

Exhibit 5

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Attorneys for James Hooper

UNIVERSAL LENDING DEPOT, LLC,

Plaintiff,

vs.

JAMES C. HOOPER, MARLETTE OWEN
A/K/A SANDRA MARLETTE OWEN AND
QUONTIC BANK, D/B/A QUONTIC
WHOLESALE,

Defendants.

JAMES C. HOOPER,

Third-Party Plaintiff,

vs.

JOSEPH NATALE, NICOLETTE NATALE,

Third-Party Defendants.

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION
UNION COUNTY

DOCKET NO.: UNN-L-2442-23

Civil Action

ANSWER AND COUNTERCLAIM

Judge: Hon. John G. Hudak

Defendant, James C. Hooper is an individual having a principal residence at 5514 E. Verde Lane, in Phoenix, Arizona by way of answer to the Complaint hereby states:

THE PARTIES

1. Defendant admits this allegation.

2. Defendant admits the allegations in Paragraph 2 only to the extent that Plaintiff is currently licensed under the following licenses: Alabama Consumer Credit License; Arizona Mortgage Banker License, Colorado Mortgage Company License, Florida Mortgage Lender License, Georgia Mortgage Lender License/Registration, Idaho Mortgage Broker/Lender License; Illinois Residential Mortgage License; Iowa Mortgage Banker License; Kansas Mortgage Company License; Kentucky Mortgage Company License; Maine Supervised Lender License; Michigan 1st Mortgage Broker/Lender License; Minnesota Residential Mortgage Originator License; Tennessee Mortgage License; Utah Residential First Mortgage Notification; Washington Consumer Loan Company License; Wisconsin Mortgage Banker License; otherwise Defendant does not have sufficient information to answer this allegation.

3. Defendant finds this allegation to be ambiguous and potentially inaccurately describes the role of a wholesale mortgage lender/banker and therefor neither admits nor denies.

4. Defendant admits this allegation.

5. Defendant admits this allegation.

6. Defendant admits this allegation.

7. Defendant admits this allegation.

8. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies this allegation except as to his hire date and date of tendering his official resignation to which Defendant admits.

9. Defendant admits this allegation.

10. Defendant admits this allegation.

- 11. Defendant admits this allegation.
- 12. Defendant admits this allegation.
- 13. Defendant denies the allegation to the extent it asserts he is a “mortgage broker.”

Otherwise, Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

- 14. Defendant admits this allegation.
- 15. Defendant is without sufficient knowledge or information to either admit or deny

the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

- 16. Defendant is without sufficient knowledge or information to either admit or deny

the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

THE RELEVANT FACTS

17. Defendant does not have sufficient information to admit or deny and therefore denies.

18. Defendant does not have sufficient information to admit or deny and therefore denies.

19. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

20. Defendant admits to the averments in Paragraph 20 only to the extent that he affixed his signature to the Executive Employment Agreement on September 9, 2022. Otherwise, Defendant denies allegations in Paragraph 20.

- 21. Defendant admits this allegation.

22. Defendant admits this allegation.
23. Defendant admits this allegation.
24. Defendant admits this allegation.
25. Defendant admits this allegation.
26. Defendant admits this allegation.
27. Defendant admits this allegation.
28. Defendant admits this allegation.
29. Defendant admits this allegation.
30. Defendant admits this allegation.
31. Defendant admits this allegation.
32. Defendant admits this allegation.
33. Defendant admits this allegation.
34. Defendant admits this allegation.
35. Defendant admits this allegation.
36. Defendant admits this allegation.
37. Defendant admits this allegation.
38. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.
39. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.
40. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

41. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

42. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

43. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

44. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

45. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

46. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

47. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

48. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

49. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant admits to being employed by Quantic as its Senior Vice President, otherwise Defendant denies the allegations in Paragraph 49.

50. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

51. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 51.

52. Defendant admits this allegation.

53. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 53.

54. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 54.

55. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 55.

56. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 56.

57. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 57.

58. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 58, except to the extent that Owen and Ermisch are employed at Quantic to which Defendant admits.

59. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 59.

60. Defendant admits this allegation.

61. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 61.

62. Defendant admits this allegation.

63. Defendant admits this allegation.

64. Defendant admits this allegation.

65. Defendant admits this allegation.

66. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 66.

FIRST CAUSE OF ACTION

67. Defendant repeats and reasserts answers provided in Paragraphs 1 through 66 hereof as if fully set forth.

68. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 68.

69. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 69.

70. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

71. Defendant denies the allegation.

72. Defendant admits this contains a recital of Section 18-306 of Delaware Code.

73. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 73.

74. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 74.

75. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 75.

SECOND CAUSE OF ACTION

76. Defendant repeats and reasserts answers provided in Paragraphs 1 through 75 hereof as if fully set forth.

77. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 77.

78. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 78.

79. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 79.

80. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 80.

81. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

THIRD CAUSE OF ACTION

82. Defendant repeats and reasserts answers provided in Paragraphs 1 through 81 hereof as if fully set forth.

83. Defendant does not dispute this allegation and it is therefore admitted.

84. Defendant does not dispute this allegation and it is therefore admitted.

85. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 85.

86. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 86.

87. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 87.

88. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 88.

89. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

FOURTH CAUSE OF ACTION

90. Defendant repeats and reasserts answers provided in Paragraphs 1 through 89 hereof as if fully set forth.

91. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 91.

92. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

93. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

FIFTH CAUSE OF ACTION

94. Defendant repeats and reasserts answers provided in Paragraphs 1 through 93 hereof as if fully set forth.

95. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

96. The averments contained therein are conclusions of law to which no response is required. To the extent a response is deemed required, Defendant denies the allegations in Paragraph 96.

97. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

SIXTH CAUSE OF ACTION

98. Defendant repeats and reasserts answers provided in Paragraphs 1 through 97 hereof as if fully set forth.

99. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

100. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

101. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

102. Defendant is without sufficient knowledge or information to either admit or deny the allegations contained therein and therefore denies the same and leaves Plaintiff to its proof.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

103. Plaintiff breached the covenant of good faith and fair dealings.

SECOND AFFIRMATIVE DEFENSE

104. The Complaint fails to state a claim upon which relief can be granted.

THIRD AFFIRMATIVE DEFENSE

105. Defendant is excused from performance under the contract because the Plaintiff is in material breach of the contract.

FOURTH AFFIRMATIVE DEFENSE

106. The Plaintiff’s claims are barred because its damages, if any, were not due to any act or failure to act by James Hooper but were caused solely by the acts of third parties for whom James Hooper is not responsible.

FIFTH AFFIRMATIVE DEFENSE

107. Plaintiff’s claims are barred by the doctrine of unclean hands.

SIXTH AFFIRMATIVE DEFENSE

108. Plaintiff’s claims are barred because its fraud concealed facts and frustrated the essential purpose of the contract.

SEVENTH AFFIRMATIVE DEFENSE

109. James Hooper reserves the right, at or before trial, to assert additional defenses if it is later determined that they would be appropriate. James Hooper also reserves the right, at or before trial, to move to dismiss the complaint and/or for summary judgement, on the grounds that the complaint fails to state a claim upon which relief can be granted and/or James Hooper is entitled to judgement as a matter of law, based on any or all of the above defenses.

EIGHTH AFFIRMATIVE DEFENSE

110. Plaintiff’s economic loss is a product of its own making as the actual and proximate cause of the damages Plaintiff seeks were self-imposed by and through its own wrongful conduct.

NINTH AFFIRMATIVE DEFENSE

111. Plaintiff certainly did not engage in good faith when it sought to fraudulently conceal Joseph Natale’s criminal past and his beneficial ownership in Plaintiff.

PRAYER FOR RELIEF

WHEREFORE, James Hooper prays that this Court enter Final Judgment against Plaintiff and in favor of James Hooper as follows:

- a. Enter judgement in his favor with respect to each claim asserted in the Plaintiff's Complaint;
- b. Temporarily, preliminarily, and permanently restraining and enjoining Plaintiff from directly or indirectly enforcing the noncompetition provision against Mr. Hooper;
- c. Award James Hooper his costs and expenses, including reasonable attorneys' fees;
- d. Grant James Hooper such other and further relief as this Court deems just and proper;
- e. Temporarily, preliminarily, and permanently restraining and enjoining Plaintiff from directly or indirectly enforcing the noncompetition provision against Mr. Hooper;
- f. Dismiss Plaintiff's claim against James Hooper with Prejudice;

Dated: November 9, 2023

Respectfully submitted,

DILWORTH PAXSON LLP

/s/ Lisa J. Rodriguez
Lisa Rodriguez

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Attorneys for James Hooper

COUNTERCLAIM

Defendant/Third-Party Plaintiff James C. Hooper, by way of Counterclaim against Plaintiff, Universal Lending Depot, LLC, by way of Third-Party Complaint against Defendant Nicolette Natale, John Does 1 through 25, and by way of Third-Party Complaint against Joseph Natale says:

THE PARTIES

1. Universal Lending Depot, LLC (“Plaintiff”) is a mortgage lender/banker holding the following licenses necessary to engage in mortgage lending/banking: Alabama Consumer Credit License; Arizona Mortgage Banker License, Colorado Mortgage Company License, Florida Mortgage Lender License, Georgia Mortgage Lender License/Registration, Idaho Mortgage Broker/Lender License; Illinois Residential Mortgage License; Iowa Mortgage Banker License; Kansas Mortgage Company License; Kentucky Mortgage Company License; Maine Supervised Lender License; Michigan 1st Mortgage Broker/Lender License; Minnesota Residential Mortgage Originator License; Tennessee Mortgage License; Utah Residential First Mortgage Notification; Washington Consumer Loan Company License; Wisconsin Mortgage Banker License. *See [Consumer Access - Company \(nmlsconsumeraccess.org\)](http://nmlsconsumeraccess.org).*

2. Pursuant to Universal Lending Depot, LLC’s Operating Agreement, Nicolette Natale organized the Company and holds a ninety-five percent (95%) membership interest therein.

3. Defendant/Third-Party Plaintiff holds the remaining five percent (5%) membership interest therein.

4. Nicolette A. Natale is an individual residing at 115 Emerald Valley Lane, Basking Ridge, NJ 07920.

5. Nicolette A. Natale is the daughter of Joseph Natale.

6. In 2006 Joseph Natale became Chief Executive Officer and Owner of FUMC Mortgage Co. and Chairman of First State Bank in Cranford, NJ a role he held until October 2010.

