



For Immediate Release
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MADIGAN SUES THREE UNLICENSED MORTGAGE COMPANIES WHO PROVIDED LOANS TO CONSUMERS FOR HOME REPAIR PROJECTS

Chicago - Attorney General Lisa Madigan today announced that her office, working with the Illinois Department of Financial and Professional Regulation (IDFPR), has filed suit against three affiliated Riverside area mortgage companies and their president for operating without a mortgage license.

The lawsuit alleges that the defendants, Candice Company, Inc., Cadillac Properties, Inc., Payment Center, Inc., and Donna DiBrito, the president of the three entities, violated the Illinois Residential Mortgage License Act as well as the Illinois Consumer Fraud and Deceptive Business Practices Act.

According to the complaint, the mortgage companies are not licensed by the IDFPR as required by the Illinois Residential Mortgage License Act. Despite the fact that they are not licensed, records obtained from the Cook County Recorder of Deeds indicate that the defendant companies have issued more than 200 mortgages for amounts ranging from \$25,000 to nearly \$200,000. Over the years, these companies have completed more than \$10 million worth of unlawful mortgage transactions.

The complaint alleges that the companies provided residential mortgage loans to consumers to allow them to finance home repair projects to be completed by one of two home repair contracting businesses: Father & Sons Contractors, Inc., and Father & Sons Remodelers, Inc. Donna DiBrito, the president of the three mortgage companies, is also the president of both Father & Sons companies. The three mortgage and two home repair companies operate from the same Riverside address, located at 26 East Avenue, Riverside, Illinois.

The complaint alleges how the defendants' conducted business. Specifically, Ronald Kafka, acting as a purported agent of the Father & Sons home repair businesses, would approach consumers and solicit their home repair business, convincing them that the Father & Sons companies could provide a professional remodeling job and also would refer the customer to a finance company for the home repair project. Referrals would be made to one of the three mortgage companies named in the complaint, Candice, Cadillac, or Payment Center. Once a consumer signed the home repair and mortgage contracts, the mortgage companies would demand payment, regardless of whether the work had commenced or was performed in a shoddy manner.

If consumers called DiBrito to complain, they were allegedly told that the home repair companies and mortgage companies were separate entities, and that they had to pay the mortgage regardless of the status of the home repair work. DiBrito never told consumers that she was president of both the home repair and the mortgage companies.

DiBrito's mortgage companies have filed foreclosure actions against more than 70 homeowners. Many homeowners, fearing foreclosure, continue today to pay on mortgage loans in the face of having received no work, partially completed or shoddy work.

Madigan's lawsuit, filed in Cook County Circuit Court, asks the court to prohibit the defendants from continuing to offer, provide or service residential mortgage loans without a license. In addition, the lawsuit seeks a civil penalty of \$50,000 and additional penalties of \$50,000 for each violation found to have been committed with the intent to defraud. Finally, Madigan's lawsuit asks the court to order the defendants to pay restitution to consumers.

The Attorney General's Office has previously filed lawsuits against DiBrito, Kafka and Father & Sons for multiple violations of the Consumer Fraud and Deceptive Business Practices Act. Two of those suits are still pending, the first asks that DiBrito, Kafka, and the Father & Sons Remodelers be enjoined from violating the Consumer Fraud Act, and the second asks that Kafka and Father & Sons Contractors be permanently enjoined from engaging in the home repair business in Illinois for a series of ongoing consumer fraud violations against Illinois homeowners.

Assistant Attorney General Anshuman Vaidya is handling the case for Madigan's Consumer Fraud Bureau.

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