

DISTRICT COURT, DENVER COUNTY, COLORADO Court Address: 1437 Bannock Street, Rm 256, Denver, CO, 80202	DATE FILED: November 6, 2014 11:58 AM CASE NUMBER: 2014CV34140 <p style="text-align: center;">⚠ COURT USE ONLY ⚠</p>
Plaintiff(s) STATE OF CO EX REL JOHN W SUTHERS et al. v. Defendant(s) LYNN M JANEWAY et al.	
Consent Judgment	

Case Number: 2014CV34140
 Division: 280 Courtroom:

The motion/proposed order attached hereto: SO ORDERED.

Issue Date: 11/6/2014



CATHERINE A LEMON
 District Court Judge

<p>DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO 1437 Bannock Street Denver, Colorado 80202</p> <hr/> <p>STATE OF COLORADO <i>ex rel.</i> JOHN W. SUTHERS, ATTORNEY GENERAL FOR THE STATE OF COLORADO; and JULIE ANN MEADE, ADMINISTRATOR, UNIFORM CONSUMER CREDIT CODE,</p> <p>Plaintiffs,</p> <p>v.</p> <p>JANEWAY LAW FIRM, P.C.; and LYNN M. JANEWAY,</p> <p>Defendants.</p>	<p style="text-align: center;">▲ COURT USE ONLY ▲</p>
	<p>Case No.:</p> <p>Courtroom:</p>
<p>CONSENT JUDGMENT</p>	

This matter is before the Court on the Stipulation for Entry of a Consent Judgment. The Court has reviewed the Stipulation, the Complaint, and is otherwise advised in the grounds therefore. As all Parties have approved and agreed to entry of this Consent Judgment by their authorized signatures, the Parties present to the Court this Consent Judgment for approval.

The Court, after being fully advised in this matter, **FINDS, CONCLUDES, AND ORDERS:**

That it has jurisdiction over the Parties and subject matter of this suit under the grounds alleged in the Complaint;

That venue in the City and County of Denver is proper; and

That the Parties shall be subject to the following provisions:

I. GENERAL PROVISIONS

1.1 Scope of Consent Judgment. The provisions of this Consent Judgment are entered pursuant to the Colorado Consumer Protection Act, §§ 6-1-101–115, C.R.S. (2014) (“CCPA”) and the Colorado Fair Debt Collection Practices Act, §§ 12-14-101–137, C.R.S. (2014) (“CFDCPA”). This Consent Judgment shall apply to Defendants Janeway Law Firm, P.C. and Lynn M. Janeway (collectively “Defendants”), and any person employed or under the direction or control of any of the Defendants while engaged in foreclosure or eviction services, including but not limited to, any principals, officers, directors, agents, employees, representatives, successors, assigns, and subsidiaries.

1.2 Release of Claims. The State of Colorado, *ex rel.* John W. Suthers, Attorney General (“Attorney General”), and Julie Ann Meade, Administrator, Uniform Consumer Credit Code (“Administrator”), (collectively the “State”), agree and acknowledge that entry of this Consent Judgment constitutes a complete settlement and release of all claims under the CCPA and the CFDCPA on behalf of the State against the Defendants, and their agents, officers, managers, employees, heirs, administrators, executors, successors, and assigns, which were asserted or could have been asserted by the State under the CCPA or the CFDCPA in the Complaint, and relate to or are based upon the acts or practices which are the subject of the Complaint, or which were encompassed by the State’s investigation into the foreclosure, title, title insurance, and posting practices. The State agrees that it shall not proceed with or institute any civil actions in addition to this action, arising from or related to any of the allegations in or subject matter of the Complaint, including, but not limited to, action based upon the CCPA or the CFDCPA against Defendants, seeking restitution, disgorgement, injunctive relief, fines, penalties, attorney fees, or costs for any conduct or practice prior to the Consent Judgment Date which relates to the investigation of the subject matter of the Complaint. Defendants hereby release the State, including its agents and employees, from any claims that could be asserted, including for attorney fees, costs, and expenses, related to the investigation and prosecution of the conduct that is the subject of the Complaint. Notwithstanding the foregoing, the State may initiate an action or proceeding to enforce the terms of this Consent Judgment or take action based on future conduct as contemplated in Section 1.4 below.

