

RICHARD G. NIESS  
CIRCUIT COURT, BR. 9

STATE OF WISCONSIN

CIRCUIT COURT

DANE COUNTY

CIRCUIT COURT  
2009 OCT 13 PM 2:52

STATE OF WISCONSIN  
17 West Main Street  
Post Office Box 7857  
Madison, Wisconsin 53707,

DANE COUNTY, WI

Plaintiff,

v.

Case No. 09-CX-20

Complex Forfeiture: 30109

21ST CENTURY LEGAL SERVICES, INC.,  
d/b/a 21ST CENTURY REAL ESTATE &  
INVESTMENT CORPORATION,  
d/b/a 21ST CENTURY TRANSITIONAL,  
d/b/a TWENTY FIRST CENTURY LEGAL SERVICES,  
d/b/a TRANSITIONAL CORPORATION OF AMERICA,  
and d/b/a 21ST CENTURY REMOD.,  
9340 Baseline Road, Suite 105  
Rancho Cucamonga, California 91701,

Defendants.

THE AMOUNT CLAIMED IS  
GREATER THAN THE  
AMOUNT CLAIMED UNDER  
WIS. STAT. § 799.01(1)(d).

**SUMMONS**

THIS IS AN AUTHENTICATED COPY OF THE  
ORIGINAL DOCUMENT FILED WITH THE DANE  
COUNTY CLERK OF CIRCUIT COURT.

THE STATE OF WISCONSIN

CARLO ESQUEDA  
CLERK OF CIRCUIT COURT

To each person named above as a defendant:

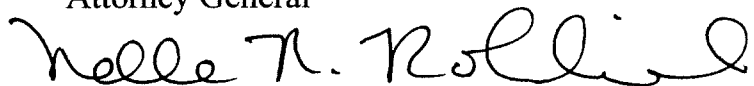
You are hereby notified that the plaintiff named above has filed a lawsuit or other legal action against you. The complaint, which is attached, states the nature and basis of the legal action.

Within twenty (20) days of receiving this summons, you must respond with a written answer, as that term is used in Wis. Stat. ch. 802, to the complaint. The court may reject or disregard an answer that does not follow the requirements of the statutes. The answer must be sent or delivered to the court, whose address is Dane County Courthouse, 215 South Hamilton Street, Madison, Wisconsin 53703-3285, and to Nelle R. Rohlich, Assistant Attorney General, plaintiff's attorney, whose address is Post Office Box 7857, Madison, Wisconsin 53707-7857. You may have an attorney help or represent you.

If you do not provide a proper answer within twenty (20) days, the court may grant judgment against you for the award of money or other legal action requested in the complaint, and you may lose your right to object to anything that is or may be incorrect in the complaint. A judgment may be enforced as provided by law. A judgment awarding money may become a lien against any real estate you own now or in the future, and may also be enforced by garnishment or seizure of property.

Dated this 13 day of October, 2009.

J.B. VAN HOLLEN  
Attorney General



NELLE R. ROHLICH  
Assistant Attorney General  
State Bar #1047522

Attorneys for State of Wisconsin

Wisconsin Department of Justice  
Post Office Box 7857  
Madison, Wisconsin 53707-7857  
(608) 267-8901  
(608) 267-2778 (Fax)  
rohlichnr@doj.state.wi.us

STATE OF WISCONSIN

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**COMPLAINT**

CARLO ESQUEDA  
CLERK OF CIRCUIT COURT

The State of Wisconsin, by its attorneys, J.B. Van Hohen, Attorney General, and Assistant Attorney General Nelle R. Rohlich, on behalf of the Wisconsin Department of Justice and the Department of Agriculture, Trade, and Consumer Protection (DATCP), brings this action against the defendant named above and alleges as follows:

## **JURISDICTION AND VENUE**

1. This action is brought pursuant to Wis. Stat. §§ 100.20(6) and 100.52(9) to enjoin and restrain violations of subchapters IV and V of Wis. Admin. Code. ch. ATCP 127 and to recover pecuniary losses for consumers for violations thereof; and to recover civil forfeitures pursuant to Wis. Stat. §§ 100.26(6) and 100.52(10).

