SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NASSAU

ANGELINA MASHEYEVA, VADIM VOROBYOV, JEAN JONES, VICTOR JONES, BEN VARKEY, LEELA VARKEY, THOMAS VARKEY, GEORGE HARRINGTON, JR., JOANN HARRINGTON, MIKE WOOD, COLLEEN PETRISHIN, PATSY BIONDO, SALVATORE BIONDO, CHARLENE FARINO, CYNTHIA STEWART, TODD DEAN, ISIAH SLAUGHTER, and BEVERLY DEAS	Index No. 2815/12
Plaintiffs,	**COMPLAINT**
- against -	**JURY TRIAL DEMANDED**
LAW OFFICES OF DAVID M. GREEN, GREEN LAW GROUP PLLC, SBLC CONSULTANTS LLC (a/k/a AMERICAN HOME CRISIS CENTER), AMERICAN ECONOMIC ADVOCATES LLC (a/k/a LINCOLN FIRST CREDIT SERVICES), LAW OFFICE OF BRETT MARGOLIN, P.C., 591 CAPITAL, INC., DAVID M. GREEN, JASON GREEN, CHRIS RASCIONATO, TOM LIGUORI, BARRY COHEN, JOSEPH RIVERA, MICHAEL DREITLEIN, PETER ORENA, MARILYN MADER, COREY SINGER, KAREN CLARK, HOWARD GELFAND, BRETT MARGOLIN, DAN PHILLIPS, and KEVIN ALLISON	
Defendants.	

Plaintiffs Angelina Masheyeva, Vadim Vorobyov, Jean Jones, Victor Jones, Ben Varkey, Leela Varkey, Thomas Varkey, George Harrington, Jr., JoAnn Harrington, Mike Wood, Colleen Petrishin, Patsy Biondo, Salvatore Biondo, Charlene Farino, Cynthia Stewart, Todd Dean, Isiah Slaughter and Beverly Deas (collectively, "Plaintiffs"), by and through their undersigned attorneys, Davis Polk & Wardwell LLP, and Linda H. Mullenbach and Meredith Horton, appearing on behalf of the Lawyers' Committee for Civil Rights Under Law (the "Lawyers' Committee"), as and for their complaint against the Law Offices of David M. Green, Green Law Group PLLC, SBLC Consultants LLC (a/k/a American Home Crisis Center), American Economic Advocates LLC (a/k/a Lincoln First Credit Services), Law Office of Brett Margolin, P.C., 591 Capital, Inc., David M. Green, Jason Green, Chris Rascionato, Tom Liguori, Barry Cohen, Joseph Rivera, Michael Dreitlein, Peter Orena, Marilyn Mader, Corey Singer, Karen Clark, Howard Gelfand, Brett Margolin, Dan Phillips, and Kevin Allison (collectively, "Defendants"), hereby allege the following based upon personal knowledge as to Plaintiffs and their own acts and documents, and information and belief as to all other matters based upon, *inter alia*, the investigation conducted by and through Plaintiffs' attorneys, which included, but was not limited to, a review of Defendants' public documents, public filings, interviews of Plaintiffs and other homeowners and persons who have had contact with Defendants, and information readily obtainable on the Internet.

Preliminary Statement

1. Plaintiffs are a group of homeowners who were defrauded out of thousands of dollars as a result of loan modification scams perpetrated by Defendants.

2. Defendants belong to a growing industry of fraudulent loan modification companies operating in the New York metropolitan area and throughout the United States. These loan modification companies attract homeowners struggling to meet their mortgage payments through false marketing and promises, representing to unsuspecting homeowners that they are specialists who can save their homes, prevent foreclosure, and negotiate substantial reductions in their monthly mortgage payments. In reality, the perpetrators are merely profiteers engaged in a scheme designed to deceive and manipulate low- to middle-income homeowners desperate for financial relief.

3. The instant lawsuit exposes a particularly dangerous and burgeoning strain of the foregoing scam: the offer of legal services in connection with loan modification applications. Critical to this scam's success is the illusion that an attorney, boasting unique expertise and legal knowledge, will personally work on each application and shield the homeowner applicant from the uncertainties and delays typical of the loan modification process. The four-figure upfront fee usually demanded by the perpetrators of the scam is labeled as a "retainer." Homeowners thus are lured into believing that loan modifications are the domain of attorneys, and that they cannot enter into the loan modification process without legal representation.

4. Defendant David M. Green ("Green"), an attorney admitted in New York, New Jersey and the District of Columbia, has developed and led the loan modification scam at issue in this Complaint. He is at the center of a sprawling network of interconnected companies that operate either under the guise of professional law firms directed by or affiliated with Defendant Green, or as non-legal companies cross-promoting Defendant Green's legal services. The corporate Defendants, which are also

involved in the loan modification scam industry, recruit new homeowner clients for Defendant Green's businesses.

5. For at least two years, Defendant Green has nurtured relationships with the non-legal corporate Defendants and with the individuals who own and/or manage them. These relationships prove to be mutually beneficial to Defendant Green and the other Defendants: the companies and their key salespeople refer loan modification clients to Defendant Green, thereby feeding his profitable business; Defendant Green tasks the companies with "processing" his clients' loan modification paperwork, which generally amounts to staying in occasional contact with the clients and falsely reassuring them that progress is being made on their applications; and the companies enjoy the added credibility and influx of new customers that come with associating with an attorney. As further proof of their interdependence, each of the corporate Defendants is located at one of four recurring New York addresses and, for periods of time over the past two years, various subsets of them have shared office space at those addresses. In addition, Defendant Green's connection to certain Defendants is discernible either in his presence on their websites or in Defendants' relationship with key associates of Defendant Green.

6. At all relevant times, the corporate Defendants were owned, directed, or affiliated with Defendant Green. At all relevant times, the individual Defendants were employees and/or agents and/or were affiliated with Defendant Green.

7. As alluded to above, Defendants' operation varies little from other for-profit loan modification organizations recently exposed in private and public enforcement actions for their deceptive practices. Those scammers' approach is simple: a loan modification "specialist" makes several representations designed to gain the

homeowner's trust, including promises that the specialist and his company are uniquely qualified to obtain a loan modification, have a significant record of success in this industry and will be able to substantially reduce the homeowner's monthly mortgage payments by capitalizing on their close professional relationship with the homeowner's specific lender.

8. In exchange for their loan modification services, the specialist requests an upfront fee of several thousand dollars from the homeowner. In many cases, the specialist guarantees that this fee will be refunded, minus a small processing fee, if he proves unable to achieve the results promised. Once the homeowner agrees to engage their loan modification services, the specialist advises the homeowner not to contact her lender because it will negatively impact the negotiation process. Frequently, the homeowner is even encouraged to miss mortgage payments in order to demonstrate her need for a loan modification.

9. The scam becomes evident once the homeowner realizes that she has not received the results promised and in many cases, that the specialist will not provide the refund that was guaranteed. Often, the homeowner learns several months or even years after paying the upfront fee that no progress was ever made on her loan modification application and her lender was never once contacted by the "specialist."

10. The Defendants in the instant case have also totally failed to deliver the level of purported *legal* services promised. These purported legal "specialists" failed to negotiate with certain Plaintiffs' lenders, or even review or prepare their loan modification applications. Many Plaintiffs, who believed that Defendants and specifically attorney Defendant Green would use their legal knowledge to "stop

foreclosure" or obtain a favorable loan modification as promised, are shocked to find themselves alone and unrepresented when their lenders opt to pursue foreclosure proceedings.

11. Such loan modification scams have recently attracted the scrutiny of advocates, legislators, law enforcement officials, and regulators. In addition, a coordinated national campaign – the Loan Modification Scam Prevention Network ("LMSPN") – was created to strengthen the fight against these scammers. Led by the Lawyers' Committee, NeighborWorks America, the Homeownership Preservation Foundation, Fannie Mae and Freddie Mac, the LMSPN includes members of the U.S. Department of Urban Housing and Development ("HUD"), the U.S. Department of the Treasury, and the Federal Trade Commission ("FTC").

12. In August 2008, Governor David A. Paterson signed into law a bill specifically targeted at this type of scam, creating new rules for so-called "distressed property consultants" that prohibit upfront payments and require specifically-worded contracts. *See* N.Y. Real Prop. Law § 265-b.

13. In June 2010, the New York State Attorney General's office noted that its investigation of loan modification scam companies "revealed instances where companies have developed various arrangements with attorneys in an apparent attempt to circumvent the requirements of [N.Y. Real. Prop. Law] § 265-b." The order clarified that such attempts were impermissible, stating that "[m]erely having an attorney on staff does not exempt a company from the requirements under Section 265-b." Letter from Joy Feigenbaum, Bureau Chief, Bureau of Consumer Frauds and Protection, available at

http://www.ag.ny.gov/features/foreclosure_rescue_scams/pdfs/Cease_and_Desist_Letter.pdf.

14. In December 2010, the FTC issued Final Rule 16 C.F.R. Part 322, which prohibits for-profit providers of "Mortgage Assistance Relief Services" from accepting upfront fees, making representations about the likelihood of results, or instructing homeowners to cease communications with their lenders or servicers. *See* 16 C.F.R. §§ 322.1-11 (2010).

15. In violation of these and other laws protecting consumers, Defendants have caused financial injury to Plaintiffs. Defendants have operated in flagrant disregard for applicable licensing regulations and rules governing the negotiation of "distressed property" loans. Moreover, Defendants have breached the written and oral contracts entered into with Plaintiffs and have fraudulently misrepresented the nature of their business.

16. Without judicial intervention, Defendants' deceptive practices and false advertising threaten to continue to wreak havoc on low-and middle-income homeowners.

17. By this action, Plaintiffs seek to permanently enjoin Defendants from the deceptive practices alleged herein. Plaintiffs also seek to recover a monetary sum totaling not less than $86,302.29 together with pre-judgment interest at the statutory rate of 9% per annum, as well as other actual and consequential damages. These damages include but are not limited to, fees paid to their mortgage lenders or servicers, the effects of impairment on their credit ratings, and the costs associated with foreclosure proceedings, where relevant. Plaintiffs seek the return of their original often sensitive financial and mortgage documents improperly retained by Defendants. As Plaintiffs were

lured into fraudulent and deceptive contracts and "retainer agreements" with Defendants, Plaintiffs also seek the rescission of these contracts as fraudulent, and the declaration of all provisions null and void. Finally, Plaintiffs seek punitive damages in an amount sufficient to deter others from engaging in similar schemes.

THE PARTIES

Plaintiffs

18. Angelina Masheyeva and Vadim Vorobyov are a married couple who jointly own a property located at 40 Winding Woods Loop, Staten Island, New York 10307. As of August 2009, their monthly mortgage payments were approximately $2,900.00. Ms. Masheyeva and Mr. Vorobyov paid $3,500.00 in upfront fees for Defendants' loan modification services. They interacted with Defendants from approximately August 2009 until July 2011. The couple is currently facing foreclosure proceedings.

19. Jean Jones and Victor Jones are a married couple who jointly own a property at 392 Hillcrest Drive, Aberdeen, Maryland 21001. Mr. and Mrs. Jones obtained a mortgage from Chase Bank ("Chase") to purchase the property. As of January 2010, their monthly mortgage payments were approximately $4,000.00. Mr. and Mrs. Jones paid $5,000.00 in upfront fees for Defendants' loan modification services. They interacted with Defendants from approximately January 2011 until September 2011. The couple are currently facing foreclosure proceedings.

20. Ben Varkey and Leela Varkey are a married couple who jointly own a home located at 5414 Remington Drive, Garland, Texas 75044, with their son, Thomas Varkey. The mortgage on their home is serviced by Wells Fargo. Thomas Varkey is also a co-borrower on the mortgage loan. As of 2010, their monthly mortgage payments were

approximately $1,560.00. Thomas Varkey paid $2,500.00 in upfront fees for Defendants' loan modification services. They interacted with Defendants from approximately May 2010 until February 2011.

21. George Harrington, Jr. and JoAnn Harrington are a married couple who jointly own a home located 321 Brookshire Lane, Wilmington, North Carolina 28409. They obtained a mortgage from Fremont Bank to purchase the property. As of January 2010, their monthly mortgage payments were approximately $1,600.00. Mr. and Mrs. Harrington paid $2,500.00 in upfront fees for Defendants' loan modification services. They interacted with Defendants from approximately August 2010 until the summer of 2011. The couple is currently facing foreclosure proceedings.

22. Mike Wood owns a home located at 3296 Appaloosa Court, Eagle Mountain, Utah 84005. At all times relevant to this matter, Mr. Wood had two mortgages on his home. The first mortgage was serviced by Key Bank, the second mortgage was serviced by GMAC Mortgage. Mr. Wood paid $2,500.00 in upfront fees for Defendants' loan modification services. He interacted with Defendants from approximately August 2009 through 2010. He is currently facing bankruptcy proceedings.

23. Colleen Petrishin currently owns a home at 6301 South Whitham Drive, Niagara Falls, New York 14304. Ms. Petrishin and her late husband obtained a mortgage from First Niagara Financial Group ("First Niagara") to purchase the property. They later refinanced their mortgage through CitiMortgage ("Citi"). As of June 2010, Ms. Petrishin's monthly mortgage payments were approximately $1,029.00. Ms. Petrishin paid $2,850.00 in upfront fees for Defendants' loan modification services. She interacted

with Defendants from approximately January 2011 until September 2011. Ms. Petrishin is currently facing foreclosure proceedings.

24. Patsy Biondo and Salvatore Biondo are a married couple who own a home at 7714 Peekskill Lane, Houston, Texas 77075. They obtained a mortgage from American Home Mortgage Servicing Inc. ("AHMSI") to purchase the property. Their mortgage payments are approximately $793.53 a month. Mr. and Mrs. Biondo paid $1,875.00 in upfront fees for Defendants' loan modification services. They interacted with Defendants from approximately March 2010 until August 2010.

25. Charlene Farino resides with her husband Patrick Farino in a home located at 525 Glenholm Avenue, Punta Gorda, Florida 33950, which Mr. Farino purchased in 1990. Mr. Farino has a mortgage on the property that is presently owned and serviced by Chase. The couple's monthly mortgage payments are approximately $3,200.00. Ms. Farino paid $3,000.00 in upfront fees for Defendants' loan modification services. She interacted with Defendants from approximately March 2011 until November 2011.

26. Cynthia Stewart owns a home located at 855 Troy Street, Elmont, New York 11003. She obtained a mortgage from Bank of America to purchase the property. As of January 2012, her monthly mortgage payments were approximately $2,335.00. Ms. Stewart paid $2,142.49 in upfront fees for Defendants' loan modification services. She interacted with Defendants from approximately March 2011 until late June 2011.

27. Todd Dean owns a home located at 141 Karr Avenue, Hoquiam, Washington 98550. Mr. Dean's mortgage is serviced by Wells Fargo. As of September 2010, his monthly mortgage payments were $767.31. Mr. Dean paid $2,400.00 in upfront fees for Defendants' loan modification services. He interacted with Defendants

from approximately August 2010 until August 2011. Mr. Dean faced foreclosure proceedings, and his home was slated to be sold on February 10, 2012.

28. Isiah Slaughter and Beverly Deas are married and jointly own their home at 639 E. 86th Street, Brooklyn, New York 11236. Their mortgage is serviced by LoanCare. As of December 2011, their mortgage payments were $3,496.00 per month. They paid $500.00 in upfront fees for Defendants' loan modification services. They interacted with Defendants from approximately December 2011 through January 2012.

Defendants

29. Defendants operate a network of loan modification companies, all of which are owned, directed by, or affiliated with attorney Defendant Green. The companies operate out of locations on Long Island.

(a) Corporate Defendants

30. Green Law Group PLLC was incorporated in New York in May 2011. Prior to May 2011, this business operated as the Law Offices of David M. Green or David M. Green, Esq. (collectively, "Green Law"). During time periods relevant to this action, Defendant Green Law was affiliated with, if not identical to, Defendants American Economic Advocates LLC (a/k/a Lincoln First Credit Services) and 591 Capital, Inc. ("591 Capital"). At all relevant times, Defendant Green Law engaged in business activities in the State of New York and elsewhere, offering loan modification services to consumers without being registered as a mortgage broker with the New York State Banking Department.

31. Defendant SBLC Consultants LLC (a/k/a American Home Crisis Center) ("American Home") is a limited liability company, organized and existing under the laws

of New York. Defendant American Home was incorporated in the State of New York in 2003. At times relevant to this action, Defendant American Home was affiliated with, if not identical to, Defendant Green Law. As of July 13, 2011, Defendant American Home's website, http://www.americanhomecrisiscenter.org, directed consumers to Defendant Green Law's website. At all relevant times, Defendant American Home engaged in business activities in the State of New York, offering loan modification services to consumers without being registered as a mortgage broker with the New York State Banking Department.

32. Defendant American Economic Advocates LLC (a/k/a Lincoln First Credit Services ("Lincoln First")) is a domestic company, organized and existing under the laws of New York. At all times relevant to this action, Defendant Lincoln First was affiliated with, if not identical to, Defendant Green Law. At all relevant times, Defendant Lincoln First engaged in business activities in the State of New York and elsewhere, offering loan modification services to consumers without being registered as a mortgage broker with the New York State Banking Department.

33. Defendant Law Office of Brett Margolin, P.C. ("Margolin Law") was a domestic company, organized under the laws of New York. At times relevant to this action, Defendant Margolin Law promoted and/or was affiliated with, if not identical to Defendant Green Law. At all relevant times, Defendant Margolin Law engaged in business activities in the State of New York and elsewhere, offering loan modification services to consumers without being registered as a mortgage broker with the New York State Banking Department. In October 2011, Margolin Law was dissolved by proclamation and/or annulment of authority.

34. Defendant 591 Capital is a domestic company, organized and existing under the laws of New York. At all times relevant to this action, Defendant 591 Capital was affiliated with, if not identical to, Defendant Green law. At all relevant times, Defendant 591 Capital engaged in business activities in the State of New York, offering loan modification services to consumers without being registered as a mortgage broker with the New York State Banking Department.

(b) Individual Defendants

35. Defendant Green is an attorney licensed to practice law in New York, New Jersey, and the District of Columbia. At all relevant times, Defendant Green was not licensed to practice law in Maryland, Washington, North Carolina, Utah, Florida or Texas. In 2007, Defendant Green registered as a mortgage broker "as Rebera Funding LLC" with the New York Banking Department.

36. Defendant Jason Green ("Jason Green") is an owner, director, officer, manager, and/or agent of Defendant Green Law and Empire Home Savings. Upon information and belief, Defendant Jason Green is not an attorney licensed in any jurisdiction within the United States. At all relevant times, Defendant Jason Green engaged in business activities in the State of New York, offering loan modification services to consumers without being registered as a mortgage broker with the New York State Banking Department. On August 23, 2011, Justice Thomas A. Adams of the New York Supreme Court, Nassau County, entered an order of preliminary injunction in Osmanzai v. Save My Home (9471/11) against Defendant Jason Green enjoining him from performing "Mortgage Assistance Relief Services."

37. Defendant Chris Rascionato ("Rascionato") is an owner, director, manager, and/or agent of Defendants Lincoln First, Green Law, and/or affiliated business entities. Upon information and belief, Defendant Rascionato is not an attorney licensed in any jurisdiction within the United States. At all relevant times, Defendant Rascionato engaged in business activities in the State of New York, offering loan modification services to consumers without being registered as a mortgage broker with the New York State Banking Department.

38. Defendant Tom Liguori ("Liguori") is an owner, director, officer, manager, and/or agent of Defendants Lincoln First, Green Law and/or affiliated business entities. Defendant Liguori is not an attorney licensed in New York and upon information and belief, is not a licensed attorney in any jurisdiction within the United States. At all relevant times, Defendant Liguori engaged in business activities in the State of New York, offering loan modification services to consumers without being registered as a mortgage broker with the New York State Banking Department.

39. Defendant Barry Cohen ("Cohen") is an owner, director, manager, and/or agent of Defendants Lincoln First, Green Law, and/or affiliated business entities. Upon information and belief, Defendant Cohen is not an attorney licensed in any jurisdiction within the United States. At all relevant times, Defendant Cohen engaged in business activities in the State of New York, offering loan modification services to consumers without being registered as a mortgage broker with the New York State Banking Department.

40. Defendant Joseph Rivera ("Rivera") is an owner, director, officer, manager, and/or agent of Defendants Lincoln First, Green Law, and or/ affiliated business entities.

Upon information and belief, Defendant Rivera is not an attorney licensed in any jurisdiction within the United States. At all relevant times, Defendant Rivera engaged in business activities in the State of New York, offering loan modification services to consumers without being registered as a mortgage broker with the New York State Banking Department.

41. Defendant Michael Dreitlein ("Dreitlein") is an owner, director, manager, and/or agent of Defendants Green Law and/or affiliated business entities. Upon information and belief, Defendant Dreitlein is not an attorney licensed in any United States jurisdiction. At all relevant times, Defendant Dreitlein engaged in business activities in the State of New York, offering loan modification services to consumers without being registered as a mortgage broker with the New York State Banking Department.

42. Defendant Peter C. Orena ("Orena") is an owner, director, manager, and/or agent of Defendants Lincoln First, Green Law, and/or affiliated business entities. Defendant Orena's job responsibilities included acting as the "Marketing Manager" at Defendant Green Law. Upon information and belief, Defendant Orena is not an attorney licensed in any United States jurisdiction.

43. Defendant Marilyn Mader ("Mader") is an owner, director, manager, and/or agent of Defendants Green Law, and/or affiliated business entities. Upon information and belief, Defendant Mader is not an attorney licensed in any United States jurisdiction. At all relevant times, Defendant Mader engaged in business activities in the State of New York, offering loan modification services to consumers without being registered as a mortgage broker with the New York State Banking Department.

44. Defendant Corey Singer ("Singer") is an owner, director, manager, and/or agent of Defendants Lincoln First, Green Law, and/or affiliated business entities. Upon information and belief, Defendant Singer is not an attorney licensed in any United States jurisdiction. At all relevant times, Defendant Singer engaged in business activities in the State of New York, offering loan modification services to consumers without being registered as a mortgage broker with the New York State Banking Department.

45. Defendant Karen Clark ("Clark") is an owner, director, manager, and/or agent of Defendants Lincoln First, Green Law, and/or affiliated business entities. Upon information and belief, Defendant Clark is not an attorney licensed in any United States jurisdiction. At all relevant times, Defendant Clark engaged in business activities in the State of New York, offering loan modification services to consumers without being registered as a mortgage broker with the New York State Banking Department.

46. Defendant Howard Gelfand ("Gelfand") is an owner, director, manager, and/or agent of Defendants Lincoln First, Green Law, and/or affiliated business entities. Upon information and belief, Defendant Gelfand is not an attorney licensed in any United States jurisdiction. At all relevant times, Defendant Gelfand engaged in business activities in the State of New York, offering loan modification services to consumers without being registered as a mortgage broker with the New York State Banking Department.

47. Defendant Brett Margolin ("Margolin") is an owner, director, manager, and/or agent of Defendants Margolin Law, Green Law, and/or affiliated business entities. Defendant Margolin was admitted to practice law in the State of New York in 2008. He recently resigned from the New York State Bar due to disciplinary action. At all relevant

times, Defendant Margolin engaged in business activities in the State of New York, offering loan modification services to consumers without being registered as a mortgage broker with the New York State Banking Department.

48. Defendant Dan Phillips ("Phillips") is an owner, director, manager, and/or agent of Defendants Green Law, 591 Capital, and/or affiliated business entities. Upon information and belief, Defendant Phillips is not an attorney licensed in any United States jurisdiction. At all relevant times, Defendant Phillips engaged in business activities in the State of New York, offering loan modification services to consumers without being registered as a mortgage broker with the New York State Banking Department.

49. Defendant Kevin Allison ("Allison") is an owner, director, manager, and/or agent of Defendants Green Law, and/or affiliated business entities. Upon information and belief, Defendant Allison is not an attorney licensed in any United States jurisdiction. At all relevant times, Defendant Allison engaged in business activities in the State of New York, offering loan modification services to consumers without being registered as a mortgage broker with the New York State Banking Department.

