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V. FACTS

5.1 Defendant contacts homeowners offering to help them negotiate with their lender to modify the terms of their mortgage loan, to stop foreclosure, cure their delinquency, or otherwise change their mortgage payments to terms that will be affordable to the homeowner.

5.2 Defendant demands and receives fees of \$1500, and other amounts, for these services.

5.3 Defendant demands and receives those fees prior to providing its services.

5.4 Defendant provides no or nominal services to homeowners.

5.5 When homeowners request refunds or cancellation, Defendant falsely promises to refund fees.

5.6 Defendant's failure to provide services places homeowners in dire financial circumstances. After dealing with Defendant, homeowners face a shorter deadline to save their home from foreclosure, the money required to bring their loan current has increased due to additional fees and interest, and homeowners have paid money that could have been sent to their lender to cure their arrears, instead of to Defendant for no or nominal services.

5.7 The services Defendant purports to provide can be done by the homeowners themselves.

5.8 The services Defendant purports to provide are widely available for free or for an income-based minimal fee from properly licensed non-profit and government housing counselors.

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VII. COUNT TWO

Unfair and Deceptive Practices

7.1 Plaintiff re-alleges the above paragraphs and incorporates them herein.

7.2 In the context of conducting its business Defendant engaged in numerous unfair and deceptive acts and practices as alleged above. Such conduct constitutes unfair or deceptive acts or practices in trade or commerce, and/or unfair methods of competition in violation of RCW 19.86.020.

VIII. COUNT THREE

Violations of the Distressed Property Conveyance Act

8.1 Plaintiff re-alleges the above paragraphs and incorporates them herein.

8.2 In the context of conducting its business, Defendant violated the Distressed Property Conveyance Act by failing to disclose the terms of the transaction and failing to provide the consumer protection disclosures required by RCW 61.34.050, and by violating the fiduciary duty imposed by that Act. RCW 61.34.060.

8.3 Pursuant to RCW 61.34.040, violations of the Distressed Property Conveyance Act are *per se* violations of the Consumer Protection Act, RCW 19.86.

8.4 Notwithstanding RCW 61.34.040, Plaintiff's conduct affects the public interest and has the capacity to mislead a substantial number of consumers and constitutes unfair or deceptive acts or practices in trade or commerce and unfair methods of competition in violation of RCW 19.86.020.

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IX. COUNT FOUR

Violations of the Mortgage Broker Practices Act

9.1 Plaintiff re-alleges the above paragraphs and incorporates them herein.

9.2 In the context of conducting its business, Defendant violated the Mortgage Broker Practices Act, by failing to disclose the terms of the transaction and failing to provide the consumer protection disclosures required by RCW 19.146.0201 and .030, by charging upfront fees without first obtaining a loan for the consumer in violation of RCW 19.146.070, by breaching the fiduciary duty imposed by RCW 19.146.095, and by failing to be licensed, as required by RCW 19.146.200.

9.3 Pursuant to RCW 19.146.100, violations of the Mortgage Broker Practices Act are *per se* violations of the Consumer Protection Act, RCW 19.86.

9.4 Notwithstanding RCW 19.146.100, Plaintiff's conduct affects the public interest and has the capacity to mislead a substantial number of consumers and constitutes unfair or deceptive acts or practices in trade or commerce and unfair methods of competition in violation of RCW 19.86.020.

X. COUNT FIVE

Violations of the Credit Services Organizations Act

10.1 Plaintiff re-alleges the above paragraphs and incorporates them herein.

10.2 In the context of conducting its business, Defendant violated the Credit Services Organizations Act, RCW 19.134 by failing to disclose the terms of the transaction and the consumer's right to cancel, as required by RCW 19.134.060, and by demanding and receiving payment before providing services in violation of RCW 19.134.020.

1 appropriate to provide for restitution to consumers of money or property acquired by the
2 Defendant as a result of the conduct complained of herein.

3 **11.6** That the Court make such orders pursuant to RCW 19.86.080 to provide that the
4 plaintiff, State of Washington, have and recover from the Defendant the costs of this action,
5 including reasonable attorneys' fees.
6

7 For such other relief as the Court may deem just and proper.

8 DATED this 15th day of July, 2009.

9
10 ROBERT M. MCKENNA
11 Attorney General

12 
13 DAVID W. HUEY, WSBA #31380
14 Assistant Attorney General
15 Attorneys for Plaintiff
16 State of Washington
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