SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF KINGS

CONNIE CULLIVER, SHANNON CAREY, ROBERT CRON, CONSTANCE DOUGLAS, CHRISTOPHER AND KIMBERLY DUNCAN, BEVRILIN AND TRAVIS EASON, GREG ELLINGTON, BARBARA AND PAUL HAWKINS, PAULA LOPEZ AND RAMONA GONZALES, ANN OSTERMAN, LLOYD WHITE, AND CLARICE AND RICHARD WILLIAMSON,

Plaintiffs,

-against-

ALARCON LAW GROUP, P.C., ALARCON LAW FIRM, P.C., ALARCON & ASSOCIATES, P.C., R.M.A. LEGAL NETWORK, RORY M. ALARCON,

Defendants.

Index No.: 23038/12

SUMMONS

Index No. Purchased: December 4, 2012

To the above-named Defendants:

ALARCON LAW GROUP, P.C.
140 Fell Court, Suite 202
Hauppauge, New York 11788

ALARCON LAW FIRM, P.C.
41 Blackpine Drive
Medford, New York 11763

ALARCON & ASSOCIATES, P.C.
140 Fell Court, Suite 202
Hauppauge, New York 11788

R.M.A. LEGAL ASSOCIATES
4250 Veterans Memorial Highway, Suite 2010W
Holbrook, New York 11741

RORY M. ALARCON
37 Avenue C
Holbrook, New York 11741

KINGS COUNTY CLERK
RECEIVED
2012 DEC -4 PM 1:01

You are hereby summoned to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with this summons, to serve a notice of appearance, on the Plaintiffs' attorney within 20 days after service of this summons, exclusive of the day of service (or within 30 days after the service is complete if this summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

Plaintiffs designate Kings County as the place of trial. The basis of venue in Kings County is Plaintiffs Paula Lopez's and Ramona Gonzales's place of residence, 239 12th Street, Brooklyn, New York 11215.

Dated: New York, New York.
December 4, 2012

Respectfully submitted,

By:

McDERMOTT WILL & EMERY
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LAWYERS' COMMITTEE FOR CIVIL RIGHTS UNDER LAW
Linda H. Mullenbach*
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*PRO HAC VICE APPLICATIONS TO BE FILED

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF KINGS

Connie Culliver, Shannon Carey, Robert Cron, Constance Douglas, Christopher and Kimberly Duncan, Bevrilin and Travis Eason, Greg Ellington, Barbara and Paul Hawkins, Paula Lopez and Ramona Gonzales, Ann Osterman, Lloyd White, and Clarice and Richard Williamson, Plaintiffs, -against- Alarcon Law Group, P.C., Alarcon Law Firm, P.C., Alarcon & Associates, P.C., R.M.A. Legal Network, Rory M. Alarcon, Defendants.	INDEX NO. 23038/12 **COMPLAINT** **JURY TRIAL DEMANDED**

Plaintiffs Connie Culliver, Shannon Carey, Robert Cron, Constance Douglas, Christopher and Kimberly Duncan, Bevrilin and Travis Eason, Greg Ellington, Barbara and Paul Hawkins, Paula Lopez and Ramona Gonzales, Ann Osterman, Lloyd White, and Clarice and Richard Williamson, (collectively "Plaintiffs") through their undersigned attorneys, McDermott Will and Emery LLP, and Linda Mullenbach and Alan Martinson of the Lawyers' Committee for Civil Rights Under Law (the "Lawyers' Committee"), allege the following as and for their complaint against Alarcon Law Group, P.C., Alarcon Law Firm, P.C., Alarcon & Associates, P.C., R.M.A. Legal Network, and Rory M. Alarcon. Plaintiffs' allegations are based upon personal knowledge as to Plaintiffs and their own acts and documents, and information and belief as to all other matters based upon, *inter alia*, the investigation conducted by and through Plaintiffs' attorneys, which included, but was not limited to, a review of Defendants' public documents, public filings, interviews of Plaintiffs and other homeowners and persons who have had contact with Defendants, and information readily obtainable on the Internet.

Preliminary Statement

1. Plaintiffs belong to a group of homeowners who were defrauded out of thousands of dollars and faced the risk of or experienced foreclosure of their homes as a result of loan modification scams perpetrated by Defendants.

2. Defendants belong to a growing industry of fraudulent loan modification companies operating throughout the United States. These loan modification companies attract homeowners struggling to meet their mortgage payments through false marketing and promises, representing themselves to unsuspecting homeowners as legal specialists who can save their homes by negotiating substantial reductions in monthly mortgage payments. In reality, the scammers are merely profiteers engaged in a scheme designed to deceive and manipulate low- to middle-income homeowners already desperate for financial relief.

3. Defendants' scam is simple: a loan modification salesperson makes several false, misleading, and deceptive representations designed to gain the homeowner's trust, including promises that his company (either one of the Defendants or an agent of Defendants) is uniquely qualified to obtain loan modifications, has a significant record of success in the industry, and will be able to substantially reduce the homeowner's monthly mortgage payments (often promising a specific payment amount and/or interest rate) by capitalizing on a close professional relationship with the homeowner's specific lender.

4. In exchange for their loan modification services, Defendants require an upfront fee of several thousand dollars. The salesperson sometimes indicates that this fee, normally payable in installments (and all demanded and due in advance of a modification being obtained), is to prove to the homeowner's lender that they can make regular payments. In such cases, the salesperson indicates these payments will be applied to the homeowner's mortgage going forward. In other cases, the homeowner is told that the fee is to pay the Defendants for their loan

modification services. Often, the salesperson guarantees this fee will be refunded if Defendants prove unable to achieve the results promised.

5. Once the homeowner agrees to engage Defendants for loan modification services, the salesperson advises the homeowner not to contact her lender because doing so will negatively impact the negotiation process. Typically, the homeowner is encouraged to stop paying her mortgage, supposedly because lenders will not provide modifications unless the homeowner is far enough behind, but in reality because homeowners typically cannot afford to pay both their mortgage and Defendants' fee.

6. Defendants, however, did not deliver on their promises. In addition to failing to provide the promised loan modification results, Defendants failed to provide the level of purported legal services promised. These purported legal experts failed to negotiate with Plaintiffs' lenders, or even review or prepare their loan modification applications. Many Plaintiffs, who believed that attorneys would use their legal knowledge to obtain a favorable loan modification, were shocked to find themselves alone and unrepresented in foreclosure proceedings.

7. Homeowners discover the scam in several different ways. Some learn that they have been scammed when they are informed by their bank that the bank is instituting foreclosure proceedings due to non-payment of their mortgage. When the homeowner tells the bank of the reason for non-payment, the bank often informs the homeowner that it was never contacted by the scam organization. Other homeowners become suspicious when, after a period of time, Defendants fail to return phone calls. In at least one case, representatives of Defendants falsely told a homeowner that they had successfully obtained a loan modification when, in fact, no modification had been achieved, apparently in an effort to assure the homeowner that Defendants

were fulfilling their responsibilities and thereby delay detection of their scam. In every case, Defendants refuse to grant a refund, even where there has been no attempt to provide the services promised.

8. Defendant Rory M. Alarcon, an attorney admitted in New York, is the attorney behind the loan modification scam operations at issue in this Complaint. Operating under the perceived legitimacy of his license to practice law in the State of New York, he oversaw a scheme to lure unsuspecting homeowners into the scam. He is at the center of a sprawling network of interconnected companies that operate either under the guise of professional law firms directed by or affiliated with Defendant Rory M. Alarcon, or as non-legal companies cross-promoting Defendant Rory M. Alarcon's legal services.

9. This sort of scam is not new. In fact, in August 2008, Governor David A. Patterson signed into law a bill specifically targeted at this type of scam, creating new rules for so-called "distressed property consultants" that prohibit upfront payments and require specifically-worded contracts. See N.Y. REAL PROP. LAW § 265-b. Defendants purported to offer "legal services" in connection with loan modification assistance, thereby attempting to avail themselves of the attorney exception to the prohibition on the collection of upfront fees for attorneys providing loan assistance "incidental to legal practice." *See id.*

10. By purporting to offer "legal services," the scammers misled homeowners into believing that an attorney, boasting unique expertise and legal knowledge, would personally work on each application and shield the homeowner-applicant from the uncertainties and delays typical of the loan modification process. The scammers even labeled the four-figure upfront fee as a "retainer." Through these deceptive practices, homeowners were lured into believing that

loan modifications were only effectively negotiated by attorneys, and that they could not successfully navigate the loan modification process without legal representation.

11. Loan modification scams such as the scheme perpetrated here continue to attract the scrutiny of advocates, legislators, law enforcement officials, and regulators. A coordinated national campaign – the Loan Modification Scam Prevention Network ("LMSPN") – was created to strengthen the fight against these scammers. Led by the Lawyers' Committee, the Homeownership Preservation Foundation, Fannie Mae, and Freddie Mac, LMSPN includes members of the U.S. Department of Housing and Urban Development ("HUD"), the U.S. Department of the Treasury, the Federal Trade Commission ("FTC"), and the Consumer Financial Protection Bureau ("CFPB").

12. In December 2010, the FTC issued a Final Rule, which prohibited for-profit providers of "Mortgage Assistance Relief Services" from accepting upfront fees, making representations about the likelihood of results, or instructing homeowners to cease communications with their lenders or servicers. *See* 16 C.F.R. §§ 322.1-11 (2010). Due to a reallocation of authority set forth in the recent Dodd-Frank financial reform bill, the "MARS" rule was transferred to the CFPB's regulations, but the prohibitions remain the same. *See* 12 C.F.R. §§ 1015.1-11.

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

14. Without judicial intervention, Defendants' deceptive practices and false advertising will continue to destroy the lives of struggling homeowners.

15. By this action, Plaintiffs seek to permanently enjoin Defendants from the deceptive practices alleged herein. Plaintiffs also seek to recover the fees they paid to Defendants, which total $36,153, together with pre-judgment interest at the statutory rate of 9% per annum, other actual and consequential damages, multiple damages where authorized by statute, and exemplary damages. These other actual and consequential damages include, but are not limited to, the payments made to Defendants, fees paid to their mortgage lenders or servicers, the effects of impairment on their credit ratings, and the costs associated with foreclosure proceedings, where relevant. Plaintiffs also seek the return of their original, often sensitive, financial and mortgage documents improperly retained by Defendants. As Plaintiffs were lured into fraudulent and deceptive contracts and "retainer agreements" with Defendants, Plaintiffs additionally seek the rescission of these contracts as fraudulent, and a declaration that all provisions are null and void. Finally, Plaintiffs seek punitive damages in an amount sufficient to deter others from engaging in similar schemes.

THE PARTIES

Plaintiffs

16. Plaintiff Connie Culliver is a resident of the State of Alabama and resides at 196 Sunset Drive, Harpersville, AL 35078.

17. Plaintiff Shannon Carey is a resident of the State of Oregon and resides at 38288 Gilkey Road, Scio, OR 97374.

18. Plaintiff Robert Cron is a resident of the State of New York and resides at 7 Hill Street, Binghamton, NY 13901.

19. Plaintiff Constance Douglas is a resident of the State of Arizona and resides at 853 Estrella Road, Golden Valley, AZ 86413.

20. Plaintiffs Christopher and Kimberly Duncan are residents of the State of West Virginia and reside at 356 Rustling Leaf Place, Kearneysville, WV 25430.

21. Plaintiffs Bevrilin Nicole Eason and Travis Eason are residents of the State of North Carolina and reside at 2152 Christian Light Road, Fuquay-Varina, NC 27526.

22. Plaintiff Gregory Ellington is a resident of the state of Mississippi and resides at 10709 Oak Circle South, Olive Branch, MS 38654.

23. Plaintiffs Barbara and Paul Hawkins are residents of the State of New York and reside at 11 Game Court, East Setauket, NY 11733.

24. Plaintiffs Paula Lopez and Ramona Gonzales are residents of the State of New York and reside at 239 12th Street, Brooklyn, NY 11215.

25. Plaintiff Ann Osterman is a resident of the State of New Jersey and resides at 20 Scott Avenue, Miltown, NJ 08850.

26. Plaintiff Lloyd White is a resident of the State of California and resides at 4400 Pennith Way, North Highlands, CA 95660.

27. Plaintiffs Clarice and Richard Williamson are residents of the State of Georgia and reside at 2489 Yolanda Trail, Ellenwood, GA 30294.

Defendants

28. Defendants operate a network of loan modification companies, all of which are owned by, directed by, or affiliated with attorney Rory M. Alarcon ("Mr. Alarcon"). The companies operate out of locations on Long Island, New York.

