred to as “Geng”), The Law Offices of Geng & Zhang, PLLC (referred to as “Geng & Zhang”), Leslie I. Snyder, Leslie I. Snyder, P.A.

(collectively referred to as “Snyder”), Ruben Flores, The Flores Group (collectively referred to as “Flores”), Yun Cheng, and Cheng Yun & Associates, PLLC (collectively referred to as “Cheng”), individually, and on behalf of similarly situated persons (all defendants ,collectively referred to as “Defendants” or “Defendant-attorneys”) hereby allege and aver as follows:

TABLE OF CONTENTS

	<u>PAGE</u>
I. NATURE OF THE CLASS ACTION	3
II. STRUCTURE OF THE CLASS ACTION COMPLAINT.....	5
III. PARTIES	5
IV. JURISDICTION AND VENUE.....	7
<u>PART 1</u>	7
A. FACTUAL ALLEGATIONS AS TO SHEN AND SHEN LAW LLC.....	7
B. CAUSES OF ACTION AGAINST DEFENDANTS SHEN AND SHEN LAW LLC	19
COUNT I	
MALPRACTICE AGAINST DEFENDANTS SHEN AND SHEN LAW LLC	19
COUNT II	
BREACH OF CONTRACT AGAINST DEFENDANTS SHEN AND SHEN LAW LLC.....	20
COUNT III	
BREACH OF GOOD FAITH AND FAIR DEALING AGAINST DEFENDANTS SHEN AND SHEN LAW LLC	20
COUNT IV	
QUANTUM MERUIT/UNJUST ENRICHMENT AGAINST DEFENDANTS SHEN AND SHEN LAW LLC	21
COUNT V	
VIOLATION OF 10(B) AND RULE 10B-5 AGAINST DEFENDANTS SHEN AND SHENLAW LLC	22
COUNT VI	
CONSUMER FRAUD - UNFAIR AND DECEPTIVE ACTS & VIOLATION OF THE CONSUMER FRAUD ACT - 9 V.S.A. §§ 2451, ET AL. AGAINST DEFENDANTS SHEN AND SHEN LAW LLC	24

COUNT VII	
BREACH OF FIDUCIARY DUTY AGAINST DEFENDANTS SHEN AND SHEN LAW LLC	25
C. PRAYER FOR RELIEF	27
D. JURY TRIAL DEMAND	28
<u>PART 2</u>	28
A. CLASS ACTION ALLEGATIONS	28
(i) DEFENDANTS WERE A PART OF A SCHEME TO RECEIVE ILLEGAL, UNETHICAL, AND UNDISCLOSED KICKBACKS FOR EACH PLAINTIFF-CLIENT THAT SUBSCRIBED TO THE FRAUDULENT JAY PEAK <u>PROJECTS</u>	28
(ii) THE PLAINTIFFS' CLASS SATISFIES THE REQUIREMENTS OF RULES 23(A), 23(B)(1)(B), AND 23(C)(4) OF THE FEDERAL RULES OF CIVIL <u>PROCEDURE</u>	31
(iii) THE DEFENDANTS' CLASS SATISFIES THE REQUIREMENTS OF RULES 23(A), 23(B)(1)(B), AND 23(C)(4) OF THE FEDERAL RULES OF CIVIL <u>PROCEDURE</u>	35
B. CLASS ACTION CAUSES OF ACTION	39
COUNT VIII	
BREACH OF FIDUCIARY DUTY AGAINST ALL DEFENDANTS	41
COUNT IX	
CONSUMER FRAUD - UNFAIR AND DECEPTIVE ACTS & VIOLATION OF THE CONSUMER FRAUD ACT - 9 V.S.A. §§ 2451, ET AL. AGAINST ALL DEFENDANTS	41
COUNT X	
MALPRACTICE AGAINST ALL DEFENDANTS	42
COUNT IV	
BREACH OF GOOD FAITH AND FAIR DEALING AGAINST ALL DEFENDANTS	43
C. PRAYER FOR RELIEF	44
D. JURY TRIAL DEMAND	44

I. NATURE OF THE CLASS ACTION

The Plaintiffs' entitlement to full restitution in this bilateral class action arise out of a scheme between the Defendants' (immigration attorneys) and the Jay Peak EB-5 project entities (the various Jay Peak EB-5 development projects are collectively referred to herein as the "Jay Peak Projects") to improperly promote and sell the Jay Peak Projects' limited partnership interests to the Plaintiffs (Defendants' clients). This scheme was predicated on the Jay Peak Projects providing Defendants with illegal, unethical, and undisclosed kickbacks of upwards of \$25,000.00 (or more) for every Plaintiff-client that subscribed to the Jay Peak Projects. These kickbacks were memorialized in "plug-and-play" agreements ("Kickback Agreements"), which were distributed to immigration attorneys at EB-5 seminars and tradeshow. Moreover, these Kickback Agreements were distributed in full view of State of Vermont officials promoting the Jay Peak Projects.

However, and most importantly, Defendants did not disclose these kickbacks to the Plaintiffs. Thus, it seems that everyone involved with the Jay Peak Projects knew, or should have known, about these Kickback Agreements except for the Plaintiff-clients themselves. As a result of these illegal, unethical, and undisclosed kickbacks, Defendants improperly funneled hundreds of their Plaintiff-clients into an EB-5 development project that was revealed to be a Ponzi-scheme and near-total fraud. These illegal and undisclosed kickbacks also caused the Defendants to breach the duties and obligations owed to their Plaintiff-clients by promoting the Jay Peak Projects as the only legitimate EB-5 investment for their clients, by failing to conduct any due diligence on their clients' behalf, and, in the end, profiting at their Plaintiff-clients' expense. Needless to say, if these illegal kickbacks were disclosed, each Plaintiff would not have committed a \$550,000.00 investment in the Jay Peak Projects (\$50,000.00 of which were

related fees), in addition to Plaintiffs each paying Defendants legal fees of upwards of \$18,000.00. The scope of this illegal and unethical kickback scheme was massive in that an excess of \$5,000,000.00 flowed from the Jay Peak Projects to the Defendant-attorneys. Thus far, it is known that over one-hundred (100) attorneys, agents, and finders were deployed to recruit investor-clients, all incentivized by the Kickback Agreements. The named Defendants represent the top nine (9) earners under the kickback scheme.

Ultimately, this scheme explains how a little-known ski resort – Jay Peak – was able to lure immigrants from all around the globe and raise hundreds-of-millions-of-dollars to develop the remote Northeast Kingdom of Vermont. This scheme set the stage for the misappropriation at least \$200,000,000.00 of Plaintiffs' money and the largest fraud in Vermont's history. Accordingly, Plaintiffs seek disgorgement and restitution of all earnings, profits, compensation, and benefits received by Defendants as a result of their unlawful acts and practices.

II. STRUCTURE OF THE CLASS ACTION COMPLAINT

The structure of this action is divided into two parts. The first part includes the initial action and factual allegations against Defendants Shen and ShenLaw LLC. The second part includes the Plaintiffs' Class Action Allegations against the Defendant-attorneys, including allegations showing that both Plaintiffs' and Defendants' Classes qualify for certification. The Causes of Action are also divided into two parts, with separate prayers for relief. The first section includes claims levied only by Plaintiffs Wang, Feng, and Xiong against Defendants Shen and ShenLaw LLC, with the attendant prayers for relief. The second section includes certain claims levied by the Class Action Plaintiffs against the Class Action Defendants, with the attendant prayers for relief. Please note that Plaintiffs Wang, Feng, and Xiong are also part of

the Plaintiffs' Class for the Class-specific claims against the Defendants' Class, which also includes Defendants Shen and ShenLaw LLC.

