

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS  
COUNTY DEPARTMENT, CHANCERY DIVISION

2008 NOV 17 PM 3:55

THE PEOPLE OF THE STATE OF ILLINOIS )

Plaintiff, )

v. )

FORECLOSURE SOLUTIONS EXPERTS, an )  
unincorporated business d/b/a FORECLOSURE )  
EXPERTS, GAIL STRONG a/k/a )  
STACY STRONG, individually and doing business )  
as FORECLOSURE SOLUTIONS EXPERTS )  
and FORECLOSURE EXPERTS, )

Defendants. )

COOK COUNTY ILLINOIS  
CHANCERY DIVISION  
CLERK  
DOROTHY BROWN

Case no.

08CH43266

**COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF**

Plaintiff, THE PEOPLE OF THE STATE OF ILLINOIS, by Lisa Madigan, Attorney General of the State of Illinois, brings this action against Defendants, FORECLOSURE SOLUTIONS EXPERTS d/b/a FORECLOSURE EXPERTS, an unincorporated business, GAIL STRONG a/k/a STACY STRONG individually and doing business as FORECLOSURE SOLUTIONS EXPERTS and FORECLOSURE EXPERTS:

**JURISDICTION**

1. This action is brought for and on behalf of THE PEOPLE OF THE STATE OF THE ILLINOIS, by Lisa Madigan, Attorney General of the State of Illinois, pursuant to the Consumer Fraud and Deceptive Business Practices Act (Consumer Fraud Act), 815 ILCS 505/1 et seq, the Mortgage Rescue Fraud Act, 765 ILCS 940/55(a) and her common law authority to represent the People of the State of Illinois.

2. Venue is properly in Cook County, pursuant to section 2-101 of the Illinois Code of Civil Procedure, 735 ILCS 5/2-101, because Defendants are doing business in Cook County, Illinois.

## PARTIES

3. Plaintiff, THE PEOPLE OF THE STATE OF ILLINOIS, by Lisa Madigan, Attorney General of the State of Illinois is charged with enforcing the Consumer Fraud Act, 815 ILCS 501/et seq and the Mortgage Rescue Fraud Act, 765 ILCS 940/et seq.

4. Defendant, FORECLOSURE SOLUTIONS EXPERTS, is an unincorporated business registered in the assumed named index of Cook County, Illinois. FORECLOSURE SOLUTIONS EXPERTS also does business as FORECLOSURE EXPERTS and until September 2008, Defendant had an office located at 220 S. State Street, Suite #726, Chicago Illinois 60604. Yet, Defendant has an operable phone number, voice mail and email address at foreclosureexperts@yahoo.com.

5. For purposes of this Complaint for Injunctive and Other Relief, any references to the acts and practices of Defendants shall mean acts of FORECLOSURE SOLUTIONS EXPERTS officers, owners, directors, employees, or other agents.

6. Defendant, GAIL STRONG, is also known as Stacy Strong. Ms. Strong has been in the business of mortgage rescue services for almost twelve years and she is the sole proprietor and president of Foreclosure Solutions Experts. Ms. Strong obtained a business license for Foreclosure Solutions Experts with the City of Chicago and registered Foreclosure Solutions Experts with the Cook County's Assumed Name Index.

7. Ms. Strong is sued individually, as president of Foreclosure Solutions Experts, and for doing business as Foreclosure Solutions Experts and Foreclosure Experts. There exists and at all times relevant hereto, has existed, a unity of interest between Ms. Strong and Foreclosure Solutions Experts such that any individuality and separateness of Ms. Strong and Foreclosure Solutions Experts has ceased to exist. To adhere to such a fiction would serve to sanction fraud and promote injustice.

## COMMERCE

8. Section 1(f) of the Consumer Fraud Act defines “trade” and “commerce” as:

the advertising, offering for sale, sale, or distribution of any services and any property, tangible or intangible, real, personal, or mixed, and any other article, commodity or thing of value wherever situated and shall include any trade or commerce directly or indirectly affecting the people of this State. 815 ILCS 505/1(f).

9. Defendants engaged in trade and commerce in the State of Illinois. Defendants solicit and offer mortgage foreclosure rescue services to Illinois consumers who are in behind in their mortgage payments, by flyers, word-of-mouth and in person.

### DEFENDANTS' BUSINESS PRACTICES

10. On February 8, 2008, the Attorney General's office served Gail “Stacy” Strong with administrative subpoena, #2007- 198, for Foreclosure Solutions Experts, which requested client files from January 2007 through February 2008. Shortly thereafter, Ms. Strong provided the Attorney General's Office with 13 consumer files. The results of the subpoena are the basis for the complaint.

11. Since 1981, Foreclosure Solutions Experts solicited and offered mortgage rescue services to distressed property owners who are behind in their mortgage payments and or facing foreclosure. For majority of the consumers, Foreclosure Solutions Experts calls itself Foreclosure Experts verbally and in written documentation.

12. Neither Foreclosure Solutions Experts, Foreclosure Experts and Gail Strong are licensed pursuant to the Residential Mortgage License Act of 1987, 205 ILCS 635/1-3, or the Real Estate License Act of 2000, 225 ILCS 454/1-1. Foreclosure Solutions Experts and Foreclosure Experts are also neither incorporated nor registered with the Illinois Secretary of State.

13. Although Foreclosure Solutions Experts represents itself on its documents as “Mediator Housing Counselors” it has no affiliation with the U.S. Department of Housing and Urban Development.