A. Entity Defendants

29. Defendant Alarcon Law Firm, P.C. is an active New York domestic professional corporation incorporated in March 2010, with an address of 41 Blackpine Drive, Medford, New York. Defendant Alarcon Law Firm was registered by Defendant Mr. Alarcon. Upon information and belief, Defendant Mr. Alarcon has operated Defendant Alarcon Law Firm as an arm of his loan modification scam network.

30. Defendant Alarcon Law Group, P.C. is an active New York domestic professional corporation incorporated in August 2010, with an address of 140 Fell Court, Suite 202, Hauppauge, New York. Defendant Alarcon Law Group was registered by Defendant Mr. Alarcon. Upon information and belief, Defendant Mr. Alarcon has operated Defendant Alarcon Law Group as an arm of his loan modification scam network.

31. Defendant Alarcon & Associates, P.C. is an active New York domestic professional corporation incorporated in April 2011, with an address of 140 Fell Court, Suite 202, Hauppauge, New York, the same corporate address as Alarcon Law Group. Defendant Alarcon & Associates was registered by Defendant Mr. Alarcon. Upon information and belief, Defendant Mr. Alarcon has operated Defendant Alarcon & Associates as an arm of his loan modification scam network. Defendant Alarcon & Associates has operated out of offices at 1069 Main Street, Suite 102, Holbrook, New York, and 4250 Veterans Memorial Highway, Holbrook, New York.

32. Defendant R.M.A. Legal Network is a d/b/a entity of Defendant Mr. Alarcon. R.M.A. Legal Network operates a website at www.rmalegalnetwork.com and has been active since at least November of 2011. Upon information and belief, Defendant Mr. Alarcon has operated Defendant R.M.A. Legal Network as an arm of his loan modification scam network. Defendant R.M.A. Legal Network has operated out of offices at 4250 Veterans Memorial

Highway, Suite 2010W, Holbrook, New York and, upon information and belief, through agents located at 6789 Quail Hill Parkway, Irvine, California.

33. These four entities, (collectively "Alarcon") engaged in business activities in the State of New York and elsewhere, offering loan modification services to consumers without being registered as mortgage brokers with the New York State Banking Department.

B. Individual Defendant

34. Defendant Rory M. Alarcon is an attorney licensed to practice in New York. At all relevant times, Defendant Mr. Alarcon was not licensed to practice law in Alabama, Arizona, California, Georgia, Mississippi, New Jersey, North Carolina, Oregon, and West Virginia.

35. Since at least March 2010, Defendant Mr. Alarcon has operated his loan modification scam business through the various Alarcon entities. Employees within the Alarcon entities and Alarcon's referral agents recruit clients for Defendant Mr. Alarcon, thereby feeding his profitable business; Defendant Mr. Alarcon tasks his employees with "processing" his clients' loan modification paperwork, which generally amounts to staying in occasional contact with the clients and falsely reassuring them that progress is being made on their applications.

36. At all relevant times, the Alarcon entities were owned by, directed by, or affiliated with Defendant Mr. Alarcon.

JURISDICTION AND VENUE

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

38. Venue is proper in Kings County pursuant to CPLR 503(a) because Plaintiffs Paula Lopez and Ramona Gonzales resided in Kings County at the time this action was commenced.

FACTUAL BACKGROUND

39. The facts are set forth below in three sections: (1) an overview of Defendants' general loan modification scheme; (2) a description of the false and misleading statements that Defendants made to consumers; and (3) a recounting of Plaintiffs' individual experiences with Defendants.

A. Defendants' Loan Modification Scheme

40. Defendants' scheme is predicated on fraudulent representations, which induce unsuspecting homeowners to retain them to provide loan modification services. Defendants' scheme involves three phases: (a) marketing and sales; (b) collection of an unlawful upfront payment; and (c) neglect and abandonment by Defendants.

41. Defendants' marketing and sales scheme is conducted through both in-house teams and third-party referral agents. Defendants' in-house teams consist of employees or agents of Defendants who recruit potential customers through the use of cold-calls and internet and radio advertisements. These in-house teams market the Alarcon entities as providing experienced attorneys who have established "rapport" with many lenders, resulting in a more advantageous result for Defendants' clients than those who attempt to secure loan modifications on their own. These in-house marketing and sales efforts, which are conducted both orally and in print, highlight that Defendants' businesses operate as law firms.

42. The second method of marketing is through third-party referral. These referral companies make money attracting homeowners in need of mortgage assistance and referring such homeowners to Defendants. Consumers who contact the third-party company are immediately referred to Defendants, who provide the contracts and set the fee for their services.

43. Defendants' Internet advertisements and third-party marketers lure homeowners located both within and outside the New York metropolitan area.

44. Defendants have operated and currently operate websites found at several URL addresses: http://www.alarconlegal.com; http://nylawsource.com; http://alarconandassociatespc.com; http://lexycris.wix.com/alarcon; http://www.rmalegalnetwork.com/; and http://longislandlaws.com/index.htm. Representations on these websites include:

- "The benefit of an **experienced attorney** overseeing your **loan modification application process** can help eliminate any bumps in the road while ensuring your best interest is being served." (emphasis in original), available at http://nylawsource.com/home-loan-modification-hauppauge-long-island-law-firms.php (last accessed Nov. 27, 2012)

- "Our staff is equipped with the necessary negotiation skills and tactics guaranteeing a more effective response from lenders. Seeking professional guidance through the modification process ensures your application will be handled by experienced individuals who have established rapports with many of these lenders allowing the negotiations to proceed more smoothly." *Id.*

- "R.M.A [sic] Legal Network's specialization in Consumer Law, as well as its nationwide attorney network, has enabled the firm to successfully help homeowners avoid and stop the foreclosure process on a national scale. By utilizing the firm's extensive experience and resources, R.M.A [sic] Legal Network will implement any means necessary to achieve the objective of each case." Available at http://www.rmalegalnetwork.com/ (last accessed Nov. 27, 2012).

45. Lured in by promises that Defendants would "stop the foreclosure process" and provide "professional guidance" through the mortgage modification process, Plaintiffs were then further enticed by oral representations made by Defendants. These representations included, but were not limited to, the following assurances:

- A guarantee that Defendants would obtain a loan modification that would dramatically reduce Plaintiffs' mortgage payments.

- That Plaintiffs should refrain from making mortgage payments, to show the bank they were in need of a mortgage modification.

- That the upfront fee collected by Defendants would be applied to their mortgage payments.

- That the upfront fee collected by Defendants would be refunded, in whole or in part, if Defendants were unsuccessful in obtaining a modification on behalf of the homeowner.

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

47. Defendants represented that their loan modification services would be provided by, reviewed by, and/or performed at the direction of attorneys.

48. Plaintiffs believed Defendants' representations that they would have a better chance of obtaining a loan modification if they used Defendants' for-profit legal services operation. Defendants marketed their services so that Plaintiffs believed that the upfront fees demanded by Defendants were normal costs associated with retaining an attorney.

49. At no point were Plaintiffs made aware that they could receive free assistance from HUD-approved housing counselors, despite the fact that Section 265-b of the New York Real Property Law requires such a warning.

50. As alleged above, in exchange for their loan modification services, Defendants demanded payment by the Plaintiffs of an upfront fee disguised as a legal "retainer" fee. The upfront fee varied from homeowner to homeowner. In all cases, the upfront fee was several thousand dollars, ranging from $2,195 to $8,085. This fee was always demanded in advance of services rendered by Defendants.

51. Critically, Defendants often represented that this fee was refundable to Plaintiffs if Defendants were unable to obtain a loan modification for Plaintiffs. The refund guarantee was designed to convince Plaintiffs that engaging Defendants' services would be a low-risk solution to their financial problems.

52. Alternately, Defendants often represented that some portion of the upfront fee would be retroactively applied to the mortgage upon the Plaintiff's approval for a loan modification.

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

54. Once Plaintiffs agreed to engage Defendants' services and paid the required "refundable" fee, many of them received an enrollment package, including a retainer agreement, checklist of documents needed by Defendants to process the loan modification application, authorization for Defendants to communicate with Plaintiff's lender, and other supporting documents.

55. Defendants had Plaintiffs execute these deceptive "retainer" agreements and packages in an attempt to avoid liability. They strategically used their standard retainer agreements to try to disclaim the very representations used to induce Plaintiffs' agreement. One of Defendant Alarcon Law Group's retainer agreements, for example, includes the following statements, which directly contradict oral representations made to Plaintiffs:

- "Alarcon Law Group, P.C. does not make any promises on specific rates or terms of your loan restructure offer. We at no time recommend homeowners to miss their mortgage payments at any time."

- "Alarcon Law Group, P.C. offers its services in PHASES. Accordingly, Alarcon Law Group, P.C. shall be entitled to a fee of $836.00 upon completion of PHASE 1. . ."

56. Notwithstanding this contractual attempt to avoid liability, Defendants continued to reiterate false and misleading statements, and made new false statements that were contrary to the contract language, thereby perpetuating the fraud after Plaintiffs had executed the contract.

57. Moreover, the very nature of the mischaracterizations in these "disclaimers," as well as Defendants' oral misrepresentations, made it impossible for Plaintiffs to determine the truth. Plaintiffs were constantly reminded to not communicate with their lenders, and were told that any direct communications between them and their lenders would be ill-advised and fruitless. Defendants thereby successfully trapped Plaintiffs – luring them with the deceptive sales pitch, and then keeping them misinformed and unaware of both the true nature of Defendants' practices and of Plaintiffs' own legal rights.

58. In addition to the "retainer" contracts, Defendants supplied "checklists" to Plaintiffs that summarized the documents needed to process their applications. Defendants represented that these documents would be sent to Plaintiffs' lenders in support of their loan modification requests. The requested documents, which included mortgage statements, pay stubs, a financial worksheet detailing Plaintiffs' income and expenses, and a hardship letter to lenders explaining why a loan modification was necessary, all contained highly sensitive financial information. Defendants often asked Plaintiffs to provide the same information on multiple occasions, due either to Defendants' own incompetence and/or in furtherance of

Defendants' designed plan to blame the lack of progress on Plaintiffs' loan modifications on the lenders' incompetence.

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

60. Despite Defendants' guarantees that loan modifications would take "a few weeks to several months" to obtain, not a single Plaintiff received a loan modification as a result of Defendants' efforts.

61. Despite Defendants' guarantees that they would submit to Plaintiffs' lenders copies of the financial and personal paperwork provided by Plaintiffs, several Plaintiffs were dismayed to learn that no such paperwork had ever been submitted on their behalf.

62. Despite Defendants' guarantees that they would negotiate the terms of Plaintiffs' monthly mortgage payments, several Plaintiffs discovered months after they had paid the required upfront fee that Defendants had never made any contact with their lenders.

63. Despite Defendants' guarantees that they would provide legal representation in connection with their loan modifications, no Plaintiff received legal advice, and very few had contact with attorneys or saw attorney work product.

64. Despite Defendants' guarantees of refunds, no Plaintiff has received a refund of the upfront fees paid.

65. Moreover, when Plaintiffs have reported to Defendants that their deceptive practices led Plaintiffs to foreclosure or caused them serious financial harm, Defendants have

denied their oral representations and asserted that these payments are rightfully retained by Defendants for services rendered to Plaintiffs.

B. Defendants' use of fictitious names, aliases, and alternate locations.

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

67. This scheme has operated under at least four different names in no less than six different addresses since 2010, a period of only two and a half years.

68. Defendants have operated under the names Alarcon Law Firm, P.C., Alarcon Law Group, P.C., Alarcon & Associates, and R.M.A. Legal Network (collectively "Alarcon Law").

69. Defendant Alarcon Law has been located at several different addresses concurrently and at separate times, including: 2758 Middle Country Road, Suite 202, Lake Grove, NY 11755; 140 Fell Court, Suite 116 & 202, Hauppauge, NY, 11788; 4250 Veterans Memorial Highway, Suite 2010 W., Holbrook, NY 11741; 41 Blackpine Drive, Medford, NY 11763; 37 Ave. C, Holbrook, NY 11741; and 1650 Sycamore Ave., Suite 8, Bohemia, NY 11716.

70. Defendant Alarcon Law further confused consumers through its operation of numerous websites, including: http://www.alarconlegal.com; http://nylawsource.com; http://alarconandassociatespc.com; http://longislandlaws.com; http://lexycris.wix.com/alarcon; and http://www.rmalegalnetwork.com/.