III. PARTIES

1. Plaintiffs are individuals who invested in the Jay Peak Projects that are described in more detail below.
2. Plaintiffs are individuals who sought to invest and reside in the United States through the United States Citizenship and Immigration Services Employment-Based, Fifth Preference ("EB-5") immigrant-investor program.
3. Plaintiff, Wei Wang, resides at Apt. 405, Building 2, No. 12, Anding Road, Chaoyang District, Beijing China.
4. Plaintiff, Xiofeng Feng, resides at #735, Building 25, Kangcheng, No. 9 Shuangqiao Donglu, Chaoyang, Beijing, China.
5. Plaintiff, Guangyi Xiong, resides in Beijing, China.
6. Defendants are individuals and business entities that Plaintiffs hired to represent them in the Jay Peak Projects.
7. Defendants are individuals and business entities that took illegal, unethical, and undisclosed kickbacks of upwards of \$25,000.00, paid by the Jay Peak Projects, for each Plaintiff-client that subscribed to the Jay Peak Projects.
8. Upon information and belief, Defendant, Shen Jianming, resides at 1 Ellen Court, Glen Cove, NY 11542, and is the managing partner and president of ShenLaw LLC.
9. Upon information and belief, Defendant, ShenLaw, LLC, is a New York limited liability corporation, with its principal place of business at 1441 Broadway, Suite 3026, New

York, NY 10018 and, at the time of the allegations herein, 142 North Court, Roslyn Heights, NY 11577.

10. Upon information and belief, Defendants, Darren Silver and Darren Silver & Associates LLP, reside in California and are located at 3699 Wilshire Boulevard, Los Angeles, CA 90010.
11. Upon information and belief, Defendant, Dai & Associates LLP, is a New York limited liability partnership, with its principal place of business at 1500 Broadway, New York, NY 10036.
12. Upon information and belief, Defendant, Nguyen Huan, resides in California with a mailing address of P.O. Box 15323, Long Beach, CA 90815.
13. Upon information and belief, Defendant, Schnader, Harrison, Segal & Lewis LLP, resides in California and is located at 650 California Street, 19th Floor, San Francisco, CA 94108-2736.
14. Upon information and belief, Ting Geng and the Law Offices of Geng & Zheng PLLC reside in New York and are located at 39-7 Prince Street #3E, Flushing, NY 11354.
15. Upon information and belief, Leslie I. Snyder and Leslie I. Snyder, P.A. reside in Florida and are located at 4000 Ponce de Leon Boulevard, Suite 470, Coral Gables, FL 33146.
16. Upon information and belief, Ruben Flores and The Flores Group reside in Texas and are located at 3018 West Martin Street, San Antonio, TX 78207.
17. Upon information and belief, Yun Cheng and Cheng Yun & Associates, PLLC reside in Virginia and are located at 6088 Fraconia Road, Suite C, Alexandria, VA 22310.

IV. JURISDICTION AND VENUE

18. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332(a)(2), (a)(3), (d)(2)(b).

19. Venue is proper pursuant to 28 U.S.C § 1391(b)(2).
20. Joinder of the Plaintiffs is proper pursuant to Fed. R. Civ. P. Rule 20(1)(a)(1).
21. Class action certification of both Plaintiffs and Defendants is appropriate pursuant to Fed. R. Civ. P. Rule 23(a), (b)(1)(B), and (c)(4).

PART 1

A. FACTUAL ALLEGATIONS AS TO SHEN AND SHENLAW LLC

22. At all relevant times, Shen was engaged in the professional trade and business of providing legal services.
23. At all relevant times, Shen was actively involved in the management, business decisions, and marketing of ShenLaw LLC.
24. In substantial part, Shen's business is aimed at handling transactions for immigrant investors through the federal EB-5 Immigrant Investor Program.
25. At all relevant times, the Shen derived substantial income and financial gain from fees collected from Wang, Feng, and Xiong and to countless immigrant investors.
26. The EB-5 Immigrant Investor Program was created to stimulate the U.S. economy with capital investment from foreign investors. Under the program, foreign investors can receive a permanent visa to live and work in the U.S. if they make a capital investment that satisfies certain conditions over a two-year period, including the creation of jobs. The EB-5 investments are typically administered by "regional centers" throughout the U.S. and made in limited partnerships managed by people other than the foreign investors.
27. Under the EB-5 Immigrant Investor Program, foreign investors who invest capital in such a "commercial enterprise" in the United States may petition the USCIS and receive

conditional permanent residency status for a two-year period (such a petition is called an “I-526 Petition”). The USCIS defines a “commercial enterprise” as any for-profit activity formed for the ongoing conduct of lawful business.

28. In general terms, the EB-5 program allows foreign investors, along with their spouse and children under age twenty-one (21), to become eligible for a green card if they make the required investment in a commercial enterprise in the U.S. and plan to create or preserve at least ten (10) permanent full-time jobs for qualified U.S. workers.
29. While the EB-5 program is, on one hand, an immigration program, it is fundamentally an investment program, involving the marketing and sale of an investment interest.
30. The EB-5 Immigrant Investor Program requires a showing that the foreign investor “has placed the required amount of capital at risk for the purpose of generating a return on the capital placed at risk.”
31. If the foreign investor satisfies these and other conditions within the two-year period, the foreign investor may apply to have the conditions removed from his or her visa to live and work in the United States permanently.
32. Using the EB-5 program, the promoters create a pathway for a foreign national to gain permanent residency here in the United States. They also provide a pathway for the flow of billions of dollars in investor funds within the United States. Included with this massive amount of investment flow is the potential for lucrative consultancy opportunities, brokerage opportunities, a micro-economy of administrative and transactional business opportunities, and thinly-guised kickbacks -- commissions, referral fees, and the like -- for those who direct investment towards a particular promoter’s project.

33. Shen holds himself out to be an experienced EB-5 attorney with a nationwide presence.

34. In addition to marketing Shen's experience in EB-5 generally, Shen was engaged in marketing, promoting, and directing potential investors towards a particular EB-5 project - the Jay Peak EB-5 program.

35. In 2006, Jay Peak, captained by William Stenger and Ariel Quiros, partnered with the state run regional center (the Vermont Regional Center, hereafter "VRC") to pursue a multi-million dollar EB-5 project to develop Jay Peak, Burke, and the greater Newport area (once again, the "Jay Peak Projects"). The Jay Peak Projects include each of the following entities:

- a. Jay Peak Hotel Suites L.P. ("Phase I"), a Vermont limited partnership with its principal place of business in Jay, Vermont. Between December 2006 and May 2008, Phase I raised \$17.5 million from thirty-five (35) investors through an EB-5 offering of limited partnerships to build a hotel.
- b. Jay Peak Hotel Suites Phase II L.P. ("Phase II"), a Vermont limited partnership with its principal place of business in Jay, Vermont. Between March 2008 and January 2011, Phase II raised \$75 million from 150 investors through an EB-5 offering of limited partnership interests to build a hotel, an indoor water park, an ice rink, and a golf club house.
- c. Jay Peak Penthouse Suites L.P. ("Phase III"), a Vermont limited partnership with its principal place of business in Jay, Vermont. Between July 2010 and October 2012, Phase III raised \$32.5 million from sixty-five (65) investors through an EB-5 offering of limited partnership interests to build a fifty-five (55) unit "penthouse suites" and an activities center, including a bar and restaurant.

- d. Jay Peak Golf and Mountain Suites L.P. (“Phase IV”), a Vermont limited partnership with its principal place of business in Jay, Vermont. Between December 2010 and November 2011, Phase IV raised \$45 million from ninety (90) investors through an EB-5 offering of limited partnership interests to build “golf cottage” duplexes, a wedding chapel, and other facilities.
- e. Jay Peak Lodge and Townhouses L.P. (“Phase V”), a Vermont limited partnership with its principal place of business in Jay, Vermont. Between May 2011 and November 2012, Phase V raised \$45 million from ninety (90) investors through an EB-5 offering of limited partnership interests to build thirty (30) vacation rental townhouses, ninety (90) vacation rental cottages, a café, and a parking garage.
- f. Jay Peak Hotel Suites Stateside L.P. (“Phase VI”), a Vermont limited partnership with its principal place of business in Jay, Vermont. Between October 2011 and December 2012, Phase VI raised \$67 million from 134 investors through an EB-5 offering of limited partnership interests to build an eighty-four (84) unit hotel, eighty-four (84) vacation rental cottages, a guest recreation center, and a medical center.
- g. Jay Peak Biomedical Research Park L.P. (“Phase VII”), a Vermont limited partnership with its principal place of business in Newport, Vermont. Since November 2012, Phase VII has raised approximately \$83 million from 166 investors through an EB-5 offering of limited partnership interests to construct a biomedical research facility. Defendants seek to raise an additional \$27 million from 54 investors.

