

ASSURANCE OF VOLUNTARY COMPLIANCE and DISCONTINUANCE  
IN RE: Hope 4 Homeowners America, LLC.

STATE OF COLORADO ATTORNEY GENERAL'S OFFICE CONSUMER PROTECTION SECTION	
In re: Hope 4 Homeowners America Respondents: Hope 4 Homeowners America, LLC. Cheryl Barnett	
JOHN W. SUTHERS, Attorney General ANDREW P. McCALLIN, First Assistant Attorney General  1525 Sherman Street, 7 <sup>th</sup> Floor Denver, CO 80203 Phone: (303) 866-5134 Fax: (303) 866-4916 Email: Andrew.McCallin@state.co.us	
<b>ASSURANCE OF VOLUNTARY COMPLIANCE AND DISCONTINUANCE WITH HOPE 4 HOMEOWNERS AMERICA, LLC. AND CHERYL BARNETT</b>	

This Assurance of Voluntary Compliance and Discontinuance ("Assurance") is entered into between the State of Colorado, ex rel. John W. Suthers, Attorney General and Respondents Hope 4 Homeowners America, LLC. and Cheryl Barnett. This Assurance is entered into pursuant to the Attorney General's powers under § 6-1-110(2), C.R.S. (2008), and is being agreed to by the parties in lieu of the Attorney General filing a complaint against Respondents for the conduct described below.

**I. PARTIES**

1. John W. Suthers is the duly elected Attorney General for the State of Colorado ("Attorney General") and has express jurisdiction to investigate and prosecute violations of the Colorado Consumer Protection Act ("CCPA"), §§ 6-1-101, *et seq.*, C.R.S. (2008).

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2. Respondents Hope 4 Homeowners America, LLC. (“Respondents” or “H4HAmerica”) has its principal place of business at 725 S Adams Ste 125, Birmingham, MI 48009. The Registered agent is Cheryl Barnett, PO Box 1543, Birmingham, MI 48012. H4HAmerica is not registered with the Colorado Secretary of State as a foreign entity, authorized to do business in the State of Colorado.

**II. FACTUAL BACKGROUND**

3. Pursuant to the CCPA, Colorado Attorney General John W. Suthers has conducted an investigation into the advertising and business practices of Respondents.

4. In April, 2009, a Denver, Colorado consumer sent his bank statements, recent paystubs and two years of tax returns to H4HAmerica and then \$450 sent via Western Union to the Respondents in order to initiate his modification process. Two months later he talked with his mortgage company who advised that they have not been in negotiations with H4HAmerica. The consumer then requested a refund from Respondents and it was not provided.

**A. Respondent’s Agents Acted as Mortgage Brokers Without Proper Licenses.**

5. The Director of the Division of Real Estate has determined that “persons who directly or indirectly negotiate, originate *or offer or attempt to* negotiate or originate loan modifications for a borrower and for a commission or other thing of value are required to be licensed as mortgage brokers.” (Ex. B, Division of Real Estate, Position Statement MB 1.5 – Loan Modifications, Nov. 19, 2008.) (Emphasis added.) Additionally, “persons who

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directly supervise individuals who negotiate, originate, *or offer or attempt to negotiate* or originate loan modifications for a commission or other thing of value are required to be licensed as mortgage brokers.” (*Id.*) (Emphasis added.)

6. Respondents, including but not limited to employees, independent contractors, brokers, salespersons and/or agents of H4H America have offered to negotiate or originate loan modifications for Colorado consumers.

7. Respondents advertise to Colorado consumers through their website H4H America.com and advertisements in the Colorado Springs and Boulder Craigslist websites.

8. Respondents, however, do not have employees or independent contractors who are licensed as mortgage brokers by the Colorado Division of Real Estate.

9. As such, the Attorney General contends that Respondents and their agents offered to negotiate or originate loan modifications without mortgage broker licenses in violation of §§ 6-1-105(1) (u), (z) and 12-61-903(1)(a), C.R.S. (2008).

**III. CONSIDERATION**

10. Respondents enter this Assurance as a compromise and settlement of the Attorney General’s allegations herein. This Assurance shall not be considered an admission of violation for any purpose. Respondents expressly deny liability under the CCPA and are entering into this Assurance to avoid further costs and litigation.

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11. The Attorney General intends that this Assurance will finally and fully resolve all of the disputes between the Attorney General and Respondents arising out of the conduct alleged in Section II, Factual Background, of this Assurance.

**IV. ASSURANCES**

12. Respondents will not target advertisements directly to Colorado consumers.

13. The term “advertisements” includes all advertisements, marketing or promotional materials issued by Respondents, including but not limited to, newspaper and magazine advertisements, direct mail solicitations, flyers, brochures, emails, faxes, telemarketing, billboards, envelopes, and banner or pop-up advertising that is disseminated electronically.

