

IN THE DISTRICT COURT OF DOUGLAS COUNTY, NEBRASKA

PRANAY BAJJURI, NIRMAL	)	CASE NO.: CI 22-1240
GORLA, SATHWIK	)	
MADISHETTI, TERRALAND	)	
HOLDINGS, LLC, and SSRRW,	)	
LLC,	)	
	)	
Plaintiffs,	)	
	)	
vs.	)	
	)	<b>AMENDED COMPLAINT</b>
AMOGH KARNEY, ANAND	)	
KARNEY, SUDHA KARNEY,	)	
SHIBA PROP, LLC, NARKE	)	
HOLDINGS, LLC, AND SARKIT,	)	
INC., and ARK CAPITAL	)	
BROOKSIDE, LLC	)	
	)	
Defendants.	)	
	)	

Plaintiffs Pranay Bajjuri (hereinafter “Plaintiff Bajjuri”), Nirmal Gorla, Sathwik Madishetti, Terraland Holdings, LLC, and SSRRW, LLC (collectively referred to as “Plaintiffs”) for their Complaint for fraud, breach of contract, unjust enrichment, breach of fiduciary duty, civil conspiracy, breach of the implied covenant of good faith and fair dealing, and constructive trust against the Defendants Amogh Karney (“Defendant Amogh”), Anand Karney (“Defendant Anand”), and Sudha Karney (“Defendant Sudha”) (Defendant Amogh, Defendant Anand, and Sudha Karney are hereinafter sometimes collectively referred to as the “Karney Defendants”), Shiba Prop, LLC, Narke Holdings, LLC, ARK Capital Brookside, LLC, and Sarkit, Inc. (hereinafter Defendants Amogh, Defendant Anand, Defendant Sudha, Shiba Prop, LLC, Narke Holdings, LLC, ARK Capital Brookside , LLC, and Sarkit, Inc. are sometimes collectively referred to as “Defendants”).

## I. JURISDICTION

1. Jurisdiction of this Court arises under Neb. Rev. Stat. §25-536.

## II. PARTIES

2. Plaintiff Bajjuri is a citizen of the State of Iowa who currently resides at 4362 East Kingston Circle, Bettendorf, Iowa 52722.

3. Plaintiff Nirmal Gorla (hereinafter “Plaintiff Gorla”) is a citizen of the State of California, who currently resides at 10158 Ridgeway Drive, Cupertino, California 95014.

4. Plaintiff Sathwik Madishetti (hereinafter “Plaintiff Madishetti”) is a citizen of the State of Minnesota, who currently resides at 8685 Magnolia Trail, Apt 306, Eden Prairie, Minnesota 55423.

5. Plaintiff Terraland Holdings, LLC (hereinafter “Terraland”) is a limited liability company that is registered in the State of California whose principal place of business is 1099 November Drive, Cupertino, California 95014.

6. Plaintiff SSRRW, LLC (hereinafter “SSRRW”) is a limited liability company registered in the State of Minnesota whose principal place of business is 8685 Magnolia Trail, Apt 306, Eden Prairie, Minnesota 55423.

7. Defendant Amogh is a citizen of the State of Nebraska whose last known address is 3913 S 184th Street, Omaha, Nebraska 68130.

8. Defendant Anand is a citizen of the State of Nebraska whose address is 3913 S 184th Street, Omaha, Nebraska 68130.

9. Defendant Sudha is a citizen of the State of Nebraska whose address is 3913 S 184th Street, Omaha, Nebraska 68130.

10. Defendant Shiba Prop, LLC (hereinafter “Defendant Shiba Prop”) is a limited liability company registered in the State of Nebraska that is registered to operate from 3913 S 184<sup>th</sup> Street Omaha, Nebraska 68130.

11. Defendant Narke Holdings, LLC (hereinafter “Defendant Narke Holdings”) is a limited liability company registered in the State of Nebraska that is registered to operate from 3913 S 184<sup>th</sup> Street, Omaha, Nebraska 68130.

12. Defendant ARK Capital Brookside, LLC (hereinafter “Defendant ARK”) is a limited liability company registered in the State of Nebraska that is registered to operate from 3913 S 184<sup>th</sup> Street, Omaha, Nebraska 68130.

13. Defendant Sarkit, Inc. (hereinafter “Defendant Sarkit”) is a corporation incorporated in the State of Nebraska whose principal place of business is 3913 S 184<sup>th</sup> Street, Omaha, Nebraska 68130.

### **III. FACTUAL ALLEGATIONS**

#### **The Karney Defendants Solicit Plaintiff Bajjuri to Invest in Real Estate Properties**

14. Plaintiff Bajjuri has known the Karney Defendants for over twenty-five (25) years.

15. The Karney Defendants authorized Defendant Amogh to manage the real estate properties further described below and to act on behalf of all Karney Defendants in all respects described in this petition.

16. The Karney Defendants solicited Plaintiff Bajjuri to invest in the real estate properties, which are located in Iowa, Nebraska, and Missouri.

17. When soliciting Plaintiff Bajjuri, the Karney Defendants made the following, but not necessarily limited to, false representations to Plaintiff Bajjuri to induce Plaintiff Bajjuri to invest in the real estate properties, and on which Plaintiff Bajjuri relied when investing in the real estate properties:

A. The real estate properties would provide great returns on Plaintiff Bajjuri's investment;

B. The Karney Defendants would be investing substantial amounts of their money in the above real estate properties;

C. Defendant Anand and Defendant Sudha were planning to invest their retirement funds and build a portfolio of real estate properties;

D. Defendant Amogh is an expert investor in real estate;

E. Defendant Amogh had an excellent portfolio of investments in various multi-family properties, which had given great returns;

F. Defendant Amogh was well-connected and well-known in the real estate industry and as such, was a subject matter expert to identify the most profitable upcoming real estate projects;

G. Defendant Amogh came from a wealthy family who were successful and lived a lavish lifestyle, including owning a Lamborghini Aventador, Bentley, Ferrari, McLaren Spyder, in addition to other luxury vehicles;

H. Defendant Amogh held a fourteen-million-dollar stock portfolio with vast financial resources who owned various

limited-edition luxury watches such as Hublot, Ferrari, and other expensive brands;

I. Defendant Amogh informed that Defendant Anand is one of the initial founders of Pramati, which is a multi-million-dollar information technology company; and

J. Defendant Anand and Defendant Sudha are owners of Sarkit, Inc., which they claimed was a multimillion-dollar information technology company.

18. Based on the Karney Defendants' representations, Plaintiff Bajjuri invested his personal money in the real estate properties.

#### **The Karney Defendants Solicit Other Plaintiffs to Invest in Real Estate Properties**

19. Beginning in July 2020, in addition to Plaintiff Bajjuri, Defendant Amogh approached Plaintiff Gorla, Plaintiff Madishetti, SSRRW, and Terraland, or their representatives, to invest in the real estate properties.

20. Between July 2020 and December 2021, Plaintiff Bajjuri, Plaintiff Madishetti, Plaintiff Gorla, SSRRW, and Terraland have cumulatively invested a total of \$1,987,200 into the Real Estate deals presented to them by Defendant Amogh.

21. A total of nine properties were packaged for investments and these properties are situated in the States of Missouri, Iowa, and Nebraska, as discussed *infra*.

**The Karney Defendants Misrepresentations to All Plaintiffs  
Regarding the Real Estate Properties**

22. The Karney Defendants represented that they were creating a real estate portfolio in a span of three (3) years, with the plan to keep purchasing properties to achieve a goal of 2000 unit properties.

23. As part of this real estate portfolio, Defendant Amogh represented that he had already lined up the following properties:

A. A 650-unit portfolio of properties in Branson, Missouri; and

B. A 278-unit portfolio of properties in Kansas City, Missouri.

24. Defendant Amogh represented that he would be converting various investment packages into real estate deals and the properties based would be used for taking loans.

25. Defendant Amogh represented that these real estate deals were guaranteed by Defendant Anand and Sudha Karney.

26. Defendant Amogh shared fictional details on real estate investment opportunities along with misleading projections and returns expected in each of the investments.

27. Defendant Amogh informed Plaintiffs about how these nine real estate investments were safe and secure investments and would provide them immediate returns on equity, along with significant continuous dividend income, thus earning them revenue from the first date of purchase of said real estate deals.

## **THE REAL ESTATE PROPERTIES**

### **TIMBERCREEK APARTMENTS - PROPERTY 1**

#### **The Karney Defendants Misrepresented the Financial Status of TimberCreek to Solicit Investments from Plaintiffs**

28. In mid-June 2020, the Karney Defendants reached out to Plaintiff Bajjuri about potential real estate investment in a 48-unit multifamily commercial property located in Iowa with an address of 1010 N 16th Street, Clarinda, Iowa 51632 (hereinafter described as “TimberCreek”).

29. On June 15, 2020, Defendant Amogh represented to Plaintiffs that he projected Timbercreek Property as a 2.5-million-dollar property with \$27,000 of monthly rental income.

30. On June 19, 2020, Defendant Amogh represented to Plaintiff Bajjuri that TimberCreek had “huge” financial potential, and subsequently sent Plaintiff Bajjuri seven pictures by text to support his representation that the TimberCreek units were newly renovated in 2010.

31. On July 15, 2020, Defendant Amogh stated in an email that the TimberCreek properties were given \$50,000 in cash from the seller for operating costs.

32. On July 15, 2020, Defendant Amogh sent an email to the Plaintiff Bajjuri claiming that there were \$39,195 of commission checks available for Plaintiff Bajjuri regarding the TimberCreek properties, which included 15 days of prorated rent and deposits.

33. On August 18, 2020, Defendant Amogh represented to Plaintiffs that he projected Timbercreek was worth 2.6 million dollars with a \$26,300 average monthly income.

34. Defendant Amogh continued to send emails on the finances of TimberCreek to Plaintiff Bajjuri that detailed that the TimberCreek Properties were:

A. Generating an average of \$27,000 per month in gross rental income; and

B. An average excess of \$8000 in monthly free cash flow.

35. To raise more money, Defendant Amogh also paid purported dividends which he represented were earned from TimberCreek to select investors to convince investors to bring their friends and family to invest in the other real estate properties that are referenced later in this lawsuit.

36. Defendant Amogh paid dividends to select investors in TimberCreek to give the TimberCreek property the appearance of making large profits.

37. On September 16, 2020, Defendant Amogh sent Plaintiff Bajjuri a dividend of \$2017.52, even though no deal on TimberCreek was ever closed at the time of this transfer.

**Defendant Amogh's False Representations Regarding Earnest Money Deposit and Down Payment**

38. On July 16, 2020, Defendant Amogh requested Plaintiff Bajjuri provide \$30,000 USD EMD (Earnest Money Deposit) to invest and help the Karney Defendants purchase TimberCreek.

39. On July 16, 2020, Plaintiff Bajjuri wired \$30,000 to the Karney Defendants' US Bank account XXX8384.

40. On July 27, 2020, and July 29, 2020, Defendant Amogh represented to Plaintiff Bajjuri and Plaintiff Madishetti that he needed to raise funds for a down payment by July 29, 2020, to purchase TimberCreek and pressured Plaintiff Bajjuri and Plaintiff Madishetti to wire money immediately for the down payment.

41. Following instructions from Defendant Amogh, Plaintiff Bajjuri sent his first wire of \$40,000 on July 29, 2020, and the second wire of \$41,750 on August 11, 2020, to the Karney Defendants' US Bank Account XXX8384.

42. On July 29, 2020, Plaintiff Madishetti sent a wire transaction of \$25,000 to the Karney Defendants' US Bank Account XXX8384.

43. In total, Plaintiff Bajjuri and Plaintiff Madishetti wired \$106,750 to the Karney Defendants for the purported down payment on the purchase of TimberCreek.

### **The Purchase of TimberCreek**

44. Sometime in July 2020, the following entities and individual formed Narke Capital TimberCreek, LLC in order to purchase TimberCreek:

A. 50% Shiba Prop, LLC (Shiba Prop, LLC was owned by Defendant Amogh 1%, Defendant Anand 49%, and Defendant Sudha 50%);

B. 33% SSPG LLC (SSPG LLC was owned by 45% Plaintiff Bajjuri and 45% Srinivas, 10% Plaintiff Sathwik); and

C. 16% Heerad Farkhoor.

45. On November 20, 2020, Narke Capital TimberCreek, LLC purchased Timbercreek.

**After the Purchase of TimberCreek, Plaintiff Bajjuri and Plaintiff  
Madishetti Discovered that the Karney Defendants Stole Funds  
Earmarked for the EMD and Down Payment**

46. Beginning on or about December 13, 2020, Plaintiff Bajjuri and Plaintiff Madishetti discovered the following:

A. The TimberCreek units were not renovated in 2010, and its units were old and distressed;

B. The EMD only required \$4,305, rather than the \$30,000 provided by Plaintiff Bajjuri;

C. Defendant Amogh never sent Plaintiff Bajjuri's \$30,000 EMD to the title company for the purchase of TimberCreek;

D. The Karney Defendants did not need Plaintiff Bajjuri and Plaintiff Madishetti's \$136,750 for a down payment on TimberCreek;

E. Instead of a down payment, the seller gave credit of \$795,000 to Narke Capital TimberCreek, LLC for the purchase of TimberCreek;

F. The Karney Defendants had a 50% stake in the TimberCreek property with no cash investment.

47. Plaintiff Bajjuri demanded an explanation from Defendant Amogh regarding the money he invested and the Karney Defendants' unjustified stake in the TimberCreek property.

**Defendant Amogh Responds to Plaintiff Bajjuri's Demand for  
Information and Then Continues to Make False Representations to  
Solicit Funds from Plaintiffs**

48. On December 14, 2020, Defendant Amogh falsely represented to Plaintiff Bajjuri that the Karney Defendants acquired their 50% stake in TimberCreek after investing \$370,000, between cash and 1031 funds, sent to TimberCreek seller Garrett Hawk ("Seller-Hawk") prior to closing.

49. To support the Karney Defendants' false representations, Defendant Amogh sent an email to Plaintiff Bajjuri on December 14, 2020, which included an attachment showing a purported April 9, 2020, wire transfer of \$240,000 to Seller-Hawk.

50. In December 2020, Defendant Amogh also represented that the excess cash flow that Timbercreek was generating to be above \$28,000 and suggested that Plaintiff Bajjuri invest additional capital.

51. Induced by Defendant Amogh's representation, Plaintiff sent another \$62,000 in two separate transactions to the Karney Defendants' US bank account XXXX8384 (\$32,000 December 11, 2020, and \$30,000 on December 17, 2020).

