STATE OF NORTH COUNTY OF WAKE	CAROLINA
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v.	The state of the s

IN THE GENERAL COURT OF SUPERIOR COURT DIVISION 14 CVS

REMEDY CENTER LAW, dba HOME REMEDY CENTER,

and

PAMELA GRESSIER, Individually, and in her capacity as owner and/or operator of Remedy Center Law,

Defendants.

COMPLAINT

I. <u>INTRODUCTION</u>

Plaintiff, State of North Carolina (hereinafter "the State"), by and through its Attorney General Roy Cooper, brings this action alleging unfair and deceptive practices in violation of N.C. Gen. Stat. § 75-1.1 and violation of the Debt Adjusting Act, N.C. Gen. Stat. § 14-423, et seq., seeking injunctive relief, refunds for customers, statutory civil penalties, costs, attorneys' fees and other appropriate relief.

II. PARTIES

- 1. Plaintiff is the State of North Carolina (the "State"), acting on relation of Attorney General Roy Cooper, pursuant to the authority granted by Chapters 14, 75 and 114 of the North Carolina General Statutes.
- 2. Defendant Remedy Center Law, doing business as Home Remedy Center, is a California corporation located at 4500 Campus Drive #525, Newport Beach, California

- 92660. Home Remedy Center (HRC) is the company name used by Defendant Remedy Center Law in its communications and contractual relations with North Carolina consumers.
- 3. Defendant Pamela Gressier, also known as Pamela Gerber-Gressier, is an adult California resident who was an attorney duly licensed to practice in the State of California. Defendant Gressier was not licensed or otherwise authorized to practice law in North Carolina. Defendant Gressier's address is 8171 Mary Circle, Huntington Beach, California 92646. Upon information and belief, Defendant Gressier was an owner and/or operator of Defendant Remedy Center Law and directed, managed and was responsible for the illegal acts of HRC in North Carolina. Defendant Gressier is sued individually and in her capacity as an owner and/or operator of Remedy Center Law, dba Home Remedy Center.

III. FACTUAL ALLEGATIONS

- 4. Defendants were in the business of purporting to offer help to consumers who had mortgages on their homes, including those attempting to avoid foreclosure, by working with consumers' lenders to lower the consumers' monthly payments by negotiating an adjustment to the mortgage principle, lowering the interest rate for the loan or otherwise securing payment relief.
- 5. Defendants solicited consumers in North Carolina through direct mailings to the consumers' homes.
- 6. The mail solicitation sent by Defendants was titled "IMPORTANT INTEREST RATE NOTIFICATION" and stated "A recent review for your property at [consumer's address] has determined that you may be eligible to receive immediate assistance. Eligible applicants in the State of NC may also receive a Principle Reduction, Payment Relief, interest reduction or the Elimination of 2nd Mortgage." The notice further stated that the

consumer's lender "is one of the approved lenders authorized to offer aggressive loan workout options to qualified borrowers." Each notice also provided an estimate of a new monthly payment "under the specifications of this program" that was significantly less than the consumer's current payment. Finally, the solicitation stated that "This offer is good for 30 days and is subject to certain conditions." Nowhere in the solicitation were Defendants' names provided, but instead, only a toll free telephone number was provided which reached Defendant Home Remedy Center when called.

- 7. When contacted by consumers, Defendants identified themselves as Home Remedy Center and represented that they had lawyers who would help the consumer avoid foreclosure and/or lower their mortgage payments by negotiating a loan modification or other loan adjustment with the consumers' lender or mortgage provider.
- 8. When consumers initially contacted Defendants, Defendants purported to review the consumers' existing loan to determine if it qualified for modification. In each case in which the Attorney General's Office has been contacted by a consumer, the consumer was advised by Defendants that, after this initial review, it was determined that the consumer did qualify for a loan modification. After advising the consumer that he or she qualified for a loan modification, but prior to contacting the mortgage provider or attempting to seek a loan modification in any way, Defendants required that the consumers pay a large fee up-front. These fees ranged from \$3,495 to \$4,999 and were often paid in three installments.
- 9. In certain cases, consumers were advised by Defendants to stop making their mortgage payments and were told that if contacted by their lender, they did not need to speak with their lender as Defendants would handle all communications with the lender. This

resulted in at least one North Carolina consumer known to the State becoming delinquent on his mortgage and having foreclosure proceedings initiated.

- 10. During the period of time consumers were making payments for the Defendants' fee (normally three months), they were required by Defendants to complete various forms and provide a significant amount of documentation. During this process, consumers were routinely required to complete the same forms more than once and/or resubmit documentation previously provided.
- 11. After receiving full payment of the up-front fee, Defendants would do little or no work to help secure a loan modification for the consumers who paid their fee. In each case reviewed by the State, Defendants failed to obtain a loan modification or any other relief for the consumer. In some cases, Defendants did not even submit the completed forms and documents to the lender. In other cases, Defendants merely forwarded the forms prepared by the consumers to the lender, but made no effort to negotiate with the lender or otherwise pursue the requested loan modification.
- 12. Once payment to Defendants and the required paperwork had been completed, Defendants ceased contact with the consumers and made any efforts to speak with Defendants about the status of the requested loan modifications extremely difficult, if not impossible.
- 13. After consumers became aware that Defendants were not going to be able to obtain the promised loan modification, all attempts to obtain a refund from Defendants were rejected.
- 14. The Attorney General's Office has received ten (10) consumer complaints regarding Defendants. Three examples of these complaints are discussed in detail in

- Paragraphs 15 50. By listing these examples, the State is not limiting its request for relief to only these consumers.
- 15. One consumer, Michael Kernozek, a resident of Mecklenburg County, received a solicitation by mail in May, 2013 from Defendants which was entitled "Payment Reduction Notification."
- 16. Mr. Kernozek called the 800 telephone number provided in the solicitation and was advised that the business he contacted was Home Remedy Center. The HRC representative advised Mr. Kernozek that HRC had lawyers who would work with the holder of his mortgage to negotiate a better interest rate and/or lower the principle amount of his mortgage.
- 17. During this same initial telephone conversation with Defendants, Mr. Kernozek provided basic information regarding his mortgage, income and monthly bills and was advised that he definitely met the pre-qualifications for Defendants' program.
- 18. Mr. Kernozek was advised by Defendants that in order for their lawyers and associates to submit the required paperwork and negotiate with his lender, he was required to sign a contract and submit a fee of \$3,990.00. Because Mr. Kernozek did not have sufficient funds on hand to make the required payment, it was agreed that he would divide the \$3,990 fee into three payments and immediately send Defendants three checks: one with the current date, one dated a month later and the third check dated two months later.
- 19. Mr. Kernozek was further advised by Defendants that having signed up for their program, he no longer needed to make his mortgage payments and that he could ignore all future communications from his mortgage lender as Defendants would handle everything.

- 20. After making his payments to Defendants, Mr. Kernozek worked on gathering the documentation requested by Defendants. On more than one occasion, Defendants contacted Mr. Kernozek stating they had not received certain documents, even though Mr. Kernozek had previously mailed the requested documents to Defendants.
- 21. After sending in the requested documentation, Mr. Kernozek was advised by Defendants that they would be able to have his lender reduce his payments by over \$600.00 a month.
- 22. Despite the representations referenced above, Mr. Kernozek was notified by his lender that his application was rejected because his income was too high for the loan modification for which the Defendants applied. As previously indicated in Paragraph 17 above, Mr. Kernozek had provided Defendants with information about his income in his initial telephone discussion with them. After his loan modification application was rejected, Defendants advised Mr. Kernozek that unless he had a reduction in income, they could not help him further.
- 23. Upon information and belief, other than submitting the documentation prepared by Mr. Kernozek to the lender, Defendants made no other efforts to negotiate or otherwise work with Mr. Kernozek's lender to obtain either a reduced interest rate or reduction in mortgage principle.
- 24. Upon realizing that Defendants had failed to obtain the loan modification they represented they could obtain, Mr. Kernozek requested a refund. Mr. Kernozek's request for a refund was denied by the Defendants.
 - 25. Mr. Kernozek's affidavit is attached hereto as Attachment "A."