2. 21st Century Legal Services, Inc. conducts business throughout the State of Wisconsin, including within Dane County.

### **DEFENDANT**

3. Defendant 21st Century Legal Services, Inc. is a California corporation with its principal place of business located at 9340 Baseline Road, Suite 105, Rancho Cucamonga, California 91701.

4. Upon information and belief, in the course of marketing services, defendant has used several business names, including 21st Century Real Estate & Investment Corporation; 21st Century Transitional; Twenty First Century Legal Services; Transitional Corporation of America; and 21st Century Remod.

5. When this complaint refers to the statements, representations, acts, or practices of the defendant, such allegations shall mean the defendant, its principals, officers, agents, employees, representatives or other persons under its supervision, direction, or control.

## NATURE OF DEFENDANT'S ACTIVITIES

6. Since at least February 2009, defendant has solicited and sold purported loan modification services to residents of Wisconsin.

7. Defendant targets its marketing to homeowners who are distressed and having difficulty making their mortgage loan payments or who are facing, or in, foreclosure of their homes.

8. Defendant markets its services in Wisconsin by face-to-face solicitation, telemarketing, direct mail, electronic mail ("email"), and the internet.

9. Defendant initiates transactions with Wisconsin consumers by telephone. It represents it can assist the consumers to modify their mortgage loan. Defendant then arranges a follow-up visit by a company representative to complete the transaction.

10. Defendant's "company representatives" are Wisconsin notaries hired by defendant to act as its agents.

11. Since April 2009, at least four Wisconsin notaries have filed complaints with DATCP regarding defendant's activities.

12. The notaries report receiving email solicitations from defendant where defendant offers to pay them to act as its representative by obtaining signatures from potential customers on sales agreements prepared by the defendant.

13. The notaries also report the defendant instructs them to engage in illegal activity including, but not limited to, having customers fill out only a portion of the legal documents they sign and having the notaries fail to provide copies of signed agreements with the customers.

14. For example, on March 9, 2009, defendant sent Wisconsin notary Dick Brockman an email "LOAN MODIFICATION PAPERWORK – LEE." A true and correct copy of this email is attached as Exhibit A. In the email, defendant instructs Mr. Brockman: "Remember to have the borrowers just sign and date and only fill out their name, address, phone numbers, social security numbers and mortgage info. The rest of the application is filled out later by the processor. . . ."

15. Defendant further instructs the notary in Exhibit A: "\*\*DO NOT leave the \*Loan Modification Application\* with the client. ONLY GIVE the client the \*Modification Letter & News Releases\*."

16. The news releases referred to in paragraph 15 are copies of news articles regarding federal mortgage relief programs "Bush Signs Measures for Homeowners, Fannie, Freddie" and "Obama throws \$75 billion lifeline to homeowners."

17. In or around May 2009, defendant contacted Wisconsin resident Linda Kirschbaum, and represented that it could obtain a loan modification on her behalf.

18. In or around May 2009, defendant sent a representative ("Representative A"), whose identity remains unknown, to Ms. Kirschbaum's home to solicit defendant's services and to obtain Ms. Kirschbaum's signature on several documents.

19. The Representative provided Ms. Kirschbaum with several documents including, but not limited to, a letter ("Letter") to Ms. Kirschbaum, attached as Exhibit B, a Disclaimer Notice, and a Loan Modification Application.

20. The Letter included the following representations: “We will help get your mortgage note modified to get rates as low as 3%!” and “Your proposed loan modification is a 30 year fixed / 4% interest rate with a monthly payment of \$563.35.”

21. The Letter also states: “The \$300 Billion housing rescue bill was passed by the Congress and President Bush has signed it. Essentially, the government will pay for homeowners to do loan re-modification through their mortgage holder.”

22. In order to obtain defendant’s services, Ms. Kirschbaum was required to sign a Disclaimer Notice, attached as Exhibit C. The Disclaimer Notice instructs Ms. Kirschbaum not to contact her lender regarding defendant’s supposed modification services. It reads, in part: “Please be aware that while your home loan is in the modification process; you should not give any information to your lenders regarding our processing procedures. . . . Providing details regarding your modification to your lender may compromise the negotiation process. As such, we shall consider this a completed file and our duties concluded.”

