

Ralph M. Stone
Thomas G. Ciarlone, Jr.
SHALOV STONE BONNER & ROCCO LLP
485 Seventh Avenue, Suite 1000
New York, NY 10018
(212) 239-4340
Fax (212) 239-4310

Attorneys for Plaintiff

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

MARK HOLLINGSWORTH, on behalf of
himself and all others similarly situated,

Plaintiff,

v.

MICHAEL STRAUSS and STEPHEN A.
HOZIE,

Defendants.

CASE NO.:

**CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE FEDERAL
SECURITIES LAWS**

JURY TRIAL DEMANDED

Plaintiff, Mark Hollingsworth ("Plaintiff"), alleges the following as his Complaint in the above-captioned matter. Plaintiff so alleges individually and on behalf of all persons and entities (the "Class") who purchased or otherwise acquired the securities of American Home Mortgage Investment Corp. ("AHM" or the "Company"), in the period between July 26, 2006 and July 27, 2007, inclusive (the "Class Period").

The allegations contained herein are made upon information and belief, except as to the allegations about Plaintiff and his counsel, which are made upon personal knowledge. Plaintiff's information and belief are based, among other things, on investigations made by and through his attorneys. Such investigations have included, but have not been limited to, the review and analysis of: (a) filings made by AHM with the United States Securities and Exchange

Commission (the “SEC”); (b) press releases issued by the Company; (c) newspaper, magazine, and other periodical articles relating to AHM and the allegations contained herein; and (d) other matters of public record.

I.

JURISDICTION AND VENUE

1. This Court has jurisdiction over this action pursuant to: (a) Section 27 of the Exchange Act, 15 U.S.C. § 78aa; and (b) 28 U.S.C. §§ 1331 and 1337.

2. This action arises under and pursuant to: (a) Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b); (b) Rule 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5; and (c) Section 20(a) of the Exchange Act, 15 U.S.C. § 78t(a).

3. Venue is proper in this District pursuant to Section 27 of the Exchange Act, 15 U.S.C. § 78aa.

4. In furtherance of and in connection with the acts and omissions alleged herein, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephonic communications, the Internet, and the facilities of the New York Stock Exchange (the “NYSE”), a national securities exchange.

II.

PARTIES

A.

Plaintiff

5. Plaintiff Mark Hollingsworth purchased the Company's securities during the Class Period, as set forth in his attached Certification, and was damaged thereby.

B.

Defendants

6. Defendant Michael Strauss (“Strauss”) was AHM’s Chairman, Chief Executive Officer, and President during the Class Period. Strauss founded the Company.

7. Defendant Stephen A. Hozie (“Hozie”) was AHM’s Chief Financial Officer and Principal Accounting Officer during the Class Period.

8. Strauss and Hozie are together referred to as “Defendants.”

C.

Non-Party AHM

9. AHM is a real estate investment trust, which is in the business of investing in and originating residential mortgage loans. The Company is based in this District, in Melville, New York. AHM is not named as a defendant herein because it filed for Chapter 11 bankruptcy protection on August 6, 2007.

III.

SUBSTANTIVE ALLEGATIONS

10. The first day of the Class Period is July 26, 2006, when AHM issued a press release announcing its financial results for the quarter ended June 30, 2006. Commenting on the Company’s reported revenues of \$276.8 million and income of \$72.4 million, Strauss stated:

The second quarter of 2006 was highly successful for our company. During the quarter, our portfolio net interest income reached a record \$33.9 million, while our production business experienced record originations, record market share, a strong gain on sale margin and improved warehouse income. During the quarter, we continued to execute our strategy of retaining a portion of our loan production for our investment portfolio, by adding \$1.2 billion of loans to our portfolio at quarter-end. These loans are carried at cost, and are expected to enhance our future portfolio

earnings. We also continued to adhere to our core risk mitigation strategies including targeting a duration-neutral “matched book,” and purchasing mortgage insurance to protect against credit losses. Today approximately half of the loans we hold are insured, either through borrower or lender-paid mortgage insurance. In addition to these core risk mitigation strategies, we recently began hedging the value of our mortgage servicing assets against the possibility of declining interest rates.