14. Foreclosure Solutions Experts represents to consumers and to the public that it is associated with the government, working to keep distressed property owners in their homes. In reality, Foreclosure Solutions Experts is not associated with any government nor registered as a charity and is a for profit entity.

15. Foreclosure Solutions Experts "cold calls" consumers facing foreclosure and offers their services. It also places advertisements in the yellow pages. During initial conversations, Foreclosure Solutions Experts encourages consumers to make appointments with Stacy Strong at their offices.

16. Consumers arrive at Foreclosure Solutions Experts offices and initial meet with a receptionist who provides them with a questionnaire. Afterwards, the consumers meet with Stacy Strong in her office.

17. At the first appointment, Foreclosure Solutions Experts solicits and charges consumers upfront fees of up to \$1300 prior to providing any services, in violation of the Mortgage Rescue Fraud Act, 765 ILCS 940/50(a)(1).

18. In exchange for its fees, Foreclosure Solutions Experts promises to save consumers' homes from foreclosure by: (1) negotiating with their mortgage lenders; (2) finding refinancing or loans to repurchase their homes; (3) finding surrogate buyers to obtain mortgages or purchase consumers' properties with an option for consumers to repurchase their properties; (4) providing documents on filing chapter 7 bankruptcy; or (5) providing their own attorney for filing chapter 7 bankruptcies and representing consumers in court for their foreclosures.

19. Foreclosure Solutions Experts induces consumers to sign consultant contracts for their services which do not comply with the Mortgage Rescue Fraud Act, 765 ILCS 940/10. A copy of a contract used by Foreclosure Solutions Experts is attached as Exhibit A.

20. For example, the contracts do not include the following notice, as required by 765 ILCS 940/10(b):

“NOTICE REQUIRED BY ILLINOIS LAW

.....(Name) or anyone working for him or her CANNOT:

- (1) Take money from you or ask you for money until.....(Name) has completely finished doing everything he or she said he or she would do; or
- (2) Ask you to sign or have you sign any lien, mortgage or deed.”

21. Further, the contracts only provide consumers three days to cancel the contract, when Section 940/10(b) of the Mortgage Rescue Fraud Act states that consumers may cancel their contracts at any time until after the distressed property consultant has fully performed each contracted service. 765 ILCS 940/10(b).

22. The contracts do not comply with the Mortgage Rescue Fraud Act’s requirement that they contain in 12 point font the following language which explains the distressed property owner’s right to cancel the contract:

“You, the owner, may cancel this transaction at any time until after the distressed property consultant has performed each and every service the distressed property consultant contracted to perform or represented he or she would perform. See the attached notice of cancellation form for an explanation of this right.”

765 ILCS 940/10(c).

23. Finally, Defendants provides consumers with Notice of Cancellations do not meet the standards of Mortgage Rescue Fraud Act, 765 ILCS 940/10(e), because again, they only provide consumers with three days to cancel, when the Act provides a much longer time period to cancel. A copy of Foreclosure Solutions Experts’ Notice of Cancellation form is attached as Exhibit B.

24. After accepting upfront fees, Defendants advises consumers to stop paying their mortgages and to save the payments for future down payments for refinancing or repurchasing of their homes. Yet, Foreclosure Solutions Experts does not obtain loans for refinancing or repurchasing of consumers’ homes.

25. For some consumers, Foreclosure Solutions Experts negotiates with their lenders and arrange for forbearance agreements which merely, increase the consumers' mortgage payments for three months and at the fourth month there are large balloon payments equal to the balance of the loan. Yet, these consumers often have weak credit and are unable to obtain refinancing or resources to pay such large balloon payments. As a result this negotiation only buys them a few months in the home and then, they are right back where they started, facing foreclosure.

26. For other consumers, Foreclosure Solutions Experts accept upfront fees and do very little to help distressed property owners keep their homes. When consumers call Foreclosure Solutions Experts for updates on their cases, often Foreclosure Solutions Experts are unavailable to take their calls. When consumers asked to speak with Stacy Strong, she routinely tells consumers that Foreclosure Solutions Experts are working on it or that Foreclosure Solutions Experts have a lot of experience and for consumers not to worry.

27. Rather than encouraging distressed property owners to keep abreast of their foreclosure cases, Foreclosure Solutions Experts discourage distressed property owners from going to court and participating in their foreclosure cases. Foreclosure Solutions Experts assure consumers that it isn't necessary and Foreclosure Solutions Experts will appear in court. As a result, some consumers do not appear in court and are blindsided when the court enters Judgment of Foreclosure, Approval of the Sale or Orders of Possession in their foreclosure cases. For other consumers, who do attend court, they discover that no one from Foreclosure Solutions Experts' offices has appeared to represent them. These consumers must defend themselves, unprepared and alone.

28. Many consumers become fed up with Foreclosure Solutions Experts' inactions, demand repayment of their fees but Foreclosure Solutions Experts refuse to return any money. This

refusal is the final blow to vulnerable consumers, who could have used refunded money to retain attorneys, pay mortgages, file bankruptcies or find necessary alternative housing.

29. The following consumer examples are illustrations of Defendants' unlawful business practices and is not meant to be exhaustive. The Attorney General's Office is aware of 15 other consumers who were victims to Foreclosure Solutions Experts' mortgage rescue scheme. There may likely be more such consumers and the Attorney General's Office intends to seek restitution for all consumers that Plaintiff discovers.

