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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WISCONSIN

CONSUMER FINANCIAL PROTECTION BUREAU,

Plaintiff,

v.

THE MORTGAGE LAW GROUP, LLP, (D/B/A THE
LAW FIRM OF MACEY, ALEMAN & SEARNS),
CONSUMER FIRST LEGAL GROUP, LLC,
THOMAS G. MACEY,
JEFFREY J. ALEMAN,
JASON E. SEARNS, and
HAROLD E. STAFFORD,

Defendants.

Case No. 3:14-cv-00513

COMPLAINT

INTRODUCTION

1. The Consumer Financial Protection Bureau (Bureau) brings this action under sections 1031, 1036(a), 1054, and 1055 of the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5531, 5536(a), 5564, 5565, and under section 626 of the Omnibus Appropriations Act, 2009 (as amended by section 1097 of the CFPA), 12 U.S.C. § 5538, and its

implementing regulation, the Mortgage Assistance Relief Services Rule (MARS Rule, or Regulation O), 12 C.F.R. pt. 1015 (2011), in connection with Defendants' marketing and sale of purported mortgage assistance relief services.

JURISDICTION AND VENUE

2. This Court has subject-matter jurisdiction over this action because it is brought under federal consumer financial law, 12 U.S.C. § 5565(a)(1), presents a federal question, 28 U.S.C. § 1331, and is brought by an agency of the United States, 28 U.S.C. § 1345.

3. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b) and 12 U.S.C. § 5564(f) because a substantial part of the events or omissions and course of conduct giving rise to the claims set forth in this Complaint occurred in this judicial district.

PARTIES

4. The Bureau is an independent agency of the United States charged with regulating the offering and provision of consumer financial products or services under federal consumer financial laws, including the CFPA and Regulation O. 12 U.S.C. §§ 5481(12)(Q), (14), 5491(a), 5531, 5538.

5. The Bureau is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the CFPA and Regulation O, and to secure such relief as may be appropriate in each case. 12 U.S.C. §§ 5564(a)-(b), 5565. This includes the rescission or reformation of contracts, the refund of moneys paid, restitution, disgorgement or compensation for unjust enrichment, and civil money penalties. *Id.* § 5565(a)(2).

6. At all times relevant to this complaint, Defendant The Mortgage Law Group (d/b/a The Law Firm of Macey, Aleman & Searns) (TMLG) was a Nevada limited liability

partnership with a principal place of business at 233 S. Wacker Dr., Suite 5150, Chicago, Illinois. TMLG contracted with consumers nationwide, including within the State of Wisconsin.

7. At all times relevant to this complaint, Defendant Consumer First Legal Group (CFLG) was a Wisconsin limited liability company with a principal place of business located at 2810 Crossroads Drive, Suite 4000, Madison, Wisconsin.

8. At all times relevant to this complaint, Defendant Thomas G. Macey (Macey) was a partner with 76.6 percent interest in TMLG and, since July 2012, a partner with approximately 78 percent interest in CFLG.

9. At all times relevant to this complaint, Defendant Jeffrey J. Aleman (Aleman) was a partner with 14.3 percent interest in TMLG and, since July 2012, a partner with approximately 17 percent interest in CFLG.

10. At all times relevant to this complaint, Defendant Jason E. Searns (Searns) was a partner with 9.1 percent interest in TMLG.

11. At all times relevant to this complaint, Defendant Harold E. Stafford (Stafford) was a partner of CFLG. Stafford was the sole owner of CFLG from at least 2011 until July 2012 when he sold 95% of his interest to Macey and Aleman, retaining 5% interest.

12. Defendants TMLG, CFLG, Macey, Aleman, Searns, and Stafford, each acting alone or in concert with others, offered, provided, or arranged for others to provide, “mortgage assistance relief services,” as defined in Regulation O (12 C.F.R. § 1015.2 (2011)), and provided “financial advisory services” within the meaning of the CFPA, 12 U.S.C. § 5481(15)(A)(viii), including, but not limited to, providing or offering to provide loan modification and foreclosure relief services. At all times material to this Complaint, Defendants have transacted business in this District.