Our company is again reaffirming our annual earnings guidance of \$4.85 to \$5.15 per diluted share. Our earnings guidance is based on, among other factors, annual loan originations of \$55 billion to \$60 billion. I am very pleased to report that, based on our company’s performance and prospects, the Board of Directors has again voted to increase the dividend policy for our common stockholders. The new policy is \$1.01 per share per quarter, or \$4.04 per share on an annualized basis. The increased dividend is expected to become effective for the dividend expected to be paid in October 2006.

11. The foregoing press release was false and misleading because it deceptively assured the market that AHM's portfolio was secure, well-insured, adequately hedged against, and fully and adequately accounted for by way of reserves and otherwise.

12. On October 26, 2006, AHM issued a press release announcing its financial results for the quarter ended September 30, 2006. Commenting on the Company’s reported revenues of \$258.9 million and income of \$72 million, Strauss stated:

I am pleased by our company’s results during the third quarter. In particular, earnings per share were strong at \$1.36, while dividends and book value per share continued to advance from second quarter levels. Our company’s third quarter results were accomplished during a period that was particularly difficult for our industry; a period that included the adverse impacts of an inverted yield curve, falling national housing prices, reduced national loan originations, and servicing write-downs due to lower interest rates. These difficult conditions are reflected in American Home’s third quarter results which include a significant mortgage servicing asset write-down, a lower although still constructive gain-on-sale margin, high credit expense for reserving necessitated by sharply higher delinquencies and loan repurchases, and finally, lower warehouse net interest due to a narrower spread between new loan yields and funding yields. These factors were offset in our company’s third quarter results however, by record portfolio net interest income, record loan production and record servicing and ancillary fee income, as well as by lower expenses in our loan production business. In addition, our company did not experience a loss in its mortgage-

backed securities portfolio as had been the case in several of the previous quarters, but instead had a net portfolio gain of \$3.4 million. I believe our company's strong results in this challenging environment illustrate the underlying earnings power of our businesses.

During the quarter, our company added \$906.8 million of newly originated loans to its portfolio of loans held for investment. These loans are carried at their cost, have an unrecognized fair value in excess of cost of \$15.5 million, and are projected to yield 7.01% over their estimated life. As investors know, one of our company's core strategies is to grow ongoing portfolio net interest income by increasing our holdings of self-originated loans benefited by a low cost basis.

Based on our third quarter results and our outlook for the fourth quarter, our company is reaffirming its 2006 earnings guidance of \$4.85 to \$5.15 per share, and its guidance for annual loan originations of \$55 billion to \$60 billion.

13. On January 25, 2007, AHM issued a press release announcing its financial results for the quarter ended December 30, 2006. Commenting on the Company's reported revenues of \$257.7 million and income of \$64.7 million, Strauss stated:

The fourth quarter was highly successful for our company with earnings of \$1.21 per diluted share. During the quarter, we added \$1.0 billion of recently originated loans to our portfolio, which are carried at cost. Loan origination volume was a record \$15.5 billion due to our company achieving a record market share of 2.48% of national originations. Net interest income was stable while our servicing portfolio produced record revenues. During the quarter, our company did however experience its highest delinquency related charges to date, which reduced our quarterly earnings.

The fourth quarter concluded a very successful year for our company, with earnings per diluted share reaching a record \$4.96. By comparison, diluted earnings per share were \$3.97 in 2005, \$3.74 in 2004, \$4.07 in 2003 and \$2.65 in 2002. A key financial goal for our company in 2007 is to continue our multi-year growth trend in earnings per share. During 2006, our company's return on average common equity was 22.7%, which surpassed our target of 20%, and compares favorably to 2005 when our adjusted return on average common equity was 19.7%. Also during 2006 our company originated \$58.9 billion of loans compared to \$45.3 billion in 2005. Finally, during 2006, our company reached a milestone as, for the first time, its revenues exceeded \$1.0 billion.