JURISDICTION AND VENUE

50. This Court has personal jurisdiction over Defendants pursuant to CPLR 301 because Defendants reside and/or are doing business in the State of New York. Alternatively, Defendants are subject to long-arm jurisdiction pursuant to CPLR 302.

51. Venue is proper in Nassau County pursuant to CPLR 503(a) and (c) because one or more Defendants have their principal place of business in Nassau County.

FACTUAL BACKGROUND

52. The facts are set forth below in three sections: an overview of Defendants' general loan modification scheme, a history of the corporate Defendants' attempts to evade detection by shifting employees and corporate identities, and a recounting of Plaintiffs' individual experiences with Defendants.

Section I: Defendants' Loan Modification Scheme

53. Defendants' scheme is predicated on fraudulent representations, which induce unsuspecting homeowners to retain them to provide loan modification services.

(a) Defendants' Marketing and Sales Scheme

54. Defendants' marketing and sales scheme primarily involves two methods of solicitation. The first method utilizes third-party and/or semi-independent sales companies. These third party companies may be separate or affiliated business entities or "solo"-operations, whose business is attracting and referring homeowners in need of loan modification services to Defendants. The third parties use their relationship with Defendants to attract consumers, representing that they work with "reliable attorneys . . . who have credentials." C. Thompson, Loss Mitigation Cases, http://activerain.com/allhomeloans4u (last visited Sept. 19, 2011) (professional profile of Callie Thompson, the individual who referred Plaintiff Mike Wood to Defendant Green Law); see also infra ¶¶ 269-74. Consumers who contact the third-party company are immediately referred to Defendants, who provide contracts and set the fee for their loan modification services.

55. The second method of solicitation is managed "in-house" by Defendants, their employees and/or agents through the use of cold-calls and Internet advertisements.

Defendants' sales teams market the corporate Defendants as "experienced" and as experts in the field of loan modifications. Defendants highlight that the businesses purportedly operate as law firms or are affiliated with law firms in published materials and in oral communications. The sales team warns homeowners against pursuing loan modification relief on their own, explaining that an experienced cadre of attorneys is necessary to achieve maximum results.

56. Defendants' Internet advertisements lure homeowners located both within and outside the New York metropolitan area.

57. Defendant Green Law operates websites found at several URL addresses: http://www.americanhomecrisiscenter.org/; http://www.davidmgreenlaw.com/; http://www.bankattorney.us; http://www.longislandbankruptcyadvice.com. Representations on these websites have included:

- "Stop your foreclosure now! Consultations are free and there is no obligation." The Law Offices of David M. Green, available at http://www.americanhomecrisiscenter.org/index.html (accessed July 13, 2011)
- "The major banks and lenders are routinely exploiting the lack of awareness of the average homeowner. [We have] decades of mortgage loss and mitigation experience" [which make us] "experts at negotiating with lenders on behalf [of homeowners]." The Law Offices of David M. Green, available at http://www.americanhomecrisiscenter.org/index.html (accessed July 13, 2011)
- "A client had a tremendous financial hardship and was unable to make a mortgage payment for thirty one months prior to retaining The Law Office of David M. Green. The original interest rate on the client's mortgage was 9.9% with a monthly payment of $2,425.14. The client

had owed $85,000 of back mortgage payments. The Firm's legal team negotiated a variable interest rate that begins at 2.75% for the next five years subject to increase, not to exceed 3.2% for the life of the loan. The client's new monthly payment is now $900 per month representing substantial monthly cash savings. Additionally, the client avoided losing their family home without having to pay the $95,000 [sic] that was delinquent." The Law Offices of David M. Green, available at http://www.bankattorney.us/testimonialsresults.html (accessed Dec. 27, 2011)[1]

58. Defendant Lincoln First operates a website found at http://www.lincolnfirstcreditservices.com. Representations on this website have included:

- "We can help lower your mortgage payments! For Free Consultation, Call Us..." Lincoln First Credit Services, available at http://www.lincolnfirstcreditservices.com (accessed Dec. 27, 2011)

- "While Loan Modification is a great option for many troubled homeowners, you should know that obtaining a Loan Modification from your lender can be very difficult. At Lincoln First Credit Services we believe the best way to handle your loan modification application is for you to retain an attorney directly to represent you. We work closely with you to complete the loan modification and submit to the attorney. Once he reviews the application and details of your situation he will determine if Loan Modification is your right option." http://www.lincolnfirstcreditservices.com (accessed Dec. 27, 2011)

59. Additionally, at times relevant to this lawsuit, Defendant Green Law's website contained prominent links to government-affiliated programs, which were

[1] This "testimonial" also appears nearly verbatim on the website of a different loan modification company, Liberty Credit Law P.C. The only substantive difference between the testimonials is the name of the company attributed with this "success." Compare The Law Offices of David M. Green, available at http://www.bankattorney.us/testimonialsresults.html with Liberty Credit Law P.C., available at http://www.libertycreditlaw.com/Testimonials_Successes.aspx.

featured next to and in similar form as links for Defendants' own services. The website features links to "H.R. 6679, The Emergency Loan Modification Act of 2008" and "Remarks by [President Obama] on the mortgage crisis" directly below a link for Defendants' loan modification program, which contains the invitation, "Stop your Foreclosure Now." This marketing ploy is designed to confuse consumers into believing that Defendants' operation is legitimate, or acts in conjunction or compliance with these government-sponsored programs.

60. Certain Plaintiffs later discovered that the representations and promises contained on these websites were false. Other Plaintiffs who never viewed the websites maintained by Defendants were surprised to learn that the oral representations made by Defendants, many of which also were made on these websites, were false.

61. Lured by the promises to "stop" their foreclosures and "lower" their mortgage payments, Plaintiffs were further enticed by oral representations made by Defendants. These representations include, but were not limited to, the following assurances:

- That Defendants would "definitely" obtain a loan modification that would dramatically reduce Plaintiffs' mortgage payments.
- That Defendants would reduce Plaintiffs' mortgage payments, for example, by half; by $1,000.00; from $2,248.00 to $1,400.00; to $800.00.
- That Defendants "only" took cases that they "know" would qualify for a loan modification.

- That Defendants had close professional relationships with high-ranking personnel at Plaintiffs' mortgage lenders, which allowed them to better "negotiate" lower mortgage payments.
- That Plaintiffs should not contact their lenders while Defendants were "negotiating" their loan modification as this would impair Defendants' abilities to achieve maximum results.
- That Plaintiffs should not make their mortgage payments.
- That the "retainer fee" collected by Defendants would be refunded minus a small processing fee if the modification was not successful.

62. Based upon such representations, Plaintiffs believed that Defendants were uniquely qualified to negotiate a modification that would substantially lower their monthly mortgage payments. Plaintiffs also were convinced that Defendants were offering *legal* representation in connection with their loan modification applications. When considering whether to engage Defendants' services, Plaintiffs were convinced by Defendants' marketing scheme that they operate a legitimate, legal service company experienced in the area of loan modifications and "loss mitigation."

63. Defendants represented that their loan modification services would be provided by, reviewed by or performed at the direction of the attorney "specialists." Defendant Green Law's website also posed the following questions, suggesting to Plaintiffs that they would be unable to achieve modification assistance on their own, without the "legal" help of their company:

> "The major banks and lenders are routinely exploiting the lack of awareness of the average [A]merican homeowner, and you MUST know your rights in order to protect them. Ask yourself:

Are you an expert in dealing with banks to work out payment issues associated with financial hardship?

While most banks will be very helpful on the initial call, do you know what to do when your request for help is rejected?

Will you be able to evaluate ALL the terms of a loan modification offer and all the fine print?

Do you know the importance of responding to a Notice of Default, Foreclosure conference, Summons and complaint? Do you know how to respond?

If the bank will not deal with you at all, or they decline your request after working on a loan modification with you, do you know your legal options?

Are you familiar with the terms Net present value, HAMP guidelines, lien stripping, LTV, DTI, TILA, RESPA, Deed-in-lieu?"[2]

(b) The Upfront Fee and Defendants' Retainer Agreements

64. Plaintiffs believed Defendants' representations that they would have a better chance of receiving a loan modification if they used Defendants' for-profit "legal services" operation than through their own efforts. Defendants marketed their services so that Plaintiffs believed that the upfront fees demanded by Defendants were normal costs associated with "retaining" an attorney Plaintiffs "need" for loan modification assistance.

65. At no point were most Plaintiffs made aware that they could receive free assistance from government-sponsored specialists through HUD, despite the fact that Section 265-b of the New York Real Property Law requires such a warning.

66. As alleged above, in exchange for their "experienced" loan modification services, Defendants demanded payment by the Plaintiffs of an upfront fee disguised as a legal "retainer" fee. The upfront fee varied from homeowner to homeowner. In all cases, the upfront fee was several thousand dollars, ranging from approximately $2,000.00 to

[2] Law Office of David M. Green available at http://www.davidmgreenlaw.com (last accessed October 2011). As of March 2, 2012, this website was no longer accessible.

$5,000.00. This fee was always demanded in advance of services rendered by Defendants.

67. Critically, Defendants often represented that this fee was refundable to Plaintiffs, minus a moderate processing fee, if Defendants were unable to obtain a loan modification for Plaintiffs. The refund guarantee was designed to convince Plaintiffs that engaging Defendants' services would be a low-risk solution to their financial problems. The agreement offered by Defendant Green Law to many of Plaintiffs contained the following refund guarantee:

> "If we are unsuccessful in helping you or obtaining the Lender's co-operation, all funds will be refunded, except for a $495 processing fee ($695 for two loans)."

68. The contract also included the following contradictory provision:

> "If Client wishes to cancel the retainer, discharges Counsel, or in any way terminates the relationship after the case has been accepted by Counsel, the retainer is fully chargeable to the client, regardless of whether we ultimately receive [results]."

69. When they were presented with a contract, "retainer agreement," or other type of written or oral demand for upfront payments, Plaintiffs were unaware of their legal rights and options. Section 265-b prohibits individuals providing services in connection with "distressed home loans" from engaging in various activities, including "charging for or accepting any payment for consulting services before the full completion of all such services." N.Y. Real Prop. Law § 265-b.

70. Once Plaintiffs agreed to engage Defendants' services and paid the required "refundable" fee, many of them received a "Getting Started" enrollment package, including a "retainer" agreement, a checklist of documents needed by Defendants to "process" the loan modification application, and other supporting documents.

71. Defendants proffered these deceptive "retainer" agreements and packages in an attempt to avoid liability. They strategically used their standard retainer agreements to try to disclaim the very representations used to induce Plaintiffs' agreement. Defendant Green Law's retainer agreement included the following statements which directly contradict oral misrepresentations made to Plaintiffs:

- "Client acknowledges that Counsel has given no assurances regarding the outcome of this or any matter. Acceptance of the client's case is not a guarantee of a particular result."
- "At no time has counsel advised or instructed Client to stop paying Client's lender(s)."
- "Attorney cannot guarantee that any lender will accept loss mitigation or a loan modification or cooperate with the loss mitigation negotiations."

72. Notwithstanding this attempt to avoid liability, Defendants continued, executing the contract, to reiterate their misleading statements and make new misrepresentations, thereby perpetuating the fraud after the contract is executed.

73. Moreover, the mischaracterizations contained in these "disclaimers" as well as the oral misrepresentations conveyed to Plaintiffs, concerned matters the veracity of which Plaintiffs would be unable to discern. Plaintiffs constantly were reminded to not communicate with their lenders, and were told that any direct communications between them and their lenders would be ill-advised and fruitless. Defendants thereby successfully trapped Plaintiffs – luring them with the deceptive sales pitch and then, keeping them misinformed and unaware of the true nature of Defendants' business

activities and Plaintiffs' own legal rights, all the while representing themselves as Plaintiffs' "attorneys."

74. In addition to the contract, Defendants supplied "checklists" to Plaintiffs that summarized the documents needed to "process" their applications. Defendants represented that these documents would be sent to Plaintiffs' lenders in support of their loan modification requests. The requested documents included mortgage statements, pay stubs, a "financial worksheet" detailing Plaintiffs' expenses and income, and a "hardship letter" to their lenders explaining why a modification was necessary. Plaintiffs supplied this information to Defendants.

(c) Defendants' Neglect and Abandonment after Payment

75. After Plaintiffs accepted the oral and written contracts offered by Defendants, paid the requested fee, and provided copies of their personal and financial paperwork, they expected that Defendants would do as promised to negotiate their loan modifications.

76. In spite of guarantees by Defendants that the loan modifications would take "a couple of weeks" or a "few months," most of the Plaintiffs did not receive loan modifications.

77. In spite of guarantees by Defendants that they would receive loan modifications that would substantially reduce their mortgage payments, most of the Plaintiffs did not receive such a modification.

78. In spite of guarantees by Defendants that they would submit copies of the financial and personal paperwork provided by Plaintiffs to their lenders, several of the

Plaintiffs were dismayed to learn that no such paperwork had ever been submitted on their behalf.

79. In spite of guarantees by Defendants that they would "negotiate" the terms of Plaintiffs' monthly mortgage payments, several of the Plaintiffs discovered months after they paid the required upfront fee that Defendants never made any contact with their lenders.

80. In spite of guarantees by Defendants that they would provide "legal representation" set forth in the contracts or conveyed orally, and would conduct a "legal review" of the loan modification applications submitted on behalf of Plaintiffs, a majority of the Plaintiffs had little to no contact with attorneys, observed no work performed by attorneys, and received no legal advice.

81. In spite of many Defendants' guarantees of refunds, Plaintiffs have not received refunds of the upfront fees that they paid.

82. Moreover, when Plaintiffs have reported to Defendants that their deceptive practices led Plaintiffs to foreclosure or caused them serious financial harm, Defendants have merely tried to direct them to a new scheme with offers to "settle" the matter with bankruptcy or a short sale. Of course, Defendants also demanded an additional fee for these "extra" services.

Section II: Defendants' Use of Fictitious Names, Aliases, and Alternate Locations

83. Defendants have repeatedly shifted corporate identities, transferred employees and changed locations, making it difficult for homeowners to discover the true nature of their scheme.

84. Defendant Green Law has operated under at least five different names and in no less than five different locations since 2004.

85. Defendant Green Law has been identical to, or closely affiliated with, Defendants American Home, Lincoln First, and 591 Capital.

86. Defendant Green Law has been located at several different addresses concurrently and at separate times, including: 591 Stewart Avenue, Garden City, New York; 6800 Jericho Turnpike, Syosett, New York; 300 Wheeler Road, Hauppauge, New York; 445 Broadhollow Road, Melville, New York; and 329 Hempstead Turnpike, West Hempstead, New York.

87. Defendant Green Law further confused consumers through its operation of several different websites: http://www.bankattorney.us/; http://www.americanhomecrisiscenter.org/; http://www.davidmgreenlaw.com/; http://www.longislandbankruptcyadvice.com.

88. Additionally, Defendant Lincoln First, which at times relevant to this action, cross-promoted Defendant Green Law's services, ran another website, http://www.lincolnfirstcreditservices.com. This website represented that its services include an attorney review of consumers' applications. Moreover, Defendants Green Law and Lincoln First operated a shared page on Facebook, advertising the services of the "Law Firm of David Green/Lincoln First Credit Services."

89. Until approximately June 2010, Defendant Green Law was located at 445 Broadhollow Road, Melville, New York, and Defendant Lincoln First was located at 6880 Jericho Turnpike, Syosset, New York.

90. Upon information and belief, Defendant Lincoln First was owned and operated by Defendants Rivera and Liguori until approximately July 2010. Until that time, Defendant Lincoln First and Defendant Green Law had a referral relationship whereby Defendant Lincoln First would solicit homeowners in need of Defendant Green Law's loan modification services in exchange for a fee. Upon information and belief, Defendant Lincoln First marketed this relationship favorably to customers, explaining that they were "affiliated" with experienced attorneys in the industry.

91. Upon information and belief, on or about July 2010, Defendant Lincoln First and Defendant Green Law merged their loan modification outfits under the common name "Law Offices of David M. Green," an entity located at 6880 Jericho Turnpike, Syosset, New York.

92. In or about March or April of 2010, Defendant Lincoln First reconstituted its semi-independent operation and joined forces with another purported law firm. These companies operated at times as one entity and at times independently.

93. In or about late 2011, customers of Defendant Green Law, including some of Plaintiffs, were told that their applications were no longer being handled by attorneys at Defendant Green Law but rather by another company, Equity First LLC.

94. In or about early 2011, Defendant Green advertised his business address as being 591 Stewart Avenue in Garden City, New York, which was the location of Defendant 591 Capital during this same period of time. Defendant 591 Capital represented to consumers that it was affiliated with Defendant Green, who would provide legal representation in connection with their loan modification application. Defendant 591 Capital instructed consumers to submit their upfront fees to Defendant Green's law

firm, Defendant Green Law, at yet another address – 329 Hempstead Turnkpike in West Hempstead, New York.

95. Defendant Green owns and operates at least one other "loss mitigation" service company, "Zuma Legal Services." It is unclear to what degree this other company is involved in the loan modification scheme. This entity, however, appears to be affiliated with one other company recently charged with perpetuating a loan modification scam, Express Home Solutions.

96. In June 2011, an action was commenced in the New York Supreme Court, Nassau County, Osmanzai v. Save My Home (9871/11), involving a group of homeowners similarly situated to Plaintiffs in this action, and against a group of loan modification companies now believed to have been at relevant times affiliated with Defendants in this action. The Osmanzai plaintiffs alleged that the defendants in that action repeatedly shifted corporate identities and transferred assets to avoid detection. The Osmanzai plaintiffs obtained ex parte an order for a preliminary injunction and an order of attachment shortly after discovering that the defendants in that action had reconstituted themselves as the "Home Preserve Law Group" located at 329 Hempstead Turnpike in West Hempstead, New York. Upon information and belief, the "Home Preserve Law Group" is identical to Defendant Green Law. It is believed that Defendants continue to operate that business with the assistance of defendants named in Osmanzai, notwithstanding Justice Thomas A. Adams' order in that case enjoining the Osmanzai defendants from performing "mortgage relief assistance services," under N.Y. General Business Law §§ 349 and 350, which empower private plaintiffs to act as "private attorney generals" to police and enjoin deceptive practices and false advertising. For

example, David Gotterup, a defendant in Osmanzai and the principal leader of the loan modification companies at issue in that suit, was described as a "manager" in December 2011 by Alton Brandon, an employee of Defendant Green Law, to Plaintiffs Isiah Slaughter and Beverly Deas. Mr. Gotterup was enjoined by Justice Adams' order from performing and/or being employed at businesses performing, "mortgage relief assistance services." Defendant Jason Green, who marketed Defendant Green Law's services to Plaintiff Cynthia Stewart, also is subject to Justice Adams' order.

Section III: Previous Enforcement Actions Against Defendants

97. On December 21, 2009, the California State Department of Real Estate issued a cease and desist order against Defendant American Home requiring the company to desist and refrain from "acts or practices constituting violations of California Business and Professions Code (Code)," namely, "soliciting borrowers and/or performing services for borrowers or lenders in connection with loans secured...by one or more liens on real property without a real estate broker license." Cal. Dep't of Real Estate, Order to Desist and Refrain, No. H-5319 SAC, at 1, 3 (Dec. 21, 2009) available at http:// http://www.dre.ca.gov/pdf_docs/loanmod_drs/H5319SAC.pdf.

98. On June 8, 2011, the State of Illinois' Department of Financial and Professional Regulation Division of Banking ("Illinois Banking Department") issued a "cease and desist" order against Express Home Solutions. The order commanded the company to immediately cease and desist from "soliciting, advertising and conducting loan modification services," after finding that the company's loan modification practices violated various provisions of the Illinois Residential Mortgage License Act of 1987. With respect to Defendant Jason Green, the Illinois Banking Department found that "on

or around September 14, 2010, Jason Green, a manager of Empire Home Savings/Express Home Solutions solicited [consumers] . . . for loan modification services and promis[ed] to reduce their principal amount and monthly mortgage payments, advising [the consumers] to stop making mortgage payments to get a fast result." The Illinois Banking Department further found that though the consumers had paid a four-figure required upfront fee for the promised loan modification, the company failed to provide the loan modification or contracted services, and failed to refund the fee to the consumers. As a result, the Illinois Banking Department had "reasonable cause to believe that an unsafe, unsound, or unlawful practice has occurred, is occurring, or is about to occur as to Express Home Solutions providing loan modification services as an unlicensed entity." Illinois Dep't of Fin. & Prof. Reg. Div. of Banking, In Re Express Home Solutions, available at http://www.idfpr.com/Banks/RESFIN/Discipline/2011/2011-MBR-CD-15.pdf.

99. On September 20, 2011, Defendant Margolin tendered his resignation as an attorney and counselor at law to the Supreme Court of the State of New York Appellate Division, Second Judicial Department. Per the order, Defendant Margolin acknowledged in connection with his loan modification activities, "his inability to successfully defend himself on the merits against" charges including: "engaging in conduct prejudicial to the administration of justice;" "neglecting client matters;" "failing to promptly return unearned fees, and in at least one instance, failing to satisfy a judgment for a refund of a retainer fee;" "inserting a nonrefundable fee provision in retainer agreements, including a nonrefundable 'processing fee,' and a three-day time limitation to the client's ability to cancel the legal services and obtain a fee refund." In re Brett K. Margolin, an attorney

and counselor-at-law, resignor, 2011-04293, _Ad3d_ (N.Y. App. Div. 2d Dep't. Sept. 20, 2011).

Section IV: Facts Relating to Plaintiffs

(a) Angelina Masheyeva and Vadim Vorobyov

100. In or about August 2009, Ms. Masheyeva and Mr. Vorobyov began having trouble making their mortgage payments due to several high medical bills for their child. At this time, Ms. Masheyeva and Mr. Vorobyov had two mortgages on their home and their total monthly mortgage payments were approximately $2,900.00.

101. In or about August 2009, Ms. Masheyeva contacted her lender, Wells Fargo, for assistance in making her mortgage payments.

102. Around the same time, Ms. Masheyeva received an unsolicited phone call from Defendant Rascionato advertising Defendant Green Law's loan modification services. To this date, Ms. Masheyeva does not know for certain how Defendant Rascionato obtained her phone number.

103. During this first conversation, Defendant Rascionato represented to Ms. Masheyeva that he was a "mitigation specialist" at Defendant Green Law.

104. Defendant Rascionato also stated to Ms. Masheyeva that he and his company "knew" and were familiar with personnel at Wells Fargo.

105. Defendant Rascionato stated that since the company does not take on all individuals seeking assistance as clients, they are able to obtain loan modifications for all of their clients. Ms. Masheyeva understood this representation to mean that the company would review her financial information before engaging in the service to determine whether they would be successful in obtaining a loan modification.

106. Defendant Rascionato represented to Ms. Masheyeva that she would not be able to obtain a loan modification by working with Wells Fargo by herself.

107. Defendant Rascionato also stated at this time that Defendant Green Law would get her family a modification that would cut her payments by at least $1,000.00 per month.

108. He explained that they would get the modification by cutting the principal amount and interest rates on her mortgage.

109. Defendant Rascionato guaranteed to Ms. Masheyeva during this phone conversation that she would not lose her home if she engaged the services of Defendant Green Law.

110. At the end of the phone conversation, Ms. Masheyeva did not agree to retain Defendant Green Law for a loan modification, but recorded the number, 516-528-8096, at which Defendant Rascionato said that he could be reached.

111. Ms. Masheyeva and Mr. Vorobyov continued to face financial difficulties for several months following Ms. Masheyeva's phone call with Defendant Rascionato.

112. In or about October 2009, Ms. Masheyeva called the number given by Defendant Rascionato but heard a recording that the number had been disconnected.

113. In or about November or December 2009, Ms. Masheyeva called the number again, in hopes that she would reach someone at Defendant Green Law who could explain more about how they could help with her mortgage payments. At this time, she reached Defendant Rascionato.