1.3 Liability. All Parties are entering into this Consent Judgment for the purpose of compromising and resolving disputed claims and to avoid the expense of further litigation. None of the statements made in this document shall be deemed factual or legal admissions for purposes of other proceedings except in a proceeding to enforce this Consent Judgment. Defendants specifically deny any violations of

the CCPA or the CFDCPA and deny any liability for the claims asserted in the Complaint.

1.4 Preservation of Law Enforcement Action. Nothing herein precludes the State: (A) from enforcing the provisions of this Consent Judgment; or (B) from pursuing actions based on any acts or practices in which Defendants engaged after the Consent Judgment Date.

1.5 Compliance with and Application of State Law. Nothing herein relieves Defendants of their duty to comply with applicable laws of the state of Colorado nor constitutes authorization by the State for the Defendants to engage in acts and practices prohibited by such laws. The laws of the state of Colorado shall govern this Consent Judgment.

1.6 Non-Approval of Conduct. Nothing herein constitutes approval by the State of the Defendants' past, present, or future business practices. The Defendants shall not make any representation contrary to this paragraph.

1.7 No Third-Party Beneficiaries Intended. This Consent Judgment is not intended to confer upon any person any rights or remedies, including rights as a third-party beneficiary. This Consent Judgment is not intended to create a private right of action on the part of any person or entity, whether to enforce this Consent Judgment or otherwise, other than the Parties hereto.

1.8 Use of Settlement as Defense. Defendants acknowledge that it is the State's customary position that an agreement restraining certain conduct on the part of a defendant does not prevent the State from addressing later conduct that could have been prohibited, but was not, in the earlier agreement, unless the earlier agreement expressly limited the State's enforcement options in that manner. Therefore, nothing herein shall be interpreted to prevent the State from taking enforcement action to address conduct occurring after the Consent Judgment Date that the State believes to be in violation of the law. The fact that such conduct was not expressly prohibited by the terms of this Consent Judgment shall not be a defense to any such enforcement action.

1.9 Retention of Jurisdiction. This Court shall retain jurisdiction over this matter for the purposes of (a) enabling the State to apply, at any time, for enforcement of any provision of this Consent Judgment and for sanctions or other remedies for any violation of this Consent Judgment, including contempt and enforcement of the judgment; (b) enabling any party to this Consent Judgment to apply, upon giving 30 days written notice to all other Parties, for such further orders and directions as might be necessary or appropriate either for the construction or enforcement of this Consent Judgment or for the modification or

termination of one or more injunctive provisions; and (c) enabling the State to collect or enforce any judgment rendered pursuant to the Consent Judgment.

1.10 Contempt. The parties understand and agree that a finding of any violation of any term or provision of this Consent Judgment pursuant to Section VI below shall give rise to all contempt remedies available to the Court.

1.11 Counterparts. This Consent Judgment may be signed in one or more counterparts, each of which shall be deemed an original, but which together shall constitute the Consent Judgment. Facsimile and electronic copies of this Consent Judgment and the signatures hereto may be used with the same force and effect as an original.

1.12 Integration. This Consent Judgment constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements and understanding relating to the subject matter hereof.

1.13 Severability. If any provision(s) of this Consent Judgment is held to be invalid, illegal, unenforceable or in conflict with the law of any jurisdiction, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

1.14 Waiver. The failure of any Party to exercise any rights under this Consent Judgment shall not be deemed a waiver of any right or any future rights.

1.15 Successors in Interest. The terms and provisions of this Consent Judgment may be enforced by the current Attorney General or the current Administrator, and by any of his or her duly authorized agents or representatives, as well as by any of his or her successors in interest, and by any of his or her successors in interest's agents or representatives. Similarly, the terms and provisions of the Consent Judgment apply to, bind, and may be enforced against any successor to the current Attorney General or the current Administrator.

1.16 Amendment. This Consent Judgment may be amended solely by written agreement signed by the State and by Defendants, and with approval of the Court.

