

STATE OF INDIANA) IN THE HENDRICKS CIRCUIT/SUPERIOR COURT
) SS:
 COUNTY OF HENDRICKS) CAUSE NO.: _____

STATE OF INDIANA,)
)
 Plaintiff,)
)
 v.)
)
 LEGAL HOME LOAN SOLUTIONS and)
 FEDERAL HOME LOAN SOLUTIONS and)
 THE LAW FIRM OF THOMAS C. MATEVIA, P.A.)
 and THOMAS C. MATEVIA, individually and)
 as owner and/or officer of LEGAL HOME)
 LOAN SOLUTIONS and FEDERAL HOME)
 LOAN SOLUTIONS and THE LAW FIRM OF)
 THOMAS C. MATEVIA, P.A.,)
)
 Defendants.)

**COMPLAINT FOR INJUNCTION, RESTITUTION, COSTS
 AND CIVIL PENALTIES**

The State of Indiana, by Attorney General Gregory F. Zoeller and Deputy Attorney General Laura A. Turner, petitions the Court pursuant to the Indiana Credit Services Organizations Act, Ind. Code § 24-5-15-1, the Mortgage Rescue Protection Fraud Act, Ind. Code ch. 24-5.5-1, and the Indiana Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-1, for injunctive relief, restitution, civil penalties, investigative costs, and other relief.

PARTIES

1. The Plaintiff, State of Indiana, is authorized to bring this action and to seek injunctive and other statutory relief pursuant to Ind. Code § 24-5-0.5-4(c) and Ind. Code § 24-5-15-11.

2. The Defendant, Legal Home Loan Solutions (“LHLS”), is a for-profit Florida business that, at all times relevant to this complaint, was engaged in business as a credit services

organization and as a foreclosure consultant with a principal business address of 250 West Indiantown Road, Suite 108, Jupiter, Florida 33458.

3. The Defendant, Federal Home Loan Solutions (“FHLS”), is a for-profit Florida business that, at all times relevant to this complaint, was engaged in business as a credit services organization and as a foreclosure consultant with a principal business address of 250 West Indiantown Road, Suite 108, Jupiter, Florida 33458.

4. The Defendant, The Law Firm of Thomas C. Matevia, P.A. (“Matevia Law Firm”), is a for-profit Florida business that, at all times relevant to this complaint, was engaged in business as a credit services organization and as a foreclosure consultant with a principal business address of 250 West Indiantown Road, Suite 108, Jupiter, Florida 33458.

5. The Defendant, Thomas C. Matevia (“Matevia”), is the owner and/or officer of LHLS, FHLS, and Matevia Law Firm, and at all times relevant to this complaint, was engaged in business as a credit services organization and as a foreclosure consultant with an address of 250 West Indiantown Road, Suite 108, Jupiter, Florida 33458; or, 15395 78th Drive North, West Palm Beach, Florida 33418; or, 203 Hampton Circle, Jupiter, Florida 33458.

6. The term “Defendants” as used in this complaint means LHLS, FHLS, Matevia Law Firm, and Matevia.

FACTS

7. At all times relevant hereto, Defendants maintained a website for LHLS at www.legalhomeloansolutions.com. This website is not currently active.

8. Defendants required clients to enter into an Attorney/Client Engagement Agreement (“Engagement Agreement”). The Engagement Agreement stated that Defendants could assist individuals with services including, but not limited to, the following:

- a. Loan modifications;
- b. Forbearances;
- c. Short sales; and
- d. Deeds-in-lieu of foreclosure.

9. Defendants' Engagement Agreement stated that Defendants "will review and analyze relevant documents to determine [an individual's] legal rights and remedies pertaining to a modification...including but not limited to reduction in interest rate, reduction of principal, forbearance of collection of principal and/or interest, and/or A Short Sale or providing [an individual's] lender or mortgage holder with a deed in lieu of foreclosure."