114. During this conversation, Ms. Masheyeva told Defendant Rascionato that she and her husband wanted a loan modification. Defendant Rascionato connected the call to Defendants Green and Orena.

115. Once they joined the call, Defendants Green and Orena reiterated Defendant Rascionato's earlier statements that they "knew" Wells Fargo personnel and that they would be able to obtain a loan modification for Ms. Masheyeva and Mr. Vorobyov.

116. During this conversation, Defendant Rascionato asked Ms. Masheyeva questions about her and her husband's financial background including the amount of her income and expenses. He also asked Ms. Masheyeva how long she and her husband had been behind on their mortgage payments. Ms. Masheyeva told Defendants Rascionato, Green, and Orena that they were five months behind on their mortgage payments. Either Defendant Green or Defendant Orena stated that their "situation" sounded "great" for a loan modification.

117. Defendant Rascionato then explained that once a homeowner is six months behind on her mortgage, the lender will begin foreclosure proceedings. However, he explained, if Ms. Masheyeva and Mr. Vorobyov began the loan modification process with Defendant Green Law, they would be able to stop any foreclosure proceedings for at least eighteen months.

118. During this conversation, Defendant Green stated that his clients never have a problem with the loan modification process. He also stated that if she needed to declare bankruptcy at some later point, they would represent her for only another $500.00.

119. During this conversation, Defendants Green, Orena, or Rascionato stated that an attorney would review her loan modification application.

120. During this conversation, Ms. Masheyeva agreed to retain the services of Defendant Green Law.

121. At this time, Defendant Rascionato explained that Ms. Masheyeva and Mr. Vorobyov would have to pay $3,500.00 in upfront fees for the loan modification services.

122. Defendant Rascionato offered a payment plan to them whereby they would pay $1,000.00 immediately, an additional $1,000.00 in two weeks, and the final $1,500.00 a month later.

123. Defendant Rascionato also stated that even though they had not yet received full payment, they would begin working on Ms. Masheyeva and Mr. Vorobyov's loan modification immediately.

124. During the phone call, Ms. Masheyeva gave Defendant Green Law her credit card information so that they could process her payment for the loan modification services.

125. At no time did Defendants Rascionato, Orena, or Green explain to Ms. Masheyeva that she and her husband could obtain free loan modification assistance from HUD-approved housing counselors.

126. After the phone conversation, Ms. Masheyeva looked up the website operated by Defendant Green Law to verify that the services were legitimate.

127. On December 10, 2009, Defendant Rascionato sent Ms. Masheyeva a contract labeled "Attorney's Retainer Agreement" for her and her husband's signature.

128. Ms. Masheyeva and Mr. Vorobyov signed the "Attorney's Retainer Agreement" on January 4, 2010.

129. The agreement signed by Ms. Masheyeva and Mr. Vorobyov contained the following relevant provisions:

a. "Nature of Services – The services to be rendered by Counsel under this agreement shall be those necessary or proper for the protection of Client's property or interest to the extent required by Client by employing various LOSS MITIGATION (as more further described in Paragraph 3) techniques."
b. "Loss Mitigation – is used to describe a third party or a firm helping a homeowner handling the process of negotiation between the homeowner and the homeowner's Mortgage lender. Loss mitigation works to negotiate mortgage terms for the homeowner that will prevent foreclosure."
c. "Client understands that they are not to negotiate or agree to any terms offered from the lender without first contacting our office."
d. "Client will be charged for Counsel's services according to the following: An initial fee of $ 1,000 ($3500 for two loans), for legal services in negotiations on your behalf...will be charged to you as the "Client", as a retainer. If we are unsuccessful in helping you or obtaining the Lender's co-operation, all funds will be refunded, except for a $495 processing fee ($695 for two loans)."
e. "The fixed fee covers all of Attorney's fees and expenses related to its representation of Client."

130. During her initial interactions with Defendant Green Law, Defendant Rascionato told Ms. Masheyeva that she should stop communicating with her lender. Ms. Masheyeva believed that doing so would help the "negotiations" between Defendant Green Law and her lender.

131. Throughout her involvement with Defendants, as requested, Ms. Masheyeva sent various copies of her financial paperwork including copies of past tax returns, an accounting of her expenses, and a hardship letter detailing her need for a loan modification. Ms. Masheyeva believed that this paperwork was necessary for Defendant

Green Law to submit a complete loan modification application on her behalf and believed that copies of the documents were being transmitted to her lender as appropriate.

132. On or about February 2010, Ms. Masheyeva called Defendant Green to get an update on her application. At this time, Defendant Green represented that another employee, Defendant Clark, would be working on her loan modification.

133. At some point after engaging the services of Defendant Green Law, Ms. Masheyeva learned that Defendant Rascionato did not work for the company and only was responsible for making referrals to the office.

134. After signing the contract, Ms. Masheyeva called the offices of Defendant Green Law regularly to learn the status of her loan modification. Each time, instead of a meaningful update, she received another request for more financial paperwork, much of which consisted of documents she had already sent.

135. Defendant Clark represented to Ms. Masheyeva that she should continue to not make her mortgage payments because Wells Fargo will not negotiate the modification if she makes a payment. Ms. Masheyeva and Mr. Vorobyov followed this advice, believing as they were advised, that it was necessary in order to negotiate and process their loan modification.

136. On or about June 2010, five months after Ms. Masheyeva and Mr. Vorobyov agreed to retain the services of Defendant Green Law, Ms. Masheyeva learned that Wells Fargo had not spoken with Defendants concerning their mortgage payments. A representative from Wells Fargo explained that they would not have been able to discuss the couple's mortgage with any employee at Defendant Green Law since they had never received any authorization to conduct business on their behalf. Ms. Masheyeva

completed the required authorization and sent it to Defendant Green Law to be sent to her lender.

137. On July 1, 2010, Ms. Masheyeva sent an email to Defendant Clark at her address, kclark@bankattorney.us, asking how she should respond to inquiries from Wells Fargo. Defendant Clark responded, stating that Ms. Masheyeva should tell her lender that her "attorney is taking care of it" and should give her lender Defendant Clark's contact information.

138. On July 12, 2010, Ms. Masheyeva sent an email to Defendant Clark reporting that she and her husband had received a letter from their lender, dated July 2, 2010, stating that their case "[had] been closed" for failure to respond to inquiries. Ms. Masheyeva asked Defendant Clark how they should proceed given this information. Defendant Clark replied on July 13, 2010, stating that she would contact the bank to find out why their case had been closed. Defendant Clark also stated at this time that she submitted all of their required paperwork to the lender.

139. On July 14, 2010, Ms. Masheyeva sent an email to Defendant Clark alerting her to a letter she and her husband received from their lender regarding the possibility of a short sale on their home. Defendant Clark responded on this same date stating that this was "garbage mail" and "just a general letter sent to all borrowers [who] are behind just giving the information on that option."

140. On July 14, 2010, Ms. Masheyeva emailed Defendant Clark as Ms. Masheyeva was concerned that it had been a year since they had made any mortgage payments. She also asked whether Defendant Clark knew how long it would take for her

modification to be completed. At this time, Defendant Clark represented that it was "hard to say" how long it would take for the modification to be completed.

141. On July 15, 2010, Defendant Clark sent an e-mail to Ms. Masheyeva stating that her loan modification application was "under review" by Wells Fargo.

142. On July 26, 2010, Ms. Masheyeva sent an email to Defendant Clark asking for the status of her and her husband's loan modification. She explained that someone had recently come to their address to take pictures of their home. Ms. Masheyeva was concerned that this meant that foreclosure proceedings were imminent.

143. On the same date, Defendant Clark responded that it was "procedure" for lenders to send someone to take pictures of a house when a borrower was not making payments. She stated that such an event "happens to everyone."

144. In or about August 2010, Ms. Masheyeva learned that Defendant Rivera was the new manager at Defendant Green Law. Defendant Rivera represented to Ms. Masheyeva that he would be her new contact for questions about her loan modification.

145. On August 17, 2010, Ms. Masheyeva faxed paperwork she had received from her lender about submitting an application for the Home Affordable Modification Program (HAMP) to Defendant Rivera. Ms. Masheyeva also emailed Defendant Rivera alerting him to the fax. Defendant Rivera's email address contained the web address for another company, Defendant Lincoln First.

146. On September 20, 2010, Ms. Masheyeva sent an email to Defendant Rivera notifying him that she had received a letter stating that her paycheck was going to be garnished for payments to her lender.

147. Ms. Masheyeva faxed a copy of the letter to Defendant Rivera upon his request. When he did not return her calls, Ms. Masheyeva emailed him again asking him to "tell [her] what is going on."

148. Defendant Rivera responded on September 21, 2010, "the attorney [is] looking at the paperwork."

149. Ms. Masheyeva forwarded a copy of the notice to Defendant Clark.

150. Defendant Clark told Ms. Masheyeva that she should not worry about the notice and that lenders never garnish pay in this manner.

151. On or about November 2010, eleven months after she agreed to retain the services of Defendant Green Law and several months after she signed the letter authorizing the company to contact Wells Fargo on her behalf, Ms. Masheyeva received a letter from her lender stating that Defendant Green Law was now an authorized third-party with whom the company could now discuss her mortgage.

152. In late 2010, Ms. Masheyeva spoke with Defendant Green about the notice she received about the garnishment of her pay. Defendant Green expressed confusion as to why they would garnish her pay for missed payments.

153. Defendant Green also told her at the time that she could file for bankruptcy to halt the garnishment.

154. In late November and early December 2010, Defendant Green told Ms. Masheyeva that he could assist in filing for bankruptcy on her family's behalf, for an additional fee of $1,500.00. Ms. Masheyeva and Mr. Vorobyov initially considered the idea but eventually decided not to retain Defendant Green's services to file for bankruptcy.

155. In or about January or February 2011, Wells Fargo began garnishing 10% of Ms. Masheyeva's biweekly pay because of outstanding mortgage payments.

156. On or about January 11, 2011, over a year after Ms. Masheyeva and Mr. Vorobyov began their interactions with Defendant Green Law, Ms. Masheyeva e-mailed Defendant Green demanding a refund of the $3,500.00 they paid in upfront fees to the Defendants.

157. Ms. Masheyeva received a response from David Green on the same date from an AOL email address (DGreen7066@aol.com) stating that he "want[s] to make sure [he] is clear on the facts." The email asks Ms. Masheyeva if she is "letting the house proceed to foreclosure."

158. Ms. Masheyeva responded to the email on the same date explaining, "Because we can't stop the garnishments of wage, even with a modification [I] would have to have the house proceed to foreclosure."

159. She further stated in the email, ""The garnishments of wages...would have been avoided if Karen [Clark] did her work, I got a letter from Wellsfargo about 8 weeks ago stating that office is the [authorized] 3rd party, when that should have been done a year ago."

160. Defendant Green responded to her email stating that "work [had] been done on [their] file for about 8 months" and that if they "abandon the process, that is [their] perogative [sic]."

161. On or about January 14, 2011, Ms. Masheyeva received a letter from Wells Fargo denying her and her husband's application for a loan modification because their housing expenses were not greater than thirty-one percent of their gross income.

162. On January 26, 2011, Ms. Masheyeva emailed Defendant Green notifying him of the denial. She reiterated her and her husband's request for a full refund and stated, "by law you were not even [supposed] to take full payment until the modification was complete." She also provided an address to which Defendant Green could mail the refund check "minus the $495 that the contract states."

163. On January 29, 2011, Defendant Green responded to Ms. Masheyeva's email asking for a copy of the letter that she and her husband received from their lender. He also stated, "Without debating the point, an attorney is exempt from the loan modification/foreclosure defense rules."

164. Soon thereafter, Ms. Masheyeva sent Defendant Green a copy of the letter that she and her husband received from their lender rejecting their application for a loan modification.

165. On July 6, 2011, Ms. Masheyeva emailed Defendant Green another request for a refund.

166. When she did not receive a response, Ms. Masheyeva emailed Defendant Green again alerting him that she was going "public" and going to inform "the media, attorney grievance committee, attorney general, [Better Business Bureau]." She concluded her email, "Thanks to you, I am now [losing] my home."

167. Ms. Masheyeva reiterated her request for a full refund of her fees, minus the processing fee provided for in the contract.

168. Ms. Masheyeva and Mr. Vorobyov never received the loan modification promised by Defendant Green Law and its employees.

169. Ms. Masheyeva and Mr. Vorobyov have yet to receive a refund of the $3,500.00 they paid in upfront fees.

170. Ms. Masheyeva and Mr. Vorobyov are currently facing foreclosure proceedings.

(b) Victor and Jean Jones

171. In late 2010, Mr. and Mrs. Jones began experiencing financial difficulties causing them to be unable to make their full monthly mortgage payments. As of January 2010, Mr. and Mrs. Jones had two mortgages on their home, with total monthly payments of approximately $4,000.00.

172. In or about January 2011, Ms. Jones encountered a website run by Defendant Green Law, http://www.davidmgreenlaw.com/ which advertised loan modification services.

173. Upon the representations contained on this website, Ms. Jones believed that Defendant Green Law was a law firm that specialized in loan modifications and would be able to prevent her lender from foreclosing on their home.

174. At this time, Mr. and Mrs. Jones were approximately six months behind on their mortgage payments.

175. In or about January 2011, Ms. Jones called the phone number provided on the website and reached Defendant Dreitlein.

176. During this phone call, Ms. Jones inquired about Defendant Green Law's loan modification services. She explained that she and her husband was currently behind on her mortgage and in need of financial assistance.

177. Defendant Dreitlein guaranteed that he and Defendant Green Law would be able to obtain a modification on Mr. and Mrs. Jones' mortgage that would substantially reduce their payments. He explained that the company works with attorneys to achieve the modification. Ms. Jones explained to Defendant Dreitlein that they had two mortgages on their home. He responded that this would not be a problem for the loan modification process and that he would wipe out the second mortgage payments.

178. Defendant Dreitlein represented that Defendant Green Law would be able to reduce their mortgage payments to approximately $2,500.00-$2,800.00.

179. Defendant Dreitlein also represented that the loan modification process would take between three and six months. He explained during this phone call that a modification would cost them $5,000.00 in upfront fees.

180. Ms. Jones also explained to Defendant Dreitlein that she was concerned about giving upfront fees in exchange for loan modification services because there had been recent reports about scam companies demanding upfront payments. Defendant Dreitlein reassured Ms. Jones that Defendant Green Law was a legitimate service company and that they would not be scammed. Defendant Dreitlein also encouraged Ms. Jones to visit the company's website to learn more about their services. Since she had already seen the website, Ms. Jones felt confident that the company was not a scam.

181. Defendant Dreitlein stated that they could afford the service if they continued to miss their mortgage payments and instead use that money to retain Defendant Green Law. He also offered a payment plan whereby Mr. and Mrs. Jones could pay part of the upfront fee immediately, and the rest of the required fee a month later.

182. Ms. Jones did not retain Defendant Green Law during this conversation because she wanted to discuss with her husband first, and she wanted Defendant Dreitlein to speak to her husband. Defendant Dreitlein agreed to speak to Mr. Jones and explain Defendant Green Law's services to him. Ms. Jones gave Defendant Dreitlein her husband's phone number and he spoke with Mr. Jones shortly after this conversation.

183. During Defendant Dreitlein's conversation with Mr. Jones, he guaranteed that Defendant Green Law would be able to obtain a loan modification for their family as long as they paid the required fee. He explained that they did not want to lose their home. Defendant Dreitlein assured him that they would be able to keep their home if they retained Defendant Green Law.

184. Mr. and Mrs. Jones agreed to retain Defendant Green Law after this conversation.

185. At some point during their involvement with Defendant Green Law, Defendant Dreitlein represented to Ms. Jones that they would be unable to obtain a loan modification on their own. He explained that the "attorneys," believed to be Defendant Green and/or other attorneys working under his direction, knew how to present their application in a way that would assure a modification. He also represented that Defendant Green Law representatives work only with high-ranking personnel at Chase – people Mr. and Mrs. Jones would be unable to reach on their own.

186. On January 27, 2011, Mr. and Mrs. Jones signed Defendant Green Law's "Attorney's Retainer Agreement" ("retainer agreement"). The retainer agreement contained the following relevant provisions:

a. "If Counsel determines it cannot obtain a lender's cooperation in bringing about a reasonable result given Client's circumstances, the Flat Fee will be returned to Client, less a $995 processing fee."
b. "Once the Client's file has been accepted by Counsel, and unless Counsel withdraws before the completion of the services, the Flat Fee will be deemed earned in full, and no portion of it will be refunded once any material services have been performed."
c. "If Client wishes to cancel the retainer, discharges Counsel, or in any way terminates the relationship after the case has been accepted by Counsel, the Flat Fee is fully chargeable to the client...."

187. Mr. and Mrs. Jones completed and returned the retainer agreement as well as other documents sent by Defendants in the prepared envelope sent along with the package. They believed that the documents or their substance would be submitted to Chase in support of their loan modification application.

188. Shortly after, Fed Ex returned the package with the notice that there was no business under the name operating at the address given.

189. When she received the returned envelope, Ms. Jones told Defendant Dreitlein about the returned package and he explained that the office had recently moved and his secretary had given the Jones' the wrong address. Mr. and Mrs. Jones sent the documents as requested to the new address.

190. On February 1, 2011, Defendant Green Law withdrew $2,500.00 from Mr. and Mrs. Jones' checking account. The rest of the upfront fee, $2,500.00 was withdrawn on March 1, 2011.

191. Since the time she agreed to retain Defendant Green Law, Ms. Jones has called her lender approximately once every week to learn the status of her loan modification. In every single one of these calls, a representative from Chase has reported having no record of any communications, applications, or other documents from Defendant Green Law.

192. In fact, in one phone call with Chase, the representative to Ms. Jones that they should not have paid $5,000.00 in upfront fees to a company such as Defendant Green law. He explained that they could have proceeding with the loan modification on their own and that an attorney could do no more on their loan modification application than they could do themselves.

193. Since Chase had no record of communicating with Defendant Green Law, Ms. Jones began working directly with Chase to obtain a loan modification.

194. In one conversation with a representative at Chase, when Ms. Jones inquired about Defendant Green Law's efforts, the Chase representative stated that all of the work that had been done on her loan modification application had been done solely by Ms. Jones.

195. For over a year, representatives of Defendant Green Law have represented that they are "working" or "processing" her loan modification application.

196. On April 11, 2011, Ms. Jones emailed Defendant Green to find out the status of her loan modification. She told him that she had been trying to contact the office and that it was "very important" that he call her. She explained that she had been unable to reach Defendant Dreitlein, yet she had paid her "attorney fee" in full. Defendant Green responded to her email from the address, DGreen7066@aol.com, on this same date, stating that he "will make sure that someone reaches out to [Ms. Jones] shortly to go over [her] file."

197. When Ms. Jones confronted Defendant Dreitlein, Defendant Green, or other representatives of Defendant Green Law about the slow progress of her loan modification application, they would insist that they were "working" on her loan

modification or that documents had been submitted on her behalf. At one point, Defendant Dreitlein represented that Chase representatives were difficult to reach, which was causing a delay in the process. Ms. Jones did not believe this statement as she never had any difficulty contacting or submitted documents to her lender.

198. In or about July 2011, Ms. Jones called Defendant Green Law and heard a recording to call a different number. When she called this number, she learned that this number was for another company, Equity First, LLC ("Equity First"). A representative of Equity First told her that Defendant Green Law had contracted with them to "take over" some of the loan modification applications. Equity First advertised only a P.O Box address of P.O Box 601, Mount Sinai, New York, 11766.

199. In or about September 2011, Ms. Jones requested a refund of the $5,000.00 she and her husband paid in upfront fees to Defendant Green Law. She spoke with a representative of Defendant Green Law by the name of "Rhonda." She told Ms. Jones that she would get back to her about her refund request.

200. From approximately summer 2011 through late fall 2011, Ms. Jones called Defendant Green Law repeatedly – sometimes, three times a day – in hopes of receiving a meaningful update on her loan modification application or the status of her refund.

201. As of October 2011, nearly ten months after Mr. and Ms. Jones retained Defendant Green Law, Chase had no record of ever receiving any documents from Defendant Green Law.

202. Mr. and Ms. Jones never received the promised loan modification or a refund of the $5,000.00 they paid in upfront fees to Defendant Green Law.

(c) Ben, Leela, and Thomas Varkey

203. Ben Varkey, Leela Varkey, and their son, Thomas Varkey (collectively, "Varkeys") live together as a family with Thomas Varkey's wife. They all contribute to the monthly mortgage payments.

204. In or about April or May 2010, Thomas Varkey began looking for help with the Varkeys' mortgage payments. Before encountering Defendants, however, the Varkeys were current on their payments.

205. Thomas Varkey was first contacted by Defendant Mader in approximately May 2010. Defendant Mader informed Thomas Varkey that her law firm, Defendant Green Law, would be able to obtain a mortgage modification on his behalf. She represented that Defendant Green Law would be able to obtain a mortgage modification for their family which would result in lower monthly payments and lower interest rates.

206. Defendant Mader contacted Thomas Varkey several times a day and asked him to provide certain financial information, including monthly mortgage payments, purportedly to ascertain whether they qualified for a loan modification.

207. Shortly thereafter, in May 2010, Defendant Mader informed Thomas Varkey that the Varkeys would definitely qualify for a modification. Defendant Mader also explained that her firm had experts on staff, including loss mitigation specialists and lawyers with years of real estate experience, who would represent the Varkeys. Furthermore, Defendant Mader told Thomas Varkey that the banks would not modify the Varkeys' mortgage without the help of an agent, like Defendant Green Law.

208. Thomas Varkey was put in contact with another representative of Defendant Green Law, Defendant Cohen, who claimed he was a "Loss Mitigation Specialist" and would be handling the Varkey's case. Defendant Mader told Thomas Varkey that Defendant Cohen could be reached at his email address, barry@bankattorney.us.

209. Defendant Cohen described the process of obtaining a loan modification to Thomas Varkey. He said that a modification could be obtained within three to six months, and that a modification was guaranteed. Moreover, if Defendant Green Law was not successful in obtaining a modification, Defendant Cohen represented that the Varkeys would be entitled to a full refund.

210. Defendant Green Law sent a "Modification Retainer Agreement" to the Varkeys. Defendant Green, and two other attorneys, Keith Angerame and Nicholas Dilorio, were listed on the retainer agreement.

211. In or about June 2010, Ben and Leela Varkey signed the Retainer Agreement and Thomas Varkey returned the signed agreement to Defendant Green Law.

212. Defendant Cohen also asked at this time for an upfront payment of $2,500 in exchange for Defendant Green Law's loan modification services. On June 22, 2010, Thomas Varkey paid the requested $2,500.00 in upfront fees by credit card.

213. From May 2010 through June 2010, Thomas Varkey was in frequent communication by phone and email with Defendants Mader and Cohen.

214. In June 2010, Defendant Cohen advised the Varkeys to stop making their monthly mortgage payments because he represented that it would pressure the bank to provide a modification. Upon this advice, the Varkeys stopped making their monthly mortgage payments for three months, from July 2010 to September 2010.

215. Thomas Varkey was instructed by representatives at Defendant Green Law to submit additional paperwork under the impression that these documents were necessary for the loan modification application. The documents requested included a statement of financial hardship, and copies of their tax returns, utility bills, pay stubs, and bank statements. The Varkeys prepared this information and Thomas Varkey submitted the requested documents to Defendants Cohen and Mader in or about July of 2010.

216. Thomas Varkey sent updated documents monthly until October 2010.

217. Shortly after Thomas Varkey submitted the first set of requested documents, in or about July 2010, Defendant Cohen represented that he would soon submit the Varkey's loan modification application to their lender.

218. In or about July and August of 2010, Thomas Varkey tried repeatedly to contact Defendant Green Law to find out the status of their loan modification application.

219. In or about August 2010, Thomas Varkey received a call from Defendant Mader who explained that she no longer worked at Defendant Green Law. She also represented that Defendant Green Law was not working on their modification.