52. On June 23, 2021, Defendant Amogh sent fake rent rolls and financial projections and claimed that the TimberCreek property was valued at \$3.8 Million and asked Plaintiff Gorla to invest at a \$3.4 Million valuation of the TimberCreek Property.

**Plaintiffs Later Discovered that the Karney Defendants  
Misrepresented the Financial Status of TimberCreek to Solicit  
Investments from Plaintiffs**

53. On February 10, 2021, Plaintiff Bajjuri requested Defendant Amogh to send all tax documents for TimberCreek Properties and documents regarding the \$39,125 commission checks

that Defendant Amogh claimed Plaintiff Bajjuri was supposed to receive.

54. Defendant Amogh failed to provide Plaintiff Bajjuri with the tax documents and the \$39,125 commission checks; and instead, claimed that he would reallocate Plaintiff Bajjuri's \$39,125 to other real estate investments so Plaintiff Bajjuri would not have to incur capital gains.

55. Also in 2021, Plaintiff Bajjuri discovered:

A. The TimberCreek properties never received \$50,000 in cash for operating costs;

B. The TimberCreek property made an average of \$21,000 of gross monthly rental income in the Calendar year 2021;

C. The TimberCreek property barely had adequate cash flow to pay for the loan taken by Narke Capital TimberCreek, LLC;

D. The TimberCreek property manager, Rohring Boyd, deleted the financial income sheet data and resigned as the property manager after Plaintiff Bajjuri questioned the finances of TimberCreek in July 2021.

56. On August 3, 2021, Plaintiff Bajjuri learned from Seller-Hawk that the Karney Defendants knew that the occupancy of the TimberCreek property was not as represented, and that the Karney Defendants did not have the property inspected. Furthermore, the Karney Defendants had received additional cash kickbacks.

57. On September 2, 2021, Plaintiff Bajjuri discovered that the April 9, 2020, wire receipt provided by Defendant Amogh to Plaintiff Bajjuri was fake and included an address that was also fraudulent.

58. Plaintiff Bajjuri and Plaintiff Madishetti also discovered from a review of a settlement statement from the title company for the sale of TimberCreek that the Karney Defendants did not enter 1031 exchange of funds in the purchase of TimberCreek.

59. Plaintiff Bajjuri and Plaintiff Madishetti ultimately discovered that the Karney Defendants never invested any funds into the Timbercreek property to support their 50% share.

#### **Timbercreek Became a Financial Liability to the Plaintiffs and Investors**

60. In 2021, the TimberCreek property failed to pay mortgage on time for five (5) out of twelve (12) months resulting in delinquent payment penalties and warning emails from the lender.

61. In 2021, Plaintiff Bajjuri further invested an additional \$35,352.72 in cash to keep the TimberCreek property debt serviced and to pay for expenses in the units.

#### **The Karney Defendants Misused Funds and Assets of the TimberCreek Properties**

62. On November 10, 2020, Defendant Amogh moved \$126,000 of Capex cash that was wired from TimberCreek properties seller Garrett Hawk to his personal account. This money never showed up in the closing statement or the property's bank account. The Karney Defendants never notified the Plaintiff or any of the investors of the \$126,000 Capex deposit into Defendant Amogh's personal bank account.

63. On October 6, 2021, Defendant Amogh used TimberCreek's property cash flow for personal expenses.

64. Plaintiffs demanded an explanation from Defendant Amogh for using TimberCreek's cash flow for personal expenses.

65. Instead of supplying answers to the Plaintiffs regarding his misuse of TimberCreek funds, Defendant Amogh failed to reply to emails and instead responded over telephone calls that these personal purchases involved pest control and property-related citations for the TimberCreek properties.

66. Defendant Amogh received, but never disclosed, a \$500,000 commission he made on the TimberCreek properties.

67. On June 22, 2021, Defendant Amogh and Defendant Anand executed a promissory note for loans totaling \$601,554 on behalf of Narke Timbercreek LLC, Shiba Prop, LLC, and two other limited liability companies.

68. Defendant Amogh and Defendant Anand secured this promissory note loan with a lien of \$251,554.80 on Timbercreek property.

69. The Karney Defendants did not inform Plaintiffs of the promissory note or the \$251,554.80 lien.

#### **CWMV24 PORTFOLIO- PROPERTY 2 (2A AND 2B)**

##### **The Agreement for the Purchase of the Clarinda West Apartments**

70. On July 20, 2020, Defendant Amogh informed Plaintiff about another property named the Clarinda West Apartments, a 24-unit multifamily commercial property located in Iowa and described as with an address of 940 27th Street, Clarinda, IA 51632 (hereinafter described as “Clarinda West Apartments”).

71. The Clarinda West Apartments are located right next to TimberCreek.

72. On August 9, 2020, Defendant Amogh sent Plaintiff Bajjuri an email detailing the rent rolls of Clarinda West Apartments,

claiming that the property was performing at near full occupancy, and the finances show significant cash flow.

73. On August 24, 2020, Defendant Amogh sent Plaintiff Bajjuri another email with additional financial projections of the Clarinda West Apartments.

74. On August 24, 2021, based on the financial projections of the Clarinda West Apartments, Plaintiff Bajjuri entered into an agreement with the Karney Defendants for Plaintiff Bajjuri to purchase the Clarinda West Apartments under the condition of not having co-investors and commission deals.

75. On August 24, 2020, Defendant Amogh sent a text message to Plaintiff Bajjuri representing the money needed to purchase the Clarinda West Apartments had to be transferred by Friday, August 28, 2020.

76. Defendant Amogh then asked the Plaintiff Bajjuri to send the money for the purchase of Clarinda West Apartments by Wednesday, August 26, 2020.

77. On August 25, 2020, Defendant Amogh represented to Plaintiff Bajjuri that the seller of the Clarinda West Apartments had a 1031 exchange lined up, which required Plaintiff Bajjuri to provide the money to purchase the Clarinda West Apartments by August 28, 2020.

78. Defendant Amogh continuously called, messaged, and pressured Plaintiff Bajjuri to wire Defendant Amogh the money for the purchase of the Clarinda West Apartments.

79. On August 25, 2020, Plaintiff Bajjuri wired \$20,000 to the Karney Defendants' US Bank account XXX8384, as part of the purchase of the Clarinda West Apartments.

80. On August 25, 2020, Plaintiff Bajjuri sold stocks held in his Webull Trading account, and on August 26, 2020, transferred

another \$109,975 to the Karney Defendants' US Bank Account XXX8384, as a part of the purchase of Clarinda West.

81. On August 26, 2020, after additional phone calls from Defendant Amogh requesting more money from the Plaintiff Bajjuri, Plaintiff Bajjuri asked Plaintiff Madishetti to transfer additional funds , and Plaintiff Sathwik sent a final payment of \$50,000 to the Karney Defendants' US Bank account XXX8384.

**Defendant Amogh Solicited Plaintiff Bajjuri to Purchase Land Next to the Clarinda West Apartments**

82. On September 9, 2020, Defendant Amogh texted Plaintiff Bajjuri that included more information and pictures on the Clarinda West Apartments and informed Plaintiff Bajjuri of a proposal to construct 24 to 32 new units on land right next to the Clarinda West Apartments.

83. On September 9, 2020, Defendant Amogh confirmed that the Clarinda West Apartments purchase was ready to close and asked Plaintiff Bajjuri to send \$13,110.65 to pay for his portion of the land purchase next to the Clarinda West Apartments.

84. Defendant Amogh requested Plaintiff Bajjuri to note the wire transfer to say ARK CWL and transfer the \$13,110.65 into the Karney Defendants' US Bank account XXX8384.

85. On September 9, 2020, Defendant Amogh called Plaintiff Bajjuri and told Plaintiff Bajjuri that the "CWL" meant "Clarinda West Land."

**The Purchase of the Clarinda West Apartments**

86. Defendant Amogh represented to Plaintiff Bajjuri claimed that Narke Holdings property management team run by Criss Eighmy possessed the Clarinda West and the Clarinda West Apartments were being purchased through an alleged process called "soft close," "which

means that the money was sent to the seller” while “waiting for final hard close from the title company.”

87. On May 15, 2021, Criss Eighmy informed Plaintiff Bajjuri that he was unaware of Clarinda West Apartments before May 2021.

88. Mr. Eighmy also told Plaintiff Bajjuri after the sale of Clarinda West that he advised Defendant Amogh not to purchase the Clarinda West Apartments because it required substantial Capex.

89. On May 19, 2021, a group of investors formed by Plaintiff Narke CWMV24, LLC purchased Clarinda West Apartments.

90. The actual recorded closing date of Clarinda West Apartments was May 27, 2021.

**Plaintiff Bajjuri Discovered the Karney Defendants’  
Misrepresentations Regarding the Clarinda West Apartments**

91. After the closing of the Clarinda West Apartments, Plaintiff Bajjuri discovered that there is no such term called “soft close”. The Clarinda West Apartments was in Seller Garret Hawk’s possession all along, and there was no land to purchase next to the Clarinda West Apartments or a need to wire \$13,110.65 because the “Clarinda West Land” was already included by the seller in the sale of the Clarinda West Apartments.

92. Contrary to the financial data provided by Defendant Amogh, Plaintiff Bajjuri discovered the rent rolls provided at the closing of Clarinda West Apartments showed only 62% occupancy and that Clarinda West Apartments were barely keeping up with debt service.

93. After the closing of the Clarinda West Apartments, Plaintiff Bajjuri incurred an additional expense of \$65,456.32 to keep up with Capex and debt service of this property.

**Defendant Amogh Solicited Plaintiffs to Purchase  
the Park Avenue Property**

94. During December 2020, the Karney Defendants solicited Plaintiffs to purchase the Park Avenue Apartments, a 24-unit multifamily commercial property located in Missouri, with an address of 222 Park Ave, Maryville, MO 64468 (hereinafter described as “Park Avenue Apartments”). The Karney Defendants made the following representations to Plaintiffs:

A. Karney Defendants would invest their personal funds in Clarinda West and Park Avenue Apartments to match the claimed equity position in the operating agreement.

B. Defendant Amogh would manage the Clarinda West and Park Avenue Apartments with the help of Criss Eighmy and his property management personnel.

C. The Clarinda West portfolio and Park Avenue Apartments portfolio were profitable and earned surplus cash, which would give Plaintiffs 12-16% annualized dividends for their investment; and further renovations to the property would produce as high as 20% annualized dividends.

D. The Karney Defendants claimed that there was a vacant lot next to Clarinda West Apartments, which could be purchased as another deal, packaged with the Clarinda West, and be used as an additional revenue stream by constructing 24 - 32 new units.

E. The Karney Defendants claimed that the Clarinda West Apartments and Park Avenue Apartments were very stable investments with zero to no negative downside risk and they claimed that Clarinda West was in a very stable market of Iowa, which had no impact from COVID-19 due to the agriculture-based economy.

F. The Karney Defendants promised that Park Avenue would be very stable because of the medical school students and a deal would be made by Karney Defendant's property management with the Kawasaki plant.

G. The Karney Defendants claimed that the Clarinda West portfolio and Park Avenue Apartments portfolio had over 90% occupancy on a consistent basis.

H. The Karney Defendants claimed there were a total of \$150,000 of 1031 exchange funds lined up after the closing of the Clarinda West property in August 2020 and would be given to Plaintiff Bajjuri as part of the investment into future properties.

I. The Karney Defendants promised that the investment funds transferred from Plaintiffs to the Karney Defendants' holding company would be solely used for the purchase of the Clarinda West and Park Avenue Apartments and would be sent to the seller of these properties.

J. The Karney Defendants promised to manage all relevant taxes for Clarinda West and Park Avenue Apartments.

K. The Karney Defendants, regarding Clarinda West and Park Avenue Apartments, additionally promised to:

i. Keep up with debt service payments on Clarinda West and Park Avenue Apartments;

ii. Maintain detailed records of accounting for Clarinda West and Park Avenue Apartments including rental income and expenditure;

iii. Provide information on finances of Clarinda West and Park Avenue Apartments, upon request of the Plaintiffs.

iv. Karney Defendants would maintain proper records with the lender and align them with the latest LLC Operating Agreement.

95. On December 10, 2020, Plaintiff Bajjuri wired \$30,000 to the Karney Defendants' US Bank account XXX8384 for the purchase of the Park Avenue Apartments.

96. On March 5, 2021, Plaintiff SSRRW sent a wire transfer of \$75,000 from their Bank of America account XXXX0558 to Karney Defendants' Chase account XXXX2536 for the purchase of the Park Avenue Apartments.

97. On March 5, 2021, Defendant Amogh transferred the Plaintiff SSRRW's \$75,000 to Defendant Sarkit, Inc.'s Bank of the West XXX0601.

98. Defendant Sarkit, Inc. is an information technology company owned by Defendant Anand and Defendant Sudha.

99. On March 10, 2021, Plaintiff Gorla wired \$20,000 to the Defendant Narke Holdings' Chase account XXXX2536 for the purchase of the Park Avenue Apartments.

100. On May 19, 2021, Narke CWMV24, LLC purchased Park Avenue Apartments, a 24-unit multifamily commercial property located in Missouri, with an address of 222 Park Ave, Maryville, MO 64468 (hereinafter described as "Park Avenue Apartments").

101. On June 22, 2021, Defendant Amogh and Defendant Anand executed a promissory note for a loan of \$601,554 on behalf of Narke Timbercreek, LLC, Defendant Shiba Prop, LLC and two other limited liability companies.

102. Defendant Amogh and Defendant Anand secured the promissory note for \$601,554 with a \$100,000 on the Park Avenue Apartments.

103. This promissory note and security were executed without informing the Plaintiffs who invested in the Park Avenue Apartments.

104. The title documents for the purchase of the Park Avenue Apartments do not show or mention the \$205,085.65 that Plaintiff Bajjuri sent to the Defendants.

105. The title documents for the purchase of the Park Avenue Apartments do not show or mention the \$95,000 that Plaintiff Gorla and Plaintiff SSRRW sent to the Defendants.

### **40 DOOR PORTFOLIO - PROPERTY 3**

106. On September 4, 2020, Defendant Amogh solicited Plaintiff Bajjuri to invest in a 40-unit portfolio of single-family and multi-family units located in Missouri (“40 Door”).

107. Defendant Amogh provided Plaintiff Bajjuri an investment projection document and asked Plaintiff Bajjuri to use his connections and goodwill to contact other potential investors for this property.