**Karen R. Parr**

30. In or about October 2007, Ms. Parr fell behind in her payments to Discover Home Loans for a second mortgage on her home in Crestwood, Illinois. She called Foreclosure Solutions Experts and spoke with a woman who identified herself as Stacy. Ms. Parr explained to Stacy that she needed help lowering her monthly payments on her second mortgage which had a balance of \$66,000. Stacy told her that Foreclosure Experts would negotiate with Discover Home Loans to lower her payments and refinance her into a loan with a lower interest rate. Stacy told Ms. Parr to bring \$500 to the appointment to pay for Foreclosure Experts' services.

31. On or about October 17, 2007, Ms. Parr went to Defendants' office at 220 S. State Street, Suite 726, Chicago, Illinois 60604, and met with a woman who said that she worked for Foreclosure Experts. Ms. Parr gave the woman a money order for \$500. Then, she asked to meet with Stacy.

32. Ms. Parr met with a woman who introduced herself as Stacy Strong. Ms. Parr told her that she was able to pay her first mortgage but had difficulty paying her second mortgage with Discover Home Loans. Ms. Strong promised Ms. Parr that she would call Discover Home Loans and ask them to lower to her monthly payments. She also told Ms. Parr that she would

refinance her mortgage with Discover Home Loans to lower the interest rate. Ms. Strong instructed Ms. Parr not to pay her mortgage to Discover Home Loans because she couldn't make full payments and that she should save those payments.

33. During the meeting, Defendants gave Ms. Parr a document which listed Foreclosure Experts' services, a copy of which is attached as Exhibit C.

34. During the meeting, Foreclosure Experts and Ms. Parr signed a consultant contract, which did not comply with the Mortgage Rescue Fraud Act, 765 ILCS 940/10(b) and (c), because it failed to include proper notice language and advise the consumer of the wrong right to cancel. Foreclosure Solutions Experts also gave Ms. Parr a Notice of Cancellation, which stated that she had only three days to cancel which is not true under the Mortgage Rescue Fraud Act, 765 ILCS 940/10(c).

35. From October 2007 through April 2008, Ms. Parr called Ms. Strong approximately 100 times to find out the status of her case. The majority of the times, Ms. Parr was unable to speak with anyone and left messages on Foreclosure Solutions Experts' answering machine.

36. During this time, Ms. Parr managed to speak with Ms. Strong several times on the phone. In those conversations, Ms. Strong told Ms. Parr not to worry and that she had done this many times. Ms. Strong repeatedly promised her that she could lower her balance with Discover Home Loans from \$66,000 to \$10,000. Ms. Strong again told Ms. Parr that Foreclosure Solutions Experts were negotiating with Discover Home Loans.

37. On or about April 12, 2008, Ms. Parr received a summons in the mail for foreclosure by Discover Home Loans.

38. In or about mid - April 2008, Ms. Parr called Discover Home Loans. She learned that the loss mitigation specialist assigned to her loan had not worked there since December 2008 and it was highly unlikely that Ms. Strong actually spoke to anyone at Discover Home Loans.

Discover Home Loans also informed Ms. Parr that she was in foreclosure. Upset and frustrated, Ms. Parr went to Defendants' offices to confront Ms. Strong with the summons.

39. When Ms. Parr met with Ms. Strong, Ms. Strong told Ms. Parr that the summons was "not foreclosure papers" and that the papers just told Ms. Parr that she was delinquent in her loan.

40. Then, Ms. Strong went into her office and returned with a document entitled sales contract. She told Ms. Parr to sign the contract which effectively sold her home for \$20,000 and an earnest money of \$2,000. Ms. Strong told Ms. Parr that she would then send this sales contract to Discover Home Loans to show that someone would pay off the mortgage for \$20,000.

41. When Ms. Parr asked who would buy out her mortgage for \$20,000, Ms. Strong told her that Foreclosure Experts worked with investors who were millionaires. Ms. Strong explained that one of the investors would buy it and then Ms. Parr would pay them back, "just like paying a mortgage." Ms. Parr asked to speak with one of the investors and Ms. Strong refused. Ms. Parr asked if she could list her friend's name as the buyer rather than leave the line blank. Ms. Strong agreed to this but then instructed Ms. Parr to forge her friend's signature. Ms. Parr refused.

42. Then, Ms. Strong gave Ms. Parr an "AS IS" Rider to sign. A copy of which is attached as Exhibit D.

43. Ms. Strong promised Ms. Parr that she would call Discover Home Loans on Monday to resolve the foreclosure.

44. Despite Defendants' promises, Foreclosure Solutions Experts never resolved the foreclosure, or failed to negotiated a lower monthly payment for Ms. Parr and they never assisted with her refinancing the mortgage with Discover Home Loans.

45. Defendants' instruction to Ms. Parr to not pay her mortgage to Discover

Home Loans for almost six months further damaged her credit and caused her to incur more late fees.

46. Foreclosure Solutions Experts never returned Ms. Parr's money of \$500. Currently, Ms. Parr is facing a foreclosure lawsuit against her by Discover Home Loans and may lose her home.

**Carol McClelland**

47. In or about February 2007, Carol McClelland had fallen behind in her mortgage payments and HSBC Bank filed a foreclosure lawsuit against her.