- h. QBurke Mountain Resort, Hotel and Conference Center L.P. (“Phase VIII”), a Vermont limited partnership with its principal place of business in East Burke, Vermont. Phase VIII consists of 121 investors who invested in an EB-5 offering of limited partnership interests to construct a hotel, conference center, an aquatic center, a tennis center, and a mountain bike facility.
36. On multiple occasions, Shen authored, procured, and disseminated direct advertisements to foreign investors. In those direct advertisements, Shen endorsed the Jay Peak Projects as being one of the best EB-5 enterprises in the United States, as having a 100% I-526 Petition approval rate, and as presenting one of the best investment (as to principal return) opportunities in the EB-5 realm.
37. These advertisements were specifically directed to investors in China and in the United States, including Wang, Feng, and Xiong .
38. An I-526 Petition requires a representing lawyer to acquire and supply evidence that the chosen EB-5 investment project will create ten (10) full-time positions for qualifying employees. This ten (10) job mandate requires that immigrant investor money is appropriately spent by the EB-5 project to create the requisite jobs.
39. Relying upon Shen’s representations of EB-5 expertise, Wang, Feng, and Xiong retained Shen to represent them in their investment transaction in the United States.
40. Plaintiff Feng retained Shen (in a signed retainer agreement) in December of 2013.
41. Plaintiff Wang retained Shen (in a signed retainer agreement) in May of 2014.
42. Plaintiff Xiong retained Shen (in a signed retainer agreement) in March of 2016.
43. At the time of the retainer agreements, Shen presented Wang, Feng, and Xiong with wiring instructions and written materials directing them to the Jay Peak Projects. In

particular, Shen directed Wang, Feng, and Xiong to the Phase VII Biomedical Research Park.

44. Shen informed the Wang, Feng, and Xiong that these Jay Peak investments were the best in the United States.

45. Shen informed the Wang, Feng, and Xiong that he would represent them if they invested in the Jay Peak Projects, and Shen only introduced Wang, Feng, and Xiong to the Jay Peak Projects.

46. Shen directed over seventy (70) clients to the Phase VII investment.

47. Relying upon Shen's recommendations, Wang, Feng, and Xiong pursued an investment in Phase VII.

48. Wang, Feng, and Xiong were each then presented with traditional investment offering documents for the Phase VII project.

49. The organizers of the Phase VII project and the investments' regional center were headquartered in the United States, and they operated solely in this Judicial District.

50. The offerings required Wang, Feng, and Xiong to invest a capital contribution of \$500,000 and to pay a separate administrative or management fee of \$50,000.00, which was used to pay other fees and expenses incurred by the promoters, including the payment of commissions and finder's fees.

51. The promoters of the Phase VII investment pooled the foreign investor's capital contributions to fund the Phase VII project.

52. Wang, Feng, and Xiong expected a return on their investment, not only because of the offering documents and statements of its promoters, but based upon the assurances of Shen.

53. The investments by Wang, Feng, and Xiong were passive investments, as they relied on others to develop job-creating projects.
54. Wang, Feng, and Xiong were not involved in the making or servicing of their investments in Phase VII, nor were they involved in the operation and/or management of the project itself; rather, Wang, Feng, and Xiong relied on Phase VII's promoters for the success of the projects and obtaining a return on their investments.
55. The operating agreement for Phase VII vested management control in the hands of its promoters; thus, Wang, Feng, and Xiong were dependent on the efforts of others to realize their profits.
56. Shen circulated the private placement memoranda and other offering documents to Wang, Feng, and Xiong for the Phase VII investments that were recommended.
57. These offering documents described the terms of the investment and how the profits would be allocated to the investors.
58. Shen received money directly from Jay Peak for directing clients to the various Jay Peak projects.
59. Shen received benefits from Jay Peak in exchange for directing clients to the various Jay Peak projects.
60. Shen was offered money from Phase VII's agents and/or partners for referring clients to the various Jay Peak Projects.
61. Based on the advice and recommendations of Shen, Feng signed on to the Phase VII project in December of 2013; and, thereafter, transferred \$550,000.00 to Phase VII's promoters.

62. Based on the advice and recommendations of Shen, Wang signed on to the Phase VII project in July of 2014; and, thereafter, transferred \$550,000.00 to Phase VII's promoters.
63. Based on the advice and recommendations of Shen, Xiong signed on to the Phase VII project in March of 2016; and, thereafter, transferred \$550,000.00 to Phase VII's promoters.
64. Unfortunately, and unbeknownst to any of the Plaintiffs, Phase VII (and, in fact, the phases that preceded it) were complete and total frauds.
65. Shen explicitly assured Wang, Feng, and Xiong that he would assist with the necessary due diligence and immigration suitability of the Jay Peak Projects, along with advice about projects and regional centers of which to be wary.
66. Shen did not complete any basic due diligence with regard to Wang's, Feng's, or Xiong's investments.
67. Shen did not complete any due diligence, despite representing over a hundred (100) investors in the various Jay Peak Projects (*i.e.* Phases I-VIII)
68. At all relevant times, Shen was and is not licensed to practice law in Vermont.
69. The most basic and standard legal due diligence would have revealed that Wang, Feng, and Xiong were throwing their money into a complete sham.
70. In fact, basic due diligence would have confirmed that the first wave of investor-funds (Phase I) were illegally misappropriated when they were used to fund the purchase of the Jay Peak resort.
71. Public allegations of wrongdoing began as early as 2012, when Douglas Hulme of Rapid USA Visas (an immigrant advisor for Jay Peak) issued formal, written, and detailed

complaints, raising concerns that the Jay Peak Projects were misappropriating funds in violation of state and federal laws.

72. Specifically, Douglas Hulme's attorney asked for balance sheets, banks statements and wire transfers, as well as the source-and-use of funds reports for the Jay Peak Projects, all with the aim to provide written assurances that the Jay Peak Projects were in compliance with federal and state law.

73. Hulme shared his concerns in an email to approximately a hundred lawyers in the EB-5 investment world.

74. Thereafter, in May of 2014, a group of twenty (20) Jay Peak investors began flooding Jay Peak with complaints about the Jay Peak Projects' misappropriation of investor funds.

75. Specifically, the Jay Peak investors' complaints focused on concerns regarding: (i) a double (fraudulent) sale of the "Penthouse Suites" EB-5 project at Jay Peak (the "Penthouse Suites"); (ii) the unilateral conversion of equity interests into a dubious, unsecured promissory note (the "Unsecured Promissory Note") by William Stenger, which occurred in August 2013 without notification to Jay Peak investors; and (iii) investors' inability to acquire the Jay Peak Projects' financials showing the source-and-use of Jay Peak investor funds.

76. The double (fraudulent) sale of the Penthouse Suites was originally billed as an EB-5 investor raise to construct fifty-five (55) deluxe suites – complete with an expansive living room, either one (1) or two (2) master bedrooms, a deluxe kitchen, and a balcony – atop the five-story Hotel Jay¹ (Phase II of the Jay Peak Projects). In total, the Penthouse Suites were to cover an area of approximately 46,000 sq. ft. with a total project cost of

¹ Land Use Permit #7R0854-10 shows that the Hotel Jay was to be a five-story, approximately 250,000 sq. ft. hotel, consisting of 120 guest units.

\$37,500,000.00 (\$32,500,000.00 of which was derived from Jay Peak investor funds), and a construction schedule commencing in January 2011 and ending by late 2011/early 2012. The Hotel Jay and Penthouse Suites construction was to total approximately 296,000 sq. ft. consisting of 175 suites, fifty-five (55) of which were Penthouse Suites.

