

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

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RAPID CASH, INC. :

Plaintiff, :

-against- :

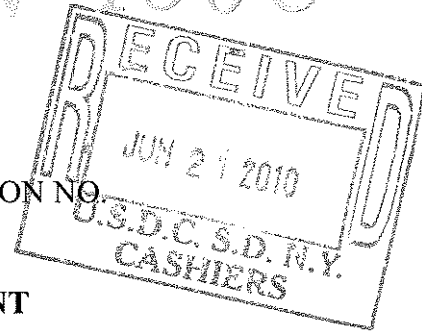
ADNAN MOHAMMED and
GENERAL BANCORP, INC. :

Defendants. :
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CIVIL ACTION NO.

COMPLAINT

JURY DEMAND MADE



Plaintiff, Rapid Cash, Inc. by its attorneys Jacobs & Burleigh LLP, alleges on knowledge as to its own acts and otherwise on information and belief as follows:

INTRODUCTION

1. This action is brought by Plaintiff, Rapid Cash, Inc. (“Plaintiff” or “Rapid Cash”) against Defendant Adnan Mohammed (“Mohammed”) and General Bancorp, Inc. (“GBC”) to recover damages for violations of the Computer Fraud and Abuse Act, conversion, money had and received, unjust enrichment, fraud, and negligence. GBC and Mohammed will collectively be referred to herein as the “Defendants.”

2. Between July 2008 and March 2010, Defendants improperly, and without authorization, accessed and altered the programming of one or more automatic teller machines operated by Plaintiff, and withdrew substantial amounts of Plaintiff’s money from such machine(s) without Plaintiff’s knowledge or permission.

3. Plaintiff seeks actual and consequential damages in connection with Defendants’ acts and failures to act, exemplary and punitive damages arising from their fraudulent acts, and the costs and fees incurred by Plaintiff in bringing this action.

JURISDICTION AND VENUE

4. This is an action for violations of the Computer Fraud and Abuse Act, 18 U.S.C. § 1030, common law fraud, conversion, negligence, money had and received, and unjust enrichment under federal law and New York State common laws. This Court has original jurisdiction over this action pursuant to 28 U.S.C. §§ 1331, in connection with Defendants' violation of the Computer Fraud and Abuse Act, and has supplemental jurisdiction over the state claims brought in this action under 28 U.S.C. § 1367(a).

5. Venue is proper in this district under 28 U.S.C. §§ 1391(b) and (c) because, on information and belief, Defendants committed a substantial part of the acts giving rise to these claims in this judicial district, and because Defendants are subject to personal jurisdiction in this district, as Defendants, themselves and/or through their agent(s) regularly and continuously transact business here.

PARTIES

6. Plaintiff Rapid Cash is a corporation organized and existing under the laws of the State of New York, with its principal place of business in Manhattan, New York. Rapid Cash is in the business of owning and operating automatic teller machines ("ATMs"). One part of Plaintiff's business is "vaulting," which is the business of supplying cash to various, independently owned, stand-alone automatic teller machines.

7. Upon information and belief, Defendant Adnan Mohammed is an individual residing in the City and State of New York. At all times relevant to this Complaint, Mohammed has transacted substantial business in this judicial district.

8. Upon information and belief, GBC is a New York corporation in good standing that has transacted, and transacts, substantial business in this judicial district.

Upon information and belief, Mohammed is the sole shareholder, officer, director and employee of GBC.

FACTUAL BACKGROUND

9. Plaintiff provided vaulting services for several automatic teller machines (“ATMs”). As the vaulter, Plaintiff stocked stand-alone ATMs with cash, primarily in return for commissions on transactions conducted at those machines.

10. The ATMs vaulted by Plaintiff contain computers that transmit signals over a network to a variety of third parties who process transactions. Ordinarily, when account-holders withdraw cash from an ATM vaulted by Plaintiff, the computer in the machines transmits information to processing companies and banks; upon confirmation of this information, the machine dispenses cash to the withdrawing party from the amounts stocked (or “vaulted”) by the Plaintiff. During such a transaction, the withdrawing party’s bank confirms the amounts dispensed by the machine according to the information provided to it by the computer in the ATM, and reimburses the Plaintiff in those amounts, which amounts are taken from the withdrawing party’s bank account. Plaintiff is also paid a commission in connection with each transaction. Ordinarily, these transactions are recorded in the ATM’s computer log

11. At all times relevant to this Complaint, Plaintiff stocked the machines it vaulted with its own cash.

12. One of the machines for which Plaintiff provided “vaulting” services was the automatic teller machine known as “Terminal # TX006168,” located at 23 Third Avenue, New York, NY.

13. At all times relevant to this Complaint, Plaintiff was the vaulter for Terminal # TX006168 , which was programmed to dispense cash in \$20 denominations; Plaintiff at all times stocked it with \$20 dollar bills.