10. Defendants' Engagement Agreement also stated that, "[Defendants] will be available to consult with and advise [an individual] as to matters that may arise regarding representing [him/her] in connection with the attempted **out of court modification** of [his/her] Mortgage Debt." (emphasis in original)

11. Defendants' Engagement Agreement further stated that "[t]he lender...will be advised that all communications and efforts to collect on [an individual's] Mortgage Debt are to be directed to the [Defendants]."

12. Defendants processed receipt of payments from clients through FHLS.

13. Defendants advertised their services via the internet and telephone solicitations.

FACTS SURROUNDING DEFENDANTS' AGREEMENT WITH QURAZZO

14. Scott A. Qurazzo ("Qurazzo"), a resident of Indianapolis, Marion County, Indiana, initially learned of Defendants' services through a telephone call from Defendants.

15. On or about August 11, 2009, Qurazzo entered into an Engagement Agreement with Defendants for Defendants' services as a credit services organization and foreclosure consultant.

16. As part of Defendants' Engagement Agreement with Qurazzo, Qurazzo sent Two Thousand Five Hundred Dollars (\$2,500) to Defendants for their purported assistance in helping Qurazzo obtain a reduction in his monthly mortgage payments.

17. Defendants' representations to Qurazzo regarding the services Defendants were to provide failed to include the following provisions in writing as required by Indiana law:

- a. A complete and detailed description of the services to be performed by Defendants for the buyer and the total cost of the services;
- b. A statement explaining the buyer's right to proceed against the bond or surety account required under Ind. Code § 24-5-15-8;
- c. The name and address of the surety company that issued a bond or depository and the trustee of a surety account and the account number of the surety account required under Ind. Code § 24-5-15-8;
- d. A complete and accurate statement of the buyer's right to review any file on the buyer maintained by a consumer reporting agency as provided under the Fair Credit Reporting Act (15 U.S.C. 1681);
- e. A statement that the buyer's file is available for review at no charge on request made to the consumer reporting agency within thirty (30) days after the date of receipt of a notice that credit has been denied; and for a minimal charge at any other time;
- f. A complete and accurate statement of the buyer's right to dispute the completeness or accuracy of an item contained in a file on the buyer maintained by a consumer reporting agency;
- g. A statement that accurate information cannot be permanently removed from the files of a consumer reporting agency;
- h. A complete and accurate statement indicating when consumer information becomes obsolete and when consumer reporting agencies are prevented from issuing reports containing obsolete information; and
- i. A complete and accurate statement of the availability of nonprofit credit counseling services.

18. Defendants failed to provide Qurazzo two (2) copies of a Notice of Cancellation form.

19. At all times relevant, Defendants never obtained a surety bond in the amount of Twenty-Five Thousand Dollars (\$25,000.00) or filed it with the Office of the Indiana Attorney General, as required by Ind. Code § 24-5-15-8.

20. Defendants failed to provide Qurazzo with written notice of his rights under Ind. Code art. 24-5.5.

21. Defendants demanded and received compensation before Defendants fully performed all services Defendants contracted to perform or represented that Defendants would perform.

22. On or about March 2, 2010, due to Qurazzo's request for a refund, Defendants issued a refund to Qurazzo in the amount of Two Thousand Five Hundred Dollars (\$2,500).

FACTS SURROUNDING DEFENDANTS' AGREEMENT WITH THE KINGS

23. Jesse and Gwendolyn King ("the Kings"), residents of Hometown, Allen County, Indiana, initially learned of Defendants' services through email correspondence from Defendants.

24. On or about August 25, 2009, in an email to the Kings, Defendants stated, "We have been extremely successful in securing the best possible terms with our client's lenders."

25. Defendants further stated, "We have processors on staff who have worked for banks...[t]hey know exactly how the file needs to look and be put together to be accepted by the banks before entering into negotiations."

26. On or about August 31, 2009, the Kings entered into and signed an Engagement Agreement with Defendants for Defendants' services as a credit services organization and foreclosure consultant.