RELEVANT FACTS

7. Joseph Natale was indicted by the United States District Court District of New Jersey on crimes including: (1) Conspiracy to Deceive the FDIC and FSB and to Influence the FDIC; (2) multiple counts of Bank Fraud; (3) Making False Entries to Deceive the FDIC and FSB; and (4) False Statements to the FDIC. See *United States v. Joseph Natale, Albert Gasparro, and Gary Ketcham*, Criminal Case No. 18-CR-650(KM).

8. Joseph Natale ultimately pled guilty to Conspiracy to Defraud the United States on September 24, 2021, was sentenced to probation for a term of 5 years on February 1, 2022, and as an express condition of his probation, “[Joseph Natale] must refrain from being employed in the banking industry. *Id.* [Emphasis Added]

9. Anthony Natale is the brother of Joseph Natale.

10. Anthony Natale waived open court prosecution by indictment and was charged with his participation in a conspiracy “[t]he object of the conspiracy was for defendant Anthony Natale and his conspirators to fraudulently obtain money and property from Lenders and others by means of, among other things, materially false and misleading misrepresentations and omissions in loan documents and supporting information. See *United States v. Anthony Natale, Criminal Case No. 09CR64(JLL) filed February 4, 2009.*

11. Defendant/Third-Party Plaintiff was recruited away from his then current and highly lucrative job as Vice President of Wholesale for another mortgage lender/banker by Joseph Natale to join the Plaintiff as its President. All negotiations were done directly by and through Joseph Natale. Neither Plaintiff, Joseph Natale, or Nicolette Natale disclosed to Defendant/Third-

Party Plaintiff Joseph Natale’s or Anthony Natale’s criminal convictions, Joseph Natale still being on probation, or the express condition of Joseph Natale’s probation being that he cannot be employed in banking. 2.

12. In anticipation that Defendant/Third-Party Plaintiff might discover that no official documentation identifies Joseph Natale’s as being the owner of Plaintiff or having control of Plaintiff, Joseph Natale employed a scheme of half-truths and misdirection stating, “everything is in my daughter Nicolette’s name due to some banking litigation from 2010” and directed Defendant/Third-Party Plaintiff to a website containing Joseph Natale’s biography. See [Joseph Natale - Dealer Principal, Managing Partner \(josephdnatale.com\)](http://josephdnatale.com). The biography similarly failed to disclose Joseph Natale’s criminal past, probation, or its express conditions.

13. Defendant/Third-Party Plaintiff commenced his job responsibilities for the Plaintiff in good faith, recruiting several previous co-workers to fast-track Plaintiff’s success.

14. On or about January 15, 2023, Defendant/Third-Party Plaintiff and Joseph Natale engaged in conversation with Northpointe Bank (“Northpointe”) and First Funding in furtherance of obtaining warehouse lines of credit.

15. Shortly thereafter, as part of its diligence program required under the Bank Secrecy Act (31 C.F.R. §1010.620), Northpointe began to question the legitimacy of Plaintiff’s disclosed ownership structure.

16. Specifically, Northpointe raised concerns about: (1) why Nicolette Natale was identified as owning 95% of Plaintiff’s membership interest but not part of the day-to-day business; (2) why Joseph Natale appeared to be in control of Plaintiff, but he was not identified as a Control Person on Plaintiff’s licenses; and (3) where the \$3 million of capital raised by Plaintiff came from.

17. The Nationwide Mortgage Licensing System (“NMLS”) which has been adopted by all 50 states for processing mortgage lender/banking license applications defines “Control Person” as, “an individual (natural person) that directly or indirectly exercises control over the applicant or licensee.”

18. Applicants and licensees should review the definition of *Control* when completing this section and include any individual or company that has *Control* over the entity. [NMLS Guidebook for Licensees](#).

19. Plaintiff/Counterclaim Defendant did not disclose Joseph Natale’s status as a Control Person on any of Plaintiff’s licensing applications.

20. Joseph Natale advised Defendant/Third-Party Plaintiff to tell Northpointe that Plaintiff was backed by a “Private Family Equity Fund,” which Defendant Third-Party Plaintiff now believes to be a euphemism for Joseph Natale himself. As further questions arose, Anthony Natale produced financial related documents which Defendant/Third-Party Plaintiff believes to be fraudulent as Anthony Natale would quickly alter such documents as questions were presented, or concerns were raised.

21. As more inconsistencies arose, Northpointe’s examination grew more extensive. In denying Plaintiff/Counterclaim Defendant’s warehouse line application, Northpointe contacted Defendant/Third-Party Plaintiff to express concern over Joseph Natale’s being a “Control Person” of Plaintiff/Counterclaim Defendant’s mortgage banking business as he discovered Joseph Natale is currently on probation for banking related crimes and as an express condition of his probation cannot engage in the business of banking.

22. Defendant/Third-Party Plaintiff realized that Joseph Natale (the true Control Person of the Plaintiff) was attempting to use Defendant/Third-Party Plaintiff’s experience and reputation

as the face of the Plaintiff in furtherance of what he now believes to be a conspiracy to conceal fraud, deception, and illegality. “Knowingly making false statements to a financial institution is a crime punishable by five or eight years in federal prison.” See 18 U.S.C. § 1001.