- 26. Another consumer, Manuel Booker, a resident of Franklin County, had an experience with Defendants very similar to Mr. Kernozek's.
- 27. Mr. Booker and his wife received a letter which appeared to come from the company holding their mortgage, offering attractive terms on a "HARP loan" to refinance their home. A HARP loan refers to the federal Home Affordable Refinance Program, a program designed to help those with a loan-to-value ratio greater than 80% and who meet a number of other requirements.
- 28. The letter Mr. and Mrs. Booker received stated that a recent review of their property determined that they may be eligible for a principle reduction, payment relief, interest reduction or elimination of a 2nd mortgage. The letter also stated that their mortgage payments could be reduced to \$616.00 or less, with a new fixed rate of 2.50%/3.00%. Finally, the letter stated that the offer was good for 30 days.
- 29. Mr. Booker called the toll free number provided in the solicitation and spoke with a representative of Home Remedy Center who confirmed that they were eligible for the offer set forth in the letter. However, Mr. Booker was advised that payment of a fee of \$3,990.00 was required in advance. Mr. Booker was also advised that if there was a problem with getting the loan modification approved, he would get his money back.
- 30. In approximately June, 2013, Mr. and Mrs. Booker sent the fee of \$3,990.00 in three installments.
- 31. Similar to Mr. Kernozek's experience, the Bookers were required on several occasions to resubmit forms and documents they had previously provided to the Defendants.
- 32. After paying the full amount of \$3,990.00 and submitting all of the paperwork to Defendants' satisfaction, several months passed with no contact from the Defendants.

Despite leaving a number of messages with Defendants, the Bookers never received a return call.

- 33. The Bookers eventually became suspicious and contacted their lender and were advised that the lender had not been contacted by Defendants regarding the terms of their loan or a HARP loan modification. The lender reviewed the terms of the Bookers loan and advised them that they were not even eligible for a HARP loan modification because they had a home equity loan with the lender.
- 34. After this discussion with the lender, Mrs. Booker left messages with Defendants demanding their money back. On one occasion, Mrs. Booker was able to speak with a representative at Defendants' business, but was only told that someone would call back to discuss the Bookers' situation. No one from Defendants ever called back and the Bookers never received a refund.
 - 35. Manuel Booker's affidavit is attached hereto as Attachment "B."
- 36. A third consumer, Catherine McDermott, a resident of Mecklenburg County, also had an experience with Defendants similar to Mr. Kernozek and Mr. and Mrs. Booker.
- 37. Having experienced significant financial issues because of multiple medical issues within her family, Ms. McDermott contacted her lender about possibly refinancing her home. She was advised by her lender that because she already had a low mortgage interest rate, refinancing would not lower her monthly payments.
- 38. Shortly after this discussion with her mortgage lender, Ms. McDermott received a letter from Defendants indicating that based upon a review of her current mortgage, she may qualify for a loan modification program which could reduce her monthly mortgage

payments by over \$870 a month. The letter also stated that the offer was only good for 30 days.

- 39. In approximately May, 2103, Ms. McDermott called the toll free number provided in the letter and spoke with a representative of Home Remedy Center who advised, after a brief review of Ms. McDermott's financial situation, that she was eligible for the program offered in the letter. The representative also advised that the attorneys with whom HRC worked would deal directly with Ms. McDermott's lender to secure the loan modification.
- 40. Ms. McDermott was advised by the HRC representative that before they could begin work on her loan modification, she would need to sign a contract and pay a fee in advance of \$3,990.00. Because Ms. McDermott did not have sufficient funds on hand to make the required payment, it was agreed that she would divide the \$3,990 fee into three payments and immediately send Defendants three checks: one with the current date, one dated a month later and the third dated two months later.
- 41. Ms. McDermott then began the task of providing Defendants with the forms and documents Defendants required. As with the consumers discussed above, Ms. McDermott was repeatedly advised that documents she had sent were either completed incorrectly or not received and she was required to resubmit documents on multiple occasions.
- 42. Upon finally completing the forms and submission of documents required by Defendants, Ms. McDermott was advised by Defendants that she was qualified for the loan modification discussed. However, Ms. McDermott subsequently had difficulty communicating with Defendants and eventually contacted her lender directly in order to inquire about the status of her loan modification.

- 43. Ms. McDermott's lender advised her that while Defendants had submitted some of the documentation needed for a loan modification application, certain required documentation had either not been received or completed improperly.
- 44. After speaking with her lender, Ms. McDermott spoke with Defendants' representative who assured her that all required documentation had been properly submitted and that it was her lender's representative who did not know what he or she was doing.
- 45. Shortly after receiving these reassurances from Defendants, Ms. McDermott received a letter from her lender denying her loan modification application based upon the failure to submit properly completed forms and documentation.
- 46. After receiving the letter from her lender denying her application for a loan modification, Ms. McDermott tried numerous times to speak with a representative of Defendants, but was unsuccessful.
- 47. After being unable to communicate with Defendants, Ms. McDermott began working directly with her lender and was able to obtain approval of a loan modification. However, rather than decreasing her payments as promised by Defendants, the modification would have increased Ms. McDermott's monthly mortgage payments. Ms. McDermott declined the loan modification.
- 48. Despite Defendants' failure to secure the loan modification promised, Ms. McDermott never received a refund of the advance fee of \$3,990.00 that she paid Defendants.
 - 49. Catherine McDermott's affidavit is attached hereto as Attachment "C."

- 50. Additional complaints received from North Carolina consumers are discussed in the affidavit of Investigator Michael Ramaikas of the North Carolina Attorney General's Office. See Affidavit of Michael Ramaikas attached hereto as Attachment "D."
- 51. A contract received by Investigator Michael Ramaikas from a North Carolina consumer, which is representative of the contracts other North Carolina consumers referenced in this Complaint signed with Defendant HRC, is attached hereto as Attachment "E."

IV. CLAIMS FOR RELIEF

COUNT I – VIOLATION OF THE NORTH CAROLINA UNFAIR AND DECEPTIVE TRADE PRACTICES ACT: N.C. GENERAL STATUTE § 75-1.1, et seq.

- 52. Plaintiff incorporates by reference the allegations set forth in paragraphs one (1) through fifty-one (51) of this Complaint.
- 53. Defendants are engaged in commerce in the State of North Carolina in the conduct of their loan modification business. Defendant Gressier has never been licensed to practice law in North Carolina and Defendants did not provide bona fide attorney services to North Carolina residents.
- 54. In the course of Defendants' business of selling loan modification services, Defendants engaged in unfair and deceptive acts and practices in violation of N.C.G.S. § 75-1.1. These unfair and deceptive acts include, but are not limited to:
- a. Making deceptive and misleading representations to consumers that Defendants could and would obtain loan modifications for consumers on favorable terms, without any meaningful consideration of the individual borrower's circumstances or financial information;

- b. Making deceptive and misleading representations to consumers that Defendants' attorneys would negotiate and work with consumer's lenders to obtain the most favorable loan modification possible;
- c. Collecting substantial fees from financially distressed consumers for loan modification services, but failing to render any meaningful or beneficial services on behalf of consumers;
- d. Requiring consumers to complete the same forms and provide the same documentation multiple times during the same period of time consumers were making installment payments of Defendants' fees;
- e. Interfering with consumers' contractual obligations to, and relationship with, their mortgage lender by advising consumers to cease making mortgage payments and advising consumers that they did not need to respond to communications from their mortgage lender;
- f. Failing to provide refunds despite the complete failure to make good faith efforts to negotiate or otherwise secure a loan modification for consumers as promised.
- 55. In connection with Defendants holding themselves out as, and providing services as, an intermediary between a consumer and his or her lender for the purpose of reducing, settling or altering the terms of payment of the consumers' mortgage, and requiring payment of consideration in advance of the rendering of any promised services, the Defendants have engaged in violations of North Carolina's Debt Adjusting Act, N.C. Gen. Stat. § 14-423, et seq., as set forth below in Count II, which pursuant to N.C. Gen. Stat. § 14-425, constitutes an unfair or deceptive trade practice.