77. However, after comparing their I-829 Petitions with Land Use Permit #7R0854-10-A² (which was omitted from their I-829 Petitions) and Jay Zoning Board meeting minutes from August 9, 2010, it was discovered that the combined construction of the Hotel Jay and Penthouse Suites projects amounted to a mere 258,300 sq. ft. with a total of 130 suites.

78. Thus, approximately 40,000 sq. ft. and 45 suites of the Penthouse Suites were never built and the vast majority of monies invested by the Jay Peak investors in the Penthouse Suites were left unaccounted. The Penthouse Suites were largely a fraudulent offering, as was made clear by documents that were readily available upon request, inspection, and analysis.

79. With regard to the Unsecured Promissory Note, William Stenger waited until January 2014 to inform the Jay Peak investors of its existence and further waited to disclose the actual document until April 2014.

80. In addition to converting the Jay Peak investors' equity interests into the Unsecured Promissory Note, William Stenger unilaterally dissolved the limited partnership.

81. Basic inquiry by Shen – who had unparalleled ties to the Jay Peak projects by sheer volume of clients in the projects – would have revealed the perpetual scam of each new

² Land Use Permit #7R0854-10-A was an amendment to Land Use Permit #7R0854-10 where it permitted the additional construction of approximately 8,300 sq. ft. consisting of only ten (10) guest suites on the fifth floor of the Hotel Jay.

investment raise being used to pay for the scam project that proceeded it (along with the misappropriation and illicit payments to those involved).

82. In fact, Jay Peak did not provide Shen with any financial information on how EB-5 investor money was spent and, indeed, Shen never requested any.

83. Shen conducted no meaningful or basic due diligence in regard to each of his clients' one-half million dollar investment in a security.

84. From 2013 to 2016, Shen flew first class around the world using the substantial fees that he had collected from his clients. Had Shen simply used this money and these travels to investigate Phase VII's parent company (AncBio in South Korea), Shen would have discovered that AncBio was sold at auction in May of 2014 to satisfy its creditors.

85. Had Shen done the required due diligence for his clients, Shen would have also learned that Phase VII had done absolutely nothing to obtain approval from the U.S. Food and Drug Administration for the Phase VII research center's products – a base level prerequisite for the operation of Phase VII and the use of the Plaintiffs' investment funds.

86. Had Shen performed basic due diligence, Shen would have advised his clients as to what was confirmed in April of 2016 when the United States Securities and Exchange Commission filed a securities fraud lawsuit against the Jay Peak developers and promoters for complete misappropriation of EB-5 investor funds.

87. Upon information and belief, Shen failed to inform clients, including Wang, Feng, and Xiong, of the wrongdoing at Jay Peak because Shen was receiving direct financial compensation, indirect compensation, and/or benefits from Jay Peak that created an impermissible conflict of interest.

88. Because of Shen's wrongdoing, deceit, omissions, and failure to follow through on his attorney obligations, along with his overall disloyalty, Wang, Feng, and Xiong never received the proper documentation verifying how EB-5 investors' funds were being used at Jay Peak.
89. But for Shen's wrongdoing, deceit, omissions, and failure to follow through on his attorney obligations, Wang, Feng, and Xiong would not have subscribed to Jay Peak as Phase VII investors.
90. Because of Shen's wrongdoing, deceit, omissions and failures to follow through on his attorney obligations, Shen wrongfully benefitted himself at the expense of Wang, Feng, and Xiong, and wrongfully retained client funds that had not been earned.
91. Because of Shen's wrongdoing, deceit, omissions, and failures to follow through on his attorney obligations, the Wang, Feng, and Xiong have lost their investment, their administrative fees, and the fees paid to Shen.
92. Due to the inaction/actions of Shen and the total fraud of Phase VII, Wang, Feng, and Xiong, and their families, now reside in Beijing, China.

B. CAUSES OF ACTION AGAINST DEFENDANTS SHEN AND SHENLAW LLC

COUNT I

Malpractice (Against Defendants Shen and ShenLaw LLC)

93. Plaintiffs Wang, Feng, and Xiong incorporate the factual allegations against Shen and ShenLaw LLC of this Complaint as if fully set forth hereunder.
94. At all relevant times, Shen owed Plaintiffs Wang, Feng, and Xiong a duty of care arising from the attorney-client relationship.

95. By Shen's representations, Shen owed Plaintiffs Wang, Feng, and Xiong a duty of care to exercise professional skill commensurate with Shen's expertise and superior legal skill, knowledge, and ethical standards.
96. In the course of the representation of Plaintiffs Wang, Feng, and Xiong, Shen breached his duties to Plaintiffs Wang, Feng, and Xiong by failing to exercise reasonable care and skill in handling their case.
97. In the course of the representation of Plaintiffs Wang, Feng, and Xiong, Shen breached his duty to Plaintiffs Wang, Feng, and Xiong by failing to exercise the care and skill expected of specialized attorneys (as represented by Shen).
98. In the course of the representation of Plaintiffs Wang, Feng, and Xiong, Shen breached his duty to Plaintiffs Wang, Feng, and Xiong by intentionally and continually failing to abide by their lawful instructions and requests, and by taking actions contrary to their interests.
99. In the course of the representation of Plaintiffs Wang, Feng, and Xiong, Shen breached the duty of care owed to Plaintiffs Wang, Feng, and Xiong by actively committing and condoning multiple violations of the Vermont Rules of Professional Conduct, most notably practicing law in Vermont without a license.
100. As a proximate cause of Shen's breaches and wrongdoing, Plaintiffs Wang, Feng, and Xiong suffered and continue to suffer harm and damages, including special damages as to their reputations in an amount to be determined at trial.

COUNT II

Breach of Contract (Against Defendants Shen and ShenLaw LLC)

101. Plaintiffs Wang, Feng, and Xiong incorporate the factual allegations against Shen and ShenLaw LLC of this Complaint as if fully set forth hereunder.
102. In their representation of Plaintiffs Wang, Feng, and Xiong, Shen agreed to bill Plaintiffs Wang, Feng, and Xiong and retain payment for legal services performed on their behalf.
103. In their representation of Plaintiffs Wang, Feng, and Xiong, Shen billed Plaintiffs Wang, Feng, and Xiong and retained payments from them for legal services that were not performed and for services that were falsely represented to have been performed.
104. For good and valuable consideration, Shen agreed to provide legal services on Wang's, Feng's, and Xiong's behalf for their benefit in the I-526 Petition and its associated due diligence.
105. Shen breached the contract with Plaintiffs Wang, Feng, and Xiong by failing to provide legal services that were contracted for and by falsely representing those services.
106. As a consequence of Shen's breach, Plaintiffs Wang, Feng, and Xiong suffered and continue to suffer harm and damages in an amount to be determined at trial.

COUNT III

Breach of Good Faith and Fair Dealing (Against Defendants Shen and ShenLaw LLC)

107. Plaintiffs Wang, Feng, and Xiong incorporate the factual allegations against Shen and ShenLaw LLC of this Complaint as if fully set forth hereunder.
108. At all relevant times, Plaintiffs Wang, Feng, and Xiong and Shen were bound to execute their agreement for representation and legal services consistent with the covenant of good faith and fair dealing.

109. Plaintiffs Wang, Feng, and Xiong expended money and resources to both pay and assist Shen in their representation according to the requests of Shen and the necessity of preparing Plaintiffs Wang's, Feng's, and Xiong's I-526 Petitions and the associated due diligence.
110. Plaintiffs Wang, Feng, and Xiong reasonably expected that the money and expenditure of time and resources were being used by Shen to prepare Plaintiffs' I-526 Petitions and the associated due diligence.
111. In fact, Wang's, Feng's, and Xiong's money, time, and resources were not being used for the preparation of their I-526 Petitions and the associated due diligence, and worse, Wang's, Feng's, and Xiong's money, time, and resources were being funneled to a sham representation filled with false efforts, false information, and the fraudulent appearance of responsive representation.
112. As a consequence of Shen's wrongful acts and conduct, Wang, Feng, and Xiong have suffered and continue to suffer harm and damages, and Shen has been, and continues to be, unjustly enriched.