220. In or about October 2010, after having no contact with Defendant Cohen and concerned by Defendant Mader's comments, Thomas Varkey contacted their lender

to discover the status of their loan modification application. Their lender represented that there was no pending application and that the lender had no record of contact with Defendant Cohen or anyone else from Defendant Green Law.

221. On October 27, 2010, Thomas Varkey sent an email to Mathew Swift and Patty Febbraro at Mr. Swift's email address, matthew@bankattorney.us, which he found listed on Defendant Green Law's website, http://www.bankattorney.us. Thomas Varkey informed Mr. Swift and Ms. Febbraro that he had spoken with the Varkey's lender and that they had no record of Defendant Green Law submitting paperwork on their behalf. Thomas Varkey demanded an immediate response from the Defendant Green Law representatives.

222. On November 2, 2010, Thomas Varkey filed a loan modification application directly with the lender.

223. On November 2, 2010, Thomas Varkey emailed Defendants Cohen, Green and others at Defendant Green Law and demanded a refund of the upfront fee. He explained that Defendant Green Law had done nothing on their loan modification and that he was forced to file an application on his own.

224. On November 9, 2010, Thomas Varkey received a phone call from another employee at Defendant Green Law, Defendant Rivera. Defendant Rivera represented that he was Defendant Cohen's manager at Defendant Green Law and worked with Defendant Green on modifications. Defendant Rivera represented that the Varkeys' loan modification application was complex and that Defendant Green Law

needed more time to obtain a modification. He also represented that there had been a number of organizational changes and a facility move that caused additional delay.

225. Despite Defendant Rivera's representations, Thomas Varkey reiterated his demand for a refund because it was clear that no application had been filed by Defendant Green Law and because he had already begun working with the their lender directly.

226. On November 22, 2010, Thomas Varkey received an email from Defendant Cohen asking for additional documents. Defendant Cohen made no reference to Thomas Varkey's November 2, 2010 and November 9, 2010 refund requests. Defendant Cohen's email signature stated that he was in the "Loss Mitigation Department" at 6800 Jericho Turnpike in Syosett, New York. His phone number was listed as 516-880-6575 and his fax number as 516-921-1648.

227. On this same date, Thomas Varkey responded by email to Defendants Cohen, Green, and other representatives at Defendant Green Law and once again demanded a refund. Thomas Varkey reminded Defendants of his earlier requests for a refund and stated that he did not want Defendants to represent him because he believed that they had not done anything on his and his parents' behalf since June 2010.

228. On November 22, 2010, Defendant Cohen responded by email and copied Defendant Rivera, whose email address was listed as joseph.rivera@lincolnfcs.com. The email address contains the web address for another company, Defendant Lincoln First. Defendant Cohen refused to grant Thomas Varkey a refund and reiterated the excuse made by Defendant Rivera that the Varkeys' loan modification application was complicated and stated that Green Law needed more time to complete it. Defendant

Cohen wrote in this email to Thomas Varkey, "You cannot decide to stop the process when we are at the goal line and expect a refund."

229. On February 2, 2011, after having no additional contact with Defendants, Thomas Varkey sent another request for a refund of the upfront fee. He sent his request to Defendants Cohen, Green, Rivera, and other representatives whose names he found on Defendant Green Law's website as well as Defendant Lincoln First's website. Thomas Varkey reiterated that neither the lender nor the mortgage underwriter had any record of communications with anyone from Defendant Green Law or Defendant Lincoln First. Thomas Varkey also stated that he had no desire for Defendant Green Law's services and wanted a refund.

230. Thomas Varkey has not heard from any representatives of Defendant Green Law since November 22, 2010 and has yet to receive a refund of the $2,500.00 in upfront fees he paid for their loan modification services.

(d) George and JoAnn Harrington

231. In or about January 2010, Mr. and Mrs. Harrington's monthly mortgage payments were approximately $1,600.00. As of October 2011, the principal amount owed on their mortgage was approximately $400,000.00.

232. Before their first encounter with Defendants, Mr. and Mrs. Harrington began experiencing difficulties in making their mortgage payments.

233. In 2009, Mr. Harrington began working with his lender, Nationstar Mortgage ("Nationstar") to apply for a loan modification through HAMP, but by 2010, he was informed by Nationstar that he did not qualify for the modification.

234. In or about early 2010, Mr. Harrington and Mrs. Harrington were unable to make his mortgage payments and were receiving notices of foreclosure.

235. Shortly thereafter, Mr. Harrington began looking for mortgage modification help. During this process, in or about July 2010, he encountered Defendant American Home's website, www.americanhomecrisiscenter.org. The website made numerous references to defendants' expertise in obtaining mortgage modifications.

236. Mr. Harrington thereafter reached out to Defendants by email. The first person that he spoke to was Defendant Corey Singer. On the phone, Defendant Singer made numerous references to his expertise and the expertise of his firm, Defendant Green Law. Among other things, he guaranteed that Defendant Green Law would obtain a modification on Mr. and Mrs. Harrington's behalf and that a lawyer, Defendant Green, would represent them directly with their lender.

237. In exchange for these services, Defendant Green Law demanded an upfront payment of $2,995.00, which he eventually reduced to $2,500.00 as Mr. Harrington explained that he and his wife could not afford to pay $2,995.00 for loan modification services. Defendant Singer promised to refund the money if Defendant Green Law was unable to obtain a modification. Defendant Singer assured Mr. Harrington that they would not have to worry about foreclosure because it was Defendant Green Law's primary goal to protect homeowners from foreclosure.

238. On July 8, 2010, Mr. and Mrs. Harrington completed a "Pre-Attorney Review Questionnaire" as requested by Defendant Singer. The questionnaire featured the logo for Defendant American Home. Defendant Singer directed that the fax be returned to (631) 656-1017. The questionnaire asked a number of questions about Mr. and Mrs. Harrington's mortgage and financial situation and included the slogan, "Helping Americans, one home at a time!"

239. On July 12, 2010, after an additional phone conversation with Defendant Singer, Defendant Singer faxed additional paperwork for Mr. and Mrs. Harrington's review and for them to complete, purportedly in order for the "attorneys to review [their] file and determine what kind of relief [was] available to [them]." In that same fax, Defendant Singer requested other documents from Mr. and Mrs. Harrington including, among other things, pay stubs, proof of income and mortgage statements.

240. Months later, on October 4, 2010, Defendant Singer emailed a number of documents that he claimed were necessary to begin working on Mr. and Mrs. Harrington's "file." Among other paperwork, Defendant Singer sent an "Attorney Retainer Agreement" to be signed by Mr. and Mrs. Harrington. This agreement featured the logo for Defendant Green Law.

241. On October 6, 2010, Mr. and Mrs. Harrington signed Defendant Green Law's "Attorney Retainer Agreement" and returned it to Defendant American Home at 300 Wheeler Road, Hauppauge, New York 11788. The Attorney Retainer Agreement listed other attorneys as affiliated with Defendant Green Law aside from Defendant Green – Keith Angerame and Nicholas Dilorio. It also described a number of "Loss

Mitigation" services as well as "Legal Services" that Defendants agreed to perform on behalf of Mr. and Mrs. Harrington.

242. The "Attorney Retainer Agreement" also included a "Statement of Clients Rights" which made a number of promises and representations about, among other things, Defendant Green Law's attorney(s)' judgment, confidence, and communication. Lastly, the Agreement guaranteed a "100%" refund if Defendant Green Law were unable to obtain a modification for Mr. and Mrs. Harrington.

243. In addition to the agreement, on October 6, 2010, Mr. and Mrs. Harrington completed and returned additional paperwork to Defendant Green Law that they were told were necessary to obtain a modification. These documents included additional details about their financial background, a letter detailing the family's "hardship," and an "Authorization to Release Information" so that Defendants could discuss the terms of their mortgage directly with their lender, Nationstar.

244. On October 6, 2010, Mr. Harrington wrote a check for $1,000.00 to Defendant Green Law and mailed the check by Federal Express to Defendant American Home.

245. From October 2010 until December 2010, Mr. and Mrs. Harrington continued to communicate with Defendant Singer, providing additional financial details and documents. They believed that this information was necessary to obtain a loan modification.

246. On or about November 2010, Mr. Harrington began to communicate with another employee of Defendant Green Law, Kristy Caporale ("Caporale") who held herself out to be a "Loss Mitigation Specialist." Initially her email address was listed as kristy@bankattorney.us, her phone number was 866-725-2373, ext 106 and her fax number was 631-792-1300. Later, Ms. Caporale's contact information and title changed. She began to hold herself out as a "Senior Legal Assistant" with different contact information, also at Defendant Green Law.

247. Ms. Caporale made additional requests for financial information from Mr. and Mrs. Harrington. On or about November 2, 2010, she arranged for Federal Express to pick up Mr. Harrington's second payment to Defendant Green Law of $750.00. The check was mailed to Defendant American Home at the Hauppauge address where his first payment was received on or about November 4, 2010.

248. On December 2, 2010, Mr. Harrington sent by Federal Express the third and final payment for $750.00 to Defendant Green Law and addressed the check as requested to Defendant Green Law at 6800 Jericho Turnpike in Syosett, New York.

249. At that point, after frequent communications with Defendant Singer and Ms. Caporale, Defendant Green Law simply stopped answering or returning Mr. Harrington's calls, emails, or letters.

250. After being unable to reach Defendants Green or Singer or any other employee at Defendant Green Law, Mr. Harrington contacted a different loan modification company. While working on this loan modification application, Mr. Harrington learned from his lender Nationstar that they had never received a loan

modification application from Defendant Green Law and had no knowledge of Defendant Green Law or record that Defendant Green Law was representing Mr. and Mrs. Harringtons to obtain a modification.

251. Upon discovering this, Mr. Harrington reached out to Defendant Green Law to demand a refund of the $2,500.00 he paid in upfront fees. Despite repeated requests, Mr. and Mrs. Harrington never received a response from Defendant Singer, Ms. Caporale, or anyone else at Defendant Green Law.

252. On February 28, 2011, Mr. and Mrs. Harrington submitted a loan modification application to Nationstar bank.

253. In or about April 2011, Mr. Harrington received a phone call from an individual who he now believes to be Defendant Green. During the call, Defendant Green refused to grant a refund and represented to Mr. Harrington that it was Nationstar's fault he had been unable to get a modification for their mortgage. He also represented that he would personally work on the modification directly with Nationstar.

254. In a fax dated April 13, 2011, pursuant to this last conversation, Mr. Harrington sent Defendant Green Law the reference number for the loan modification application that he and his wife had already submitted as well as the contact information of the Nationstar employee with whom he had been working with to obtain a modification.

255. Mr. Harrington continued to contact Defendant Green Law in hopes of learning the status of his loan modification application. Defendant Green Law failed to respond to any of his correspondences.

256. In May 2011, Mr. Harrington sent another demand for a refund of the money he paid in upfront fees to Defendant Green Law.

257. On or about June 6, 2011, Mr. Harrington filed a complaint against Defendant Green in the State Court of North Carolina in an effort to enforse the refund provision of the agreement. David Green has not answered the complaint or otherwise given any indication that he intends to respond.

258. On June 16, 2011, Mr. Harrington received a letter from another company, Equity First, informing him that Defendant Green had contracted with the company to take over his application. Equity First represented to Mr. Harrington that they had his file since April 15, 2011, though June 16, 2011 was the first time Mr. Harrington had heard this information.

259. Representatives at Equity First LLC also claimed that it was through some fault of Nationstar that Mr. and Mrs. Harrington had been unable to obtain a modification. They did not explain why Defendant Green Law had failed to file a loan modification application or even contact Nationstar to discuss Mr. and Mrs. Harrington's mortgage.

260. Mr. Harrington never received a loan modification or the promised refund. Mr. Harrington is currently facing foreclosure proceedings.

(e) Mike Wood

261. In or about August 2009, Mike Wood started to face financial difficulties impacting his ability to make his mortgage payments. Before encountering Defendants, however, Mr. Wood was not behind on his mortgage payments.

262. At this time, he began conducting searches for loan modification services. During his search, he encountered a website operated by "Callie Thompson" ("Thompson").

263. At all times relevant to this matter, Mr. Wood had two mortgages on his home. The first mortgage was serviced by Key Bank, the second mortgage was serviced by GMAC mortgage.

264. Ms. Thompson operated a website called "Keep Your Property 911." Upon information and belief, Ms. Thompson is an owner, director, employee, or agent of a third-party company which has a referral relationship with Defendant Green Law.

265. Ms. Thompson's website contained various information about the loan modification process.

266. At this time, Mr. Wood called the number provided on Ms. Thompson's website.

267. During the phone call, Ms. Thompson recommended Defendant Green Law as a legal services company that would be able to help Mr. Wood with his financial difficulties.

268. On August 14, 2009, Ms. Thompson sent Mr. Wood an email attaching a "loan modification package" including a retainer agreement to engage the services of Defendant Green Law.

269. In Mr. Wood's initial conversations with representatives of Defendant Green Law, they stated that they would be able to reduce Mr. Wood's monthly mortgage payments to approximately $800.00-$900.00.

270. Defendants further represented that their loan modification services were provided by or at the direction of attorneys.

271. Defendants represented that their services require an upfront fee of $2,500.00.

272. On September 22, 2009, Gabriel Cano ("Cano"), a "mitigation" representative at Defendant Green Law, sent Mr. Wood a contract for Defendant Green Law's loan modification services and a worksheet for Mr. Wood to complete with information about his expenses and income.

273. Shortly thereafter, Mr. Wood signed the contract, completed the requested paperwork, and submitted the documents to Mr. Cano. Mr. Wood retained Defendant Green Law to obtain a loan modification as to both mortgages on his home.

274. Mr. Cano and other representatives at Defendant Green Law would periodically contact Mr. Wood for additional paperwork. Mr. Wood heeded these requests. On January 13, 2010, Mr. Wood emailed Mr. Cano for an update on his

application. He also stated that since he had not recently received a call from his lender, Key Bank, he "assum[ed] they [were] talking to [him]."

275. On the same date, Mr. Wood received an email from Matthew Swift, "Operations Manager" at Defendant Green Law in response, stating that Mr. Cano was no longer with the firm but that his "case is being worked on by Kevin Castro one of our team attorneys."

276. On this same date, Mr. Wood sent an email to Kevin Castro ("Castro") stating that he "expect[s]" Mr. Castro will update him on necessary developments on his loan modification application and asking if he had received Mr. Wood's documents.

277. Again on this same date, Mr. Castro sent an email to Mr. Wood stating that if he paid $1,203.76 for a three-month trial period to his lender, a modification would be forthcoming. This email also stated, "I realize the payment may be the same as you were paying but once the modification is complete and the program chosen that will be reduced considerably."

278. The email indicated that Mr. Castro operated his own law practice, "Law Office of Kevin Michael Castro" at a different address than Defendant Green Law, 430 Middle Country Road, Selden, New York 11784.

279. Shortly after Mr. Wood agreed to the three-month trial period through Mr. Castro, he received a letter from his lender stating that his mortgage payments would be $1,400.00 but there was no mention of a three-month trial period or an upcoming loan modification.

280. Mr. Wood had little to no contact with Mr. Castro after this email exchange.

281. In February 2010, another employee of Defendant Green Law sent an email to Mr. Wood requesting several more financial documents to "further process" his loan modification.

282. In one of these emails, dated February 25, 2010, the employee of Defendant Green Law asked for several more financial documents from Mr. Wood. Mr. Wood responded on this same date, stating that he was "outraged" that after submitting various documents, he still had not received a modification for lower mortgage payments and his lender had increased his payments. Mr. Wood also explained that he and his wife "fear not having a house."

283. The Defendant Green Law employee responded that he "appreciate[s]" Mr. Wood's "patience with the process." He also stated that the "threat of bankruptcy may be enough to get things moving" on the loan modification. The employee represented in this email that Defendant Green Law represented the "best team of attorneys in the country" and that if "[they] can't do it, nobody can."

284. Soon after, the Defendant Green Law employee represented that he was working to "appeal" the lender's decision. He also stated at some point that he may need Mr. Wood to contact his lender to reject their payment "offer" but the employee explained that he would reach out to Mr. Wood if this was needed.

285. Mr. Wood continued to work with the Defendant Green Law employee in hopes of receiving a loan modification. On April 19, 2010, Mr. Wood wrote to the employee explaining that he was "upset" and that he would "love the help [he] paid for." Mr. Wood explained to this employee that he and his wife wanted any options that would allow them to stay in their home. Mr. Wood also stated at this time that he would try to

pay $8,000.00 to his lender by January 2011 if they would allow him to pay it in installments.

286. On April 21, 2010, the Defendant Green Law employee responded to Mr. Wood's email and stated that he would be happy to present Mr. Wood's "offer" and help "negotiate a settlement." The employee asked Mr. Wood at this time to send him a signed writing outlining the terms of his offer and that he would present it on Mr. Wood's behalf. Mr. Wood sent this letter as requested on May 10, 2010.

287. The Defendant Green Law employee responded to Mr. Wood's email on the same date and stated that he sent the settlement letter to the lender. He also explained that it would be better to "settle off with them as opposed to paying back the entire balance through a [bankruptcy] trustee."

288. On May 13, 2010, the same Defendant Green Law employee emailed Mr. Wood representing that he spoke with his lender and they received Mr. Wood's settlement offer and would be sending him a package shortly. The Defendant Green Law employee represented that Mr. Wood's lender would generate a response within 30-60 days.

289. On June 10, 2010, Mr. Wood emailed the Defendant Green Law employee for an update on his offer. The employee responded on the same date, stating that he just spoke with Mr. Wood's lender and confirmed that they had received his settlement offer. He also stated at this time that the offer was "in review with the workout department" and that Mr. Wood should expect a call the following week.

290. On July 7, 2010, Mr. Wood sent an email to the Defendant Green Law employee to obtain the status of his loan modification. This time, the employee

responded that Mr. Wood's lender had mistakenly sent out a package regarding a short sale instead of the appropriate documents and that this explained why Mr. Wood had yet to receive a response. The employee represented that he discussed the possibility of settlement with Mr. Wood's lender but that they were unwilling to settle for anything less than $50,000, which the employee stated was "obviously not acceptable."

291. In this email, the Defendant Green Law employee also stated that Mr. Wood might be able to offer another repayment plan that would require an initial $917.00 and then the lender would work with them to negotiate an affordable payment.

292. Mr. Wood responded to this email asking how they could move forward in negotiating a payment arrangement such as the one suggested by the employee. In response, the Defendant Green Law employee promised to speak to Mr. Wood's lender about arranging a modification, but he also stated that bankruptcy might be a "better option" to repay the mortgage loan.

293. On July 15, 2010, Mr. Wood sent an email to the same Defendant Green Law employee expressing his frustration with the process. He asked the employee to clarify his comment about bankruptcy being a better option for his family. In this email, Mr. Wood also explained that he had consulted with a local attorney who he was more comfortable listening to because he was confident that this person was an attorney whereas he was not sure about the qualifications of the employee or other representatives at Defendant Green Law. Mr. Wood asked the employee if he was an attorney in the email. Upon information and belief, the employee is not an attorney licensed in any jurisdiction within the United States.

294. In 2010, Mr. Wood ceased communicating with Defendant Green Law, believing that it would not after all be able to obtain the low mortgage payment amount of $800.00 as originally promised.

295. In or about late 2010, Mr. Wood requested a refund of the $2,500.00 he paid in upfront fees to Defendant Green Law. Representatives at Defendant Green Law refused to grant a refund, claiming that they had performed work on Mr. Wood's loan modification application.

296. Even after Mr. Wood had worked with Defendant Green Law for a significant amount of time, his lender, GMAC, still had no record of contact with Defendant Green Law or its employees.

297. Mr. Wood never received the promised loan modification or a refund of his upfront fee.

(g) Colleen Petrishin

298. In November 2009, Ms. Petrishin began to face financial difficulties due to her husband's death. Less than one year later, Ms. Petrishin became unable to make her mortgage payments on her income alone.

299. In mid-2010, Ms. Petrishin contacted First Niagara, her original lender, for help with her mortgage. First Niagara said she could do a loan modification based on hardship through Citi, the lender with whom Mr. Petrishin had refinanced their mortgage before his death. Ms. Petrishin thereafter reached out to Citi and asked for such a loan modification; that same month, in late June 2010, Citi reduced her monthly mortgage payment by $100 to $1,029/month (it previously had been approximately $1,128/month). Because of Ms. Petrishin's limited income, she could not make even these payments.

300. In January 2011, Ms. Petrishin began searching online for information on loan modifications. She filled out an online application for Defendant Green Law, whose website she had discovered through her searches.

301. On January 10, 2011, Ms. Petrishin received a form email from Defendant Gelfand responding to her online application, with the subject line, "Free Legal Review!" The email emphasized that the service Defendant Green Law was providing would be free, requested that Ms. Petrishin fax back certain paperwork as soon as possible, and quoted (inaccurately) a statement of California Congresswoman Maxine Waters about the futility of individuals' seeking loan modifications on their own. Ms. Petrishin did not send Defendant Green Law anything after receiving this email.

302. On January 12, 2011, Defendant Gelfand called Ms. Petrishin while she was at work and identified himself as Defendant Green Law's Director of Client Relations. He told her that Defendant Green Law's consultation was free, but that if she chose to go forward with them, she would have to pay a fee to cover legal expenses. Defendant Gelfand said he did intake for Defendant Green Law – in other words, he decided which cases to pass on to the lawyers. Defendant Gelfand said that Defendant Green Law would be taking care of all of the communications with Citi. Defendant Gelfand also took certain personal financial information from Ms. Petrishin over the phone, including information about her mortgage and her income.

303. Ms. Petrishin decided to work with Defendant Green Law because of Defendant Gelfand's representations that Defendant Green Law was a law firm, that it had successfully obtained loan modifications for people in situations similar to hers, and

that it had worked with the government – through a government-funded program – to help people in her situation.

304. During their January 12, 2011 conversation, Defendant Gelfand told Ms. Petrishin that lawyers at Defendant Green Law could help her with her situation and that her case was a "no-brainer." He stated that he had reached this conclusion after speaking with the lawyers at Defendant Green Law, and he gave Ms. Petrishin the impression that there were multiple lawyers working there. Defendant Gelfand further stated that Defendant Green Law would get Ms. Petrishin's interest rate reduced to 2.5%, which would cut her monthly payments in half. He also told her that her loan modification would be completed within two months.

305. Not long after this conversation, in mid-January 2011, Defendant Gelfand emailed Ms. Petrishin paperwork to fill out, including a "Pre-Attorney Review Questionnaire" and a "Getting Started" package. This paperwork requested her financial statements, her mortgage statement, her pay stub, her bank statement, a copy of her husband's death certificate, a letter of hardship, and certain legal paperwork. Ms. Petrishin faxed the requested documents back to Defendant Green Law on January 20, 2011. On January 26, 2011, Kristy Caporale, an employee at Defendant Green Law, emailed Ms. Petrishin requesting additional paperwork, some of which she had already filled out in the initial package. Ms. Petrishin faxed Ms. Caporale the additional paperwork she had requested on January 27, 2011.

306. Defendant Gelfand also had said during the January 12, 2011 conversation that Defendant Green Law would need an upfront payment of $2,850 from Ms. Petrishin for legal fees. Defendant Gelfand took her credit card information at that time, and over

the next three months, Defendant Green Law charged her card the following amounts: $1,000 on January 20, 2011; $925 on February 20, 2011; and $925 on March 20, 2011. Ms. Petrishin paid off all of these charges.

307. Defendant Gelfand also had asked Ms. Petrishin in their January 12, 2011 conversation how far behind she was on her mortgage payments. She said she was not at all behind, and he told her that timely payments would compromise her efforts to obtain a loan modification because they belied any claim of hardship. Later in January 2011, Ms. Petrishin started to talk to Ms. Caporale. Ms. Petrishin believed Ms. Caporale to be a lawyer, but her actual title was "Senior Legal Assistant."