23. Ms. Kirschbaum was also required to sign a Loan Modification Agreement that required her to pay an up-front fee of \$1,866.70 for defendant’s services.

24. Representative A instructed Ms. Kirschbaum to pay the up-front fee with three post-dated checks in the amount of \$622.23 each, payable to 21st Century Legal Services. The checks were dated May 15, 2009, June 15, 2009, and July 15, 2009. These checks were cashed on May 22, 2009, June 18, 2009, and July 21, 2009 respectively.

25. Following the transaction described in paragraphs 17 through 24 above, Ms. Kirschbaum never heard from defendant or its representatives again. Ms. Kirschbaum's loan was never modified and her property is now in foreclosure.

#### **DEFENDANT'S NO CALL ACTIVITIES**

26. Since at least February 2009, defendant has engaged in telemarketing solicitations to Wisconsin residents.

27. To date, defendant has not registered as a telephone solicitor in Wisconsin as required by law.

28. In one consumer complaint filed with DATCP, Jean Gleason of Oshkosh, Wisconsin, reports defendant called her home telephone line two to three times a week throughout the month of May 2009, despite being told that the number is registered on the State's No Call List and despite being told to cease calling.

29. On information and belief, defendant has telemarketed additional Wisconsin residents, the exact number and identity of which are known to defendant but unknown to plaintiff at this time.

30. Plaintiff is informed and believes that defendant will continue to engage in the aforementioned illegal activities unless enjoined therefrom.

## **OFFENSES CHARGED**

### **COUNT ONE WIS. ADMIN. CODE CH. ATCP 127**

31. Plaintiff re-alleges all preceding paragraphs of this complaint, and incorporates them herein.

32. In the course of its transaction with Ms. Kirschbaum, the defendant failed to disclose to Ms. Kirschbaum the name of the person making the face-to-face solicitation to her as required under Wis. Admin. Code § ATCP 127.62(1)(b).

33. In the course of its transaction with Ms. Kirschbaum, the defendant failed to provide Ms. Kirschbaum with signed copies of the Loan Modification Agreement, Disclaimer Notice, and various other documents in violation of Wis. Admin. Code § ATCP 127.64(2).

34. In the course of its transaction with Ms. Kirschbaum, the defendant misrepresented it was an experienced consultant with in-depth industry knowledge on how to avoid and prevent foreclosure and how to modify a mortgage loan in violation of Wis. Admin. Code § ATCP 127.72(3).

35. In the course of its transaction with Ms. Kirschbaum, the defendant misrepresented to Ms. Kirschbaum that it was affiliated with or endorsed by the federal government in violation of Wis. Admin. Code § ATCP 127.72(9).

36. Defendant has entered into similar or identical transactions as the one described above on at least seven other occasions.

37. On information and belief, other Wisconsin consumers have suffered pecuniary losses for violations similar or identical to that described above, the exact number and identity of which are known to defendant but unknown to plaintiff at this time.

38. Plaintiff is informed and believes defendant will continue to engage in the aforementioned illegal activities unless enjoined therefrom.

39. Each transaction is a separate violation.

**COUNT TWO**  
**WIS. STAT. § 100.52**

40. Plaintiff re-alleges all preceding paragraphs of this complaint, and incorporates them herein.

41. In the course of telemarketing their services to Wisconsin consumers, defendant has made prohibited telephone solicitations in violation of Wis. Stat. § 100.52 by:

- a. Failing to register with DATCP as a telephone solicitor prior to making telephone solicitations in violation of Wis. Admin. Code § ATCP 127.81(1); and
- b. Contacting residents of Wisconsin who are on the State's No Call list in violation of Wis. Admin. Code § ATCP 127.82(2).