48. In or about the end of May 2008, a woman called Ms. McClelland on the telephone. She introduced herself as Stacy and said that she worked with Foreclosure Experts. She asked Ms. McClelland if she knew that she was in foreclosure. Stacy represented that Foreclosure Experts could save Ms. McClelland's home from foreclosure. Ms. McClelland made an appointment with Stacy for June 6, 2008.

49. On or about June 6, 2008, Ms. McClelland and her nephew, Danny Baker went to Foreclosure Solutions Experts' office. They met with Stacy Strong.

49. During the meeting, Stacy Strong mentioned that Foreclosure Experts' offices were in a government building and implied that Foreclosure Experts were associated with the government.

50. During the meeting, Stacy Strong reviewed Ms. McClelland and Danny Baker's income and assets. She promised Ms. McClelland that Foreclosure Experts could reduce her mortgage payments from almost \$1,000 a month to \$600 or \$500. Stacy Strong instructed Ms. McClelland and Danny Baker to stop paying their mortgage and save their money for refinancing, and said that Foreclosure Experts' attorney would represent Ms. McClelland in court. Stacy told Ms. McClelland that Foreclosure Experts would charge \$1300 for their services.

51. Stacy Strong, Ms. McClelland and Danny Baker signed a consultant contract. It was agreed that Ms. McClelland would pay \$300 on June 10 and then the remaining balance soon after.

52. Foreclosure Solutions Experts gave Ms. McClelland a copy of the Notice of Cancellation which only provided her with three days to cancel the contract.

53. On or about June 10, 2008, Ms. McClelland paid Defendants \$300 in cash. Then, on or about June 11, 2008, Ms. McClelland paid Defendants \$100 in cash. Finally, on or about June 28, 2008, Ms. McClelland paid Defendants the remaining \$900 in cash and Foreclosure Solutions Experts stamped her copy of the contract with "PAID."

54. Despite receiving \$1300, Defendants has not contacted Ms. McClelland to refinance her home or lower her monthly mortgage payments.

55. On or about July 29, 2008, despite promising Ms. McClelland that an attorney would appear on her behalf, no one from Foreclosure Solutions Experts appeared in foreclosure court. The Judge approved a Sheriff's Sale and entered an Order of Possession against Ms. McClelland and Danny Baker.

#### APPLICABLE STATUTES

56. Section 2 of the Illinois Consumer Fraud and Deceptive Business Practices Act (Consumer Fraud Act), 815 ILCS 505, states that:

Unfair methods of competition and unfair or deceptive acts or practices, including but not limited to the use or employment of any deception, fraud, false pretense, false promise, misrepresentation or the concealment, suppression or omission of any material fact, with intent that others rely upon the concealment, suppression or omission of such material fact, or the use or employment of any practice described in section 2 of the 'Uniform Deceptive Trade Practices Act', approved August 5, 1965, in the conduct of any trade or commerce are hereby declared unlawful whether any person has in fact been misled, deceived or damaged thereby.

57. A violation of any of the provisions of the recently enacted Mortgage Rescue Fraud Act constitutes a violation of the Consumer Fraud Act, 765 ILCS 940/55(a).

58. The Mortgage Rescue Fraud Act defines "distressed property" as a:

residential real property consisting of one to 6 family dwelling units that is in foreclosure or at risk of loss due to nonpayment of taxes, or whose owner is more than 90 days delinquent on any loan secured property. 765 ICLS 940/5.

59. Under section 940/5 of the Mortgage Rescue Fraud Act a "distressed property consultant" is:

any person who directly, or indirectly, for compensation from the owner, makes any solicitation, representation, or offer to perform or who, for compensation from the owner performs any service that the person represents will in any manner do any of the following:

- (1) stop or postpone the foreclosure sale or the loss of the home due to nonpayment of taxes;
- (2) obtain any forbearance from any beneficiary or mortgagee or relief with respect to a tax sale of the property;
- (3) assist the owner to exercise any right of reinstatement or right of redemption;
- (4) obtain any extension of the period within which the owner may reinstate the owner's rights with respect to the property;
- (5) obtain any waiver of an acceleration clause contained in any promissory note or contract secured by a mortgage on a distressed property or contained in the mortgage;
- (6) assist the owner in foreclosure, loan default, or post-tax sale redemption period to obtain a loan or advance of funds;
- (7) avoid or ameliorate the impairment of the owner's credit resulting from the recording of a notice of default or the conduct of a foreclosure sale or tax sale; or
- (8) save the owner's residence from foreclosure or loss of home due to nonpayment of taxes. 765 ILCS 940/5.

60. The Mortgage Rescue Fraud Act provides that "service" means without limitation, any of the following:

- (1) debt, budget, or financial counseling of any type;
- (2) receiving money for the purpose of distributing it to creditors in payment or partial payment of any obligation secured by a lien on a distressed property;
- (3) contacting creditors on behalf of an owner of a residence that is distressed property
- (4) arranging or attempting to arrange for an extension of a period within which the owner of a distressed property may cure the owner's default and reinstate his or her obligation;
- (5) arranging or attempting to arrange for any delay or postponement of the

- time of sale of the distressed property;
  - (6) advising the filing of any document or assisting in any manner in the preparation of any document for filing with any court or
  - (7) giving any advice, explanation, or instruction to an owner of a distressed property that in any manner relates to the cure of a default or forfeiture or to the postponement or avoidance of sale of the distressed property.
- 765 ILCS 940/5.