23. Defendant/Third-Party Plaintiff interpreted these statements and stories as implied threats in an attempt to prevent him from leaving Plaintiff’s employ.

24. Defendant/Third-Party Plaintiff learned from the Grand Jury Indictment of Joseph Natale that: defendant “[Joseph] Natale, ... [an (the “Conspirators”)] engaged in a three-part fraud to deceive the FDIC, and [First State Bank (“FSB”)] about the financial health of FSB (the “Conspiracy”). See *Criminal No. 18-CR-650(KM)*.

25. “In the first part of the fraud, various Conspirators: (a) used \$12 million of FBS’s own funds, without FSB’s knowledge, to purchase bonds; (b) used the purchased bonds as collateral to secure a \$7 million loan from a Canadian bank; (c) used nominee entities to both transfer the \$7 million back to FSB and comply with the 10% Concentration Rule; and (d) received a \$715,000 finder’s fee from FSB for “finding” the nominee entities.” *Id.*

26. “In the second part of the fraud, various Conspirators: (a) concealed from FSB’s auditors the fact that FSB’s own funds had been used to secure the \$7 million loan; (b) obtained by fraud \$7.6 million in loan proceeds from FSB to repay the original \$7 million Canadian bank loan (with interest); and (c) sold the bonds that had served as collateral for the original \$7 million Canadian bank loan.” *Id.*

27. Upon sharing what he had learned with the employees and contractors which Defendant/Third-Party Plaintiff recruited to the perform services for Plaintiff/Counterclaim Defendant, they collectively decided to leave the Plaintiff/Counterclaim Defendant, essentially perceiving their actions as withdrawing from a criminal conspiracy.

28. Defendant’s inability to obtain a warehouse line of credit was caused by Joseph Natale’s checkered past, its unsuccessful conspiracy to fraudulently conceal his control over Plaintiff, and Joseph Natale appearing to be, if not really being, the beneficial owner of Plaintiff/Counterclaim Defendant. As such, Plaintiff/Counterclaim Defendant was the actual and proximate cause of its financial losses, not Defendant/Third-Party Plaintiff.

A. Joseph Natale is in Control of Plaintiff.

29. The Nationwide Mortgage Licensing System (“NMLS”) which has been adopted by all 50 states for processing mortgage lender/banking license applications defines “Control Person” as, “an individual (natural person) that directly or indirectly exercises control over the applicant or licensee.” [NMLS Guidebook for Licensees](#).

30. On information and belief Nicolette Natale does not possess experience in running a mortgage lending/banking firm.

31. Joseph Natale (according to a website containing his biography), “at 20 years old, Joe went to work for Jersey Mortgage in Elizabeth, NJ, which later merged into Houston-based Commonwealth Mortgage, where he was an Executive Vice President. In 1986, Joe worked with Equitable Bank, Mortgage Division (EB Mortgage) in Maryland. In 2006, Joe became CEO and Owner of FUMC Mortgage Co.” See [Joseph Natale - Dealer Principal, Managing Partner \(josephdnatale.com\)](#).

32. When Defendant/Third-Party Plaintiff questioned Nicolette A. Natale about her father (Joseph Natale), wanting to understand why everything was in her name and her intentions of working at the Mortgage Banking firm, considering he had never heard any mention of her prior participation during his several month of employment, Nicolette Natale stated, “on paper I am

worth millions of dollars but nothing in my name is mine because my father controls everything, but I will do anything to help him be successful again.”

33. All negotiations surrounding Defendant/Third-Party Plaintiff’s employment were done by and through Joseph Natale.

34. All fees paid to state regulatory agencies for obtaining Plaintiff/Counterclaim Defendant’s mortgage lending/banking licenses were paid on Joseph Natale’s credit card including, but not limited to: **(1)** \$210.00, \$30.00, \$5.25, 0.75 all paid on October 21, 2022; **(2)** \$1,400, \$115.00, \$35.00, \$2.87 all paid on November 17, 2022; **(3)** \$1,302.25, \$32.55 paid on November 18, 2022; **(4)** \$4,855.00, \$600.00, \$350.00, \$832.50, \$15.00, \$8.75.00, \$121.37, \$20.81 all paid on December 28, 2022; **(5)** \$265.00 and \$6.62 paid on January 3, 2023; **(6)** \$2.53, \$1.75, \$9.25, \$101.25, \$70.00, \$370.00 all paid on February 3, 2023; and **(7)** \$18.30, \$253.23, \$732.25, \$10,129.46 all paid on February 7, 2023.

35. Joseph Natale’s control over Plaintiff/Counterclaim Defendant can be clearly demonstrated through the countless emails wherein Joseph Natale controlled all aspects of Plaintiff/Counterclaim Defendant including, but not limited to, providing directions, authority over, and guidance to Defendant/Third Party Plaintiff/Counterclaim Defendant, negotiating key lease terms, vendor agreements, and marketing efforts from his email account joednatale@yahoo.com.

36. The vendor that provides Plaintiff/Counterclaim Defendant’s loan origination system software, Intercontinental Exchange, Inc., even sent the Encompass Welcome Letter to joednatale@yahoo.com on November 29, 2022, after Plaintiff/Counterclaim Defendant completing their onboarding process.

37. Defendant/Third Party Plaintiff was told in response to questions about where Plaintiff's \$3 million capital raise came from to tell Northpointe Bank that Plaintiff was backed by a "Private Family Equity Fund".