II. DEFINITIONS

2.1 "Law Firm" means the Janeway Law Firm, P.C., any principal, member, partner, attorney, contract attorney, of counsel, and employee of the Janeway Law Firm performing any services or work relating to a foreclosure or eviction in connection with a mortgage loan secured by real property in Colorado,

and any successor firm, law firm, partnership, organization, company or corporation, whose primary work is Colorado foreclosure-related services and in which Lynn M. Janeway is a member, manager or shareholder.

2.2 “Affiliated Vendor” means any entity or person in which any principal, member, owner, partner, agent, employee, or family member (including, but not limited to, in-laws) of any principal, member, owner, partner, agent, or employee of the Law Firm has any direct or indirect financial interest, ownership, control, or decision-making authority, or who receives any financial consideration or other benefit.

2.3 “Consent Judgment Date” means the date that this Consent Judgment is entered as an Order of the Court.

2.4 “Maximum Allowable Fee” means the attorney or foreclosure fee amount agreed to with a client or the applicable investor/insurer/agency that is intended to provide compensation to the Law Firm for all services that are typically required to be performed by foreclosure counsel to prosecute and complete an uncontested foreclosure or eviction in Colorado.

III. INJUNCTIVE PROVISIONS

A. General Requirements

3.1 Except where in conflict with the following specific injunctive provisions in B., C., D., E., F., and G. of Part III, which control and are superior, the Law Firm shall adhere to the following practices relating to foreclosures and evictions.

3.2 Law Firm acknowledges and understands that it must reasonably use its best efforts to reduce its costs so that any cost charged by a vendor chosen by the Law Firm is competitive with that charged by other qualified vendors. If the client, investor, or servicer directs the Law Firm before the foreclosure sale to (1) obtain a title product other than a two-owner title search report or similarly uninsured title product, (2) charge for a tax certificate, tax search, or comparable service, or (3) use a specific vendor for a foreclosure service, including, but not limited to, postings or title, and the costs or fees for these products, charges, or services are recoverable from and assessed against a borrower, investor, or insurer, the Law Firm shall notify the State and provide the State supporting documentation evidencing this direction within fourteen (14) business days.

3.3 The Law Firm shall not use any Affiliated Vendor to perform any non-legal foreclosure-related services, including, but not limited to, providing title

products, obtaining a tax search or tax certificate, and posting or serving any notices or documents during a foreclosure or eviction. This restriction shall not apply to post-foreclosure sale activities.

3.4 The Law Firm shall charge only costs for third-party vendors that are reasonable and necessary, and only for the actual amount incurred, at the market rate by a third-party vendor, which shall not be marked up or otherwise added to by the Law Firm.

3.5 The Law Firm acknowledges and understands that the Maximum Allowable Fee is considered a ceiling and is only to be charged if it has been earned, is reasonable in relation to the amount of work performed and the stage of the proceeding, and otherwise in compliance with the Consent Judgment.

B. Foreclosure and Eviction Postings

3.6 The Law Firm shall charge only the actual cost at the market rate for posting or service of any notice or document during a foreclosure or eviction proceeding, and shall not add an additional amount to the actual cost for expenses or time incurred by the Law Firm in connection with any posting. The Law Firm shall obtain all foreclosure and eviction posting services from a third party, not an Affiliated Vendor.

3.7 Unless exceptional circumstances warrant in a particular case, the Law Firm shall cause the notice of opportunity of foreclosure deferment and the notice of Rule 120 hearing to be posted, not served.

3.8 The Law Firm acknowledges that on or about May 14, 2014 and on or about May 19, 2014, the Law Firm entered into separate agreements with two third-party vendors to post notices for \$25.00 per notice in Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, El Paso, Jefferson, Pueblo, and Weld, and \$40 in all other Colorado counties. The Law Firm acknowledges that as of the Consent Judgment Date these rates constitute the actual cost and current market rate for postings during a foreclosure or eviction. Should the Law Firm determine in exceptional circumstances that the necessary posting may not be obtained at these amounts (such as same-day delivery), the Law Firm shall obtain the necessary work at the best price reasonably and practically obtainable under the circumstances. When there are additional posting costs for exceptional circumstances, the Law Firm shall maintain supporting documentation for such costs and provide it to the State upon request.