14. Respondents shall comply with the CCPA as now constituted or as may be amended in conducting business in the State of Colorado; the federal Truth in Lending Act, 15 U.S.C. §§ 1601, *et seq.* (“TILA”); the Uniform Consumer Credit Code, §§ 5-1-101 through 5-13-105, C.R.S. (2008) (“UCCC”); and the Colorado Mortgage Broker Licensing Act, §§ 12-61-101, *et seq.*

15. Respondents shall comply with all applicable rules and regulations implementing the laws set forth in the preceding paragraph.

16. Within ten (10) business days of executing this Assurance, Respondents will provide the Colorado Attorney General with the company names, contact person, addresses, and telephone numbers for the processing company used to negotiate the loan modifications.

17. Within ten (10) business days of executing this Assurance, Respondents will provide the Colorado Attorney General with the names of the Colorado Consumers your company has

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contracted with to provide mortgage modifications.

18. Within ten (10) business days of executing this Assurance, Respondents will provide the Colorado Attorney General with a check payable to the Colorado Department of Law in the amount of \$450.00 for return to the Colorado consumer who paid to you as part of his contract with H4H America. The Colorado Attorney General's office will ensure that the consumer receives the money.

**V. ENFORCEMENT**

19. The obligations set forth in this Assurance are continuing under this Assurance.

20. A violation of any of the terms of this Assurance shall constitute a prima facie violation of the CCPA in accordance with § 6-1-110(2), C.R.S. (2008). Upon a violation of any of the terms of this Assurance by Respondents, the Attorney General shall be entitled to file a civil action under the CCPA in any court of competent jurisdiction and to seek an injunction or other appropriate order from such court to enforce the provisions of this Assurance.

21. In addition to any remedies provided under the CCPA, the Attorney General shall be entitled to apply for and seek from a court of competent jurisdiction an order converting this Assurance into a permanent injunction against Respondents as if the parties had fully litigated all issues contained herein, upon a showing by the Attorney General of a violation by a Respondents of this Assurance. In such event, Respondents agree to waive any and all defenses and counterclaims they may have had to such an action, except as to

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claims or defenses related to the alleged violation of this Assurance or as to the need for injunctive relief.

22. This Assurance shall not be construed to affect the rights of any private party to pursue remedies pursuant to § 6-1-113, C.R.S. (2008), or under any other statutes through claims or actions in common law.

23. Nothing in this Assurance shall be construed to release claims held by any other governmental authority.

24. Pursuant to § 6-1-110(2), C.R.S. (2008), this Assurance shall be a matter of public record.

25. This Assurance may be executed in one or more counterparts, each of which shall be deemed to be an original, but which together shall constitute the Assurance.

26. The person who signs this Assurance in a representative capacity for H4H America warrants that he or she is duly authorized to do so. Respondents acknowledge that they have had a full opportunity to review this Assurance and consult with legal counsel regarding same. Respondents agree and represent that they have read and understand this Assurance, that they accept the legal consequences involved in signing it, and that there are no other representations, agreements or understandings between Respondents and the Attorney General that are not stated in writing herein.

27. Respondents and their principals, officers, directors, agents, employees, representatives, successors, affiliates, subsidiaries, assigns, contractors, and any person acting on behalf of any Respondents agree to cooperate with all investigations and other

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proceedings that the Attorney General may bring to enforce the terms of this Assurance or to enforce the CCPA against any other entity. Included within this cooperation agreement are the obligations to:

- a) Appear for hearings, depositions or provide testimony in any form, including affidavits. All such testimony shall be truthful;
- b) Produce documents, records, electronic records, or any other tangible things in response to a subpoena or other written request issued by the Attorney General; and
- c) Accept a subpoena from the Attorney General without the need for service of process.

28. Any notices, complaints or other documents required by this Assurance (including any request or subpoena) shall be sent to the following individuals at the address, email or fax set forth below:

To Respondents Hope 4 Homeowners America and Cheryl Barnett

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

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To The Attorney General at:

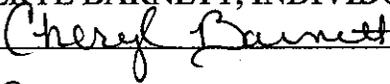
Andrew McCallin  
First Assistant Attorney General  
Antitrust, Tobacco, and Consumer Protection Unit  
Consumer Protection Section  
1525 Sherman Street – 7<sup>th</sup> Floor  
Denver, CO 80203  
Email: Andrew.McCallin@state.co.us  
Phone: (303) 866-5134  
Fax: (303) 866-4916

Dated: 8-7-09

Dated: 8-7-09

RESPONDENTS:

HOPE 4 HOMEOWNERS AMERICA  
By:   
Cheryl Barnett Member  
Print Name and Title

CHERYL BARNETT, INDIVIDUALLY  
By:   
Cheryl Barnett  
Print Name

Dated: 9/3/09

JOHN W. SUTHERS  
Attorney General  
  
ANDREW MCCALLIN  
First Assistant Attorney General  
Consumer Protection Section