38. On or about January 2023, Joseph Natale attended a telephone meeting with Northpointe Bank prompting questions about his role with Plaintiff/Counterclaim Defendant.

39. Greg Davis from Northpointe Bank called Defendant/Third-Party Plaintiff a few days later and denied Plaintiff's application for a warehouse line of credit upon uncovering Joseph Natale's criminal conviction, corresponding probation, and the express condition of his probation being that Joseph Natale cannot be employed in banking.

40. After being denied by Northpointe Bank, Joseph Natale again joined a call with Defendant/Third-Party Plaintiff to apply for a warehouse line of credit with First Tennessee Bank.

41. Promptly upon the termination of the call, Joseph Natale told Defendant/Third-Party Plaintiff that he was pretty sure Jeff (representative of First Tennessee Bank) would google his name and deny their application because of his past.

42. Joseph Natale then became frustrated and directed Defendant/Third-Party Plaintiff to apply for more warehouse lines of credit for Plaintiff/Counterclaim Defendant, but he would not participate in any more calls.

43. Defendant/Third-Party Plaintiff believes Joseph Natale realized that his control of Plaintiff/Counterclaim Defendant would be uncovered, warehouse banks would never approve Plaintiff/Counterclaim Defendant's application.

44. As of the date Defendant/Third-Party Plaintiff withdrew from what he reasonably believed to be a criminal conspiracy, Plaintiff had not been able to obtain a warehouse line of credit.

45. Plaintiff/Counterclaim Defendant’s failure to obtain a warehouse line of credit was due to Plaintiff/Counterclaim Defendant not being able to keep Joseph Natale’s control of Plaintiff/Counterclaim Defendant concealed, not able to account for the true source of the \$3 million of capital it raised, and Joseph Natale’s criminal past, corresponding probation, and express condition of his probation being he cannot be employed in banking.

46. Plaintiff/Counterclaim Defendant would be unable to make loans without a warehouse line of credit.

47. Despite allegations made by Plaintiff/Counterclaim Defendant, Joseph Natale’s past was the actual and proximate cause of Plaintiff’s damages, not Defendant/Third-Party Plaintiff.

B. Joseph Natale is the Actual or Beneficial Owner of Plaintiff.

48. When Defendant/Third-Party Plaintiff questioned Nicolette A. Natale about her father (Joseph Natale), wanting to understand why everything was in her name and her intentions of working at the Mortgage Banking firm, considering he had never heard any mention of her prior participation during his several month of employment, Nicolette Natale stated, “on paper I am worth millions of dollars but nothing in my name is mine because my father controls everything, but I will do anything to help him be successful again.”

49. During Defendant/Third-Party Plaintiff’s negotiations of his employment, in furtherance of keeping his checkered past hidden from Defendant/Third-Party Plaintiff, Joseph Natale deployed a scheme of half-truths and misdirection stating, “everything is in my daughter Nicolette’s name due to some banking litigation from 2010.”

50. In January of 2023, Defendant/Third Party Plaintiff was told, in response to questions Northpointe Bank raised about where Plaintiff’s \$3 million capital raise came from, to tell Northpointe Bank that Plaintiff was backed by a “Private Family Equity Fund”.

C. Intent to Conceal Joseph Natale’s Involvement.

51. NMLS Applicants and licensees should review the definition of *Control* when completing this section and include any individual or company that has *Control* over the entity. [NMLS Guidebook for Licensees.](#)

52. Despite this express requirement, Plaintiff/Counterclaim Defendant did not list Joseph Natale on any license applications submitted through NMLS.

53. Joseph Natale is not listed as an owner on the Plaintiff/Counterclaim Defendant’s Operating Agreement.

54. Despite negotiating all the terms of Defendant/Third-Party Plaintiff’s employment agreement, it was not signed using Joseph Natale’s name.

55. Joseph Natale utilized his personal email account (joednatale@yahoo.com) for all communications and not Plaintiff/Counterclaim Defendant’s email domain @uldepot.com.

56. Defendant/Third-Party Plaintiff would send Anthony Natale documents to be executed by Nicolette Natale which would be returned executed almost immediately.

57. Based on the timing of execution of such documents and a comparison of Nicolette Natale’s signature on both her passport and driver’s license to the signatures on such documents, Defendant/Third-Party Plaintiff believes such documents were not actually signed by Nicolette Natale.

58. For the reasons set forth above, Defendant/Third-Party Plaintiff also does not believe the signature on his Executive Employment Agreement to be that of Nicolette Natale.

59. The Universal Lending Depot, LLC's Operating Agreement did not contain any disclosure of Joseph Natale's criminal conviction, his corresponding probation, or the express condition of his probation being a prohibition that he does not engage in the business of banking.

60. The Universal Lending Depot, LLC's Operating Agreement did not contain any disclosure of Anthony Natale's criminal conviction.

61. The Defendant/Third-Party Plaintiff's Executive Employment Agreement did not contain any disclosure of Joseph Natale's criminal conviction, his corresponding probation, or the express condition of his probation being a prohibition that he does not engage in the business of banking.

62. The Defendant/Third-Party Plaintiff's Executive Employment Agreement did not contain any disclosure of Anthony Natale's criminal conviction.