- 56. In connection with the offering and providing to consumers assistance in negotiating, obtaining or arranging a modification or reduction in the interest, principal balance or monthly payments of the mortgage on consumers' homes, the Defendants have engaged in providing Mortgage Assistance Relief Services, as that term is defined in 12 C.F.R. § 1015.2. Defendants conduct violated 12 C.F.R. § 1015.5(a), by requiring payment of their fee prior to successfully obtaining a written agreement to obtain mortgage assistance relief between the consumer and his or her lender.
 - 57. Under 12 C.F.R. § 1015.2, "Mortgage Assistance Relief Service" is defined as: any service, plan, or program, offered or provided to the consumer in exchange for consideration, that is represented, expressly or by implication, to assist or attempt to assist the consumer with any of the following:
 - (2) Negotiating, obtaining, or arranging a modification of any term of a dwelling loan, including a reduction in the amount of interest, principal balance, monthly payments, or fees
- 58. Under 12 C.F.R. § 1015.5(a), it is a violation for any mortgage assistance relief service to "[R]equest or receive payment of any fee or other consideration until the consumer has executed a written agreement between the consumer and the consumer's dwelling loan holder or servicer incorporating the offer of mortgage assistance relief the provider obtained from the consumer's dwelling loan holder or servicer."
- 59. Defendants are engaged in the business of "Mortgage Assistant Relief Service" as defined above.
- 60. Defendants violated 12 CFR § 1015.5(a) by taking a fee from consumers prior to the consumer executing a written agreement with his or her dwelling loan holder or servicer incorporating the offer of mortgage assistance relief the Defendants promised to obtain from the consumer's dwelling loan holder or servicer.

61. By their violation of 12 CFR § 1015.5(a), Defendants have engaged in an unfair and deceptive practice which constitutes a violation of N.C. Gen. Stat. § 75-1.1.

COUNT II - VIOLATION OF NORTH CAROLINA DEBT ADJUSTING LAW: N.C. GENERAL STATUTE § 14-423, et seq.

- 62. Plaintiff incorporates by reference the allegations set forth in paragraphs one (1) through sixty-one (61) of this Complaint.
- 63. Defendants, Home Remedy Center and Pamela Gressier, were engaged in the unlawful business of "debt adjusting," as that term is defined in N.C. Gen. Stat. §14-423 (2).
- 64. Specifically, N.C. Gen. Stat. §14-423(2) defines "debt adjusting," to include any person who "holds himself or herself out as acting for consideration as an intermediary between a debtor and the debtor's creditors for the purpose of reducing, settling, or altering the terms of the payment of any debt of the debtor ... and receives a fee or other consideration for reducing, settling, or altering the terms of the payment of the debt in advance of the debt settlement having been completed or in advance of all the services agreed to having been rendered in full."
- 65. N.C. Gen. Stat. §14-423(4) defines "Person" as an "individual, firm, partnership, limited partnership, corporation, or association."
- 66. Defendants' actions constitute a criminal offense pursuant to N.C. Gen. Stat. §14-424, which provides: "[I]f any person shall engage in, or offer to or attempt to, engage in the business of practice of debt adjusting, or if any person shall hereafter act, offer to act, or attempt to act as a debt adjuster, he shall be guilty of a Class 2 misdemeanor."
- 67. Pursuant to N.C. Gen. Stat. §14-425, the Attorney General, in an action brought in the name of the State, may seek to enjoin as an unfair and deceptive trade practice, the continuation of any debt adjusting business or the offering of any debt adjusting services. The

Attorney General may also seek, under this provision, the appointment of a receiver to ensure, so far as may be possible, the return to consumers of all monies paid to the debt adjuster. The court may also assess civil penalties under N.C. Gen. Stat. §75-15.2, and attorneys' fees to the State under N.C. Gen. Stat. §75-16.1.

PRAYER FOR RELIEF

WHEREFORE, the State of North Carolina prays the Court for the following relief:

- A. That, pursuant to N.C. Gen Stat. §§ 14-425 and 75-14, a permanent injunction be entered upon final adjudication of this case to prevent Defendants Gressier and Remedy Center Law, dba Home Remedy Center, and its officers, agents, employees, successors, and assigns from:
- 1. advertising, soliciting, entering into contracts for the purpose of, or engaging in, any unlawful debt adjusting activities in the State of North Carolina, in violation of North Carolina's Debt Adjusting law, N.C. Gen. Stat. §§ 14-423, 14-424; and
- 2. engaging in unfair or deceptive practices in the offering or conducting of their business in this State;
- B. That Defendants be ordered to refund all sums collected from North Carolina consumers resulting from Defendants' violations of the Debt Adjusting law and N.C. Gen. Stat. § 75-1.1, pursuant to N.C. Gen. Stat. §§ 14-425 and 75-15.1;
- C. That Defendants' existing contracts or agreements with consumers be cancelled pursuant to N.C. Gen. Stat. § 75-15.1;
- D. That Defendants be required to pay appropriate civil penalties, pursuant to N.C. Gen. Stat. § 75-15.2;

- E. That the State be awarded costs of this action and reasonable attorneys' fees; and
- F. That the Court award such other and further relief as may be just and proper.

 Respectfully submitted, this the 23rd day of July, 2014.

ROY COOPER

ATTORNEY GENERAL

William V. Conley

Special Deputy Attorney General

NC Department of Justice

Post Office Box 629

Raleigh, NC 27602

(919) 716-6000

NC State Bar No. 38619

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing COMPLAINT has been hand-delivered with the Court and served upon the DEFENDANTS by placing a copy of same in the United States Mail, first class postage prepaid, addressed to them as follows:

REMEDY CENTER LAW, d/b/a HOME REMEDY CENTER By and through Registered Agent, Pamela S. Gressier 4500 Campus Drive #525 Newport Beach, California 92660

PAMELA GRESSIER 8171 Mary Circle Huntington Beach, California 92646

This the <u>23</u>, day of July, 2014.

William V. Conley

Special Deputy Attorney General

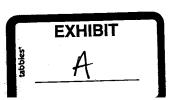
STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

AFFIDAVIT OF MICHAEL KERNOZEK

Michael Kernozek, being first duly sworn, states as follows:

- 1. I am a resident of Charlotte, North Carolina.
- 2. I am 55 years of age.
- 3. In May of 2013 I received a post card in the mail that stated it was a Payment Reduction Notification and under the specifications of the program my \$230,000.00 mortgage would have a monthly payment of \$909.00 or less and a new interest rate of 2.5% to 3% fixed rate. The post card provided a toll-free 1-800 number to call and stated that this offer was good for only 30 days.
- 4. Since becoming the sole income earner of my household, I had tried to refinance my home through Quicken Loans a couple of times over the last couple of years. Each time the home appraisal would come in lower than what I still owed on my mortgage, so I was unable to refinance my home through Quicken Loans.
- 5. My mortgage lender is HSBC and I have also contacted them to see if they could provide assistance in refinancing directly through them. I was advised that they were unable to help me in my current situation and I was referred to a 1-800 toll free number for a possible temporary hardship modification, but they also were not able to offer me much help.



- 6. So when I received the Payment Reduction Notification in the mail it sounded pretty good and I decided to call the telephone number provided and see what help I could receive.
- 7. When I called the telephone number the representative who answered the call stated the business I contacted was Home Remedy Center ("HRC"). The representative stated that they had lawyers that worked with HRC and would work with the investors of my mortgage to negotiate a better interest rate and/or lower the principle amount of my mortgage.
- 8. I provided the representative some basic information regarding my mortgage, income, and monthly bills and the representative stated that I most definitely met the prequalifications for their program.
- 9. The representative stated that based on my current mortgage and my income, HRC would be able to work with my mortgage lender and either do one of two options or a combination of the two options. The first option was to decrease my interest rate as my mortgage had a high interest rate and the second option was to work with the investors to reduce the principle amount of my mortgage since I was underwater. So in my situation it appeared a combination of the two options would be best.
- 10. At this point I decided to use HRC to assist me in getting my mortgage modified. The representative advised me that in order for their lawyers and associates to submit the paperwork to my lender and work with the investors I would first have to remit a payment of \$3,990.00 and sign a contract. The representative sent me a contact via email to be signed and returned with the payment.

