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Media Contact: Robyn Ziegler
312-814-3118
rziegler@atg.state.il.us

ILLINOIS ATTORNEY GENERAL SUES OHIO COMPANY FOR MORTGAGE RESCUE FRAUD

Madigan Alleges Company Takes Advantage of Homeowners on the Verge of Losing their Homes to Foreclosure

Chicago – Illinois Attorney General Lisa Madigan today continued her aggressive battle against those taking advantage of homeowners in crisis by filing a lawsuit against an Ohio-based company allegedly engaged in a mortgage rescue fraud scheme. The lawsuit claims the company violated the Mortgage Rescue Fraud Act and the Consumer Fraud and Deceptive Business Practices Act by preying on vulnerable homeowners on the verge of foreclosure. This is the 13th lawsuit Attorney General Madigan has brought against mortgage rescue fraud companies.

Madigan filed suit against Foreclosure Solutions, LLC and company president Timothy Buckley of Maineville, Ohio, based on allegations that the defendants falsely promised to help consumers save their homes after falling behind on their mortgage payments. The defendants charged consumers \$1,250 and promised to provide mortgage foreclosure rescue services, which either were never performed or proved to be ineffective, according to the complaint.

“This scheme is typical of those that prey on homeowners in crisis, stripping them of their most valuable asset,” Attorney General Madigan said. “I intend to continue to take aggressive legal action against these illegal rescue schemes that only further victimize Illinois homeowners with their deceptive and fraudulent practices.”

The lawsuit alleges Foreclosure Solutions has mailed letters to consumers in Cook, Champaign, McLean and Macon counties who are behind in their mortgage payments, informing them that help in saving their homes is available by calling a toll-free number. Once consumers call, they are informed that they need to pay in advance \$900 of the total \$1,250 fee and are told that \$400 of those funds will cover the legal services that will save their homes. According to the lawsuit, initial legal services are started but no further action is taken, and later a foreclosure judgment is entered against the consumer.

Madigan’s suit asks the court to prohibit Foreclosure Solutions from engaging in mortgage rescue practices. The suit also seeks a civil penalty of \$50,000, additional penalties of \$50,000 for every violation found to have been

committed with the intent to defraud, as well as a \$10,000 penalty for each violation committed against a person 65 years or older. Further, the suit asks the court to rescind the contracts signed as a result of these deceptive practices and offer full restitution to affected consumers. Finally, Madigan's suit asks the court to order the defendants to pay all costs associated with the investigation and prosecution of the lawsuit.

Madigan urged Illinois homeowners who are facing foreclosure to immediately contact their mortgage company or a HUD-certified housing counselor for assistance. To get a referral to a certified housing counselor or to learn more about the steps to take to avoid foreclosure, homeowners can call **Madigan's Homeowners' Referral Helpline** at 1-866-544-7151 from 8 a.m. to 5 p.m. Monday through Friday.

Homeowners also can visit Attorney General Madigan's Web site at www.IllinoisAttorneyGeneral.gov, to access the **Illinois Mortgage Lending Guide**, a resource manual containing step-by-step instructions for those struggling to make their loan payments and a list of HUD-certified counseling agencies that offer default counseling services. Homeowners who do not have easy access to the Internet should call the Attorney General's Referral Helpline to request a copy of the guide by mail.

Assistant Attorney General Shannon DeLaMar is handling the case for Madigan's Consumer Fraud Bureau.

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