108. Defendant Amogh represented to Plaintiff Bajjuri that Plaintiff Bajjuri could use \$150,000 in 1031 funds from the purchase of Clarinda West to take ownership of 25% of this property.

109. Defendant Amogh created a fake LLC document to lure investors to provide funds for the purchase of 40 Door.

110. Defendant Amogh falsely claimed that the Clarinda West property had closed.

111. Defendant Amogh also claimed that the proceeds from Clarinda West would be applied to 40 Door.

112. Defendant Amogh requested Plaintiff Bajjuri to raise 50% of the capital needed for this 40 Door through his connections and goodwill.

113. Defendant Amogh promised Plaintiff Bajjuri that he would personally contribute the other 50% of the remaining capital from cash contributions and 1031 funds from Clarinda West.

114. Defendant Amogh also represented that the Karney Defendants would only have a 25% ownership in 40 Door.

115. As part of his solicitation, Defendant Amogh submitted forged rent rolls with fake tenant names to Plaintiff Bajjuri.

116. On September 20, 2020, Defendant Amogh misrepresented to Plaintiff Bajjuri that he only looked for non-recourse loans and he had already lined up a loan for the 40 Door property.

117. Defendant Amogh did not have a loan lined up and created a fake loan document on a Bank of the West Letterhead.

118. Defendant Amogh had also threatened Plaintiff Bajjuri, that he would lose \$150,000 of his 1031 funds if he backed out of this deal as it was already associated with the property.

119. Bank of the West Manager Jeff Hamilton has confirmed in an email that Defendant Amogh' loan document for 40 Door shared by is fake and there is no such document or loan which shows that Defendant Amogh was working with the Bank of the West.

120. Defendant Amogh represented that an entity, Narke Capital 40D, LLC, existed, that Plaintiff Bajjuri's investment was part of Narke Capital 40D, LLC's assets, and Narke Capital 40D, LLC would purchase the 40 Door property.

121. Narke Capital 40D, LLC is a non-existent LLC in the state of Nebraska and Defendant Amogh executed a fake operating agreement to mislead investors.

122. On and before March 15, 2021, Plaintiff Bajjuri and other investors requested K1 tax documents for Narke Capital 40D, LLC.

123. Defendant Amogh had created and provided fraudulent tax documents for Narke Capital 40D, LLC and used an EIN number used in the tax documents not associated with any LLC.

124. When Defendant Amogh repeatedly failed to meet his business plan proposals as promised during investment discussions, a group of investors demanded refunds totaling \$175,000.

125. Defendant Amogh initiated a wire transfer on April 23, 2021, for \$175,000, but then canceled, which created chaos and unrest among investors.

126. Plaintiff Bajjuri compensated investors \$8015 for all the confusion.

127. On May 17, 2021, Defendant Amogh sent a text message with a purported final lease agreement to Plaintiff Bajjuri and informed him and other investors that 40 Door had closed.

128. Defendant Amogh misrepresented and intentionally truncated the lease document by intentionally removing the portion of the document where it clearly says that the down payment is not released.

129. Defendant Amogh also represented that PBARK, LLC owned the other 50% of Narke Capital 40D, LLC.

130. PBARK, LLC never existed.

131. Plaintiff Bajjuri put down \$22,591.75 in cash for the purchase of 40 Door, a property that was never purchased by the Karney Defendants.

#### **KENSINGTON TOWERS - PROPERTY 4**

132. In early November 2020, Defendant Amogh represented to Plaintiff Bajjuri that Defendant Anand, Defendant Amogh, and their family friend from Pramathi were interested in buying a 65-unit multifamily, commercial property located in Nebraska with an address of 505 S 16th Street, Omaha, NE 68102 (“Kensington Towers”)

133. On November 19, 2020, Defendant Amogh represented to Plaintiff Bajjuri that they needed to send an Earnest Money Deposit (hereinafter sometimes referred to as “EMD”) for the purchase of Kensington Tower or they would lose the Kensington Towers to the person second in line.

134. Defendant Amogh proposed Plaintiff Bajjuri’s provide the EMD for the purchase of Kensington Tower.

135. Defendant Amogh also represented to Plaintiff Bajjuri that he has secured \$1.5 Million dollars from Pramati Technologies founder Mr. Puller for the purchase of Kensington Towers.

136. In multiple calls to Plaintiff Bajjuri, Defendant Amogh informed that EMD was refundable, and the EMD, including Plaintiff Bajjuri’s share in the EMD, would be given back to Plaintiff Bajjuri as part of the settlement statement after the closing of Kensington Towers in December 2020.

137. On November 19, 2020, based on Defendant Amogh’s representations, Plaintiff Bajjuri secured funds and arranged an EMD cashier’s check of \$48,750 payable to TitleCore National, LLC to purchase Kensington Towers.

138. On November 19, 2020, Plaintiff Bajjuri delivered the \$48,750 to Defendant Amogh.

139. Starting from November 19, 2020, Defendant Amogh continually discussed with Plaintiff Bajjuri that Kensington Towers was purchased through an alleged process called 'soft close' and it is in possession of the same property management company that was running Kensington Towers before and there was not much rental cash flow for dividends.

140. On March 17, 2021, Plaintiff Bajjuri notified Defendant Amogh that he wished to withdraw his EMD money regarding Kensington Towers.

141. Defendant Amogh responded that Kensington Towers was set to close soon.

142. In April 2021, a new limited liability company organized by the Plaintiffs and the Defendant was supposed to purchase Kensington Towers.

143. However, the purchase of Kensington Towers never occurred.

144. Plaintiff Bajjuri later learned through an email from Title Core, LLC, dated October 11, 2021, that there was a February 2021 Order from the District Court of Douglas County, Nebraska to take over the EMD possession as part of a lawsuit filed by owners of Kensington Towers against Defendant Amogh.

**MARYVILLE 96 PORTFOLIO - PROPERTY 5 (5A & 5B)**

145. In April 2021, Narke Maryville 96D, LLC was supposed to purchase Terrace Apartments (hereinafter "Parkway Terrace"), a 48-unit multifamily commercial property located in Missouri with an address of 603, 613, 617 & 621 E 7th Street Maryville, Nodaway County, Missouri, 64468.

146. In April 2021 Narke Maryville 96D, LLC was supposed to purchase Village O Apartments (hereinafter “Village O”), a 48-unit multifamily commercial property located in Missouri of 1211, 1213, 1215 & 1217 West 16th Street Maryville, Nodaway County, Missouri 64468.

147. Starting in August 2020, Defendant Amogh solicited Plaintiff Bajjuri to invest in the purchase of Parkway Terrace and Village O.

148. On September 7, 2020, Defendant Amogh provided Plaintiff Bajjuri with detailed financial projections relating to the purchase of Parkway Terrace and Village O.

149. Plaintiff Bajjuri and his cousin organized Plaintiff Terraland for the purpose of investing \$241,000 into Parkway Terrace and Village O based on the securities offering information shared by Defendant Amogh.

150. On December 29, 2020, Defendant Amogh sent Terraland the operating agreement for Narke Maryville 96, LLC.

151. As with other real estate ventures with Defendant Amogh, Narke Maryville 96, LLC did not actually exist at the time when Defendant Amogh sent Terraland the operating agreement.

152. Narke Maryville 96, LLC was not formed on Feb 17, 2021, as per the Nebraska Secretary of State website.

153. On December 31, 2020, Plaintiff Terraland wired \$241,000 to Defendant Narke Holdings, LLC’s Chase bank account XXXX2536.

154. Defendant Amogh informed Plaintiff Terraland that the property was being purchased through an alleged process called “soft close” that was in control of Narke Holdings, LLC, and its property manager Criss Eighmy since January 2021.

155. Plaintiff Terraland later discovered that there is no such term called “soft close” and Criss Eighmy was never in control of Parkway Terrace or Village O.

156. On March 11, 2021, Terraland requested loan documents for Parkway Terrace and Village O.

157. Defendant Amogh sent false loan documents from Bank of the West, which were signed by Loan officer Jeff Hamilton, and Guarantors including Defendant Anand.

158. Terraland has since learned from Jeff Hamilton that he never signed the loan document referenced and his signature was “photoshopped”.

159. Defendant Amogh provided the false loan documents to convince Terraland that the loan for the purchase of Parkway Terrace and Village O was approved, and the deed to Parkway Terrace and Village O would be sent soon.

160. Starting April 12, 2021, Defendant Amogh started distributing dividend payments to Plaintiff Terraland with a dividend deposit of \$1270.58 for Parkway Terrace and Village O.

161. Defendant Amogh made these “dividend distributions” in Parkway Terrace and Village O to mislead Plaintiff Terraland and induced Plaintiff Terraland to believe that its investments were giving good returns and further inducing them to invest more money.

162. On April 19, 2021, Defendant Amogh completely removed names and associated shares of Plaintiff Terraland from the Narke Maryville 96, LLC operating agreement that was executed on December 29, 2020, and assigned this equity to Shiba Prop, LLC.

163. Defendant Amogh bounced wire transactions to Plaintiff Terraland for fake dividend payments.

164. On June 13, 2021, a check bounced due to insufficient funds of \$2,818; and on July 21, 2021, a wire transaction of \$4,715.90 bounced as well.

165. Plaintiff Bajjuri compensated Plaintiff Terraland \$8169.33 to cover these insufficient funds.

166. On July 27, 2021, Defendant Amogh sent a wire transfer confirmation receipt for a total of \$1,216,000 from Defendant Narke Holdings' Chase account XXXX2536 to the title company for the Parkway Terrance and Village O purchase.

167. The \$1,216,000 amount listed on the wire transfer receipt never showed up at the title company, which caused the seller to send a letter to the Title company on July 30, 2021, to pull from the deal, as the wire transfer confirmation receipt was a "fake wire."

#### **ASHSTREET PLACE APARTMENTS - PROPERTY 6**

168. On March 2, 2021, Plaintiff Ashstreet purchased Ashstreet Place Apartments (hereinafter described as "Ashstreet Place"), a 185-unit multifamily commercial property located in Missouri with an address of 111 N. Stadium Blvd, Columbia, Missouri 65203.

169. Related to the purchase of Ashstreet Place, starting in October 2020, Defendant Amogh proposed Ashstreet Place as a potential syndication deal where Plaintiff Bajjuri would raise half of the investment needed for the purchase through his connections, and Defendant Amogh would raise the other half of the investments needed.

170. Plaintiff Bajjuri and the Karney Defendants agreed that in exchange for Plaintiff Bajjuri raising his share of the funds needed for this property, Plaintiff would receive an unpreferred equity in the Ashstreet Place equal to the Karney Defendants. The parties further

agreed not to invest cash because the equity earned would be completely unpreferred (i.e., not qualified for dividend payments).

171. Defendant Amogh started using different real estate terminologies such as “ghost equity” and transformed a simple real estate investment syndication into a complicated transaction of not disclosing unpreferred equity in a proper disclosure format to investors.

172. Defendant Amogh repeatedly provided false information on funds he secured from his friends and family which caused numerous issues for Plaintiff Bajjuri in closing for Ashstreet Place due to lack of funds.

173. On December 31, 2020, Defendant Amogh sent a text message to Plaintiff Bajjuri confirming that Rambabu Kallepalli/ Ashbravan, LLC had committed \$800K cash for Ashstreet Place for a \$900K unpreferred equity position.

174. However, on March 1, 2021, Ashbravan, LLC only invested \$633K, which created chaos and caused Plaintiff Bajjuri to go for another raise and to lose a significant amount of his unpreferred equity.

175. Defendant Amogh repeatedly misled investors regarding the cash flow of Ashstreet Place.

176. Defendant Amogh showed misleading estimates and his analysis of cash flow multiple times in emails and conference calls with Ashstreet Place investors and pushed Plaintiff Bajjuri to sign a preferred agreement with a subset of investors, resulting in significant financial liability for Plaintiff Bajjuri because the agreement guaranteed approximately \$28,000 dollars to a subset of investors irrespective of cash flow from the property.

177. This agreement created a financial hardship for Plaintiff Bajjuri, who consequently incurred the financial liability of either paying \$28,000 dollars a month or losing equity if the property did not perform as proposed.

178. Since March 2021, Plaintiff Bajjuri has paid investors \$88,690 in dividends from his personal accounts to honor the preferred distribution agreement.

179. On October 15, 2020, an email was sent by David Fisher, a representative from the property management company that manages Ashstreet Place, clearly explaining the cash situation of Ashstreet Place and the cash flow available for distributions moving forward for the near future.

180. None of these actual cash flow projections aligned with the cash flow estimates Defendant Amogh promised investors and projected to Plaintiff Bajjuri for signing the preferred distribution agreement in Ashstreet Place.

181. There was a total of \$345,000 sent by investors of Ashstreet to the Narke Holdings Chase account of the Karney Defendants prior to the closing of Ashstreet Property, of which only \$175,000 was deposited from unmentioned sources at the closing of the property. This is reflected in the closing statement of March 4, 2021.

182. To address the missing money, Plaintiff Bajjuri sent \$92,030 to Stewart Title company at closing.

183. To address the missing money, Plaintiff Bajjuri has also spent \$95,061.75 for legal fees and one year of property insurance at closing.

184. After the closing of Ashstreet Property, the Karney Defendants sold investors 30% of PBARKE, LLC equity (6.25% of total property ownership) and Karney Defendants have never executed an

amended operating agreement for PBARKE, LLC to restructure the new ownership percentage as none of the cash proceedings were shared with Pranay Bajjuri, who is an equal owner in PBARKE, LLC

185. After the closing of Ashstreet Property, Plaintiff Bajjuri invested \$75,000 to purchase 10% of PBARKE, LLC equity (2% of Ashstreet Property), which was assigned to a couple of syndicators (Ragunandan Nalamada and Srinivas Kotha). The operating agreement of PBARKE, LLC was never amended to add this additional equity purchased by Plaintiff Bajjuri.

#### **BROOKSIDE APARTMENTS - PROPERTY 7**

186. On March 9, 2020, ARK Capital Brookside, LLC purchased Brookside Apartments (hereinafter the “Brookside”), a 76-unit multifamily commercial property located in Missouri with an address of 1602 Brookside Drive, St. Joseph, Missouri 64506.

187. In December 2019, Defendant Amogh shared an investment opportunity in Brookside property to Heerad Farkhoor, an investor in TimberCreek, and convinced Heerad Farkhoor to invest in Brookside.

188. Heerad Farkhoor agreed to invest in Brookside after Mr. Farkhoor reviewed the information regarding the Brookside provided by Defendant Amogh.