308. Ms. Caporale would call Ms. Petrishin back after she called and left voicemail messages with Defendant Gelfand. In her conversations with Ms. Petrishin, Ms. Caporale said, "quit paying, you need to show a hardship." In late February 2011, another employee of Defendant Green Law began calling Ms. Petrishin as well, and she reiterated that Ms. Petrishin needed to stop making her mortgage payments in order to demonstrate hardship. She stated that Defendant Green Law would deal with Ms. Petrishin's lender and that she should not contact the lender.

309. Following the advice of these employees of Defendant Green Law, in April 2011, Ms. Petrishin stopped paying her monthly mortgage payments. When she was two months behind on her monthly payments, she contacted Citi out of concern that she would lose her home. Following that phone conversation, in mid-May 2011, Ms. Petrishin sent Citi one month's payment on her mortgage. When, in a subsequent phone conversation, Ms. Petrishin told Defendant Green Law that she had made that payment, employees of Defendant Green Law reprimanded her, saying, "we're supposed to take

care of contacting the bank and saving your home." At the end of that conversation, Ms. Petrishin still believed that Defendant Green Law was taking care of her loan modification application.

310. Throughout April 2011, Ms. Caporale and the other Defendant Green Law employee contacted Ms. Petrishin requesting updated paperwork, including pay statements, the first page of her insurance statement, and other documents. They represented that Defendant Green Law was working on her modification. Whenever she called back, she would get Defendant Gelfand's voicemail. In their calls with Mrs. Petrishin, Defendant Green Law employees would reassure her and say: "it's all going fine, it's working, it will only take a couple more weeks."

311. In mid-April 2011, Ms. Petrishin called Defendant Green Law to check in. The employee of Defendant Green Law who answered the phone sounded disorganized and said that Defendant Green Law was "revamping." The employee also told Ms. Petrishin that Defendant Green Law had dropped her case because it lacked sufficient paperwork. Ms. Petrishin told the employee of Defendant Green Law that that was not true, and stated that she had copies of everything that she had faxed to Defendant Green Law from her office.

312. On April 25, 2011, Defendant Cohen – the new "public relations" person at Defendant Green Law – called Ms. Petrishin to follow up on the preceding phone conversation. He said that Equity First would be helping her from that point forward because Defendant Green Law was revamping its office and had lost track of which Defendant Green Law employee was in charge of each client's case.

313. In June 2011, an Equity First employee called Ms. Petrishin and informed her that they were working with Defendant Green Law on her loan modification application. The Equity First employee also told Ms. Petrishin that Equity First needed copies of her pay stubs and paperwork, all of which needed to be "updated."

314. On June 8, 2011, Ms. Petrishin received a letter from Equity First explaining that her case had been transferred to them on April 15, 2011. In this letter, Equity First held itself out as a separate company from Defendant Green Law. This letter also purported to function as a release, in that Ms. Petrishin was required, by affixing her signature, to acknowledge that Equity First "is not affiliated with the Law Office of David Green," is "a processing company helping to follow up and facilitate the loan modification process for the Law Office of David Green," and "[i]s NOT associated in any manner with the Law Office of David Green." The letter further stated that Defendant Green Law had "retained the services of Equity First to facilitate their clients' loan modifications." Ms. Petrishin faxed her new paperwork to "Rhonda" at Equity First who, like the other Equity First employees with whom Ms. Petrishin spoke, never provided her last name.

315. On June 27, 2011, Ms. Petrishin received another letter from Equity First requesting basically the same information as before, as well as a copy of her husband's death certificate.

316. Throughout this entire process, Ms. Petrishin never met with or talked to a lawyer. She was under the impression from her conversations with Defendant Gelfand that a lawyer would be calling her to ask her about her difficulties and the loan modification she was seeking. Defendant Gelfand, Ms. Caporale and Defendant Cohen

repeatedly told her that lawyers were working on her case and that she was making the right choice by going with them because other loan modification organizations did not have lawyers working with them. No lawyers, however, called Ms. Petrishin throughout her relationship with Defendant Green Law and Equity First.

317. In August and September 2011, Equity First frequently contacted Ms. Petrishin and asked for more of her pay stubs and bank statements in order to keep her income updated, despite the fact that it had not changed. During this period, Citi called Ms. Petrishin requesting her bank statements. Ms. Petrishin told Citi that Equity First was handling the loan modification process for her and could provide Citi with the relevant documents. After that, Citi was in contact with Equity First exclusively.

318. In early September 2011, Equity First called Ms. Petrishin saying James O. Oduor would be her contact at Citi regarding the loan modification.

319. On September 20, 2011, Ms. Petrishin received a modification package in the mail from Citi. However, instead of cutting her monthly payments in half, as Defendant Gelfand and Equity First had promised, the new package merely reduced her payments by $80 per month.

320. After receiving the modification package, Ms. Petrishin called Equity First and left a message, but no one ever called her back. Ms. Petrishin did not end up proceeding with the loan modification because she cannot meet the monthly payments it prescribes. She called the "Hope Line" (provided by Citi) and complained about Defendant Green Law and Equity First, and she also sought Citi's assistance in revising her loan modification package.

321. On or about October 14, 2011, Ms. Petrishin received a letter of foreclosure from Citi. The last time that she heard from anyone at Defendant Green Law was in April 2011. She has not been paying her mortgage payments on Defendant Green Law's advice.

322. Ms. Petrishin is currently working with Citi on a loan modification.

(h) Patsy and Salvatore Biondo

323. Patsy and Salvatore Biondo ("the Biondos") own their home at 7714 Peekskill Lane, Houston, Texas 77075, and have lived there since 1978. Their mortgage payments currently are $793.53 per month. Both of the Biondos' names are on the mortgage. Their mortgage servicer is AHMSI. At some point prior to 2010, AHMSI bought their mortgage loan from Option One Mortgage Corporation.

324. The Biondos have terminal health problems: Mrs. Biondo has had a stroke and a heart attack in the past two years, preventing her from working a steady job; and, in the fall of 2009, Mr. Biondo was diagnosed with prostate cancer. When Mr. Biondo told his boss he had cancer, he fired him, giving him only one week's severance pay and one week's vacation pay. Because Mr. Biondo consequently went from having $1,000 in weekly income to nothing, and became unable to work because of the effects of chemotherapy and surgery, the Biondos desperately needed to get a loan modification.

325. The Biondos began to fall behind on their mortgage payments in December 2009, and they received letters from AHMSI alerting them to the delinquency of their payments on January 21, 2010 and March 22, 2010. They attempted to resolve this situation by seeking a modest loan modification from AHMSI in late 2009, which they received and which reduced their monthly payments by $100. Because of the

applicable back taxes, however, even the reduced payment amount became unmanageable for the Biondos by early 2010.

326. In a letter dated March 17, 2010, AHMSI notified the Biondos that they qualified for President Obama's Home Affordable Refinance Program and that it had been 15 days since AHMSI sent them a HAMP package. AHMSI urged the Biondos to return the package as soon as possible. The Biondos sent all of the requested documents in late March and early April 2010, but on May 10, 2010, AHMSI sent them a letter saying they did not qualify for a HAMP modification after all.

327. In a letter dated May 18, 2010, Moss Codilis, L.L.P., the attorney for AHMSI, notified them that they were in default of their mortgage obligations as of April 1, 2010, that they were required to pay $3,825.92 by June 22, 2010, and that if they failed to do so, AHMSI would "accelerate the entire sum of both principal and interest due and payable, and invoke [] remedies . . . including but not limited to the foreclosure sale of the property."

328. Around the same time, Mr. Biondo saw an online advertisement for Defendant American Home. The advertisement led him to believe that American Home helped people who were in crisis, and it explained how American Home helped people seeking to refinance their mortgage and/or who face foreclosure. The Biondos were never in foreclosure but because they were barely scraping by on disability income, they began getting behind on their mortgage payments. The advertisement's description of the services provided by Defendant American Home appealed to Mr. Biondo because he wanted some legal support in case he and Mrs. Biondo went into foreclosure. He did not

want to lose his home. At that time, the Biondos' monthly mortgage payments were $1,080.

329. Mr. Biondo called Defendant American Home in May 2010 shortly after seeing its advertisement, and he spoke with someone at the company who then passed him on to Defendant Gelfand. Defendant Gelfand said he was on Defendant American Home's staff. Defendant Gelfand also told Mr. Biondo that for a fee of $2,500.00, Defendant American Home would get his mortgage loan modified and reduce his monthly payments to $500.00. Defendant Gelfand said, "I can't really tell you not to pay your house note, but you really need to get this fixed and it costs $2,500." Mr. Biondo responded saying he could not pay both his monthly mortgage payments and $2,500 to Defendant American Home, to which Defendant Gelfand replied, "we can set it up so you'll make three payments—we'll take care of fixing it." Defendant Gelfand implied that the Biondos should not make any mortgage payments until the entire process was completed.

330. When Mr. Biondo said that they already were working directly with their mortgage servicer to get a modification, Defendant Gelfand told him that that was not going to work out, and that they needed an outside person stepping in to make something happen. Defendant Gelfand explained to Mr. Biondo that going through Defendant American Home was superior to working personally with one's lender or servicer because Defendant American Home would be talking to different people at the lender/servicer than the homeowner would. Defendant Gelfand also promised Mr. Biondo, who had expressed concern about the prospect of foreclosure and wanted legal representation to prevent foreclosure if he ended up missing additional mortgage

payments, that Defendant American Home would stop the foreclosure if the Biondos ended up heading in that direction.

331. Defendant Gelfand further promised Mr. Biondo that Defendant American Home would make the Biondos' payments affordable enough to live on – specifically, Defendant Gelfand said that Defendant American Home would reduce the payments "a great deal." Defendant Gelfand further stated that Defendant American Home did thousands of modifications. He said the $2,500.00 upfront payment was for legal fees and document expenses for the necessary paperwork.

332. Defendant Gelfand also told Mr. Biondo not to contact his mortgage servicer, assuring him that Defendant American Home would take care of the communications.

333. Defendant Gelfand further explained to Mr. Biondo that Defendant American Home would be working with Defendant Margolin Law. Defendant Gelfand led Mr. Biondo to believe that Defendant Margolin Law was affiliated with or related to American Home.

334. Defendant Gelfand indicated that one or more lawyers would be working on the Biondos' behalf. The Biondos never thought that Defendant American Home was a law firm; rather, based on its name, the Biondos thought that Defendant American Home was an advocacy program set up by President Obama to help people, that it was part of the federal government's home loan modification program, and that Defendant American Home was capable of determining whether the Biondos qualified for such a loan modification. Based on Defendant Gelfand's representations, the Biondos thought Defendant Margolin Law was the law firm that would be providing them with legal

services. Defendant Gelfand made it sound as though Defendant American Home was a few offices away from Defendant Margolin Law's office, and that everything, therefore, would be processed quickly.

335. After this conversation, Defendant Gelfand sent the Biondos a "Pre-Attorney Review Questionnaire" which was on Defendant American Home's letterhead. Mr. Biondo filled it out and faxed it to American Home. On June 3, 2010, Kristy Caporale, who represented herself as a administrative assistant at Defendant American Home, emailed the Biondos various "attorney documents for the Law Office of Brett Margolin," including a "Loan Modification Application Form" on the letterhead of The Law Office of Brett Margolin, P.C., 2758 Middle Country Road, Suite 202A, Lake Grove, New York 11755 (phone: 888-305-9222; fax: 866-235-1638; website: www.margolinlawpc.com). Defendant Gelfand and Defendant Barry Cohen were copied on this email. The letterhead of Defendant Margolin Law had a logo and slogan very similar to those of Defendant American Home.

336. The Biondos filled out and signed the application form on June 4, 2010, and completed new HAMP paperwork on June 9, 2010. In that application, the Biondos provided Defendant Margolin Law with their checking account information and agreed to pay $1,000 that day, $875 on 7/2/2010, and $625 on 8/2/2010, "if applicable" (totaling $2,500). The final payment was to be paid upon obtaining the loan modification. On or shortly after the first two appointed dates, Defendant Margolin Law withdrew the agreed-upon amounts from Mr. Biondo's checking account.

337. In the meantime, the Biondos did not completely give up on the prospect of obtaining a HAMP modification through AHMSI. The fact that they often did not hear

from AHMSI for months at a time, and had not heard anything from them regarding a HAMP modification after receiving their May 10, 2010 letter, substantiated Mr. Biondo's belief that he and Mrs. Biondo needed to work through external channels to obtain a loan modification and avoid foreclosure.

338. After faxing Defendant Margolin Law their application package in early June 2010, the Biondos received a letter later that month from Defendant Margolin Law. (Defendant Margolin Law's letters were never dated.) The letter stated: "We will work on your behalf. Our legal staff will work diligently with your lender to save your home and move you forward towards financial stability." From this point on, the Biondos did not receive another letter from Defendant American Home. After the initial call, Defendant Gelfand never answered nor returned the Biondos' calls.

339. Soon after they sent the Biondos the June 2010 letter, Defendant Margolin Law's office started calling the Biondos almost daily requesting IRS returns, letters of hardship, proof of income, and other documents. The Biondos routinely faxed the requested statements and letters back to Defendant Margolin Law.

340. Meanwhile, the Biondos received a letter from Moss Codilis, L.L.P. dated June 22, 2010, notifying them that they remained in default on their mortgage and were required to pay $5,023.04 by July 27, 2010 in order to avoid AHMSI's acceleration of the entire sum of both principal and interest due and payable on the Biondos' mortgage.

341. After the Biondos had been working with Defendant Margolin Law for approximately one month, a female employee at Defendant Margolin Law's office called the Biondos and told them they would be getting a letter from AHMSI regarding their

loan modification, that they should fax it to her when they received it, and that they would then discuss it.

342. About three days later, in early to mid-July 2010, AHMSI sent the Biondos a letter saying they were working with President Obama's mortgage program and would give them a modification. The Biondos then faxed this letter to Defendant Margolin Law's office and spoke with the employee about it, but she just read the letter back to them verbatim over the phone. Mrs. Biondo at that moment sensed that Defendant Margolin Law had not contributed any work to this result, so she asked the woman for proof that Defendant Margolin Law had facilitated the modification. The employee was unable to answer that question, and, therefore had her supervisor call the Biondos back (whose position and legal background, if any, were unclear, but who was employed by Defendant Margolin Law). That supervisor also was unable to provide the Biondos with proof that Defendant Margolin Law had been in touch with AHMSI.

343. Over the next few days, still in July 2010, Mrs. Biondo called AHMSI and reached one of AHMSI's lawyers. Mrs. Biondo asked the lawyer if AHMSI had had a conversation with Defendant Margolin Law about a loan modification on the Biondos' behalf. AHMSI's lawyer said, "no, we haven't spoken to any lawyers; we have not received anything from them or been in contact with them—this is strictly coming from us."

344. After her conversation with the lawyer at AHMSI, Mrs. Biondo called Defendant Margolin Law's office and told the person who answered the phone that she had spoken with her mortgage servicer and that it had no record of Defendant Margolin Law's having contacted the servicer on the Biondos' behalf. The person who answered

the phone at Defendant Margolin Law became very defensive and could not answer Mrs. Biondo's questions. Mrs. Biondo asked him to prove that his office had done the job requested, but all he could say in reply was "we deal with the legal department" at AHMSI. She continued to ask for proof of the work Defendant Margolin Law had done and requested to speak with Defendant Margolin himself.

345. Sometime in late July 2010, Defendant Margolin Law sent the Biondos a copy of its internal office records on the Biondos' mortgage, in response to Mr. Biondo's threat that he would not make the third payment. At this time, Mr. Biondo routinely called their office asking to speak to Defendant Margolin more than once a day, but those who answered the phone at Defendant Margolin Law never put him through to Defendant Margolin. Another male employee eventually called Mrs. Biondo back and said Defendant Margolin Law had done everything it had been asked to do. Mrs. Biondo told the employee that she would file a complaint against Defendant Margolin Law with the Texas Attorney General.

346. Taking matters into his own hands in late July 2010, Mr. Biondo went to his and Mrs. Biondo's bank and changed his checking account number to prevent Defendant Margolin Law from making the third bank draft. Defendant Margolin Law thereafter did not contact the Biondos in an attempt to get the third payment.

347. Soon after Mrs. Biondo's last conversation with the Defendant Margolin Law employee, the Biondos started calling the offices of various Attorneys General and other enforcement agencies to complain about Defendant Margolin Law, including the Texas and New York Attorneys General's offices, with which the Biondos lodged complaints.

348. Mr. Biondo subsequently called Defendant Margolin Law's office a few additional times requesting a refund of the $1,875.00 and an opportunity to speak with Defendant Margolin. Mr. and Mrs. Biondo never received a refund, and never were able to reach Defendant Margolin directly.

349. Mr. Biondo's last communication with Defendant Gelfand was on August 5, 2010. Defendant Gelfand called Mr. Biondo back after he had called him, and he ordered Mr. Biondo not to call Defendant Margolin ever again, implying that Mr. Biondo was bothering him. The Biondos never called Defendant Margolin again..

350. The Biondos ultimately received a loan modification through AHMSI. The Loan Modification Agreement is dated September 1, 2010. They made their first payment at the new rate on October 1, 2010. The Biondos are now current on their mortgage payments. They still have not been refunded the $1,875.00 by Defendant Margolin Law or any other entity.

(i) Charlene Farino

351. Mrs. Farino and her husband have never fallen behind on their mortgage payments and have never been in danger of foreclosure. Approximately two years ago, Mrs. Farino began exploring options for mortgage relief, including through their lender, Chase. The couple's mortgage was larger than the value of their home, and they were struggling to make ends meet.

352. Mrs. Farino and her husband are retired. Mrs. Farino, age 73, receives income from Social Security and a government retirement plan. Her husband, age 90, receives income from Social Security, military retirement and veterans' disability benefits.

353. The Farinos were making interest-only monthly payments on their adjustable rate loan and were interested in switching to a payment structure that would apply a portion of their monthly mortgage payment to the loan's principal.

354. Mrs. Farino was first contacted by phone by Defendant Phillips in or about March 2011. This was an unsolicited call.

355. During this first call, Defendant Phillips identified himself as a "mortgage specialist" who worked for a company called "Living in Reverse," located at 378 Willis Avenue, Minneola, New York 11501. On another occasion, Defendant Phillips instructed her to use 591 Stewart Avenue, Garden City, New York 11530 as his business address.

356. On their call, Defendant Phillips claimed to have a friend who worked for a company Mrs. Farino previously consulted for loan modification services. Through information obtained from his friend, he said he had learned that Mrs. Farino was interested in a loan modification, but was frustrated by the complex and cumbersome application process and had decided to abandon her efforts.

357. Defendant Phillips assured Mrs. Farino that she and her husband were qualified for a loan modification and/or a 2% interest rate reduction.

358. He offered his company's loan modification services, explaining that his company would prepare her application, submit it to Chase, and work directly with Chase throughout the process to obtain a loan modification on her behalf.

359. Defendant Phillips also informed Mrs. Farino that as part of the services offered by his company, she would be working with an attorney, who he identified as Defendant Green.

360. Mrs. Farino did not agree to retain Defendant Phillips during this first call.

361. Defendant Phillips called Mrs. Farino again in April 2011 to offer the same loan modification services. He assured her again that she and her husband qualified for a loan modification.

362. During this call, Mrs. Farino agreed to retain Defendant Phillips.

363. At this time, Defendant Phillips demanded a $3,000.00 fee for the loan modification assistance, which Mrs. Farino was required to submit prior to completion of the services being offered.

364. At this time, Mrs. Farino understood that her $3,000.00 one-time payment would be transmitted through PayPal to a company associated with Defendant Phillips, known as "591 Capital, Inc." Mrs. Farino gave Defendant Phillips her credit card number over the telephone.

365. Approximately two weeks later in mid-April, Defendant Phillips called Mrs. Farino again to inform her that Defendant 591 Capital was no longer able to accept PayPal payments.

366. After a few weeks of communications with Defendant Phillips regarding her payment, Mrs. Farino agreed to submit payment in the form of a $3,000.00 certified check instead. Defendant Phillips instructed her to make the check payable to "David M. Green, Esq." and to mail it to "Green Law Group, Attention James Lloyd, 329 Hempstead Turnpike, West Hempstead, New York 11552." Mrs. Farino mailed the certified check on or around May 24, 2011 and mailed it according to Defendant Phillips' instructions on or around that same day.

367. In or about April 2011, after providing her credit card number, Defendant Phillips mailed Mrs. Farino several forms and documents for execution. The various documents bore the letterhead of Defendants 591 Capital, Green Law or Green.

368. These documents included a "Working Agreement," dated April 20, 2011, which bore the letterhead of Defendant 591 Capital, with a location of 591 Stewart Avenue, Suite 150, Garden City, New York 11530.

369. The Working Agreement signed by Mrs. Farino's husband contained the following relevant provisions:

a. "The undersigned homeowner (referred to as "Client" whether one or more employs 591 Capital, Inc., (referred to as "591 Cap"), to act as Client's agent in assisting Client to resolve difficulties, delinquency, and/or foreclosure situations with the client's mortgagees."

b. "**CHARGES: Upon completion of its services as defined herein,** 591 CAP will charge a fee of one (1%) percent of the current mortgage balance(s) including any arrearage, with a minimum fee of $1,950 should the balance be lower than $175,000 ("Fee"). The total fee as of today's date, this day of April 18, 2011, is $3,000. If 591 CAP is unable to obtain any Solution as mentioned above, client will receive a refund of the fee as provided herein, providing the fee is paid in full. Notwithstanding the foregoing, Client understands and agrees that after 591 CAP has fully completed performance of its services as defined in the within agreement, client shall pay 591 CAP a non-refundable processing fee in the amount of $595.00."

370. The package of documents also included a "Payment Authorization Form" which bore the letterhead of Defendant Green and listed his address as 591 Stewart Avenue, Suite 500, Garden City, New York 11530. This form referenced a separate retainer agreement, and contained the following relevant language: "Your signature confirms you have read, understand and agree to the payment and refund terms and conditions as stated in the Attorney Retainer Agreement." Mrs. Farino did not receive or execute an "Attorney Retainer Agreement" at any time during her work with Defendants Green, Phillips, Green Law or 591 Capital.

371. After submitting the completed forms, Mrs. Farino did not hear from the Defendants for approximately three months. During this period, Defendants failed to provide any updates on the status of her application.

372. On August 3, 2011, Mrs. Farino received a telephone call from James Lloyd, who explained that he was a file manager employed by Defendant Green Law. Mr. Lloyd provided a brief update on Mrs. Farino's application. Dissatisfied with this update, Mrs. Farino requested and called Defendant Green's direct telephone number.

373. On or about August 3, 2011 Defendant Green called Mrs. Farino in response to her voice mail message. He assured her that he would personally complete her loan modification application to make sure that she qualified.

374. Defendant Green also indicated that he would personally prepare the complex financial calculations.

375. Defendant Green further represented that he had personal contacts at Chase that he would call upon to make sure her application was approved.

376. Mrs. Farino did not hear from the Defendants again until the week of September 18, 2011 when Mr. Lloyd called to provide another update.

377. During this call, Mr. Lloyd represented that he and Defendant Green were working on her application and that they had been in contact with Chase.

378. During this call, Mr. Lloyd also requested numerous additional items of financial information from Mrs. Farino to help complete the hardship demonstration section of her application.

379. In or around August or September, Chase contacted Mrs. Farino regarding their independent review of her eligibility for a loan modification. Based on her contact with Chase, Mrs. Farino was aware that Chase only needed one additional item of information – her credit report – to finish processing her application and to render a decision.

380. During their September call, Mrs. Farino explained to Mr. Lloyd that Chase was reviewing her eligibility for a loan modification on its own and she inquired about Defendants' refund policy. Mr. Lloyd claimed that Defendants were responsible for the progress she had made with Chase through her own efforts, and indicated that she would not be eligible for a refund as a result.

381. As of December 14, 2011, Chase has no record of receiving any documents from or any correspondence with Defendants Green, Green Law, or 591 Capital.

382. On October 28, 2011, Mrs. Farino was informed by Chase that she and her husband were not eligible for a loan modification because they did not satisfy the program's hardship requirements.