In this earnings release, our company is providing 2007 earnings guidance of \$5.40 to \$5.70 per fully diluted share with the earnings per diluted share for each quarter in 2007 projected to be approximately 9% to 15% higher than for the

comparable quarter in 2006. Our earnings guidance is based on stable net interest margins applied to a growing portfolio of loans held for investment, loan production of \$68 billion to \$74 billion, and a reduction in gain on sale margins of approximately 12 basis points. Lower gain on sale margins are expected in part because delinquency losses on loans held for sale, including losses due to repurchases, are projected to continue at high levels throughout 2007. Projections for continued high losses are based on our company's view that while there are signs that housing prices are starting to stabilize, future abatements in foreclosure activity will lag a recovery in the housing market. As a result, our 2007 earnings guidance anticipates a highly stressed credit environment.

Not included in our earnings guidance are potential benefits from new strategies that offer the possibility of higher portfolio income, increased loan production and reduced income tax expense. Our company will keep investors apprised if material benefits from these strategies become likely.

I am very pleased to announce that based on our company's results and prospects, our Board of Directors has voted to increase our company's dividend policy by \$0.06 to \$1.12 per share per quarter or \$4.48 per share on an annualized basis. The new dividend policy is expected to take effect with our April dividend payment. Please note, however, that our company is not obligated to pay dividends until such dividends are declared by our Board of Directors, and our Board of Directors may change our company's dividend policy at any time without prior notice.

14. On March 6, 2007, AHM issued a press release that ostensibly detailed certain characteristics of its loan portfolio, including information concerning FICO credit scores, loan-to-value ratios, and mortgage insurance.

15. The statements reproduced or referenced above at ¶¶ 10-14 were materially false and misleading because they misrepresented or omitted the following material adverse facts that were either known to Defendants or recklessly disregarded by them:

- a. Rising levels of loan delinquencies were depressing the Company's earnings;
- b. Margins and profits were decreasing due to falling prices caused by

increasing difficulties with selling loans; and

c. Due to the foregoing, the Company was overstating its financial results by failing to write down the value of many of the loans in its portfolio that had declined substantially in value.

16. On April 6, 2007, AHM announced that it anticipated lower income in the first quarter and for the full year as a result of “changed” conditions in the secondary mortgage and mortgage-backed securities markets. Commenting on the announcement, Strauss stated:

During March, conditions in the secondary mortgage and mortgage securities markets changed sharply. In particular, these markets were characterized by far few buyers offering materially lower prices, both for loan pools and for “AA”, “A”, “BBB” and residual mortgage securities. These changes had a significant, adverse impact on our Company’s first quarter results, reducing our gain on sale revenue and causing mark-to-market losses in our portfolio. While the market may recover, and while we will attempt to restore our gain on sale margins by raising interest rates charged to consumers, our working assumption must be that current market conditions will persist and that our gain on sale margins will not recover through the balance of the year. Consequently, I am disappointed to report that our Company is lowering its full year earnings guidance and its dividend policy.

17. On the same day, in addition to disclosing that it was experiencing “high delinquency related charges due to the Company establishing additional reserves for increases in non-performing loans,” AHM also reported that:

[F]irst quarter results will be adversely affected by lower gain on sale margins. As March progressed, loan pools offered for sale by the Company received relatively few bids at lower than expected prices. As a result, those loans originated by the Company in late February and during March earned lower gain on sale revenues than were anticipated ... [and] ... first quarter results will also be adversely affected by write-downs of its portfolio of low investment grade and residual securities. In particular, the Company’s approximately \$484 million of securities rated “AA”, “A” or “BBB” will be written down to account for an unusually large widening in the first quarter of the spread over LIBOR at which these securities trade.

18. In response to this news, AHM stock declined from \$25.84 to \$21.92 per share on April 9, 2007, and, by April 10, 2007, had slipped to \$19.55 per share.