3.9 If the actual cost and market rate for postings increases at any time beyond the rates identified above, the Law Firm shall reasonably use its best efforts

to ensure that any price increase is competitive with other posting vendors, is reasonable, and the market rate. This provision is not applicable if the costs for postings increase as the result of the client, servicer, or investor directing the Law Firm to use a specific vendor for postings, in which case the Law Firm shall notify the State and provide the State supporting documentation evidencing this direction within fourteen (14) business days.

3.10 The Law Firm shall reasonably use its best efforts to reduce costs and expenses for foreclosure and eviction postings by, among other things, monitoring the market and rates offered by posting vendors and reasonably using its best efforts to negotiate reasonable and competitive rates available in the marketplace.

3.11 The Law Firm is obligated to conduct an annual review of the costs paid for postings in foreclosures and evictions to ensure that they are competitive with the prices of other posting vendors having similar quality and standards, by obtaining rate quotes and prices from at least two other posting vendors in Colorado. The Law Firm must maintain records from each review for a period of twelve (12) months and make such records available to the State upon its request.

C. Title Products

3.12 The Law Firm shall not use any Affiliated Vendor or any member or employee of the Law Firm to obtain or prepare title products, including, but not limited to, a title search report, a foreclosure guarantee, or a commitment for title insurance or owner's title policy at any time before the foreclosure sale. The restrictions in this Subsection C. shall not apply to non-foreclosure activities, or to post-foreclosure sale activities if such amounts are not assessed to any borrower or third-party purchaser at the foreclosure sale.

3.13 Unless otherwise directed by the servicer, investor, or client, the Law Firm shall not charge or claim any amount for a tax certificate, tax search or comparable service, or for a title policy or commitment, including, but not limited to, any cancellation fee, at any time before the foreclosure sale. If the servicer, investor, or client directs otherwise, the Law Firm must use an unaffiliated third-party vendor, may advance and invoice the costs of the unaffiliated third-party vendor, but may not receive any financial consideration or benefit, directly or indirectly, from the preparation of any title product before the foreclosure sale.

3.14 Unless specifically directed by a client, servicer, or investor otherwise, the Law Firm shall use a two-owner title search report or similar uninsured product, and updates, provided by a third party, not an Affiliated Vendor, to identify parties entitled to notice of the foreclosure proceeding.

3.15 The Law Firm shall charge only the actual cost at the market rate for a title search report or similar uninsured product and updates.

3.16 If the Law Firm is specifically required by any client, servicer, or investor to obtain a title product other than a two-owner title search report or similar uninsured title product before the foreclosure sale, the Law Firm shall obtain such a product only from a third party, not an Affiliated Vendor, and charge only the actual cost at the market rate for such product. If the Law Firm is responsible for choosing the vendor, the Law Firm shall reasonably use its best efforts to ensure that any product obtained is competitive with similar title products provided by other vendors and the Law Firm shall reasonably use its best efforts to minimize the costs of such title product.

3.17 The Law Firm acknowledges that on or about May 5, 2014, the Law Firm entered into an agreement with a third-party vendor for two-owner title search reports between \$100 and \$150, depending on the county in which the property is located. Such search reports include a two-owner search, four updates, tax certificate or tax information, legal description, relevant documents, and other information necessary for a foreclosure. Should the Law Firm determine in exceptional circumstances that the necessary title search report or service may not be obtained at these amounts (such as same day delivery), the Law Firm shall obtain the necessary work at the best price reasonably and practically obtainable under the circumstances. When there are additional title search report costs for exceptional circumstances, the Law Firm shall maintain supporting documentation for such costs and provide it to the State upon request.

3.18 If the actual cost and market rate for two-owner title search reports increases at any time beyond the rates identified above, the Law Firm shall reasonably use its best efforts to ensure that any price increase is competitive with other title search vendors, is reasonable, and the market rate. This provision is not applicable if the costs for title search reports increase as the result of the client, servicer, or investor directing the Law Firm to use a specific third-party vendor for title search reports, in which case the Law Firm shall notify the State and provide the State supporting documentation evidencing this direction within fourteen (14) business days.