C. Plaintiffs' Experiences

Connie Culliver

71. Plaintiff Colleen Culliver lives in Harpersville, Alabama.

72. In approximately 2000, Ms. Culliver purchased her home at 196 Sunset Drive in Harpersville, Alabama with a $75,000 loan from HFC Mortgage.

73. Ms. Culliver has a steady job, but she began to run into difficulty paying her mortgage when her daughter turned 19 (and her daughter's child support payments ceased) and went to college in 2011. In addition, she was suffering from medical problems (likely stemming from stress related to her sister's bout with breast cancer and subsequent death), which required her to visit a specialist not covered by her health insurance. The cost of college, combined with her medical expenses and the cessation of child support, made it difficult for her to pay all of her bills.

74. In addition, the interest rate on Ms. Culliver's loan is extremely high, topping 12.5% annually.

75. In early 2011, Ms. Culliver contacted her lender about the possibility of obtaining a modification of her mortgage, which would result in lower payments. Her lender declined the request, telling her that it did not participate in the federal government's Making Home Affordable program.

76. By November 2011, Ms. Culliver had fallen three months behind on her mortgage payments.

77. In late-November 2011, Ms. Culliver's sister fell ill, and Ms. Culliver visited her at the hospital. While at the hospital, Ms. Culliver discussed with her brother-in-law her desire to obtain lower mortgage payments. Her brother-in-law told her that he was also encountering difficulties paying his mortgage, and he told her that he was working with Defendant R.M.A. Legal Network to obtain a loan modification. Ms. Culliver's brother-in-law

provided her with R.M.A.'s contact information then and there, and she called R.M.A.'s toll-free number from the hospital.

78. When she called R.M.A., Ms. Culliver spoke to a man named Tom Allen. Mr. Allen told her that R.M.A. would provide "legal services" to her, which would involve negotiating with her lender for a lower interest rate and lower monthly mortgage payment.

79. Mr. Allen guaranteed Ms. Culliver a loan modification, saying she would "definitely" fall within the criteria for a modification. He also told her that her sister's illness could help her qualify for a hardship, which would help her modification application (when her sister passed away in December, R.M.A. claimed that Ms. Culliver could still claim her illness as a hardship). Finally, he told her that the entire process would take no more than three months.

80. Based on these assurances, Ms. Culliver agreed to hire R.M.A. Legal Network. Their fee was quoted as $2,565, payable in three installments of $855 each. R.M.A. told her that if she missed one of these installments, R.M.A. would not be able to help her. On December 21, 2011, Ms. Culliver signed a contract for R.M.A.'s services and another document indicating the scope of the representation. The representation was specifically limited to "Loss Mitigation Services" and did "not include appearances in court, appearances in settlement conferences, answers of default for summons and complaint, overall representation in the foreclosure action, appeals from any judgment or order of the court."

81. Mr. Allen also had Ms. Culliver sign at that time an electronic payment authorization form and an attestation of the company's non-guarantee policy, which was contrary to Mr. Allen's oral representations. R.M.A. pressured her to sign documents as soon as possible, despite her desire to wait until after the Christmas holiday to begin the process. Consequently, Ms. Culliver did not feel like she fully understood what she was signing.

82. In addition, at the same time, Mr. Allen requested several other documents in order to get the modification process started: a hardship letter, a signed and dated IRS Form 4506-T, and recent pay stubs. Ms. Culliver subsequently provided the documents as requested.

83. R.M.A. also instructed Ms. Culliver to stop making her mortgage payments because the amount owed would just be tacked onto the modified mortgage. Ms. Culliver followed that advice and stopped making her mortgage payments. R.M.A. also told her that she did not need to be in contact with her lender, as R.M.A. was going to handle that for her.

84. Ms. Culliver authorized payment of all three installments to R.M.A., for a total of $2,565, via automatic bank withdrawals. Those payments were made between January and March 2012.

85. On January 24, 2012, Ms. Culliver received an e-mail from "Jennifer," an R.M.A. representative, who indicated that R.M.A. had received all of the necessary paperwork and documentation. The e-mail further indicated that Ms. Culliver should forward any paperwork from her lender to R.M.A. for review and warned her that her lender might try to harass her in an attempt to collect unpaid balances, especially after they learned that she had hired a law firm to work on her behalf.

86. On February 8, 2012, Kristen D'Ottone sent an e-mail to Ms. Culliver requesting additional pay stubs. Ms. Culliver provided those pay stubs.

87. Ms. Culliver is unaware of any work R.M.A. performed after that point until May 8th.

88. On May 8, 2012, an R.M.A. representative named Cher Perez, who claimed to be her "modification negotiator" and a lawyer, sent Ms. Culliver an e-mail requesting various

documents, most, if not all, of which Ms. Culliver already had provided in January and February. Ms. Culliver faxed Ms. Perez the requested documents on May 10.

89. Thereafter, Ms. Culliver spoke regularly with Ms. Perez, who assured her that a lower interest rate and lower monthly payments would be forthcoming from her lender through R.M.A.'s efforts. Ms. Perez never performed any legal work on behalf of Ms. Culliver.

90. On May 24, 2012, Ms. Perez sent Ms. Culliver an e-mail indicating that she had received and reviewed Ms. Culliver's documents and had forwarded those documents to the lender. She also requested several additional documents, which Ms. Culliver provided.

91. Eventually, Ms. Perez stopped updating Ms. Culliver on the status of her modification application. In late July, Ms. Culliver called Ms. Perez to inquire about the status of the modification. Ms. Perez returned that call the next day and told Ms. Culliver that her lender had denied a loan modification. Ms. Perez said that she could only offer a deal whereby Ms. Culliver would pay one-and-a-half payments of $1,293.86, and then would resume her normal payment of about $800 a month. Ms. Culliver declined. Ms. Perez also noted the same information in a July 27, 2012 e-mail to Ms. Culliver because her "gross income is greater than [her] monthly mortgage payment."

92. R.M.A. has not offered to provide a refund to Ms. Culliver, despite its failure to obtain a loan modification on her behalf.

93. Ms. Culliver's brother-in-law also did not obtain a modification of his mortgage.

94. Ms. Culliver has experienced significant financial hardship as a result of her dealings with R.M.A. and following R.M.A.'s advice, and she is in a worse financial situation than she was when she hired the company. In addition to losing the $2,565 that she paid to

R.M.A., Ms. Culliver is now more than a year behind on her mortgage payments, is at serious risk of foreclosure, and has suffered a decrease in her credit score. Moreover, because she believed that R.M.A. was handling her situation, Ms. Culliver did not pursue other options for relief that might have allowed her to obtain better mortgage repayment terms.

Shannon Carey

95. Plaintiff Shannon Carey resides at 38288 Gilkey Road in Scio, Oregon.

96. In approximately March 1997, Ms. Carey purchased her current home with a loan that is now held by Ocwen Financial Corporation ("Ocwen").

97. In spring 2012, Ms. Carey received several voicemails from a company offering loan-related services. Upon returning those calls, she was connected with a lawyer in R.M.A. Legal Network's Irvine office who identified himself as Charles "Chuck" Goodson. Mr. Goodson promised Ms. Carey three things during their initial telephone conversation. First, he indicated that he would negotiate a favorable reduction of the remaining principal owed on her mortgage. Second, he promised to relieve her of $33,000 in past due mortgage payments. Third, he promised to negotiate a lower interest rate going forward.

98. During this call, Mr. Goodson also represented that a company such as R.M.A. would be more effective at negotiating a mortgage modification than she would on her own because it had an ongoing relationship with mortgage companies and past experience achieving successful modifications for many people. He instructed Ms. Carey not to speak with her mortgage company directly during the process. Mr. Goodson also told Ms. Carey that her mortgage company would be unwilling to speak with her because she was already so far behind on her payments. Mr. Goodson, while admitting he could not advise Ms. Carey to stop making further payments, told her that most of R.M.A.'s clients did indeed stop paying their mortgage once they signed up for R.M.A.'s services.

99. Based on Mr. Goodson's representations, Ms. Carey agreed to retain R.M.A. for loan modification services. She agreed to pay for such services at a cost of $2,955, to be paid in three equal installments of $985. Mr. Goodson then provided her with a package of documents from R.M.A. On April 21, 2012, Mr. Goodson emailed Ms. Carey a R.M.A. Welcome Package, a Hardship Letter Example, and a Form 4506-T. Mr. Goodson's email contained several assurances that once Ms. Carey's information and first payment were received, R.M.A. would begin work on her case immediately.

100. The April 21 Welcome Package also included a Scope of Representation, limiting R.M.A.'s services to "Loss Mitigation," which specifically did not include legal services such as "appearances in court, appearances to settlement conferences, answers of default for summons and complaint, overall representation in the foreclosure action, appeals from any judgments or orders of the court."

101. Finally, the Welcome Package contained a Service/Retainer Agreement, which included a Check/Electronic Authorization Form authorizing three payments of $985, an addendum explaining that R.M.A. was to be paid upon the completion of each phase of the modification process, and a Client Attestation, which contained information contrary to Goodson's oral representations.

102. On April 23, 2012, Ms. Carey's partner, Duane Clark, emailed Mr. Goodson a series of follow up questions regarding R.M.A.'s services. Ms. Carey and Mr. Clark asked about R.M.A.'s success rate and whether R.M.A. could provide assurances that the bank would approve the reduction in her principal and forgive the delinquent amounts owed prior to the final payment.

103. Mr. Goodson responded that R.M.A. had a 95% success rate. He guaranteed that the program would forgive late charges and past due payments, and guaranteed that if Ms. Carey was truthful, provided paperwork on-time, and did not file for bankruptcy during the process, she would get a modification. He also guaranteed that if at any time Ms. Carey was unhappy, R.M.A. would refund her money.

104. Based on Mr. Goodson's representations, Ms. Carey arranged for $2,955 to be withdrawn from her bank account in four installments. She made a first payment of $500 on May 1, 2012 and a second payment of $485 on May 30, 2012, for a total of $985. She subsequently made two payments of $985 each on June 4, 2012 and July 2, 2012.

105. During the months of May, June, and July, when Ms. Carey was making payments to R.M.A., Mr. Goodson was responsive to emails and phone calls. However, in late summer 2012, Ms. Carey informed Mr. Goodson that she was considering filing for bankruptcy. Mr. Goodson instructed her that she could not file for bankruptcy during the loan modification process.

106. After Ms. Carey raised the possibility of filing for bankruptcy, Mr. Goodson became unresponsive. Because Ms. Carey was unable to reach Mr. Goodson, she called R.M.A.'s New York office hoping to reach someone there. Ms. Carey spoke with two women in the New York office, Pam and Julia, who both promised that they would help Ms. Carey get in touch with Mr. Goodson. Both became unresponsive after a short period of time. Ms. Carey left multiple messages for both Mr. Goodson and the women in the New York office, but none of her calls were returned. Finally, on August 10, 2012, Ms. Carey again emailed Mr. Goodson expressing her concern and inquiring as to the status of her modification.

107. In late summer 2012, Ms. Carey contacted her mortgage company, Ocwen, directly. Ocwen's representative indicated that R.M.A. had not filed any paperwork to request a mortgage modification other than the form granting Ocwen permission to discuss Ms. Carey's mortgage with R.M.A.

108. Thereafter, Ms. Carey began working directly with Ocwen on her loan modification. As Ms. Carey learned from an Ocwen representative, and in contrast to Mr. Goodson's earlier representations, Ocwen would not provide a reduction in principal, nor would Ocwen forgive past due amounts.

109. More than a month after Ms. Carey's August 10th email to Mr. Goodson, she was contacted by R.M.A. representative, CJ Mercado. Ms. Mercado requested that Ms. Carey provide additional information regarding Duane Clark's current residence. Ms. Carey did not respond to this initial request, and was contacted again by Ms. Mercado on August 24. Ms. Carey replied on September 26th, and inquired about Mr. Goodson's promises to obtain a reduction in her loan principal and forgiveness of past due mortgage payments. She also requested a refund of $2,955 plus $32.00 in overdraft fees incurred as a result of R.M.A.'s withdrawal of more funds than she had agreed to pay.

110. Ms. Mercado replied the following day, but did not respond to Ms. Carey's request for a refund.

111. To date, R.M.A. has refused to provide a refund of the $2,955 Ms. Carey paid for R.M.A.'s alleged services.

112. Ms. Carey has experienced significant financial hardship as a result of her dealings with R.M.A. and as a direct result of following R.M.A.'s advice, and is in a worse financial situation than she was when she hired the company. In addition to losing the $2,955

that she paid to R.M.A., she incurred $32.00 in overdraft fees and has been put at risk for foreclosure. Moreover, because she believed that R.M.A. was handling her situation, she did not pursue other options for relief that might have allowed her to obtain better mortgage repayment terms.