SUMMARY OF COMPLAINT

13. Since at least 2011, Defendants have marketed and sold purported mortgage assistance relief services to consumers. Defendants attracted financially distressed homeowners through various marketing methods, deceptively promising that they would assist homeowners in obtaining loan modifications and foreclosure relief in exchange for the payment of advance fees. Defendants also promised that they would obtain such results within a certain period of time and misled consumers into believing an attorney would represent them in negotiations with their mortgage lenders or servicers. In the end, consumers routinely paid thousands of dollars each in advance fees, while receiving none of the promised services or relief. Since 2011, Defendants TMLG and CFLG have collectively enrolled at least 12,290 consumers in their programs and collected at least \$19.2 million from consumers nationwide.

TMLG'S BUSINESS PRACTICES

14. At all times relevant to this complaint, Macey was an attorney licensed in Illinois.

15. At all times relevant to this complaint, Aleman was an attorney licensed in Illinois and Wisconsin.

16. At all times relevant to this complaint, Searns was an attorney licensed in Colorado.

17. Macey, Aleman, and Searns have had managerial responsibility for TMLG and have materially participated in the conduct of its affairs, including the development and approval of the purported mortgage assistance relief services complained of herein by, among other things: coordinating "partnerships" with local attorneys in states in which TMLG operated; contracting with entities or individuals who performed certain services for TMLG including, but not limited to, marketing, enrolling consumers in their programs, and providing client support

services; responding to regulatory inquiries; and setting fees, controlling collection of consumer payments, and controlling TMLG's finances.

18. Macey, Aleman, and Searns are intimately familiar with and direct TMLG's operations. Macey, Aleman, and Searns knew of and approved all of TMLG's practices described in this Complaint.

19. TMLG's loan modification services were marketed using a variety of methods including, but not limited to, television and internet advertisements, and telephone and direct mail solicitations. The advertisements were directed to consumers who were in financial distress, behind on their mortgage loans, or in danger of losing their homes to foreclosure.

20. Consumers who contacted TMLG were connected with a company representative to discuss their mortgage and financial situation. The representative made statements aimed at convincing consumers that they were eligible for a loan modification, and that they would obtain a mortgage modification if they hired TMLG. TMLG staff also indicated to consumers during the intake call that they would be receiving the services of an attorney.

21. In some instances, TMLG instructed consumers to stop paying their mortgage altogether.

22. TMLG enrolled over 10,200 consumers through these practices.

23. After the initial call, TMLG would send consumers a welcome packet with a cover letter and Retainer Agreement. These documents misleadingly suggested to consumers that they would be receiving the services of an attorney. For example, the cover letter begins by thanking the consumers for "entrusting their home to TMLG. . . a full service law firm that focuses on resolving all mortgage related issues."

24. TMLG's cover letter included a warning to consumers: "[w]hile we will not tell you not to speak to your servicer, we must advise you that to do so is risky. We have seen several clients hurt by deceptive practices when their servicer calls."

25. The cover letter also states "[c]urrently we are seeing many workouts take anywhere from 90-120 days; however, every case is unique. . .[f]ortunately by using an attorney you have a significant advantage because we are familiar with the process and expedite it through our contacts."

26. Under the terms of its Retainer Agreement, TMLG charged consumers an "Initial Flat Fee Retainer," the amount of which varied but which typically was around \$1,195. This fee was purportedly for an initial review and analysis of the consumer's financial situation such as a "preliminary underwriting" analysis. Thereafter, TMLG collected a "Monthly Flat Fee Retainer" of around \$795, purportedly for continued underwriting analysis, transmission of the loan modification package to the lender, and continued monitoring of the loan modification package review with the lender.

27. Consumers routinely paid all such fees before any written agreement was reached with the consumer's lender or servicer or before any other mortgage assistance relief was obtained.

28. After consumers paid TMLG's advance fees, TMLG routinely failed to answer or return consumers' telephone calls and emails and failed to provide updates about the status of consumers' loan modification applications.