3.19 The Law Firm shall reasonably use its best efforts to reduce costs and expenses for title products and the Law Firm commits to ensure that title costs are kept to a minimum by, among other things, monitoring the market and rates offered by title search vendors or other title vendors and reasonably using its best efforts to negotiate reasonable and competitive rates available in the marketplace.

3.20 The Law Firm is obligated to conduct an annual review of the costs paid for title search reports and other title products to ensure that they are competitive with other title search vendors and other title vendors having similar quality and standards by obtaining rate quotes and prices from at least two other title search vendors and, if applicable, two other title vendors offering products in Colorado. The Law Firm must maintain records from each review for a period of twelve (12) months and make such records available to the State upon its request.

3.21 The Law Firm shall not charge any amount above the actual cost and the market rate for a title search report or similar uninsured product, including, but not limited to, any compensation for expenses or time by the Law Firm in connection with any review, verification, or examination of any title search report.

3.22 The Law Firm shall not charge for a tax certificate, tax search, or comparable service before the foreclosure sale, unless specifically required by a client, servicer, or investor.

3.23 If a tax certificate, tax search, or comparable service is required by the client, servicer, or investor, and the tax certificate is not obtained from a third party as part of a search report, the Law Firm shall not charge more than the actual cost paid to the county for the tax certificate. If a tax certificate is not obtained from the county but the tax information is obtained from a third party, the Law Firm shall not charge more than the actual cost assessed by the third party.

3.24 No member, partner, owner, attorney, of counsel, or employee of the Law Firm shall undertake, directly or indirectly, any action to cause any agent or underwriter to increase its filed rate or its schedule of fees for any title product or service used during a foreclosure.

D. Miscellaneous Costs and Services

3.25 The Law Firm agrees that the Maximum Allowable Fee covers all services that are typically required to be performed by foreclosure counsel in an uncontested foreclosure, including, but not limited to, ordering title, reviewing title reports and exceptions; preparing all necessary legal papers to initiate the foreclosure; recording and filing all necessary documents; executing all steps necessary to obtain service of process or postings; publishing and posting notices; preparing all documents necessary to conduct the foreclosure sale; and preparing all legal documents necessary to convey title to the holder, investor, or third-party purchaser at sale.

3.26 Unless the client, investor, or servicer has specifically directed and agreed in writing that the costs or fees are not recoverable from and will not be

assessed against a borrower, investor, or insurer, in which case the Law Firm shall maintain supporting documentation for such direction and provide it to the State upon request, the Law Firm agrees not to charge any fee or amount above the Maximum Allowable Fee for any overhead or other cost of doing business, including, but not limited to, technology or invoice fee, document search fee, statement or certificate of qualified holder fee, bankruptcy and PACER search fee, or Service Member Civil Relief Act search fee. The Law Firm may charge as a recoverable pass-through cost only the actual cost charged by third-party vendors such as ICCES, Lexis, and PACER for any service or document necessary for the foreclosure or specifically requested by the client, investor, or investor.

3.27 If a client or investor specifically directs, or the law requires, the Law Firm to perform a legal service that is outside the scope of legal services covered by the Maximum Allowable Fee, including, but not limited to, title and lien clearance work, the Law Firm shall charge only the attorney fee agreed to by the client, servicer, or investor for that service and maintain the invoice or other documentation supporting the charge. Notwithstanding any maximum or flat-rate amount agreed to by the client, servicer, or investor, any attorney fee charged by the Law Firm must still be reasonable and necessary.

3.28 All mailings required by statute or other law shall be charged by the Law Firm at the actual cost of each item mailed as set forth in the postage rate and no flat mailing rate is permitted.

3.29 If the Law Firm receives a refund from the public trustee for fees and costs that the Law Firm has both advanced to the public trustee and invoiced the servicer or client in excess of the final public trustee fees and costs, the Law Firm shall, within seven business days of receiving the refund, credit or remit to the servicer or client the difference in the amount billed or claimed to the servicer or client and the final public trustee fees and costs, stating by any customary method of writing to the servicer or client, and in writing to the borrower if the Law Firm is notified of a reinstatement, the purpose of the refund, the amount advanced and billed or claimed by the Law Firm to the servicer or client, the final public trustee fees and costs, and that this amount should be applied to the borrower's loan file to the extent the original claimed public trustee fees and costs have been applied to the borrower's loan file. This provision does not apply to a cure through the public trustee under C.R.S. § 38-38-104 or if the Law Firm bills or claims only the final public trustee fees and costs rather than the amount advanced to the public trustee.

