

STATE OF INDIANA) IN THE VANDERBURGH _____ COURT
) SS:
 COUNTY OF VANDERBURGH) CAUSE NO.: 82 001 1012 CT 584

STATE OF INDIANA,)
)
 Plaintiff,)
)
 v.)
)
 HOPE4HOMES, INC., (a/k/a)
 HOPE4HOMESTODAY, INC., a/k/a)
 HOPE4HOMESTODAY.COM), THE)
 LAW OFFICES OF MAHAN ABBASI)
 (a/k/a ANH LEGALGROUP, P.C., a/k/a)
 ABBASI AND ASSOCIATES), and MAHAN)
 ABBASI, individually and as president, chief)
 officer and/or registered agent of the LAW)
 OFFICES OF MAHAN ABBASI,)
)
 Defendants.)

VANDERBURGH CIRCUIT COURT
 ★ FILED ★
 DEC 07 2010
Susan K. Kunk
 CLERK

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

The State of Indiana, by Attorney General Gregory F. Zoeller and Deputy Attorney General Kelsie E. Moore, 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, Hope4Homes, Inc. (a/k/a Home4HomesToday, Inc. a/k/a Hope4HomesToday.com) (“Hope4Homes”), is a for-profit California corporation that, at all times relevant to this complaint, was engaged in business as a credit services organization and a foreclosure consultant with a principal business address of 3255 Cahuenga Boulevard West, Suite 305, Los Angeles, California 90068, and/or 11684 Ventura Boulevard, Suite 105, Studio City, California 91604.

3. At all times relevant hereto, Hope4Homes did not obtain or hold a certificate of authority to do business in the State of Indiana as a foreign corporation.

4. The Defendant, the Law Offices of Mahan Abbasi (a/k/a Abbasi and Associates, Inc., a/k/a ANH Legal Group, P.C.) (“Abbasi Law Office”), is a for-profit California corporation that, at all times relevant to this complaint, was engaged in business as a credit services organization and a foreclosure consultant with a principal business address of 3255 Cahuenga Boulevard West, Suite 305, Los Angeles, California 90068, and/or 6320 Canoga Avenue, Suite 790, Woodland Hills, California 91367.

5. At all times relevant hereto, Abbasi Law Office did not obtain or hold a certificate of authority to do business in the State of Indiana as a foreign corporation.

6. The Defendant, Mahan Abbasi (“Abbasi”), is president, chief officer, and/or agent of Abbasi Law Office and, at all times relevant to this complaint, was engaged in business as a foreclosure consultant and credit services organization with an address of 3255 Cahuenga Boulevard West, Suite 305, Los Angeles, California 90068.

7. The term “Defendants” as used in this Complaint, means Hope4Homes, Abbasi Law Office, and Abbasi, individually, and doing business as and/or for Hope4Homes and Abbasi Law Office.

FACTS

8. In or about September 2009, Defendants maintained a website at www.Hope4HomesToday.org. This website is not currently active.

9. Defendants advertised to potential clients that their services include, but are not limited to, the following:

- a. Loan Modification;
- b. Safe Loan Modification Service;
- c. Negotiate Short Sales;
- d. Deed in Lieu; and
- e. Forensic Document Audit.

10. Defendants solicited Indiana consumers via internet and television advertisements.

11. Defendants advertised a “100% Money Back Guarantee if we cannot achieve a loan modification for our clients.”

12. Defendants claimed that they have “trained professionals with years of experience processing and underwriting mortgage loans so we are well versed with current underwriting guidelines your lender uses in determining your eligibility for a modification.”

13. Defendants urged potential clients that “Time is of the essence!”

14. Defendants represented to consumers that “HOPE 4 HOMES handles your file from A to Z in house. Our team of professionals handles all aspects of your file in confidence.”

15. Defendants advertised that “HOPE 4 HOMES actively negotiates short sales and will present all available option [sic] to you if a modification is not possible.”

16. Defendants assured potential clients that “Our professional team of attorneys, auditors and managers are well versed in dealing with lenders and will help you to navigate the right path for you to achieve a mortgage loan package to suit your circumstances.”

17. Defendants advertised that “HOPE 4 HOMES will fight aggressively to adjust the modification terms to the clients benefit.”

18. Defendants required consumers to sign an authorization form that allowed Defendants to act on behalf of the consumer regarding any of the consumers’ mortgage issues.

19. Defendant Abbasi has never been licensed to practice law in the State of Indiana; however, he is licensed to practice law in California, Bar Number 215030.

FACTS SURROUNDING DEFENDANTS’ AGREEMENT WITH MATTHEWS

20. On or about September 3, 2009, Harold and Sharon Matthews (“Matthews”) residents of Evansville, Vanderburgh County, Indiana entered into a contract for Defendants’ services as a credit services organization and foreclosure consultant.

21. Matthews signed numerous documents, including a Retainer and Disclosure & Agreement (“Agreement”), which was sent to Matthews by Defendants for Defendants’ services.