- 11. Since I did not have all of the funds available to pay the full amount of \$3,990.00, HRC let me send them three (3) checks with one (1) check with a current date to be cashed upon receipt and the other two (2) checks were posted dated for the next two (2) months and would be cashed respectively. As instructed, I signed the contract and returned it with the three (3) checks totaling \$3,990.00 to HRC via Federal Express.
- 12. I was advised by a HRC representative that I did not have to make any more mortgage payment since I was signing up for their program and that if my lender contacted me I did not have to talk to them as HRC would be handling everything. In a letter dated June 15, 2013, from HRC it states "Please remember that all documents should be sent to our office and not to your lender regardless of the party making the request".
- 13. The next step was for me to provide HRC with all the necessary, official documents pertaining to my mortgage, salary, bank account, 401K, and monthly bills. I was also required to send HRC a copy of my pay stub each month for the next three (3) months as that was how long the process would take.
- 14. As I worked through the process of getting the necessary documents together and sending them to HRC, I was contacted by HRC representatives a couple of times stating that they had not receive some of the documents I had sent them. On each occasion I had proof that I had sent the documents to HRC.
- 15. After receiving all of my documentation I was contacted by a HRC representative who advised me that HRC would be able to have my lender reduce my monthly mortgage payment from \$1,700.00, which did not include any escrow payment for taxes and insurance, down to \$1,104.00 per month and this amount included an escrow payment for taxes and

insurance. HRC would also be able to have my principle mortgage amount reduce from \$210,000.00 to \$189,000.00.

- 16. HRC submitted all of the necessary documentation to my mortgage lender for the loan modification but after reviewing the documentation my lender rejected the modification due to the fact that my income was too high for the loan modification applied for.
- 17. After being advised that I most definitely prequalified for a modification by HRC, I was rather surprised by the rejection from my lender. I contacted HRC and was advised by an HRC representative that unless I had a reduction in my income they would be unable to help me any further.
- 18. After being rejected by my mortgage lender, HRC stopped everything. HRC's lawyers did not work with my mortgage lender as noted in the agreement. HRC did nothing associated with obtaining a principle reduction on my mortgage, which HRC stated as an option in their initial letter to me. No appraisal of my home was ever done and no appraisals of other homes in my area were sent over to my mortgage lender for obtaining a principle reduction.
- 19. Since HRC was unable to get me a loan modification I requested a refund of the \$3,990.00 advanced payment I had made. I was advised that I would not get a refund as it was stated in the contact.
- 20. Since HRC failed to get me a loan modification I have continued to try to obtain loan modification or refinance my home on my own, but my home is still being appraised at less than what I owe so I have been unsuccessful and stuck with my current mortgage.
- 21. In my opinion HRC did not do what they said they would do and just submitted paperwork to my lender that fell into the category of a hardship type of loan modification instead

of HRC lawyers working with the investors to decrease my interest rate and reduce the principle amount of my mortgage. What HRC did I could have done myself and would not have lost the \$3,990.00.

Sworn to and subscribed before me

This the 16 day of Joly , 2014

Qosa M. Gonzalez Gromez (Notary Public)

My Commission Expires: June 06, 2018



STATE OF NORTH CAROLINA

COUNTY OF FRANKLIN

AFFIDAVIT OF MANUEL BOOKER

Manuel Booker, being first duly sworn, states as follows:

- 1. I am a resident of Youngsville, North Carolina.
- 2. I am 76 years of age.
- 3. In the summer of 2013 my wife and I received a letter that appeared to come from Wells Fargo which is our mortgage company. The letter was offering attractive terms on a HARP loan to refinance our home.
- 4. At the top of the letter it stated the name Wells Fargo, an eligibility code, and a 1-800 toll-free contact number. Then in all capital letters it stated it was an "Important Interest Rate Notification".
- 5. In the body of the letter it stated that a recent review for our property determined that we may be eligible to receive immediate assistance and may receive a principle reduction, payment relief, interest reduction or the elimination of a 2nd mortgage. The letter also stated that our mortgage lender was one of the approved lenders authorized to offer aggressive loan workout options to qualified borrowers. The letter went on to state that under the specifications of this program our \$156,000.00 mortgage would have a new monthly payment of \$616.00 or less and a new rate of 2.50% / 3.00% fixed. Lastly the letter stated that this offer was good for 30 days.

- 6. My wife and I felt that this letter was offering us a great opportunity to lower our monthly payment and improve our financial situation a little, but we wanted to make sure the offer was legitimate so we decide to take the letter to our local Wells Fargo Bank branch.
- 7. At the Well Fargo Bank we spoke with a representative that advised us that the letter did not come directly from Wells Fargo but was probably from a third party lender, affiliated with Wells Fargo and that this type of offer did appear to be legitimate.
- 8. With that assurance we proceeded to contact the business that sent us the offer letter. We called the toll free number and spoke with a representative of Home Remedy Center ("HRC"). The representative confirmed that we were eligible for what was offered in the letter and stated that \$3,990.00 was required in advance and everything would be approved within 90 days.
 - 9. We were mailed a contact which we signed and mailed back to HRC.
 - 10. We paid the full amount of \$3,990.00 in three (3) installments.
- 11. HRC requested a lot of paperwork from us. We had to fill out some forms and had to provide HRC with paperwork regarding our Wells Fargo mortgage, our monthly Social Security income, our monthly bills, and any other outstanding debts we had. We filled out all the necessary forms and submitted all of the requested paperwork, however, HRC claimed several times that they did not get all the paperwork or there was something wrong with the paperwork. Even though we could prove that they had received the paperwork because we had mailed the paperwork return receipt requested, we were still required to fill out the same forms again and resubmit paperwork several times. The HRC representative stated that if they did not get the paperwork, they would cancel our loan.

- 12. After paying the full amount of \$3990.00 and submitting all of the required paperwork, several months passed and we did not hear anything from HRC regarding our loan. On several occasion we tried to contact HRC. When we called no one would answer the telephone and we would have to leave a voicemail message. No one called back after we left messages.
- 13. My wife and I became suspicious of HRC and what they were doing so we decided to contact Well Fargo directly and find out what HRC had done so far. The representative at Wells Fargo advised us that no one had contacted them regarding the terms of our loan or a HARP loan modification.
- 14. At this point, the Wells Fargo representative reviewed our mortgage and advised us that we would not even qualify for a HARP loan modification because our mortgage was actually a home equity loan and those loans did not qualify for HARP.
- 15. After finding out that our loan did not even qualify for the HARP loan that HRC was offering us, my wife began to call HRC to demand our money back. After numerous attempts she was finally able to speak with a representative at HRC, but the representative only said someone would call us back, which of course, no one ever did.
- 16. When we first spoke with a representative at HRC we were told that we would get our money refunded if there was a problem and the loan did not go through. This was only stated verbally over the phone and not in writing.
- 17. My wife and I have continued to try and refinance our loan but have been unsuccessful and the loss of almost \$4,000.00 has been a financial burden for us.

18. The offer that HRC made to me and my wife was a total rip-off. If HRC had truly reviewed our property and our loan as they claimed, they would have realized that our loan was a home equity loan and was not eligible for the HARP loan modification they had offered us. It seems that the in requesting paperwork from us over and over again was just a delaying tactic until they had received all of our payment of \$3.990.00.

Manuel J.	Booker	7/3/2014
Manuel Booker	Date	/

Sworn to and subscribed before me

This the

_day of _MLl

, 2014

(Notary Public)

My Commission Expires:

9-30-2014

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

AFFIDAVIT OF CATHERINE MCDERMOTT

Catherine McDermott, being first duly sworn, states as follows:

- 1. I am a resident of Davidson, North Carolina.
- 2. I am 31 years of age and married. My husband and I have a two (2) year old child and I am pregnant with our second child.
- 3. My son was born with a medical condition that required numerous doctor visits, appointments with a chiropractor, and other medical specialists. We were also taking my son to physical therapy. All of the medical bills began to put stress on my families' budget, then after starting a new job my husband began to have severe knee problems that resulted in him having three (3) separate operations. These additional medical bills added a lot of pressure to my families' finances. We were basically living pay check to pay check and decided to try and reduce our monthly expenses to better manage our medical bills.
- 4. I contacted our mortgage lender, Bank of America ("BOA") to inquire about refinancing our home. I provided BOA some basic financial information regarding our income and expenses. After a brief review, the BOA representative advised me that since our current mortgage already had a low interest rate, refinancing would not lower our monthly payment and really not benefit us in any way.