E. Contested Foreclosure Actions

3.30 If the Law Firm handles a contested foreclosure, including a contested Rule 120 proceeding, and such work is not included in the Maximum Allowable Fee, the Law Firm must obtain written authorization from the servicer, investor, or client in order to bill an additional flat fee or hourly fee at a reasonable and customary rate for the type of work performed.

3.31 If the Law Firm handles a contested foreclosure on an hourly rate or up to a maximum allowable amount, including a contested Rule 120 proceeding, and such work is not included in the Maximum Allowable Fee, the Law Firm must prepare, deliver to the servicer, investor, or client, and maintain for a period of two (2) years, detailed time entries describing the person performing each task or function, the nature of each task or function, and the amount of time spent on each task or function in connection with any contested foreclosure. The Law Firm shall maintain these records for a period of two (2) years and be made available to the State upon its request.

F. Maximum Allowable Fee

3.32 The Law Firm shall not charge the entire Maximum Allowable Fee unless and until the property in foreclosure results in a foreclosure sale.

3.33 If the property in foreclosure does not result in a foreclosure sale, the Law Firm shall charge only a proportionate fee that reasonably relates to the work performed and the stage of the foreclosure so that the Maximum Allowable Fee is never charged if the foreclosure is cured, withdrawn, or reinstated before the foreclosure sale.

G. Reinstatements, Cures, and Bids

3.34 The Law Firm shall reasonably use its best efforts to ensure that any reinstatement notice or amount prepared by the Law Firm and given directly by the Law Firm to any person for reinstatement of a default before a notice of election and demand is filed with a public trustee contains only figures or charges actually incurred or in good faith likely to be incurred by the Law Firm before filing the notice of election and demand.

3.35 On any reinstatement notice or amount prepared by the Law Firm and given directly by the Law Firm to any person for reinstatement of a default before a notice of election and demand is filed with a public trustee, the Law Firm shall not include fees and costs that will not be incurred by the Law Firm until after the filing of the notice of election and demand, including, but not limited to, mailings,

postings, public trustee fees or costs, court filing fees or costs, or any amount that is greater than the reasonable and proportionate share of the Maximum Allowable Fee.

3.36 On any reinstatement notice or amount prepared by the Law Firm and given directly by the Law Firm to any person for reinstatement of a default before a notice of election and demand is filed with a public trustee, the notice must expressly state that such amount for reinstatement of a default is effective through a certain time period which shall conclude before the filing of the notice of election and demand, at which time the person shall proceed under the cure statute, C.R.S. § 38-38-104, and/or contact the servicer.

3.37 Any reinstatement notice or amount prepared by the Law Firm and given directly by the Law Firm to any person for reinstatement of a default before a notice of election and demand is filed with a public trustee must state: an anticipated date on which the notice of election and demand commencing the foreclosure may be filed; that the Law Firm's fees and costs are likely to significantly increase upon filing the notice of election and demand; and that those charges may include additional attorney fees, court filing costs, mailings, title search costs, postings, and an advance to the public trustee for payment of public trustee fees and costs.

3.38 Any reinstatement notice or amount prepared by the Law Firm and given directly by the Law Firm to any person for reinstatement of a default before a notice of election and demand is filed with a public trustee must also conspicuously and in bold print state that the Law Firm should be contacted for the current amount necessary to reinstate the default. The Law Firm shall provide telephone and email contact on this notice and respond timely by notifying the person of the Law Firm's actually incurred fees and costs. The Law Firm shall also reasonably use its best efforts to obtain and provide all other amounts due and owing to reinstate the default, as provided by the servicer.

3.39 If any person reinstates the default directly through the Law Firm before a notice of election and demand is filed with the public trustee, the Law Firm, when remitting the reinstatement amount to the servicer or client, shall notify the servicer or client and, by mail or in person, the person reinstating the default of any amounts that were not actually incurred by the Law Firm but which were included on the reinstatement notice and paid by such person, stating that these excess amounts should be credited or applied to the borrower's account or refunded to the person reinstating the default.