42. Each transaction is a separate violation.

## RELIEF

**WHEREFORE**, plaintiff, State of Wisconsin, demands relief against defendant as follows:

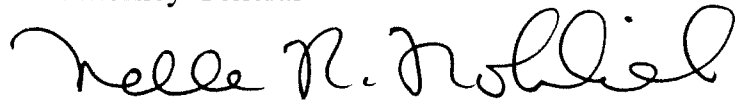
1. Injunctive relief pursuant to Wis. Stat. §§ 100.20(6), and 100.52(9).
2. Entry of an order restoring to consumers their pecuniary losses suffered because of defendant's illegal actions pursuant to Wis. Stat. § 100.20(6).
3. Pursuant to Wis. Stat. § 100.26(6), penalties of not less than \$100.00 nor more than \$10,000.00 for each violation of subchapter IV of Wis. Admin. Code ch. ATCP 127.
4. Pursuant to Wis. Stat. § 100.52(10), penalties against defendant in the amount of \$100.00 for each violation of subchapter V of Wis. Admin. Code ch. ATCP 127.
5. The costs of its investigation and prosecution, including attorneys fees, pursuant to Wis. Stat. § 100.263.

6. Any such other relief as the Court may deem appropriate.

Dated this 13 day of October, 2009.

Respectfully submitted,

J.B. VAN HOLLEN  
Attorney General

A handwritten signature in cursive script that reads "Nelle R. Rohlich".

NELLE R. ROHLICH  
Assistant Attorney General  
State Bar #1047522

Attorneys for State of Wisconsin

Wisconsin Department of Justice  
Post Office Box 7857  
Madison, Wisconsin 53707-7857  
(608) 267-8901  
(608) 267-2778 (Fax)  
rohlichnr@doj.state.wi.us

# LOAN MODIFICATION PAPERWORK - LEE

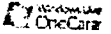
From: docs (docs@21centuryre.com)

Sent: Mon 3/09/09 11:40 AM

To: dbrockmann@hotmail.com

Attachments:

Modification Press Releases.pdf (310.3 KB), Modification\_Application\_LEE\_CHRISTINE.doc (2.2 MB), Modification\_Letter\_LEE\_CHRISTINE.doc (374.6 KB)



Hi,

\*\*\*PLEASE READ ENTIRE EMAIL MESSAGE FOR INSTRUCTIONS\*\*\*

CLIENT CONTACT INFO:

Christine Lee  
320 N Lexington Pkwy  
Deforest WI 53532  
608-212-2015

(NOTE: Please verify address & spelling of names)

\*THERE ARE 3 BASIC ATTACHMENTS:

- 1) 1 PAGE "Modification Letter" goes to client.
- 2) Print out a DUPLICATE "Modification Letter" to be signed by the client & returned with application.
- 3) 2 PAGE "Modification News Releases" go to the client.
- 4) 13 PAGE "Loan Modification Application" is minimally filled out and FedX back with Duplicate Letter & checks.

Remember to have the borrowers just sign and date and only fill out their name, address, phone numbers, social security numbers and mortgage info. The rest of the application is filled out later by the processor, after telephone consultation with the borrowers & the lender.

\*DO NOT leave the \*Loan Modification Application\* with the client. ONLY GIVE the client \*Modification Letter & News Releases\* It is imperative that checks be picked up. Do not leave the appointment without them.\*

\*\*YOU DO NOT GET PAID IF CHECKS ARE NOT PICKED UP.\*\*

If the clients have any questions during the document signing, be sure to call Mario Martinez on his cell phone: 909-229-8606. If no answer, call Agent Supervisor Andrea Parker at 909-732-2054.

We are expanding nationwide, and wish to use your services and to maintain a future relationship with you. You are not required to notarize any documents. And we prefer that our clients view you as our Customer Service Representative/Document Signer.

Please read the modification cover letter so you can understand what checks and what documents the clients are giving us. And bring documents in a manila folder, for a neat and professional appearance.

And we have included News Releases for you to print out and give to the clients.

\*\*SEND ITEMS BACK VIA FEDERAL EXPRESS / DO NOT SEND PRIORITY OR OVERNIGHT. USE THE "EXPRESS SAVER" MAILING - Our FedEX#435212182.\*\*

I prefer to have the income documents picked up (2 months Bank statements, 30 days paystubs & mortgage coupon). It's okay to take originals if they don't have copies--and we can return them later.

