

**IN THE COURT OF COMMON PLEAS
CUYAHOGA COUNTY**

THE STATE OF OHIO ex. rel.
ATTORNEY GENERAL
R. MICHAEL DEWINE

Plaintiff,

v.

THE MODIFICATION GROUP, LLC et al. :

Defendants. :

CASE NO. CV 11 754742

JUDGE RONALD SUSTER

**AGREED CONSENT JUDGMENT
ENTRY AND ORDER**

PREAMBLE

This matter came to be heard upon the filing of a Complaint by Plaintiff, The State of Ohio ex rel. Attorney General R. Michael DeWine ("Attorney General"), alleging that the Defendants The Modification Group, LLC and Robert Walker ("Defendants"), have violated the Consumer Sales Practices Act, R.C. 1345.01 et seq., the Debt Adjuster's Act, R.C. 4710.01 et seq., the Telephone Solicitation Sales Act, R.C. 4719.01 et seq., and the Credit Services Organization Act, R.C. 4712.01 et seq. The Attorney General has reached an agreement with Defendants and this Agreed Consent Judgment Entry and Order is intended to resolve all of the claims alleged against Defendants in the Complaint.

By signing this entry, Defendants submit to the personal jurisdiction of this Court and consent to the entry of this Agreed Consent Judgment Entry and Order ("Consent Judgment") pursuant to R.C. 1345.07(F). Defendants hereby consent to the Court's findings of facts and conclusions of law, to the imposition of this Consent Judgment and to the rights of Plaintiff to enforce this Consent Judgment.

FINDINGS OF FACT

1. Defendant The Modification Group, LLC ("The Modification Group") was a for-profit limited liability company with its principal place of business located at 7976 Broadview Road, Broadview Heights, Ohio 4147.
2. Defendant Robert Walker ("Walker") is a resident of the State of Ohio and was, at all times relevant herein, the owner and operator of The Modification Group, LLC.
3. Defendant Walker, at all relevant times hereto, operated, dominated, controlled and directed the business activities of Defendant The Modification Group, causing, personally participating in, and/or ratifying the acts and practices of Defendant The Modification Group.
4. Defendants solicited Ohio and out-of-state consumers offering to help the consumers avoid foreclosure by working with the consumer's lender to modify the consumer's mortgage or adjust the debt.
5. Defendants solicited consumers through direct mailings, a website, internet advertisements, radio advertisements, and telephone calls.
6. Defendants required that the consumers sign a contract with Defendants before Defendants would provide services.
7. The contract prohibited the consumer from communicating with his or her lender.
8. Defendants charged a fee for their foreclosure relief services. Defendants charged this fee prior to obtaining a loan modification for the consumer. The fee was usually \$1,995 or 1% of the mortgage balance, whichever was greater.
9. Defendants often failed to obtain a mortgage modification for the consumer.

10. When Defendants were unable to obtain a mortgage modification for the consumer, Defendants often failed to provide a refund.
11. Defendants also provided credit repair services to consumers.
12. Defendant The Modification Group was not, and is not, registered as a telephone solicitor with the Ohio Attorney General's Office.
13. Defendant The Modification Group has never filed an audit with the Ohio Attorney General's Office of the type described in R.C. 4710..02(D)(1).
14. Defendant The Modification Group was not, and is not, registered as a credit services organization with the Ohio Division of Financial Institutions.

CONCLUSIONS OF LAW

15. The Court has jurisdiction over the subject matter, issues and parties to this Consent Judgment pursuant to R.C. 1345.04 of the CSPA.
16. The Court has venue to hear this case pursuant to Ohio Civ. R. 3 in that some of the transactions complained of herein, and out of which this action arose, occurred in Cuyahoga County.
17. The Ohio Attorney General is the proper party to commence these proceedings under the authority of R.C. 1345.07, and by virtue of his statutory and common law authority to protect the interests of the citizens of the State of Ohio.
18. Defendants are "suppliers," as that term is defined in R.C. 1345.01(C), as Defendants were, at all relevant times herein, engaged in the business of effecting consumer transactions with individuals in Ohio for purposes that were primarily personal, family or household within the meaning specified in R.C. 1345.01(A) and (D).