22. The Agreement required Matthews to pay Defendants a fee of Two Thousand Two Hundred and Fifty Dollars (\$2,250.00) in three separate installments. Matthews paid Defendants a total of One Thousand Eight Hundred Dollars (\$1,800.00) up-front for Defendants services.

23. The Agreement stated that Defendants “cannot guarantee approval of Homeowner’s debt restructuring or promise an exact outcome.”

24. The Agreement further articulated that “Homeowner agrees and acknowledges that [Hope4Homes] has made no representation of guarantees concerning the successful outcome of [Hope4Homes’] efforts to restructure Homeowner’s mortgage debt.”

25. As part of the Agreement, Defendants required Matthews to sign an authorization form that allowed Defendants to directly contact Matthews’ mortgage lender on their behalf.

26. The Agreement failed to include the following provisions:

- a. A complete and detailed description of the services to be performed by Defendant 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.

27. The Agreement failed to include two (2) copies of a Notice of Cancellation form.

28. 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.

29. Defendants failed to provide Matthews with written notice of their rights under Ind. Code art. 24-5.5.

30. Defendants demanded and received compensation before Defendants fully performed all services Defendants contracted to perform, or represented that Defendants would perform. Defendants advised Matthews that, through the use of their services, Defendants could lower Matthews' interest rate on their mortgage two percent (2%).

31. Defendants instructed Matthews to stop making payments on their mortgage while Defendants were "negotiating" a loan modification for Matthews. Matthews followed this instruction, and ended up three (3) months behind on their mortgage payments. Prior to their involvement with Defendants, Matthews' mortgage payments were current.

32. Defendants failed to successfully negotiate a loan modification for Matthews.

33. Defendants failed to refund any or all of the One Thousand Eight Hundred Dollars (\$1,800.00) paid by Matthews for Defendants' services, even though Defendants repeatedly advertised a complete money back guarantee and a demand was made for a refund.

**FACTS SURROUNDING DEFENDANTS' AGREEMENT WITH
OTHER INDIANA RESIDENTS**

34. From July 2009 to the present time, Defendants entered into contracts with at least ten (10) Indiana consumers for Defendants' services as a credit services organization and foreclosure consultant, in addition to Defendants' contract with Matthews described above.

35. These ten (10) Indiana consumers signed numerous documents, including a Retainer and Disclosure & Agreements ("Agreements"), sent to them by Defendants for Defendants' services.

36. The Agreements required the Indiana consumers to pay Defendants an up-front fee.

37. The Agreements failed to include the following provisions:
 - 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.
38. The Agreements failed to include two (2) copies of a Notice of Cancellation form.
39. At all times relevant, Defendants never obtained a surety bond in the amount of Twenty-Five Thousand Dollars (\$25,000), as required by Ind. Code § 24-5-15-8 or filed it with the Office of the Indiana Attorney General, as required by Ind. Code § 24-5-15-8.
40. The ten (10) consumers sent up-front payments to Defendants.
41. Defendants failed to provide the ten (10) 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. Upon information and belief, Defendants failed to successfully assist at least nine (9) of these Indiana consumers in obtaining a loan modification, or any other service Defendants advertised.

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 mentioned 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 mentioned above with a written statement containing any of the nine 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 Indiana consumers, 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, the 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 mentioned 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 § 24-5.5-5-2(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, the 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.

COUNT V: FAILURE TO OBTAIN CERTIFICATE OF AUTHORITY

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

64. Defendant Hope4Homes and Defendant Abbasi Law Offices are foreign corporations, as defined by Ind. Code. § 23-1-20-11.

65. By attempting to enter into agreements or contracts with Indiana consumers, and by successfully entering into agreements or contracts with Indiana consumers, all of which is described above, Defendants transacted business in Indiana.

66. Pursuant to Ind. Code. § 23-1-49-1, a foreign corporation may not transact business in Indiana until it obtains a certificate of authority from the Indiana Secretary of State.

67. Pursuant to Ind. Code. § 23-1-49-2(d), a foreign corporation is liable for a civil penalty of not more than Ten Thousand Dollars (\$10,000.00) if it transacts business in Indiana without a certificate of authority.

68. The Indiana Attorney General is authorized by Ind. Code. § 23-1-49-2(d) to collect all penalties due under said subsection.

RELIEF

WHEREFORE, the Plaintiff, State of Indiana, requests the Court enter judgment against the 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 Defendants' 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 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 State of Indiana;
- 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 State of Indiana;
- e. On Count V of the Plaintiff's complaint, civil penalties pursuant to Ind. Code § 23-1-49-2(d) for Defendants' violation of Ind. Code § 23-1-49-1, in the amount of Ten Thousand Dollars (\$10,000.00), payable to the State of Indiana; and
- f. All other just and proper relief.

Respectfully submitted,

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

By: Kelsie E. Moore

Kelsie E. Moore
Deputy Attorney General
Atty. No.: 26505-49
Indiana Government Center South
302 W. Washington Street, 5th floor
Indianapolis, Indiana 46204
(317) 234-7108
(317) 232-4393 fax
kelsie.moore@atg.in.gov