Robert Cron

113. Plaintiff Robert Cron lives at 7 Hill Street in Binghamton, New York.

114. In 2007, Mr. Cron purchased a mobile home with a mortgage from Tammac Holdings Corporation ("Tammac").

115. In approximately early 2010, Mr. Cron saw a web advertisement for Lincoln Financial. The advertisement had a picture of President Obama and indicated that President Obama was facilitating the modification of loan payments. Mr. Cron contacted Lincoln Financial and was referred to The Law Office of Brett Margolin, P.C. ("Margolin, P.C.").

116. A representative of Margolin, P.C. told Mr. Cron that the company could reduce his mortgage rate from 13% to 2.9% for a fee of $2,195. Mr. Cron also was told his money would be refunded in full if Margolin, P.C. was not successful in obtaining a loan modification.

117. Based on these representations, Mr. Cron signed a Service Agreement on May 21, 2010. The Service Agreement confirmed in writing that Mr. Cron would receive a full refund if Margolin, P.C. was not successful in obtaining a loan modification. Mr. Cron also signed a Scope of Representation, which limited Margolin, P.C.'s services to "Loss Mitigation," and specifically did not include legal services such as "appearances in court, appearances to settlement conferences, answers of default for summons and complaint, overall representation in the foreclosure action, appeals from any judgments or orders of the court."

118. The initial paperwork Mr. Cron received from Margolin, P.C. also contained a Hardship Letter Worksheet, a Loan Modification Application Form, an information sheet titled

"Directions on How to Begin," a Borrower Enrollment Form, a Financial Worksheet, a Borrower's Certification and Authorization Certification, a Retainer Agreement, and a Client Attestation, which stated that "any modification obtained after the date of the initial application has been the result of the efforts put forth" by Brett Margolin.

119. The address listed on the documents from Margolin, P.C. was 2758 Middle Country Road, Suite 202A, Lake Grove, NY 11755.

120. On June 8, 2010, Mr. Cron signed a Modification Installment Agreement and arranged to have the $2,195 fee sent to Margolin, P.C. in installment payments. Mr. Cron made a first payment of $795 in June 2010 and a second payment of $600 in July 2010. Mr. Cron made these payments using money orders.

121. Between June and September 2010, Mr. Cron received several emails from Aimee Goff, a mitigator at Margolin, P.C., and Donna Tesone, also from Margolin, P.C., requesting financial documents.

122. On February 11, 2011, Mr. Cron received an email from Michelle Lea at Alarcon Law Group, P.C., informing him that Margolin, P.C. had "merged with a national law firm to give us the leverage we need to aggressively pursue the lenders." Mr. Cron understood this to mean that the Margolin, P.C. had merged with Alarcon Law Group. The email requested that he fill out a payment authorization form for $800, the remainder of the originally quoted $2,195 fee, and asked him to "complete a new package." The address of Alarcon Law Group was listed as 2758 Middle Country Road, Suite 202A, Lake Grove, NY, 11755, the same address as listed on the previous papers from the Margolin, P.C.

123. Although the email was from Alarcon Law Group, the package contained documents that indicated they were from Friedman Law Associates, P.C. In particular, the

package included a Scope of Representation and Service/Retainer Agreement, which limited Friedman's services to "Loss Mitigation," and specifically did not include legal services such as "appearances in court, appearances to settlement conferences, answers of default for summons and complaint, overall representation in the foreclosure action, appeals from any judgments or orders of the court." The address for Friedman Law Associates P.C. was listed as 2758 Middle Country Road, Suite 201, Lake Grover, NY 11755, which was again the same address (but a different suite number) as listed for Alarcon Law Group and Margolin, P.C.

124. Also included in the package was a Hardship Letter Worksheet, an Application for Loss Mitigation Services, a Borrower's Certification and Authorization Certification, a Borrower Enrollment Form, a Financial Worksheet, a Bankruptcy Disclosure Agreement, and a Client Attestation form that stated that Friedman Law Associates did not guarantee a particular outcome. Additionally, there was an "Attestation by Client Regarding Services Provided," which stated that any loan modification received after the date of initial application was the result of the efforts of Freidman Law Associates and that no refund would be provided in the event that Mr. Cron received a loan modification.

125. Mr. Cron also received a document that described three phases of the modification process and stated that Friedman Law Associates was entitled to payment upon completion of each phase.

126. Once Mr. Cron was prepared to pay the final installment of the originally quoted $2,195 fee, a representative of Alarcon Law Group informed him that there would be an additional fee in order to get his loan modification. Frustrated by this additional, undisclosed fee, Mr. Cron requested his money back. However, he was informed that he could not have a refund because his payments already had been expended on paralegal fees.

127. Mr. Cron does not know if Margolin, P.C. or Alarcon Law Group ever did any work towards obtaining a loan modification on his behalf. However, when he called Tammac directly, a representative told him that Tammac does not offer modifications.

128. Mr. Cron has experienced significant financial hardship as a result of his dealings with Margolin, P.C. and Alarcon Law Group, and he is in a worse financial situation than he was when he hired the company(ies). In addition to losing $1,395 in fees that he paid, Mr. Cron also fell behind on his mortgage payments after he began dealing with Margolin, P.C. and Alarcon Law Group. Prior to that time, he had been current on his mortgage payments.

Constance Douglas

129. Plaintiff Constance Douglas and her husband, Lester Douglas, reside at 853 Estrella Road in Golden Valley, Arizona.

130. In 2000, Mr. and Ms. Douglas obtained a mortgage on their house from GMAC Mortgage ("GMAC"). They began to have trouble paying their mortgage beginning in January of 2012 because of deaths in the family and personal health issues.

131. In March 2012, Ms. Douglas was referred by GMAC to R.M.A. Legal Network. She contacted R.M.A. and spoke with a representative named Diane. During this conversation, Diane told Ms. Douglas that R.M.A. would work with her to obtain a loan modification that would lower the Douglases' mortgage payments to $747 a month. The promised new monthly rate was contingent on the Douglases making three payments directly to R.M.A. of $835 each in the months of April, May, and June. These payments were to be in lieu of their normal mortgage payments. During this time Ms. Douglas also spoke with a representative named Jessica. Ms. Douglas never spoke with or consulted a lawyer.

132. Ms. Douglas then received an email from Donna Goolsby, a senior case manager with the Professional Legal Network, urging her to submit financial documents within

three days. The email said that R.M.A. could not start working on the loan modification until Ms. Douglas's financial information and first payment were received. The email attached an example of a hardship letter, Form 4506-T, to be signed and dated, and the R.M.A. Welcome Package.

133. On March 9, 2012, Ms. Douglas signed a Check/Electronic Authorization Form setting up three monthly payments of $835 each to be automatically withdrawn from her bank account. The first of these payments was withdrawn on April 6, 2012.

134. Mr. and Ms. Douglas completed the Hardship Letter Worksheet provided by R.M.A. on March 11, 2012 and signed a hardship letter on March 17, 2012. The hardship letter explained the reasons why they were having trouble making mortgage payments and emphasized their desire to work with GMAC to modify their loan.

135. On April 25, 2012, Mr. and Ms. Douglas received a letter from GMAC stating that GMAC had received the Douglases' authorization to discuss their mortgage account directly with R.M.A. The Douglases were also told that they would not be receiving additional information about their mortgage, as GMAC would be communicating with R.M.A. directly.

136. In or around April 2012, R.M.A. repeatedly asked the Douglases for additional financial information. Responding to such requests on numerous occasions, Ms. Douglas spent approximately $40-50 faxing requested documents to R.M.A.

137. On May 8, 2012, a second payment of $835 was automatically withdrawn from Mr. and Ms. Douglas's account.

138. On May 25, 2012, Mr. and Ms. Douglas received a fax from Shavea Dupree, a mitigation specialist with R.M.A., asking for additional financial documents in order to expedite the loan modification process.

139. Then, in June 2012, Mr. and Ms. Douglas received a foreclosure notice from GMAC stating that a foreclosure would take place on July 12, 2012. Ms. Douglas contacted GMAC and learned that R.M.A. had contacted GMAC only once—to obtain authorization to discuss the Douglases' account—and then never again contacted GMAC regarding a loan modification. Thereafter, the Douglases' son, Gary Douglas, called a representative at R.M.A. to inquire as to why R.M.A. had not started on their loan modification nor informed them of the pending foreclosure action.

140. On June 3, 2012, Ms. Douglas sent a written request to R.M.A. asking that they stop payment on her third installment. Despite this request, R.M.A. withdrew $835 from the Douglases' account on June 6, 2012.

141. Mr. and Ms. Douglas have been unable to reach anyone at R.M.A. since late July.

142. On July 13, 2012, Ms. Douglas filed a complaint with the New York State Attorney General accusing R.M.A. of fraud. Her complaint contained information about the payments made to R.M.A. and her ignored request to cancel the last payment. In addition, Ms. Douglas filed a grievance against R.M.A. with the State of New York Grievance Committee on August 7, 2012.

143. On September 27, 2012, Ms. Douglas received a response from the State of New York Attorney General. It contained a response from R.M.A., which stated that Ms. Douglas had made only two payments to R.M.A., rather than the three that actually were withdrawn from the Douglases' account. R.M.A.'s response also alleged that Mr. and Ms. Douglas had not provided sufficient financial information, despite their production of countless documents and their responsiveness to all of R.M.A.'s requests.

144. Mr. and Ms. Douglas suffered significant financial hardship as a result of their dealings with R.M.A. and as a direct result of following R.M.A.'s advice, and are in a worse financial situation than when they hired the company. In addition to losing the $2,505 they paid to R.M.A., Mr. and Ms. Douglas were almost foreclosed upon, and they owe their son approximately $8,000. They were forced to file for bankruptcy on July 9, 2012.

Christopher and Kimberly Duncan

145. Plaintiffs Christopher and Kimberly Duncan reside with their four children in West Virginia.

146. In approximately May 2006, Mr. and Ms. Duncan purchased their home at 356 Rustling Leaf Place, Kearneysville, West Virginia with a mortgage from SunTrust Bank. The Duncans took a second mortgage through Wells Fargo in 2006 or 2007.

147. Due to financial difficulties, in October 2011 the Duncans were two months behind on their mortgage with SunTrust, although they were current on their Wells Fargo mortgage. At the time, the Duncans were working directly with SunTrust to receive a mortgage modification.

148. The same month, Ms. Duncan received an email from a company that used the government-sponsored Making Home Affordable ("MHA") program logo in their email. She called the telephone number and provided the "code" contained in the email. The company verified that they were associated with MHA and guaranteed the Duncans that they would receive a loan modification and not suffer foreclosure if they worked with the company. However, the company required that the Duncans make three monthly "good faith payments" of $1,275 to R.M.A. Legal Network, instead of to SunTrust, to demonstrate that they were capable of making regular payments of that amount going forward.

149. After consulting with a representative of SunTrust, who assured the Duncans that MHA was a legitimate program, the Duncans agreed to retain the company for their legal advice and loan modification services.

150. As directed by an R.M.A. representative during a telephone conversation, the Duncans received, signed, and returned the requested paperwork on or about October 21, 2011. These documents, which carried the heading "R.M.A. Legal Network," included a Scope of Representation, which limited R.M.A. Legal Network's services to "certain problems resulting from a mortgage delinquency and/or foreclosure situation," and which specifically excluded legal services such as "appearances in court, appearances to settlement conferences, answers of default for summons and complaint, overall representation in the foreclosure action, appeals from any judgments or orders of the court." The Service/Retainer Agreement included a Client Attestation, which was contrary to oral representations made by the company's representative on the telephone. The Duncans returned these forms along with a number of personal financial documents requested by R.M.A.

151. On October 25, 2011, the Duncans received a response from Andrew Liwanag, who identified himself as a "Case Manager" for Attorneys Legal Network. The response indicated that R.M.A. had received the Duncans' file, but that it could not send the file to the processing department until the Duncans made the first of three required payments.

152. The first payment of $1,275 was deducted from the Duncans' bank account on or about November 1, 2011. The second payment of $1,275 was deducted from their account on or about December 1, 2011.

153. On November 4, 2011, Ms. Duncan received an email from Mario Peralta indicating that Ms. Duncan would receive a call within seven days, and listing additional

documents that she should prepare for submission. This email attached a "FAQ Document" which indicated, for the first time, that the process could take more than 60 days, and instructed the Duncans not to communicate with their lenders regarding any financial information.