COUNT IV

Quantum Meruit/Unjust Enrichment (Against Defendants Shen and ShenLaw LLC)

113. Plaintiffs Wang, Feng, and Xiong incorporate the factual allegations against Shen and ShenLaw LLC of this Complaint as if fully set forth hereunder.
114. Shen billed Plaintiffs Wang, Feng, and Xiong for legal services that were not performed.
115. Shen accepted and retained consideration for legal services that were not performed.

116. As a consequence of Shen's wrongful acts and conduct, Wang, Feng, and Xiong have suffered, and continue to suffer, harm and damages, and Shen has been, and continues to be, unjustly enriched.

COUNT V

Violation of Section 10(b) and Rule 10b-5 (Against Defendants Shen and ShenLaw LLC)

117. Plaintiffs Wang, Feng, and Xiong incorporate the factual allegations against Shen and ShenLaw LLC of this Complaint as if fully set forth hereunder.

118. This Count is asserted against Shen and is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder.

119. The EB-5 investments are securities under the meaning of Exchange Act.

120. Shen is not a registered broker of securities.

121. Shen directly engaged in a common plan, scheme, and unlawful course of conduct, pursuant to which they knowingly or recklessly engaged in acts, practices, and courses of business which operated as a fraud and deceit upon Wang, Feng, and Xiong, and made various deceptive and untrue statements of material facts and omitted to state material facts necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading to Wang, Feng, and Xiong. The purpose and effect of this scheme, plan, and unlawful course of conduct was, among other things, to induce Wang, Feng, and Xiong to subscribe and invest in the Jay Peak projects.

122. Shen, pursuant to said scheme, plan, and unlawful course of conduct, knowingly, and recklessly issued, caused to be issued, participated in the issuance of, the preparation and issuance of deceptive and materially false and misleading statements to Wang, Feng, and Xiong as particularized above.

123. When he made false statements and committed his omissions, Shen knew facts or had access to information suggesting that their public statements were not accurate or recklessly failed to check information they had a duty to monitor and which would have demonstrated the falsity of their statements.
124. Shen was motivated to commit wrongful acts by the receipt of lucrative fees from investors who became legal clients, as well as monetary compensation and benefits conferred upon Shen by the Jay Peak entities.
125. In ignorance of the false and misleading nature of the statements described above and the deceptive and manipulative devices and contrivances employed by Shen, Plaintiffs Wang, Feng, and Xiong relied, to their detriment, on such misleading statements and omissions in purchasing limited partnership interests in the Jay Peak Projects. Wang, Feng, and Xiong have suffered substantial damages as a result of the wrongs alleged herein.
126. Shen, by engaging in the conduct described above, directly or indirectly, in connection with the purchase or sale of a security, by the use of means or instrumentalities or interstate commerce, of the mails, or of the facilities of a national securities exchange, with scienter:
- a. employed devices, schemes, or artifices to defraud;
 - b. made untrue statements of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
 - c. engaged in acts, practices or courses of business which operated or would operate as a fraud or deceit upon other persons.

127. By engaging in the conduct described above, Shen violated, and unless restrained and enjoined, will continue to violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.
128. By reason of the foregoing, Shen directly violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder in that he: (a) employed devices, schemes, and artifices to defraud; (b) made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances which they were made, not misleading; or (c) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon Plaintiffs Wang, Feng, and Xiong in connection with their investments in the Jay Peak Projects.
129. As a result, Plaintiffs Wang, Feng, and Xiong suffered, and continue to suffer, harm and damages.

COUNT VI

Consumer Fraud – Unfair and Deceptive Acts & Violation of the Consumer Fraud Act – 9 V.S.A. §§ 2451, et al. (Against Defendants Shen and ShenLaw LLC)

130. Plaintiffs Wang, Feng, and Xiong incorporate the factual allegations against Shen and ShenLaw LLC of this Complaint as if fully set forth hereunder.
131. Shen made misrepresentations, concealed information, and engaged in unfair practices that were likely to mislead and, in fact, did mislead Plaintiffs Wang, Feng, and Xiong with regard to the services of state oversight, administration, management, and overall regulation of the Jay Peak Projects.
132. Specifically, in order to induce Plaintiffs Wang, Feng, and Xiong to avail themselves of the Jay Peak Projects and to induce representation in exchange for fees, Shen represented

that the Phase VII projects was one of the best in United States and that Shen would represent their investment interests.

133. Plaintiffs Wang, Feng, and Xiong reasonably interpreted Shen's misrepresentations in this regard, and paid fees and made their investment to the benefit of Shen and to their own detriment.

134. The misleading effect of Shen's misrepresentations, willful omissions, or fraudulent practices were material because they affected Wang's, Feng's, and Xiong's decision to select Shen and the Jay Peak Projects as a sound investment in reliance upon the representations of Shen.

135. Shen's misrepresentations, willful omissions, or fraudulent practices were made with wanton disregard for the rights of Plaintiffs Wang, Feng, and Xiong.

136. As a result, Plaintiffs Wang, Feng, and Xiong suffered, and continue to suffer, harm and damages.

COUNT VII

Breach of Fiduciary Duty (Against Defendants Shen and ShenLaw LLC)

137. Plaintiffs Wang, Feng, and Xiong incorporate the factual allegations against Shen and ShenLaw LLC of this Complaint as if fully set forth hereunder.

138. As Wang's, Feng's, and Xiong's attorneys, Shen acted in a fiduciary capacity in relation to Wang, Feng, and Xiong, and their interests.

139. In their legal representation of Wang, Feng, and Xiong, Shen was required to execute his fiduciary duties by acting in good faith and with loyalty for the advancement of Wang's, Feng's, and Xiong's interests, and with the care of an ordinarily prudent person in a like position would exercise under similar circumstances.

140. Shen had a duty to avoid conflicts of interest that may have impaired Shen's ability to exercise independent professional judgment on behalf of Wang, Feng, and Xiong.
141. Shen had a corresponding duty to disclose potential conflicts to Wang, Feng, and Xiong, and to obtain informed consent for continuation of the representation in light of those potential conflicts.
142. Shen had a corresponding duty to represent Wang, Feng, and Xiong without allowing potential conflicts to impair or affect Shen's prudent judgment and proper representation of Wang, Feng, and Xiong.
143. Shen breached his fiduciary duties because he failed to act in good faith, failed to act with loyalty in the advancement of Wang's, Feng's, and Xiong's interests, and failed to act with the care of an ordinarily prudent person in a like position would exercise under similar circumstances by funneling Wang's, Feng's, and Xiong's money, time, and resources into a sham representation filled with false efforts, false information, and the fraudulent appearance of responsive representation.
144. Shen breached his fiduciary duties because he failed to act in good faith, failed to act with loyalty in the advancement of Wang's, Feng's, and Xiong's interests, and failed to act with the care of an ordinarily prudent person in a like position would exercise under similar circumstances by intentionally and continually failing to abide by Wang's, Feng's, and Xiong's lawful instructions and requests, and by taking actions contrary to their interests.
145. Shen breached his fiduciary duties because he failed to avoid conflicts of interest, failed to disclose any and all conflicts of interest, and allowed conflicts of interest to affect their prudent judgment and representation of Wang, Feng, and Xiong.

146. Specifically, Shen breached his fiduciary duties by failing to investigate and/or disclose and all material and necessary facts to Wang, Feng, and Xiong prior to their investments in the Phase VII project.

147. But for Shen's wrongful acts and conduct, Wang, Feng, and Xiong would not have invested in the Phase VII project.

148. As a consequence of Shen's wrongful acts and conduct, Wang, Feng, and Xiong have suffered, and continue to suffer, harm and damages.