19. Defendants committed unfair, deceptive and/or unconscionable acts or practices in violation of the Consumer Sales Practices Act, R.C. 1345.02 and 1345.03, by a) advertising services that did not contain the characteristics advertised for, b) failing to perform services, c) failing to provide promised or required refunds, d) entering into transactions or providing services that the Defendant knew did not provide a substantial benefit to the consumer, e) requiring consumers to enter into contracts that were substantially one-sided in favor of the Defendants, and f) prohibited consumers from contacting their mortgage servicers or lenders.
20. Defendants are persons engaged in debt adjusting, as defined in R.C. 4710.01(A) as they did business in effecting the adjustment, compromise, or discharge of accounts, notes or other indebtedness of debtors.
21. Defendants committed unfair and deceptive acts or practices in violation of R.C. 4710.02(F) and 1345.02(A) by engaging in debt adjusting activities without complying with the regulations set forth under the Debt Adjuster's Act, R.C. 4710.01 et seq., by not filing an audit with the Ohio Attorney General's Office as required by 4710.02(D).
22. Defendants are telephone solicitors engaged in telephone solicitation, as defined in R.C. 4719.01(A)(7)&(8).
23. Defendants committed unfair and deceptive acts or practices in violation of R.C. 4719.029(A) and R.C. 1345.02(A) by engaging in telephone solicitation without obtaining a certificate of registration as a telephone solicitor from the Ohio Attorney General's Office.
24. Defendants are a credit services organization as defined in R.C. 4712.01(C).

25. Defendants committed unfair and deceptive acts or practices in violation of R.C. 4722.11 and R.C. 1345.02(A) by operating as a credit services organization without registering with Ohio Division of Financial Institutions.

ORDER

For purposes of affecting this Consent Judgment Entry and Order, it is therefore ORDERED, ADJUDGED AND DECREED that:

1. Plaintiff State of Ohio ex rel. Attorney General R. Michael DeWine's request for a Declaratory Judgment is GRANTED; and it is therefore DECLARED that the acts and practices enumerated in the Conclusions of Law set forth above in Paragraphs 19, 21, 23, and 25 violate the Ohio Consumer Sales Practices Act, R.C. 1345.01 et seq. in the manner set forth therein.
2. Defendants The Modification Group, LLC and Robert Walker, their officers, partners, agents, representatives, salespersons, employees, independent contractors, successors, assigns, and all persons acting on behalf of Defendants, directly or indirectly, through any corporate device or private device, partnership or association in connection with any consumer transaction, including any person or entity which purchases any interest in the business and continues to operate the business, are hereby PERMANENTLY ENJOINED from engaging in acts or practices that violate the Ohio Consumer Sales Practices Act, R.C. 1345.01 et seq.
3. Defendants The Modification Group, LLC and Robert Walker are hereby PERMANENTLY ENJOINED from providing foreclosure relief services in Ohio. Foreclosure relief services include, but are not limited to, negotiating loan modifications or other relief for a consumer with the consumer's mortgage servicer or lender.

4. Defendants The Modification Group, LLC and Robert Walker are hereby PERMANENTLY ENJOINED from engaging in debt adjusting in Ohio, as defined in R.C. 4710.01(A).
5. Defendants The Modification Group, LLC and Robert Walker are hereby PERMANENTLY ENJOINED from operating as credit services organizations in Ohio, as defined in R.C. 4712.01(C).
6. Defendants The Modification Group, LLC and Robert Walker are jointly and severally liable for and shall provide consumer refunds in the amount of \$338,484.00. This payment shall be made to the Office of the Ohio Attorney General ("Attorney General"), to be distributed by the Attorney General in its sole discretion. The Attorney General will distribute this payment to the individual consumers listed in Exhibit A. The individual consumers are consumers who paid Defendants for foreclosure relief services and received neither a loan modification nor a refund. Any remaining amount not distributed to consumers will revert to the Ohio Consumer Protection Enforcement Fund. This payment shall be made by delivering a certified check or money order within 70 days of the date of this entry, made payable to the "Ohio Attorney General," to:

**Patricia Anderson
Administrative Secretary
Consumer Protection Section
30 E. Broad Street, 14th Floor
Columbus, Ohio 43215**

The refunds ordered in this paragraph are for the benefit of the consumers listed, and are not a penalty or benefit for the Attorney General. The refunds compensate for actual pecuniary loss incurred by the consumers. If a consumer is not listed in Exhibit A, this should not be construed as a determination that the consumer does not have a valid claim

against Defendants. The consumers in Exhibit A are a list of consumers that the Attorney General is aware as of February 24, 2012.