154. On November 9, 2011, the Duncans received an email from Tiffany Clark, Client Relations, with the subject line, "Hello Christopher, RMA Legal Network welcomes you." This email indicated that R.M.A. would "utilize all our resources in negotiating with your lender on your behalf." This email contained representations that were contrary to those given over the phone prior to the Duncans' retention of R.M.A.

155. On November 21, 2011, Ms. Duncan received an email from DoriAnn Wright, identified as the "processor" assigned to Ms. Duncan's file, which requested additional documentation. In response to Ms. Wright's request, Ms. Duncan compiled the requested information and sent it to R.M.A. Ms. Wright responded on November 30, 2011, indicating that she had received the documentation and that she had sent the Duncans' modification package to the bank.

156. Throughout all of the communications with R.M.A., representatives from R.M.A. assured Ms. Duncan that the company was the "same company" as MHA.

157. On December 22, 2011, Ms. Duncan received a third email from Ms. Wright, which stated that she had spoken with SunTrust and they had advised her that the Duncans' modification file was in "active review."

158. Shortly after receiving the December 22 email, Ms. Duncan received notice from SunTrust that the Duncans' loan modification had been denied. Ms. Duncan immediately called R.M.A. Legal and insisted that they not withdraw the final payment of $1,275 because the

Duncans had not received the guaranteed modification. The R.M.A. representative indicated that she would check on the status of the Duncans' file and get back to Ms. Duncan.

159. Ms. Duncan never received a follow-up call from R.M.A and has been unable to reach anyone from R.M.A. since that last call in December 2011. However, contrary to Ms. Duncan's direct instructions, on or around December 31, 2012, a third payment of $1,275 was deducted from the Duncans' bank account.

160. None of the $1,275 payments to R.M.A. actually was forwarded to SunTrust.

161. The Duncans have experienced significant financial hardship, and are in a worse financial position, as a result of their dealings with R.M.A. and following R.M.A.'s advice. In addition to losing $3,825 paid to R.M.A., the Duncans lost their home and have suffered a decrease in their credit scores. In addition, because the Duncans believed that R.M.A. was taking care of their loan modification, they did not pursue other options for relief that may have allowed them to obtain better mortgage repayment terms, including direct negotiations with SunTrust, which the Duncans had initiated prior to hiring R.M.A.

Bevrilin Nicole Eason and Travis Eason

162. Plaintiffs Bevrilin Nicole Eason and Travis Eason reside in North Carolina.

163. Mr. and Ms. Eason purchased their home, located at 2152 Christian Light Road Fuquay-Varina, North Carolina, in February 2008. To purchase the home, the Easons obtained a loan from Bank of America, which was in Mr. Eason's name.

164. Ms. Eason was laid off from her job at a doctor's office in 2009, and her unemployment payments expired in late 2011. Although Ms. Eason has since found part-time work, at that time, Mr. and Ms. Eason began to fall behind on their mortgage payments.

165. In or around January 2012, Ms. Eason heard a news segment regarding loan modification programs. By then the Easons were approximately 30 to 60 days late on their

mortgage payments and began to fear that they could lose their home. The news segment directed viewers to a website to input contact information, but did not reference any specific company by name.

166. Soon after submitting her contact information via the website, Ms. Eason received a telephone call from a man who identified himself as "Jacob" or "Jacon" from R.M.A. Legal Network. Jacob told the Easons that they had passed all the "pre-screening" tests and were very likely to receive a mortgage modification if they could prove their ability to make payments of $840 per month for three months. Jacob indicated that these payments would be applied to the Easons' mortgage once a modification was obtained and that their monthly post-modification payments would be in the range of $840 per month.

167. Jacob directed Mr. Eason to a website to sign an electronic form that would initiate the loan modification process. Although Ms. Eason asked Jacob for time to conduct further research and discuss options with her husband, Jacob responded that "time was of the essence" because R.M.A. had a long waiting list of potential customers for their modification services. Because of Jacob's response and fearing an impending foreclosure action, the Easons were concerned by the implications of not signing up immediately. Therefore, on January 12, 2012, Mr. Eason executed the requested Welcome Packet online. The packet included a Scope of Representation, a Retainer Agreement and an Electronic Authorization Form.

168. The Scope of Representation limited R.M.A.'s services to "Loss Mitigation," which specifically did not include legal services such as "appearances in court, appearances to settlement conferences, answers of default for summons and complaint, overall representation in the foreclosure action, appeals from any judgments or orders of the court." Both the Scope of

Representation and a separate "Client Attestation" contained representations contrary to Jacob's oral representations.

169. The Electronic Authorization Form authorized three payments of $840, to be deducted from Mr. and Ms. Eason's joint account on January 13, 2012, February 13, 2012 and March 13, 2012. Such payments were deducted on or around January 17, February 14, and March 14, 2012.

170. In addition, the "Welcome Packet" directed the Easons to send various financial and personal documents, including pay stubs, tax returns, mortgage statements, bank statements, and utility bills to R.M.A. Ms. Eason promptly sent those materials to R.M.A.

171. During the period January through March 2012, Ms. Eason was in regular contact with Ms. Candace Watkins and Ms. Kelly Clements—representatives from R.M.A.'s New York Office. During that time, Ms. Watkins specifically instructed Ms. Eason not to speak with anyone at Bank of America regarding the Eason's modification application, stating that it would delay the process. Ms. Watkins also represented to Ms. Eason that she knew the CEO of Bank of America, and had been in contact with him about the Eason's loan modification. However, Ms. Eason's request to speak with the attorney working on her case in North Carolina was never answered.

172. In Spring 2012, Ms. Eason noticed that withdrawals from her account were going to "The Legal Network," rather than "R.M.A." She became suspicious and visited her local Bank of America branch in Fuquay-Varina to inquire about the status of the Easons' loan modification application. A representative at the bank told Ms. Eason that she was familiar with R.M.A.—temporarily allaying Ms. Eason's concerns.

173. However, in late Spring 2012, Bank of America initiated foreclosure proceedings on the Easons' home. Against R.M.A.'s instructions and because she did not believe that R.M.A. was working promptly, Ms. Eason began working directly with Bank of America employee, Dorothy Vincent, to provide the necessary documents for a loan modification.

174. On June 12, 2012, Mr. Eason sent a letter to Rory Alarcon reiterating that the Easons had been promised that the loan modification process would take less than three months and that they would be represented by an attorney throughout the process. In addition, Mr. Eason requested a full refund of the $2,520 paid to R.M.A. The Easons never received a response to that letter.

175. To date, R.M.A. has failed to refund the Easons' money, has failed to apply any of the payments towards their mortgage with Bank of America, and has failed to respond to numerous attempts by the Easons to contact R.M.A.

176. With no assistance from R.M.A., the Easons were fortunate to temporarily avoid foreclosure by negotiating with a local United Way agency, Triangle Family Services. Despite this temporary fix, Mr. and Ms. Eason have experienced significant financial hardship, and are in a worse financial situation than when they hired R.M.A., as a result of their dealings with R.M.A. and as a direct result of following R.M.A.'s advice. Specifically, Mr. and Ms. Eason lost $2,520 paid to R.M.A., have only temporarily avoided foreclosure, and Mr. Eason suffered a decrease in his credit score. In addition, because Mr. and Ms. Eason relied on R.M.A.'s representations that it was handling their loan modification, they delayed pursuing other options for relief that may have allowed them to obtain better mortgage repayment terms.

Gregory Ellington

177. Plaintiff Gregory Ellington and his wife, Heather Ellington, reside at 10709 Oak Circle South, Olive Branch, Mississippi.

178. In 2001, the Ellingtons purchased their home for approximately $116,000 with a mortgage loan from First Horizon. Subsequently, in July 2011, Nationstar Mortgage LLC took over the servicing of the loan.

179. In early 2011, the Ellingtons were struggling to pay their mortgage. Mr. Ellington is self-employed as a hair dresser, and the extended economic downturn had taken a toll on his business. Additionally, they had been taking care of Mr. Ellington's father until he passed away in 2010, and the financial help he had provided ceased thereafter.

180. By May 2011, the Ellingtons were two months behind on their mortgage payments. At that time, Mr. Ellington went onto the internet in search of options for loan modifications. He went to the federal government's Making Home Affordable website, and he entered his personal information into the website.

181. Shortly thereafter, Mr. Ellington received a phone call from Austen Marshell of Attorneys Legal Network. Mr. Marshall then proceeded to tell Mr. Ellington about the benefits of hiring Alarcon & Associates, P.C. to help him and his wife obtain a loan modification. He stated that Alarcon[1] had a very high success rate and guaranteed that Alarcon would obtain a loan modification on behalf of the Ellingtons. He further promised that their modified mortgage rate would be approximately 3.5-4% and that their monthly payment would be reduced by approximately $200, from $600 to $400. He also told Mr. Ellington that Alarcon would serve as his attorney if any problems arose with their lender in the course of the modification process.

[1] Because Defendants frequently used multiple "Alarcon" entities in their interactions with a single homeowner or set of homeowners, the term "Alarcon" is used interchangeably in the descriptions of Plaintiffs' experiences to refer to any of Alarcon Law Firm, P.C., Alarcon & Associates, P.C., and Alarcon Law Group, P.C.

182. Mr. and Ms. Ellington were both led to believe that Alarcon was a non-profit and was providing its services free of charge. Mr. Marshell indicated that, in order to take advantage of Alarcon's services, they would need to pay Alarcon $835 per month for 3 months, but he led them to believe that Alarcon would then in turn pay that money to their lender such that the money would go towards their mortgage.

183. Mr. Marshell also told the Ellingtons to stop making their mortgage payments, as doing so would give them a better chance of being approved for a loan modification. They followed that advice. They were also told that they should not contact their lender, as Alarcon would take care of everything related to discussions with their lender going forward.

184. Based on Mr. Marshell's statements about Alarcon's services, the Ellingtons agreed to hire Alarcon to perform their loan modification. Shortly thereafter, Mr. Ellington received a packet of information, which included various documents for him to review and sign, including a contract for Alarcon's loan modification services. The Ellingtons signed the contract, and they also filled out and signed various other documents.

185. The Ellingtons made three monthly payments to Alarcon of $835 each, for a total of $2,505, via automatic bank withdrawal.

186. Mr. Ellington kept in frequent communication with Alarcon's representatives via e-mail. In addition to Mr. Marshell, the Ellingtons also worked with Mario Peralta, P.J. Watson, Christa Klett, Tim Butler, and Brittney Votta.

187. On May 23, 2011, once they had signed up for Alarcon's services, the Ellingtons were provided a package of documents, which contained directions on how to begin and various documents to fill out, including a sample hardship letter that would inform their drafting of a hardship letter to their lender, an IRS Form 4506 ("Request for Transcript of Tax

Return"), an Alarcon & Associates, P.C. Application for Loss Mitigation Services, a cease and desist letter for them to send to their lender, an Alarcon Borrower's Certification and Authorization Certification, an Alarcon Borrower Enrollment Form, an Alarcon Hardship Letter Worksheet, and an Alarcon Financial Worksheet. Shortly thereafter, Mr. Ellington sent in the requested paperwork and documents.

188. On June 6, 2011, Mr. Peralta sent Mr. Ellington an e-mail requesting additional documentation, including a property tax statement, their insurance policy, pay stubs, and other items. Shortly thereafter, Mr. Ellington sent in the requested paperwork and documents.

189. On July 13, 2011, First Horizon sent the Ellingtons a letter indicating that Nationstar Mortgage LLC would begin servicing their mortgage.

190. On July 28, 2011, Underwood Law Firm sent the Ellingtons a letter indicating that they were required to pay First Horizon $4,652.34 in order to reinstate the mortgage loan, or else their home would go up for foreclosure sale in late-September.

191. On August 4, 2011, Ms. Klett sent Mr. Ellington an e-mail requesting that he fill out and sign several documents, including a Making Home Affordable Program Request for Modification and Affidavit and a Dodd-Frank Certification.

192. After receiving the July 28, 2011 letter from Underwood Law Firm, the Ellingtons were concerned, especially in light of their belief that Alarcon was working with their lender on a modification. Mr. Ellington contacted Mr. Marshell, who referred him to Mr. Watson to discuss the letter.

193. In the meantime, Mr. Ellington contacted First Horizon and Nationstar, and they indicated that they had not been contacted by any Alarcon representatives. Consequently, on

August 8, 2011, Mr. Ellington requested that Alarcon stop work on their file and provide a full refund. However, subsequent conversations with Alarcon representatives assuaged his fears.

194. On August 15, 2011, Mr. and Ms. Ellington filled out, signed, and sent to Ms. Klett the forms she had requested. The Ellingtons also sent several other forms and documents that were requested to Ms. Klett over the next several days.