189. On January 2, 2020, Heerad Farkhoor transferred \$60,000 to Defendant Amogh, by sending it to the Narke US Bank account XXXX8384 owned by the Karney Defendants.

190. Defendant Amogh sent the Ark Capital Brookside, LLC operating agreement to Heerad Farkhoor and other investors (S&R Property Group, LLC) and executed signatures on it.

191. On February 25, 2020, Defendant Anand, and a new investor group (RAVARA Group, LLC) executed another variant of the

Ark Capital Brookside, LLC operating agreement and removed Heerad Farkhoor from the operating agreement of Ark Capital Brookside, LLC.

192. Defendant Amogh pushed Heerad Farkhoor to move these funds from Brookside to TimberCreek and offered a \$125,000 equity position in TimberCreek with an additional cash transfer of \$45,000 to Narke US bank account XXXX8384.

193. On July 10, 2020, Defendant Amogh offered Mr. Farkhoor a larger position in TimberCreek (\$125,000 Equivalent).

194. No financial transactions of funds exchange were documented in the settlement of ARK Capital Brookside, LLC on March 16, 2020, or the TimberCreek closing statement on November 20, 2020.

195. There were no other documents shared by Defendant Amogh or Defendant Anand with any other investors of Brookside about this fund exchange for moving Heerad Farkhoor's money to Narke Timbercreek, LLC.

196. The TimberCreek investors and Plaintiff Bajjuri were not provided with any documentation of Defendant Amogh's transaction with Heerad Farkhoor to justify the increased equity position in TimberCreek because of this improper movement of funds.

197. Defendant Amogh's action involving Brookside and TimberCreek directly impacts all investors in both Brookside and TimberCreek.

198. In March 2021, a proposal was made by Plaintiff Bajjuri to buy out more equity in existing properties and balance Plaintiff Bajjuri's shares with that of Karney Defendants.

199. At the same time, Plaintiff Gorla also expressed interest to diversify his Portfolio.

200. The Karney Defendants collectively agreed to sell 60% of Defendant Shiba Prop, LLC to Plaintiff Bajjuri and Plaintiff Gorla.

201. The total expected cash equivalents from this equity exchange were \$225,000.

202. Defendant Amogh requested to wait to update the operating agreement of Defendant Shiba Prop, LLC until the Brookside refinance was completed.

203. Defendant Amogh informed Plaintiff Bajjuri that there was an \$80,000 cash out expected from the refinancing of the Brookside loan from Bank of the West.

204. Out of this \$80,000, 60% (\$48,000) would be applied to future property investments (6505 State Line Road purchase).

205. Plaintiff Gorla sent \$125,000 through multiple transactions to Defendant Sudha's account in India, including a wire transfer of the requested amount that Defendant Anand had provided in an Instant Message over WhatsApp on March 9, 2021, and March 16, 2021.

206. On April 7, 2021, ownership in Shiba Prop, LLC (a limited liability company that was organized and filed with the Nebraska Secretary of State) had changed to Defendant Amogh (40%), Plaintiff Bajjuri (40%), and Nirmal Gorla (20%).

207. Defendant Amogh informed Plaintiff Bajjuri that he would allocate the remaining rents and additional cash he received from the 1031 funds of Clarinda West closing in August 2020 to secure his position in this property, and move any excess funds to purchase 6505 State Line Road.

208. Plaintiff Bajjuri sent an email to Defendant Amogh on April 3, 2021, to confirm this settlement agreement of funds with Plaintiff Bajjuri for Brookside.

209. On April 7, 2021, a new operating agreement was executed for Defendant Shiba Prop, LLC declaring the new owners.

210. Defendants have not informed the lender Bank of the West about this new operating agreement of Shiba Prop, LLC, .

211. In August , 2021 Defendant Anand claimed that he had no idea about this execution of the operating agreement of Shiba Prop, LLC, and claimed that he never received any funds from the Plaintiffs.

212. Over multiple calls and text conversations between Plaintiff Gorla , Plaintiff Bajjuri and Defendant Anand . It became evident that Defendant Anand was trying to recoup the equities back and profit from the appreciation of Brookside property and blatantly ignore the executed operating agreement amendments.

213. In order to fortify his theory Defendant Anand even started blaming his son Defendant Amogh of financial fraud, while conspiring with Defendant Amogh to block Plaintiffs from Brookside property .

214. This information shared by Defendant Anand contradicts Karney Defendants preliminary communication with Plaintiff Bajjuri and Plaintiff Gorla.

215. Defendant Anand and Defendant Sudha informed Plaintiff Bajjuri and Plaintiff Gorla they will be moving back to India and assign all the assets to their son Defendant Amogh.

216. Defendants have also failed to inform the Plaintiffs on this discrepancy of operating agreements or any transaction issues pertaining to the execution of the operating agreement after the execution of operating agreement in April 2021.

217. On September 21 2021, Plaintiff Bajjuri reached out to the lender of Brookside property Bank of the West, to inform them about this operating agreement .

218. Bank of the West Manager Jeff Hamilton requested Defendant Anand who is the manager of Shiba Prop, LLC to validate the operating agreement.

219. Plaintiff Bajjuri and Plaintiff Gorla sent an email to Defendant Anand, and Jeff Hamilton to request for confirming whether the validity of the operating agreement executed in April 2021.

220. Defendant Anand Blatantly ignored to answer these emails to provide further clarity on the validity of such operating agreement.

221. In late 2021, Defendant Anand executed multiple variants of Shiba Prop, LLC operating agreements and ARK Capital Brookside, LLC, operating agreements to other potential victims .

222. In late 2021, Plaintiffs sent all the information to members of ARK Capital Brookside, LLC, including Rambabu Kallepalli (Member of Ravara Group LLC) about the disputed operating agreements but ARK members and also the secondary loans that Karney Defendants have taken on Brookside Property .

223. Plaintiff Gorla and Plaintiff Bajjuri found out on May 31,2022 that a new variant of ARK Capital Brookside, LLC, has been submitted to new lender Corefirst Bank and a cash out refinance of approximately \$650,000 was performed by Karney Defendants and Defendant ARK .

224. This refinance directly hurt financial and equity interests of Plaintiffs. The new lender has not been provided with the operating agreement with Plaintiffs ownership interest in Shiba or any information on litigated property.

225. According to a public post on LinkedIn by Maximilian Laitner (“Max”) and follow up conversation by Plaintiff Pranay, Max

has confirmed that this refinance was initiated by Defendant Amogh and Defendant Anand is the Guarantor for the loan.

226. Max has also publicly posted on LinkedIn that ARK Capital Brookside internal equity interests are now changed due to a buyout proposal.

227. This Buyout means it is very likely that the Ravara Group, LLC variant of ARK Capital Brookside LLC in Claim 15 might have been updated .

228. According to Max, Defendant Anand in his application for refinance has not given full transparency on open litigations or ownership issues.

229. Max also claimed that in the loan application Defendant Anand claimed that he still owns 50% ownership of Sarkit Inc as proof of income. Defendant Anand also failed to share agreement for Shiba that is mentioned in Paragraph 15 to the new lender.

230. This claim of ownership of Sarkit Inc , directly contradicts Secretary of State filings and information that this company's equities were sold to new owners in February 2022.

231. Upon further investigation , Plaintiffs identified that Karney Defendants promised other potential victims equity interests in the property before this refinance and also promised to properly register their equities with the new lender.

232. These potential victims were never aware of the refinance transaction being executed unless Plaintiff Bajjuri had provided the information that it was completed on May 31 , 2022.

233. Upon further investigation, Plaintiffs were able to accumulate 4 different partially or fully executed operating agreements of ARK, and 5 variants of Shiba that Karney defendants used to mislead investors including Plaintiffs.

234. One such variant of ARK Capital Brookside that was identified was executed by Defendant Anand Karney with potential victims of Karney defendant's financial fraud as a settlement compensation . These investors include Srinivas Kotha , Krishna Gaddam et.al .

235. To convince these victims Karney Defendants have also given dividends from the property rental distributions at least once .

236. In September 2022 , Defendant ARK listed the property for sale through Zeal Property Advisors .

237. While the Property ownership issues are still in litigation this sale of equities need to be stopped immediately until the ownership issues are resolved.

#### **STATE LINE HOME - PROPERTY 8**

238. On April 19, 2021, Shiba Prop, LLC purchased the Stateline Home, a single-family home (hereinafter “Stateline Home”) located in Missouri at 6505 Stateline with an address of 6505 State Line Rd, Kansas City, MO 64113.

239. On March 31, 2021, Defendant Amogh sent an email to Plaintiff Bajjuri with information on loan process initiation for the State Line Home.

240. Defendant Amogh informed Plaintiff Bajjuri that he was open to investments in State Line Home, and advised Plaintiff Bajjuri and Plaintiff Gorla to invest in State Line Home and move the \$48,000 commissions from Brookside refinance.

241. The plan was to move 1031 funds from the CWMV24 purchase and Kensington to this property.

242. Plaintiff Bajjuri, Plaintiff Gorla, and Defendant Amogh executed a common operating agreement for Defendant Shiba Prop,

LLC on April 7, 2021, to have common equity ownerships for Brookside and State Line Home.

243. Plaintiff Bajjuri sent emails to Defendant Amogh on June 7, 2021; June 9, 2021; June 14, 2021; June 23, 2021; June 29, 2021; August 31, 2021; and August 3, 2021, requesting agreement for Plaintiff Bajjuri to purchase an equity stake in Stateline Home.

244. As part of this transaction, Plaintiff Gorla transferred \$150,000 to Narke Holdings' Chase account XXXX2536 on July 28, 2021.

245. Despite these agreements, the Karney Defendants claimed complete ownership of State Line Home.

246. Defendant Anand and Defendant Sudha even notarized loan documents on April 28th, 2021, at Bank of the West.

247. At the State Line Home closing, over \$637,000 was exchanged and these funds are largely from other investors' money.

248. The Karney Defendants shared an older version of the Defendant Shiba Prop, LLC document to the lender for State Line Home, even though they were aware of the new operating agreement executed on April 7, 2021.

### **20 DOOR PROPERTY - PROPERTY 9**

249. In November 2020, a 20-Unit (hereinafter "20 Door") single-family portfolio in St. Joseph, Missouri was also supposed to be purchased by Plaintiff PBARK, LLC.

250. In early September 2020, along with 40 Door, Defendant Amogh made a proposal to Plaintiff Bajjuri to purchase 20 Door.

251. Defendant Amogh requested Plaintiff Bajjuri to purchase this property, as the seller of 20 Door (Garrett Hawk) would be carrying most of the loan for 20 Door.

252. On September 10, 2020, Defendant Amogh sent a text message to Plaintiff Bajjuri that Jeff Hamilton from Bank of the West would reach out to Plaintiff Bajjuri and send an ultimate beneficial ownership (UBO) form for 20 Door investment.

253. On September 21, 2020, Defendant Amogh sent an email to Plaintiff Bajjuri, a UBO document from Bank of the West with PBARK, LLC as the owner of 20 Door.

254. The UBO document was never received from Bank of the West manager, as Defendant Amogh claimed.

255. Defendant Amogh informed Plaintiff Bajjuri that there was a total of \$29,557 needed for closing costs and down payment on 20 Door.

256. Defendant Amogh informed Plaintiff Bajjuri that he will send the closing statement from the Bank of the West for this transaction.

257. Following this, Plaintiff Bajjuri wired \$15,000 on September 23rd, 2020, to the Karney Defendant's US Bank account XXX8384.

258. The 20 Door property was never purchased, no documents were executed with the seller at the time funds were requested by Defendant Amogh (September 2020), and there was no discussion about this property with Bank of the West.

259. Defendant Amogh provided falsified investment information on 20 Door. Defendant Amogh took Plaintiff Bajjuri's money for 20 Door and has yet to provide any further information or refund on the 20 Door investment made by Plaintiff.

260. Based on discussions and insight, and after spending a vast amount of time and other resources, Plaintiff Bajjuri concluded that Karney Defendants were running a Ponzi scheme.

261. Based on the findings of Plaintiff Bajjuri, Karney Defendants used the below modus operandi. The Karney Defendants would either perform each of these acts in the property deal transactions or a combination of some of these acts in each transaction to maliciously:

A. Inflate the financials of the property being sold through gross material misrepresentation, thus misleading investors into believing that they were investing money into property with higher cash flow in order to receive a higher yield from the investment opportunity.

B. Ask investors to move their money into holding companies where funds were accumulated and then sent to the title company for closing.

C. Claim that the property is being purchased through an alleged process called “soft close,” which means that the money was sent to the seller. Later, Defendant Amogh informed investors that the property is in Narke Holdings’ possession and Defendant Amogh along with his property manager, Criss Eighmy, managed the property until official closing by the title company.

D. Move the funds out of specific holding accounts for the personal use of Karney Defendants without disclosure of same to investors.

E. Selectively distribute dividends to the investors who had the potential to bring in further cash investments or raise more capital from others.

F. Committing Intentional Gross Negligence to not inspect the property with an intention to work on a kickback proposal with the seller at closing.

G. Make last moment changes with settlement statements and work with the seller to not provide most of the money. They further hid from the Plaintiffs the facts that the properties were subpar and that the financial information shown to encourage Plaintiffs' investments were fabricated.

H. Bind a subpar performing property collateral to lenders and Investors (including Plaintiffs).

I. Receive additional kickbacks from sellers outside the property settlement statement.

J. Take a significant equity position in the property master LLC agreement by lying to investors about their actual cash investments.

262. Karney Defendants have misappropriated over 1.3 million dollars of the Plaintiffs' money into investment projects without any proper disclosures. This money was raised by Plaintiff Bajjuri under the Karney Defendants' representation that it would be used for the purpose of closing properties; but this money was never provided in any of the property closings, and was never documented by any legitimate transaction.

263. Defendant Amogh exaggerated the finances of these properties by providing fake rent rolls and finance information to investors and lenders.

264. Defendant Amogh further used fake documentation to mislead investors, which included creating fake operating agreements for a non-existent LLC; fake K1 tax documents; fake loan documents

on a bank letterhead; and even went to the extent of forging a bank manager's signature on one of these documents.

265. The Plaintiffs have found that there are fourteen documented bounced wire transfers and checks with a total value of 2.379 million dollars, which Defendant Amogh has used to mislead investors for these property transactions.

266. In July 2021, Defendants Amogh and Defendant Anand took secondary loans totaling \$601,554 after mortgaging several of the above-discussed properties, without disclosing to any of the investors or the lender that these properties were being used as collateral. These loans led to recorded liens on two properties, as well as a foreclosure on one property now subject to litigation.

