

LI suits claim mortgage modification scams

March 29, 2012 by MAURA MCDERMOTT / maura.mcdermott@newsday.com



The suits allege fraud by the defendants.

A pair of lawsuits filed in state court in [Nassau County](#) this month alleged that 11 companies with operations on [Long Island](#) and 31 individuals were running "scams" promising legal work on mortgage loan modifications that wasn't performed.

The firms used the promise of legal advice to entice homeowners at risk of foreclosure and improperly demand upfront fees from them, according to the suits by the Lawyers Committee for Civil Rights Under Law and the law firm [Davis Polk & Wardwell](#), which are representing the homeowners free of charge.

According to the most recent lawsuit, filed March 20, Anthony Blackwell falsely represented himself as an attorney who could help homeowners modify their mortgages. Blackwell operated offices in [Levittown](#) and [Las Vegas](#), according to the suit. A [New York](#) law that bans upfront fees for loan modifications makes an exception for lawyers, according to the complaint. However, Blackwell is not licensed to practice law in [New York](#), according to the suit. The complaint, which seeks \$157,655 for 26 homeowners, also names as defendants 15 other individuals and five companies.

Blackwell said attorneys who are licensed in other states -- he is licensed in [Nevada](#) -- are allowed to practice law in New York under supervision from a New York-licensed attorney, which he said he had.

"This is not a case about fraud, this is a case about difficult business and economics," Blackwell said. He said the suit's allegations "are patently false."

A separate lawsuit filed March 5 alleges that [West Hempstead](#) attorney David Green "is at the center of a sprawling network of interconnected companies that operate under the guise of professional firms" directed by or affiliated with Green, "or as nonlegal companies cross-promoting Defendant Green's legal services." The complaint also names as defendants 14 other individuals and six companies. The lawsuit seeks more than \$86,000 in damages for 18 homeowners.

advertisement | [advertise on newsday](#)

An attorney for Green, Joseph Heinzmann, said Green has provided legitimate legal advice on foreclosures and other matters for 25 years. As an attorney, Green may collect retainers for his

loan modification work, Heinzmann said.

"Emphatically, Mr. Green was not involved in any fraudulent activity," Heinzmann said.

In recent months, Green has volunteered at clinics offering free legal advice on foreclosures, according to the [Nassau](#) County Bar Association, which sponsors the clinics.

Among the plaintiffs in the March 5 lawsuit is Cynthia Stewart, 44, an information technology manager and single mother of two who lives in [Elmont](#). She paid more than \$2,000 last year to another defendant, who the complaint alleged is affiliated with David Green. That other defendant promised an attorney would help her, but she received no help, she said Thursday.

"I'm afraid I'll lose everything -- my home and all my possessions," she said.

[< back to article](#)