195. On August 22, 2011, Mr. Ellington sent an e-mail to Ms. Klett requesting news on the modification. Ms. Klett responded later that day. In her response, Ms. Klett berated Mr. Ellington for his failure to send documents immediately around the time when he expressed skepticism about Alarcon's operation. She also indicated that Alarcon had contacted the Ellingtons' lender, and they should hear from a "Loss Mitigation Specialist" in a week or two.

196. On August 26, 2011, Mr. Butler, identified as a "negotiator" with Alarcon, e-mailed Mr. Ellington requesting several additional documents, including bank statements and a hardship letter explaining why the Ellingtons were having difficulty paying their mortgage. Mr. Ellington responded to the e-mail and provided the requested documents the same day.

197. An Alarcon representative offered Mr. Ellington assistance in preparing the hardship letter—the representative told him to lie by stating that the Ellingtons could not afford to make their mortgage payments. This was not true at the time, and Mr. Ellington declined that advice.

198. On August 30, 2011, Mr. Ellington e-mailed Mr. Butler to request a status update. He responded that all of the documents had been sent to the Ellingtons' lender.

199. On September 12, 2011, Mr. Ellington again e-mailed Mr. Butler for an update. He responded on September 16 by stating that the lender is requesting an updated utility bill, which Mr. Ellington provided on September 20, 2011.

200. Around this time, the Ellingtons received a letter dated September 7 from Nationstar, which indicated that they did not meet the requirements for a modification through the Home Affordable Modification Program.

201. On October 20, 2011, Mr. Butler e-mailed Mr. Ellington and indicated that there were tax liens against both him and his wife, which they needed to pay. The Ellingtons paid off those liens approximately one week later, and Mr. Ellington told Mr. Butler that they had made the payments.

202. On November 8, 2011, Brittney Votta from Alarcon & Associates contacted Mr. Ellington by e-mail. She indicated that she had "just followed up with the bank" and told him that "everything looks great and is moving forward." She further stated that she "was informed that [the Ellingtons] were approved for a loan modification." This statement was not true, as Alarcon had not obtained a modification for Mr. and Ms. Ellington.

203. In November 2011, Mr. Ellington learned from Nationstar that he was still in danger of losing his home. He called Nationstar and spoke with a woman named Allison Simon, who informed him that their payments to Alarcon had not been sent to Nationstar to be applied to their mortgage, despite Alarcon's representations to the contrary. Therefore, Mr. Ellington contacted Mr. Butler to confront him about this discrepancy and request a refund. Mr. Butler berated Mr. Ellington, telling him that he should not have contacted his lender and that by doing so he had "screwed up" his chance at a modification. Additionally, Mr. Butler told Mr. Ellington that the money he and his wife had paid to Alarcon was a "retainer" fee, which was not refundable, so Mr. Butler refused to provide any refund.

204. To the Ellingtons' knowledge, Alarcon never submitted a loan modification application and did not attempt to obtain a loan modification on behalf of the Ellingtons.

205. In addition to the refund requests discussed above, Mr. Ellington also sought a refund on several other occasions, all to no avail.

206. After Mr. Ellington learned that Alarcon had been scamming him and his wife, he began a conversation with Nationstar and Ms. Simon. Through those conversations, the Ellingtons were able to get a loan modification on their own, without Alarcon's help.

207. Additionally, Mr. Ellington asked Ms. Simon to contact Alarcon. She did so, and she reported back to him that the Alarcon representatives had made untrue statements and appeared to be running a scam.

208. Mr. and Ms. Ellington experienced significant financial hardship as a result of their dealings with Alarcon and are in a worse financial situation than when they hired R.M.A. In addition to losing the $2,505 that they paid for loan modification services, Mr. Ellington also suffered a decrease in his credit score.

Barbara and Paul Hawkins

209. Plaintiffs Barbara and Paul Hawkins reside at 11 Game Court, East Setauket, New York.

210. Mr. and Ms. Hawkins purchased their home at 11 Game Court in 1996 with a loan in Mr. Hawkins's name from Wells Fargo. The loan was later converted into a home equity line with Washington Mutual and then a mortgage. The mortgage was transferred to Chase in 2008.

211. In 2009 and again in July of 2010, Mr. and Ms. Hawkins applied for a loan modification directly through Chase, but they were denied both times. In early 2011, Ms. Hawkins was referred to a woman named Rhonda Vasquez by a Chase Bank manager. The bank manager indicated that Ms. Vasquez specialized in loan modifications and had successfully negotiated a loan modification for her parents.

212. In January 2011, Ms. Vasquez visited the Hawkins home and met with Ms. Hawkins. Ms. Vasquez guaranteed that Alarcon Law Group would obtain a loan modification for the Hawkinses and that Alarcon would not stop working until the task was done. Ms. Vasquez stated that the Hawkins's mortgage payments would decrease from $3,600 per month to $900 per month with the modification.

213. Ms. Vasquez told Ms. Hawkins that if she provided the necessary paperwork to Alarcon Law Group, Alarcon could tell her immediately whether she qualified for a loan modification. If Ms. Hawkins did not qualify, Alarcon would not cash the initial check for $2,250. Further, Ms. Vasquez stated that if Alarcon Law Group did cash the check following qualification, the money would be refunded if Mr. and Ms. Hawkins did not receive a loan modification.

214. Ms. Vasquez instructed Ms. Hawkins to sign a contract for attorney services. She also instructed Ms. Hawkins to stop making mortgage payments to Chase, explaining that doing so would expedite her loan modification. Mr. and Ms. Hawkins stopped making mortgage payments in January 2011 per Ms. Vasquez's instructions. Finally, Ms. Vasquez instructed Ms. Hawkins not to speak with Chase going forward, but rather to direct all communications to Alarcon Law Group.

215. As a result of Ms. Vasquez's representations and instructions, Ms. Hawkins wrote Alarcon Law Group a check for $2,250, but asked that Alarcon not cash the money right away so that she could gather the necessary funds. Despite that request, the check was cashed shortly after Ms. Hawkins's meeting with Ms. Vasquez. That check bounced, so Ms. Hawkins arranged to make the payment to Alarcon Law Group via credit card on January 13, 2011.

216. On January 18, 2011, Rayann Collins sent Ms. Hawkins an email attaching a standard Making Home Affordable "Request for Modification and Affidavit" form. Ms. Hawkins completed the form and returned it to Alarcon with the paperwork and financial statements requested by Ms. Vasquez at their initial meeting. Ms. Hawkins signed an authorization form allowing Alarcon to negotiate with Chase on behalf of Mr. and Ms. Hawkins regarding their mortgage.

217. In February of 2011, Mr. and Ms. Hawkins received several requests from Chase requesting additional information to analyze their eligibility for a modification. Ms. Hawkins contacted Alarcon, and an Alarcon representative indicated that she was not to respond to Chase; rather she was to send the requested documentation to Alarcon, and Alarcon would forward the necessary documents along to Chase.

218. Frustrated and nervous about the outstanding amount due on their mortgage, and despite instructions to the contrary from Alarcon and Ms. Vasquez, the Hawkinses used funds from their federal and state tax refunds to pay approximately two months of their mortgage to Chase.

219. On or around June 17, 2011, the Hawkinses received notice from Chase that they did not qualify for a loan modification. When Ms. Hawkins inquired of Alarcon as to the reason for the denial, a representative from Alarcon informed Ms. Hawkins that it was the result of a lien on her home related to child support non-payment. Upon hearing this, Ms. Hawkins contacted the Suffolk County Clerk's office and learned that the lien referenced by the Alarcon representative actually was owed by a different Paul Hawkins, with a different Social Security number, and therefore could not be the cause of the lien on their home.

220. Therefore, in June 2011, Mr. and Ms. Hawkins forwarded additional paperwork to Alarcon for transmission to Chase Bank. These documents included an affidavit regarding the misidentified child support judgment and additional financial information. They have not been able to contact anyone at Alarcon since that date.

221. Despite Ms. Vasquez's assurances and Alarcon's failure to obtain a loan modification for the Hawkinses, Alarcon has not offered to provide a refund.

222. The Hawkinses have suffered significant financial hardship as a result of their dealings with Alarcon and following their advice. In addition to the $2,250 they paid to Alarcon Law Group, the Hawkinses are behind on mortgage payments and have suffered a decrease of their credit score. Moreover, because they believed that Alarcon was handling their loan modification, Mr. and Ms. Hawkins did not pursue other options for relief that might have allowed them to obtain better mortgage terms.

Paula Lopez and Ramona Gonzales

223. Plaintiffs Paula Lopez and Ramona Gonzales live in Brooklyn, New York.

224. In approximately 1996, Ms. Lopez purchased her home, located at 239 12th Avenue, Brooklyn, New York, with a loan from Wells Fargo. Her sister, Ms. Gonzales, also resides at the 239 12th Avenue home.

225. In addition, Ms. Gonzales co-signed Ms. Lopez's loan and has paid portions of the mortgage payments to the extent she has been able.

226. In 2004, Ms. Lopez retired from her job in human resources. Since that time she has lived on a fixed income.

227. Ms. Gonzales, who works as a home care attendant, has seen her income reduced in the wake of the economic downturn. As fewer clients have been able to pay for Ms.

Gonzales's services, she has been unable to afford as large a portion of the mortgage payments as she previously had paid. The balance fell to Ms. Lopez.

228. In early 2011, Ms. Lopez became concerned that she would not be able to continue to make her mortgage payments. Therefore, she contacted her bank to seek a loan modification. When that request was refused, Ms. Lopez contacted Alarcon & Associates, P.C. through an online contact form she found in the course of an internet search for loan modifications.

229. As of the time Ms. Lopez contacted Alarcon & Associates, P.C., in Spring 2011, she was current on all of mortgage payments to Wells Fargo. Although many of the representatives Ms. Lopez interacted with identified themselves as representatives of Alarcon & Associates, P.C., the contracts she subsequently signed were with Alarcon Law Firm, P.C.

230. On or around April of 2011, Ms. Lopez received a call from a man who identified himself as John Desmond from "Alarcon." Mr. Desmond represented to Ms. Lopez that she would receive a mortgage modification. He promised this result in exchange for three payments to Alarcon of $2,695, which he stated would be placed "in escrow" for Wells Fargo. At that time, Mr. Desmond instructed Ms. Lopez not to make further mortgage payments to Wells Fargo.

231. Based on Mr. Desmond's assurances, Ms. Lopez signed a contract for Alarcon Law Firm, P.C.'s services using an online form on or about April 8, 2011. The documents signed by Ms. Lopez included a Scope of Representation, which limited Alarcon's services to "Loss Mitigation" and specifically excluded legal services such as "appearances in court, appearances to settlement conferences, answers of default for summons and complaint, overall representation in the foreclosure action, appeals from any judgments or orders of the court." Ms.

Lopez also signed a Service/Retainer Agreement, which included a Check/Electronic Authorization Form authorizing three payments of $2,695. Finally, the documents Ms. Lopez signed included a Client Attestation as to Alarcon Law Firm's non-guarantee policy, which was contrary to Mr. Desmond's oral representations.

232. Three payments of $2,695 were deducted from Ms. Lopez's bank account on or about May 2, 2011, June 2, 2011 and July 5, 2011. Also during the months of May, June and July, Ms. Lopez received requests from Alarcon for various documents, which she promptly provided.

233. Despite Ms. Lopez's diligence, in July 2011 she received a notice of foreclosure for non-payment from Wells Fargo.

234. Upon receiving the notice of foreclosure, Ms. Lopez immediately telephoned Wells Fargo and spoke with a Ms. Georgia Wetzel. Ms. Wetzel informed Ms. Lopez that Wells Fargo had not received any materials from Alarcon regarding Ms. Lopez's loan or a loan modification request. Ms. Wetzel further informed Ms. Lopez that she would need to pay the past due amounts plus late fee charges, totaling $13,453.36, by August 12, 2011 in order to avoid foreclosure.

235. Ms. Lopez immediately followed her call to Ms. Wetzel with an email to her Alarcon contact, Nicole Mitchell. Her email inquired as to why Wells Fargo had not been contacted by Alarcon on her behalf and also demanded a full refund of the $8,085 paid to Alarcon. The response Ms. Lopez received from Ms. Mitchell ignored her request for a refund and reprimanded her for speaking directly to her lender. It stated: "If your financials differed then [sic] the ones I sent into them I will have to start over." Ms. Lopez was advised not to speak with Wells Fargo again. That email from Ms. Mitchell, dated July 20, 2011, was the last

contact Ms. Lopez had with anyone from Alarcon. Subsequent efforts by Ms. Mitchell to contact Alarcon and receive a refund have been unsuccessful.