267. Karney Defendants have further executed operating agreements at their will and illegally misused them for their convenience to further cause wrongful losses to Plaintiffs (Hereinafter TimberCreek, Clarinda West Apartments, Park Avenue Apartments, 40 Door, Kensington Towers, Parkway Terrace, Village O, Ashstreet Place, Brookside, Stateline Home, and 20 Door are hereinafter sometimes collectively referred to as "Real Estate Investments" or Real Estate Properties" or "Real Estate Holdings").

#### **IV. CLAIMS FOR RELIEF**

##### **FIRST CAUSE OF ACTION:**

##### **FRAUD**

*(Against Defendant Amogh)*

The Plaintiffs incorporates the previous paragraphs as if fully restated and set forth herein.

269. Defendant Amogh made multiple false representations as the following statements of facts:

A. Defendant Amogh claimed that he would invest his family's personal funds (Karney Defendants) in nine real estate properties mentioned *supra*;

B. Defendant Amogh guaranteed double-digit returns in the real estate investments;

C. Defendant Amogh misappropriated investor funds and spent them on his personal investments, collection of personal wealth, and Ponzi-like payments.

D. Defendant Amogh misrepresented the performance of the real estate investment properties.

E. Defendant Amogh created fake letters from various banks to further his investment aims;

F. Defendant Amogh created fake wire receipts to defraud investors to invest in the Real Estate Properties;

G. Defendant Amogh created bloated rent rolls for the Real Estate Properties to convince investors to invest in the Real Estate Properties.

H. Defendant Amogh created a fake K1 tax document.

I. Defendant Amogh provided fake wire transaction receipts.

J. Defendant Amogh provided false information on closing dates for the Real Estate Properties.

K. Defendant Amogh repeatedly used the term "soft close" to Plaintiffs, and he defined it as the period when the property was in possession of the management crew led by Criss Eighmy, (the property manager who works for Defendant Amogh).

L. Defendant Amogh provided false information regarding his prior public record on Cease-and-Desist violation and sale of securities.

270. The previously mentioned statements were known to be untrue by Defendant Amogh when made.

271. The previously mentioned statements were material to the Real Estate Investments.

272. Defendant Amogh had the knowledge that the previously mentioned statements were false when they were made by him.

273. The previously mentioned statements were made by Defendant Amogh with the intent of inducing the Plaintiffs and other investors to rely upon them.

274. The Plaintiffs and other investors relied on these statements as being true.

275. The Plaintiffs and other investors had the right to rely upon these statements.

276. The Plaintiffs and other investors did in fact rely on these statements to their detriment.

277. These false statements by Defendant Amogh caused harm to the Plaintiffs.

WHEREFORE, Plaintiffs pray for a judgment against Defendant Amogh on this cause of action in the amount of more than \$1,500,000 dollars plus attorney's fees, plus pre-judgment interest pursuant to Neb. Rev. Stat. §§ 45-104 and/or 45-103.02 with interest accruing beginning August 1, 2020, post-judgment interest pursuant to Neb. Rev. Stat. § 45-103.01 accruing from the date of entry of judgment until satisfaction of judgment, and for such other relief as the Court may deem just and equitable.

**SECOND CAUSE OF ACTION:**

**BREACH OF CONTRACT FOR TIMBERCREEK  
(*Against the Karney Defendants*)**

278. The Plaintiffs incorporates the previous paragraphs as if fully restated and set forth herein.

279. The subject matter Timbercreek Apartments is a 48-unit multifamily commercial property located in Iowa with the address at 1010 N 16th Street, Clarinda, IA 51632, and it is purchased and owned by Narke Capital Timbercreek, LLC.

280. The promises made by the Karney Defendants:

A. The Karney Defendants promised that they would be investing their personal funds in TimberCreek.

B. Defendant Amogh promised that he would be managing TimberCreek with the help of Criss Eighmy and his property management personnel.

C. Defendant Amogh promised that TimberCreek would generate surplus cash and provide the Plaintiffs 12-16% annualized dividends on the Plaintiff's investment in TimberCreek and with some subsequent renovations, it would be as high as 20% annualized dividends.

D. The Karney Defendants promised the Plaintiffs that the TimberCreek investment was a very stable investment with zero to no negative downside risk as the market is very stable in Iowa due to the agriculture-based economy, which has not been affected by the COVID-19 pandemic. Defendant Amogh shared the Bank Appraisal Report to further fortify this claim.

E. Defendant Amogh also promised that TimberCreek had over 90% Occupancy on a consistent basis.

F. There were no commissions or kickbacks other than \$39,195 cash for the rents and rental deposits of the first month, which were to be received by Plaintiff Bajjuri.

G. Investment funds transferred from Plaintiffs to the Karney Defendants holding company were to be solely used for the purchase of TimberCreek and as such the funds were for further transfer to the seller.

H. The Karney Defendants were to manage all relevant taxes incurred on Timbercreek, and additionally, they were to:

i. Keep up with the debt service payments on the TimberCreek property;

ii. Maintain detailed records of accounts including rental income received and expenditures incurred; and

iii. Provide detailed information on finances of the property upon request of the Plaintiffs.

iv. The Karney Defendants were to maintain proper records with the TimberCreek lender to comply with the latest LLC Operating Agreement.

281. Promises made by the Plaintiffs:

282. The Plaintiffs promised to invest their funds to match the equity in the Operating Agreement.

283. The price of TimberCreek as purchased and disclosed by Karney Defendants is \$2,650,000 as per the Settlement Statement from Midwest Title, Inc. on November 20, 2020.

284. The Karney Defendants materially breached the agreements governing the purchase of TimberCreek.

285. The Karney Defendants were the cause of the material breach of the agreements governing the purchase of TimberCreek.

286. As a result of the Karney Defendants material breach of the agreement governing the purchase of TimberCreek, the Plaintiffs have suffered the following damages:

A. The Plaintiffs suffered damages of \$30,000 that the Karney Defendants promised to, but failed to invest, in TimberCreek as a matching equity share.

B. Plaintiff Bajjuri incurred additional costs of \$35,352.72 on account of the property to pay for debt service and Capex from the date of its purchase on November 20, 2020.

C. Plaintiffs allege that Karney Defendants have taken \$126,000 that was transferred by TimberCreek seller Garrett Hawk on November 10, 2020, for properties Capex.

D. None of the commissions or kickbacks which were promised to Plaintiff Bajjuri were received by Plaintiff Bajjuri.

E. Plaintiff Bajjuri incurred \$201,150 in damages from his investment in TimberCreek Apartments that was provided to the Karney Defendants, as the TimberCreek final closing statement clarifies that Plaintiff Bajjuri's \$111,750 was never sent to Midwest Title, Inc. on November 20, 2020.

F. Plaintiff Bajjuri incurred damages in the amount of \$14,141 for his TimberCreek Capex and debt service expenses.

G. Plaintiff Madishetti incurred \$45,000 in damages from his investment in TimberCreek Apartments that was provided to the Karney Defendants, as the TimberCreek final

closing statement clarifies that Plaintiff Madishetti's \$25,000 was never sent to Midwest Title, Inc on November 20, 2020.

H. Plaintiffs incurred \$100,000 in damages from other investors' investment in TimberCreek Apartments that was provided to the Karney Defendants, as the TimberCreek final closing statement clarifies that Narke Timbercreek's \$157,750 was never sent to Midwest Title, Inc on November 20, 2020.

I. Plaintiffs incurred damages of \$300,000 for the undisclosed kickbacks the Karney Defendants have taken from the seller outside the final settlement statement.

J. Plaintiff Bajjuri incurred damages in the amount of \$93,000 for Timbercreek since an investment of \$62,000 was sent to Karney Defendants after the closing of Timbercreek property on November 20, 2020, for the fake rent rolls and financials provided by the Karney Defendants.

WHEREFORE, Plaintiffs pray for a judgment against the Karney Defendants on this cause of action in the amount of \$944,644 plus pre-judgment interest pursuant to Neb. Rev. Stat. §§ 45-104 and/or 45-103.02 with an accrual beginning date of August 1, 2020, post-judgment pursuant to Neb. Rev. Stat. § 45-103.01 beginning from the date of entry of judgment until satisfaction of judgment, and for such other relief as the Court may deem just and equitable.

**THIRD CAUSE OF ACTION:**

**BREACH OF CONTRACT FOR CLARINDA  
WEST & PARK AVENUE APARTMENTS  
(*Against Karney Defendants*)**

287. The Plaintiffs incorporates the previous paragraphs as if fully restated and set forth herein.

288. Clarinda West and Park Avenue Apartments are two properties:

A. Clarinda West Apartments is a 24-unit multifamily commercial property located in Iowa and described with an address of 940 27th Street, Clarinda, IA 51632, and it is purchased and owned by Narke CWMV24, LLC.

B. Park Avenue Apartments is a 24-unit multifamily commercial property located in Missouri, with an address of 222 Park Ave, Maryville, MO 64468, and it is purchased and owned by Narke CWMV24, LLC.

289. The promises made by the Karney Defendants regarding Clarinda West and Park Avenue Apartments:

290. Karney Defendants would invest their personal funds in Clarinda West and Park Avenue Apartments to match the claimed equity position in the operating agreement.

291. Defendant Amogh would manage the Clarinda West and Park Avenue Apartments with the help of Criss Eighmy and his property management personnel.

292. The Clarinda West portfolio and Park Avenue Apartments portfolio were profitable and would earn surplus cash, which would give Plaintiffs 12-16% annualized dividends for their investment; and that renovations to the property would yield as high as 20% annualized dividends.

293. The Karney Defendants claimed that there was a vacant lot next to Clarinda West Apartments, which could be purchased as another deal and packaged with Clarinda West, and could then be used as an additional revenue stream by constructing 24 - 32 new units.

294. The Karney Defendants claimed that the Clarinda West Apartments and Park Avenue Apartments were very stable investments with zero to no negative downside risk and they claimed that Clarinda West was in a very stable market of Iowa, which suffered no impact from COVID-19 due to the agriculture-based economy.

295. The Karney Defendants promised that Park Avenue would be very stable because of the medical school students and a deal would be made by Karney Defendant's property management with the Kawasaki plant.

296. The Karney Defendants claimed that the Clarinda West portfolio and Park Avenue Apartments portfolio had over 90% occupancy on a consistent basis.

297. The Karney Defendants claimed there were a total of \$150,000 of 1031 exchange funds lined up after the closing of the Clarinda West property in August 2020 and that would be given to Plaintiff Bajjuri as part of the investment into future properties.

298. The Karney Defendants promised that the investment funds transferred from Plaintiffs to Karney Defendants' holding company would be solely used for the purchase of the Clarinda West and Park Avenue Apartments and would be sent to the seller of these properties.

299. The Karney Defendants promised to manage all relevant taxes for Clarinda West and Park Avenue Apartments.

300. The Karney Defendants, regarding Clarinda West and Park Avenue Apartments, additionally promised to:

A. Keep up with debt service payments on Clarinda West and Park Avenue Apartments;

B. Maintain detailed records of accounting for Clarinda West and Park Avenue Apartments including rental income and expenditure;

C. Provide information on finances of Clarinda West and Park Avenue Apartments, upon request of the Plaintiffs.

D. Karney Defendants would maintain proper records with the lender and align them with the latest LLC Operating Agreement.

301. The promises regarding Clarinda West and Park Avenue Apartments made by the Plaintiffs:

A. The Plaintiffs would invest their funds to match the equity in the Operating Agreement.

B. The price at which Clarinda West was purchased, as disclosed by Karney Defendants is \$1,475,000 as per the settlement statement from DRI Title & Escrow on May 19, 2021.

C. The price at which Park Avenue was purchased, as disclosed by Karney Defendants is \$1,475,000 as per the settlement statement from DRI Title & Escrow on May 19, 2021.

302. The Karney Defendants materially breached the agreement governing the purchase of Clarinda West and Park Avenue Apartments.

303. The Karney Defendants caused the material breach of the agreement governing the purchase of Clarinda West and Park Avenue Apartments.

304. As a result of the Karney Defendants material breach of the agreement governing the purchases of Clarinda West and Park Avenue Apartments, the Plaintiffs have suffered the following damages:

A. The Karney Defendants did not match Plaintiff Bajjuri's equity position in Clarinda West and Park Avenue Apartments, as promised.

B. Plaintiff Bajjuri incurred \$345,555.65 in damages from his investment in Clarinda West and Park Avenue Apartments that was provided to the Karney Defendants since the \$191,975.65 was never sent to DRI Title & Escrow as per the final closing statement regarding Clarinda West and Park Avenue Apartments.

C. Plaintiff Bajjuri incurred \$65,456 on the property for paying debt service and Capex since its purchase on May 19, 2021.

D. Plaintiff Bajjuri incurred damages in the amount of \$7,000 for his Capex and debt service expenses.

E. Plaintiff Bajjuri suffered damages of \$23,599 from a fraudulent land deal regarding Clarinda West and Park Avenue Apartments in the amount of \$13,110.65.

305. Plaintiffs suffered additional damages regarding their Clarinda West and Park Avenue Apartments investments from the kickbacks the Karney Defendants took from the Clarinda West and Park Avenue Apartments seller to cover up for the occupancy issues in the amount of \$20,000.

306. Plaintiff Bajjuri incurred additional damages from the Clarinda West and Park Avenue Apartments regarding \$150,000 of 1031 the Kearny Defendants promised to provide.

307. SSRRW incurred damages of \$105,000 from the Karney Defendants for moving funds of \$75,000 from SSRRW, LLC into the

Karney Defendants' holding accounts, which were then routed to Sarkit, Inc. for Karney Defendants' personal use. This money was never sent to DRI Title & Escrow as per the final closing statement regarding the Clarinda West and Park Avenue Apartments.

308. Plaintiff Gorla incurred \$28,000 in damages from his investment in Clarinda West and Park Avenue Apartments that was provided to the Karney Defendants as the \$20,000 was never sent to DRI Title & Escrow as per the final closing statement regarding Clarinda West and Park Avenue Apartments.

WHEREFORE, Plaintiff prays for a judgment against Karney Defendants on this cause of action in the amount of \$744,610 plus pre-judgment interest pursuant to Neb. Rev. Stat. §§ 45-104 and/or 45-103.02 with an accrual beginning date of August 25, 2020, post-judgment pursuant to Neb. Rev. Stat. § 45-103.01 beginning from the date of entry of judgment until satisfaction of judgment, and for such other relief as the Court may deem just and equitable.