- 5. Shortly after not being able to refinance our home I received a letter in the mail regarding our current mortgage with BOA. The letter stated that based on a review of our property and mortgage, we may qualify for a loan modification program.
- 6. The letter stated that under the specifications of the program our current mortgage of \$291,420.00 would receive a new fixed interest rate of 2.5% to 3% and our monthly payment would be reduced to \$1151.00. That would have reduced our monthly mortgage payment of \$2028.78 by over \$870.00 a month. Lastly, the letter stated that this offer was good for only 30 days.
- 7. I called the toll-free number from the letter and spoke with a representative at Home Remedy Center ("HRC"). The representative explained HRC's program to me and stated that HRC worked with attorneys and worked directly with BOA. After a brief review of my situation the HRC stated to me that we were eligible for the program offered in the letter.
- 8. Before they would start to work on our loan modification HRC required that we pay them \$3990.00 in advance. I asked if there was a payment plan available because we could not possibly pay the entire fee at once. The HRC representative stated aside from payment in full the only other option was to split the \$3990.00 into three (3) equal payments and send all three (3) checks at once. One (1) check was to be dated so it could be cashed immediately and the other (2) checks had to be post-dated so one would be cashed the following month and the last check the next month.
- 9. Before paying HRC my husband and I discussed whether or not to join HRC's program. HRC had told me that they worked with BOA and had attorneys to work on the loan modification process. All the documents I had received so far from HRC had "Important Legal

Document" printed across the top of them. All the documents I was provided looked like legal documents. This is why I felt we should join HRC's program but, my husband was much more skeptical and was concerned about the \$3990.00 price. To convince my husband I told him how I reviewed HRC's website and of all the great reviews posted on the website by what I thought at the time were happy HRC customers. I also explain to my husband how the HRC representative told me that they would reduce our mortgage payment by over \$800.00 per month. So the monthly savings made the initial expense well worth it.

- 10. After sending HRC the signed contract and the three (3) checks via Federal Express, I began to work with HRC to get all of the required paperwork completed and send in all of the required documents.
- 11. Working with HRC was a difficult process. HRC requested numerous documents including income verification, bank statements, copies of monthly bills, and tax information to name a few. Many times HRC would advise me that the particular document they were requesting had to be submitted to them within 24 hours. I made certain that HRC received all of the requested documents in the required timeframe. I even went to a neighbor's home late one night so I could fax in the requested paperwork to make sure HRC would have it first thing the next morning.
- 12. Many times after providing documentation to HRC they would contact me and state that they did not receive the documents or the documents were incorrect and I would have to resubmit the requested documents over and over again.
- 13. All contact with HRC was either over the telephone or through emails and even this was difficult because HRC would switch people all of the time. When I would call HRC I

could not speak to the same person each time. When I sent an email address to a particular HRC representative the response would come from a different representative. I even questioned HRC as to why they switched people all of the time and it was explained that either the person I was trying to contact had been promoted to a different department or I was told that I had qualified to move up to a different department again and again.

- 14. After HRC had received and reviewed everything I had sent them, I was advised by HRC that I was very qualified for the loan modification.
- 15. After having difficulty in communicating with HRC, I decided to contact BOA directly to find out the status of my loan modification. The BOA representative stated that HRC had been in contact with BOA and that BOA had received most of the required documents, but some documents were not turned in properly, and at least one document was not filled out correctly.
- 16. Upon hearing this information from BOA I contacted HRC and spoke with a representative who assured me that all documents were correctly provided to BOA and that if there was any problem with the documents submitted to BOA it was due to the BOA representative not knowing what they were doing.
- 17. Shortly after being assured by HRC representative that everything was OK, I received a letter from BOA denying my loan modification because some of the paperwork was not filled out correctly. The letter stated that I could appeal the denial decision.
- 18. I attempted to contact HRC but was unable to reach anyone at the telephone contact number I had. At first when I called HRC the phone would just ring and ring and no one would answer. When I called HRC the next day I got a message basically saying the number I was

calling was not accepting calls. I also sent several emails and did not get a response to any of them.

- 19. After not being able to contact HRC I googled HRC on the internet and that is when I discovered all of the complaints filed about them on several consumer message boards. These complaints advised to stay away from HRC, and numerous complaints stated how people paid HRC the fee but no loan modification was ever obtained.
- 20. With all of the problems with HRC, I decided to file the appeal with BOA regarding the denial of my loan modification on my own. I contacted BOA and was advised of the appeal process. The BOA representative told me that the reason for the denial was that some of the required paperwork had not been properly filled out. I submitted all of the corrected paperwork and resent all of the required documents directly to BOA.
- 21. BOA did reverse their denial and approve a loan modification, but to our surprise the monthly payment was for a lot more than what we were paying on our current mortgage. I immediately contacted BOA to advise them that we did not want the loan modification they were offering. The BOA loan officer I spoke with stated that she didn't know how it happened but this loan modification was of no benefit to me.
- 22. Problems arose while trying to work something out with BOA regarding the loan modification they had offered. I discovered that since the loan modification offer, BOA was placing my monthly mortgage payment in an unapplied funds account and not applying the payments to my mortgage. BOA was reporting these payments as delinquent to the credit bureau thus negatively impacting my credit score.

- 23. After trying to work something out with BOA, my husband and I decide it would be best to contact another mortgage lender and start over.
- 24. Since we did our banking with State Employee Credit Union ("SECU") I contact them about a mortgage. The loan officer at SECU was very helpful and after reviewing our situation and noting how being stuck in the BOA loan modification process was hurting our credit score she stated that she should be able to assist us with getting a new mortgage that would fit our budget.
- 25. I applied for a mortgage and SECU offered a mortgage with an adjustable interest rate so the monthly payment would fit our budget. Though my husband and I did not want an adjustable interest rate, we felt that after all that we had been through we did not have too many options and at least our monthly payment would now be something we could afford.
- 26. HRC did not assist me in getting a loan modification. They provided BOA with either incomplete or completely wrong documentation and caused so many problems with our mortgage and BOA that my husband and I felt we had no choice but to leave BOA and start over with a new mortgage with a different bank. We are thankful to now have a mortgage through SECU that we can afford, but working with HRC turned into a nightmare and made our financial situation even worse, costing us not only the \$3990.00 fee to HRC, but also additional closing cost and other expenses for our new mortgage.

Sworn to and su	bscribed be	fore me		
This the 06	day of	Julu	, 2014	Stephanie F Deese

Rowan County, NC My Commission Expires July 15, 2015

07 | 15 | 15

My Commission Expires:____

7

STATE OF NORTH CAROLINA

COUNTY OF JOHNSTON

AFFIDAVIT OF INVESTIGATOR MICHAEL A. RAMAIKAS

- I, Michael A. Ramaikas being first duly sworn, state as follows:
- I am a resident of Johnston County, North Carolina and I have personal knowledge of the facts set forth in this affidavit.
- 2. I am currently an Investigator with the North Carolina Attorney General's Office in the Financial Fraud Section of the Consumer Protection Division. I have been an Investigator with the Attorney General's Office for approximately three (3) years and ten (10) months.
- 3. In my position as an Investigator, I regularly investigate alleged unfair or deceptive practices of businesses or individuals who are suspected of operating in violation of North Carolina law.
- 4. In June of 2013, the Consumer Protection Division began to receive complaints regarding a business operating under the name Home Remedy Center ("HRC") that offered loan modification services. A total of ten (10) complaints against HRC were received.
- 5. As part of my job responsibilities, I was requested to review the complaints filed against HRC. Based on my review of these files, I determined that all ten (10) of the consumer complaints against HRC are similar in the following manner:



- a. The consumers received a solicitation letter in the mail stating that it was an "Important Interest Rate Notification". At the top of the letter the consumer's mortgage lender is identified by name, and an eligibility code is listed. Nowhere on the letter is HRC identified as the business that sent the letter.
- b. The letter states a review of the consumer's property (with the consumer's street address provided) determined that the consumer may be eligible to receive immediate assistance, such as a principle reduction, payment relief, interest reduction or the elimination of a 2nd mortgage. The letter goes on to state that the consumer's mortgage lender is an approved lender authorized to offer aggressive loan workout options.
- c. The solicitation letter provided the current principle balance of the consumer's mortgage and implies that under the specification of the program the consumer would have a new fixed interest rate of between 2.50% and 3.00% and a new lower monthly mortgage payment.
- d. When consumers contacted HRC they were assured they qualified for the program being offered and the attorneys that HRC worked with would be able to get the consumer a loan modification.
- e. Consumers were advised that before HRC would work on their loan modification they had to pay a fee of between \$3,495.00 and \$4,999.00. Most of the consumers chose to pay the fee in three (3) monthly installments. HRC required the consumers to send all three (3) checks for payment together, with two (2) checks posted dated to be cashed by HRC over the next two (2) months.