C. PRAYER FOR RELIEF

WHEREFORE, Plaintiffs Wang, Feng, and Xiong respectfully request the following relief from Defendants Shen and ShenLaw LLC:

1. Compensatory, consequential, and general damages in an amount to be determined at trial;
2. Disgorgement and restitution of all earnings, profits, compensation and benefits received by Defendants Shen and ShenLaw LLC as a result of their unlawful acts and practices;
3. Punitive damages for each claim to the maximum extent available under law on account of the outrageous nature of Defendants', Shen and ShenLaw LLC, willful and wanton disregard for Plaintiffs', Wang, Feng, and Xiong, rights;
4. Award treble damages under 9 V.S.A. §§ 2453 and 2461 in an amount to be determined at trial;
5. Compensatory, consequential, and general damages under Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5, in an amount to be determined at trial;

6. Costs and disbursements of the action;
7. Pre- and post-judgment interest;
8. Reasonable attorneys' fees; and
9. Total damages in excess of \$2,000,000.00, individually, for Plaintiffs Wang, Feng, and Xiong; and
10. Such other relief as this Court deems just and proper.

D. JURY TRIAL DEMAND

PLAINTIFFS DEMAND TRIAL BY JURY ON ALL ISSUES SO TRIABLE.

PART 2

A. CLASS ACTION ALLEGATIONS

i. DEFENDANTS WERE PART OF A SCHEME TO RECEIVE ILLEGAL, UNETHICAL, AND UNDISCLOSED KICKBACKS FOR EACH PLAINTIFF-CLIENT THAT SUBSCRIBED TO THE FRAUDULENT JAY PEAK PROJECTS

1. Defendants held themselves out to be experienced EB-5 attorneys, often with a nationwide and/or international presence.
149. In addition to marketing their experience in EB-5 generally, Defendants were engaged in marketing, promoting, and directing potential investors towards a particular EB-5 project – the Jay Peak Projects.
150. In addition to the promotional work done for the Jay Peak Projects, at all relevant times, Defendants engaged in the professional trade and business of providing legal services to Plaintiffs.
151. In substantial part, Defendants' business is aimed at handling transactions for immigrant investors through the federal EB-5 Immigrant Investor Program.

152. At all relevant times, the Defendants were retained by Plaintiffs and derived substantial income and financial gain from fees collected from the Plaintiffs for their purported legal services.
153. At all relevant times, the Defendants were subject to Rules 1.4, 1.7, 1.8 and 5.4 of the Vermont Rules of Professional Conduct, among others, wherein they possessed a duty to disclose potential conflicts of interest, a duty to retain professional independence, and a duty to not represent clients with adverse interests.
154. Defendants collected legal fees from Plaintiffs of upwards of \$18,000.00 per person.
155. Thus, as Defendant Shen alone had over one hundred (100) clients in the Jay Peak Projects, the projected legal fees collected by all Defendants are well in excess of \$1,800,000.00 (which is based on Defendant Shen's approximated legal fees alone).
156. At all relevant times, in addition to the legal fees collected from their clients, Defendants received kickbacks from the Jay Peak Projects for each investor-client that subscribed to the Jay Peak Projects and did not disclose such kickbacks to Plaintiffs.
157. Such kickbacks rendered Defendants the *de facto* agents of the Jay Peak Projects.
158. In spite of Defendants' professional and fiduciary obligations as Plaintiffs' attorneys, they did not disclose the kickbacks they received from the Jay Peak Projects.
159. Ultimately, the Jay Peak Projects' offerings required the Plaintiffs to invest a capital contribution of \$500,000.00 and to pay a separate administrative fee of \$50,000.00, which was used to pay other fees and expenses incurred by the promoters, including the payment of commissions, finder's fees, and the kickbacks received by Defendants (who, once again, failed to disclose this conflict of interest to Plaintiffs).

160. Unbeknownst to the Plaintiffs, the \$50,000.00 administrative fees they contributed were also used to pay kickbacks to their very own immigration attorneys, who steered Plaintiffs to subscribe to the Jay Peak Projects in the first place.
161. This structure enabled the Jay Peak Projects to pay lucrative kickbacks of upwards of \$25,000.00 (or more) to Defendants for every Plaintiff-client that subscribed to the Jay Peak Projects.
162. Such kickbacks were memorialized in contracts (once again, referred to herein as “Kickback Agreements”) between the Jay Peak Projects and Defendants, which are governed by Vermont law (a true and accurate copy of such a contract is attached hereto as **Exhibit 1**).
163. Such Kickback Agreements establish a juridical link between all Defendants because they all have a legal relationship with the Jay Peak Projects to the detriment of the Plaintiffs and their interests.
164. The prospect and receipt of these illegal kickbacks resulted in Defendants promoting and improperly steering their Plaintiff-clients to the Jay Peak Projects.
165. Indeed, in violation of federal securities laws, state securities laws, and basic attorney ethics, Defendants received upwards of \$25,000.00 (or more) from the Jay Peak Projects for each Plaintiff-client that subscribed.
166. Defendant Shen accumulated kickbacks totaling \$1,255,000.00.
167. Defendants Silver accumulated kickbacks totaling \$685,000.00.
168. Defendant Dai accumulated kickbacks totaling \$210,000.00.
169. Defendant Geng accumulated kickbacks totaling \$195,000.00.
170. Defendants Huan accumulated kickbacks totaling \$140,000.00.

171. Defendant Geng & Zhang accumulated kickbacks totaling \$95,000.00.
172. Defendants Snyder accumulated kickbacks totaling \$90,000.00.
173. Defendants Flores accumulated kickbacks totaling \$90,000.00.
174. Defendants Cheng accumulated kickbacks totaling \$80,000.00.
175. Altogether, the named Defendants received kickbacks totaling \$2,840,000.00.
176. Additionally, the named Defendants are not the only attorneys/promoters/agents that received such kickbacks.
177. Given the legal fees collected by the named Defendants (at least \$1,800,000.00), the kickbacks received by the named Defendants (at least \$2,840,000.00), and the kickbacks taken by the unnamed Defendants, all Defendants received monies well in excess of \$5,000,000.00.
178. As a result of these kickbacks, and the prospect thereof, Defendants failed in performing their ethical and professional duties, for which they are responsible as Plaintiffs' attorneys and fiduciaries.

**ii. THE PLAINTIFFS' CLASS SATISFIES THE REQUIREMENTS OF RULES 23(A), 23(B)(1)(B),
AND 23 (C)(4) OF THE FEDERAL RULES OF CIVIL PROCEDURE**

179. In this case, the Plaintiffs' Class satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure.
180. The Plaintiffs' Class satisfies the numerosity requirement. There were hundreds of investors who would not have invested in the Jay Peak Projects if they had known that their attorneys took kickbacks from the Jay Peak Projects for every investor that subscribed. The membership of the Plaintiffs' Class is so numerous as to render joinder impracticable. The precise number of the Plaintiffs' class members remains

indeterminate and can only be ascertained through discovery, but the named Plaintiffs believe it is in the hundreds.

181. Typicality is also satisfied. The losses suffered by the named Plaintiffs were caused by the same events, patterns of practice, and courses of conduct that give rise to the claims of the other members of the Plaintiffs' Class. The named Plaintiffs are members of the Plaintiffs' Class and the losses to the named Plaintiffs are based on the same legal theories.

182. The common questions requirement is also satisfied as the numerous predominant questions of law and fact that are common to the Plaintiffs' Class include the following:

- a. Whether Defendants owe a duty to disclose the illegal kickbacks received by the Jay Peak Project in connection with the sale of the Jay Peak Projects' limited partnership interests to the Plaintiffs.
- b. Whether the Defendants' intent for failing to disclose the illegal kickbacks from the Jay Peak Projects is predicated on: (i) receiving the secret and illegal kickbacks; and (ii) fear that the Plaintiffs would not invest in the Jay Peak Projects if Defendants' disclosed the illegal kickbacks received from the Jay Peak Projects.
- c. Whether the Defendants' knowledge of the illegal kickbacks received from the Jay Peak Projects motivated them to conceal such kickbacks from the Plaintiffs for fear that the Plaintiffs would not invest in the Jay Peak Projects.
- d. Whether the Plaintiffs relied on Defendants' omitting the receipt of their illegal kickbacks from Jay Peak by investing in the Jay Peak Projects.