27. The Kings made three (3) payments totaling Two Thousand Seven Hundred and Fifty Dollars (\$2,750.00) to Defendants for Defendants' services as a credit services organization and foreclosure consultant.

28. The Kings made these three (3) payments on the dates listed below:

- a. September 3, 2009: One Thousand Two Hundred and Fifty Dollars (\$1,250.00);
- b. October 5, 2009: Seven Hundred and Fifty Dollars (\$750.00); and
- c. November 4, 2009: Seven Hundred and Fifty Dollars (\$750.00).

29. Defendants' representations to the Kings regarding the services Defendants were to provide failed to include the following provisions in writing as required by Indiana law:

- a. A complete and detailed description of the services to be performed by Defendants for the buyer and the total cost of the services;
- b. A statement explaining the buyer's right to proceed against the bond or surety account required under Ind. Code § 24-5-15-8;
- c. The name and address of the surety company that issued a bond or depository and the trustee of a surety account and the account number of the surety account required under Ind. Code § 24-5-15-8;
- d. A complete and accurate statement of the buyer's right to review any file on the buyer maintained by a consumer reporting agency as provided under the Fair Credit Reporting Act (15 U.S.C. 1681);
- e. A statement that the buyer's file is available for review at no charge on request made to the consumer reporting agency within thirty (30) days after the date of receipt of a notice that credit has been denied; and for a minimal charge at any other time;
- f. A complete and accurate statement of the buyer's right to dispute the completeness or accuracy of an item contained in a file on the buyer maintained by a consumer reporting agency;
- g. A statement that accurate information cannot be permanently removed from the files of a consumer reporting agency;
- h. A complete and accurate statement indicating when consumer information becomes obsolete and when consumer reporting agencies are prevented from issuing reports containing obsolete information; and
- i. A complete and accurate statement of the availability of nonprofit credit counseling services.

30. Defendants failed to provide the Kings two (2) copies of a Notice of Cancellation form.

31. At all times relevant, Defendants never obtained a surety bond in the amount of Twenty-Five Thousand Dollars (\$25,000.00) or filed it with the Office of the Indiana Attorney General, as required by Ind. Code § 24-5-15-8.

32. Defendants failed to provide the Kings with written notice of their rights under Ind. Code art. 24-5.5.

33. Defendants demanded and received compensation before Defendants fully performed all services Defendants contracted to perform or represented that Defendants would perform.

34. Defendants failed to refund any or all of the Two Thousand Seven Hundred and Fifty Dollars (\$2,750.00) paid by the Kings for Defendants services as a credit services organization and foreclosure consultant.

FACTS SURROUNDING DEFENDANTS' AGREEMENT WITH OTHER INDIANA RESIDENTS

35. From May 2009 to the present time, Defendants entered into contracts with the following nineteen (19) Indiana consumers, who paid the specified amount, for Defendants' services as a credit services organization and foreclosure consultant:

| <u>Indiana Consumer</u> | <u>City of Residence</u> | <u>County of Residence</u> | <u>Total Amount Paid to Defendants</u> |
|--------------------------------|---------------------------------|-----------------------------------|---|
| Miguel Araiza | Elkhart | Elkhart County | \$1,250.00 |
| Jeremy Brown | Indianapolis | Marion County | \$1,250.00 |
| Donna Crowell | Galveston | Cass County | \$500.00 |
| Stefan Tucker | Valparaiso | Porter County | \$400.00 |