29. After consumers paid TMLG's advance fees, TMLG routinely failed to obtain loan modifications or foreclosure relief for consumers.

30. Many consumers report that they did not receive representation by an attorney. Although they may have been assigned an attorney in a nominal sense, they never met or consulted with any attorney, including any attorney licensed in the state where they reside. In some instances, TMLG closed consumers' accounts after advance fees had been paid by informing consumers that they were not eligible for particular programs or other assistance after all, or by telling consumers that their accounts were being closed because they had not provided sufficient paperwork.

31. In some instances, TMLG refused to refund money to consumers, taking the position that it had done sufficient work to be entitled to the payments received or that the terms of agreements signed by consumers allowed it to keep the money paid.

CFLG'S BUSINESS PRACTICES

32. From at least 2011 until July 2012, Defendant Stafford, an attorney licensed in Wisconsin, was the sole owner and operator of CFLG.

33. In July 2012, Macey and Aleman together purchased a 95% interest in CFLG.

34. Macey, Aleman, and Stafford have had managerial responsibility for CFLG and have materially participated in the conduct of its affairs, including the development and approval of the purported mortgage assistance relief services complained of herein by, among other things: coordinating "partnerships" with local attorneys in states in which CFLG operated; contracting with entities or individuals who performed certain services for CFLG including, but not limited to, marketing, enrolling consumers in their programs, and providing client support services; responding to regulatory inquiries and consumer complaints; and setting fees, controlling collection of consumer payments, and controlling CFLG's finances.

35. Macey, Aleman, and Stafford are intimately familiar with and direct CFLG's operations. Macey, Aleman, and Stafford knew of and approved all of CFLG's practices described in this Complaint.

36. CFLG's loan modification services were marketed in a variety of ways including, but not limited to, television and internet advertisements. The advertisements were directed to consumers who were in financial distress, behind on their mortgage loans, or in danger of losing their homes to foreclosure.

37. CFLG's advertisements deceptively suggested that CFLG enjoyed high rates of success in obtaining loan modifications and other foreclosure relief, and misled consumers into believing that they would receive the services of an attorney. For example, CFLG's website described CFLG as "one of the most sophisticated consumer protection law firms in the country" with over 100 associate attorneys "insuring the best possible outcome during uncertain times."

38. The website also made representations about the quality of services CFLG would provide, such as: "[w]hile foreclosure scams are rampant, our mortgage relief specialists are some of the highest rated professionals in the field;" and "[CFLG attorneys] have years of experience keeping people in their homes and have a long list of testimonials from people who were on the brink of disaster."

39. CFLG's website also warned consumers about working with the government or non-profit certified housing counselors - which offer free services to distressed homeowners. The website stated: "[t]here may be non-profit organizations that can assist you in your quest to stop foreclosure proceedings, but that kind of mortgage relief might involve a long wait. In addition, by not paying you may not have any leverage when something goes wrong or the process drags on for a dangerously long time."

40. Consumers who contacted CFLG were connected with a company representative to discuss their mortgage and financial situation. The representative made statements aimed at convincing consumers that they were eligible for a loan modification, and that they would obtain a mortgage modification if they hired CFLG. CFLG staff also indicated to consumers during the intake call that they would be receiving the services of an attorney and that the firm had a high success rate and a special relationship with various lenders.

41. CFLG enrolled at least 2,090 consumers through these practices.

42. Following the initial intake call, CFLG would send consumers a welcome packet with a cover letter and a Retainer Agreement.

43. CFLG's cover letter included a warning to consumers: "[w]hile we will not tell you not to speak to your servicer, we must advise you that to do so is risky. We have seen several clients hurt by deceptive practices when their servicer calls."

44. The cover letter also states "[c]urrently we are seeing many workouts take anywhere from 90-120 days; however, every case is unique. . . [f]ortunately by using an attorney you have a significant advantage because we are familiar with the process and expedite it through our contacts."