383. By letter dated November 8, 2011, Mrs. Farino informed Defendants 591 Capital, Green Law, and Green of Chase's denial and requested a refund of $2,405.

384. Mrs. Farino has not received a response to her refund request.

(j) Cynthia Stewart

385. In or about January 2010, Ms. Stewart, a single mother raising two children, began having trouble making her mortgage payments when her monthly expenses increased significantly due to her son entering college and several loan payments becoming due. At this time, Ms. Stewart had one mortgage on her home.

386. In late March 2011, Ms. Stewart received an unsolicited phone call from Alli Murphy ("Murphy"), who introduced herself as an "associate" at a company, Empire Home Savings ("Empire Savings"), working for Defendant Jason Green. When Ms. Murphy emailed Ms. Stewart later in April 7, 2011, she identified herself in the subject line of the email as "Alli Murphy at David Green Law Firm."

387. In or about mid-April 2011, Defendant Jason Green explained to Ms. Stewart that Empire Savings was closely affiliated with Defendant Green Law and Defendant Green, for whom it was processing loan modification applications.

388. During her first cold call in March 2011, Ms. Murphy advertised the loan modification services provided by Empire Savings and Defendant Green Law, and asked Ms. Stewart to come to their office to talk to a specialist about applying for a loan modification. At this time, Ms. Stewart was approximately two months behind in her mortgage payments. Ms. Stewart believes that she was specifically targeted by Ms. Murphy and Defendant Green Law because she was behind on her mortgage payments.

389. During their first phone call, Ms. Murphy told Ms. Stewart that she found her contact information from public banking records at her lender, Bank of America. Ms. Murphy represented that she wanted to help Ms. Stewart and that an "expert" at Empire Savings and Defendant Green Law would be able to secure a favorable loan modification for her and her family. Ms. Murphy encouraged Ms. Stewart repeatedly to "come in," talk to a "specialist," and get additional clarifications in person.

390. Ms. Stewart did not engage Defendant Green Law's services at this time. Ms. Murphy continued to contact Ms. Stewart during the following two weeks, calling almost daily and repeatedly asking Ms. Stewart to come to Defendant Green Law's offices to discuss Ms. Stewart's loan modification needs. When Ms. Stewart asked Ms. Murphy to send her a letter or an email so that she could convince herself that Defendant Green Law was a legitimate business, Ms. Murphy sent Ms. Stewart a blank email with the subject heading "Test." The subject line of the email contained the text "Alli Murphy at David Green Law Firm" and Alli Murphy's signature line linked to http://www.bankattorney.us.

391. When Ms. Stewart received the "test" email from Ms. Murphy, she was disappointed that it did not contain more information, but she believed that it looked professional. Ms. Stewart also reviewed the websites for Empire Savings and Defendant Green Law, and determined that they looked professional as well.

392. In early April 2011, Ms. Stewart went to Defendant Green Law's offices located, at the time, at 591 Stewart Avenue, Suite 100, Garden City, NY 11530. Ms. Stewart entered what she thought was a legitimate local establishment and was met by

Defendant Jason Green in his office on the ground floor. Defendant Jason Green gave her his business card which stated that he was "managing director" at Empire Savings.

393. During this first conversation, Defendant Jason Green represented to Ms. Stewart that he was responsible for mortgage loan modification applications through Empire Savings, a company that was handling client intake for Defendant Green Law. Defendant Jason Green told Ms. Stewart that he had a personal relationship with Defendant Green, whom he had known for the past 3 years. Defendant Jason Green also told Ms. Stewart that, because Defendant Green and his law practice were very busy, Defendant Green had hired Defendant Jason Green to do client outreach and client intake. Defendant Jason Green explained to Ms. Stewart that he had left his well-paid private banking job when Defendant Green asked him to help him start his loan modification business. Defendant Jason Green represented to Ms. Stewart that he joined Defendant Green because he wanted to help people in Ms. Stewart's situation.

394. Defendant Jason Green also represented to Ms. Stewart that he had many responsibilities in his new position: he handled client outreach for Defendant David Green and Defendant Green Law, he personally designed a new website for Empire Savings, and installed a new phone system for the company.

395. Defendant Jason Green also assured Ms. Stewart that lawyers at Defendant Green Law would be working on her loan modification application. He told her that lawyers at Defendant Green Law would prepare the loan modification application, Defendant Green would review it, and then Defendant Green would hand it over to Defendant Jason Green and Empire Savings for final approval and filing with Ms. Stewart's lender.

396. Defendant Jason Green also told Ms. Stewart at this time that he, his company, Empire Savings, and Defendant Green Law "knew" and were familiar with personnel at Bank of America. Defendant Jason Green told Ms. Stewart that he personally knew the modification specialist at Bank of America who was in charge of Ms. Stewart's loan modification application—someone by the name of "Patricia"—and that Ms. Stewart's application already had been approved pending submission of final paperwork. Defendant Jason Green represented to Ms. Stewart that he had already forwarded an incomplete application to "Patricia," who would approve it when she received all the documents from Ms. Stewart.

397. Defendant Jason Green represented to Ms. Stewart that she would not be able to obtain a loan modification by working with Bank of America by herself. In fact, when Ms. Stewart told Defendant Jason Green that she had already applied for a loan modification with her lender on her own, but had only received a reduction of $20.00 per month on her monthly payments, Defendant Jason Green told Ms. Stewart that this was "typical" and that she failed to receive a meaningful modification because she did not have anyone to advocate for her during negotiations. Defendant Jason Green promised that he would serve as an advocate and that her loan modification application would be successful.

398. Defendant Jason Green also told Ms. Stewart that any free programs intended to assist homeowners to secure loan modification would not get her very far because such free programs lacked the benefit of special relationships with banks, including Ms. Stewart's lender, Bank of America. Defendant Jason Green also warned Ms. Stewart that if she chose to engage the services of a free modification specialist, her

loan modification application would linger "forever," because no one would be willing to advocate on her behalf like he would, if she retained his services.

399. Defendant Jason Green also stated during his first meeting with Ms. Stewart that he would "definitely" get Ms. Stewart a loan modification and a lower interest rate on her mortgage payments because she fell under a special category. Defendant Jason Green did not explain to Ms. Stewart to what special category he was referring, but only noted that a lot of people were in Ms. Stewart's situation. Defendant Jason Green told Ms. Stewart that he would be able to get her an interest rate as low as 2%.

400. At this time, Defendant Jason Green guaranteed to Ms. Stewart that she would not lose her home if she hired him and Defendant Green Law to advocate for her interests. Defendant Jason Green asked Ms. Stewart not to worry about anything, to be patient, and to allow him to help her with her loan modification needs. He assured Ms. Stewart that all of her problems would be resolved within a few months.

401. During their first meeting, Defendant Jason Green told Ms. Stewart that his company, Empire Savings, had a 90% success rate in securing loan modifications for homeowners. He assured Ms. Stewart that he had many happy customers. Defendant Jason Green also pressured Ms. Stewart to engage his services, counseling her that the longer she waited, the more likely a foreclosure on her home would be. Defendant Jason Green specifically told Ms. Stewart that she could elect to "do nothing" and lose her home or hire him to advocate for her interests and receive a loan modification.

402. When Ms. Stewart decided to hire Defendant Jason Green, he asked for $2,500.00 in upfront fees for the loan modification services. Defendant Jason Green

promised Ms. Stewart that the fee would be held in an escrow account until her loan modification application was approved and that she was guaranteed a refund if anything went wrong. Defendant Jason Green assured Ms. Stewart on several occasions during their first meeting that the upfront fee was refundable and would be held in escrow. This "money-back" guarantee played a significant role in Ms. Stewart's decision to engage the services of Defendant Jason Green.

403. When Ms. Stewart told Defendant Jason Green that she only had about $2,150.00, which was her bimonthly paycheck, he accepted the lower sum. In late April 2011, Ms. Stewart met Defendant Jason Green in front of her workplace in Lake Success, New York and endorsed her $2,142.49 paycheck over to Defendant Jason Green. When Ms. Stewart asked for a receipt for her records, he gave her a handwritten receipt signed "Jason Green."

404. In mid-April 201, Ms. Stewart signed a contract for loan modification services with Empire Savings. Despite repeated requests, Ms. Stewart never received a signed copy of the contract she entered into with Empire Savings. At Ms. Stewart's insistence, Defendant Jason Green emailed Ms. Stewart a blank copy of the contract on April 7, 2011.

405. After she decided to engage the services of Defendant Jason Green, Empire Savings, and Defendant Green Law, Ms. Stewart was asked to submit support documentation for her loan modification application, such as copies of her mortgage contract, payroll stubs, identification documents, and tax returns for 2009 and 2008. Defendant Jason Green told Ms. Stewart that a woman named Nakita Tecxidor –another

employee at Empire Savings –would ensure that her paperwork was competed and would be responsible for communicating with Ms. Stewart.

406. In mid to late April 2011, Ms. Stewart met with Nakita Tecxidor at the 591 Stewart Avenue address, and gave her all of her paperwork, including original copies of her mortgage agreement with Bank of America. Ms. Stewart's mortgage contract was never returned to her.

407. During their first meeting, Nakita Tecxidor told Ms. Stewart that she would call her with periodic updates and that it would take about two months for her loan modification application to be approved. Ms. Tecxidor called only once, in mid-to-late April 2011, to ask for additional documents, and another time in April 2011.

408. Also in late April, Defendant Jason Green told Ms. Stewart to stop communicating with Bank of America. He advised Ms. Stewart to ignore any attempt by Bank of America personnel to reach out to her. Ms. Stewart believed that stopping communications with her lender would improve her chances of obtaining a loan modification.

409. Defendant Jason Green also asked Ms. Stewart to ignore any foreclosure notices she may receive from Bank of America. Defendant Jason Green explained that, because different departments at Ms. Stewart's lender often fail to communicate with each other, she may receive erroneous foreclosure notifications, which she should simply ignore.

410. Defendant Jason Green suggested that Ms. Stewart delay or stop making her mortgage payments. He counseled that, if the lender believed that Ms. Stewart's financial situation was dire, it would be more willing to extend a favorable loan

modification. Ms. Stewart expressed concern about not paying her mortgage on time and continued to keep up with her mortgage payments as best she could. The only payment Ms. Stewart missed during this period was in April 2011, when she handed over her paycheck to Defendant Jason Green to pay the upfront fee for his services.

411. Shortly after Ms. Stewart paid Defendant Jason Green $2,142.49, she went on vacation for about a week. When she returned, she immediately tried to contact Defendant Jason Green on his cellular phone to check on the status of her loan modification application, but could not reach him. Ms. Stewart left a voicemail message for him, but never heard from him again.

412. Over the course of the next two months, Ms. Stewart called Defendant Jason Green for updates repeatedly, leaving over 25 messages on his cell phone and business phone. Her messages were never returned. One time, Defendant Jason Green picked up the phone when Ms. Stewart called, but immediately hung up when he recognized her voice. Ms. Stewart also drove by the offices of Empire Savings on several occasions from April through June 2011, but never went in, because she was too distraught and was worried about confronting Defendant Jason Green and his employees.

413. Ms. Stewart also called Defendant Green at Defendant Green Law and left several voicemails explaining her situation, asking to be called back, and demanding a refund. Neither Defendant Green nor anyone at Defendant Green Law returned her calls.

414. Via messages on Defendant Jason Green's answering machine, Ms. Stewart requested a refund of the $2,142.49 she paid in upfront fees.

415. In or about June 2011, Ms. Stewart called Bank of America directly to check on the status of her application. She asked whether Defendants Jason Green,

Green or any other employee at Defendant Green Law or Empire Savings had ever contacted the bank on her behalf and was told that there was no record of any action in her file.

416. As of December 31, 2011, no paperwork has ever been submitted and nobody at Defendant Green Law had ever contacted Ms. Stewart's lender concerning a loan modification application.

417. Ms. Stewart has yet to receive a refund of the $2,142.49 she paid in upfront fees. She is currently three months behind on her mortgage and is struggling to prevent falling further behind.

(k) Todd Dean

418. In or about spring of 2010, Mr. Dean began having trouble making his mortgage payments on his home, which he bought in 2002.

419. Mr. Dean has had a mortgage on his home for over nine years, which is serviced by Wells Fargo. As of September 2010, the principal on his mortgage was $61,162.69 and his monthly mortgage payments were $767.31.

420. Mr. Dean lives in his home with his 16-year-old daughter, Chelee, and his girlfriend, Cherriel. Mr. Dean supports both of them financially and also pays $250 each month in child support.

421. In or around mid to late August 2010, Mr. Dean received a phone call from Defendant Allison, an employee of Defendant Green Law. During their first conversation, which lasted for over one hour, Defendant Allison told Mr. Dean that he had his contact information from an online loan modification form, which Mr. Dean had

filled out the day before. Mr. Dean does not recall the website address for this entry, but he remembers that he searched for "loan modification" online and found a simple form, which asked for his name, home address and email information. Defendant Allison then told Mr. Dean that he worked for Green Law, and that he could help Mr. Dean receive a loan modification from his lender, Wells Fargo.

422. Prior to his first contact with Defendants Allison and Green Law, Mr. Dean was about four months or approximately $6,500.00 behind on his mortgage payments. Mr. Dean was worried that he would lose his home, and he was desperately trying to find someone to help him.

423. When Defendant Allison told Mr. Dean that he could help him obtain a loan modification for an upfront fee of $2,500.00, Mr. Dean wavered because he knew that he could not afford it. Noticing his reticence, Defendant Allison asked: "would you like to keep your house?" Mr. Dean said "yes." Defendant Allison then asked Mr. Dean how much money he had available at the time. Defendant Allison never indicated to Mr. Dean that he could obtain loan modification services free of charge from a government-approved housing counselor. In response to Defendant Allison's question about Mr. Dean's savings, Mr. Dean told him that he had managed to save about $750, which he was planning to give to Wells Fargo. Defendant Allison told Mr. Dean not to send the money to Wells Fargo, because he would not be able to know what happened to it, and to give it to Defendant Allison instead.

424. Defendant Allison then offered to allow Mr. Dean to pay the upfront fee in installments. Between September 2010 and late December 2010, Mr. Dean paid

Defendant Allison and Defendant Green Law $2,400.00 by money order and wire transfer. Mr. Dean made an upfront payment of $1000 in early September, payments in October and November, and another $900 payment in late December. Before Mr. Dean's last $1000 payment was due in December 2010, Defendant Allison called Mr. Dean and told him that if he wired $900 by the next day, Defendant Allison would consider Mr. Dean's upfront fee paid in full. Mr. Dean borrowed $100 from his boss and wired the money to Defendant Allison's account. Every month from September to December 2010, Mr. Dean set aside money from each paycheck to be able to pay his scheduled payments to Defendants Allison and Green Law.

425. During their first phone call, Defendant Allison assured Mr. Dean that he was working for "a certifiable law firm" and encouraged him to go on the Internet and find information about David Green, who is a "respectable lawyer." Because it was important to Mr. Dean that lawyers prepare his loan modification application, Mr. Dean distinctly remembers Defendant Allison repeatedly telling him that attorneys at Green Law would work on his submission.

426. During the same first phone call, Defendant Allison told Mr. Dean about his very high record of success with former clients. Defendant Allison told Mr. Dean that lawyers at Defendant Green Law had dealt with his lender Wells Fargo before, and that this would be to his advantage. Defendant Allison asked Mr. Dean how high his mortgage payments and interest rate were and then said: "how would you like to have an interest rate of 2% or 2.5% and payments of about $500?" This would have decreased Mr. Dean's monthly payments by about 35% or $257, and Mr. Dean told Defendant Allison that he would like that very much. Defendant Allison also explained that the loan

modification process would take a long time, but Mr. Dean cannot recall an exact time frame.

427. Soon after their first conversation, Defendant Allison emailed Mr. Dean a contract titled "Attorney's Retainer Agreement" outlining the loan modification services that Defendant Green Law would provide and listing the documentation Mr. Dean would have to include with his application.

428. Mr. Dean then called Defendant Allison and told him that he was willing to pay for his services. Mr. Dean signed the contract on September 7, 2010 and faxed it to Defendant Allison at 516-780-9220 along with the additional documents requested, including tax returns for 2008 and 2009, copies of Mr. Dean's driver's license and social security card, mortgage statements, bank statements, pay stubs, homeowners insurance, a list of expenses and a hardship letter detailing why he was unable to make his mortgage payments. Mr. Dean provided Defendant Allison with these documents, under the belief that doing so would help the loan modification process.

429. In September 2010, pursuant to Defendant Allison's advice, Mr. Dean stopped making payments on his mortgage. During a phone conversation in early September 2010, Defendant Allison advised Mr. Dean to no longer make any mortgage payments and to stop communicating with Wells Fargo entirely. Defendant Allison explained to Mr. Dean that he and Defendant Green Law should be the only persons in contact with the bank. Defendant Allison also told Mr. Dean that if he received any correspondence from his lender, he should forward it to Defendant Allison, who would take care of it. Defendant Allison asked Mr. Dean not to send any information directly to

Wells Fargo. Defendant Allison also told Mr. Dean not to worry about anything, because he and Defendant Green Law and he would protect his interests.

430. Sometime in late 2010, Mr. Dean received a letter from Wells Fargo informing him that he qualified for a special loan modification program and asking him to contact the bank. Mr. Dean does not recall the specific details of the letter. Mr. Dean immediately sent it to Defendant Allison, but Mr. Dean never received any guidance or information regarding the letter.

431. Sometime after Mr. Dean paid Defendants Allison and Green Law in full, he received a brief letter from his lender informing him that Defendant Green Law was now an authorized third party with whom Wells Fargo could discuss his mortgage.

432. In late December 2010, shortly after Mr. Dean wired his last payment to Defendant Allison, Mr. Dean contacted him to make sure he received the money and ask for an update on his application. Defendant Allison told Mr. Dean that he received the money and that he would contact Mr. Dean with updates periodically. Defendant Allison asked Mr. Dean to call him if he had any questions. This was the last time Mr. Dean was able to speak with Defendant Allison.

433. After Mr. Dean made his last payment in late December 2010, he never heard from Defendant Allison again. Mr. Dean continued to call Defendant Allison regarding his application through August 2011, but he was never able to reach him and Mr. Dean's phone calls were never returned. Mr. Dean left many messages on Defendant Allison's cell phone asking him to call him back, but he never did.

434. Around August 2011, Mr. Dean called Defendant Allison again and received a pre-recorded message that the number he was trying to reach was no longer in use and instructing him to call 516-252-1850, which transferred Mr. Dean to the voicemail of William Armentano. Mr. Dean left two messages for William Armentano, explaining his situation and asking for a refund of the upfront fee he paid Defendant Allison, but Mr. Dean was never called back.

435. In July 2011, Mr. Dean received a foreclosure notice from Wells Fargo in the mail. Mr. Dean immediately contacted Wells Fargo to see if they had received any loan modification paperwork, and he was told by "Alex" that neither Defendant Allison nor anyone at Defendant Green Law had contacted the bank on his behalf or provided any information regarding his loan modification. "Alex" told Mr. Dean that no loan modification paperwork was ever started or submitted on his behalf.

436. Mr. Dean continued to communicate with Wells Fargo regarding his application over the following months, and he is still working with the bank directly today. Mr. Dean's house was slated to be sold on February 10, 2012 and is currently on the market.

437. Mr. Dean has not received a refund of the upfront fee for loan modification services from Defendant Green Law or Defendant Allison, even though the company is no longer in contact with Mr. Dean and no evidence exists that Defendants are working on his loan modification.

438. In addition to the loss of the upfront fee, Mr. Dean has suffered severe financial consequences by following Defendant Allison's advice to not pay his mortgage

payments from September 2010 through July 2011. Mr. Dean may now lose his home. Mr. Dean has also accrued monthly penalties and fees for the missed payments and his credit score has decreased.

(l) Isiah Slaughter and Beverly Deas

439. Mr. Slaughter and Ms. Deas ("the Slaughters") are a married couple whose mortgage payments as of December 2011 were $3,496.00 per month. The Slaughters began experiencing financial difficulties in 2010. In 2010, Mr. Slaughter injured his shoulder on the job as a truck driver and subsequently began missing some days at work. In late 2010, the Slaughters began to fall behind on their monthly mortgage payments.

440. From approximately October 2010 until July 2011, the Slaughters worked directly with their lender, LoanCare, to obtain a loan modification. In July 2011, LoanCare declared them ineligible for a loan modification. Due to additional health problems, the Slaughters continued to be unable to make their full monthly mortgage payments.

441. In or about July 2011, the Slaughters began reaching out to loan modification companies that had mailed them fliers advertising their services. In approaching these companies, the Slaughters were under the mistaken impression that the companies could perform the Slaughters' loan modification unilaterally; it was only later, after paying the companies several thousands of dollars in upfront fees, that the Slaughters realized that the companies were mere middlemen, and deceptive and ineffectual middlemen at that.

442. The first two companies with which the Slaughters contracted each demanded an upfront fee. In the first case, the company stopped returning the Slaughters' calls shortly after they made the upfront payment, and the Slaughters were left with no loan modification and no recourse. The second of these companies ultimately refunded the Slaughters' money after the company failed to obtain a loan modification for them.

443. After these two experiences, the Slaughters sought out an attorney to negotiate their loan modification, thinking that an attorney would provide them with more certain results and with protection from mistreatment. On October 10, 2011, the Slaughters met with a New York-based attorney, to whom they paid an upfront fee. After the Slaughters rejected the attorney's suggestion that they opt for a sale-leaseback with an option to repurchase their home after several years, and reiterated their exclusive interest in a loan modification, the attorney stated that he would obtain a loan modification for them. Ultimately, however, the attorney never called LoanCare and the Slaughters found themselves scammed again and no closer to getting a loan modification.

444. Around this time, the Slaughters received a mailing from Defendant Green Law. In December 2011, Mr. Slaughter called the 800 number listed on the mailing; when no one answered, he left a voicemail message expressing his interest in a loan modification.

445. Shortly thereafter, in early December 2011, an employee at Defendant Green Law named Alton Brandon ("Brandon") returned Mr. Slaughter's call and spoke with him about Defendant Green Law's loan modification services. Mr. Brandon

mentioned that the Slaughters would have to pay Defendant Green Law $599.00 per month in addition to a retainer of $1,594.00. During this phone call, Mr. Brandon guaranteed the Slaughters that they would obtain a loan modification within five to six months. Mr. Brandon further promised them that their monthly mortgage payments would be reduced to approximately $1,800.00 per month.

446. After Mr. Slaughter's initial conversation with Mr. Brandon, another man from Defendant Green Law called the Slaughters to follow up on their initial voicemail message. When they told him they were working with Mr. Brandon, the Defendant Green Law employee told them they "had a good one." The Slaughters understood this comment to mean that Mr. Brandon was a successful employee at Defendant Green Law who would be able to help them achieve a loan modification.

447. Mr. Slaughter indicated to Mr. Brandon in their initial phone conversation that he and Ms. Deas would be unable to pay the $1,594.00 retainer fee up front. Mr. Brandon stated that he would check with his manager to see whether a different payment schedule could be arranged for the retainer. A few hours later, Mr. Brandon called Mr. Slaughter back and told him that his manager had agreed to the Slaughters' payment of the retainer fee in installments over two months from the date of their first payment.

448. On December 6, 2011, Mr. Brandon emailed Ms. Deas stating, "[i]f you can get it in by Friday [December 9, 2011], we [can] start processing the file for $750.00, per my mamager [sic] David Gotterup." Unbeknownst to the Slaughters, David Gotterup was a defendant in two actions in Nassau County, Rush v. Save My Home, No.

3605/2011, and Osmanzai v. Save My Home, No. 9471/2011. Both actions involved Mr. Gotterup's activities in alleged loan modification scams.[3]

449. After the December 6, 2011 email, the Slaughters established with Mr. Brandon that they could only pay $500.00 as the first installment. Mr. Brandon confirmed that that would be all right. Mr. Brandon also requested that Ms. Deas and Mr. Slaughter send him various personal, financial, and tax documents.