| | | | |
|-------------------|----------------|-------------------|------------|
| Kenny Graham | Lafayette | Tippecanoe County | \$1,500.00 |
| Joseph Maione | Jeffersonville | Clark County | \$2,750.00 |
| Daniel Smith | Angola | Steuben County | \$2,500.00 |
| Danielle Thompson | Bloomington | Monroe County | \$1,350.00 |
| Maria Huerta | Cedar Lake | Lake County | \$2,500.00 |
| Ronald Kilburn | Carmel | Hamilton County | \$2,750.00 |
| Andrea Tarver | Indianapolis | Marion County | \$2,499.99 |
| John Kraft | Plainfield | Hendricks County | \$2,750.00 |
| James Boruff | Bloomington | Monroe County | \$2,750.00 |
| Jonathon Melcher | Huntertown | Allen County | \$775.00 |
| Marilyn Brubaker | Marion | Grant County | \$1,500.00 |
| Tamara DeMuth | New Albany | Floyd County | \$2,750.00 |
| Robert Smith | New Carlisle | St. Joseph County | \$3,150.00 |
| Niles Burris | Indianapolis | Marion County | \$1,000.00 |
| Kevin Kravig | Noblesville | Hamilton County | \$1,250.00 |

36. These nineteen (19) Indiana consumers entered into contracts with Defendants for Defendants' services as a credit services organization and foreclosure consultant.

37. The contracts required these nineteen (19) Indiana consumers to pay Defendants an up-front fee for Defendants' services.

38. Defendants' representations to these nineteen (19) Indiana consumers regarding the services Defendants were to provide failed to include the following provisions in writing as required by Indiana law:

- a. A complete and detailed description of the services to be performed by Defendants for the buyer and the total cost of the services;

- b. A statement explaining the buyer's right to proceed against the bond or surety account required under Ind. Code § 24-5-15-8;
- c. The name and address of the surety company that issued a bond or depository and the trustee of a surety account and the account number of the surety account required under Ind. Code § 24-5-15-8;
- d. A complete and accurate statement of the buyer's right to review any file on the buyer maintained by a consumer reporting agency as provided under the Fair Credit Reporting Act (15 U.S.C. 1681);
- e. A statement that the buyer's file is available for review at no charge on request made to the consumer reporting agency within thirty (30) days after the date of receipt of a notice that credit has been denied; and for a minimal charge at any other time;
- f. A complete and accurate statement of the buyer's right to dispute the completeness or accuracy of an item contained in a file on the buyer maintained by a consumer reporting agency;
- g. A statement that accurate information cannot be permanently removed from the files of a consumer reporting agency;
- h. A complete and accurate statement indicating when consumer information becomes obsolete and when consumer reporting agencies are prevented from issuing reports containing obsolete information; and
- i. A complete and accurate statement of the availability of nonprofit credit counseling services.

39. Defendants failed to provide each of these nineteen (19) Indiana consumers with two (2) copies of a Notice of Cancellation form.

40. At all times relevant, Defendants never obtained a surety bond in the amount of Twenty-Five Thousand Dollars (\$25,000.00) or filed it with the Office of the Indiana Attorney General, as required by Ind. Code § 24-5-15-8.

41. Defendants failed to provide these nineteen (19) Indiana consumers with written notice of their rights under Ind. Code art. 24-5.5.

42. Defendants demanded and received compensation before Defendants fully performed all services Defendants contracted to perform or represented that Defendants would perform.

43. Defendants failed to provide a refund to these nineteen (19) Indiana consumers for Defendants services as a credit services organization and foreclosure consultant.

COUNT I: VIOLATIONS OF THE CREDIT SERVICES ORGANIZATIONS ACT

44. Paragraphs one (1) through forty-three (43) are incorporated herein by reference.

45. By contracting to perform the services referred to in paragraphs one (1) through forty-three (43), Defendants are a “credit services organization” as defined by Ind. Code § 24-5-15-2.

46. By receiving payment from the Indiana consumers discussed above before the complete performance of the services referred to above, Defendants violated the Credit Services Organizations Act, Ind. Code § 24-5-15-5(1).