**FOURTH CAUSE OF ACTION:**

**BREACH OF CONTRACT FOR 40-DOOR  
(*Against Defendant Amogh*)**

309. The Plaintiffs incorporates the previous paragraphs as if fully restated and set forth herein.

310. The subject matter is 40 Door (hereinafter described as "40 Door") is a 40-unit portfolio of single-family and multi-family units located in the city of St. Joseph, Missouri, and it is purchased and owned by Narke 40D, LLC.

311. The promises made by Defendant Amogh to the Plaintiff in 40 Door are as follows:

A. Defendant Amogh would invest his personal funds to match Plaintiff Bajjuri's investment in 40 Door.

B. To reduce personal liability to guarantors in 40 Door, Defendant Amogh would only look for non-recourse loans.

C. Defendant Amogh would be managing 40 Door with the help of Criss Eighmy and his property management personnel.

D. Defendant Amogh promised that he had possession of 40 Door.

E. Defendant Amogh promised that 40 Door makes surplus cash and will provide the Plaintiffs 12-16% annualized dividends for their investment in 40 Door and a quick exit strategy with the proposed returns of 50% returns in 12 months.

F. Defendant Amogh promised that 40 Door was a stable investment with zero to no negative downside risk as the market is unaffected by the COVID-19 pandemic due to the agriculture-based economy in Missouri.

G. Defendant Amogh promised that 40 Door was being purchased below market price.

H. Defendant Amogh promised that 40 Door had over 90% occupancy on a consistent basis.

I. Defendant Amogh promised that there were no commissions or kickbacks regarding the 40 Door investment other than \$100,000 of 1031 funds that will be shared between Plaintiff Bajjuri, Karney Defendants, and Srinivas Kotha (another investor), and subsequently, it would be invested in future real estate deals.

J. Defendant Amogh promised that investment funds transferred from Plaintiffs to the Karney Defendant's holding company would be solely used for the purchase of the property and as such, it would be sent to the seller of 40 Door.

312. Defendant Amogh, regarding 40 Door, additionally promised that:

A. The Karney Defendants would be managing all relevant taxes for 40 Door,

B. The Karney Defendants would keep up with debt service payments on 40 Door,

C. The Karney Defendants would maintain detailed records of 40 Door accounting, including rental income and expenditure, and provide information on finances of the property upon request of the Plaintiffs.

D. The Karney Defendants promised to maintain proper records with the lender and align them with the latest LLC Operating Agreement.

313. The Promises made by the Plaintiffs regarding 40 Door included:

A. The Plaintiffs would invest their funds to match the equity in the Operating Agreement.

B. Plaintiff Pranay Bajjuri promised that he would raise 50% of the capital needed for 40 Door.

314. 40 Door was a Leasehold property, with an option to convert it into Freehold property, for purchase at \$2,525,000. This option of purchase was agreed and signed as per the Lease agreement executed on April 30, 2021. The previously mentioned promise was

dependent on the condition of paying a \$700,000 non-refundable deposit.

315. Defendant Amogh materially breached the agreement governing the purchase of 40 Door.

316. Defendant Amogh was the cause of the material breach of the agreement for the purchase of 40 Door.

317. As a result of Defendant Amogh's material breach of the agreement governing the purchase of 40 Door, the Plaintiffs have suffered the following damages:

A. Defendant Amogh did not invest a matching equity share of investments as promised, in 40 Door.

B. Defendant Amogh never paid any money the Plaintiffs invested in 40 Door to the seller of 40 Door, including the required \$700,000 down payment.

C. Plaintiff Bajjuri incurred additional damages in the amount of \$33,000 of his 1031 funds because of Defendant Amogh's conduct regarding the 40 Door property.

318. Plaintiff Bajjuri incurred \$10,000 in damages for the \$8169.33 funds he compensated to STJ40, LLC investors when Defendant Amogh sent a fake wire of \$175,000 to STJ 40, LLC investors who wanted to back out of the 40 Door investment.

319. Plaintiff Bajjuri incurred damages in the amount of \$45,183 for the \$22,591.75 which was transferred to Defendant Amogh for 40 Door, an amount that was never provided to the seller of 40 Door.

WHEREFORE, Plaintiffs pray for a judgment against Defendant Amogh on this cause of action in the amount of more than \$85,183.50 plus plus pre-judgment interest pursuant to Neb. Rev. Stat.

§§ 45-104 and/or 45-103.02 with an accrual beginning date of September 20, 2020, post-judgment pursuant to Neb. Rev. Stat. § 45-103.01 beginning from the date of entry of judgment until satisfaction of judgment, and for such other relief as the Court may deem just and equitable.

**FIFTH CAUSE OF ACTION:**

**BREACH OF CONTRACT FOR KENSINGTON TOWERS**  
*(Against Defendant Amogh)*

320. The Plaintiffs incorporates the previous paragraphs as if fully restated and set forth herein.

321. The subject matter Kensington Towers (hereinafter described as “Kensington Towers”) is a 65-unit multifamily, commercial property located in Nebraska with an address of 505 S 16th Street, Omaha, NE 68102.

322. The promises made by Defendant Amogh to the Plaintiff Bajjuri regarding Kensington Towers are as follows:

A. Defendant Amogh promised that Kensington Towers would be purchased by December 2020.

B. Defendant Amogh promised that earnest money deposited in Kensington Towers would be refundable and paid back to Plaintiff Bajjuri upon the final closing of Kensington Towers at TitleCore National, LLC.

C. Defendant Amogh promised that the closing date of Kensington Towers would be no later than April 2021.

D. Defendant Amogh also promised Plaintiff Bajjuri that he had secured \$1.5 Million dollars from the founder of Pramati Technologies for the purchase of Kensington Towers.

E. Defendant Amogh promised that he would provide Plaintiff Bajjuri half of the 1031 funds after the closing of the Kensington Towers.

F. Defendant Amogh promised that Plaintiff Bajjuri would receive half of \$275K of 1031 funds as commission for the investments in Kensington Towers.

323. The promises made by the Plaintiffs regarding Kensington Towers investment are:

A. Plaintiff Bajjuri promised to pay the earnest money deposit in Kensington Towers which is refundable and would be paid back to Plaintiff Bajjuri at the closing.

B. The price of Kensington Towers was supposed to be around \$4.2 Million dollars.

333. Defendant Amogh materially breached the purchase sale agreement governing the purchase of Kensington Towers.

334. Defendant Amogh was the cause of the material breach of the sale & purchase agreement governing the purchase of Kensington Towers.

335. As a result of Defendant Amogh's material breach of the sale & purchase agreement governing the purchase of Kensington Towers, the Plaintiff suffered the following damages:

336. Plaintiff Bajjuri invested \$48,750 as earnest money deposit in Kensington Towers for a property that never closed.

WHEREFORE, Plaintiff prays for a judgment against Defendant Amogh on this cause of action in the amount of \$48,750 plus pre-judgment interest pursuant to Neb. Rev. Stat. §§ 45-104 and/or 45-103.02 with an accrual beginning date of November 19, 2020, post-judgment pursuant to Neb. Rev. Stat. § 45-103.01 beginning from the

date of entry of judgment until satisfaction of judgment, and for such other relief as the Court may deem just and equitable.

**SIXTH CAUSE OF ACTION:**

**BREACH OF CONTRACT FOR PARKWAY TERRACE  
AND VILLAGE O  
(Against Karney Defendants)**

337. The Plaintiffs incorporates the previous paragraphs as if fully restated and set forth herein.

338. The subject matter Parkway Terrace Apartments and Village O Apartments are two properties:

A. Parkway Terrace Apartments 48-unit multifamily commercial property located in Missouri with an address of 603, 613, 617 & 621 E 7th Street Maryville, Nodaway County, Missouri, 64468, and it is purchased and owned by Narke Maryville 96D, LLC.

B. Village O Apartments is a 48-unit multifamily commercial property located in Missouri of 1211, 1213, 1215 & 1217 West 16th Street Maryville, Nodaway County, Missouri 64468, and this property is purchased and owned by Narke Maryville 96D, LLC.

339. The promises made by the Karney Defendants to Plaintiffs regarding Parkway Terrace Apartments and Village O Apartments are as follows:

A. The Karney Defendants promised that the Parkway Terrace Apartments and Village O Apartments would be purchased through an alleged process called “soft closing” in January 2021 and the plan would be to close the Parkway Terrace Apartments and Village O Apartments by April 2021.

B. The Karney Defendants promised that Parkway Terrace Apartments and Village O Apartments were in possession of Criss Eighmy and his property management personnel in January 2021.

C. The Karney Defendants promised that Parkway Terrace Apartments and Village O Apartments generated surplus cash and would give Plaintiffs 12-16% annualized dividends on their investment.

D. The Karney Defendants promised that Plaintiffs' investment funds in Parkway Terrace Apartments and Village O Apartments would be transferred from Plaintiffs to the Karney Defendants' holding company and would be solely used for the purchase of Parkway Terrace Apartments and Village O Apartments and as such the funds were for further transfer to the seller of Parkway Terrace Apartments and Village O Apartments.

E. The Karney Defendants were to maintain proper records with the Lender to comply with the latest LLC Operating Agreement.

F. Plaintiff Bajjuri and Rambabu Kallepalli, the investors in Narke Maryville 96D representing Tetrasu, LLC Group (an investor in Parkway Terrace Apartments and Village O Apartments) were to receive \$80,000 for bringing on investors into Parkway Terrace Apartments and Village O Apartments.

340. The promises made by the Plaintiffs regarding the investment in Parkway Terrace Apartments and Village O Apartments are:

A. Plaintiff Bajjuri's cousin, Kiran Thota, and his friends including Plaintiff Gorla formed a group called Terraland Holdings, LLC. This LLC agreed to invest \$241,000

into Parkway Terrance and Village O Apartments based on the securities, offerings, and information shared by Defendant Amogh.

B. Plaintiff Bajjuri would not invest money, but he was to enjoy an equal equity position with the Karney Defendants in Parkway Terrace Apartments and Village O Apartments based on the agreement of bringing in investments.

341. The Village O and Parkview Terrace portfolios were initially proposed to be purchased at five million with approximately \$1.2 Million in down payment. The final proposed purchase price was \$5.2 Million, with a down payment of around 1.286 million as per the final closing statement of Nodaway County Abstract Company on July 19, 2021.

342. The Karney Defendants materially breached the agreement governing the purchase of Parkway Terrace Apartments and Village O Apartments.

343. The Karney Defendants were the cause of the material breach of the agreement governing the purchase of Parkway Terrace Apartments and Village O Apartments.

344. As a result of the Karney Defendants' material breach of the operating agreement governing the purchase of Parkway Terrace Apartments and Village O Apartments, the Plaintiffs have suffered the following damages:

A. Plaintiff Bajjuri incurred \$10,000 in damages for having to compensate \$8169.33 to investors for the Karney Defendants' bounced check and wire regarding Parkway Terrace Apartments and Village O Apartments.

B. Terraland incurred \$320,000 in damages regarding the \$241,000 investment funds that were transferred to the

Karney Defendants for the purchase of Parkway Terrace Apartments and Village O Apartments.

WHEREFORE, Plaintiffs prays for a judgment against the Karney Defendants on this cause of action in the amount of more than \$330,000 dollars plus pre-judgment interest pursuant to Neb. Rev. Stat. §§ 45-104 and/or 45-103.02 with an accrual beginning date of December 31, 2020, post-judgment pursuant to Neb. Rev. Stat. § 45-103.01 beginning from the date of entry of judgment until satisfaction of judgment, and for such other relief as the Court may deem just and equitable.

**SEVENTH CAUSE OF ACTION:**

**BREACH OF CONTRACT FOR ASHSTREET PLACE**  
*(Against Karney Defendants)*

345. Plaintiffs reallege and incorporate by reference paragraphs 1 through 292 above.

346. The subject matter Ashstreet Place Apartments is a 185-unit multifamily commercial property located in Missouri with an address of 111 N. Stadium Blvd, Columbia, Missouri 65203.

347. The promises made by the Karney Defendants to Plaintiffs regarding Ashstreet Place:

A. The Karney Defendants promised to raise \$1.825 Million from their friends and family connections to invest in Ashstreet Place as follows:

1. \$800,000 from Heerad Farkhoor and his investor group;
2. \$800,000 from Rambabu Kallepalli and group;

3. \$125,000 from Ravi Retineni; and

4. \$100,000 from Rajya Lakshmi.

B. The Karney Defendants promised that Ashstreet Place generated surplus cash and would give Plaintiffs 12% annualized dividends on their investment.

C. The Karney Defendants promised that the Plaintiff's Ashstreet Place investment funds transferred from Plaintiffs to the Karney Defendants holding company were to be solely used for the purchase of Ashstreet Place and these funds were to be transferred to the seller of Ashstreet Place.

348. The promises made by the Plaintiffs regarding Ashstreet Place:

A. Plaintiff Bajjuri would raise half of the investments for Ashstreet Place from friends and family.

B. Plaintiff Gorla and Plaintiff Bajjuri promised to be guarantors for the loan for Ashstreet Place.

349. The initial contract price of Ashstreet Place was \$8.775 Million and the final purchase price of Ashstreet Place with closing costs was \$9.558 Million.

350. The Karney Defendants materially breached the operating agreement governing the purchase of Ashstreet Place.

351. The Karney Defendants were the cause of the material breach of the operating agreement governing the purchase of Ashstreet Place.

352. As a result of The Karney Defendants' material breach of the operating agreement governing the purchase of Ashstreet Place, the Plaintiffs have suffered the following damages:

A. Plaintiff Bajjuri suffered damages in the amount of \$85,000 unpreferred equity from Karney Defendants as outlined above for providing false information on Ashbravan investments.

B. Plaintiff Bajjuri suffered damages in the amount of \$80,000 of loss of equity from Karney Defendants that was promised as a settlement from Ashbravan (Rambabu Kallepalli) for providing false information on Ashbravan investments.

C. The Plaintiffs and other investors sent a total of \$345,000 to Karney Defendants for the closing of the Ashstreet Place property, yet \$170,000 of net cash was missing at the closing of Ashstreet Place. Ashstreet suffered damages in the amount of \$170,000 for missing money at the Ashstreet Place closing.

D. To address this shortage of funds, Plaintiff Bajjuri suffered damages in the amount of \$92,030 because of the Karney Defendants missing money at the Ashstreet Place closing.

E. Plaintiff Bajjuri demands a total of \$119,639 from Karney defendants for the economic loss.

F. Plaintiffs demands a total of \$100,000 from Karney Defendants for the missing money from investors that needs to be paid back to Defendant Bajjuri for his \$95,061.75 investment for insurance and closing costs of the property.