61. Section 10 of the Mortgage Rescue Fraud Act, 765 ILCS 940/10, requires some of the following terms for a distressed property consultant contract:

- (a) A distressed property consultant contract must be in writing and must fully disclose the exact nature of the distressed property consultant's services and the total amount and terms of compensation.
- (b) The following notice, printed in at least 12-point boldface type and completed with the name of the distressed property consultant, must be printed immediately above the statement required by subsection (c) of this Section:

**"NOTICE REQUIRED BY ILLINOIS LAW**

.....(Name) or anyone working for him or her CANNOT:

- (1) Take any money from you or ask you for money until ..... (Name) has completely finished doing everything he or she said he or she would do; or
- (2) ask you to sign or have you sign any lien, mortgage or deed."

(c) A distressed property consultant contract must be written in the same language as principally used by the distressed property consultant to describe his or her services or to negotiate the contract, must be dated and signed by the owner, and must contain in immediate proximity to the space reserved for the owner's signature a conspicuous statement in a size equal to at least 12-point bold face type as follows:

"You, the owner, may cancel this transaction at any time until after the distressed property consultant has fully performed each and every service the distressed property consultant contracted to perform or represented he or she would perform. See the attached notice of cancellation form for an explanation of this right."...

(e) A distressed property consultant contract must be accompanied by a completed form in duplicate, captioned, "NOTICE OF CANCELLATION," which must be attached to the contract, must be easily detachable, and must contain, in at least 12-point boldface type, the following statement written in the same state language as used in the contract:

**"NOTICE OF CANCELLATION"**

.....

(Enter date of Transaction)

You may cancel this transaction, without any penalty or obligation, at any time until after the distressed property consultant has fully performed each and every service of the distressed property consultant contracted to perform or represented he or she would perform. To

cancel this truncation, mail, or deliver a signed and dated copy of this cancellation notice or any other written notice to:

..... ( Name of distressed property consultant) at ..... (Address of distressed property consultant's place of business)

I hereby cancel this transaction on .....(Date) ..... (Owner's signature).”

765 ILCS 940/10(a), (b), (c) and (e).

62. It is a violation of the Mortgage Rescue Fraud Act for a distressed property consultant to:

(1)claim, demand, charge, collect or receive any compensation until after the distressed property consultant has fully performed each service the distressed property consultant contracted to perform or represented that he or she would perform;

...  
(7) induce or attempt to induce an owner to enter a contract that does not comply in all respects with Section 10 and 15 of the Act. 765 ICLS 940/50(1) and (7).

### COUNT I

#### **Violations of the Consumer Fraud Act**

63. Foreclosure Solutions Experts and Gail Strong engaged in unfair and deceptive acts unlawful under Section 2 of the Consumer Fraud Act, 815 ICLS 505/2 by:

- a. Representing to distressed property owners that they can save their homes, when in fact they cannot save their homes with their services;
- b. Representing to distressed property owners that Foreclosure Solutions Experts and Gail Strong will lower their interest rates and or mortgage balances by negotiating with lenders, when they do not;
- c. Representing to distressed property owners that Foreclosure Solutions Experts and Gail Strong will modify their loans to prevent foreclosure, when in reality; Foreclosure Solutions Experts merely negotiates forbearance agreements which place consumers in jeopardy of foreclosure in a matter of months;

- d. Representing to distressed property owners that Foreclosure Solutions Experts and Gail Strong will obtain refinancing for them; when they do not;
- e. Representing to distressed property owners that Foreclosure Solutions Experts and Gail Strong will find financing to allow consumers to repurchase their homes, when they do not;
- f. Inducing distressed property owners to enter into complex real estate transactions without explaining or adequately disclosing the terms of the transactions; and
- g. Inducing distressed property owners to stop paying their mortgages because Foreclosure Solutions Experts and Gail Strong are allegedly negotiating with lenders or finding refinancing, and thus placing consumers further in jeopardy of losing their homes to foreclosures; and
- h. Instructing consumers to forge signatures.

#### **Statutory Remedies for the Consumer Fraud Act**

64. Section 7 of the Consumer Fraud Act, 815 ILCS 505/7, provides:

Whenever the Attorney General has reason to believe that any person is using, has used, or is about to use any method, act or practice declared by the Act to be unlawful, and that proceeding would be in the public interest, he may bring an action in the name of the State against such person to restrain by preliminary or permanent injunction the use of such method, act or practice. The Court, in its discretion, may exercise all powers necessary, including, but not limited to: injunction, revocation, forfeiture or suspension of any license, charter franchise, certificate or other evidence of authority of any person to do business in this State; appointment of a receiver; dissolution of domestic corporations or association suspension or termination of the right of foreign corporations or associations to do business in this State; and restitution.

In addition to the remedies provided herein, the Attorney General may request and this Court may impose a civil penalty in a sum not to exceed \$50,000 against any person found by the Court to have engaged in any method, act or practice declared unlawful under this Act. In the event the court finds the method, act or practice to have been entered into with intent to defraud, the court has the authority to impose a civil penalty in a sum not to exceed \$50,000 per violation.

In addition to any other civil penalty provided in this Section, if a person is found by the court to have engaged in any method, act, or practice declared unlawful under this Act, and the violation was committed against a person 65 years of age or older, the court may impose an additional civil penalty not to exceed \$10,000 for each violation.