47. By failing to provide the Indiana consumers discussed above with a written statement containing any of the nine (9) statutorily required provisions prior to executing a contract or receiving valuable consideration, Defendants violated the Credit Services Organizations Act, Ind. Code § 24-5-15-6. The provisions are:

- a. A complete and detailed description of the services to be performed by the credit services organization for the buyer and the total cost of the services;
- b. A statement explaining the buyer’s right to proceed against the bond or surety account required under Ind. Code § 24-5-15-8;
- c. The name and address of the surety company that issued a bond or depository and the trustee of a surety account and the account number of the surety account required under Ind. Code § 24-5-15-8;
- d. A complete and accurate statement of the buyer’s right to review any file on the buyer maintained by a consumer reporting agency as provided under the Fair Credit Reporting Act (15 U.S.C. 1681);
- e. A statement that the buyer’s file is available for review at no charge on request made to the consumer reporting agency within thirty (30) days after the date of receipt of a notice that credit has been denied; and for a minimal charge at any other time;
- f. A complete and accurate statement of the buyer’s right to dispute the completeness or accuracy of an item contained in a file on the buyer maintained by a consumer reporting agency;
- g. A statement that accurate information cannot be permanently removed from the files of a consumer reporting agency;
- h. A complete and accurate statement indicating when consumer information becomes obsolete and when consumer reporting agencies are prevented from issuing reports containing obsolete information; and

- i. A complete and accurate statement of the availability of nonprofit credit counseling services.

48. By failing to include in the Agreements referred to above, or any other document provided to the Indiana consumers discussed above, a statement and notice of cancellation as required by Ind. Code §§ 24-5-15-7(a)(1) and 24-5-15-7(b), Defendants violated the Credit Services Organizations Act, Ind. Code § 24-5-15-7.

49. By failing to obtain a surety bond in the amount of Twenty-Five Thousand Dollars (\$25,000.00) prior to doing business as a credit service organization, Defendants violated the Credit Services Organizations Act, Ind. Code § 24-5-15-8.

50. By failing to file a copy of said surety bond with the Office of the Indiana Attorney General prior to doing business as a credit service organization, Defendants violated the Credit Services Organizations Act, Ind. Code § 24-5-15-8.

**COUNT II: VIOLATIONS OF THE
MORTGAGE RESCUE PROTECTION FRAUD ACT**

51. Paragraphs one (1) through forty-three (43) are incorporated herein by reference.

52. By performing or soliciting to perform the services referred to in paragraphs one (1) through forty-three (43), Defendants are a “foreclosure consultant” as defined by Ind. Code § 24-5.5-2-2.

53. By entering into or attempting to enter into a foreclosure consultant contract with the Indiana consumers discussed above without first providing them with written notice of the consumers’ rights under Ind. Code art. 24-5.5, Defendants violated the Mortgage Rescue Protection Fraud Act, Ind. Code § 24-5.5-5-2(1).

54. By demanding or receiving compensation before Defendants fully performed all services Defendants contracted to perform or represented that Defendants would perform, and

before Defendants complied with the security requirements under Ind. Code § 24-5-15-8, Defendants violated the Mortgage Rescue Protection Fraud Act, Ind. Code § 24-5.5-2(2).

COUNT III: VIOLATIONS OF THE DECEPTIVE CONSUMER SALES ACT

55. Paragraphs one (1) through forty-three (43) are incorporated herein by reference.

56. The transactions referred to in paragraphs one (1) through forty-three (43) are “consumer transactions” as defined by Ind. Code § 24-5-0.5-2(a)(1).

57. Defendants are a “supplier” as defined by Ind. Code § 24-5-0.5-2(a)(3).

58. The violations of the Indiana Credit Services Organizations Act referred to in paragraphs forty-four (44) through fifty (50) constitute deceptive acts pursuant to Ind. Code § 24-5-15-11.

59. By representing to consumers that Defendants had the characteristics of experienced consultants with in-depth industry knowledge on how to avoid and stop foreclosure, Defendants violated the Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-3.