63. Plaintiff/Counterclaim Defendant did not make any disclosure to Defendant/Third-Party Plaintiff of Joseph Natale's criminal conviction, his corresponding probation, or the express condition of his probation being a prohibition that he does not engage in the business of banking.

64. In furtherance of keeping his checkered past hidden from Defendant/Third-Party Plaintiff Joseph Natale deployed a scheme of half-truths and misdirection stating, "everything is in my daughter Nicolette's name due to some banking litigation from 2010."

65. In furtherance of keeping his checkered past hidden from Defendant/Third-Party Plaintiff Joseph Natale deployed a scheme of half-truths and misdirection in directing Defendant/Third Party Plaintiff to a website containing Joseph Natale's "biography." See [Joseph Natale - Dealer Principal, Managing Partner \(josephdnatale.com\)](http://josephdnatale.com).

66. The biography similarly failed to disclose Joseph Natale's criminal past, probation, or its express conditions.

D. Joseph Natale's Involvement in Plaintiff's Business was Unlawful.

67. As an express condition of his probation, Joseph Natale was unable to be employed in the business of banking.

68. Plaintiff applied for and obtained an Arizona Banker's License (License # 1044591) which was issued November 6, 2023.

69. Under Arizona law, "a Mortgage Banker may not employ any person unless the Mortgage Banker: (1) conducts a reasonable investigation of the background, honesty, truthfulness, integrity, and competence of the employee before hiring; and (2) keeps a record of the investigation for not less than 2 years after termination." Ariz. Rev. Stat. §6-943(O).

70. Plaintiff/Counterclaim Defendant did not conduct, and could not have conducted, "a reasonable investigation of the background, honesty, truthfulness, integrity, and competence" of [Joseph Natale] before hiring him as it would have uncovered the unlawfulness of his employment in banking.

71. A "reasonable investigation of the background, honesty, truthfulness, integrity, and competence" of Joseph Natale would have prevented his employment or involvement.

72. Plaintiff/Counterclaim Defendant intentionally concealed Joseph Natale's status as a Control Person on its Arizona Banker's License.

73. Under Arizona law, "a Mortgage Banker may not make a false promise or misrepresentation or conceal an essential or material fact in the course of business." Ariz. Rev. Stat. §6-947(L).

74. Under Arizona law, "The deputy director may deny, suspend or revoke a Mortgage Banker license if the deputy director finds that the applicant: (3) has been convicted in any state of a felony or any crime involving breach of trust or dishonesty." Ariz. Rev. Stat. §6-945(A).

75. Plaintiff/Counterclaim Defendant applied for and obtained a Colorado Mortgage Company Registration License which was issued on October 21, 2022.

76. Plaintiff/Counterclaim Defendant intentionally concealed Joseph Natale’s status as a Control Person on its Colorado Mortgage Company Registration license application.

77. Under Colorado law, “No license will be issued unless the Administrator, upon investigation, finds that the financial responsibility, character, and fitness of the applicant and of the members, managers, partners, officers, and directors are such as to warrant belief that the business will be operated honestly and fairly within the purposes of the UCCC. Colo. Rev. Stat. §5-2-301(2).

78. Plaintiff/Counterclaim Defendant applied for and obtained a Florida Lender License (License # MLD2388) which was issued February 1, 2023.

79. Plaintiff/Counterclaim Defendant intentionally concealed Joseph Natale’s status as a Control Person on its Florida Lender License application.

80. Under Florida law, “it is ground for denial of licensure if the applicant or one the applicant’s Control Persons, (1) has committed any violation of the Mortgage Brokerage and Lending Act (MBLA), or is the subject of a pending or a prosecution, or an administrative enforcement action, in any jurisdiction, which involves fraud, dishonesty, breach of trust, money laundering, or any other act of moral turpitude; or (2) has failed to demonstrate the character, general fitness, and financial responsibility necessary to command the confidence of the community and warrant a determination that the applicant will operate honestly, fairly, and efficiently.” Fla. Stat. Ann. § 494.00611(4)(a).

81. Plaintiff/Counterclaim Defendant applied for and obtained an Illinois Residential Mortgage License (License # MB.6761802) which was issued January 25, 2023.

82. Under Illinois Law, the application [for a license] must be in writing, under oath, and on a form obtained from and prescribed by the Department. The application must contain: (2) the names and complete business and residential address of each member, director, and principal officer, if the applicant is a partnership, association, corporation or other form of business organization; and (3)(C) information as to the character, fitness, financial and business responsibility, background, experience, and criminal record of any: (i) person, entity, or ultimate equitable owner that owns, directly or indirectly, 10% or more of any class of stock of the applicant; (ii) person, entity, or ultimate equitable owner that is not a depository institution that lends, provides, or infuses, directly or indirectly, in any way, funds to or into the applicant, in an amount equal to more than 10% of the applicant's net worth; (iii) person, entity, or ultimate equitable owner that controls, directly or indirectly, the election of 25% or more of the members of the board of directors of the applicant; or (iv) person, entity, or ultimate equitable owner that the Department finds influences the management of the applicant; and (4) other information as required by the Department." 205 Ill. Comp. Stat. § 635/2-3.

83. Plaintiff/Counterclaim Defendant intentionally concealed Joseph Natale's status as a beneficial owner on its Illinois Residential Mortgage License application.