G. Plaintiff Gorla demands a total of \$60,000 from Karney Defendants for the sale of diluted equity without proper disclosures.

H. Plaintiff Bajjuri has invested \$88,690 to pay to honor preferred agreement and Karney Defendants have to pay \$44,345 for their liability ownership.

WHEREFORE, The Plaintiffs pray for a judgment against the Karney Defendants on this cause of action in the amount of \$581,014 dollars plus pre-judgment interest pursuant to Neb. Rev. Stat. §§ 45-104 and/or 45-103.02 with an accrual beginning date of January 1, 2021, post-judgment pursuant to Neb. Rev. Stat. § 45-103.01 beginning from the date of entry of judgment until satisfaction of judgment, and for such other relief as the Court may deem just and equitable.

**EIGHTH CAUSE OF ACTION:**

**BREACH OF CONTRACT FOR SHIBA PROP LLC/  
ARK CAPITAL BROOKSIDE LLC  
(Against Karney Defendants , Shiba and ARK)**

353. Plaintiffs reallege and incorporate by reference paragraphs 1 through 300 above.

354. The subject matter is Brookside Apartments, a 76-unit multifamily commercial property located in Missouri with an address of 1602 Brookside Drive, St. Joseph, Missouri 64506. and it is purchased and owned by ARK Capital Brookside, LLC.

355. The promises made by the Karney Defendants regarding the Plaintiffs' investment in Brookside Apartments:

A. The Karney Defendants promised that the Brookside Apartments was an existing property in Defendant Karney's investment portfolio that was purchased in March 2020.

B. The Karney Defendants promised that Plaintiff Bajjuri and Plaintiff Nirmal would be given equity positions in the property.

C. The Karney Defendants promised to move 1031 funds from Plaintiff Bajjuri's previous investments and promised to move all the rental dividends and Capex spent by Plaintiff Bajjuri on other properties to offer him 40% of Shiba Prop, LLC.

356. The promises made by the Plaintiffs regarding the Brookside Apartments investments: Plaintiff Gorla promised to send proposed investment to Defendant Karney's accounts for a 20% stake in Shiba Prop, LLC.

357. The equities were to be purchased at a rate of \$250,000 for 60% of Shiba Prop, LLC.

A. Shiba Prop, LLC owned 50% of Ark Capital Brookside, LLC.

B. The initial agreement between Karney Defendants and Plaintiff Bajjuri was to Pay \$225,000 for 50% of Shiba Prop, LLC with a \$40,000 cash back after refinancing through the loan of Brookside in April 2021.

C. Plaintiff Gorla decided to invest in the property alongside Plaintiff Bajjuri, and as such, the decision was to let Plaintiff Gorla purchase the equity of Brookside at the same valuation as Plaintiff Bajjuri.

D. Karney Defendants took \$60,000 funds from Heerad Farkhoor for purchasing Brookside Property even before any other investors on January 2, 2020, and offered a position in ARK capital Brookside operating agreement.

E. On February 25, 2020, Karney Defendants executed an operating agreement of ARK Capital Brookside and took over complete possession of Heerad Farkhoor's equity to Shiba Prop, LLC without his consent or signature on the operating agreement.

F. Karney Defendants' action of an illegal takeover of equities was not disclosed to Plaintiff Bajjuri or Plaintiff Gorla and as such, they shall not be liable for losses or liabilities of Karney Defendants' actions.

G. Plaintiff Bajjuri and Plaintiff Gorla immediately ordered the registration of the Shiba Prop, LLC latest operating agreement on April 7, 2021, with the lender of Brookside property.

358. The Karney Defendants materially breached the operating agreement governing the purchase of Brookside Apartments.

359. The Karney Defendants were the cause of the material breach of the operating agreement governing the purchase of Brookside Apartments.

360. As a result of the Karney Defendants' material breach of the operating agreement governing the purchase of Brookside Apartments, the Plaintiffs have suffered the following damages:

A. The Plaintiffs have suffered financial losses regarding Brookside Apartment in the amount of \$250,000.

WHEREFORE, Plaintiffs pray for a judgment against the Karney Defendants on this cause of action in the amount of more than \$250,000 plus pre-judgment interest pursuant to Neb. Rev. Stat. §§ 45-104 and/or 45-103.02 with an accrual beginning date of March 1, 2021, post-judgment pursuant to Neb. Rev. Stat. § 45-103.01 beginning from

the date of entry of judgment until satisfaction of judgment, and for such other relief as the Court may deem just and equitable.

**NINTH CAUSE OF ACTION:**

**BREACH OF CONTRACT SHIBA PROP, LLC/ STATE LINE HOME  
(Against Karney Defendants)**

361. The Plaintiffs incorporates the previous paragraphs as if fully restated and set forth herein.

362. The subject matter is the operating agreement of Shiba Prop, LLC pertaining to the purchase of 6505 State Line Home property.

363. The promises made by the Karney Defendants to Plaintiff investors in the State Line home property:

A. The Karney Defendants promised to invest their personal funds for purchasing equity State Line Home.

B. The Karney Defendants promised to take the proceedings from Narke CWMV24 and Kensington Towers to provide Plaintiff Bajjuri with 40% ownership of State Line Home.

C. The Karney Defendants promised that they would be managing State Line Home.

D. The Karney Defendants promised that they would manage all the secretary of state paperwork regarding State Line Home.

E. The Karney Defendants promised that they would ensure that the debt service of State Line Home was properly documented and paid.

364. The promises made by the Plaintiffs regarding the investment in State Line Home:

A. Plaintiff Gorla promised to invest \$150,000 for a 20% position in State Line Home.

B. Plaintiff Bajjuri promised to invest approximately \$60,000 in State Line Home.

C. Plaintiff Bajjuri promised to create a new limited liability company for State Line Home.

365. The total down payment needed for the State Line Home was \$637,000 and with rework/ demolition costs and other fees, there was a total down payment of approximately \$800,000 needed for State Line Home.

366. The Karney Defendants materially breached the operating agreement governing the purchase of State Line Home.

367. The Karney Defendants were the cause of the material breach of the operating agreement governing the purchase of State Line Home.

368. As a result of The Karney Defendants' material breach of the operating agreement governing the purchase of State Line Home, the Plaintiffs have suffered the following damages:

A. Plaintiff Gorla has suffered damages in the amount of 270,000 for money paid to the Karney Defendants for State Line Home.

B. Plaintiff Bajjuri has suffered a loss of \$300,000 in damages due to the Karney Defendants' failure to deliver 1031 exchanges and equities for his interest in State Line Home.

WHEREFORE, Plaintiffs pray for a judgment against the Karney Defendants on this cause of action in the amount of \$570,000 dollars plus plus pre-judgment interest pursuant to Neb. Rev. Stat. §§ 45-104 and/or 45-103.02 with an accrual beginning date of April 1, 2021, post-judgment pursuant to Neb. Rev. Stat. § 45-103.01 beginning from the date of entry of judgment until satisfaction of judgment, and for such other relief as the Court may deem just and equitable.

**TENTH CAUSE OF ACTION:**

**BREACH OF CONTRACT FOR 20-DOOR**  
*(Against Karney Defendants)*

369. The Plaintiff Bajjuri realleges and incorporates by reference paragraphs 1 through 316 above.

370. The subject matter A 20-Unit (hereinafter “20 Door”) single-family portfolio in St. Joseph, Missouri was also supposed to be closed with PBARK, LLC in November 2020.

371. The promises made by the Karney Defendants regarding the investment in 20 Door:

A. The Karney Defendants promised that they would invest equally with Plaintiff Bajjuri to have a 50% ownership of 20 Door.

B. The Karney Defendants promised that the cash invested by Plaintiff in 20 Door would be sent to the seller of 20 Door.

C. Karney Defendants promised that they would be responsible for maintaining the limited liability company set up to purchase 20 Door including documentation.

372. The promise made by Plaintiff Bajjuri regarding the investment of 20 Door:

A. The Plaintiff promised to invest the cash required of him in 20 Door.

373. 20 Door was to be purchased at \$1 Million with the seller of 20 Door carrying the down payment and a \$29,553 closing cost that will be shared equally between Plaintiffs and Karney Defendants.

374. The Karney Defendants materially breached the operating agreement governing the purchase of 20 Door.

375. The Karney Defendants were the cause of the material breach of the operating agreement governing the purchase of 20 Door.

376. As a result of the Karney Defendants' material breach of the operating agreement governing the purchase of 20 Door, Plaintiff Bajjuri suffered \$30,000 in damages by providing the Karney Defendants with investment money of \$15,000 for 20 Door and these funds were never sent by the Karney Defendants to the seller of 20 Door.

WHEREFORE, Plaintiff prays for a judgment against the Karney Defendants on this cause of action in the amount of \$30,000 dollars plus plus pre-judgment interest pursuant to Neb. Rev. Stat. §§ 45-104 and/or 45-103.02 with an accrual beginning date of September 23, 2020, post-judgment pursuant to Neb. Rev. Stat. § 45-103.01 beginning from the date of entry of judgment until satisfaction of judgment, and for such other relief as the Court may deem just and equitable.

**ELEVENTH CAUSE OF ACTION:**

**BREACH OF CONTRACT FOR PBARKE LLC (A.K.A PBARK LLC)  
(Against Anand and Sudha Karney)**

377. The Plaintiffs reallege and incorporate by reference paragraphs 1 through 324 above.

378. The subject matter is PBARKE, LLC which is 50% owned by Plaintiff Bajjuri and the other 50% jointly owned by Defendant Anand and Defendant Sudha with 25% each.

379. The promises made by Defendant Anand and Defendant Sudha regarding PBARKE, LLC:

A. Defendant Anand and Defendant Sudha would invest their personal funds to match Plaintiff Bajjuri's investments.

B. Defendant Anand and Defendant Sudha wanted their son Defendant Amogh to run and manage the transactions for them because they operate as a family, and Defendant Amogh is the face of all their transactions while Defendant Anand and Defendant Sudha are ultimate beneficiaries.

C. Karney Defendants would maintain proper records of this LLC and take care of all the documentation and agreements with good faith.

380. The Promises made by the Plaintiffs:

A. Mr. Bajjuri would invest an equal amount to match Defendants' cash investments to retain an equal equity position in PBARKE, LLC.

B. PBARKE, LLC has fractional equity ownership in these three properties:

1. Narke Capital Timbercreek, LLC
2. Narke CWMV24
3. Narke Ashstreet, LLC

C. PBARKE, LLC also known as PBARK, LLC owns the following properties:

1. Narke 40D LLC
2. 20 Door property
3. Narke Maryville 96D LLC
4. Kensington Towers

D. Defendant Anand and Defendant Sudha would invest their personal funds to match Plaintiff Bajjuri's investments.

381. The Defendants materially breached the operating agreement governing the purchase of PBARKE, LLC.

382. The Defendants were the cause of the material breach of the operating agreement governing the purchase of PBARKE, LLC.

383. Plaintiff Bajjuri further alleges that Defendant Anand and Defendant Sudha have net negative cash invested to these investments to justify their equal equity position with Plaintiff Bajjuri.

A. TimberCreek Investment.

1. Plaintiff Bajjuri alleges that Defendants had no cash investments in Timbercreek while they have taken \$173,750 of Plaintiff Bajjuri's funds without disclosures from TimberCreek investment.

2. Plaintiff Bajjuri alleges that he has invested a net of \$35,352.72 for Capex and debt service payments while Karney Defendants have taken over \$126,000 of Capex funds from the TimberCreek seller for their personal use without disclosures.

B. Narke CWMV24 Investment Plaintiff Bajjuri alleges that there a total of \$205,085.65 was sent to Defendants accounts and the amount is missing from the final settlement statement at DRI title.

1. Karney Defendants only sent \$170,000 to DRI title making their position net negative investment for Narke CWMV24 investment.

2. Plaintiff Bajjuri also claims additional \$27,500 directly to DRI title.

3. Plaintiff Bajjuri alleges that he has invested a net of \$65,456.32 for Capex and debt service payments, while Defendant Anand and Defendant Sudha have not invested any funds from their side.

C. Ashstreet Place Investment

1. Plaintiff further alleges that a total of \$345,000 was sent by Ashstreet investors to Karney Defendants and \$170,000 of net cash was missing at closing, making it a negative investment to justify equity position in the Ashstreet investment.

2. Plaintiff Bajjuri has incurred a total loss of \$92,030 to cover for this missing money that was taken by Karney Defendants prior to closing of Ashstreet investment.

3. Plaintiff alleges that after the closing of Ashstreet, Plaintiff Bajjuri invested \$75,000 to purchase equities from Srinivas and Raghu (other investors) and Karney Defendants have not invested any funds from their side to justify their equity position.

4. Karney Defendants took the proceeds of sale of 30% of total PBARKE, LLC position in Ashstreet property and spent it for their personal liabilities and needs, and the operating agreement was never amended to reflect the updated ownership.

5. Plaintiff Bajjuri has incurred \$88,690 in damages from Ashstreet since he had to pay personally to investors from his personal accounts for honoring preferred distribution agreement of Pbarke, LLC while Defendants have not paid any funds to justify their equal share with Plaintiff Bajjuri in Pbarke , LLC

6. Plaintiff Bajjuri paid a net of \$66,780 for Capex expenses for Ashstreet and Defendants failed to pay their share to justify their equal position with Plaintiff Bajjuri in Pbarke, LLC

D. Properties that were supposed to be purchased under Pbarke, LLC but did not close due to proceeding claims as alleged above.

1. Plaintiff further alleges that a total of \$48,750 was sent to TitleCore for Kensington Earnest Money Deposit, while there were no funds invested from Defendant Anand and Defendant Sudha.

2. Plaintiff further alleges that a total of \$22,591.75 was sent to Karney Defendants account for 40

Door investment when there were no funds invested from Defendant Anand and Defendant Sudha.

3. Plaintiff further alleges that a total of \$15,000 was sent to Karney Defendants' account for 20 Door investment when there were no funds invested from Defendant Anand and Defendant Sudha.

384. As a result of The Defendants' material breach of the operating agreement governing the purchase of PBARKE, LLC, the Plaintiff has suffered the loss of equity and financial damage of \$1,000,000.

WHEREFORE, Plaintiff prays for a judgment against the Karney Defendants on this cause of action in the amount of more than \$1,000,000 dollars plus pre-judgment interest pursuant to Neb. Rev. Stat. §§ 45-104 and/or 45-103.02 with an accrual beginning date of August 1, 2020, post-judgment pursuant to Neb. Rev. Stat. § 45-103.01 beginning from the date of entry of judgment until satisfaction of judgment, and for such other relief as the Court may deem just and equitable.