60. The violations of the Mortgage Rescue Protection Fraud Act referred to in paragraphs fifty-one (51) through fifty-four (54) constitute deceptive acts pursuant to Ind. Code § 24-5.5-6-1.

COUNT IV: KNOWING AND INTENTIONAL VIOLATIONS OF THE DECEPTIVE CONSUMER SALES ACT

61. Paragraphs one (1) through forty-three (43) are incorporated herein by reference.

62. The misrepresentations and deceptive acts set forth above were committed by Defendants with knowledge and intent to deceive.

RELIEF

WHEREFORE, the Plaintiff, State of Indiana, requests the Court enter judgment against Defendants, enjoining Defendants from the following:

a. In the course of performing services as a credit services organization, failing to obtain a surety bond in the amount of Twenty-Five Thousand Dollars (\$25,000.00) prior to doing business as a credit services organization;

b. In the course of performing services as a credit services organization, failing to file said surety bond with the Office of the Indiana Attorney General prior to doing business as a credit services organization;

c. In the course of performing services as a credit services organization, charging or receiving money or other valuable consideration before the complete performance of services on behalf of a consumer, unless Defendants had obtained a surety bond issued by a surety company admitted to do business in Indiana or established an irrevocable letter of credit under Ind. Code § 24-5-15-8;

d. In the course of performing services as a credit services organization, failing to provide the consumers with a written statement containing each of the provisions required by Ind. Code § 25-5-15-6 prior to executing a contract or receiving valuable consideration;

e. In the course of performing services as a credit services organization, failing to include in contracts with the consumers the statement required by Ind. Code § 24-5-15-7(a)(1) and two (2) copies of the notice of cancellation form required by Ind. Code § 24-5-15-7(b);

f. In the course of performing services as a foreclosure consultant, entering into or attempting to enter into a foreclosure consultant contract with a homeowner without first providing the homeowner with written notice of the homeowner's rights under Ind. Code art. 24-5.5;

g. In the course of performing services as a foreclosure consultant, demanding or receiving compensation until after Defendants have fully performed all services Defendants have

contracted to perform or represented that Defendants would perform, unless Defendants comply with the security requirements under Ind. Code § 24-5-15-8; and

h. Representing to consumers that Defendants are, or have the characteristics of, an experienced consultant with in-depth industry knowledge on how to avoid and stop foreclosures.

AND WHEREFORE, the Plaintiff, State of Indiana, further requests the Court enter judgment against Defendants for the following relief:

a. Restitution in an amount to be determined at trial;

b. Costs pursuant to Ind. Code § 24-5-0.5-4(c)(3), awarding the Office of the Attorney General its reasonable expenses incurred in the investigation and prosecution of this action;

c. On Count III of the Plaintiff's complaint, civil penalties pursuant to Ind. Code § 24-5-0.5-4(g) for the Defendants' knowing violations of the Deceptive Consumer Sales Act, in the amount of Five Thousand Dollars (\$5,000.00) per violation, payable to the Office of the Attorney General's Consumer Protection Assistance Fund, established through Ind. Code art. 24-10;

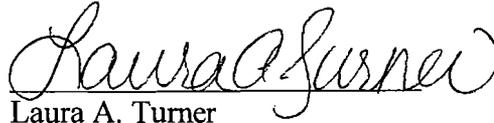
d. On Count IV of the Plaintiff's complaint, civil penalties pursuant to Ind. Code § 24-5-0.5-8 for the Defendants' intentional violations of the Deceptive Consumer Sales Act, in the amount of Five Hundred Dollars (\$500.00) per violation, payable to the Office of the Attorney General's Consumer Protection Assistance Fund, established through Ind. Code art. 24-10; and

e. All other just and proper relief.

Respectfully submitted,

GREGORY F. ZOELLER
INDIANA ATTORNEY GENERAL
Attorney No.: 1958-98

By:



Laura A. Turner
Deputy Attorney General
Atty. No.: 28350-41

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