19. Nevertheless, Defendants failed to disclose the true nature and extent of the negative impact the subprime mortgage market was having on AHM's operations, financial results, and business prospects.

20. On April 30, 2007, AHM announced that it had completed a public stock offering in which it sold 4,000,000 shares at \$23.10 per share. On May 2, 2007, in connection with the offering, AHM filed a prospectus supplement, which failed to disclose the true nature and extent of the negative impact the subprime mortgage market was having on AHM's operations, financial results, and business prospects.

21. On June 28, 2007, AHM announced in a press release that it would take "substantial charges for credit-related expenses in the second quarter." The Company revealed that the losses were caused by its policy of extending a timely payment warranty to buyers who purchased certain loans. Commenting on these announcements, Strauss stated:

Our company's goal is to put the impact from the discontinued products behind us. A benefit of the substantial reserves we are establishing in the second quarter is that the discontinued product's impact on our future financial results is likely to diminish. As we put the impact from the discontinued products behind us, the positive contributions from our portfolio, mortgage origination franchise and loan servicing business will again drive our results. Altogether, the second quarter will be a period of "clean-up" as the impact from the discontinued products continues to wind down.

22. In the same press release, AHM stated:

The Company's delinquency-related charges in the second quarter will be substantial. In addition, the Company expects that it will reclassify a portion of its other comprehensive loss. The reclassification will be charged to current quarter earnings, but will reduce other comprehensive loss by a like amount, and consequently will not affect the Company's equity. Altogether, the total amount of

loss in the second quarter is expected to be contained. Specifically, the Company expects that its total stockholder's equity will actually be higher at the end of the second quarter compared to the first quarter of 2007.

23. In the wake of these announcements, AHM stock fell from \$20.91 to \$18.38 per share on unusually high volume.

24. Yet Defendants still failed to disclose the true nature and extent of the financial deterioration of the Company and its lack of liquidity.

25. Beginning on or around July 18, 2007, AHM stock began a precipitous decline due to market speculation that the Company would soon lose its financing. AHM stock slid from \$13.59 per share on July 18, 2007, to \$10.63 on July 19, 2007. Responding to these rumors, an AHM spokesperson publicly stated that "No warehouse lines have been pulled."

26. On July 27, 2007, however, after the trading day had ended, AHM announced that its Board of Directors had decided to postpone the Company's quarterly dividend:

[The] Board of Directors has decided to delay payment of its quarterly cash dividend on the Company's common stock and anticipates delaying payment of its quarterly cash dividends on its Series A Cumulative Redeemable Preferred Stock and Series B Cumulative Redeemable Preferred Stock in order to preserve liquidity until it obtains a better understanding of the impact that current market conditions in the mortgage industry and the broader credit market will have on the Company's balance sheet and overall liquidity. The disruption in the credit markets in the past few weeks has been unprecedented in the Company's experience and has caused major write-downs of its loan and security portfolios and consequently has caused significant margin calls with respect to its credit facilities.

27. Following this announcement, the NYSE halted trading in AHM stock before the market opened on July 30, 2007.

28. In pre-market trading on the same day, the price of AHM stock declined from approximately \$10.47 to \$6.39 per share.

29. On July 31, 2007, after trading resumed, AHM stock opened at \$5.51 per share. By the end of the day, AHM stock had plummeted to \$1.04 per share and, by August 3, 2007, AHM had traded down to 63 cents per share.

30. On August 6, 2007, AHM filed for bankruptcy. Shares in the Company closed at 44 cents, down from their Class Period high of over \$30. Collectively, Plaintiff and the other members of the Class have suffered millions of dollars in losses.

IV.