3.40 The Law Firm shall reasonably use its best efforts to ensure that any cure statement or amount prepared by the Law Firm and given directly by the Law

Firm to any person to cure the default after a notice of election and demand is filed contains only charges actually incurred or in good faith might actually be incurred by the Law Firm during the time for which the cure statement is valid.

3.41 Within seven business days of the Law Firm's receipt of notification that the public trustee has received the funds necessary to cure the default, the Law Firm shall notify in writing the servicer or client, by customary communication, of the final fees and costs actually incurred by the Law Firm, including the amount of any difference between the cure statement and the amount actually incurred by the Law Firm that should be remitted pursuant to C.R.S. § 38-38-104(2)(a)(IV) by the public trustee to the person who paid the cure amount. If the Law Firm provides to the servicer or client the final statement required by C.R.S. § 38-38-104(2)(a)(IV) to be delivered to the public trustee, it will satisfy this provision.

3.42 The Law Firm shall prepare bid statements that contain amounts actually incurred by the Law Firm through the date of the bid statement, amounts in good faith estimated to accrue as of the sale date, and anticipated public trustee costs, such as for a certificate of purchase and confirmation deed.

IV. MONETARY PROVISIONS

4.1 Defendants, jointly and severally, shall pay a total amount of \$650,000.00 to the State. The Defendants shall pay to the State \$325,000.00 within three (3) business days of the Consent Judgment Date. The Defendants shall also pay to the State \$325,000.00 within one (1) year of the Consent Judgment Date, unless Defendants can demonstrate to the State's reasonable satisfaction a legitimate business hardship, in which case, Defendants shall pay to the State \$150,000.00 within one (1) year of the Consent Judgment Date and \$175,000.00 no later than two (2) years after the Consent Judgment Date.

4.2 The payments provided for in Section 4.1 shall be held, along with any interest thereon, in trust by the Attorney General to be used in the Attorney General's sole discretion for attorney fees and costs, restitution, if any, and for future consumer education and consumer enforcement.

4.3 The Defendants, jointly and severally, agree to pay an additional \$350,000.00 "suspended amount" only in the event of an uncured material breach. Violations of this Consent Judgment shall be determined through the procedure set forth in Part VI below. The \$350,000.00 "suspended amount" obligation shall be discharged three (3) years from the Consent Judgment Date if there has been no uncured material breach of this Consent Judgment.

4.4 All notices to the State and all payments shall be made payable to the "Colorado Department of Law" with a reference to "State v. Janeway Law Firm Settlement," and shall be delivered to:

Alissa Hecht Gardenswartz
First Assistant Attorney General
Antitrust, Tobacco, and Consumer Protection Unit
Ralph L. Carr Colorado Judicial Center
1300 Broadway, 7th Floor
Denver, Colorado 80203

4.5 All notices to the Defendants shall be sent to:

Lynn M. Janeway
President/Managing Attorney
Janeway Law Firm, P.C.
9800 S. Meridian Blvd., Suite 400
Englewood, Colorado 80112

4.6 Failure to make any payment under Part IV will constitute a violation of this Consent Judgment and contempt of this Court. In the event the Defendants fail to make any payment under Section 4.1, the State shall provide the Defendants written notice of default and provide the Defendants with 30 days to cure the default without penalty. If the Defendants fail to cure the default within 30 days, a 10 percent late fee will be added to that payment, and the Defendants will be given an additional 30 days to pay. If the Defendants do not cure the default within this additional 30-day period, the State may petition the Court alleging a violation of this Consent Judgment as set forth in Part VI below, and Defendants agree to pay interest to the State on the outstanding amount owed of 8 percent per annum.

V. REPRESENTATIONS AND WARRANTIES

5.1 Except as expressly provided in this Consent Judgment, nothing in this Consent Judgment shall be construed as relieving the Defendants of their respective obligations to comply with all state and federal laws, regulations or rules, or granting permission to engage in any acts or practices prohibited by such law, regulation or rule.