14. Defendants knew that Terminal #TX006168 and the other ATMs operated by Plaintiff were stocked with \$20 dollar bills, and that the computer for these machines were all programmed to dispense only \$20 dollar bills.

15. Neither GBC nor Mohammed was, at any time relevant to this Complaint, authorized to access Terminal # TX006168's computer to alter the denominations dispensed by the machine.

16. Neither of the Defendants was authorized or permitted to access the computer of any machine vaulted by Plaintiff to alter the denominations dispensed by that machine.

17. Neither Defendant informed Plaintiff that Mohammed improperly, and without authorization accessed and altered the ATMs' computers to process withdrawals as if the machines had been stocked with bills in denominations less than \$20.

18. Between July 2008 and October 2009, Mohammed, without authorization and without notifying Plaintiff, periodically accessed Terminal #TX006168's computer, and improperly and fraudulently reprogrammed the machine to dispense cash as if it were stocked with five-dollar (\$5) bills, rather than twenty-dollar bills. Defendants were never authorized to access or reprogram Terminal #TX006168 in this manner. Mohammed utilized his position, knowledge and apparent authority as the sole shareholder, employee, director and officer of GBC to access Terminal #TX006168 and commit the act alleged in this complaint which have damaged Plaintiff.

19. After accessing Terminal #TX006168's computer and reprogramming it, Defendants withdrew cash from the machine, with the effect of such withdrawals being that Defendants would receive far more money than was withdrawn from their bank account, because the computer in the automatic teller machine was stocked with \$20 dollar bills, but was programmed by Defendants to calculate withdrawals as if it were stocked with \$5 dollar bills.

20. Plaintiff, as a cause of Defendants' bad acts, received far less moneys as reimbursement from the Defendants' bank than Defendants withdrew (*i.e.* Plaintiff received from Defendants bank only the amount of the withdrawal had the machine actually been stocked with lower \$5 dollar bills), to Plaintiff's detriment.

21. After each alteration and withdrawal of cash as set forth above, Mohammed changed the computer's settings back to the original settings, *i.e.* he would reprogram the ATM's computer to again operate and process transactions based on the proper \$20 dollar denominations dispensed. Furthermore, in an effort to conceal his activities, Mohammed erased the computer log.

22. Even after Defendants' sale of several of the machines, including Terminal #TX006168 in October 2009, Mohammed continued to commit the same bad acts complained of herein, to Plaintiff's detriment, and to Mohammed and GBC's benefit.

23. Upon information and belief Mohammed used the foregoing acts to improperly receive at least \$90,000 of frauds vaulted by Plaintiff. Plaintiff has thus been damaged by Defendants' fraudulent and deceitful acts in the amount of approximately \$90,000 or a greater amount to be proven at trial.

24. At all times, Mohammed, acted for himself and as an employee and agent of GBC, and committed the above acts knowingly, willfully and with an intent to deceive and defraud Plaintiff.

25. GBC knew or should have known of Mohammed's conduct and his propensity to commit such acts.

26. On information and belief, Defendants committed the above acts at more than one automatic teller machine owned or operated by Plaintiff, and Plaintiff has been damaged by Defendants' acts in an amount to be proven at trial.

FIRST CLAIM
Violation of the Computer Fraud and Abuse Act

27. As set forth above, Mohammed, knowingly and with intent to defraud Plaintiff, accessed Terminal #TX006168, a protected computer, without authorization, and/or his acts exceeded his authorized access, and by means of such conduct furthered his intended fraud, which has damaged Plaintiff.

28. Mohammed utilized his apparent authority, knowledge of the machine and knowledge of Plaintiff's activities, all of which he obtained as sole shareholder, employee, officer and director of GBC, to commit these violations.

29. On information and belief, GBC was at all times aware of Mohammed's bad acts, and failed to supervise or prevent his activities. GBC further never notified Plaintiff of Mohammed's acts.

30. By committing the acts set forth above, Defendants' have violated the Computer Fraud and Abuse act, and have damaged Plaintiff, who has suffered a loss of more than \$90,000.

SECOND CLAIM

Conversion

31. Plaintiff repeats and realleges the above paragraphs with the same force and effect as if set forth in full herein.

32. Plaintiff has clear right of ownership in the moneys it stocks in the machines it vaults. Through their bad acts set forth above, the Defendants have exercised an unauthorized ownership or dominion over money belonging to Plaintiff, to the exclusion of Plaintiff's rights. Plaintiff never authorized Defendants to exercise such ownership or dominion.

33. Defendants have thus converted Plaintiff's monies and have interfered with Plaintiff's access to and use of the funds; accordingly, Defendants' have damaged Plaintiff in the amount of at least \$90,000 or an amount to be determined at trial.