APPLICABILITY OF PRESUMPTION OF RELIANCE: FRAUD-ON-THE-MARKET DOCTRINE

30. At all relevant times, the market for AHM securities was an efficient market for the following reasons, among others:

- a. AHM common stock was listed and actively traded on the NYSE, a highly efficient market;
- b. As a regulated issuer, the Company filed periodic public reports with the SEC;
- c. AHM securities were followed by analysts employed by major brokerage firms who wrote reports which were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace; and
- d. AHM regularly issued press releases which were carried by national news wires. Each of these releases was publicly available and entered the public marketplace.

31. As a result, the market for AHM securities promptly digested current information with respect to the Company from all publicly available sources and reflected such information in the Company's stock price. Under these circumstances, all purchasers of AHM securities during the Class Period suffered similar injury through their purchase of securities at artificially inflated prices and a presumption of reliance applies.

V.

NO SAFE HARBOR

32. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this complaint. The specific statements pleaded herein were not identified as "forward-looking statements" when made. Nor was it stated with respect to any of the statements forming the basis of this complaint that actual results "could differ materially from those projected." To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor does apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking was made the particular speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized and/or approved by an executive officer of the Company who knew that those statements were false when made.

VI.

ADDITIONAL SCIENTER ALLEGATIONS

33. As alleged herein, Defendants acted with scienter in that Defendants knew that the public documents and statements, issued or disseminated by or in the name of the Company were materially false and misleading; knew or recklessly disregarded that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violators of the federal securities laws. As set forth elsewhere herein in detail, Defendants, by virtue of their receipt of information reflecting the true facts regarding the Company and its business practices, their control over and/or receipt of the Company's allegedly materially misleading misstatements, and/or their associations with the Company which made them privy to confidential proprietary information concerning AHM, were active and culpable participants in the fraudulent scheme alleged herein. Defendants knew and/or recklessly disregarded the falsity and misleading nature of the information which they caused to be disseminated to the investing public. This case does not involve allegations of false forward-looking statements or projections but instead involves false statements concerning the Company's business, finances, and operations. The ongoing fraudulent scheme described in this complaint could not have been perpetrated over a substantial period of time, as has occurred, without the knowledge and complicity of the personnel at the highest level of the Company, including the individual Defendants.

34. Defendants engaged in such a scheme to inflate the price of AHM securities in order to, among other things: (a) protect and enhance their executive positions and the substantial

compensation and prestige they obtained thereby; and (b) enhance the value of their personal holdings of AHM stock and options.

VII.

LOSS CAUSATION

35. During the Class Period, as detailed herein, Defendants participated in a scheme to deceive the market and a pattern of conduct that artificially inflated the price of AHM securities and operated as a fraud or deceit on Class Period purchasers of AHM securities by failing to disclose the true facts concerning the effects of the subprime mortgage market on the Company's operations, financial condition, and business prospects. As set forth above, when Defendants' prior misrepresentations and omissions were revealed to the market, the price of AHM securities promptly fell as the prior artificial inflation was reversed. As a result of their purchases of AHM securities during the Class Period, Plaintiff and other Class members thus suffered economic loss (damages within the meaning of the federal securities laws).

36. As a direct and proximate result of the disclosures and partial disclosures made by Defendants beginning in April 2007, the prices of AHM securities fell precipitously, as detailed herein. These declines in prices removed the inflation (caused in the first instance by Defendants' false and misleading statements and omissions) from the price of AHM securities, thereby resulting in true economic loss to investors who had purchased the Company's securities during the Class Period.

37. The substantial decline in the price of AHM common stock following these disclosures was a direct result of the nature and extent of Defendants' fraud being revealed to the market. The size and timing of these stock price declines defeats any inference that the losses

sustained by Plaintiff and the other Class members were the result of market conditions, macroeconomic or industry factors, or developments specific to the Company unrelated to Defendants' fraudulent conduct.

VIII.

CLASS ACTION ALLEGATIONS

38. Plaintiff brings this action as a class action pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure on behalf of a Class, consisting of all persons and entities who purchased or otherwise acquired AHM securities between July 26, 2006 and July 27, 2007, inclusive, and who were damaged thereby. Excluded from the Class are Defendants, members of the immediate family of each of the Defendants, any subsidiary, affiliate, or parent of AHM and the directors, officers, and employees of AHM or its subsidiaries, affiliates, or parents, or any entity in which any excluded person has a controlling interest, and the legal representatives, heirs, successors and assigns of any excluded person.