236. Fortunately, Ms. Lopez was able to negotiate directly with Ms. Wetzel of Wells Fargo. For the time being, she has been able to avoid foreclosure. Nonetheless, she experienced significant financial hardship as a direct result of following Alarcon's advice and is in a worse financial position than when she hired Alarcon.

237. Specifically, Ms. Lopez lost $8,085 paid to Alarcon. She also incurred late charges from Wells Fargo of at least $133.20 and has suffered a decrease in her credit score. Finally, because of her reliance on Alarcon's representations that it would communicate directly with Wells Fargo to obtain a loan modification, Ms. Lopez did not pursue other options for relief that could have permitted her to obtain more beneficial mortgage repayment terms.

Ann Osterman

238. Plaintiff Ann Osterman resides at 20 Scott Avenue in Milltown, New Jersey.

239. In 2002, Ms. Osterman purchased her home for approximately $167,000 with a mortgage now held by GMAC. She subsequently took out a home equity loan, also through GMAC, and currently owes a total of approximately $152,000 on her two GMAC loans.

240. In 2011, although she was current on her mortgage payments, Ms. Osterman looked into options concerning mortgage modification. While reviewing the GMAC website, Ms. Osterman found an advertisement for what she believed was an entity associated with Alarcon and Associates, P.C. Ms. Osterman clicked on the advertisement and was directed to a website called legallawassistant.com, which claimed to offer mortgage modification solutions. Ms. Osterman entered her personal information into the legallawassistant.com website.

241. Shortly thereafter, Ms. Osterman received a phone call from Mr. John De Luna of Attorneys Legal Group. During this initial call, Mr. De Luna told Ms. Osterman about the

benefits of hiring Alarcon to help obtain a loan modification. Specifically, Mr. De Luna stated that Alarcon had previous experience with GMAC, that Alarcon had a 90% success rate in obtaining mortgage modifications, and that Ms. Osterman had "already been approved" and "will" be getting a mortgage modification.

242. Mr. De Luna further stated that Ms. Osterman's new monthly mortgage payments with GMAC would be $895 per month, with the first three months' payments going directly to Alarcon for their services.

243. Also during that initial call, Mr. De Luna represented that mortgage lenders are more inclined to grant mortgage modifications if an attorney has filled out the mortgage modification application. Mr. De Luna told Ms. Osterman that the lawyers at Alarcon would submit her modification request to GMAC and would be her legal representatives should any problems arise with the lender in the course of the modification process.

244. Based on Mr. De Luna's statements about Alarcon's services, Ms. Osterman agreed to hire Alarcon to obtain her loan modification. Ms. Osterman then received a packet of information, which included various documents for her to review and sign, including a contract for Alarcon's loan modification services. Ms. Osterman signed the contract and filled out and signed various other documents.

245. Ms. Osterman was told that she should cease communications with her lender and stop making payments to GMAC because Alarcon would take care of everything related to discussions with GMAC going forward.

246. From August to November 2011, Ms. Osterman made three monthly payments to Alarcon of $895 each, for a total of $2,685, via automatic withdrawal from her bank account.

247. At all times pertinent to this matter, Ms. Osterman kept in frequent communication with Alarcon's representatives via email. In addition to Mr. De Luna, she also worked with DoriAnn Wright, Jennifer Carrapeiro, and Mario Peralta.

248. On September 7, 2011, once Ms. Osterman had signed up for Alarcon's services, Mr. Peralta sent her an email requesting certain documents, including a property tax statement, her insurance policy, pay stubs, and other items. Ms. Osterman sent Alarcon the requested paperwork and documents shortly after September 7.

249. On September 8, 2011, Ms. Carrapeiro sent an email requesting that Ms. Osterman fill out and sign several documents, including a Making Home Affordable Program Request for Modification and Affidavit and a Dodd-Frank Certification.

250. On October 6, 2011, Ms. Osterman received an email from Ms. Wright in which Ms. Wright stated that she had "called GMAC and they [had] received [Ms. Osterman's] modification package."

251. Thereafter, Ms. Wright informed Ms. Osterman that her modification had been rejected by GMAC. At that time Ms. Osterman requested that Ms. Wright identify the person at GMAC with whom she spoke regarding the denial. Ms. Wright refused to provide this information, but insisted that Alarcon would submit another modification request with GMAC.

252. On or about October 6, 2011, Ms. Osterman received a certified letter of foreclosure from GMAC. Notwithstanding this notice, Alarcon claimed to have made two additional attempts—between October 2011 and February 2012—to get Ms. Osterman's mortgage modified with GMAC, both times without success.

253. In February 2012, after Alarcon claimed to have failed for the third time to obtain a loan modification for Ms. Osterman, Ms. Osterman suddenly became unable to get in

touch with Ms. Wright. Despite sending several emails and making a number of phone calls, Ms. Osterman did not receive any response. Consequently, in February and March of 2012, Ms. Osterman emailed Alarcon approximately 6 times and left voice messages with Alarcon approximately 5 times seeking a refund.

254. To Ms. Osterman's knowledge, Alarcon never submitted a loan modification application and did not attempt to obtain a loan modification on her behalf, and each representation made by Alarcon's employees was deliberately misleading and/or false.

255. After Ms. Osterman learned that Alarcon had been scamming her, she reached out to GMAC on her own to seek a mortgage modification. Through these efforts Ms. Osterman was able to obtain a loan modification in April 2012.

256. Ms. Osterman has experienced significant financial hardship as a result of her dealings with Alarcon, including loss of $2,685 paid to Alarcon for promised loan modification services. In addition, based on Alarcon's assurances that she would receive a mortgage modification, Ms. Osterman fell 8 months behind on her mortgage payments and has experienced a reduction in her credit score. Finally, because Ms. Osterman believed that Alarcon was handling her loan modification, she did not pursue other options for relief that might have allowed her to obtain a modification at an earlier date or on more favorable terms.

Lloyd White

257. Plaintiff Lloyd White and his wife, Dorothy Collier-White, live in North Highlands, California.

258. In November 2003, Mr. White and Ms. Collier-White purchased their home, located at 4440 Pennith Way in North Highlands, California, for $189,000 with a loan from Carrington Mortgage.

259. Mr. White suffers from a terminal illness that has rendered him disabled and unable to work. That inability to work, combined with the costs of treatment, caused serious financial hardship. By late 2007 or early 2008, Mr. White and Ms. Collier-White were having trouble making their mortgage payments. Around that time, they sought and obtained a loan modification from Carrington Mortgage, but that modification was inadequate, both in terms of the size of the new payment and the terms attached to the modification.

260. Due to these difficulties, Mr. White and Ms. Collier-White fell behind on their mortgage payments, and Carrington Mortgage began foreclosure proceedings against them. By January 2012, they were approximately one year behind on their mortgage payments and had received a Notice of Sale Date for their home.

261. Shortly after receiving the Notice of Sale Date, Mr. White received a call from a man named Eddie Tapia, who claimed to work for Professional Legal Network ("P.L.N."), which he explained was affiliated with R.M.A. Legal Network. Mr. White, desperate to avoid foreclosure, listened to Mr. Tapia's explanation of the services P.L.N. and R.M.A. would provide to him and his wife. Specifically, Mr. Tapia indicated that they would provide assistance in obtaining a loan modification, as well as file legal action against Carrington Mortgages for acting illegally when Mr. White had requested a loan modification.

262. Mr. Tapia, a Senior Case Manager, and Mr. TJ Watson, an Underwriter, made various statements to Mr. White in order to convince him and his wife to sign up for P.L.N. and R.M.A.'s services. Mr. Tapia indicated that R.M.A. was part of a government agency committed to helping homeowners obtain loan modifications and that Mr. White and Ms. Collier-White would be provided with a lawyer to assist them with their modification and a lawsuit against Carrington. Mr. Tapia bragged to Mr. White about how proficient R.M.A. was at obtaining loan

modifications (he claimed that their success rate was very high) and about the company's legal prowess (he claimed that the firm had not lost a case in four years). He also told Mr. White that the facts of their situation made a very strong case for a loan modification. Consequently, Mr. Tapia guaranteed a loan modification, which he backed with a promise to repay all of the fees Mr. White and Ms. Collier-White paid if they were unable to obtain a loan modification. Mr. Tapia indicated that the loan modification would reduce their loan payments to just $990 a month. He also guaranteed that R.M.A. would stop the foreclosure of their home, as well as provide legal representation in connection with a lawsuit against Carrington.

263. Although Mr. White was intrigued by the sales pitches Mr. Tapia and Mr. Watson gave, Mr. White was hoping to get his mortgage payments below $990. Consequently, he asked Mr. Tapia if he could get the loan payment any lower than $900. Mr. Tapia told him to stay on the line while he checked on Mr. White's request. Shortly thereafter, Mr. Tapia returned to the line and said that R.M.A. could get the loan payments down to $965.

264. Based on Mr. Tapia's and Mr. Watson's representations, as well as Mr. White's review of R.M.A.'s website, which appeared very professional, Mr. White and Ms. Collier-White agreed to hire R.M.A. The cost for their services was $965 a month (the same amount as the new mortgage payment would be) for three months. Mr. White and Ms. Collier-White signed a contract with R.M.A. for the company's services and sent various documents that R.M.A. requested.

265. Mr. Tapia told Mr. White that he should not make any more mortgage payments to Carrington, even though he was already a year behind on his mortgage; instead, he should pay R.M.A. Mr. Tapia also told Mr. White not to contact Carrington and to forward any correspondence from Carrington to R.M.A., as R.M.A. was to be the point of contact.

266. Mr. White and Ms. Collier-White had a difficult time obtaining the first payment of $965 for R.M.A., but they were able to raise the money. They made the first payment on or around February 14, 2012. Mr. Tapia initially asked them to pay by credit card, but the payment did not go through. Then, Mr. White tried to do a transfer from his bank, but Mr. Tapia insisted that he not do that. Instead, Mr. Tapia told Mr. White to withdraw the $965 in cash, go to a specific Bank of America branch with a routing number he provided, and then do a wire transfer. Mr. White followed those instructions. He only transferred $940, however, as there was an unexpected expense on the way to the Bank of America. Mr. Tapia told him this slightly lower payment was okay. Mr. White and Ms. Collier-White made the second payment of $965 by wire transfer from Ms. Collier-White's bank account. By the third payment, Mr. White had become skeptical, so he was only willing to make a half payment, and he sent a $450 money order to the P.L.N.'s office in Irvine, California. All told, they paid $2,355 to R.M.A.

267. During this time, Mr. White repeatedly sent documents to R.M.A. based on their requests. He sent the same documents numerous times because R.M.A. claimed not to have received the documents. This included sending R.M.A. five or six copies of a hardship letter for submission to his lender.

268. In the time between when Mr. White and Ms. Collier-White made the second and third payments, Mr. Tapia told them that the modification had gone through successfully and that their new, modified payment would be $965 per month. Mr. White and Ms. Collier-White were thrilled by this news, which they believed was cause for celebration. In fact, there had been no modification.

269. Eventually, Mr. Tapia stopped returning Mr. White's calls. Mr. White even tried calling from another phone number that R.M.A. did not associate with him. Mr. Tapia

answered, but then claimed that his name was Eddie Brown, not Tapia. Instead of talking to Mr. White, Mr. Tapia/Brown found a way to get Mr. White off the phone. Mr. White also tried calling R.M.A.'s New York office, but the woman on the phone told him that R.M.A. had many people working for them, and he should stop bothering her.

270. Mr. White and Ms. Collier-White did not get a loan modification, and R.M.A. never filed (or even took any steps toward pursuing) the promised lawsuit against Carrington. Although it may be that R.M.A. did contact Carrington, as Mr. White stopped receiving calls from Carrington, he never received any indication that R.M.A. had submitted a loan modification application on his behalf.

271. Mr. White has repeatedly made calls to Mr. Tapia and R.M.A. seeking a refund, but they have not answered his calls or responded to his messages. As noted, the one time he was able to reach a person, Mr. Tapia claimed to be named Eddie Brown and then found a way to get off the phone before Mr. White was able to request a refund.

272. Mr. White and Ms. Collier-White have suffered extreme financial and emotional hardship, due in part to R.M.A. In addition to losing $2,355 they paid to R.M.A., they are also facing an acute risk of foreclosure, have been forced to forgo services like water and TV, have lost their car, have seen their credit score plummet, and have faced extreme stress. To make matters worse, Carrington recently sold their home, and they are being forced to leave.