45. Under the terms of its Retainer Agreement, CFLG charged consumers an "Initial Flat Fee Retainer," the amount of which varied but which typically was around \$1,195. This fee was purportedly for an initial review and analysis of the consumer's financial situation, such as a "preliminary underwriting" analysis. Thereafter, CFLG collected a "Monthly Flat Fee Retainer" of around \$895, purportedly for continued underwriting analysis, transmission of the loan modification package to the lender, and continued monitoring of the loan modification package review with the lender.

46. Consumers routinely paid all such fees before any written agreement was reached with the consumer's lender or servicer or before any other mortgage assistance relief was obtained. After consumers paid CFLG's advance fees, CFLG failed to answer or return consumers' telephone calls and emails and failed to provide updates about the status of consumers' loan modification applications.

47. After consumers paid CFLG's advance fees, CFLG failed to obtain loan modifications or foreclosure relief for consumers.

48. Consumers report that they did not receive representation by an attorney. Although they may have been assigned an attorney in a nominal sense, they never met with or consulted with any attorney, including any attorney licensed in the state where they reside.

49. In some instances, CFLG closed consumers' accounts after advance fees had been paid by informing consumers that they were not eligible for particular programs or other assistance after all, or by telling consumers their accounts were being closed because they had not provided sufficient paperwork.

50. In some instances, CFLG refused to refund money to consumers, taking the position that it had done sufficient work to be entitled to the payments received or that the terms of agreements signed by consumers allowed it to keep the money.

51. Since 2012, in the course of conducting business CFLG transferred funds related to loan modification services to TMLG accounts.

REGULATION O

52. In 2010, the Federal Trade Commission promulgated the MARS Rule to prohibit unfair and deceptive acts or practices with respect to mortgage loan modification or foreclosure relief services. 16 C.F.R. Part 322. In the CFPA, Congress transferred rulemaking authority over

the MARS Rule to the Bureau, which recodified the Rule as 12 C.F.R. Part 1015 and designated it “Regulation O.” The Bureau has authority to enforce Regulation O pursuant to 12 U.S.C. §§ 5538(a), 5564. (References below to “Regulation O” encompass both Regulation O and the MARS Rule.)

53. Regulation O defines “mortgage assistance relief service” as “any service, plan, or program, offered or provided to the consumer in exchange for consideration, that is represented, expressly or by implication, to assist or attempt to assist the consumer with . . . [n]egotiating, obtaining, or arranging a modification of any term of a dwelling loan, including a reduction in the amount of interest, principal balance, monthly payments, or fees.” 12 C.F.R. § 1015.2 (2011).

54. Regulation O defines “mortgage assistance relief service provider” as “any person that provides, offers to provide, or arranges for others to provide, any mortgage assistance relief service,” other than the dwelling loan holder, the servicer of a dwelling loan, or any agent or contractor of such individual or entity. 12 C.F.R. § 1015.2 (2011).

55. Defendants are “mortgage assistance relief provider[s]” engaged in the provision of “mortgage assistance relief services” as those terms are defined in Regulation O. 12 C.F.R. § 1015.2 (2011).

56. Regulation O prohibits any mortgage assistance relief service provider from requesting or receiving payment of any fee or other consideration until the consumer has executed a written agreement between the consumer and the consumer’s dwelling loan holder or servicer that incorporates the offer that the provider obtained from the consumer’s dwelling loan holder or servicer. 12 C.F.R. § 1015.5(a) (2011).

57. Regulation O further prohibits any mortgage assistance relief service provider from representing, expressly or by implication, in connection with the offering or performance of such a service, that a consumer should not contact or communicate with his or her lender or servicer.

