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ATTORNEY GENERAL MADIGAN, STATE'S ATTORNEY ALVAREZ SUE CHICAGO LIEN FILING SERVICE FOR FRAUDULENT PRACTICES

Chicago — Attorney General Lisa Madigan and Cook County State's Attorney Anita Alvarez today both filed lawsuits against a Chicago mechanic's lien filing service for filing invalid liens against property owners and for intimidating homeowners either to pay debts they don't owe or to overpay for debts incurred with contractors.

"These defendants are aggressively abusing the law, making gross misrepresentations and using unfair tactics to obtain payments on debts that often don't even exist, and homeowners are being forced to expend unnecessary resources defending these meritless claims," Madigan said. "I am pleased to work with State's Attorney Alvarez in pursuing this case to bring an end to these deceptive practices."

According to the Attorney General's complaint, Contractor's Lien Services (CLS) and its founder, Steve Boucher, analyze, prepare and file mechanic's liens on property on behalf of general contractors and subcontractors. CLS allegedly misrepresents to contractors that it has valid cause for filing mechanics liens against homeowners when, most often, those contractors do not actually have valid claims under state laws. CLS also allegedly files liens without the knowledge of some contractors and, in other instances, CLS files liens against homeowners when contractors have not performed work at the properties in question.

After filing foreclosure liens, CLS allegedly files foreclosure actions against consumers who don't pay off the debts. Some contractors claim that CLS collects money on behalf of contractors but then fails to redistribute the collected debts to them.

Madigan's Consumer Fraud Bureau has received 18 complaints against CLS. In at least one instance, a consumer has spent up to \$20,000 in fees and legal expenses to fight these fraudulent claims, according to Madigan's complaint. However, in many instances, property owners will choose to settle what they believe is an invalid lien because that will cost less than paying the expenses and attorney's fees to dispute the lien and avoid foreclosure actions.

"The homeowners involved in these lawsuits were clearly taken advantage of by an unscrupulous company that knowingly used deceptive and unlawful tactics for their own gain," Alvarez said. "Consumers in Cook County need to know that they have rights and that companies who violate these rights will be prosecuted. This show of force between the State's Attorney's office and Attorney General Madigan sends a message to deceptive businesses in Illinois."

Madigan is seeking a permanent injunction preventing the defendants from engaging in selling mechanics lien filing and collections services in Illinois.

Assistant Attorneys General Ryan Lipinski, Monica Grubbs and Veronica Spicer are handling the case for Madigan's Consumer Fraud Bureau. Assistant State's Attorney Joseph Hudson is handling the case for the Cook County State's Attorney's Office.

-30-

[Return to December 2008 Press Releases](#)