39. The members of the Class are so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are thousands of members of the Class located throughout the United States. Throughout the Class Period, AHM common stock actively traded on the NYSE (an open and efficient market) under the symbol "AHM." Record owners and other members of the Class may be identified from records maintained by the Company and/or its transfer agents and may be notified of the pendency of this action by mail, using a form of notice similar to that customarily used in securities class actions.

40. Plaintiff's claims are typical of the claims of the other members of the Class as all members of the Class were similarly affected by Defendants' wrongful conduct in violation of federal law as complained of herein.

41. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

42. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

a. whether the federal securities laws were violated by Defendants' acts and omissions as alleged herein;

b. whether Defendants participated in and pursued the common course of conduct complained of herein;

c. whether documents, press releases, and other statements disseminated to the investing public and the Company's shareholders during the Class Period misrepresented material facts about the business, finances, financial condition, and prospects of AHM;

d. whether statements made by Defendants to the investing public during the Class Period misrepresented and/or omitted to disclose material facts about the business, finances, value, performance, and prospects of the Company;

e. whether the market price of AHM securities during the Class Period were artificially inflated due to the material misrepresentations and failures to correct the material misrepresentations complained of herein; and

f. the extent to which the members of the Class have sustained damages and

the proper measure of damages.

43. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this suit as a class action.

IX.

COUNTS

FIRST CLAIM

(Violations Of Section 10(b) Of The Exchange Act And Rule 10b-5 Promulgated Thereunder Against All Defendants)

44. Plaintiff repeats and realleges each and every allegation contained above.

45. Each of the Defendants: (a) knew or recklessly disregarded material adverse non-public information about the Company's financial results and then existing business conditions, which was not disclosed; and (b) participated in drafting, reviewing and/or approving the misleading statements, releases, reports, and other public representations of and about AHM.

46. During the Class Period, Defendants, with knowledge of or reckless disregard for the truth, disseminated or approved the false statements specified above, which were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

47. Defendants have violated § 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder in that they: (a) employed devices, schemes and artifices to defraud; (b) made untrue statements of material facts or omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading; or (c) engaged in acts, practices and a course of business that operated as a fraud or deceit upon the purchasers of AHM securities during the Class Period.

48. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for AHM securities, which inflation was reversed when the nature and extent of Defendants' false and misleading statements was revealed. Plaintiff and the Class would not have purchased AHM securities at the prices they paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by Defendants' false and misleading statements.

SECOND CLAIM

(Violations Of Section 20(a) Of The Exchange Act Against All Defendants)

49. Plaintiff repeats and realleges each and every allegation contained above.

50. Defendants acted as controlling persons of the Company within the meaning of § 20(a) of the Exchange Act. By reason of their senior executive and/or Board positions they had the power and authority to cause the Company to engage in the wrongful conduct complained of herein.

51. By reason of such wrongful conduct, Defendants are liable pursuant to § 20(a) of the Exchange Act. As a direct and proximate result of these Defendants' wrongful conduct,

Plaintiff and the other members of the Class suffered damages in connection with their purchases of AHM securities during the Class Period.

X.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

1. Determining that this action is a proper class action and certifying Plaintiff as class representative under Rule 23 of the Federal Rules of Civil Procedure;
2. Awarding compensatory damages in favor of Plaintiff and the other Class members against all Defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
3. Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and
4. Such other and further relief as the Court may deem just and proper.

XI.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: August 7, 2007

SHALOV STONE BONNER & ROCCO LLP

By: 

Ralph M. Stone

Thomas G. Ciarlone, Jr.

485 Seventh Avenue, Suite 1000

New York, NY 10018

(212) 239-4340

Fax (212) 239-4310

Attorneys for Plaintiff