7. Defendants The Modification Group, LLC and Robert Walker are assessed a civil penalty, jointly and severally, in the amount of One Hundred Thousand Dollars (\$100,000.00). Said payment shall be suspended if Defendant Robert Walker files for bankruptcy in a United States Bankruptcy Court within 60 days of the date of this entry, and shall remain suspended upon Defendants The Modification Group, LLC's and Robert Walker's full compliance with the terms of Paragraphs 2, 3, 4, and 5 of the order section of this Consent Judgment. This payment shall be made by delivering a certified check or money order within 70 days of the date of this entry, made payable to the "Ohio Attorney General," to:

**Patricia Anderson
Administrative Secretary
Consumer Protection Section
30 E. Broad Street, 14th Floor
Columbus, Ohio 43215**

8. In the event the Ohio Attorney General must initiate legal action or incur any costs to compel Defendants The Modification Group, LLC or Robert Walker to abide by this Consent Judgment, upon order of the Court, Defendants shall be liable to the Ohio Attorney General for any and all penalties imposed by the Court and, in addition to the civil penalties awarded herein, any such costs and reasonable attorneys' fees expended to proceed with such a motion for contempt that the Court may impose.
9. Nothing in this Consent Judgment shall in any way preclude any investigation or enforcement action against Defendants under any legal authority granted to the State for transactions not subject to this action.

10. Defendants shall not represent directly or indirectly or in any way whatsoever that the Court or the Ohio Attorney General has sanctioned, condoned, or approved any part or aspect of Defendants' business operation.

11. Defendants shall pay all court costs and fees associated with this matter.

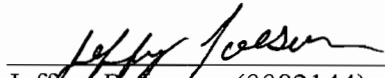
IT IS SO ORDERED.

DATE

HON. JUDGE RONALD SUSTER

JOINTLY APPROVED FOR ENTRY AND SUBMITTED BY:

FOR PLAINTIFF STATE OF OHIO ex rel ATTORNEY GENERAL R. MICHAEL DEWINE



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3/16/2012

Date

Counsel for Plaintiff State of Ohio

FOR DEFENDANTS THE MODIFICATION GROUP, LLC and ROBERT WALKER

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Cleveland, Ohio 44114
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Date

*Counsel for Defendants The Modification Group, LLC
and Robert Walker*

Robert Walker

Date

Individually and as an officer of The Modification Group, LLC

Exhibit A

Last Name	First Name	Amt. Due
Adams	Jeffrey	\$2,000.00
Adfall	Lawrence	\$1,995.00
Allison	Oliver	\$1,995.00
Anderson	Marcus	\$1,995.00
Ash	Beverly	\$2,500.00
Bailey	Tyrone	\$1,995.00
Beirly	Michael	\$1,995.00
Bettis	Wendell	\$2,600.00
Brotzman	Linda	\$1,600.00
Burns	Nancy& David	\$2,500.00
Caesar-Roberts	Donna	\$2,100.00
Charles	James	\$2,500.00
Cole	Maribeth	\$1,995.00
Conrad	Stephanie	\$1,995.00
Cooper	Linda	\$1,995.00
Deamer	Pearl	\$3,109.00
Descenzo	Frank	\$1,800.00
Doyle	Catherine	\$3,000.00
Dytrych	Bob	\$3,360.00
Faber	Sandra	\$1,500.00
Farris	Eric	\$1,995.00
Faye	Malick	\$3,000.00
Frost	Cindy	\$3,731.00
Fuhrer-Moore	Linda	\$1,237.00
Gearing	Paul	\$2,997.00
Gehrke	Denise	\$3,004.00
Geyman	Mark	\$505.00
Glaub	Christopher	\$1,995.00
Gorsuch	Craig	\$2,456.00
Gretzinger	Carl	\$1,995.00
Gueutal	Elaine	\$1,995.00
Gvora	Jason	\$1,995.00
Hall	Victoria	\$1,995.00
Hara-Hart	Gwendolyn	\$500.00
Hart	Jimmy	\$2,000.00
Hawkins	Carolyn	\$1,980.00
Hekman	Ryan	\$2,900.00
Henderson	Hazelene	\$2,000.00
Holland	Randy	\$1,995.00
Huckins	Janice	\$2,022.00
Huston	Genevieve	\$1,995.00
Ivins	Susan	\$1,995.00
Jackson	Kathleen	\$1,000.00
Jewell	Donald	\$3,430.00
Johnson	Jeanette	\$1,800.00
Johnson	Jacqueline	\$2,500.00
Jollay	Gary	\$1,995.00
Jones	Raymond	\$1,995.00
Jones	Ora	\$1,995.00
Jones	Patricia	\$695.00
Kashem	Kamrul	\$4,300.00