65. Section 10 of the Consumer Fraud Practices Act, 815 ILCS 505/10, provides: "In any action brought under the provisions of this Act, the Attorney General is entitled to recover costs for the use of this State."

### **PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiff prays that this honorable Court enter an Order:

A. Finding that Foreclosure Solutions Experts and Gail Strong have violated section 2 of the Consumer Fraud Act, 815 ILCS 505/1; including, but not limited to, the unlawful acts and practices alleged herein;

B. Temporarily, preliminarily and permanently enjoining Foreclosure Solutions Experts and Gail Strong from engaging in the business of foreclosure or mortgage rescue, negotiating forbearance or any other type of agreements with mortgage lenders in the State of Illinois;

C. Declaring that all contracts entered into between Foreclosure Solutions Experts, Gail Strong and Illinois consumers by the use of methods and practices declared unlawful are rescinded and requiring that full restitution be made to said consumers;

D. Assessing a civil penalty in the amount of fifty thousand dollars (\$50,000) per violation of the Consumer Fraud Act found by the Court to have been committed by Foreclosure Solutions Experts and Gail Strong with the intent to defraud; if the Court finds that they have engaged in methods, acts or practices declared unlawful by the Consumer Fraud Act, without the intent to defraud, then assessing a statutory civil penalty of fifty thousand Dollars (\$50,000), all as provided in section 7 of the Consumer Fraud Act, 815 ILCS 505/7;

E. Assessing an additional civil penalty in the amount of ten thousand dollars (\$10,000) per violation of the Consumer Fraud Act found by the Court to have been committed by Foreclosure Solutions Experts and Gail Strong against a person 65 years of age and older as provided in section 7(c) of the Consumer Fraud Act, 815 ILCS 505/7(c);

F. Requiring Foreclosure Solutions Experts and Gail Strong to pay all costs for the prosecution and investigation of this action, as provided by section 10 of the Consumer Fraud Act, 815 ILCS 505/10; and

G. Providing such other and further equitable relief as justice and equity may require.

## COUNT II

### **Violations of the Mortgage Rescue Fraud Act**

66. Defendants are distressed property consultants under the Mortgage Rescue Fraud Act because Foreclosure Solutions Experts solicits and offers: (1) stop or postpone the foreclosure sale; (2) offer to assist the owner in foreclosure, loan default or post tax sale redemption period to obtain a loan; and (3) save consumers' homes from foreclosure with their services. 765 ILCS 940/5(1), (6) and (8).

67. Defendants charges and receives compensation before they have fully performed each service that they have contracted to do or represented that they would perform, in violation of section 50 of the Mortgage Rescue Fraud Act, 765 ILCS 940/50(a)(1).

68. In violation of the Mortgage Rescue Fraud Act, Defendants induces distressed property owners to sign mortgage rescue consultant contracts that do not comply with Section 10 of the Act. 765 ILCS 940/10 and 50.

69. In particular, the mortgage rescue consultant contract does not include the following notice, as required by 765 ILCS 940/10(b):

“NOTICE REQUIRED BY ILLINOIS LAW

.....(Name) or anyone working for him or her CANNOT:  
(1) Take money from you or ask you for money until.....(Name) has completely finished doing everything he or she said he or she would do; or  
(2) Ask you to sign or have you sign any lien, mortgage or deed.”

70. Additionally, the mortgage rescue contract only provides distressed property owners three days to cancel the contract, when Section 10(b) of the Mortgage Rescue Fraud Act states that consumers may cancel their contracts at any time until after the distressed property consultant has fully performed each contracted service. 765 ILCS 940/10(b).

71. Likewise, the contract does not comply with the Mortgage Rescue Fraud Act’s requirement that it contain in 12 point font the following language which explains the distressed property owner’s right to cancel the contract:

“You, the owner, may cancel this transaction at any time until after the distressed property consultant has performed each and every service the distressed property consultant contracted to perform or represented he or she would perform. See the attached notice of cancellation form for an explanation of this right.”  
765 ILCS 940/10(c).

72. Finally, Defendants fail to provide consumers with Notice of Cancellations that has the required language under 765 ILCS 940/10(e):

“NOTICE OF CANCELLATION  
.....  
(Enter date of transaction)

You may cancel this transaction, without any penalty or obligation; at any time until after the distressed property consultant has fully performed each and every service the distressed property consultant contracted to perform or represented he or she would perform.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to:

..... (Name of distressed property consultant)  
at .....(Address of distressed property consultant’s place of business)

I hereby cancel this transaction on .....(Date)  
.....(Owner’s signature).”

### Statutory Remedies

73. Under the Mortgage Rescue Fraud Act, "all remedies, penalties and authority granted to the Attorney General ... by the Consumer Fraud and Deceptive Business Practices Act shall be available to him or her for the enforcement of the Act." 765 ILCS 940/55(a).