5.2 Due to the public-interest nature of the State's claims in this matter, Defendants hereby specifically agree and stipulate that the "suspended amount" payment to be made by the Defendants, in the event of an uncured material breach, as set forth in paragraph 4.3 (but that payment only), constitutes a debt for a fine, penalty or forfeiture payable to and for the benefit of a governmental unit, is not

compensation for actual pecuniary loss, and is specifically non-dischargeable under 11 U.S.C. § 523(a)(7).

5.3 The Defendants acknowledge that they have thoroughly reviewed this Consent Judgment with their counsel, that they understand and agree to its terms, and that they agree that it shall be entered as an Order of this Court.

5.4 Each of the non-Court signatories to this Consent Judgment warrants and represents that he or she has authority to agree to this Consent Judgment on behalf of the specified parties.

5.5 Upon receipt of reasonable notice, Defendants agree to cooperate with all investigations and other proceedings that the State has brought or may bring in connection with the State's investigation of foreclosure law firms and this Consent Judgment, including any proceeding arising out of this Consent Judgment and any litigation against third parties involving the allegations in the Complaint. Such cooperation may include:

- a. Appearing at the request of the State for hearings, depositions, and trial, and providing testimony in any form. All such testimony shall be truthful;
- b. Producing all non-privileged documents, records, electronic records, or any other tangible things in response to reasonable requests by the State; and
- c. Accepting a subpoena to appear or produce from the State without need for service of process.

VI. VIOLATIONS OF CONSENT JUDGMENT

6.1 Notwithstanding the three-year time limit on the "suspended amount" in Section 4.3 of this Consent Judgment for such uncured material breach of any term of this Consent Judgment, all other terms ordered herein are permanent, and all other remedies available under the CCPA for such breaches survive the three-year term for the "suspended amount." In the event the State receives evidence that any of the Defendants violated this Consent Judgment, the State shall provide the Defendant(s) written notice of said violation within twenty-one (21) days of discovering the violation, and provide the Defendant(s) fourteen (14) days to cure the violation. If any Defendant fails to cure the violation, the State may petition the Court alleging a violation and, subject to the three-year limitation of Section 4.3, seek payment of the "suspended amount" referenced thereunder.

6.2 Following notice and hearing on the State's petition and a finding by the Court that the Defendant(s) have violated the Consent Judgment, the Court

may impose the "suspended amount" set forth in Section 4.3. Such a finding shall constitute a prima facie violation of the CCPA under C.R.S. § 6-1-110(2).

6.3 Upon a finding by this Court that any Defendant has violated any of the terms of this Consent Judgment, in addition to being entitled to the "suspended amount" set forth in Section 4.3, the State shall be entitled to seek an injunction or other appropriate order or relief from the Court to enforce the provisions of this Consent Judgment against such Defendant.

6.4 In any action brought by the State under this Consent Judgment, Defendants consent to personal and subject matter jurisdiction in the District Court for the City and County of Denver.

6.5 The obligations set forth in this Consent Judgment are continuing.

6.6 In the event proceedings are brought to enforce this Consent Judgment, the prevailing party shall be entitled to recover reasonable attorney fees and costs.

SO ORDERED and SIGNED this ____ day of _____, 2014.

BY THE COURT:

District Court Judge

Dated this 29th day of October, 2014.

/s/ Lynn M. Janeway

Janeway Law Firm, P.C.,
by its authorized representative, Lynn M. Janeway

Dated this 29th day of October, 2014.

/s/ Lynn M. Janeway

Lynn M. Janeway

Dated this 29th day of October, 2014.

For the State of Colorado:
John W. Suthers, Attorney General, and Julie Ann Meade, Administrator, Uniform
Consumer Credit Code

/s/ Erik R. Neusch

Erik R. Neusch
Senior Assistant Attorney General
Colorado Attorney General's Office
Ralph L. Carr Colorado Judicial Center
1300 Broadway
Denver, Colorado 80203

APPROVED AS TO FORM:

Dated this 29th day of October, 2014.

For Janeway Law Firm, P.C. and Lynn M. Janeway:

/s/ Seymour Joseph

Seymour Joseph
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