- f. Once payment was received HRC would request that consumers send in documentation HRC said was required to process a loan modification with the mortgage lender. Most of the consumers complained that HRC would require them to re-submit the same documentation several times causing lengthy delays.
- g. Consumers found it difficult to communicate with HRC. Consumers were unable to speak to the same person on a regular basis and were unable to get questions answered. Telephone calls would go unanswered and voicemail messages left were not returned. Finally some consumers were unable to contact HRC as the telephone numbers provided by HRC had been disconnected.
- h. Several consumers stated that they were advised by their mortgage lender that HRC had never contacted the lender regarding a loan modification.
- i. In those cases where HRC did contact consumers' mortgage lenders, there is no indication that HRC did anything more than submit the loan modification application and supporting documents that the consumers prepared and none of the consumers received a loan modification based upon any actions taken by HRC.
- j. Several consumers were advised by HRC to stop making their monthly mortgage payments and if contacted by the lender, they did not need to speak with their lender as HRC would handle all communications with the lender. This resulted in at least one consumer becoming delinquent on his mortgage and foreclosure proceedings being initiated by the consumer's lender.

- k. No consumer who filed a complaint received a refund from HRC.
- 1. Some consumers did not pay the full amount as they had become suspicious of HRC and cancelled uncashed checks. The ten (10) consumers who filed complaints paid a combined total of \$34,765.00 to HRC.
- 6. Based on my review of the complaints against HRC, I was able to determine that HRC provided consumers very little assistance, or none at all, in obtaining a loan modification and all of the consumers paid all or part of their fee in advance of any loan modification services being performed.

Man Andread 7.16.2014
Investigator Michael A. Ramaikas Date

Sworn to and subscribed before me

This the 16 us day of July , 2014

Bula 2. Tillia

My Commission Expires: 3/31/2015

Barbara L. Fillion
Notary Public
Wake County
North Carolina
My Commission Expires 3/31/2015



Please select a File Type - Only ONE Item:

Standard File Notice of Default Notice of Trustee Sale HARP



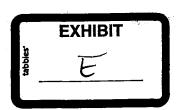




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Introduction

Home Remedy Center, ("HRC") is committed to helping people find the best solution to reducing their monthly payment; mitigate their losses and stay in their home. Are you worried because your mortgage payment is increasing and you will not be able to afford the new payment? Have you tried to refinance, but for whatever reason are unable to get your lender to help you? Do you owe more than your house is worth and cannot sell your home? Are you facing unexpected expenses like major medical costs, loss of job, or job change? If you are not yet late on your mortgage payments, this is the best time to start. It is beneficial to you and the lender to work out an alternative arrangement to your existing payment plan before you incur late charges, miss payments, receive notice of defaults, or other issues arise.

Getting Started

First, as outlined in this packet, we will need to gather all of the facts about your situation to determine if you are a good candidate for a mortgage negotiation or other mitigation plan. We will review the information you provide and let you know in 72 hours if we can help you. To begin, we will need you to provide documentation similar to what you provided when you obtained your home loan, plus a few other items that are unique to this process. We will also need you to carefully review and sign documents included with this package that will allow us to begin helping you.

Home Remedy Center is your advocate, please be completely honest and as complete as possible so that we can determine whether an agreement can be made that adequately reflects your ability to pay. In addition, please note, we are working for you to improve your situation; however, there are times during this process when your assistance is critical and without your cooperation we will not be successful in assisting you with your situation.



The Process

Step 1: Complete & Sign ALL Documents (Included in This Document)

- A. INFORMATION AND FINANCIAL WORKSHEET Provide information about you, your property, loan, employment and financial situation.
- B. ENGAGEMENT LETTER a contract between you and Home Remedy Center.
- C. BORROWER AUTHORIZATION This form allows us to talk with your lender and obtain a credit report if necessary.
- D. SERVICES AND FEES & PAYMENT AUTHORIZATION Agree to a payment option.

Step 2: Provide ALL Applicable Support Documents (Listed on Checklist)

Step 3: Send Documents to Home Remedy Center

Digitally sign these documents and return all other required documents to your mitigation specialist via fax or email.

Step 4: Underwriter Review & Solution

Once we have received a complete mitigation package from you, your Home Remedy Center case manager will sit down with an underwriter and complete a formal analysis of your situation. Once this analysis is complete, your mitigation specialist will contact you to review your options and discuss how to best proceed.

Additional information and documentation may be required.

Remember to call your Home Remedy Center advocate if you have any questions. The Home Remedy Center case manager assigned to your file and will call you within 48 hours of receipt:

Name:	
Phone:	
Fax:	
Email:	



Please provide HC	me Remedy Center with the information requested within two days from the date you receive this document.
X A copy of	W2s for the most recent year
X A copy of	f 2 most recent bank statements (all accounts - all pages)
X A copy of	your monthly mortgage statement or coupon stub
X Hardship	Affidavit
X 4506T Ta	x Return Form
X A copy of	your last 30 days of pay stubs
Х А сору о	f your 2012 tax return statement, all schedules
A copy o	f your current driver's license or state identification card
A copy o	f your most recent social security awards letter
A copy o	f your two most current AFDC, Aid or support statements
(Business	or self-employed) Year-to-Date Profit & Loss, and 1 year Tax Return
А сору о	f contributing parties' pay stubs to verify income.
A copy of	f canceled checks for room rent
А сору о	f your utility bills (electric, gas, water)
A copy of	f Listing Agreement w/Realtor (if applicable)
(If own 3	properties or more) Profit & Loss and/or Real Estate Schedule (download forms separately)
Signed con	ies of all forms in this document to include the following:
· <u>x</u>	Information and Financial Worksheet
<u>x</u>	Borrower's Authorization
X	Mitigation Agreement
x	Exhibit A: Services and Fees
X	Exhibit B: Payment Form
For Short S	Sales Only
	Copy of Listing Agreement
	Short Sale Addendum
<u> </u>	MLS Listing
HARP Onl	is a second of the second of t
<u></u>	Most Recent Tax Returns
	Most Recent 30 day-STUBS
-	Borrower Authorization (Signed + Dated)
	4506-T Form (Signed + Dated)
	Financial Worksheet (Signed + Dated)

Failure to provide all information requested may result in your case being suspended or dismissed. Other documents may be required depending on the nature of your case.



PRIVILEGED ATTORNEY-CLIENT COMMUNICATION

Client Name:		
Property Address:		
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floror Remedy Center, "HRC") is dedicated to assisting borrowers in finding alternatives to foreclosure and the loss of their home.

Please read this engagement letter carefully, it includes an important legal notice, fee agreement, and explanation of the scope of the attorney-client relationship. If you agree to the terms, sign and date where indicated in this letter.

Scope of Engagement. We understand that you are currently engaging us to advise you solely in connection with negotiating a possible mitigation of your current home loan situation. In order to most effectively provide our services, you agree to compile and provide all information that Home Remedy Center and/or your lender requests. Home Remedy Center will provide the services agreed upon individually by you as set forth on Exhibits A1 A3 attached hereto and incorporated by reference herein.

Client Covenants: You acknowledge and agree that (i) our firm and its agents have not made any promises or guarantees to you and that any comments to you with respect to any possible outcome of your matter prior to an actual resolution of your matter are speculative in nature and shall not be relied upon by you; (ii) our firm and its agents shall have no further obligation to you after a mitigation is offered to you from your lender; (iii) you may obtain a loan modification by contacting your lender or servicer directly; and (iv) housing counseling is available to you through the U.S. Department of Housing and Urban Development at (202) 708-1112 or at www.hud.gov.

Limitations of Representations and Warranties: No representations are made, and there are no guarantees written or implied that the loan review and analysis and the loan modification request will produce any specific desired result. Attorney and her agents make no guarantee or predictions as to the outcome of her services, but Attorney and her agents may give an opinion about possible results. By signing this Agreement, you acknowledge that the Attorney and her agents has made no such guarantee, warranty, representation or prediction concerning of the outcome of the subject of this Agreement or the time frame required to complete the contracted services. You acknowledge that each case is unique and individual results may vary.