58. Regulation O further prohibits any mortgage assistance relief service provider from misrepresenting, expressly or by implication: (1) the likelihood of negotiating, obtaining, or arranging any represented service or result; (2) the amount of time it will take the mortgage assistance relief service provider to accomplish any represented service or result; (3) a consumer's obligation to make scheduled periodic payments or any other payments pursuant to the terms of the consumer's dwelling loan; (4) that the consumer will receive legal representation; or (5) the availability, performance, cost, or characteristics of any alternative to for-profit mortgage assistance relief services through which the consumer can obtain mortgage assistance relief, including negotiating directly with the dwelling loan holder or servicer, or using any nonprofit housing counselor agency or program. 12 C.F.R. §§ 1015.3(a), (b) (1), (2), (4), (8), (9) (2011).

59. Regulation O further requires any mortgage assistance relief service provider in every consumer-specific commercial communication as defined by 12 C.F.R. § 1015.2 to disclose that the consumer may stop doing business with the provider or reject an offer of mortgage assistance without having to pay for the services. 12 C.F.R. § 1015.4(b)(1) (2011).

60. Regulation O further provides that it is a violation "for a person to provide substantial assistance or support to any mortgage assistance relief service provider when that person knows or consciously avoids knowing that the provider is engaged in any act or practice that violates" the rule. 12 C.F.R. § 1015.6 (2011).

61. Under section 1097 of the CFPA, 12 U.S.C. § 5538, a violation of Regulation O constitutes an unfair, deceptive, or abusive act or practice under the CFPA, in violation of sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531, 5536.

THE CFPA

62. Sections 1031 and 1036(a)(1)(B) of the CFPA, 12 U.S.C. §§ 5531, 5536(a)(1)(B), prohibit “covered person[s]” or “service provider[s]” from engaging in any “unfair, deceptive, or abusive act or practice.” Section 1036(a)(1)(A) also prohibits “covered person[s]” or “service provider[s]” from “offer[ing] or provid[ing] to a consumer any financial product or service not in conformity with Federal consumer financial law, or otherwise commit[ting] any act or omission in violation of a Federal consumer financial law.” 12 U.S.C. § 5536(a)(1)(A).

63. Section 1036(a)(3) of the CFPA further prohibits any person from “knowingly or recklessly provid[ing] substantial assistance to a covered person or service provider in violation of the provisions of section 1031 . . . and notwithstanding any provision of [the CFPA], the provider of such substantial assistance shall be deemed to be in violation of that section to the same extent as the person to whom such assistance is provided.” 12 U.S.C. § 5536(a)(3).

64. Section 1002(25) defines the term “related person” to mean “any director, officer, or employee charged with managerial responsibility for, or controlling shareholder of,” or “any shareholder . . . or other person . . . who materially participates in the conduct of the affairs of” a non-bank provider of a consumer financial product or service. 12 U.S.C. § 5481(25)(C). Section 1002(25) further provides that a “related person” shall be “deemed to mean a covered person for all purposes of any provision of Federal consumer financial law.” 12 U.S.C. § 5481(25)(B).

65. Defendants are “covered person[s],” “service provider[s]” and/or “related person[s]” within the meaning of the CFPA. 12 U.S.C. §§ 5481(6), (25), (26).

COUNT I

**(Advance Fees in Violation of Regulation O)
(Defendants TMLG, Macey, Aleman, and Searns)**

66. The allegations in paragraphs 1 to 65 are incorporated here by reference.

67. In the course of providing, offering to provide, or arranging for others to provide mortgage assistance relief services, Defendants TMLG, Macey, Aleman, and Searns have requested or received payment from consumers before those consumers have executed a written agreement with their loan holder or servicer that incorporates any offer obtained by TMLG from the loan holder or servicer, in violation of Regulation O, 12 C.F.R. § 1015.5(a) (2011).

COUNT II

**(Advance Fees in Violation of Regulation O)
(Defendants CFLG, Macey, Aleman, and Stafford)**

68. The allegations in paragraphs 1 to 65 are incorporated here by reference.

69. In the course of providing, offering to provide, or arranging for others to provide mortgage assistance relief services, Defendants CFLG, Macey, Aleman, and Stafford have requested or received payment from consumers before those consumers have executed a written agreement with their loan holder or servicer that incorporates any offer obtained by CFLG, in violation of Regulation O, 12 C.F.R. § 1015.5(a) (2011).