### PRAYER FOR RELIEF

**WHEREFORE**, the Plaintiff prays that this honorable Court enter an Order:

- A. Finding Foreclosure Solutions Experts and Gail Strong violated Section 50(a)(1) of the Mortgage Rescue Fraud Act, 765 ILCS 940/50(a)(1), by soliciting, charging and receiving compensation prior to performing their services,
- B. Finding Foreclosure Solutions Experts and Gail Strong violated Section 50 of the Mortgage Rescue Fraud Act, 765 ILCS 940/50(a)(7) by inducing distressed property owners to enter into consultant contracts which do not comply in all respects with Section 10 of the Acts.
- C. Temporarily, preliminarily and permanently enjoining Foreclosure Solutions Experts and Gail Strong from engaging in the business of mortgage rescue or foreclosure rescue in or from the State of Illinois;
- D. Declaring that all contracts entered into between Defendants and Illinois consumers by the use of methods and practices declared unlawful are rescinded and requiring that full restitution be made to said consumers;
- E. Assessing a civil penalty in the amount of fifty thousand dollars (\$50,000) per violation of the Consumer Fraud Act found by the Court to have been committed by Defendants with the intent to defraud; if the Court finds Defendants have engaged in methods, acts or practices declared unlawful by the Consumer Fraud Act, without the intent to defraud, then assessing a statutory civil penalty of fifty thousand Dollars (\$50,000), all as provided in Section 7 of the Consumer Fraud Act, 815 ILCS 505/7;
- F. Assessing an additional civil penalty in the amount of ten thousand dollars (\$10,000)

per violation of the Consumer Fraud Act found by the Court to have been committed by Foreclosure Solutions Experts against a person 65 years of age and older as provided in Section 7(c) of the Consumer Fraud Act, 815 ILCS 505/7(c);

G. Requiring Defendants to pay all costs for the prosecution and investigation of this action, as provided by Section 10 of the Consumer Fraud Act, 815 ILCS 505/10; and

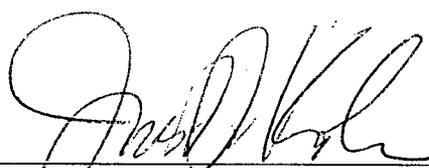
H. Providing such other and further equitable relief as justice and equity may require.

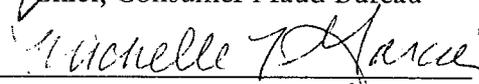
Respectfully Submitted,

THE PEOPLE OF THE STATE OF  
ILLINOIS, by LISA MADIGAN,  
ATTORNEY GENERAL OF ILLINOIS

Attorney #99000  
**LISA MADIGAN**  
Attorney General of Illinois

**JAMES D. KOLE**  
Chief, Consumer Fraud Bureau

BY:   
**JAMES D. KOLE**  
Chief, Consumer Fraud Bureau

BY:   
**MICHELLE T. GARCIA**  
Assistant Attorney General  
Consumer Fraud Bureau

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Chicago, IL 60601  
(312) 814 - 3000  
(312) 814 - 2593 (fax)

# FORECLOSURE EXPERTS

## CLIENT CONSULTANT SERVICE AGREEMENT

This agreement entered into this 6 day of June, 2008 by and between Foreclosure Experts Mediator Housing Counselors and Danny Baker.

Mutually agree as follows:

Client (s) wish to engage the services of the above Foreclosure Experts Mediator Housing Counselors for a FEE. The Fee for the following checked (✓) services is \$ 1200.00 payable by  Cash  Money Order. Client (s) minimum initial deposit is \$ 300.00 with the balance of \$ 900.00 due and payable upon completion of client (s) case. Should Foreclosure Experts fail to provide the Client (s) with an option to save their home, the initial deposit less the minimum retainer fee will be returned to the Client (s). However, if Foreclosure Experts offer a viable option, legal or otherwise, to save the Client home, but the client declines the offer, the fee of \$500.00 is still due Foreclosure Experts. Client (s) understand that the minimum within 3 business days is \$250.00. There will be a \$40.00 charge for returned checks.

Only the services checked (✓) below shall be provided. NOTICE: Client (s) have the right to cancel this agreement within 3 business days (see Notice of Cancellation). Refunds for cash are issued immediately and for checks, after 5 to 7 business days. Should the Client (s) elect to rescind (cancel) this agreement after the 3 day period in which services have commenced, Client (s) agree that Foreclosure Experts shall be due a minimum retainer fee in the amount of \$250.00 for services rendered.

Client (s) hereby contracts Foreclosure Experts to:

**PAID**

300.00 down. 6-10-08.  
900.00 Bal.  
100.00 6-11-08.

- Contact their Mortgage (Loan) Company (s) or creditors on his/her/their behalf.
- Stop/Attempt to stop the foreclosure process and/or the forced sale of the Client (s) home/property.
- Assist/Attempt to obtain a forbearance or advance of funds to stop foreclosure.
- Assist/Attempt to obtain a loan based on equity and/or current value of the property.
- Provide Documents for emergency Chapter 7 or documents only. Foreclosure Experts Agents are not attorneys and will only provide client with documents necessary for emergency filing only. If Client (s) require further assistance in the bankruptcy proceedings such as a court represent action, filing additional forms, or preparing plans, Client may do it themselves, obtain their own counsel, or use the services of Attorneys recommended by Foreclosure Experts. This service is only available when applicable and any fees associated with the bankruptcy must be paid by the Client (s). Foreclosure Experts, or its agents will not give legal advice, but will direct the client to our attorney if the client so desires.

Client (s) understand that no forbearance or loan guarantee is implied, as the Mediator Housing Counselor Consultant is relying upon information provided by the Client (s) at the time of the interview and agreement. The final decision for forbearance, advance of funds or loan will be based on the actual (true) facts obtained by the Mediator Housing Counselors findings during the course of investigation and research of the Client (s) case. Any loan or advance of funds will be based on (equity) value of the property.

