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## Angry International Investors Demand Investigation in \$630 Million Dubai Real Estate Scandal

DUBAI, United Arab Emirates--([BUSINESS WIRE](#))--A major real estate scandal is unfolding in Dubai as 500 angry unit buyers and investors in the \$630 million Ebony Ivory Towers project demand a full government investigation of developer Al Fajer Properties and its agent Dynasty Zarooni Inc., according to Ebony Ivory Investors Group."

Misleading advertisements and press releases, overselling of non existing space and the missing down payments are among the buyers' documented complaints, according to Moses Oye, a British investor and spokesperson for the Al Fajer Properties Investors Group having investors from US, UK, Russia, Iran, India, Canada & Pakistan.

"We are calling on Dubai's Real Estate Regulatory Authority (RERA) and the Dubai Ruler's Court to investigate the developer, cancel the Ebony Ivory project and compel a refund of our \$140 million in down payments," said Oye.

Oye cited a series of fake construction photographs that ran in a local newspaper in July 2008 with Al Fajer Properties logo. The photos showed a structure rising six floors above ground with the following caption: "Shot on location on 10th June 2008, Ebony Ivory, Jumeirah Lakes Towers."

In reality, the photos were taken at another Al Fajer site and currently there is only a hole in the ground at the Ebony Ivory project, according to Oye. "Had we known that Al Fajer Properties was presenting false and misleading photographs, we would never have invested in the development," he said. "In fact, some investors have already filed criminal cases for misrepresentation with the Dubai Public Prosecutor."

In the past year, there has been virtually no construction on the site, said Oye. In addition, investors have learned that the developer sold approximately 250,000 square feet more space than the maximum built-up area allowed by government permit - another indicator of potential fraud selling air.

Most importantly, Al Fajer Properties paid Dynasty Zarooni Inc approximately \$55 million of the \$140 million collected in down payments that should have been deposited in an escrow account, Oye said. "We demand our money back and want to know why Al Fajer gave those funds to Dynasty Zarooni rather than use them for construction," continued Oye. "The law sets a punishment of imprisonment and fines for any person who embezzles payments made for the purpose of construction of real estate project."

To date, RERA has ignored the investors' demands of a transparent investigation and the evident violations of RERA regulations and UAE criminal laws in order to serve the interests of Sheikh Maktoum Bin Hasher Al Maktoum and Al Fajer Properties, said Oye. "What do you do when the independent government agency trusted by the Ruler of Dubai to regulate and monitor the real estate developer's performance actually participates in a cover-up operation that deprives investors of their rights? What does that say to the world about the security of real estate investments in Dubai? Where is the transparency and accountability Dubai Ruler ordered? Are the laws not applicable when it comes to Sheikh Maktoum Bin Hasher Al Maktoum?"

Stated Oye: "Al Fajer Properties, which is controlled by a powerful sheikh from a ruling family using the government agency platform, continues to mislead the public about their non-existing construction with false reports as evident in their recent press release claiming 15% construction where in reality it is a deserted site with no construction at all."

Summing up the case, Oye raised grave concerns about the recent threats some of the investors have received and quoted attorney Salim Al Shaali who represents plaintiffs in a criminal case against the Ebony Ivory sales agency for misrepresentation. In a recent interview, Al Shaali said, "We have full trust in Dubai justice system. I personally guarantee all investors that Dubai government will never allow a few individuals to abuse their social or official positions for illicit profits and damage the reputation of the brand Dubai as a safe and most secure investment hub in the region. We are waiting for a reply from the prosecution's office"

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Photos/Multimedia Gallery Available: <http://www.businesswire.com/cgi-bin/mmg.cgi?eid=5986572&lang=en>

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### Smart Multimedia Gallery



 [Photo](#)

June 2, 2009 photo of completely empty Ebony Ivory Towers construction site. Al Fajer Properties claims 15% completion of the project. (Photo: Business Wire)