THIRD CLAIM

Money Had and Received

34. Plaintiff repeats and realleges the above paragraphs with the same force and effect as if set forth in full herein.

35. Defendants received moneys belonging to Plaintiff and have benefitted from the receipt of such moneys.

36. Under principles of equity and good conscience, defendant should not be permitted to keep such moneys.

37. Defendants have thus damaged Plaintiff in the amount of at least \$90,000 or an amount to be determined at trial.

FOURTH CLAIM
Unjust Enrichment

38. Plaintiff repeats and realleges the above paragraphs with the same force and effect as if set forth in full herein.

39. Plaintiff provided vaulting services and cash to the machines it vaulted.

40. As a direct cause of Defendants bad acts, Defendants have obtained a benefit at the Plaintiff's expense.

41. The principles of equity and good conscience dictate that Defendants not be permitted to retain the monies they intentionally, fraudulently and in bad faith obtained from Plaintiff, and accordingly, Plaintiff seeks recovery from Defendants in the amount of at least \$90,000, or an amount to be proven at trial.

FIFTH CLAIM
Fraud and Deceit

42. Plaintiff repeats and realleges the above paragraphs with the same force and effect as if set forth in full herein.

43. Mohammed, acting for himself and/or for GBC, improperly accessed the computer of Terminal # TX006168 and altered the denominations dispensed by such terminals.

44. By doing so, he knowingly and willfully misrepresented to (a) the processing company used by such machine, (b) the transaction servicing bank, (c) Defendant's own bank, (d) the bank reimbursing Plaintiff, and/or (e) the Plaintiff that Defendants were withdrawing far less money than what they actually were receiving from the machine.

45. Defendants further caused the machine's log to be erased and concealed their fraud from Plaintiff, who, absent Defendants' erasure of the logs, would have known of Defendants' bad acts.

46. At the time he altered the machine's computer, Mohammed knew that he the representations he made (or caused the computer to make) were false.

47. Mohammed also knew that some or all of the parties set forth above would rely on the misrepresentations he made (or caused the computer to make), and he intentionally made such false representations in order to mislead and deceive those parties, and to induce withdrawal of more money than would be taken from his bank account and reimbursed to Plaintiff. He also was aware that erasing the computer log would make his fraudulent activities difficult to detect.

48. Plaintiff and the other entities set forth above justifiably relied on Defendants' misrepresentations and concealments.

49. At all times relevant to this Complaint, GBC was aware of Mohammed's fraudulent acts and ignored them, failed to stop them, and facilitated them. Furthermore, these bad acts have benefited GBC to Plaintiff's detriment.

50. Plaintiff has been damaged by Defendants' fraud in an amount not less than \$90,000 or such amounts to be proven at trial.

51. Defendants' acts described above were gross, wanton, and/or willful, and constitute morally culpable conduct. These acts further have been aimed at the general public or were undertaken without regard to the public interest. The Defendants' acts complained of herein imply their criminal indifference to civil obligation, and entitle Plaintiff to punitive and/or exemplary damages in this action.

SIXTH CLAIM
Negligence

52. Plaintiff repeats and realleges the above paragraphs with the same force and effect as if set forth in full herein.

53. Despite GBC's knowledge of Mohammed's bad acts and his continued propensity to commit the above bad acts, GBC failed to prevent such acts, and failed to notify Plaintiff.

54. Furthermore, GBC negligently supervised and retained Mohammed to prevent the above acts.

55. GBC's negligent failure to prevent such bad acts, and negligent supervision and retention of Mohammed have harmed Plaintiff.

56. Plaintiff has been damaged by Defendants' negligence in the amount of \$90,000, plus consequential damages to be determined at trial.

WHEREFORE Plaintiff Rapid Cash, Inc. demands judgment in its favor and against Defendants Adnan Mohammed and GBC, jointly and severally as follows:

- a. On Plaintiff's first, second, and sixth Claims against Defendants, for Plaintiff's actual and consequential damages resulting from Defendants' wrongful acts as alleged herein, in the amount of \$90,000 or an amount to be determined at trial;
- b. On Plaintiff's third and fourth Claims against Defendant, for Plaintiff's actual damages resulting from Defendants' wrongful acts as alleged herein, in an amount to be determined at trial;
- c. On Plaintiff's fifth Claim, punitive damages in an amount not less than three times Plaintiff's actual damages, or as may be determined at trial, together with

Plaintiff's reasonable attorneys fees and the costs of this action for Plaintiff's intentional and bad faith fraud;

- d. Plaintiff's costs and disbursements in connection with this action;
- e. Pre-judgment interest; and
- f. Such other relief as this Court deems just and equitable.

JURY DEMAND

Pursuant to Federal Rule of Civil Procedure 38, Plaintiff demands a Trial by Jury on all applicable issues.

Dated: June 18, 2010
New York, York

JACOBS & BURLEIGH, LLP
Attorneys for Plaintiff

By: 

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