#### **TWELFTH CAUSE OF ACTION:**

##### **UNJUST ENRICHMENT – Plead in the Alternative to Breach of Agreement Claims for the Real Estate Properties (*Against All Defendants*)**

385. The Plaintiffs incorporate the previous paragraphs as if fully restated and set forth herein.

386. Plaintiff Bajjuri paid the following investment amounts to the Karney defendants:

A. \$173,750 for TimberCreek investment.

B. \$205,085.65 for Clarinda West Apartments investment.

C. \$22,591.75 for 40 Door investment.

D. \$15,000 for 20 Door investment.

E. \$48,750 for Kensington Towers investment.

387. The Kearny Defendants enriched themselves by the receipt of a \$465,177.40 cash benefit from Plaintiff Bajjuri.

388. The Karney Defendants were enriched in the sum amount of \$465,177.40 cash benefit at the expense of Plaintiff Bajjuri.

389. It would be unjust to allow the Kearny Defendants to retain the \$465,177.40 cash benefit provided by Plaintiff Bajjuri.

WHEREFORE, Plaintiff Bajjuri prays for a judgment against the Defendants on this cause of action in the amount of \$465,177.40 dollars plus pre-judgment interest pursuant to Neb. Rev. Stat. §§ 45-104 and/or 45-103.02 with an accrual beginning date of August 1, 2020, post-judgment pursuant to Neb. Rev. Stat. § 45-103.01 beginning from the date of entry of judgment until satisfaction of judgment, and for such other relief as the Court may deem just and equitable.

390. Plaintiff Gorla paid the following investment amounts to the Karney Defendants:

A. \$20,000 for Park Avenue Apartments investment.

B. \$213,850 for Ashstreet Place investment.

391. The Karney Defendants also enriched themselves by the receipt of a \$233,850 cash benefit from Plaintiff Gorla.

392. The enrichment of the \$233,850 cash benefit was at the expense of Plaintiff Gorla.

393. It would be unjust to allow the Karney Defendants to retain the \$233,850 cash benefit provided by Plaintiff Gorla.

WHEREFORE, Plaintiff Gorla prays for a judgment against the Defendants on this cause of action in the amount of \$233,850 dollars plus pre-judgment interest pursuant to Neb. Rev. Stat. §§ 45-104 and/or 45-103.02 with an accrual beginning date of August 1, 2020, post-judgment pursuant to Neb. Rev. Stat. § 45-103.01 beginning from the date of entry of judgment until satisfaction of judgment, and for such other relief as the Court may deem just and equitable.

394. Plaintiff Madishetti paid the following investment amounts to the Karney defendants:

A. \$25,000 for TimberCreek investment.

395. The Karney Defendants enriched themselves by the receipt of a \$25,000 cash benefit from Plaintiff Madishetti.

396. The enrichment of the \$25,000 cash benefit was at the expense of Plaintiff Madishetti.

397. It would be unjust to allow the Karney Defendants to retain the \$25,000 cash benefit provided by Plaintiff Madishetti.

WHEREFORE, Plaintiff Madishetti prays for a judgment against the Defendants on this cause of action in the amount of \$25,000 dollars and for such other relief as the Court may deem just and equitable.

398. SSRRW paid the following investment amounts to the Karney Defendants:

A. \$75,000 for Park Avenue Apartments investment.

399. The Karney Defendants were enriched by the receipt of a \$75,000 cash benefit from SSRRW.

400. The enrichment of the \$75,000 cash benefit was at the expense of the SSRRW.

401. It would be unjust to allow the Karney Defendants to retain the \$75,000 cash benefit provided by SSRRW.

WHEREFORE, SSRRW prays for a judgment against the Defendants on this cause of action in the amount of \$75,000 dollars plus pre-judgment interest pursuant to Neb. Rev. Stat. §§ 45-104 and/or 45-103.02 with an accrual beginning date of August 1, 2020, post-judgment pursuant to Neb. Rev. Stat. § 45-103.01 beginning from the date of entry of judgment until satisfaction of judgment, and for such other relief as the Court may deem just and equitable.

402. Terraland paid the following investment amounts to the Karney Defendants:

A. \$241,000 for Parkway Terrace and Village O investment.

403. The Kearny Defendants were enriched by the receipt of a \$241,000 cash benefit from Terraland.

404. The enrichment of the \$241,000 cash benefit was at the expense of the Terraland.

405. It would be unjust to allow the Karney Defendants to retain the \$241,000 cash benefit provided by Terraland.

WHEREFORE, Terraland prays for a judgment against the Defendants on this cause of action in the amount of \$241,000 dollars plus pre-judgment interest pursuant to Neb. Rev. Stat. §§ 45-104

and/or 45-103.02 with an accrual beginning date of August 1, 2020, post-judgment pursuant to Neb. Rev. Stat. § 45-103.01 beginning from the date of entry of judgment until satisfaction of judgment, and for such other relief as the Court may deem just and equitable.

**THIRTEENTH CAUSE OF ACTION:**

**BREACH OF FIDUCIARY DUTY**

*(Against All Defendants)*

406. The Plaintiffs incorporates the previous paragraphs as if fully restated and set forth herein.

407. The Karney Defendants, as members, under the Operating Agreement with PBARKE, Shiba Prop, LLC had a fiduciary duty to Plaintiffs.

408. The Karney Defendants breached this duty by:

A. Bloating the financials of the properties being sold through gross material misrepresentation;

B. Misleading investors to believe that they were investing money into properties with higher cash flow in order to receive a higher yield from the investment opportunity;

C. Claiming that property was purchased through an alleged process called “soft close” - meaning that the money was sent to the seller;

D. Moving funds out of specific holding accounts for the personal use of the Karney Defendants without disclosing to investors;

E. Selectively distributing dividends to a few investors who had potential to bring in further cash investments or raise more capital from others;

F. Not inspecting the properties with an intention to work on a kickback proposal with the seller at closing;

G. Taking additional kickbacks from sellers outside the property settlement statement;

H. Taking a significant equity position in the property master LLC agreement by lying to investors about their actual cash investments;

I. Providing Plaintiff Bajjuri and investors with fake wire transfer receipts;

J. Providing Plaintiffs with fake letters from various banks allegedly approving various stages of the loan on real estate properties;

K. Not registering LLCs but creating operating agreements and moving funds from investors for their personal gain; and

L. Taking additional loans on the properties without informing other LLC members.

409. The Karney Defendants caused Plaintiff and other investors to lose substantial sums of money in investing the nine real estate properties.

410. The Karney Defendants caused significant financial harm to the Plaintiffs and other investors by taking liens out on several properties.

411. The Karney Defendants have harmed the Plaintiffs in the amount of \$1,500,000 through their breaches of fiduciary duty as outlined *supra*.

412. The Karney Defendants have harmed the Plaintiffs in the amount of \$1,000,000. through their breaches of fiduciary duty as outlined *supra*.

WHEREFORE, Plaintiffs pray for a judgment against Defendants on this cause of action in the amount of more than 2,500,000 dollars plus pre-judgment interest pursuant to Neb. Rev. Stat. §§ 45-104 and/or 45-103.02 with an accrual beginning date of August 1, 2020, post-judgment pursuant to Neb. Rev. Stat. § 45-103.01 beginning from the date of entry of judgment until satisfaction of judgment, and for such other relief as the Court may deem just and equitable.

#### **FOURTEENTH CAUSE OF ACTION:**

##### **CIVIL CONSPIRACY (*Against All Defendants*)**

413. The Plaintiffs incorporates the previous paragraphs as if fully restated and set forth herein.

414. The Karney Defendants acted in concert to convince the Plaintiff and other investors to invest sums of money in the nine real estate properties outlined herein.

415. The Karney Defendants had the unlawful objective to present real estate investments to the Plaintiff and other investors through unlawful means.

416. The Karney Defendants had a meeting of the minds to package the said real estate investments to the Plaintiffs and other investors by making said investments look highly profitable and guaranteed.

417. The Karney Defendants then furthered their conspiracy to package real estate investments to the Plaintiffs and other investors by:

- A. Bloating rent rolls on properties;
- B. Misrepresenting the occupancy of properties;
- C. Paying out fake dividends to attract new investors;
- D. Fraudulently providing fake wire transactions;
- E. Providing fake letters from lending banks to Plaintiff and other investors;
- F. Depriving the investors of funds due to investors on the properties;
- G. Putting liens on invested properties without notifying investors; and
- H. Not providing investors with accurate financial information.

418. The Plaintiffs and other investors were injured because of the Karney Defendants' civil conspiracy to defraud Plaintiff and investors.

WHEREFORE, Plaintiffs pray for a judgment against the Karney Defendants in the amount of \$2,000,000 plus pre-judgment interest pursuant to Neb. Rev. Stat. §§ 45-104 and/or 45-103.02 with

an accrual beginning date of August 1, 2020, post-judgment pursuant to Neb. Rev. Stat. § 45-103.01 beginning from the date of entry of judgment until satisfaction of judgment, and for such other relief as the Court may deem just and equitable.

**FIFTEENTH CAUSE OF ACTION:**

**BREACH OF THE IMPLIED COVENANT OF  
GOOD FAITH AND FAIR DEALING  
(*Against the Karney Defendants*)**

419. The Plaintiffs incorporates the previous paragraphs as if fully restated and set forth herein.

420. As with all Nebraska contracts, contracts for the sale of land included an implied covenant of good faith and fair dealing which requires each party to act with reasonable diligence and good faith in performing their obligations.

421. Thus, when the contract of sale contains conditions, such as financing, the party is obliged to use reasonable efforts to fulfill the condition.

422. The Karney Defendants did not fulfill their obligation of good faith and fair dealing by:

- A. Taking kickbacks directly from sellers outside the property settlement statements;
- B. Taking secondary loans on LLCs without informing the members of the LLC;
- C. Gross negligence in not inspecting the properties being purchased;

D. Providing falsified information on fund needs and moving the funds from holding companies for personal use;

E. Creating documents on LLCs that were nonexistent and misleading investors; and

F. Gross negligence in using Capex funds and revenue from the properties for funding personal needs.

WHEREFORE, Plaintiffs pray for a judgment against the Karney Defendants on this cause of action in the amount more than five million dollars plus pre-judgment interest pursuant to Neb. Rev. Stat. §§ 45-104 and/or 45-103.02 with an accrual beginning date of August 1, 2020, post-judgment pursuant to Neb. Rev. Stat. § 45-103.01 beginning from the date of entry of judgment until satisfaction of judgment, and for such other relief as the Court may deem just and equitable.

#### **SIXTEENTH CAUSE OF ACTION:**

##### **CONSTRUCTIVE TRUST FOR ASHSTREET PLACE**

423. The Plaintiffs incorporate the previous paragraphs as if fully restated and set forth herein.

424. Based on information and/or belief, the Defendants acquired legal title to Ashstreet Place.

425. The Defendants acquired legal title to property under such circumstances that they may not in good conscience retain the beneficial interest in Ashstreet Place.

426. The Defendants who assert title to Ashstreet Place have obtained the title to Ashstreet Place by fraud, misrepresentation, or an abuse of an influential or confidential relationship.

427. Under the circumstances previously alleged, that the Defendants acquired legal title to Ashstreet Place, they should not, according to the rules of equity and good conscience, hold and enjoy the property so obtained.

428. A constructive trust is required to prevent Defendants from being unjustly enriched by use and ownership of Ashstreet Place.

WHEREFORE, the Plaintiffs pray that this Court enter an Order in their favor and (1) impose a constructive trust on Ashstreet Place; (2) enjoin Defendants from transferring, conveying, disposing of, encumbering, pledging, or in any way hypothecating the Property (or any interest therein); (3) award Plaintiffs any and all damages incurred by them as a result of the Defendants' fraudulent and wrongful actions, and; (4) grant such further relief as the Court may deem just and equitable.

#### **SEVENTEENTH CAUSE OF ACTION:**

#### **CONSTRUCTIVE TRUST FOR BROOKSIDE APARTMENTS**

429. The Plaintiffs incorporates the previous paragraphs as if fully restated and set forth herein.

430. Based on information and/or belief, Defendant Ark Capital Brookside, LLC acquired legal title to Brookside Apartments.

431. The Defendant acquired legal title to property under such circumstances that they may not in good conscience retain the beneficial interest in Brookside Apartments.

432. The Defendant obtained the title to Brookside Apartments by fraud, misrepresentation, or an abuse of an influential or confidential relationship.

433. Under the circumstances that the Defendant acquired legal title to Brookside Apartments they should not, according to the rules of equity and good conscience, hold and enjoy the property so obtained.

434. A constructive trust is required to prevent Defendant from being unjustly enriched by use and ownership of Brookside Apartments

WHEREFORE, the Plaintiffs pray that this Court enter an Order in their favor and (1) impose a constructive trust on Brookside Apartments; (2) enjoin Defendants from transferring, conveying, disposing of, encumbering, pledging, or in any way hypothecating Brookside Apartments (or any interest therein); (3) award Plaintiffs any and all damages incurred by them as a result of the Defendants' fraudulent and wrongful actions, and; (4) grant such further relief as the Court may deem just and equitable.

Dated: January 23, 2023.

PRANAY BAJJURI, NIRMAL  
GORLA, SATHWIK MADISHETTI,  
TERRALAND HOLDINGS, LLC, and  
SSRRW, LLC, Plaintiffs

By: /s/ Josiah J. Shanks  
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Attorneys for Plaintiffs

# Certificate of Service

I hereby certify that on Tuesday, January 24, 2023 I provided a true and correct copy of the Amended Complaint to the following:

Karney,Sudha, represented by GREVENGOED, TYLER J (Bar Number: 27499) service method: Electronic Service to Tyler@burnettwilsonlaw.com

Bajjuri,Pranay, represented by Jochim,Scott,D, (Bar Number: 21956) service method: Electronic Service to sjochim@crokerlaw.com

Gorla,Nirmal, represented by Jochim,Scott,D, (Bar Number: 21956) service method: Electronic Service to sjochim@crokerlaw.com

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Karney,Anand, represented by McKeever,Matthew,S, (Bar Number: 21680) service method: Electronic Service to mckeever@burnettwilsonlaw.com

Sarkit, Inc. represented by McKeever,Matthew,S, (Bar Number: 21680) service method: Electronic Service to mckeever@burnettwilsonlaw.com

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Signature: /s/ SHANKS, JOSIAH J (Bar Number: 27134)