450. On December 10, 2011, Mr. Brandon went to the Slaughters' home to further discuss Defendant Green Law's loan modification services. Mr. Brandon brought a retainer agreement and other related documents for the Slaughters to sign, and had already filled out much of this paperwork beforehand.

451. During this conversation at the Slaughters' home, Mr. Brandon represented to the Slaughters that Defendant Green Law worked in conjunction with the government. The Slaughters believed this to be true based on the fact that some of the paperwork Mr. Brandon had brought consisted of HAMP forms.

452. Mr. Brandon also told them in this conversation that they would be in a foreclosure prevention program, so LoanCare would not be able to "touch them" until they had obtained a loan modification. The Slaughters told Mr. Brandon that they were

[3] On June 28, 2011, Justice Thomas Adams entered an order against Mr. Gotterup and his affiliates in Osmanzai v. Save My Home Corp., No. 9471/2011 (N.Y. Sup. Ct. Nassau Cnty.), enjoining them from performing and/or being employed at businesses performing "mortgage assistance relief services." As of January 31, 2012, Mr. Gotterup had not answered or otherwise responded in that action. In addition, on September 27, 2011, Justice John Galasso entered an order of default judgment against Mr. Gotterup in Rush v. Save My Home Corp., No. 3605/2011 (N.Y. Sup. Ct. Nassau Cnty.). Mr. Gotterup has failed to satisfy the judgment entered in that action.

16 months behind on their mortgage payments at that point in time, and Mr. Brandon advised them to continue to miss their mortgage payments.

453. Mr. Brandon said he would be handling the paperwork involved in the Slaughters' loan modification application, but that he would be supervised by lawyers throughout the process and any final step would be performed by the lawyers.

454. During this same conversation, Mr. Brandon reiterated that his manager was Mr. Gotterup, and that Mr. Gotterup had agreed to the Slaughters' payment of the retainer in installments. Mr. Brandon agreed that the first installment could be in the amount of $500.00. Mr. Brandon also represented that the $599.00 which the Slaughters would be required to pay each month on an ongoing basis was the "lawyers' fee."

455. On this same date, while Mr. Brandon was still at their home, Ms. Deas went to her bank and obtained a money order for $500.00. When she returned, Ms. Deas was initially hesitant about signing the retainer agreement and other documents offered by Mr. Brandon. Despite Ms. Deas' hesitations, Mr. Brandon pressured her into signing the forms quickly. Neither Ms. Deas nor Mr. Slaughter had time to read most of the paperwork; Mr. Brandon rushed them through signing the documents because he said he had to get to a meeting in Long Island.

456. The forms presented to the Slaughters for their signature included two retainer agreements. Both retainer agreements were dated December 10, 2011, and the Slaughters signed and submitted both agreements at the same time in the presence of Mr. Brandon of Defendant Green Law.

457. The first retainer agreement, entitled "Attorney's Retainer Agreement," bore the letterhead of Defendant Green Law and was entered into with "David M. Green, Esq." This Agreement described a number of "Loss Mitigation" services, including legal services, for which Defendant Green Law was being retained. This first agreement contained the following relevant provisions:

a. "The services to be rendered by Counsel under this agreement shall be those necessary or proper for the protection of Client's property or interest to the extent required by Client by employing various LOSS MITIGATION techniques."

b. "An initial fee of $1594.00 (the "Flat Fee"), for legal services in negotiations on your behalf (1 loan)...will be charged to as the "Client", as a retainer. Client hereby agrees to pay Counsel for its services the Flat Fee, which shall be inclusive of costs incurred by Counsel in retaining Third Party Contractors."

c. "Once the Client's file has been accepted by Counsel, and unless Counsel withdraws before the completion of the services, the Flat Fee will be deemed earned in full, and no portion of it will be refunded once any material services have been performed."

d. "This agreement contains the entire agreement of Counsel and Client covering this matter regarding fees and expenses to be paid relative hereto."

e. "In the event of a fee dispute, you may have the right to seek arbitration; your attorney will provide with the necessary information regarding arbitration in the event of a fee dispute, or upon your request."

458. A "Statement of Clients Rights" document accompanied this first retainer agreement and made a number of promises and representations about, among other things, Defendant Green Law's attorneys' judgment, confidence, and communication.

459. The second retainer agreement was in letter form and also bore the letterhead of Defendant Green Law. The letter confirmed the Slaughters' retention of Defendant Green Law for "foreclosure defense" representation, but did not define the

term or scope of that representation. This second retainer agreement, signed by the Slaughters also on December 10, 2011, contained the following relevant provisions, contradicting the first retainer agreement:

a. "You agree to pay to the firm an upfront retainer fee of $995.00, at which time our services will commence."

b. "You further agree to pay to the firm a monthly fee of $599.00, which will be due and owing on the 1st of every month, from the commencement of our representation, until you receive our letter of completion, that signifies the conclusion of our representation."

c. "The retainers and fees do not include: (a) any other action or proceedings; (b) work in appellate courts; or (c) out-of-pocket expenses. Out-of-pocket expenses include, but are not limited to (i) usual disbursements for court fees, serving and filing papers, process servers, court calendar service, witness and subpoena fees, travel, parking, overnight delivery services, postage and photocopies normally made by us or requested by you; and (ii) special costs for expert witnesses, consultants, accountants, appraisers, investigators, actuaries, and court reporters."

d. "You have the right to pursue binding arbitration in the event of a fee dispute involving not less than $1,000 nor more than $50,000, in which event we shall at your request provide you will information as to the procedure. However, as a condition of this agreement, you agree to knowingly and voluntarily submit all disputes arising out of this agreement and/or the firm's representation of your case to confidential binding arbitration before Settlement Systems, Inc. which is located at One Old Country Road, Carle Place, NY 1514."

460. Unlike the first retainer agreement, the second contains a purported "binding arbitration" provision, hidden on the second page of the "letter" from Defendant Green Law. Mr. Brandon failed to explain the contents of either agreements to the Slaughters, including the contradictory arbitration clause. Neither agreement states, nor were the Slaughters ever told, that by signing a potentially binding arbitration agreement, they could be forfeiting their right to a jury trial. Moreover, unbeknownst to the

Slaughters, the arbitration provision failed to meet the requirements set forth in Part 137 of the Rules of the Chief Administrator of the Courts. 22 N.Y. C.R.R. 137.2.

461. Mr. Brandon took the signed paperwork and the money order back with him that day, representing that he was going to make copies of the paperwork at his office and that he would then mail back to the Slaughters their original documents within a few days.

462. After a few days had passed, Mr. Brandon still had failed to mail back the Slaughters' original documents. When the Slaughters told Mr. Brandon that they needed to send this paperwork to LoanCare, Mr. Brandon told the Slaughters not to contact LoanCare. At this time, the Slaughters believed that Mr. Brandon and Defendant Green Law were handling the necessary paperwork and communications with LoanCare.

463. In one of his few phone conversations with the Slaughters during the week after he came to their home, Mr. Brandon told Ms. Deas that Defendant Green Law would obtain the Slaughters' loan modification, citing a recent example of Defendant Green Law client who had received a loan modification in approximately one month. According to Mr. Brandon, this client's interest rate was reduced to 3%.

464. In a letter dated December 12, 2011, a lawyer from LoanCare wrote the Slaughters regarding their default on their mortgage payments, and of their obligation to contact LoanCare within 30 days. The letter did not mention foreclosure, but when the Slaughters followed up with a phone call to LoanCare, LoanCare informed them that the house was likely to go into foreclosure. A representative of LoanCare said that the

Slaughters had until December 28, 2011 to fill out the loan modification paperwork. At this time, Mr. Slaughter believed it was important to stay in touch with LoanCare directly.

465. Within the next two weeks after the Slaughters received the letter, Mr. Brandon called them two or three times. In one conversation with Ms. Deas, Mr. Brandon told her that he had "good news" for them, telling him about the client that had just gotten a loan modification. The next time, Mr. Brandon spoke with Mr. Slaughter. He told Mr. Slaughter that he had lost his cell phone, and reiterated that the Slaughters should not be in touch with LoanCare because it would "mess up" the process to communicate with LoanCare.

466. Mr. Brandon said that the paperwork was being processed and that he would mail them back their original documents soon. Mr. Slaughter called Mr. Brandon a few times in mid-December 2011 to check on the progress of his and Ms. Deas's loan modification application and to request the return of the Slaughters' original paperwork. Mr. Slaughter often had to leave voicemail messages for Mr. Brandon because he did not answer or return his calls.

467. When Mr. Slaughter did not hear back from Mr. Brandon, Mr. Slaughter called LoanCare directly on or about December 18, 2011, whose representatives informed him that it had not heard from Alton Brandon or anyone at Defendant Green Law and had not received any paperwork from them.

468. The last phone conversation the Slaughters had with Mr. Brandon was on December 23, 2011, when he returned one of Mr. Slaughter's previous calls. Mr. Brandon sounded upset when Mr. Slaughter answered the phone and told Mr. Slaughter

that he did not appreciate Mr. Slaughter's voicemail messages. Mr. Slaughter pointed out that Mr. Brandon was not telling the Slaughters anything about their loan modification application or returning Mr. Slaughter's calls. Mr. Brandon represented that the Slaughters' paperwork was not being processed because he had not received the full retainer payment. Mr. Brandon then stated that he would talk to the Slaughters after Christmas and hung up on Mr. Slaughter.

469. Also on December 23, 2011, the Slaughters FedExed their HAMP package to LoanCare, seeking to pursue a loan modification directly through LoanCare. At this time, the Slaughters decided that, after learning from LoanCare representatives in late December that they should not have to pay anything to obtain a loan modification, they did not want to risk working with any entities that could scam them.

470. At this time, the Slaughters believed that Mr. Brandon and Defendant Green Law were not able or willing to help them achieve a loan modification.

471. Mr. Slaughter spoke to a representative of LoanCare in late December 2011 who indicated that the Slaughters might qualify for a loan modification. LoanCare requested the Slaughters' medical records explaining their loss of income. The LoanCare representative also stated in this conversation that neither Mr. Brandon nor anyone from Defendant Green Law had ever contacted LoanCare.

472. On December 23, 2011, Ms. Deas called Mr. Brandon stating that they were unsatisfied with Defendant Green Law's services and that they knew that he had not been in contact with LoanCare.

473. On December 30, 2011, Mr. Brandon sent Ms. Deas an email with hostile language stating that he no longer wanted to have any contact with Mr. Slaughter and insisting that he deal with Ms. Deas exclusively going forward. Mr. Brandon wrote: "What is real though, is that NO ONE, I MEAN, NO ONE, will talk to me the way [Mr. Slaughter] tried to, and owe me money. That's not gonna happen. Send me $1094.00 for the balance of the down payment, then maybe he can try to [start] wolfin'."

474. In the first week of January 2012, the Slaughters received a letter from LoanCare in response to their communications and efforts to achieve a loan modification. The letter stated that they had received the package sent by the Slaughters and that the Slaughters should hear back from them about the application within 30 days.

475. On January 3, 2012, Ms. Deas responded to Mr. Brandon's email, cc'ing the Loan Modification Scam Prevention Network, with whom she had recently spoken. She wrote that "we are no longer interested in receiving help from your organization," and explained how LoanCare had informed her that Mr. Brandon and Defendant Green Law were "not supposed to ask us for monies in advance," "[g]uarantee us that you could stop foreclosure or reinstate our modification," "[p]ressure us to sign papers that we did not have time to read over carefully," or ask "for our personal financial paperwork and refuse[] to return the original to us." She also stated that she had gotten confirmation from LoanCare that they would not provide Mr. Brandon with access to her and Mr. Slaughter's mortgage paperwork going forward. She also requested a refund of the $500 up-front payment, and asked that Mr. Brandon return the Slaughters' original paperwork by January 10, 2012.

476. Mr. Brandon responded to this email on January 5, 2012, stating that he had mailed her the Slaughters' paperwork but it had come back to him as undeliverable. He requested that Ms. Deas give him her mailing address and offered to send the paperwork to her.

477. On January 9, 2012, Mr. Brandon emailed Ms. Deas saying that he had re-sent her documents to her, mailing them to the proper address this time. He stated that Ms. Deas should receive them in a day or two. To this day, the Slaughters still have not received the originals of their paperwork from Mr. Brandon. This has caused additional difficulties for the Slaughters, as LoanCare has specifically requested that paperwork in connection with their pending application for a loan modification directly through LoanCare.

478. The Slaughters learned in early January 2012 that the 800 number they used to initially contact Defendant Green Law and which was listed on Defendant Green Law's mailing is no longer in service.

479. On January 17, 2012, Ms. Deas received another email from Mr. Brandon. In the email, Mr. Brandon represented that "[Defendant Green Law is] still processing your file. I need a utility bill, and a copy of your homeowners insurance." Mr. Brandon requested that Ms. Deas fax him those documents. Because the Slaughters told LoanCare not to provide Mr. Brandon with any of the Slaughters' personal information, the Slaughters are at a loss as to what Mr. Brandon could "still" be processing.

480. The Slaughters have yet to receive the refund they requested from Defendant Green Law.

FIRST CAUSE OF ACTION
Violation of N.Y. Gen. Bus. Law § 349 (the "Deceptive Practices Act")

(By Plaintiffs A. Masheyeva and V. Vorobyov against Defendants Green Law, Lincoln First, Rascionato, Green, Rivera, Orena and Clark)
(By Plaintiffs V. Jones and J. Jones against Defendants Green Law and Dreitlein)
(By Plaintiffs B. Varkey, L. Varkey, and T. Varkey against Defendants Green Law, Lincoln First, Mader, Cohen and Rivera)
(By Plaintiff G. Harrington against Defendants Green Law and Singer)
(By Plaintiff M. Wood against Defendant Green Law)
(By Plaintiff C. Petrishin against Defendants Green Law, Gelfand and Cohen)
(By Plaintiffs P. Biondo and S. Biondo against Defendants Green Law, Margolin Law and Gelfand)
(By Plaintiff C. Farino against Defendants Green Law, 591 Capital, Green, and Phillips)
(By Plaintiff C. Stewart against Defendants Green Law and Jason Green)
(By Plaintiff T. Dean against Defendants Green Law and Allison)
(By Plaintiff I. Slaughter and B. Deas against Defendants Green Law, Green)

481. Plaintiffs repeat and re-allege each and every allegation contained above.

482. Defendants "conducted a business" or "furnished a service" as those terms are defined in N.Y. General Business Law § 349 (the "Deceptive Practices Act").

483. Defendants knowingly and willfully violated the Deceptive Practices Act by engaging in acts and practices that were misleading in a material way, unfair, deceptive and contrary to public policy and generally recognized standards of business.

484. These practices include but are not limited to:

a. Misrepresenting to Plaintiffs the nature of the transaction;

b. Misrepresenting who would perform the promised services;

c. Falsely promising that Defendants would engage in negotiations with the Plaintiffs' mortgage lenders or servicers;

d. Misrepresenting that Defendants would be readily available to address the Plaintiffs' questions and concerns;

e. Misrepresenting the progress of the loan modification applications;

f. Misrepresenting to distressed homeowners, including Plaintiffs, Defendants' ability to fulfill their contractual obligations;

g. Guaranteeing certain positive results;

h. Falsely advertising "loan modification" services in the course of conducting business, trade, or commerce in the State of New York;

i. Engaging in improper compensation and fee practices in violation of the New York Judiciary Law;

j. Falsely representing that the "retainer" fee (which by law must be refundable) could not or would not be refunded, notwithstanding failure to perform any services for which it was rendered; and

k. Encouraging Plaintiffs to stop paying their monthly mortgage payments and/or communicating with their lenders or servicers; and

l. Charging customers an upfront fee for mortgage modification services when this service is typically provided at little or no cost through HUD-approved housing counselors.

485. Plaintiffs suffered damages as a proximate result of Defendants' deceptive acts, accruing various costs and sustaining fees, penalties and consequential damages due to Defendants' nonperformance of loan modification services. But for Defendants' deceptive acts, Plaintiffs would have commenced negotiations with their lenders for a loan modification with lower monthly payments at an earlier date.

486. Defendants' deceptive scheme originated in New York; involved communications and statements made in New York; and in certain cases, injured Plaintiffs in transactions that occurred in New York.

487. Defendants' practices have had and may continue to have a broad impact on consumers throughout New York State.

488. Defendants' statements and actions described hereinabove entitle Plaintiffs to increased damages, attorneys' fees and injunctive relief pursuant to N.Y. General Business Law § 349(h).

SECOND CAUSE OF ACTION
Violation of N.Y. Gen. Bus. Law §§ 350, 350-a (False Advertising)

(By Plaintiffs A. Masheyeva and V. Vorobyov against Defendants Green Law, Lincoln First, Rascionato, Green, Rivera, Orena and Clark)
(By Plaintiffs V. Jones and J. Jones against Defendants Green Law and Dreitlein)
(By Plaintiffs B. Varkey, L. Varkey T. Varkey against Defendants Green Law, Lincoln First, Mader, Cohen and Rivera)
(By Plaintiff G. Harrington against Defendants Green Law and Singer)
(By Plaintiff M. Wood against Defendant Green Law)
(By Plaintiff T. Payne against Defendant Green Law)
(By Plaintiff C. Petrishin against Defendants Green Law, Gelfand and Cohen)
(By Plaintiffs P. Biondo and S. Biondo against Defendants Green Law, Margolin Law and Gelfand)
(By Plaintiff C. Farino against Defendants Green Law, 591 Capital, Green, and Phillips)
(By Plaintiff C. Stewart against Defendants Green Law and Jason Green)
(By Plaintiff T. Dean against Defendants Green Law and Allison)
(By Plaintiffs L. Concepcion and B. Andrews against Defendants Green Law, Green, Mignon)
(By Plaintiff I. Slaughter and B. Deas against Defendants Green Law, Green)

489. Plaintiffs repeat and re-allege each and every allegation contained above.

490. Defendants' promotion, marketing and advertising of their services and products are misleading in a material respect, are deceptive, and are directed at the general public and consumers within the State of New York.

491. Such promotion, marketing, and advertising include statements made in person, in writing, by Internet communication, and over the phone to Plaintiffs regarding the costs, timing, nature and efficacy of Defendants' services.

492. Defendants' products and services have been, and continue to be, advertised and sold within the State of New York.

493. Defendants' false advertising, marketing and promotion described hereinabove intentionally, deliberately, willfully or knowingly deceives the public and consumers, confuse or are likely to confuse the public and consumers, and materially mislead consumers as to the nature, characteristics and/or qualities of Defendants' products and services.

494. Consumers have reasonably relied on and/or are likely to reasonably rely on these misrepresentations in making purchasing decisions, and have been injured and damaged and are likely to be further injured and damaged by Defendants' statements and actions described hereinabove in violation of N.Y. General Business Law §§ 350 and 350-a.

495. A reasonable consumer acting reasonably under the circumstances would have believed, as Plaintiffs did, that Defendants' statements made in person and over the phone regarding the costs, timing, nature and efficacy of Defendants' services were truthful.

496. Plaintiffs were injured as a result of Defendants' deceptive acts in that Plaintiffs paid a sizeable advance payment for loan modification services and would not have done so absent Defendants' statements relating to the cost, timing, nature and efficacy of Defendants' services including, but not limited to, the following: that Defendants offered substantive legal review and/or guidance with respect to the loan modification process, and that Defendants' services would be prompt.

497. Defendants' statements and actions described hereinabove entitle Plaintiffs to three times their actual damages, reasonable attorneys' fees and injunctive relief pursuant to N.Y. General Business Law § 350-e.

THIRD CAUSE OF ACTION

Violation of N.Y. Banking Law § 590 (Registration of Mortgage Brokers)

(By Plaintiffs A. Masheyeva and V. Vorobyov against Defendants Green Law, Lincoln First, Rascionato)
(By Plaintiff C. Petrishin against Defendants Green Law, Green and Gelfand)
(By Plaintiff C. Stewart against Defendant Jason Green)
(By Plaintiff I. Slaughter and B. Deas against Defendants Green Law, Green)

498. Plaintiffs repeat and re-allege each and every allegation contained above.

499. Under N.Y. Banking Law § 590(2)(b), entities or individuals that "engage in the business of soliciting, processing, placing or negotiating mortgage loans for others, or offering to solicit, process, place or negotiate mortgage loans for others" must register as "mortgage brokers" with the Superintendent of the New York State Banking Department ("NYSBD").

500. Defendants were in the business of "negotiating" or "offering to . . . negotiate" the "terms or conditions" of a mortgage loan on behalf of third parties, as those terms are defined in § 590(1)(d).

501. At all relevant times, Defendants were not registered with the NYSBD, even though Defendants provided or offered to provide the services of a mortgage broker.

502. Defendants' business of "negotiating" or "offering to negotiate" the "terms or conditions" of mortgage loans was not "incidental" to its "legal practice" as those terms are to be understood under § 590(2)(b), and Defendants' loan modification business was not otherwise exempt from § 590's licensing requirements.

503. In the course of soliciting Plaintiffs to hire Defendants to perform loan modification services, Defendants represented that they would negotiate the terms and conditions of Plaintiffs' mortgages including, but not limited to, those terms relating to Plaintiffs' interest rates and monthly mortgage payments. Defendants communicated such representations in various forms, including print and electronic advertisements, telephone calls, letters, fliers, and face-to-face conversations. Defendants also collected information, such as Social Security Numbers and income and debt figures, on which a lender would base a credit decision.

504. Of all the services Defendants promised to undertake on Plaintiffs' behalf, they performed only one, if any: attempting to negotiate the terms and conditions of Plaintiffs' mortgages. Defendants' efforts to negotiate with mortgage lenders on Plaintiffs' behalf included, but were not limited to, electronic and telephonic communications with the lenders regarding Plaintiffs' monthly mortgage payments.

505. To the extent Defendants offered legal representation to Plaintiffs, this representation consisted entirely of "negotiating" or "offering to negotiate" the "terms or conditions" of Plaintiffs' mortgages.

506. Defendants are liable to Plaintiffs for a sum of money of not less than the actual fee Plaintiffs paid to Defendants, up to four times such sum, as per N.Y. Banking Law § 598(5).

FOURTH CAUSE OF ACTION
Violation of N.Y. Banking Law § 590-b (Responsibilities of Mortgage Brokers)

(By All Plaintiffs against Defendant Green)

507. Plaintiffs repeat and re-allege each and every allegation contained above.

508. Under N.Y. Banking Law § 590-b(1), individuals or entities registered as "mortgage brokers," as that term is defined in § 590(1)(g), shall, "with respect to any transaction, including any practice, or course of business in connection with the transaction, in which the mortgage broker solicits, processes, places, or negotiates a home loan: act in the borrower's interest; act with reasonable skill, care and diligence; [and] act in good faith and with fair dealing."

509. Any mortgage broker "found by a preponderance of evidence" to have failed to "act in the borrower's interest," "act with reasonable skill, care and diligence," or "act in good faith and with fair dealing" is liable to the borrower for actual damages pursuant to § 590-b(3).

510. "Rebera Fund LLC," a domestic limited liability company organized under the laws of New York and operated by Defendant Green, obtained a license to act as a mortgage broker under § 590.

511. Defendant Green failed to comply with the responsibilities listed in § 590-b(1) by engaging in conduct including, but not limited to:

a. Accepting upfront fees in derogation of N.Y. Real Property Law § 265-b;

b. Misrepresenting the likelihood of obtaining a beneficial loan modification for Plaintiffs;

c. Falsely representing to some Plaintiffs that their upfront fee would be refunded in the event that loan modification negotiations proved to be unsuccessful;

d. Neglecting to personally and consistently communicate with Plaintiffs' lenders on Plaintiffs' behalf, or to adequately supervise his employees in their pursuit of loan modifications for Plaintiffs;

e. Failing to act in Plaintiffs' interest by instructing them to stop communicating with their lenders and/or to stop making their mortgage payments in order to demonstrate "hardship"; and

f. Deliberately withholding from Plaintiffs the information that they could receive free loan modification assistance from HUD-approved housing counselors, and assuring Plaintiffs that they needed legal assistance in order to obtain a loan modification.