Signature: The parties mutually understand and agree that signature of an electronically or facsimile copy of this Agreement shall be deemed an original for all lawfully enforceable purposes.

LEGAL NOTICE: In compliance with State Law, please read and sign in the box indicated below:

NOTICE REQUIRED BY STATE LAW THIS IS AN IMPORTANT LEGAL CONTRACT AND COULD RESULT IN THE LOSS OF YOUR HOME Home Remedy Center or anyone working for Home Remedy Center CANNOT guarantee to you that he or she will be able to refinance your home or arrange for you to keep your home. Continue making mortgage payments until refinancing (if applicable) or your loan modification is approved. If you sign a promissory note, lien, mortgage, deed of trust, or deed, you could lose your home and be unable to get it back. Borrower Date 64/26/2013 OEBBZ/BDZABS/30F33550E906F0ABSB Co-Borrower Date



Information and Financial Worksheet

Borrower Name.			Со-Во	Co-Borrower Name:							
Social Security #. DOB:			Social	Social Security #: -			:	DOB:			
Home Phone:			Wor	Work Phone:				Cell Phone:			
Property Address:			City: 1	MORRISV	/ILLE			State: NC	Zip: 27	560	
Mailing Address:			Clty:					State:	Zip:		
ist mortgage details (lo	AN			2ND N	ORTGA	CE DET	AILS (LO	AN THE	3073.0		
Lender: SUNTRUST MORTGAGE				Lender	; Suntrust						
Type: Fixed	Adjust Da	ite:		Туре: 1	Fixed				Adjust Date:		
Mo. Pmut: \$1547.38	Bal, Ower	1: \$ 23757	5.00	Mo. Pr	nt: \$94.9	7			Bal. Owed: \$2	28586.27	
Current Int. Rate: 4.5%	Past Due:	Current		Curren	t Int. Ret	e: %					
Employment and income informat	ion										
			Borrower				·		Co-Borrowe	r	
Employer				,							
Position		OPER/	ATIONS MANAGE	R							
Time Employed		2	0 Years Months		Years Months						
No. of Dependents			2								
Gross Pay	Frequency: Paid/M	fonth: \$			Frequency: Paid/Month: \$						
Commission/Bonus	Frequency: Month	y Paid/M	lonth: \$			Frequency: Paid/Month; \$					
Other Combined	Interest/Div		Alimony	<u>Disabíl</u>	<u>itv</u>	Penslon/Ret.			Rents	l Prop.	<u>Other</u>
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Monthly Expenses				Children .				Assets			
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Electric Gas/	\$	Proper	ty Taxes		\$94.97 \$	1 : - St Stee.					
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Cable/Internet	\$	Associ	iation Fees		\$						
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Signalit OEBBZ7BD25AB973DE335B6E9D3FTARAB	·		Signature		 Date	



PRIVILEGED ATTORNEY-CLIENT COMMUNICATION (confd)

Flat Fee Agreement: Our standard hourly attorney rate is \$450 per hour for Partners and \$350 per hour for Associates; however, we have agreed to charge you a flat fee as set forth on Exhibits A1-A3 for the services described in this letter. Exhibit A; your payment option includes paying via check, wire transfer, or depositing funds in to the Home Remedy Center ATTORNEY ACCOUNT Exhibit B; You agree to pay upon the completion of each service described in this Letter. You agree that Home Remedy Center shall not be liable to you for any failure of Home Remedy Center to perform its obligations hereunder if prevented from doing so by any causes beyond its reasonable control, including, without limitation, (i) delays caused by your lender, (ii) inaction by your lender, or (iii) your failure to accept a reasonable offer from your lender. Notwithstanding anything in this letter to the contrary, you may terminate our engagement within five (5) business days of your execution of this letter without any penalty or obligation as provided in the "Notice of Cancellation" attached to this letter as Exhibit C; provided, however, after the five (5) business day period has ended, you may only receive a refund of any fees you have paid as provided in the "Performance Guarantee" section below:

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Borrower Initials	accession of	Co-Borrower Initials

The services listed and agreed upon in Exhibits A1-A3 are the only services that will be performed by RL. We make no representation or guarantee regarding the outcome of the above requests or services. You acknowledge and agree that an attorney-client relationship does not exist outside of the above described services that will be performed and that our firm will not represent you in any lawsuit, arbitration, bankruptcy, or other court proceeding. Our firm will not provide you with any tax advice.

Payment Upon Completion of Services: We do not accept advance fees for our services. We have offered you three (3) separate Service Agreements, which are attached hereto as Exhibits A1-A3. We will request payment from you at the conclusion of each such Service Agreement. Upon your payment to us, you acknowledge and agree that we have earned our fee and our services were performed to your satisfaction.

If at your own preference, you choose to make a payment in full and we fail to complete any services, you will be refunded for only services not rendered per the exhibits in this agreement. All services rendered are payments deemed earned.



PRIVILEGED ATTORNEY-CLIENT COMMUNICATION (cont'd)

General Responsibilities of Attorney and Client: We will keep you apprised of developments and will consult with you as necessary to ensure timely, effective and efficient completion of our work. You will provide us with complete and accurate factual information and materials that we request to perform the services described in this letter. It is understood that the scope of our representation is solely limited to the services described in this letter and that Home Remedy Center does not represent you in any other capacity.

Termination of Engagement: We anticipate a successful and satisfying relationship with you. Nevertheless, you retain the right at any time to terminate our services upon written notice to us, and we will cease to render additional services immediately after receiving such notice. Such terminations will not, however, relieve you of the obligation to pay the fees due for services rendered prior to such termination. We reserve the right to withdraw from our representation of you at any time with your consent or for good cause. Good cause includes your breach of this engagement agreement, your refusal to cooperate with us or to follow our advice on a material matter, your failure to pay our fees and expenses incurred in a timely fashion, or any facts or circumstances that would render our continuing representation unlawful, unethical or inconsistent with the degree of trust and communication necessary for the attorney-client relationship. This right is in addition to those created by statute or recognized by the rules of professional responsibility. Should we withdraw for cause, you will remain liable for all fees incurred prior to our withdrawal. Unless previously terminated, our representation of you in this engagement will terminate upon your receipt of our final letter outlining to you the best possible outcome we were able to achieve with your lender or your acceptance of an agreement directly with your lender(s).

Arbitrability of Disputes: If a dispute arises between you and us regarding attorney fees or costs, we agree that any dispute will be submitted for arbitration by the Fee Arbitration Program of the Orange County Bar Association or any other mutually agreeable arbitrator.

Other than with respect to attorney fees or costs, if a dispute arises between us regarding any other aspect of our attorney-client relationship under this agreement (including, but not limited to claims of attorney malpractice, negligence, breach of contract, breach of fiduciary duty, fraud or negligent misrepresentation, bad faith or any other wrongdoing in the course of our professional relationship) then we expressly acknowledge and agree that such disputes will be submitted for binding arbitration by a panel of three arbitrators in accordance with the rules of the American Arbitration Association for complex litigation. Hearings shall be held in Orange County, California. YOU UNDERSTAND AND EXPRESSLY ACKNOWLEDGE THAT BY AGREEING TO BINDING ARBITRATION, YOU WAIVE ANY RIGHT TO SUBMIT THE FOREGOING DISPUTES FOR DETERMINATION BY A COURT, AND YOU FURTHER WAIVE ANY RIGHT TO TRIAL BY A JURY.

Please review this letter carefully, and if it is consistent with your understanding of our respective responsibilities, please so indicate by returning a signed copy of this letter. Again, we are pleased that you have chosen us as your counsel in this matter, and we look forward to working with you toward attaining your objectives.

Very truly yours,

Home Remedy Center

I/we agree to retain Attorneys Home Remedy Center pursuant to the terms and conditions set forth above.

BOTTOWE SIGNED BY:	Co-Borrower
Signatur	Signature
OEBEZTBOZGAĞETİĞİĞİŞŞĞEĞEĞÜĞFÖABABİ	Co-Borrower Name:
Date 04/26/2013	Date

Please note that you, the owner, may cancel this engagement at any time prior to midnight of the fifth business day after the date of this engagement above. See the attached Notice of Cancellation Form, attached hereto as Exhibit C, for an explanation of this right.



