

Borrowers win \$68G

■ **Loan modifier** from Garden City loses lawsuit

■ **Settlement is part of effort targeting scammers**

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Nine borrowers have won a \$68,000 judgment against a now-defunct loan modification company that illegally charged upfront fees — and did little to lower mortgage payments.

State Supreme Court Justice John Galasson in Mineola trebled damages against Save My Home, which operated nationwide from Garden City and went by other names. Its employees told on-time borrowers to default, took money from those ineligible for federal loan modifications, and guaranteed lower payments, the suit said.

"I gave them \$3,000 . . . and they didn't call me when I called," said Flushing taxi driver Mohammed Shukran, who took Save My Home's advice to default. "For one and a half years they were playing games with us."

The ruling is the latest victory in three unusual lawsuits filed this year by the nonprofit Lawyers' Committee for Civil Rights Under Law, a Washington, D.C.-based nonprofit, and Manhattan-based Davis Polk & Wardwell. It's a pro bono effort against Save My Home, its successor, Express Home Solutions, and another closed loan modification company, Homesafe America of Levittown, their successor businesses and employees. Court papers said the companies used the same tactics to get clients, then avoid them.

These suits are the first of



Taxi driver Mohammed Shukran is one of the borrowers awarded part of a \$68,000 judgment against a Garden City loan modification company. "They were playing games with us," he says.

several planned by Civil Rights Under Law, which is part of a coalition against homeowner rescue scams. Each suit represents different groups of homeowners.

So far, attorneys have also gotten judges to bar the companies, their founders and certain employees from the loan modification industry.

Getting such far-reaching injunctions is a job usually taken on by government.

"We are bringing claims as private attorneys general, which is not done all the time," said Dan Kolb, senior counsel at Davis Polk. "I hope it will encourage other law firms to do the same thing we're doing with consumer-

type actions."

David Gotterup, identified in the lawsuit as the founder of Save My Home, could not be reached. Kenneth Sarosi, another defendant in the lawsuit and described by plaintiffs' attorneys as the company's other principal, may appeal the ruling, said his attorney, Anthony Giordano of Ocean-

The attorney for Scott Schreiber, identified in the lawsuit as a founder of Homesafe, declined to comment. Guy Samuel, identified in the lawsuit as Homesafe's other founder, could not be reached.

Officials at the committee said the Long Island cases proved that the companies are

not "phantoms" that can avoid justice.

"It gives us intelligence and learning that we can take to the other cases," said Linda Mullenbach, a senior counsel at the nonprofit.

Susan Elliott-Yonkes of Huntington Station is waiting for a \$2,400 refund from Express Home Solutions, which was also sued by the nonprofit.

She said she had given permission to take \$1,200 from her bank account, then found another \$1,200 taken out by Home Mitigation Help, a company she didn't know. "They keep changing the company's name, and they keep changing their phone numbers, and you can't find them."

Dow down 180 over Europe issues

A three-day winning streak in the stock market came to an end yesterday as investors worried about Europe's ability to contain its debt crisis. The Dow Jones industrial average fell 180 points. Raw materials companies had the biggest declines after prices for commodities

Traders focused on remarks from German Chancellor Angela Merkel suggesting that the second bailout package for Greece might have to be renegotiated. Several European leaders want banks to take bigger losses on Greek bonds. France and the European Cen-

Germany's parliament is set to vote today on a measure that would give a European rescue fund more powers to fight the region's debt crisis. Finland's parliament approved the proposal yesterday, lifting some uncertainty over the debt crisis issue that has been dogging mar-

The Dow Jones industrial average fell 179.79 points, or 1.61 percent, to close at 11,010.90. It had gained 413 points over the past two days. The Standard & Poor's 500 fell 24.32, or 2.07 percent, to 1,151.06. The Nasdaq composite index fell 55.25, or 2.17 percent, to 2,491.58 The