But if the client doesn't have them ready, that's OK...they can send them in later.



Include your invoice for \$75.00 along with the documents signed by the clients.

And please call back with appointment confirmation.

Thank you,  
Daisy De Leon  
21st Century Legal Services  
9340 Baseline Road  
Suite 105  
Rancho Cucamonga, CA 91701  
Phone 909-483-1748 ext 6371 or ext 6346  
Fax 909-989-5267

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April 28, 2009

CASE ID: 117564.28.2009

Dear Linda Kirschbaum;

**IS YOUR LOAN GOING NEGATIVE?  
IS YOUR HOME PAYMENT TOO HIGH?  
ARE YOU IN A PAYMENT YOU CAN'T AFFORD?  
WE CAN RESTRUCTURE YOUR LOAN!**

We will help get your mortgage note modified to get rates as low as 3%!

Term Expansions, Stop Foreclosure, Principle Reductions Short Sales, Fixed Rates, Deed In Lieu.

We will request for all delinquent payments and any current payments that have not been made to be forgiven or be placed on the back-end of your modification. Our goal is to put you in a better loan and give you a new start.

**OUR LOAN PROFESSIONALS ARE HERE TO HELP YOU!**

Your credit score doesn't matter. The value of your home is not a factor.

This is all about giving you a BRAND NEW START, and stabilizing your financial situation.

**The \$300 Billion housing rescue bill was passed by the Congress and President Bush has signed it. Essentially, the government will pay for homeowners to do loan re-modification through their mortgage holder. Conditions and fees subject to change per lender.**

Our agreement will be the amount of \$563.35 for May, \$563.35 for June and \$740.00 processing fee. The total amount will be made payable to 21<sup>st</sup> Century LS for the modification of your mortgage.

The \$1,866.70 fee may be split into monthly payments. You may pay with a personal check, cashier's check or money order made payable to: 21<sup>st</sup> Century LS. You may pay a post dated check dated 5/15/09 for \$622.24, a post dated check dated 6/15/09 for \$622.23 and a post dated check dated 7/15/09 for \$622.23.

**Your proposed loan modification is a 30 year fixed / 4 % interest rate with a monthly payment of \$563.35. Your monthly savings is \$376.65. Total savings over a 30-year period is \$135,594.**

**Any delinquent mortgage payments will be brought current.**

Your first payment will be negotiated to begin August 2009 - payable to your current lender for the amount of \$563.35.

Your new proposed note with payment and terms of your loan will be stated on paperwork to follow from your current lender.

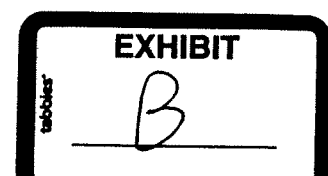
This process can take anywhere up to 90 to 120 days of working diligently with your lender.

Please enclose the mortgage coupon, 3 months most recent bank statement, 1-month most recent pay stubs and any other letters or notification that the mortgage lender has sent to you.

If you have any questions, please feel free to call me.

Sincerely,  
Albert Rodriguez  
Mortgage Specialist  
21<sup>st</sup> Century Legal Services

9340 Baseline Road, Suite 105  
Rancho Cucamonga, CA 91701  
Phone 909-987-2321 Fax 909-944-8558



9340 Baseline Road  
Suite 105  
Rancho Cucamonga, CA 91701  
909-987-2321 Office  
909-944-8558 Fax



**Disclaimer Notice**

Please be aware that while your home loan is in the modification process; you should not give any information to your lenders regarding our processing procedures. For example — providing your income details, any financial statements / documentation or your particular hardship circumstances.

If the Collections Department contacts you during our modification process, simply explain to them that they will need to call and speak to your Loan Resolution Counselors, and give them our telephone number.

This will reduce any potential confusion between your lender's Loss Mitigation Department, which we work with — and their Collections Department. These departments are likely situated in different states, and they rarely communicate with each other.

Providing details regarding your modification to your lender may compromise the negotiation process. As such, we shall consider this a completed file and our duties concluded.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower

\_\_\_\_\_  
Date