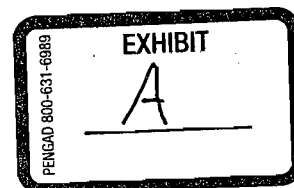


Exhibit A

Kelly	Gary	\$1,995.00
Khan	Mohammed	\$3,357.00
Kirman	Kaye	\$3,000.00
Klein	David	\$4,000.00
Koppi	Virginia	\$6,000.00
Kovach	Susan	\$2,900.00
Krizek	James	\$2,600.00
Langley	Mike	\$3,500.00
Lawrence	Kim	\$1,995.00
Lee	Alan & Deb	\$1,200.00
Lee	Tracie	\$1,895.00
Lees	Janine	\$1,995.00
Lewis	Keith	\$1,350.00
Lounsbury	Michelle	\$2,750.00
Lowe	Raymond	\$2,500.00
Mammoliti	Michael	\$1,995.00
Markel	Wendy	\$2,700.00
Mason	Sara	\$2,900.00
Matthews	Tamara	\$2,500.00
Matzek	Richard	\$2,000.00
McDonald	Manuel	\$2,000.00
McEwen	Shannon	\$2,900.00
McNamara	Timothy	\$3,500.00
McVicker	Jacqueline	\$2,900.00
Medina	Virginia	\$1,995.00
Miller	Richard	\$1,995.00
Miller	Paula	\$18,000.00
Naldrett	Amanda	\$5,100.00
Nicolas	Percida	\$3,000.00
Olsan	Erlinda	\$1,995.00
Pack	Danny	\$2,000.00
Parson	Jacquelyn	\$1,995.00
Peicu	John	\$5,580.00
Perrella	Brian	\$1,500.00
Perry	Shannon	\$1,995.00
Poehailos	Peter	\$2,500.00
Posada	Teresa	\$2,800.00
Proto	Dawn	\$2,250.00
Riley	John	\$3,000.00
Rivera	George	\$1,390.00
Robertson	Jane	\$4,888.00
Rorrer	America	\$4,000.00
Rosak	Leonard	\$5,000.00
Ruiz	Edward	\$6,530.00
Russell	Charles	\$3,000.00
Satterfield	Alan	\$1,995.00
Seger	Philip	\$2,000.00
Shea	Paul	\$2,490.00
Sitkowski	Daniel	\$6,500.00
Sizemore	Cynthia	\$3,800.00
Smatana	Lynn	\$2,500.00
Smith	Julie	\$3,000.00

Exhibit A

Solak	Cynthia	\$1,995.00
Stabrov	Tanya	\$1,995.00
Stubbs	Michael	\$2,000.00
Svoboda	Lynn	\$1,995.00
Theriahult	Laurel	\$1,995.00
Triglio	Jim	\$2,900.00
Turner	Cara	\$1,995.00
Twigg	Rodney	\$1,995.00
Tyler	Anne	\$2,000.00
Vanadia	Anthony	\$2,000.00
Ventry	Robert	\$3,000.00
Vesel	Mike	\$1,654.00
Viar	Curtis	\$1,995.00
Vitron	Bryan	\$1,245.00
Waddell	Ted	\$4,500.00
Wallace	Joseph	\$1,600.00
Warfield	Darnel	\$1,995.00
Washington	Marcus	\$5,395.00
Weech	Shane	\$4,490.00
Wendorf	Phyllis	\$2,250.00
Westmoreland	Jerry	\$2,745.00
White	Robin	\$2,000.00
Whitticar	Robert	\$2,900.00
Wilson	Layler	\$2,000.00
Wolanin	Catherine	\$1,995.00
Woods	James	\$1,800.00
Zehnal	Andrea	\$1,995.00
Total	\$342,185.00	