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## Cox Takes Aim at Advanced Fee "Foreclosure Rescue" Scams

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**LANSING** - Attorney General Mike Cox today announced the filing of three criminal complaints and a total of 10 charges against illegal advanced fee "foreclosure rescue" operations accused of defrauding Michigan families of thousands of dollars.

Global Financial Consulting Services of Dearborn Heights, Advanced Mediation Services of Midland and James Klein of Midland are accused of illegally charging homeowners facing foreclosure upfront fees for mortgage modification assistance. The defendants claimed they would help homeowners by working with their lenders in an attempt to modify the borrower's mortgage. After paying the upfront fee, borrowers found that the companies could not secure a modification and were subsequently unable to get their money back.

"These companies took advantage of Michigan families trying to hold onto the American dream," said Cox.

Global Financial Consulting Services faces four criminal counts including two counts of charging upfront fees before services were rendered, a violation of the Credit Services Protection Act, and two counts of making misleading statements.

Advanced Mediation Services and James Klein each face two counts of charging upfront fees before services were rendered, a violation of the Credit Services Protection Act, and one count of making misleading statements. Each of the charges carries a penalty of up to 90 days in jail and/or a fine of \$1,000 in addition to the requirement that the companies make full restitution to each of their victims

Cox urges any consumers who paid fees to Global Financial Consulting Services, Advanced Mediation, James Klein, or any other mortgage modification company for services that were not provided, to contact the Attorney General's Consumer Protection Division at (877) 765-8388 or online at [www.Michigan.gov/ag](http://www.Michigan.gov/ag).

Cox reminds homeowners they can find foreclosure information on his website at [www.Michigan.gov/avoidforeclosure](http://www.Michigan.gov/avoidforeclosure). The website includes contact information for government agencies and debt counselors, and also offers tips for those facing foreclosure, including:

- Homeowners are never required to pay to speak with their lender or servicer.
- Homeowners do not need to pay for outside assistance. Free assistance with foreclosure issues can be found by calling the Michigan State Housing Development Authority at (866) 946-7432.
- If you do hire outside assistance, never pay up front for help with negotiating your loan or working with your servicer.

Attorney General Cox has made prosecuting mortgage fraud a priority for his office. In 2008, Cox created a mortgage fraud unit, teaming with the Michigan State Police and other law enforcement agencies

to tackle consumers' complaints. Cox's office has charged 24 people or companies with a mortgage fraud-related offense in the last 12 months alone. Cox's office also conducted several mortgage foreclosure forums to help families stay in their homes during these difficult times.

In addition to today's charges, Cox announced that he has partnered with the Federal Trade Commission and delivered Notices of Intended Action (NIAs) to 13 out-of-state companies accused of illegally demanding upfront fees from Michigan consumers for loan modification services.

If the targeted companies fail to contact the Attorney General's Office to create a plan to provide restitution to Michigan consumers, the Attorney General may file a civil suit against them in order to recover damages.

The companies receiving NIA warnings from Cox today include 1 Global Financial, Inc., of Fort Lauderdale, FL; 21st Century Legal Services and Fidelity National Legal Service, of Rancho Cucamonga, CA; Best Interest Rate Mortgage, of Westmont, NJ; Echo Loans & Financial Solutions, of Foothill Ranch, CA; Elect Group LLC, of Oakland Park, FL; Federal Home Savers, of Commack, NY; Fresh Start Home Modification, of Woodbury Heights, NJ; Hope N Housing, of Norwalk, VA; IMC Financial, of Clearwater, FL; Lifeguard Financial, of Fort Lauderdale, FL; National Modification Corp., of Hauppauge, NY; North American Relief, LLC, of Costa Mesa, CA; and Peoples First Financial Inc., of San Diego, CA.

A criminal charge is merely an accusation, and the defendant is presumed innocent until and unless proven guilty.