Foreclosure Experts agrees to commence services for the Client (s) immediately after the signing of this agreement by the Client (s) and upon payment of the required fee to the Consultant by the Client (s) and Foreclosure Experts, any changes must be agreed to in writing and initiated by all parties.

The Client (s) have read and understand the terms of this agreement and wish to contract Foreclosure Experts to work on his/her behalf.

[Signature] 6-6-08  
Client Signature Date

[Signature] 6-6-08  
Client Signature Date

[Signature]  
Housing Counselor Signature Date

Client (s) signature above is an indication of this agreement, he/she/they attest that all information provided to the Mediator Housing Counselor, is true and correct to the best of his/her/their knowledge at the time this agreement was signed. Client (s) understand that the Housing Counselor works on a best effort basis relying upon information provided by the Client (s), which is assumed to be accurate to the best of his/her/their knowledge.

# FORECLOSURE EXPERTS

## NOTICE OF CANCELLATION

Date service agreement signed with consultant 6 day of June 2008. You may cancel this transaction at any time within the three (3) business days of the above date, if the transaction and the signing of this agreement took place in your HOME, you may cancel without penalty and/or obligation.

To cancel this transaction, please mail or deliver a signed and dated copy of this CANCELLATION NOTICE, or send a telegram to:

Company Name: FORECLOSURE EXPERTS  
Address: 220 S State Street, Suite 726  
City: Chicago, IL 60604

**PAID**  
900.10 Bal.

**TO CANCEL: NOTICE MUST BE RECEIVED BY CONSULTANT NO LATER THAN MIDNIGHT OF 11 DAY OF June 2008**

I/We client (s) do hereby cancel this agreement/transaction on this \_\_\_ day of \_\_\_ 20\_\_.  
Which I/We signed with the above Consultant in our Home/Office on the \_\_\_ day of \_\_\_ 20\_\_

[Signature] 6-6-08  
Client Signature Date

Candice McEllell 6-6-08  
Client Signature Date

\_\_\_\_\_  
Client Name Printed

\_\_\_\_\_  
Client Name Printed

\_\_\_\_\_  
Address

\_\_\_\_\_  
City State Zip

Consultants name and address must be provided in the space above; also the date of the signing of any agreement of contracts must be included in the space provided.

Client receives two copies (2)

Consultant retains one copy (1)



**A LIST OF SOME OF THE SERVICES AVAILABLE TO OUR CLIENTS**

**We assist homeowners who have CREDIT PROBLEMS.**

**Provide consulting services and assistance to homeowners who are behind in their payments, IN OR NEAR FORECLOSURE. Loans are also arranged, if needed, for ANY CREDIT, ANY LOAN!**

**Contact your mortgage holder and/or lender (s) regarding your loan condition and payment status.**

**We work with you and your mortgage holder and/or lender (s) to arrange an agreement based on a proven system in use since 1981 to save hundreds of homeowners' home.**

**Discuss with our clients their present and future budget plans.**

**Provide counseling and suggestions to allow our clients to take the necessary steps to meet present and future financial need.**

**Help our clients to meet with bill consolidation counselor when necessary.**

**Provide information and services regarding credit re-establishment and credit improvement for the future.**

**Make ourselves available to our clients who contract our services; to answer their questions and provide moral support and guidance regarding their financial situation.**

**Provide a written agreement of the service available to our clients.**

**Assist our clients in any way possible to improve their standard of living and financial condition present and future.**

**All the items in this list may or may not apply to your case; we may provide other services necessary to save your home that are not on this list. We are committed to taking whatever steps necessary to assist you to stop foreclosure process and save your home.**

**Phone: 312-447-0800**

**Fax: 312-447-0803**

**E-mail: [foreclosurexperts@yahoo.com](mailto:foreclosurexperts@yahoo.com)**

**RIDER 6**

**"AS-IS CONDITION"**

Form Approved by the South Suburban and Southwest Bar Associations  
EXCEPTING HANDWRITTEN, UNDERLINED, OR BOLD ITALIC PROVISIONS, BUYER AND SELLER REPRESENT AND WARRANT TO EACH OTHER THAT NO ALTERATIONS HAVE BEEN MADE TO THIS RIDER AS PUBLISHED BY THE BAR ASSOCIATIONS ABOVE

The property, including all mechanical equipment and personal property to be conveyed by Seller, is accepted by Buyer in its present condition and Buyer makes this offer to purchase all of the above in its present condition "AS-IS." No representations have been made by Seller or Seller's agents with respect to the condition of the property, mechanical equipment, or personal property to be conveyed by Seller.

(Check One)

Buyer has inspected the property to Buyer's satisfaction and Buyer hereby waives the "Property Inspection Contingency" in the Contract. Buyer shall be responsible for any repairs required under any town, village, city, or other applicable governmental inspection ordinance.

OR

Buyer shall be permitted to perform a property inspection as described in the "Property Inspection Contingency" in the Contract. In the event any defects ascertained thereby are not acceptable to Buyer, Buyer shall have the option to notify Seller, in writing, that Buyer has elected to terminate the Contract. Any such notice of termination shall be provided within the time allowed for Buyer to perform the property inspection. In the absence of written notice or termination, within the time specified herein, the "Property Inspection Contingency" shall be deemed waived by the Buyer and this Contract and "AS-IS" Rider shall continue in full force and effect. Buyer shall be responsible for any repairs required under any town, village, city, or other applicable governmental inspection ordinance.

BUYER:

SELLER:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_