



Roy Cooper North Carolina Attorney General

Fighting Foreclosure Scams

More North Carolina homeowners are facing foreclosure, and scammers are trying to take advantage of them.

Complaints about foreclosure and loan modification scams are up dramatically. In 2007, Attorney General Roy Cooper's Consumer Protection Division received seven complaints about foreclosure scams. That number rose to 82 complaints in 2008 and 448 complaints in 2009. We've received 29 complaints so far in 2010.

Cooper has taken action against more than 200 foreclosure assistance scams since January of 2008. In 2005, Cooper helped win a law that makes it illegal to charge an upfront fee for foreclosure assistance in North Carolina. To enforce the law, the Attorney General's Consumer Protection Team has:

- Issued 206 cease and desist letters to warn foreclosure relief schemes to stop violating North Carolina law.
- Won judgments worth more than \$1 million from foreclosure scammers and recovered more than \$100,000 in refunds for consumer victims of these schemes.
- Taken 11 foreclosure scammers to court:

The Lamb Group/US Consumer Solutions and Geoffrey Lamb (2009)

In December of 2009, Cooper won court orders stopping Lamb from taking money for foreclosure assistance or loan modifications. The Kannapolis-based scam claimed on its website to be a "non-profit foreclosure relief organization" with a "success rate of 97%" In reality, Lamb charged homeowners an up-front fee of as much as \$1,500, told them not to contact their mortgage lenders, and then did little or nothing to help save their homes.

Campbell Law Firm and Rudolph C. Campbell (2009)

In December of 2009, Cooper filed suit against Campbell and his Florida firm. The company promised consumers that a lawyer would "carefully review your foreclosure matter" and help win a loan modification for an advance fee of \$1,000. North Carolina consumers who paid the money got little or no help, and had no contact with an attorney from the firm. Campbell Law Firm appears to be a continuation of a foreclosure relief scam called Attorney Debt Services or HomeKeeper USA that the Florida Attorney General shut down in February 2009. On February 2, 2010, a judge issued a preliminary injunction to stop the company's operations in North Carolina.

Peoples First Financial (2009)

21st Century Legal Services (2009)

In July of 2009, Cooper joined federal officials and attorneys general from 17 other states to crack down on foreclosure scammers nationwide. Cooper filed suit against two California companies, Peoples First Financial and 21st Century Legal Services, that promised to help North Carolinians negotiate lower mortgage payments and save their homes from foreclosure. Both companies took

money upfront and did little or nothing to help homeowners. A North Carolina court agreed with Cooper's request to bar the companies from doing business with North Carolina consumers.

Mortgage Help Services and Nathaniel Livingston (2009)

In June of 2009, Cooper won a court order to stop Mortgage Help Services Inc. of Raleigh and its CEO from advertising, performing or taking money for loan modification and foreclosure assistance services. The company advertised on local TV stations and Christian radio stations that its experts could rescue homes from foreclosure, but homeowners who paid Mortgage Help Services between \$500 and \$1,500 upfront got little or no help. On February 2, 2010, Cooper won a permanent injunction and a judgment of \$244,409.94 against the defendants.

Robert E. Cassell, Jr., doing business as American Mortgage Assistance (2008)

Home Assure, LLC and its vice president Michael Grieco (2008)

Metrolina Mortgage Relief, LLC and its president Jeffery Mika (2008)

In October 2008, Cooper took action against these three Charlotte area foreclosure rescue companies that charged homeowners facing foreclosure high fees but failed to save their homes. The firms are currently barred from offering foreclosure services in NC. In May of 2009, the Attorney General won a permanent injunction and judgment worth \$10,000 against Metrolina. In July 2009, the Attorney General won a permanent injunction and judgments worth more than \$147,000 against Grieco and Home Assure.

Alphin Marketing Group, Inc., Alphin Group, Inc., and Russell E. Alphin (2008)

The Alphin Group targeted distressed homeowners with false offers to help save them from foreclosure. In May 2008, Cooper won a court order to stop the defendants from taking consumers' money. In May 2009, the Attorney General won a permanent injunction to bar the company from offering foreclosure assistance and debt adjusting services in North Carolina and a monetary judgment of \$30,000.

Mortgage Assistance Solutions, LLC, doing business as Fresh Start, and Michael Thomas Stoller (2008)

Fresh Start contacted North Carolina homeowners facing foreclosure and told that they would negotiate with their lenders and help them get a new loan in exchange for an upfront fee of \$1,200 to \$1,400. In February 2008, Cooper won a court order barring the Florida company and its Beverly Hills-based manager from conducting foreclosure assistance services in North Carolina. In May of 2008, the court imposed a permanent injunction on the defendants. The company is no longer doing business in North Carolina.

Mortgage Assistance of the Carolinas and Alan Steve Seabolt (2006)

This Charlotte company targeted distressed homeowners with promises of special expertise in rescuing homes from foreclosure, collecting an upfront fee but doing little or nothing to help consumers save their homes. Cooper filed suit against Seabolt and his company in August 2006. In September 2007, the court entered a default judgment and permanent injunction against the defendants, barring them from engaging in any foreclosure assistance or related services in North Carolina and ordering them to pay \$105,000.