512. Defendant Green is liable to Plaintiffs in the amount of the actual damages sustained by Plaintiffs as a result of his violations of § 590-b(1). N.Y. Banking Law § 590-b(3).

FIFTH CAUSE OF ACTION
Violation of N.Y. Real Prop. Law § 265-b (Distressed Property Consulting)
(By Plaintiffs A. Masheyeva and V. Vorobyov against Defendants Green Law, Lincoln First, Rascionato, Orena and Clark)
(By Plaintiff C. Petrishin against Defendants Green Law, Green, and Gelfand)
(By Plaintiff C. Stewart against Defendant Jason Green)
(By Plaintiff I. Slaughter and B. Deas against Defendants Green Law, Green)

513. Plaintiffs repeat and re-allege each and every allegation contained above.

514. Defendants are "distressed property consultants" within the meaning of § 265-b(1)(e).

515. N.Y. Real Property Law § 265-b(1)(c) defines distressed property "consulting services" as efforts to help a homeowner that include but are not limited to "assist[ing] the homeowner to . . . refinance a distressed home loan" and "sav[ing] the homeowner's property from foreclosure."

516. Section 265-b(2) prohibits "distressed property consultants" from engaging in certain activities including, but not limited to, "performing consulting services without a written, fully executed consulting contract with a homeowner," "charging for or accepting any payment for consulting services before the full completion

of all such services," "retaining any original loan document," and/or "attempting to induce a homeowner to enter a consulting contract that does not fully comply" with the provisions of § 265-b.

517. Section 265-b(1)(e)(i) contains an exemption for "attorney[s] admitted to practice in the state of New York when the attorney is directly providing consulting services to a homeowner in the course of his or her regular legal practice." To the extent Defendants are attorneys admitted to practice in New York, they did not provide direct consulting services to Plaintiffs in the course of their "regular legal practice."

518. Section 265-b(3) requires that "distressed property consulting contracts" contain several features, which include, but are not limited to, "be[ing] in at least twelve point type," "fully disclos[ing] the exact nature of the distressed property consulting services to be provided," and "fully disclos[ing] the total amount and terms of compensation for such consulting services." In addition, all such contracts must include a full-length "notice" describing the homeowner's rights.

519. Insofar as Plaintiffs own property in New York State, Plaintiffs are "homeowners" within the meaning of § 265-b(1)(a).

520. Insofar as Plaintiffs are or have been at times relevant herein in danger of having their homes foreclosed upon because they have one or more defaults under their respective mortgages that entitle the lender to accelerate full payment of the mortgage and repossess the property, Plaintiffs are mortgagors with "distressed home loans" within the meaning of § 265-b(1)(d).

521. Defendants intentionally or recklessly engaged in conduct that violated § 265-b, by taking upfront fees prior to completing any distressed property consulting services, inadequately disclosing the types of services to be performed, and failing to provide homeowners with sufficient notice of their rights.

522. Defendants have not provided "direct" legal "consulting services" as part of a "regular legal practice."

523. Plaintiffs are entitled to a trebling of the actual and consequential damages arising from these violations, as well as attorneys' fees and costs, in an amount to be determined at trial.

SIXTH CAUSE OF ACTION
(Common Law Fraud)

(By Plaintiffs A. Masheyeva and V. Vorobyov against Defendants Green Law, Lincoln First, Rascionato, Green, Rivera, Orena and Clark)
(By Plaintiffs V. Jones and J. Jones against Defendants Green Law and Dreitlein)
(By Plaintiffs B. Varkey, L. Varkey, T. Varkey against Defendants Green Law, Lincoln First, Mader, Cohen and Rivera)
(By Plaintiff G. Harrington against Defendants Green Law and Singer)
(By Plaintiff M. Wood against Defendant Green Law)
(By Plaintiff T. Payne against Defendant Green Law)
(By Plaintiff C. Petrishin against Defendants Green Law, Gelfand and Cohen)
(By Plaintiffs P. Biondo and S. Biondo against Defendants Green Law, Margolin Law and Gelfand)
(By Plaintiff C. Farino against Defendants Green Law, 591 Capital, Green and Phillips)
(By Plaintiff C. Stewart against Defendants Green Law and Jason Green)
(By Plaintiff T. Dean against Defendants Green Law and Allison)
(By Plaintiff I. Slaughter and B. Deas against Defendants Green Law, Green)

524. Plaintiffs repeat and re-allege each and every allegation contained above.

525. Defendants made intentional misrepresentations and/or failed to provide material information by:

a. Falsely representing to Plaintiffs that they were loan modification specialists;

b. Falsely representing to Plaintiffs at the time of the subject transactions that Defendants would help Plaintiffs reduce their monthly mortgage payments;

c. Falsely representing that Defendants' services would be prompt;

d. Falsely representing that Defendants would issue refunds if the offered loan modifications were not successfully obtained;

e. Intentionally concealing, when contacted by Plaintiffs, the progress of their loan modification applications, when in most cases Defendants had not even attempted to submit an application;

f. Misrepresenting to Plaintiffs that they should cease paying their mortgage payments and/or communicating with their lenders;

g. Falsely representing to Plaintiffs that Defendants would be in communication with them throughout the course of the transaction;

h. Falsely representing that Defendants had sufficient capacity to assist the distressed homeowners with which they contracted, including Plaintiffs, when they knew they did not have that capacity;

i. Falsely representing that Defendants were performing legal services;

j. Falsely representing that the corporate Defendants' employees and/or agents were under the supervision or direction of counsel;

k. Falsely representing that the upfront "retainer" fee, in exchange for which no services ultimately were provided, was not refundable; and

l. Falsely representing that Plaintiffs were "qualified," were good candidates, or were otherwise well-suited for loan modification approval by their lenders.

526. Defendants made these representations and omissions knowing that they were false at the time they were made.

527. Defendants offered these statements as fact, not opinion, with the intent to induce Plaintiffs to purchase their loan modification services, to convince Plaintiffs to

remain with them as clients, or to prevent Plaintiffs from learning the true nature of Defendants' scheme.

528. Plaintiffs had a reasonable right to rely on and in fact relied on Defendants' representations and omissions of material facts in agreeing to purchase what Plaintiffs believed to be a legitimate loan modification service. Had Plaintiffs known the truth about Defendants' misrepresentations and omissions, Plaintiffs would not have entered into these transactions with Defendants.

529. Plaintiffs suffered damages as a direct and proximate result of their reasonable and justifiable reliance on Defendants' intentional misrepresentations and omissions. Plaintiffs' damages include but are not limited to the loss of their upfront and subsequent payments to Defendants, as well as the additional fees, costs and penalties accrued as a result of Defendants' misrepresentations.

530. Defendants' actions were willing, intentional, knowing and malicious.

531. Defendants are liable to Plaintiffs for (a) actual damages in an amount to be determined at trial; (b) punitive damages in an amount sufficient to punish Defendants and to deter others from engaging in similar schemes; (c) costs and disbursements; and (d) attorneys' fees.

SEVENTH CAUSE OF ACTION
(Fraudulent Inducement)

(By Plaintiffs A. Masheyeva and V. Vorobyov against Defendants Green Law, Lincoln First, Rascionato, Green and Orena)
(By Plaintiffs V. Jones and J. Jones against Defendants Green Law and Dreitlein)
(By Plaintiffs B. Varkey, L. Varkey, and T. Varkey against Defendants Green Law, Lincoln First, Mader, Cohen and Rivera)
(By Plaintiff G. Harrington against Defendants Green Law and Singer)
(By Plaintiff M. Wood against Defendant Green Law)
(By Plaintiff T. Payne against Defendant Green Law)
(By Plaintiff C. Petrishin against Defendants Green Law and Gelfand)
(By Plaintiffs P. Biondo and S. Biondo against Defendants Green Law, Margolin Law and Gelfand)
(By Plaintiff C. Farino against Defendants Green Law, 591 Capital and Phillips)
(By Plaintiff C. Stewart against Defendants Green Law and Jason Green)
(By Plaintiff T. Dean against Defendants Green Law and Allison)
(By Plaintiff I. Slaughter and B. Deas against Defendants Green Law, Green)

532. Plaintiffs repeat and re-allege each and every allegation contained above.

533. Plaintiffs bring these claims for fraudulent inducement with respect to the contracts into which they entered with Defendants for the performance of loan modification services.

534. Defendants made untrue statements of material fact and omissions of material fact. Defendants' misleading statements include, but are not limited to, the following misrepresentations and omissions:

a. That results would be prompt;

b. That loan modification services would be performed or reviewed by an attorney;

c. That Defendants only accepted clients who qualified for loan modifications; and

d. That Defendants would issue refunds if the offered loan modifications were not successfully obtained.

535. Defendants knew or intended that Plaintiffs would enter into agreements based on their false statements.

536. Plaintiffs reasonably and justifiably relied on the false statements about the cost, speed, nature and efficacy of Defendants' services.

537. Plaintiffs have been harmed by entering into the contracts in an amount to be determined at trial.

538. Defendants' actions were willful, intentional, knowing and malicious.

539. Defendants are liable to Plaintiffs for (a) actual damages in an amount to be determined at trial; (b) punitive damages in an amount sufficient to punish Defendants and to deter others from engaging in similar schemes; (c) costs and disbursements; and (d) attorneys' fees.

EIGHTH CAUSE OF ACTION
(Fraudulent Concealment)

(By Plaintiffs A. Masheyeva and V. Vorobyov against Defendants Green Law, Lincoln First, Rascionato, Green, Rivera, Orena and Clark)
(By Plaintiffs V. Jones and J. Jones against Defendants Green Law and Dreitlein)
(By Plaintiffs B. Varkey, L. Varkey, and T. Varkey against Defendants Green Law, Lincoln First, Mader, Cohen and Rivera)
(By Plaintiff G. Harrington against Defendants Green Law and Singer)
(By Plaintiff M. Wood against Defendants Green Law)
(By Plaintiff T. Payne against Defendant Green Law)
(By Plaintiff C. Petrishin against Defendants Green Law, Gelfand and Cohen)
(By Plaintiffs P. Biondo and S. Biondo against Defendants Green Law, Margolin Law and Gelfand)
(By Plaintiff C. Farino against Defendants Green Law, 591 Capital, Green and Phillips)
(By Plaintiff C. Stewart against Defendants Green Law and Jason Green)
(By Plaintiff T. Dean against Defendants Green Law and Allison)
(By Plaintiff I. Slaughter and B. Deas against Defendants Green Law, Green)

540. Plaintiffs repeat and re-allege each and every allegation contained above.

541. Defendants suppressed and concealed material information from Plaintiffs including, but not limited to:

a. The likelihood of Defendants' success in obtaining a loan modification;

b. The actual amount of time it would take to get a decision on Plaintiffs' loan modification applications;

c. The progress of Plaintiffs' loan modification applications;

d. The likelihood that Defendants would issue refunds if the offered loan modifications were not successfully obtained; and

e. Defendants' lack of sufficient capacity to do what was promised to assist distressed homeowners, including Plaintiffs.

542. Defendants had a duty of disclosure of such material information to Plaintiffs, due to (i) their unique position of control over the information necessary for Plaintiffs to make an informed decision about engaging in the transaction, and (ii) their knowledge that Plaintiffs would rely on the information they provided.

543. Defendants were insiders to the transaction, and uttered statements that were false, giving rise to a duty to disclose.

544. By virtue of their reasonable reliance on the obligation of Defendants to provide full and accurate information, Plaintiffs were induced to enter into a transaction with them.

545. Plaintiffs suffered damages as a direct and proximate result of their reliance on the concealed statements in an amount to be determined at trial.

546. Defendants' actions were willful, intentional, knowing and malicious.

547. Defendants are liable to Plaintiffs for (a) actual damages in an amount to be determined at trial; (b) punitive damages in an amount sufficient to punish Defendants and to deter others from engaging in similar schemes; (c) costs and disbursements; and (d) attorneys' fees.

NINTH CAUSE OF ACTION
(Civil Conspiracy to Commit Fraud)

(By All Plaintiffs against All Defendants)

548. Plaintiffs repeat and re-allege each and every allegation contained above.

549. Defendants knowingly entered into an agreement to fraudulently induce Plaintiffs to enter into these loan modification service transactions.

550. Defendants willfully, intentionally, knowingly and maliciously committed overt acts in furtherance of the foregoing agreement, including by making misrepresentations to Plaintiffs such as those representations set forth above in the Sixth, Seventh and Eighth Causes of Action, and/or by failing to provide material information to Plaintiffs.

551. Plaintiffs suffered injury as the proximate result of their reasonable and justified reliance on Defendants' intentional and material misrepresentations and omissions.

552. Defendants are liable to Plaintiffs for: (a) actual damages in an amount to be determined at trial; (b) punitive damages in an amount sufficient to punish Defendants and to deter others from engaging in similar schemes; (c) costs and disbursements; and (d) attorneys' fees.

TENTH CAUSE OF ACTION
(Aiding and Abetting Fraud)

(By Plaintiffs A. Masheyeva and V. Vorobyov against Defendants Green Law, Lincoln First, Rascionato, Green, Rivera, Orena and Clark)
(By Plaintiffs V. Jones and J. Jones against Defendants Green Law and Dreitlein)
(By Plaintiffs B. Varkey, L. Varkey, and T. Varkey against Defendants Green Law, Lincoln First, Mader, Cohen and Rivera)
(By Plaintiff G. Harrington against Defendants Green Law and Singer)
(By Plaintiff M. Wood against Defendant Green Law)
(By Plaintiff T. Payne against Defendant Green Law)
(By Plaintiff C. Petrishin against Defendants Green Law, Gelfand and Cohen)
(By Plaintiffs P. Biondo and S. Biondo against Defendants Green Law, Margolin Law and Gelfand)
(By Plaintiff C. Farino against Defendants Green Law, 591 Capital, Green, and Phillips)
(By Plaintiff C. Stewart against Defendants Green Law and Jason Green)
(By Plaintiff T. Dean against Defendants Green Law and Allison)
(By Plaintiff I. Slaughter and B. Deas against Defendants Green Law, Green)

553. Plaintiffs repeat and re-allege each and every allegation contained above.

554. During relevant times, Defendants, by and through their affiliates, divisions, enterprises, representatives, employees and agents, knowingly and willfully aided and abetted the fraudulent loan modification scheme described above.

555. Defendants' actions were taken with full knowledge and acceptance of the fraudulent loan modification services.

556. Defendants aided and abetted the scheme to defraud Plaintiffs and provided substantial assistance by:

a. Failing to perform promised services for which they had collected upfront fees;

b. Promising to issue refunds if Defendants could not achieve the promised results;

c. Purposefully concealing this information when contacted by Plaintiffs by intentionally concealing the progress of the loan modification applications,

when in most cases Defendants had not even attempted to submit an application;

d. Misrepresenting to Plaintiffs that they should cease paying their mortgage payments and/or communicating with their lenders;

e. Falsely representing to Plaintiffs that Defendants would be in communication with them throughout the course of the transaction; and

f. Misrepresenting the role that the defendant attorneys played in the loan modification process.

557. Defendants' actions were undertaken knowingly and as part of a highly interdependent, fraudulent scheme from which all Defendants benefited.

558. But for Defendants' substantial assistance, Plaintiffs would not have been victims of the fraudulent scheme.

559. As a direct and proximate result of Defendants' aiding and abetting activities, Plaintiffs have suffered damages in an amount to be determined at trial.

ELEVENTH CAUSE OF ACTION
(Breach of Contract)

(By Plaintiffs A. Masheyeva and V. Vorobyov against Defendants Green Law and Green)
(By Plaintiffs J. Jones and V. Jones against Defendants Green Law and Green)
(By Plaintiffs B. Varkey, L. Varkey, and T. Varkey against Defendants Green Law and Green)
(By Plaintiff T. Payne against Defendants Green Law and Green)
(By Plaintiff G. Harrington against Defendants Green Law and Green)
(By Plaintiff M. Wood against Defendants Green Law and Green)
(By Plaintiff C. Petrishin against Defendants Green Law and Green)
(By Plaintiffs P. Biondo and S. Biondo against Defendants Green Law, American Home, Margolin Law, Green and Margolin)
(By Plaintiff C. Farino against Defendants 591 Capital, Green Law and Green)
(By Plaintiff C. Stewart against Defendant Jason Green)
(By Plaintiff T. Dean against Defendants Green Law and Green)
(By Plaintiff I. Slaughter and B. Deas against Defendants Green Law, Green)

560. Plaintiffs repeat and re-allege each and every allegation contained above.

561. Plaintiffs entered into contracts with Defendants for loan modification services.

562. Plaintiffs performed as obligated under those contracts.

563. Defendants failed to perform their obligations to Plaintiffs as required under their contracts, in that they did not provide the promised loan modification services and refused to issue a refund.

564. To the extent the written agreements signed by Plaintiffs are purported "retainer" agreements for legal representation, Defendants' breach of these agreements constitutes legal malpractice.

565. Plaintiffs suffered damages and are entitled to recover: (a) the amount paid for Defendants' services, together with pre-judgment interest in the amount of 9% per annum; (b) consequential damages arising from the breach, including, but not limited to, costs related to Plaintiffs' missed mortgage payments, such as late fees and penalties and decreased credit ratings, in an amount to be determined at trial.

TWELFTH CAUSE OF ACTION
(Legal Malpractice)

(By Plaintiffs A. Masheyeva and V. Vorobyov against Defendants Green Law, Lincoln First and Green)
(By Plaintiffs J. Jones and V. Jones against Defendants Green Law and Green)
(By Plaintiffs B. Varkey and L. Varkey, and T. Varkey against Defendants Green Law, Lincoln First and Green)
(By Plaintiffs G. Harrington and J. Harrington against Defendants Green Law and Green)
(By Plaintiff M. Wood against Defendants Green Law and Green)
(By Plaintiff C. Petrishin against Defendants Green Law and Green)
(By Plaintiffs P. Biondo and S. Biondo against Defendants Green Law, Margolin Law, Green and Margolin)
(By Plaintiff C. Farino against Defendants Green Law, 591 Capital and Green)
(Plaintiff C. Stewart against Defendants Green Law and Green)
(Plaintiff T. Dean against Defendants Green Law and Green)
(By Plaintiff I. Slaughter and B. Deas against Defendants Green Law, Green)

566. Plaintiffs repeat and re-allege each and every allegation contained above.

567. Defendants failed to exercise the degree of care, skill, and diligence commonly possessed and exercised by a member of the legal community.

568. Defendants' failure to exercise the required degree of care, skill, and diligence includes but is not limited to:

a. Failing to contact Plaintiffs' lenders in a timely fashion, or failing to contact them at all;

b. Negligently preparing and submitting Plaintiffs' loan modification applications or failing to submit documents at all;

c. Neglecting to return phone calls and respond to other communications from Plaintiffs about the status of their loan modifications;

d. Negligently advising Plaintiffs to disregard notices from their lenders including, but not limited to: foreclosure notices, notices of garnishment, and communications by Plaintiffs' lenders attempting to reconcile overdue payments;

e. Negligently advising Plaintiffs that notices sent by their lenders regarding foreclosure, garnishment and Plaintiffs' eligibility under certain government loan modification programs, many of which contained settlement offers, amounted to lenders' regular "procedure" or tactics, and that these notices would not impact Plaintiffs' mortgage or their ability to obtain a loan modification;

f. Negligently advising Plaintiffs of "foreclosure defense" rules applicable to the defendant attorneys; and

g. Engaging in improper compensation and fee sharing practices.

569. Defendants' malpractice entitles Plaintiffs to disgorgement of attorneys' fees already paid to Defendants and to consequential damages flowing from Defendants' malpractice.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request that the Court award judgments in their favor as follows:

a. enjoin Defendants from engaging in deceptive acts and practices that affect consumers in New York State under N.Y. Gen. Bus. Law § 349(h);

b. enjoin Defendants from advertising, marketing or promoting their services and products in a false, materially misleading or deceptive manner in New York State under N.Y. Gen. Bus. Law § 350-e;

c. rescind any and all written agreements or "retainer agreements" between Plaintiffs and Defendants;

d. set aside arbitration clause contained in the retainer agreement between Plaintiffs Isiah Slaughter and Beverly Deas and Defendants;

e. on their First Cause Of Action: Damages of not less than $28,767.49;

f. on their Second Cause Of Action: Damages of not less than $86,302.29;

g. on their Third Cause Of Action: Damages of not less than $35,969.96 plus a quadruple of other actual and consequential damages in an amount to be determined at trial;

h. on their Fourth Cause Of Action: Damages of not less than $8,992.49, plus other actual and consequential damages in an amount to be determined at trial;

i. on their Fifth Cause Of Action: Damages of not less than $26,977.29, plus a trebling of other actual and consequential damages in an amount to be determined at trial;

j. on their Sixth Cause Of Action: Damages of not less than $28,767.49 plus other actual and consequential damages in an amount to be determined at trial;

k. on their Seventh Cause Of Action: Damages of not less than $28,767.49, plus other actual and consequential damages in an amount to be determined at trial;

l. on their Eighth Cause Of Action: Damages of not less than $28,767.49, plus other actual and consequential damages in an amount to be determined at trial;

m. on their Ninth Cause Of Action: Damages of not less than $28,767.49, plus other actual and consequential damages in an amount to be determined at trial, plus other actual and consequential damages in an amount to be determined at trial;

n. on their Tenth Cause of Action: Damages of not less than $28,767.49, plus other actual and consequential damages in an amount to be determined at trial, plus other actual and consequential damages in an amount to be determined at trial;

o. on their Eleventh Cause of Action: Damages of not less than $28,767.49, plus other actual and consequential damages in an amount to be determined at trial, plus other actual and consequential damages in an amount to be determined at trial

p. on their Twelfth Cause of Action: Damages of not less than $28,767.49, plus other actual damages in an amount to be determined at trial;

q. punitive damages to the extent permitted by law;

r. interest at the legal rate on all claims for compensatory damages;

s. the costs and disbursements of this action;

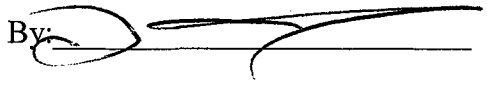
t. the return of all documents signed by and/or sent by Plaintiffs relating to Defendants' purported "loan modification" services;

u. reasonable attorneys' fees to the extent permitted by law; and

v. such other and further relief as the Court may deem just and proper.

Date: March 5, 2012
New York, New York

DAVIS POLK & WARDWELL LLP

By: 

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Attorneys for Plaintiffs

* *pro hac vice admission pending*

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NASSAU

ANGELINA MASHEYEVA, VADIM VOROBYOV, JEAN JONES, VICTOR JONES, BEN VARKEY, LEELA VARKEY, THOMAS VARKEY, GEORGE HARRINGTON, JR., JOANN HARRINGTON, MIKE WOOD, COLLEEN PETRISHIN, PATSY BIONDO, SALVATORE BIONDO, CHARLENE FARINO, CYNTHIA STEWART, TODD DEAN, ISIAH SLAUGHTER, and BEVERLY DEAS,	:	
Plaintiffs,	:	
	:	Index No.
-against-	:	
LAW OFFICES OF DAVID M. GREEN, GREEN LAW GROUP PLLC, SBLC CONSULTANTS LLC (a/k/a AMERICAN HOME CRISIS CENTER), AMERICAN ECONOMIC ADVOCATES LLC (a/k/a LINCOLN FIRST CREDIT SERVICES), LAW OFFICE OF BRETT MARGOLIN, P.C., 591 CAPITAL, INC., DAVID M. GREEN, JASON GREEN, CHRIS RASCIONATO, TOM LIGUORI, BARRY COHEN, JOSEPH RIVERA, MICHAEL DREITLEIN, PETER ORENA, MARILYN MADER, COREY SINGER, KAREN CLARK, HOWARD GELFAND, BRETT MARGOLIN, DAN PHILLIPS, and KEVIN ALLISON,	:	
Defendants.	:	

COMPLAINT

Linda H. Mullenbach*
Meredith Horton

*Pro hac vice *admission pending*

On behalf of
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