Clarice and Richard Williamson

273. Plaintiffs Clarice and Richard Williamson live in Ellenwood, Georgia.

274. The Williamsons purchased a home at 420 Denali Court, Ellenwood, Georgia on May 3, 2007. They obtained a mortgage on the property through GMAC.

275. In approximately April 2011, Ms. Williamson was contacted by Derek Randall of Attorneys Legal Network, who indicated that he obtained Ms. Williamson's name from a list of people interested in loan modification. As of April 1, 2011, the Williamsons were current on their mortgage payments, although they had previously fallen behind on their payments due to financial hardship.

276. During their initial phone conversation, Mr. Randall assured Ms. Williamson that if she worked with his company, she would receive a loan modification and would not suffer foreclosure. Mr. Randall directed Ms. Williamson to his company's website, where he indicated she would see that the Attorneys Legal Network was 80% successful in receiving loan modifications for its clients.

277. Mr. Randall informed Ms. Williamson that the loan modification services would cost three monthly payments of $836, and informed her that her loan modification would take approximately six months to obtain. Mr. Randall indicated that these three payments would be applied to her mortgage with GMAC. Finally, Mr. Randall instructed Ms. Williamson not to contact her lender.

278. On April 13, 2011, Ms. Williamson followed up with Mr. Randall to inquire as to the fee for obtaining her loan modification. Mr. Randall responded the same day that there is "no fee," and that "[w]e do not charge anything unless you are qualified. . .," confirming Ms. Williamson's understanding that the payments would be applied to her mortgage with GMAC.

279. Mr. Randall forwarded a series of documents to the Williamsons for their signatures on April 25, 2011, including a Scope of Representation, a retainer agreement with an addendum containing a fee summary, and a check authorization form. These forms indicated that the Williamsons were retaining Alarcon Law Group, P.C. for the purpose of "legal

representation in assisting Client with certain problems resulting from a mortgage delinquency and/or foreclosure. . . ."

280. The Williamsons executed the documents on the same day, including an authorization for automatic withdrawals to be taken on May 4, June 4, and July 4, 2011. These payments were subsequently deducted from the Williamsons's bank accounts on or around those dates.

281. Later in May of 2011, a woman who identified herself as Rachel from Alarcon & Associates emailed the Williamsons to request further information, including an authorization letter and personal information to include copies of a recent utility bill and portions of their homeowners' insurance policy. Ms. Williamson sent the requested documents the following day.

282. Ms. Williamson received notice from GMAC on or about July 2, 2011 that her request for a loan modification had been denied. Despite attempts immediately thereafter to get in contact with Alarcon regarding her modification, she was unable to get a response.

283. Alarcon & Associates has not offered to provide a refund to the Williamsons, despite Alarcon's failure to obtain a loan modification on their behalf. Nor has Alarcon & Associates forwarded any of the Williamsons' payments to GMAC.

284. The Williamsons have suffered significant financial hardship as a result of their dealings with Alarcon & Associates and following their advice. In addition to the $2,508 they paid to Alarcon & Associates, the Williamsons have lost their home at 420 Denali Court to foreclosure, and have suffered a decrease of their credit score. Moreover, because they believed that Alarcon & Associates was handling their situation, the Williamsons did not pursue other options for relief that might have allowed them to obtain better mortgage terms.

FIRST CAUSE OF ACTION

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

By All Plaintiffs against All Defendants

285. Plaintiffs repeat and re-allege each allegation contained above.

286. Defendants conducted a "business" or "furnished a service" as those terms are used in N.Y. Gen. Bus. Law § 349 (the "Deceptive Practices Act").

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

288. These practices include, but are not limited to:

a. Misrepresenting to Plaintiffs the nature of the transaction;

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

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

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

e. Falsely representing that Defendants would issue refunds if a loan modification was not successfully obtained;

f. Misrepresenting that Defendants would be readily available to address the Plaintiffs' questions and concerns throughout the course of the loan modification process;

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

h. Misrepresenting the progress of Plaintiffs' loan modification applications;

i. Misrepresenting Defendants' level of success in obtaining loan modifications for their clients;

j. Guaranteeing certain positive results;

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

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

m. Falsely representing that Defendants were providing legal services;

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

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

p. Falsely representing that Defendants had obtained a loan modification on behalf of Plaintiffs;

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

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

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

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

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

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

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

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

SECOND CAUSE OF ACTION

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

By All Plaintiffs against All Defendants

293. Plaintiffs repeat and re-allege each allegation contained above.

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

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

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

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

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

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

300. Plaintiffs were injured as a result of Defendants' deceptive acts in that Plaintiffs paid a sizeable advance payment for loan modification services and would not have done so absent Defendants' statements relating to the cost, timing, nature, and efficacy of Defendants' services including, but not limited to, the following: that Defendants offered substantive legal review and guidance with respect to the loan modification process; that Defendants' services would be completed in a timely manner; and that Defendants would obtain a loan modification with a certain monthly payment, interest rate, or other terms.

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

THIRD CAUSE OF ACTION

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

By All Plaintiffs against All Defendants

302. Plaintiffs repeat and re-allege each allegation contained above.

303. Under N.Y. Banking Law § 590(2)(b), entities or individuals that "engage in the business of soliciting, processing, placing or negotiating mortgage loans for others, or offering

to solicit, process, place or negotiate mortgage loans for others" must register as "mortgage brokers" with the Superintendent of the New York State Banking Department ("NYSBD").

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

305. At all relevant times, Defendants were not registered with the NYSBD, even though Defendants provided or offered to provide the services for which registration with the NYSBD as a mortgage broker was required.

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

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

308. To the extent Defendants performed any services on behalf of any Plaintiff, those services were limited to attempting to negotiate the terms and conditions of Plaintiffs' mortgages, precisely the activity regulated by § 590.

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

FOURTH CAUSE OF ACTION

Violation of N.Y. Real Property Law § 265-b (Distressed Property Consulting)

By Plaintiffs Cron, Hawkins, Lopez, and Gonzales against All Defendants

310. Plaintiffs repeat and re-allege each allegation contained above.

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

312. Section 265-b(1)(c) defines distressed property "consulting services" as services that a distressed property consultant represents will lead to any of a number of particular results, including, "assist[ing] the homeowner to . . . refinance a distressed home loan" or "sav[ing] the homeowner's property from foreclosure."

313. Section 265-b(2) prohibits "distressed property consultants" from engaging in certain activities including, but not limited to, "performing consulting services without a written, fully executed consulting contract with a homeowner," "charging for or accepting any payment for consulting services before full completion of all such services," "retaining any original loan document," and/or "attempting to induce a homeowner to enter a consulting contract that does not fully comply with the provisions of § 265-b."

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

315. Section 265-b(3) requires that "distressed property consulting contracts" comply with specific requirements, including a full-length notice, in prominent type, describing the homeowner's rights. Defendants' contracts did not comply with all of the requirements set forth in § 265-b(3).

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

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

318. Defendants intentionally or recklessly engaged in conduct that violated § 265-b by taking upfront fees prior to completing any distressed property consulting services and by failing to comply with the requirements of distressed property consulting contracts as outlined by § 265-b.

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

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

FIFTH CAUSE OF ACTION

(Common Law Fraud)

By All Plaintiffs against All Defendants

321. Plaintiffs repeat and re-allege each allegation contained above.

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

(i) Falsely representing to Plaintiffs that they were loan modification specialists;

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

(iii) Falsely promising that Defendants would engage in negotiations with the Plaintiffs' mortgage lenders or servicers;

(iv) Falsely representing that Defendants' services would be prompt;

(v) Falsely representing that Defendants had a very high success rate in obtaining loan modifications;

(vi) Falsely representing that Defendants would issue refunds if a loan modification was not successfully obtained;

(vii) Intentionally concealing, when contacted by Plaintiffs, the progress of their loan modification applications, when Defendants had not even attempted to submit an application;

(viii) Misrepresenting to Plaintiffs that ceasing their mortgage payments and/or communications with their lenders or servicers would help them obtain a loan modification;

(ix) Falsely representing to Plaintiffs that Defendants would be in communication with them throughout the course of the transaction;

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

(xi) Falsely representing that Defendants were providing legal services;

(xii) Falsely representing that the Alarcon employees and/or agents were under the supervision or direction of counsel;

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

(xiv) Falsely representing that Plaintiffs were qualified for loan modifications, were good candidates, or were otherwise well-suited for loan modification approval by their lenders.

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

324. Defendants offered these statements as fact, not opinion, with the intent to induce Plaintiffs to purchase their loan modification services, to convince Plaintiffs to remain with them as clients, or to prevent Plaintiffs from learning the true nature of Defendants' scheme.

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

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

327. Defendants acted with willfulness, intent, knowledge, and maliciousness.

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

SIXTH CAUSE OF ACTION

(Fraudulent Inducement)

By All Plaintiffs against All Defendants

329. Plaintiffs repeat and re-allege each allegation contained above.

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

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

(i) That Defendants only accepted clients who qualify for loan modifications;

(ii) That Defendants would seek a loan modification on Plaintiffs' behalf;

(iii) That loan modification services would be performed or reviewed by an attorney;

(iv) That results would be prompt; and

(v) That Defendants would issue refunds if the offered loan modifications were not successfully obtained.

332. Defendants knew or intended that Plaintiffs would enter into agreements based on their false statements. Plaintiffs reasonably and justifiably relied on the false statements about the cost, speed, nature, and efficacy of Defendants' services.

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

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

335. Defendants are liable to Plaintiffs for (a) actual damages in an amount to be determined at trial; (b) punitive damages in an amount sufficient to punish Defendants and to

deter others from engaging in similar schemes; (c) costs and disbursements; and (d) attorneys' fees.

SEVENTH CAUSE OF ACTION

(Fraudulent Concealment)

By All Plaintiffs against All Defendants

336. Plaintiffs repeat and re-allege each allegation contained above.

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

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

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

c. The progress of Plaintiffs' loan modification applications;

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

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

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

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

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

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

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

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

EIGHTH CAUSE OF ACTION

(Breach of Contract)

By All Plaintiffs against All Defendants

344. Plaintiffs repeat and re-allege each allegation contained above.

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

346. Plaintiffs performed as obligated under those contracts.

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

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

349. Plaintiffs suffered damages and are entitled to recover: (a) the amount paid for Defendants' services, and (b) consequential damages arising from the breach including, but not

limited to, costs related to Plaintiffs' missed mortgage payments, such as late fees and penalties and decreased credit ratings, in an amount to be determined at trial.

NINTH CAUSE OF ACTION

(Legal Malpractice)

By All Plaintiffs against All Defendants

350. Plaintiffs repeat and re-allege each allegation contained above.

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

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

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

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

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

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

e. Demanding that Plaintiffs stop communicating with their lenders;

f. Encouraging Plaintiffs to stop making their monthly mortgage payments;

g. Failing to update Plaintiffs as to the status of their modifications;

h. Misrepresenting the progress of Plaintiffs' loan modification applications; and

i. Engaging in improper compensation and fee sharing practices.

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

PRAYER FOR RELIEF

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

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

b. Enjoin Defendants from advertising, marketing or promoting their services and products in a false, materially misleading or deceptive manner in New York State in violation of N.Y. Gen. Bus. Law § 350, *et seq.*;

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

d. On their first cause of action: actual damages of not less than $36,153, plus consequential damages.

e. On their second cause of action: actual damages of not less than $36,153, plus consequential damages.

f. On their third cause of action, recovery not less than the total fees Plaintiffs paid, $36,153, and up to four times the fees paid, $144,612;

g. On their fourth cause of action: treble damages of not less than $35,190, plus a trebling of other actual and consequential damages in an amount to be determined at trial;

h. On their fifth cause of action: actual damages of not less than $36,153, plus other actual and consequential damages in an amount to be determined at trial;

i. On their sixth cause of action: actual damages of not less than $36,153, plus actual and consequential damages in an amount to be determined at trial;

j. On their seventh cause of action: actual damages of not less than $36,153, plus actual and consequential damages in an amount to be determined at trial;

k. On their eighth cause of action: actual damages of not less than $36,153, plus actual and consequential damages in an amount to be determined at trial;

l. On their ninth cause of action: disgorgement of all fees paid to Defendants, $36,153;

m. Punitive damages to the extent permitted by law;

n. Interest at the legal rate on all claims for compensatory damages;

o. The costs and disbursements of this action;

p. The return of all Plaintiff's files and personal information and documents;

q. Reasonable attorneys' fees to the extent permitted by law; and

r. Such other and further relief as the Court may deem just and proper.

Dated: New York, New York.
December 4, 2012

By: _____

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