84. Plaintiff/Counterclaim Defendant intentionally concealed Joseph Natale's status as a principal officer on its Illinois Residential Mortgage License application.

85. Under Illinois law, "a licensee may be fined up to \$25,000.00 for each count of separate offense, provided that a fine may be imposed not to exceed \$75,000.00 for each separate count of offense, denied, suspended, placed on probation, reprimanded, or have its license revoked for: (1) being convicted or found guilty, regardless of the pendency of an appeal, of a crime in any jurisdiction which involves fraud; dishonest dealing, or any other act of moral turpitude." *Id.*

86. Under Illinois law, “a licensee may be fined up to \$25,000.00 for each count of separate offense, provided that a fine may be imposed not to exceed \$75,000.00 for each separate count of offense, denied, suspended, placed on probation, reprimanded, or have its license revoked for: (3) a material or intentional misstatement of fact on an initial or renewal application.” *Id.*

87. Each state where Plaintiff/Counterclaim Defendant obtained licensure has similar requirements which Plaintiff knowingly and intentionally violated.

88. Plaintiff/Counterclaim Defendant knowingly and intentionally concealed Joseph Natale’s control over Plaintiff and his beneficial ownership of Plaintiff in applications for warehouse lines of credit to federally chartered banks.

89. “Knowingly making false statements to a financial institution is a crime punishable by five or eight years in federal prison.” See 18 U.S.C. § 1001.

90. Upon learning of the fraudulently concealed facts Defendant/Third-Party Plaintiff withdrew from what he reasonably believes to be a criminal conspiracy.

E. Nicolette Natale knew of Joseph Natale’s Past and Conspired to Conceal It.

91. Plaintiff, Nicolette Natale, and Joseph Natale intentionally did not disclose Joseph Natale’s name on license applications as a “Control Person” even though it is required by law creates an inference that they knew of the wrongfulness of his involvement.

92. When Defendant/Third-Party Plaintiff questioned Nicolette A. Natale about her father (Joseph Natale), wanting to understand why everything was in her name and her intentions of working at the Mortgage Banking firm, considering he had never heard any mention of her prior participation during his several month of employment, Nicolette Natale stated, “on paper I am worth millions of dollars but nothing in my name is mine because my father controls everything, but I will do anything to help him be successful again.”

93. Defendant/Third-Party Plaintiff has it on good information and does believe that Nicolette Natale possessed actual knowledge of Joseph Natale's criminal conviction, the fact that he is currently on probation, and the express condition of his probation being that he cannot be employed in banking.

F. Joseph Natale's Agency Relationship with Plaintiff Created Vicarious Liability.

94. Joseph Natale knew his probation contained an express prohibition against him being employed in banking (*reasonably inferred to including mortgage banking*).

95. Plaintiff/Counterclaim Defendant cloaking Joseph Natale with the power to negotiate contracts of executive-level officers of Plaintiff/Counterclaim Defendant (such as the role of President) creates an apparent agency relationship making Plaintiff/Counterclaim Defendant vicariously liable for Joseph Natale's fraudulent concealment.

96. Based on the facts and circumstances, Joseph Natale's intent to fraudulently conceal his employment, status as a Control Person of Plaintiff/Counterclaim Defendant, and his beneficial ownership interest in Plaintiff can be inferred.

97. Defendant/Third-Party Plaintiff has it on good information and does believe that Joseph Natale received compensation from Plaintiff/Counterclaim Defendant during the period when Defendant/Third-Party Plaintiff held a 5% ownership interest in Plaintiff/Counterclaim Defendant.

**FIRST COUNTERCLAIM
AGAINST PLAINTIFF/COUNTERCLAIM DEFENDANT FOR FRAUD**

98. Defendant repeats and reasserts answers provided in Paragraphs 1 through 93 hereof as if fully set forth.

99. The agreement between Defendant and Plaintiff/Counterclaim Defendant provides that Delaware law controls in the event of a dispute.

100. Plaintiff/Counterclaim Defendant by and through its Control Person, beneficial owner, and/or Agent Joseph Natale, actively concealed a host of material facts related to him and his brother's criminal convictions, him currently being on probation, the condition of his probation making it unlawful for him to engage in the business of banking, and the true beneficial owner of Plaintiff.

101. Joseph Natale's knowledge or reckless indifference to the truth is undeniable as he was the one convicted of such crimes, on probation, and entered into the agreement for probation which contained the express term preventing him from being employed in banking.

102. Furthermore, statements made by both Joseph Natale and Nicolette Natale confirm that Joseph Natale is the true beneficial owner of Plaintiff/Counterclaim Defendant.

103. Their knowledge of the wrongfulness of their conduct can be inferred from the extraordinary efforts undertaken to conceal such material facts.

104. Their active concealment of such facts from Defendant/Third-Party Plaintiff clearly demonstrate they did so with the intent to induce Defendant/Third-Party Plaintiff to join Plaintiff/Counterclaim Defendant as its President.

105. Defendant/Third-Party Plaintiff would not have entered into the Agreement with Plaintiff had he known the truth.

106. A reasonable person would consider the facts concealed from Defendant/Third-Party Plaintiff/Counterclaim Defendant related to Joseph Natale's criminal conduct, him being on probation, the express condition of his probation being that he cannot be employed in banking, and Joseph Natale being the true beneficial owner of Plaintiff/Counterclaim Defendant to be important in deciding whether to enter into the Agreement with Plaintiff/Counterclaim Defendant.