COUNT III

**(Representations in Violation of Regulation O)
(Defendants TMLG, Macey, Aleman, and Searns)**

70. The allegations in paragraphs 1 to 65 are incorporated here by reference.

71. In the course of providing, offering to provide, or arranging for others to provide mortgage assistance relief services, Defendants TMLG, Macey, Aleman, and Searns have engaged in making, expressly or by implication, representations that a consumer should not contact or communicate with his or her lender or servicer, in violation of Regulation O, 12 C.F.R. § 1015.3(a) (2011).

COUNT IV

**(Representations in Violation of Regulation O)
(Defendants CFLG, Macey, Aleman, and Stafford)**

72. The allegations in paragraphs 1 to 65 are incorporated here by reference.

73. In the course of providing, offering to provide, or arranging for others to provide mortgage assistance relief services, Defendants CFLG, Macey, Aleman, and Stafford have engaged in making, expressly or by implication, representations that a consumer should not contact or communicate with his or her lender or servicer, in violation of Regulation O, 12 C.F.R. § 1015.3(a) (2011).

COUNT V

**(Misrepresentations in Violation of Regulation O)
(Defendants TMLG, Macey, Aleman, and Searns)**

74. The allegations in paragraphs 1 to 65 are incorporated here by reference.

75. In the course of providing, offering to provide, or arranging for others to provide mortgage assistance relief services, Defendants TMLG, Macey, Aleman, and Searns have engaged in misrepresenting, expressly or by implication, material aspects of their services, including but not limited to:

a. the likelihood of obtaining mortgage loan modifications or accomplishing any other represented service or result, in violation of Regulation O, 12 C.F.R. § 1015.3(b)(1);

b. the amount of time it would take to obtain mortgage loan modifications or accomplish any other represented service or result, in violation of Regulation O, 12 C.F.R. § 1015.3(b)(2);

c. a consumer's obligation to make scheduled periodic payments or any other payments pursuant to the terms of the consumer's dwelling loan, in violation of Regulation O, 12 C.F.R. § 1015.3(b)(4); and

d. that consumers will receive legal representation, in violation of Regulation O, 12 C.F.R. § 1015.3(b)(8).

COUNT VI

(Misrepresentations in Violation of Regulation O) (Defendants CFLG, Macey, Aleman, and Stafford)

76. The allegations in paragraphs 1 to 65 are incorporated here by reference.

77. In the course of providing, offering to provide, or arranging for others to provide mortgage assistance relief services, Defendants CFLG, Macey, Aleman, and Stafford have engaged in misrepresenting, expressly or by implication, material aspects of their services, including but not limited to:

a. the likelihood of obtaining mortgage loan modifications or accomplishing any other represented service or result, in violation of Regulation O, 12 C.F.R. § 1015.3(b)(1);

b. the amount of time it would take to obtain mortgage loan modifications or accomplish any other represented service or result, in violation of Regulation O, 12

C.F.R. § 1015.3(b)(2);

c. that consumers will receive legal representation, in violation of Regulation O, 12 C.F.R. § 1015.3(b)(8); and

d. the availability, performance, cost, or characteristics of any alternative to for-profit mortgage assistance relief services through which the consumer can obtain mortgage assistance relief, in violation of Regulation O, 12 C.F.R. § 1015.3(b)(9).

COUNT VII

(Failure to Make Certain Disclosures in Violation of Regulation O) (Defendants TMLG, Macey, Aleman, and Searns)

78. The allegations in paragraphs 1 to 65 are incorporated here by reference.

79. In the course of providing, offering to provide, or arranging for others to provide mortgage assistance relief services, Defendants TMLG, Macey, Aleman, and Searns have failed to make the following disclosure in all consumer-specific commercial communications in a clear and prominent manner: “You may stop doing business with us at any time. You may accept or reject the offer of mortgage assistance we obtain from your lender [or servicer]. If you reject the offer, you do not have to pay us. If you accept the offer, you will have to pay us (insert amount or method for calculating the amount) for our services,” in violation of Regulation O, 12 C.F.R. § 1015.4(b)(1).

