



**For Immediate Release**  
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## **ILLINOIS ATTORNEY GENERAL SUES 14th COMPANY FOR MORTGAGE RESCUE FRAUD**

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

Chicago – Illinois Attorney General Lisa Madigan today continued her aggressive legal fight against mortgage fraud by filing a lawsuit against a Clearwater, Fla., company which operates a rescue fraud scheme that preys on vulnerable homeowners on the verge of foreclosure. This is the 14th lawsuit Attorney General Madigan has brought against mortgage rescue fraud companies.

Madigan filed suit in Cook County against Law & Associates LLC, and its managing member, Thomas E. Law, II, alleging the defendants violated the Mortgage Rescue Fraud Act and the Consumer Fraud and Deceptive Business Practices Act by falsely promising to help consumers save their homes after falling behind on their mortgage payments. According to the complaint, the defendants charged consumers up to \$1,900 and promised to provide mortgage foreclosure rescue services that they either failed to perform the services or only performed ineffective services. Attorney General Madigan’s Consumer Fraud Bureau has directly received one complaint relating to the defendant and 68 complaints referred from the Better Business Bureau.

“In the midst of the mortgage foreclosure crisis, unscrupulous people are using so-called mortgage rescue scams to prey on vulnerable homeowners,” Attorney General Madigan said. “I am continuing to take aggressive action against these illegal schemes to send the message that their deceptive and fraudulent practices are not welcome in Illinois.”

Madigan’s lawsuit alleges Law & Associates market mortgage rescue services to at-risk homeowners, encouraging them to call a toll-free number where they are told there is an upfront fee of \$1,990 for mortgage rescue services. Consumers who indicate they cannot afford the charge are offered a reduced rate of \$1,800 on a payment plan that must be paid in full prior to them receiving any mortgage rescue services. The defendants also promise desperate homeowners that the service fee is refundable if the company is not able to successfully negotiate an agreement with the homeowners’ mortgage lenders or provide a “viable strategy” to avoid foreclosure. The lawsuit alleges the defendants fail to provide the services promised and fail to refund the service fee.

Madigan's suit asks the court to prohibit the defendants 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, and 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.

The lawsuit is part of Madigan's ongoing work to curtail the foreclosure crisis and help Illinois families stay in their homes. Madigan's office has sued 14 mortgage rescue companies to stop deceptive practices and successfully participated in three multi-state settlements against major subprime lenders: Household Finance, Ameriquest and First Alliance Mortgage Company. To date, Madigan's office has obtained nearly \$900 million in enforcement actions against these lenders.

Last year, Madigan announced a comprehensive strategy to address the looming home foreclosure crisis in Illinois. As part of this effort, Madigan's office hosted a statewide home ownership preservation summit in July 2007, bringing together more than 100 participants from the mortgage lending industry, consumer advocacy groups and government agencies to identify problems and look for solutions to mortgage foreclosures.

On the legislative front, Madigan worked to pass the High Risk Home Loan Act of 2003, and drafted the Mortgage Rescue Fraud Act of 2006, which was designed to deter scam artists from preying on vulnerable homeowners on the verge of foreclosure. The Attorney General also initiated and drafted the Illinois Homeownership Protection Act, a new law that tightens controls on brokers and lenders to prevent consumers from being unwittingly locked into questionable loan terms.

Madigan also has sued mortgage giant Countrywide Home Loans, Inc., for deceptive and fraudulent loan origination practices. Additionally, she has issued fair lending subpoenas to Countrywide and Wells Fargo Financial Illinois, Inc., to determine whether these companies steered African American and Latino borrowers into higher cost or otherwise inappropriate home loans in violation of fair lending and civil rights laws.

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](http://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 Kevin Rouse is handling the case for Madigan's Consumer Fraud Bureau.

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