107. Joseph Natale’s deception and half-truths in his concealment of such material facts show that Defendant/Third-Party Plaintiff’s reliance on such concealment was reasonable.

108. Defendant/Third-Party Plaintiff joined Plaintiff/Counterclaim Defendant as its President and received a 5% ownership interest in Plaintiff as compensation for the services he provided.

109. The material facts that Plaintiff concealed from Defendant/Third-Party Plaintiff were ultimately uncovered by financial institutions Plaintiff/Counterclaim Defendant also attempted to deceive, preventing Plaintiff from being able to attain the profits Defendant/Third-Party Plaintiff anticipated sharing in which he knew he could cause Plaintiff/Counterclaim Defendant to attain using his skill, knowledge, relationships, efforts, and knowhow.

110. Defendant/Third-Party Plaintiff also suffered reputational harms as he introduced Plaintiff to his contacts at financial institutions who Plaintiff/Counterclaim Defendant also attempted to knowingly deceive. The Defendant/Third-Party Plaintiff may also recover punitive damages where the Plaintiff/Counterclaim Defendant’s fraud is “gross, oppressive, or aggravated, or involves a breach of trust or confidence. (See *In re Wayport, Inc. Litig.*, 76 A.3d 296, 327 (Del. Ch. 2013); *Stephenson v. Capano Dev., Inc.*, 462 A.2d 1069, 1076-77 (Del. 1983).).

111. The fraud was gross and aggravated as it could have subjected Defendant/Third-Party Plaintiff to criminal charges had he not left Plaintiff when he did.

PRAYER FOR RELIEF

WHEREFORE, James Hooper prays that this Court enter Final Judgment against Plaintiff/Counterclaim Defendant and in favor of James Hooper as follows:

a. Temporarily, preliminarily, and permanently restraining and enjoining Plaintiff from directly or indirectly enforcing the noncompetition provision against Mr. Hooper.

b. Award to James Hooper and against Plaintiff any and all compensatory damages suffered by James Hooper as a result of their wrongful conduct, together with interest thereon;

c. Awarding to James Hooper and against Universal Lending Depot, LLC punitive damages in an amount to be determined by the Court;

d. Awarding to James Hooper and against Plaintiff, whether in equity or in law, as the Court deems proper under the facts and circumstances herein presented.

Dated: November 9, 2023

Respectfully submitted,

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Attorneys for James Hooper

CERTIFICATE OF SERVICE

I, Lisa J. Rodriguez, hereby certify that on this 9th day of November, 2023, I caused a true and correct copy of the Answer and Counter-Claim to be filed with the Court and served upon all counsel of record via the Court’s electronic filing system.

/s/ Lisa J. Rodriguez
Lisa J. Rodriguez

FILED: NEW YORK COUNTY CLERK 11/15/2023 07:01 PM

INDEX NO. 654911/2023

NYSCEF DOC. NO. 15

RECEIVED NYSCEF: 11/15/2023

Civil Case Information Statement

Case Details: UNION | Civil Part Docket# L-002442-23

Case Caption: UNIVERSAL LENDING DE POT, LLC VS
HOOPER JAMES

Case Initiation Date: 07/27/2023

Attorney Name: LISA J RODRIGUEZ

Firm Name: DILWORTH PAXSON LLP

Address: LIBERTY VIEW 457 HADDONFIELD RD STE 700
CHERRY HILL NJ 08002

Phone: 8566751900

Name of Party: DEFENDANT : HOOPER, JAMES, C

Name of Defendant's Primary Insurance Company
(if known): None

Case Type: CONTRACT/COMMERCIAL TRANSACTION

Document Type: Answer W/CounterClaim

Jury Demand: NONE

Is this a professional malpractice case? NO

Related cases pending: NO

If yes, list docket numbers:

Do you anticipate adding any parties (arising out of same transaction or occurrence)? NO

Does this case involve claims related to COVID-19? NO

Are sexual abuse claims alleged by: UNIVERSAL LENDING DEPOT, LLC? NO

THE INFORMATION PROVIDED ON THIS FORM CANNOT BE INTRODUCED INTO EVIDENCE

CASE CHARACTERISTICS FOR PURPOSES OF DETERMINING IF CASE IS APPROPRIATE FOR MEDIATION

Do parties have a current, past, or recurrent relationship? NO

If yes, is that relationship:

Does the statute governing this case provide for payment of fees by the losing party? NO

Use this space to alert the court to any special case characteristics that may warrant individual management or accelerated disposition:

Do you or your client need any disability accommodations? NO

If yes, please identify the requested accommodation:

Will an interpreter be needed? NO

If yes, for what language:

Please check off each applicable category: Putative Class Action? NO **Title 59?** NO **Consumer Fraud?** NO

I certify that confidential personal identifiers have been redacted from documents now submitted to the court, and will be redacted from all documents submitted in the future in accordance with *Rule 1:38-7(b)*

11/09/2023
Dated

/s/ LISA J RODRIGUEZ
Signed

FILED: NEW YORK COUNTY CLERK 11/15/2023 07:01 PM

INDEX NO. 654911/2023

NYSCEF DOC. NO. 15

RECEIVED NYSCEF: 11/15/2023