- e. Whether the Plaintiffs are entitled to the forfeiture of their legal fees and entitled to the kickbacks based on the Defendants' failure to disclose the illegal kickbacks.
- f. Whether Defendants made material omissions in connection with Plaintiffs' purchase of their interests in the Jay Peak Projects.
- g. Whether Defendants committed malpractice by:
 - i. Receiving illegal kickbacks from the Jay Peak Projects for each Plaintiff that subscribed to the Jay Peak Projects;
 - ii. Failing to disclose the illegal kickbacks received by the Jay Peak Projects to the Plaintiffs;
 - iii. Failing to maintain independence and adequately representing the Plaintiffs' interests because of the receipt of illegal kickbacks from the Jay Peak Projects; and
 - iv. Profiting at Plaintiffs' expense.
- h. Whether Defendants breached their fiduciary duties and obligations, by:
 - i. Receiving illegal kickbacks from the Jay Peak Projects for each Plaintiff that subscribed to the Jay Peak Projects;
 - ii. Failing to disclose the illegal kickbacks received by the Jay Peak Projects to the Plaintiffs;
 - iii. Failing to maintain independence and adequately representing the Plaintiffs' interests because of the receipt of illegal kickbacks from the Jay Peak Projects; and
 - iv. Profiting at Plaintiffs' expense.

- i. Whether the Defendants committed consumer fraud by employing unfair and deceptive practices with regard to Plaintiffs by:
 - i. Concealing information, and/or engaging in unfair practices, such as omitting the receipt of illegal kickbacks from the Jay Peak Projects, that were likely to mislead and, in fact, did mislead Plaintiffs in selecting Defendants as their legal representatives and selecting the Jay Peak Projects as their EB-5 project; and
 - ii. Inducing Plaintiffs to invest in the Jay Peak Projects and selecting the Defendants as their legal representatives by omitting that Defendants received illegal kickbacks from the Jay Peak Projects.
 - j. Whether Defendants breached the covenant of good faith and fair dealing by:
 - i. Receiving illegal kickbacks from the Jay Peak Projects for each Plaintiff that subscribed to the Jay Peak Projects;
 - ii. Failing to disclose the illegal kickbacks received by the Jay Peak Projects to the Plaintiffs;
 - iii. Failing to maintain independence and adequately representing the Plaintiffs' interests because of the receipt of illegal kickbacks from the Jay Peak Projects; and
 - iv. Profiting at Plaintiffs' expense.
183. The Plaintiffs' Class includes all persons whose attorneys received illegal kickbacks from the Jay Peak Projects and purchased securities with the Jay Peak Projects using the services of, and in reliance upon, the Defendants, as described herein.

184. The Plaintiffs' Class is so numerous and geographically dispersed that joinder of all members is impracticable except by means of a class action.

185. The named Plaintiffs assert claims that are typical of the claims of the entire Plaintiffs' Class. The named Plaintiffs, like all members of the Plaintiffs' Class, committed legal fees for Defendants' legal services and invested in the Jay Peak Projects due to Defendants' unlawful and deceptive conduct.

186. The named Plaintiffs will fairly and adequately represent and protect the interests of the class. Further, the named Plaintiffs have no interest antagonistic to those of the Plaintiffs' Class. The named Plaintiffs have retained counsel who is competent and experienced in complex litigation.

**v. THE DEFENDANTS' CLASS SATISFIES THE REQUIREMENTS OF RULES 23(A), 23(B)(1)(B),
AND 23 (C)(4) OF THE FEDERAL RULES OF CIVIL PROCEDURE**

187. In this case, the Defendants' Class satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure.

188. The Defendants' Class satisfies the numerosity requirement. There were dozens of attorneys who willingly received kickbacks from the Jay Peak Projects for every Plaintiff that subscribed. The membership of the Defendants' Class is so numerous as to render joinder impracticable. The precise number of the Defendants' class members remains indeterminate and can only be ascertained through discovery, but the named Plaintiffs believe it is in excess of one-hundred (100) Defendants.

189. Typicality is also satisfied. The Defendants engaged in the same events, patterns of practice, and courses of conduct that give rise to the claims of the Plaintiffs' Class. The named Defendants are members of the Defendants' Class, and the conduct of the named Defendants, which subjects them to the forfeiture of legal fees and the disgorgement of

the illegal kickbacks gained at the named Plaintiffs expense, are based on the same legal theories.

190. The common questions requirement is also satisfied as the numerous predominant questions of law and fact that are common to the Defendants' Class include the following:

- a. Whether Defendants owe a duty to disclose the illegal kickbacks received by the Jay Peak Projects in connection with the sale of the Jay Peak Projects' limited partnership interests to the Plaintiffs.
- b. Whether the Defendants' intent for failing to disclose the illegal kickbacks from the Jay Peak Projects is predicated on: (i) receiving the secret and illegal kickbacks; and (ii) fear that the Plaintiffs would not invest in the Jay Peak Projects if Defendants' disclosed the illegal kickbacks received from the Jay Peak Projects.
- c. Whether the Defendants' knowledge of the illegal kickbacks received from the Jay Peak Projects motivated them to conceal such kickbacks from the Plaintiffs for fear that the Plaintiffs would not invest in the Jay Peak Projects.
- d. Whether the Plaintiffs relied on Defendants' material omission of the receipt of the illegal kickbacks from Jay Peak by investing in the Jay Peak Projects.
- e. Whether the Plaintiffs are entitled to the forfeiture of their legal fees and entitled to the kickbacks based on the Defendants' failure to disclose the illegal kickbacks.
- f. Whether Defendants made material omissions in connection with Plaintiffs' purchase of their interests in the Jay Peak Projects.
- g. Whether Defendants committed malpractice by:

- i. Receiving illegal kickbacks from the Jay Peak Projects for each Plaintiff that subscribed to the Jay Peak Projects;
 - ii. Failing to disclose the illegal kickbacks received by the Jay Peak Projects to the Plaintiffs;
 - iii. Failing to maintain independence and adequately representing the Plaintiffs' interests because of the receipt of illegal kickbacks from the Jay Peak Projects; and
 - iv. Profiting at Plaintiffs' expense;
- h. Whether Defendants breached their fiduciary duties and obligations, by:
 - i. Receiving illegal kickbacks from the Jay Peak Projects for each Plaintiff that subscribed to the Jay Peak Projects;
 - ii. Failing to disclose the illegal kickbacks received by the Jay Peak Projects to the Plaintiffs;
 - iii. Failing to maintain independence and adequately representing the Plaintiffs' interests because of the receipt of illegal kickbacks from the Jay Peak Projects; and
 - iv. Profiting at Plaintiffs' expense.
- i. Whether the Defendants committed consumer fraud by employing unfair and deceptive practices with regard to Plaintiffs by:
 - i. Concealing information, and/or engaging in unfair practices, such as omitting the receipt of illegal kickbacks from the Jay Peak Projects, that were likely to mislead and, in fact, did mislead Plaintiffs in selecting

Defendants as their legal representatives and selecting the Jay Peak Projects as their EB-5 project; and

ii. Inducing Plaintiffs to invest in the Jay Peak Projects and selecting the Defendants as their legal representatives by omitting that Defendants received illegal kickbacks from the Jay Peak Projects.

j. Whether Defendants breached the covenant of good faith and fair dealing by:

- i. Receiving illegal kickbacks from the Jay Peak Projects for each Plaintiff that subscribed to the Jay Peak Projects;
- ii. Failing to disclose the illegal kickbacks received by the Jay Peak Projects to the Plaintiffs;
- iii. Failing to maintain independence and adequately representing the Plaintiffs' interests because of the receipt of illegal kickbacks from the Jay Peak Projects; and
- iv. Profiting at Plaintiffs' expense.

191. This Defendants' Class includes all attorneys who received illegal kickbacks from the Jay Peak Projects for every Plaintiff that subscribed to the Jay Peak Projects.

192. The Defendants' Class is so numerous and geographically dispersed that joinder of all members is impracticable except by means of a class action.