Borrower's Authorization

Borrower Name:		Co-Borrower Name:				
Social Security #:	DOB:	Social Security #	DOB:			
Subject Property Address:		ļ Pl	one:			
Mortgage Company: SUNT	RUST MORTGAGE	Loan #:				
2nd Mortgage Company: Suntrust		Loan #:				

I/we authorize Home Remedy Center & Secured Processing Inc., and their authorized employees, contractors and agents to request, obtain and verify any and all mortgage loan information. This includes, without limitation, payoff, arrearage, reinstatement amounts, work out offers, rate and term modification, principal balance modification, short sale initiation and proceedings, deed in lieu or foreclosure.

Additionally, we authorize Home Remedy Center & Secured Processing Inc., and their authorized employees, contractors and agents to communicate on our behalf any of our personal, financial and credit history to our lenders. Any and all information obtained and/or shared on our behalf is to be used for the purpose of facilitating the expedient and timely resolution of our mortgage distress.

Additionally, we authorize Home Remedy Center & Secured Processing Inc., and their authorized employees, contractors and agents to obtain a credit profile through a credit bureau. The undersigned, jointly and severally, represent and warrant to the above mentioned companies that the information submitted in this personal financial statement, questionnaire and financial statement schedule is true, correct and complete in all material respects. The information and documentation provided does not omit any material fact or matter that makes the information or documentation presented misleading.

Additionally, we request, until we give further notice, that all of our lenders shall direct all further telephone calls and correspondence to Home Remedy Center & Secured Processing Inc., or their authorized employees, contractors and agents.

I understand that I can contact my lender directly, but have chosen to have Home Remedy Center represent me and negotiate new terms on my behalf.

Borrower/Co-Borrower	Home Remedy Center
Borrowered BY:	Print
Sig	Name
95 BBZAPID PREPARATOR 335BBE SIDOR VABAB	Signature
Co-Borrower	
Signature	Date
Date	



LOAN MODIFICATION Legal Assisted Home Saver Program

Exhibit A-1 (Prequalification and New File Set-Up)

Prequalification, review, and calculations services:

- (a) Prequalification of the Client to determine if the case if viable;
- (b) Interview of the Client for financial information, current mortgage and hardship that is causing difficulty with current mortgage;
- (c) Compilation, review and calculation of debt to equity ratios; (d) Underwriting to determine if the firm shall accept the case;
- (e) If the case is accepted, this retainer shall have been sent to the Client.
- (f) Upon Client's return of signed retainer agreement to the Attorney all information shall be compiled into an online CRM system;

Upon completion	of these Services, Attorney shall then be paid the amount of \$2000.00 on
	(Notice of Default or Foreclosure)
	[Applicable if there is a NOD or house is in Foreclosure]
` '	otiation with lender to determine if there is a sales date for the subject home; les date, then negotiate with all relevant departments to postpone the sales date until the loan modification can
• •	ales date, negotiate with all relevant departments concerning the notice of default, to advise that the loan is in rocess and to prevent a sales date from being set;
Upon completion	of these Services, Attorney shall then be paid the amount of \$ on
I/we the Client(s) said services.	agree to have these services performed and agree to pay the above mentioned fee on completion of the above
Client Signature: Client Signture:	CERRATEDEL DO, ORI CORDOLEDRO CARAB



Exhibit A-2 (Compilation and Submission of Package and Review of Lender's Requirements)

- (a) Review of the case to determine what documentation is needed to begin a modification review by the Client's lender.
- (b) Client will be required to provide correct documentation to Attorney for review by

Client's lender. This may include but not be limited to:

- (i) HARDSHIP LETTER; signed and dated (should describe how you fell behind, what has changed that shows you can make our payments & that you are committed to saving your house from foreclosure. Be detailed with dates of all circumstances).
- (ii) PROOF OF INCOME: one month's MOST RECENT pay stubs and/or proof of income for each household contributor (regardless of whether the contributor is on the mortgage or not). Please include copies of additional sources of income (this includes: SSI, Rental Income, child support, 401K, IRA, government assistance, etc).
- (iii) Most recent W2's
- (iv) PROOF OF CONTRIBUTION STATEMENT: a letter from any household/family member who is contributing money to monthly household expenses.
- (v) SIGNED FINANCIAL ANALYSIS STATEMENT
- (vi) BANK STATEMENTS: all pages of the last 2 month's bank statements (Example: If current month is December, we need November and October).
- (vii) MORTGAGE STATEMENTS: the last 2 months of mortgage statements (regardless of whether they were paid, not paid, or whether or not they were paid on time).
- (viii) HOMEOWNER'S INSURANCE Declarations Page
- (ix) Rental Income: if you own a rental property, please include proof of rental income. (x) Roommate Income: If you have roommates, please provide proof of the income.
- (xi) TAX RETURNS: copies of your last 2 years tax returns for personal or for the business, (please include ALL pages)
- (xii) Year to Date Profit and Loss Statement if a business is owned.
- (xiii) Business Bank Statements: all pages of the last 2 month's bank statements (Exam need November and October).
- (xii) Letter of reaffirmation (for Chapter 7 filing)
- (xiv) Dismissal or discharge paperwork
- (c) In addition, special forms for a particular lender may also need to be completed.
- (d) Upon compilation of all documentation, with the cooperation of the Client, reviewed and sent to the lender, a call shall be made to the lender to confirm that the lender is in receipt of all necessary information lender needs to initially or completely review the case for modification.

(Supplemental Submission and Negotiation with Lender)

·		
(e)Preliminary negotiations with lender.		
(f)Obtaining updated documents from Client pursuant to lender's requests.		
(g)Subsequent submission to lender.		
Upon completion of these Services Attorney shall then be paid the amount of	\$1500.00	on
Client Signature:		
Client Signture:		



Exhibit A-3 (Negotiation with Lender and Obtaining Approval for Loan Modification)

- (a) Contact with the Client's lender to determine a decision by the lender.
- (b) If the lender needs additional documentation, Attorney shall assist Client to assemble the needed documentation
- (c) Provide the needed documentation to the lender.
- (d) Remain in contact with lender until an outcome is determined.
- (e) An outcome includes trial loan modifications as are commonly offered to clients prior to a permanent modification, forbearance agreements, permanent modifications, bringing the client current on loan, or denial.

Upon a resolution, Attorney's services shall be deemed completed.

Attorney shall then be paid the amount of

\$799.99

on WAIVED

Close the case file.

HARP ONLY

Upon reviewing for the HARP program, your lender may have financial charges separate from us, Home Remedy Center, that you, client, may be responsible for. We, Home Remedy Center, will negotiate to the lowest rates possible.

I/we the Client(s) agree to have these services performed and agree to pay the above mentioned fee on completion of the above said services.

Client Signature:

Client Signture:



PAYMENT AUTHORIZATION FORM

Please select from the following payment options.

Γ.

Г

Via Check

(FEDEX overnight - prepaid by Remedy Center)

Please make check payable to: Remedy Center

Via Wire Transfer (see instructions)

Remedy Center Law

Comerica Bank

Routing#: 121137522 Account#: 1894633906

Address:

4500 Campus Drive

Newport Beach, CA 92660

Via Deposit

Remedy Center Law

Comerica Bank

Routing#: 121137522 Account#: 1894633906

Address:

4500 Campus Drive

Newport Beach, CA 92660



Exhibit C: Notice of Cancellation Form

Borrower Name:			Co-Borrower Name:	<u> </u>		
Social Sec	curity #:	DOB:	Social Security #:	DOB:		
Subject Property Address:				Phone:		
Mortgage Company: SUNTRUST MORTGAGE			Loan #:	Loan #: Caracteria		
2nd Mortgage Company: Suntrust			Loan #:	Loan #:		
original eng To cancel to 4500 Cam LATER TI ENGAGEN	ragement letter with Ho his engagement, mail on the Dr suite 235, Nev	me Remedy Center. deliver a signed and vport Beach, CA 92 THE FIFTH BUSIN	obligation, within five (5) busind dated copy of this cancellation at the corresponding to th	notice, or any other wri	tten notice, to:	
·	Borrower Signature		Co-Borrower Si	gnature		
·	Borrower Name		Co-Borrower N	ame		
	Date .		Date	•	•	