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Cordray Issues Statewide Foreclosure Rescue Scam Sweep

SEEKS TO SHUT DOWN OPERATIONS THROUGHOUT OHIO

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(COLUMBUS, Ohio) – Ohio Attorney General Richard Cordray today filed three lawsuits in a continuing effort to rid the state of foreclosure rescue scams operations. The lawsuits, filed against 21st Century Legal Services (Franklin County), Foreclosure Home Assistance, LLC (Cuyahoga County), and Michael Brotherton, who does business as Financial Emergency, Inc. (Greene County) seek to shut down the companies' ongoing operations in Ohio.

"Ohio has zero tolerance for these predators," Attorney General Cordray said. "They prey on Ohioans who are vulnerable and are seeking answers during desperate times. We issued warnings last month ordering them to stop their illegal practices, but they continued anyway. Now, we will work through the courts to stop them permanently."

According to Cordray's lawsuit, Cleveland-based Foreclosure Home Assistance, LLC (which also does business as Global Home Rescuers, Homesavers USA, AW Gordon and Associates and Gordon and Associates.) charged consumers \$1,500 for loan modifications, forbearance plans and other foreclosure prevention services. In some cases, the company offered foreclosure protection to tenants, claiming it could transfer the property deed from the landlord to the tenant. Despite its promises, the company failed to deliver.

Michael Brotherton, operating as Financial Emergency, Inc., offered similar foreclosure prevention services in Greene County. According to Cordray's lawsuit, Brotherton advertised his services on the Internet and through the mail. Brotherton charged consumers up to \$1,269, saying he could work with lenders and creditors to negotiate debt settlements or workout agreements with mortgage holders. Brotherton failed to deliver.

Also failing to deliver was 21st Century Legal Services, which promised to help homeowners restructure their home loans, a promised service for which they charged \$1,500 to \$2,600. According to the lawsuit, the company instructed consumers to stop making payments on their home loans and to stop contacting their lenders. Consumers were instructed to make out several post-dated checks, each approximately equal to their monthly mortgage payment, and believed 21st Century would take care of the rest.

Attorney General Cordray's lawsuits charge each company with violations of Ohio's Consumer Sales Practices Act and Debt Adjusters Act. Cordray asks the court to hold the companies responsible for reimbursing consumers and to assess a \$25,000 civil penalty for each violation.

"In all three of these cases, we believe more victims are out there," said Cordray. "If you or someone you know has fallen victim to these operations I strongly urge you to contact my office."

Today's lawsuits against 21st Century Legal Services and Foreclosure Home Assistance, LLC are the result of a first wave of 13 cease and desist notices issued by Cordray in May. This month, Cordray issued 10 more cease and desist notices and subpoenas to foreclosure rescue operations targeting Ohioans. The cease and desists demand that the companies halt all predatory practices and the accompanying subpoenas require information to substantiate current practices.

For more information or to file a consumer complaint, contact Attorney General Cordray's Office at www.SpeakOutOhio.gov or (800) 282-0515.

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