193. The named Plaintiffs assert claims that are typical of the claims of the entire Plaintiffs' Class. The named Plaintiffs, like all members of the Plaintiffs' Class, committed legal fees for Defendants' legal services and invested in the Jay Peak Projects due to Defendants' unlawful and deceptive conduct.

194. The named Defendants will fairly and adequately represent and protect the interests of the Defendants' Class. The named Defendants have no interest antagonistic to those of the Defendants' Class. Upon information and belief, the named Defendants have retained counsel who are competent and experienced in complex litigation.

B. CLASS ACTION CAUSES OF ACTION

COUNT VIII

Breach of Fiduciary Duty (Against All Defendants)

195. Plaintiffs incorporate the Class Action Allegations of this Complaint as if fully set forth hereunder.

196. As Plaintiffs' attorneys, Defendants acted in a fiduciary capacity in relation to Plaintiffs and their interests.

197. In their legal representation of Plaintiffs, Defendants were required to execute their fiduciary duties by acting in good faith and with loyalty for the advancement of Plaintiffs' interests, and with the care of an ordinarily prudent person in a like position would exercise under similar circumstances.

198. Defendants had a duty to avoid conflicts of interest that may have impaired Defendants' ability to exercise independent professional judgment on behalf of the Plaintiffs.

199. Defendants had a corresponding duty to disclose potential conflicts to Plaintiffs, and to obtain informed consent for continuation of the representation in light of those potential conflicts.

200. Defendants had a corresponding duty to represent the Plaintiffs without allowing potential conflicts to impair or affect Defendants' prudent judgment and proper representation of Plaintiffs.

201. Defendants breached their fiduciary duties because they failed to act in good faith, failed to act with loyalty in the advancement of Plaintiffs' interests, and failed to act with the care of an ordinarily prudent person in a like position would exercise under similar circumstances by failing to disclose, and taking actions contrary to Plaintiffs' interests, through the receipt of kickbacks of upwards of \$25,000.00 (or more) from the Jay Peak Projects.

202. Defendants breached their fiduciary duties because they failed to avoid conflicts of interest, failed to disclose any and all conflicts of interest, including, but not limited to, failing to disclose their referral relationship with the Jay Peak Projects, and allowed conflicts of interest to affect their prudent judgment and representation of Plaintiffs by forcing Plaintiffs into the fraudulent Jay Peak Projects in exchange for kickbacks of upwards of \$25,000.00 (or more) paid by the Jay Peak Projects for each investor-client that subscribed to the Jay Peak Projects.

203. Indeed, Defendants' failure to disclose the receipt of illegal kickbacks of upwards of \$25,000.00 (or more) for each Plaintiff that subscribed to the Jay Peak Projects is criminal behavior proscribed by 18 U.S.C. § 1346 (which prohibits fraud through depriving another of "honest services").

204. But for Defendants' wrongful acts and conduct, Plaintiffs would not have selected Defendants as their legal representatives and would not have invested in the Jay Peak Projects.

205. As a consequence of Defendants' wrongful acts and conduct, Plaintiffs are entitled to the forfeiture of their legal fees paid to Defendants and the disgorgement of the illegal kickbacks taken by Defendants.

COUNT IX

***Consumer Fraud – Unfair and Deceptive Acts & Violation of the Consumer Fraud Act – 9
V.S.A. §§ 2451, et al. (Against All Defendants)***

206. Plaintiffs incorporate the Class Action Allegations of this Complaint as if fully set forth hereunder.

207. Defendants concealed information and engaged in unfair practices, through the receipt of monetary kickbacks from the Jay Peak Projects of upwards of \$25,000 (or more), that were likely to mislead and, in fact, did mislead Plaintiffs with regard to selecting Defendants as their legal representatives and choosing the Jay Peak Projects as their EB-5 investment.

208. Specifically, in order to induce Plaintiffs to subscribe to the Jay Peak Projects and to induce Plaintiffs to select the Defendants as their legal representatives in exchange for fees, Defendants willfully concealed their receipt of kickbacks of upwards \$25,000.00 or more from the Jay Peak Projects.

209. Plaintiffs reasonably interpreted the Defendants' willful omissions in this regard, and paid fees to Defendants for legal services and made their investment in the Jay Peak Projects to the benefit of Defendants and to their own detriment.

210. The misleading effect of Defendants' willful omissions, or fraudulent practices were material because they affected Plaintiffs' decision to select Defendants for legal services and the Jay Peak Projects as a sound EB-5 investment in reliance upon the omissions of Defendants.

211. The Defendants' willful omissions and/or fraudulent practices were made with wanton disregard for the rights of Plaintiffs.

212. As a result, Plaintiffs are entitled to the forfeiture of their legal fees paid to Defendants and the disgorgement of the illegal kickbacks taken by Defendants.

COUNT X

Malpractice (Against All Defendants)

213. Plaintiffs incorporate the Class Action Allegations of this Complaint as if fully set forth hereunder.

214. At all relevant times, each and every attorney in the Defendants' Class had an attorney-client relationship with a Plaintiff in the Plaintiffs' Class.

215. Each and every attorney-client relationship contains an agreement to avoid conflicts of interest.

216. Each Defendant breached the agreement to avoid conflicts of interests and failed to uphold the duty of loyalty by taking illegal and undisclosed kickbacks of upwards of \$25,000.00 or more from the Jay Peak Projects.

217. As a proximate cause of Defendants' breaches and wrongdoing, Plaintiffs are entitled to the forfeiture of their legal fees paid to Defendants and the disgorgement of the illegal kickbacks taken by Defendants.

COUNT XI

Breach of Good Faith and Fair Dealing (Against All Defendants)

218. Plaintiffs incorporate the Class Action Allegations of this Complaint as if fully set forth hereunder.

219. At all relevant times, each and every attorney in the Defendants' Class had an attorney-client relationship with a Plaintiff in the Plaintiffs' Class.

220. Each and every attorney-client relationship contains an agreement to avoid conflicts of interest and a duty of loyalty.
221. At all relevant times, the parties were bound to execute their agreement for representation and legal services consistent with the covenant of good faith and fair dealing.
222. Plaintiffs expended money and resources to both pay and assist Defendants in their legal representation according to the duties inherent to the attorney-client relationship.
223. Plaintiffs reasonably expected that the money and expenditure of time and resources were being used by Defendants according to the duties inherent to the attorney-client relationship.
224. In fact, Plaintiffs' money, time, and resources were not being performed in accordance to the duties inherent to the attorney-client relationship because the Defendants took illegal, unethical, and undisclosed kickbacks of upwards of \$25,000.00 or more, paid by the Jay Peak Projects, for every investor-client that subscribed to the Jay Peak Projects.
225. Defendants breached the covenant of good faith and fair dealing by failing to disclose to their investor-clients that they received illegal kickbacks of upwards of \$25,000.00 or more for every investor-client that subscribed to the Jay Peak Projects,
226. As a consequence of Defendants' wrongful acts and conduct, Plaintiffs are entitled to the forfeiture of their legal fees paid to Defendants and the disgorgement of the illegal kickbacks taken by Defendants, and Defendants have been and continue to be unjustly enriched.

C. PRAYER FOR RELIEF

WHEREFORE, the Class Action Plaintiffs respectfully request the following relief:

1. Disgorgement and restitution of all earnings, profits, compensation and benefits received by Defendants as a result of their unlawful acts and practices;
2. Award treble damages under 9 V.S.A. §§ 2453 and 2461 in an amount based on the disgorgement and restitution of all earnings, profits, compensation and benefits received by Defendants as a result of their unlawful acts and practices;
3. Disgorgement and restitution of all earnings, profits, compensation and benefits under Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5, based on the disgorgement and restitution of all earnings, profits, compensation, and benefits received by Defendants as a result of their unlawful acts and practices;
4. Costs and disbursements of the action;
5. Pre- and post-judgment interest;
6. Reasonable attorneys' fees; and
7. Such other relief as this Court deems just and proper.

D. JURY TRIAL DEMAND

PLAINTIFFS DEMAND TRIAL BY JURY ON ALL ISSUES SO TRIABLE.

Dated: June 22, 2018
Stowe, Vermont

Respectfully Submitted,

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