COUNT VIII

(Failure to Make Certain Disclosures in Violation of Regulation O) (Defendants CFLG, Macey, Aleman, and Stafford)

80. The allegations in paragraphs 1 to 65 are incorporated here by reference.

81. In the course of providing, offering to provide, or arranging for others to provide mortgage assistance relief services, Defendants CFLG, Macey, Aleman, and Stafford have failed to make the following disclosure in all consumer-specific commercial communications in a clear and prominent manner: “You may stop doing business with us at any time. You may accept or reject the offer of mortgage assistance we obtain from your lender [or servicer]. If you reject the offer, you do not have to pay us. If you accept the offer, you will have to pay us (insert amount or method for calculating the amount) for our services,” in violation of Regulation O, 12 C.F.R. § 1015.4(b)(1).

COUNT IX

(Deceptive Acts and Practices in Violation of the CFPA) (Defendants TMLG, Macey, Aleman, and Searns)

82. The allegations in paragraphs 1 to 65 are incorporated here by reference.

83. In numerous instances in connection with the offering or provision of mortgage assistance relief services, Defendants TMLG, Macey, Aleman, and Searns have engaged in representing, expressly or by implication, that:

- a. they generally will obtain mortgage loan modifications for consumers or will help them avoid foreclosure;
- b. they generally will obtain such mortgage assistance relief within a certain time, such as 90-120 days; and
- c. they will provide consumers legal representation.

84. In truth and in fact, Defendants TMLG, Macey, Aleman, and Searns generally do not obtain mortgage loan modifications for consumers, generally do not help them avoid foreclosure, generally provide no actual mortgage assistance relief within the represented time, and generally do not provide lawyers to provide legal representation for consumers. These

representations are material and likely to mislead a reasonable consumer at the time they were made.

85. Therefore, Defendants TMLG, Macey, Aleman, and Searns' representations as set forth in Paragraph 83 constitute deceptive acts and practices in violation of sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531, 5536.

COUNT X

(Deceptive Acts and Practices in Violation of the CFPA) (Defendants CFLG, Macey, Aleman, and Stafford)

86. The allegations in paragraphs 1 to 65 are incorporated here by reference.

87. In numerous instances in connection with the offering or provision of mortgage assistance relief services, Defendants CFLG, Macey, Aleman, and Stafford have engaged in representing, expressly or by implication, that:

- a. they generally will obtain mortgage loan modifications for consumers or will help them avoid foreclosure;
- b. they generally will obtain such mortgage assistance relief within a certain time, such as 90-120 days; and
- c. they will provide consumers legal representation.

88. In truth and in fact, Defendants CFLG, Macey, Aleman, and Stafford generally do not obtain mortgage loan modifications for consumers, generally do not help them avoid foreclosure, generally provide no actual mortgage assistance relief within the represented time, and generally do not provide lawyers to provide legal representation for consumers. These representations are material and likely to mislead a reasonable consumer at the time they were made.

89. Therefore, Defendants CFLG, Macey, Aleman, and Stafford's representations as set forth in Paragraph 87 constitute deceptive acts and practices in violation of sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531, 5536.

PRAYER FOR RELIEF

WHEREFORE, the Bureau requests that the Court:

- a. permanently enjoin Defendants from committing future violations of Regulation O and the CFPA and enter such other injunctive relief as appropriate;
- b. award restitution, jointly and severally, against Defendants in the amount of all unlawfully collected fees;
- c. order disgorgement of ill-gotten revenues against Defendants;
- d. award civil money penalties against Defendants;
- e. order the rescission or reformation of contracts where necessary to redress injury to consumers;
- f. award costs against Defendants; and
- g. award additional relief as the Court may determine to be just and proper.

Dated: July 22, 2014

Respectfully submitted,

Anthony Alexis, DC Bar #384545
Acting Enforcement Director

Ori Lev, DC Bar #452565
Deputy Enforcement Director

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