

<p>DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO</p> <p>1437 Bannock Street Denver, Colorado 80202</p> <hr/> <p>STATE OF COLORADO, <i>ex rel.</i> John W. Suthers, Attorney General,</p> <p>Plaintiff,</p> <p>v.</p> <p>AMERICAN MORTGAGE CONSULTANTS-AMC, a sole proprietorship; OLIVER PAUL MALDONADO, an individual; and SANTIAGO FABIAN PINEDA, an individual,</p> <p>Defendants.</p>	<p style="text-align: center;">▲ COURT USE ONLY ▲</p>
<p>JOHN W. SUTHERS, Attorney General JENNIFER MINER DETHMERS, Assistant Attorney General, Reg. No. 32519* ERIK R. NEUSCH, Assistant Attorney General, Reg. No. 33146* 1525 Sherman Street Denver, Colorado 80203 Phone: 303-866-4500 E-mail: jennifer.dethmers@state.co.us E-mail: erik.neusch@state.co.us *Counsel of Record</p>	<p>Case No.:</p> <p>Courtroom:</p>
<p>COMPLAINT</p>	

Plaintiff, the State of Colorado, upon relation of John W. Suthers, Attorney General for the State of Colorado, by and through the undersigned counsel, states and alleges against Defendants American Mortgage Consultants-AMC, Oliver Paul Maldonado and Santiago Fabian Pineda (“Defendants”) as follows:

INTRODUCTION

1. This matter is a civil law enforcement action by the State of Colorado, *ex rel.* John W. Suthers, under the Colorado Consumer Protection Act, §§ 6-1-101 – 6-1-1120, C.R.S. (2009), to preliminarily and permanently enjoin Defendants from engaging in deceptive trade practices, to recover statutory civil penalties, to obtain restitution, to disgorge unjust proceeds,

and to recover attorney fees and costs.

PARTIES

2. John W. Suthers is the duly elected Attorney General for the State of Colorado and has express authority under § 6-1-103, C.R.S. (2009) to enforce and prosecute violations of the Colorado Consumer Protection Act.

3. Defendant American Mortgage Consultants-AMC (“American Mortgage Consultants”) is a sole proprietorship owned and controlled by Defendant Maldonado. Its business address is 1642 South Parker Road, Suite 115, Denver, Colorado 80231.

4. Defendant Oliver Paul Maldonado is an individual and the owner of Defendant American Mortgage Consultants. He is a resident of the state of Colorado.

5. Defendant Santiago Fabian Pineda, also known as Santiago Fabian Pineda Briones, is an individual and employee of Defendant American Mortgage Consultants. He is a resident of the state of Colorado.

JURISDICTION AND VENUE

6. This Court has jurisdiction to enforce the Colorado Consumer Protection Act under section 6-1-103 and section 6-1-110, C.R.S. (2009), and to enter appropriate orders prior to and following an ultimate determination of liability.

7. Under section 6-1-103 of the Colorado Consumer Protection Act, venue is proper in the City and County of Denver, because at least a portion of the transactions involving deceptive trade practices occurred in the City and County of Denver.

RELEVANT TIMES

8. The conduct giving rise to the claims for relief in this Complaint began on or about January 20, 2009 and continues through the present date. Plaintiff therefore timely files this action pursuant to § 6-1-115, C.R.S. (2009), because Plaintiff commenced the action within three years of the date on which false, misleading and deceptive acts or practices occurred.

PUBLIC INTEREST

9. Through the deceptive trade practices of their business, vocation or occupation, Defendants have deceived and misled numerous Colorado consumers to provide an upfront fee of \$2,500 for purported mortgage relief services, including loan modifications. Defendants failed to perform the services that they promised and represented to perform for that fee.

10. These unlawful practices have resulted not only in the consumers’ loss of a

\$2,500 upfront fee, but also the opportunity to work out a loan modification or other arrangement to save their home. As a result of Defendants' deceptive conduct, consumers have wasted several months in reliance on Defendants' representations and have become delinquent on their mortgages, have fallen even further behind on their mortgages, have suffered impaired credit ratings, and have lost their homes to foreclosure.

11. Defendants have also discouraged consumers from working directly with their lenders or with nonprofit housing counselors who in contrast to Defendants have experience with, and are knowledgeable about, loan modifications and foreclosure consulting and charge no fee. Defendants' conduct thus has frequently caused even more significant harm to consumers than the loss of the \$2,500 upfront fee.

12. Defendants have obtained an upfront fee of \$2,500 from approximately 170 Colorado homeowners without providing the services for which the homeowners contracted. Defendants have collected an estimated \$400,000 in upfront fees from Colorado homeowners between January 2009 and March 2010.

13. If Defendants are not immediately and permanently enjoined from engaging in this, or any related, business, the Attorney General believes that consumers will continue to suffer irreparable injury, loss and damage.

14. Accordingly, these legal proceedings are in the public interest.

ACTS OF AGENTS

15. Whenever reference is made in this Complaint to any act or practice of Defendants, such allegation shall be deemed to mean that the principals, employees, independent contractors, agents, and representatives of such Defendants did, or authorized, such act or practice on behalf of said Defendants, while actively engaged in the scope of their duties.

16. Whenever reference is made in this Complaint to any act of Defendants, such allegation shall be deemed to mean the act of each Defendant acting individually and jointly.

PERSONAL LIABILITY

17. This civil law enforcement action is brought against Defendant American Mortgage Consultants, against Defendant Oliver Paul Maldonado, individually and personally, and against Defendant Santiago Fabian Pineda, individually and personally.

FACTUAL ALLEGATIONS

Background

18. In January 2009, Defendant Maldonado created Defendant American Mortgage

Consultants as a sole proprietorship to solicit distressed Colorado homeowners for purposes of offering loan modifications and foreclosure consulting. Using Defendant American Mortgage Consultants, Defendant Maldonado targeted homeowners who owed more on their mortgages than their homes were worth because of the housing market decline. Many of these homeowners also suffered from unemployment or reduced income because of the economic downturn and were struggling to make their mortgage payments and feared foreclosure.

19. He created a deceptive and misleading advertising campaign through direct mail, the Internet, telemarketing and radio to generate significant income from these homeowners by demanding excessive upfront fees for purported loan modifications and foreclosure consulting services. Defendants, however, did virtually no work to assist homeowners.

20. Defendants induced homeowners to sign up for their services without any meaningful opportunity to consider the terms of the agreement and to pay an upfront fee of \$2,500 that homeowners could least afford. Defendants would then counsel homeowners to stop working with their lender and to stop making mortgage payments.

21. After obtaining the signed agreement and the \$2,500 upfront fee, Defendants failed to monitor the status of their clients' requests for loan modifications. They failed to maintain contact with their clients to apprise them of the status of the negotiations, if any, with the lenders. And Defendants failed to respond promptly or at all to client inquiries regarding the loan modification.

Oliver Paul Maldonado

22. In 2004, Defendant Maldonado self-published three books: (1) "The Mortgage Book"; (2) "The Greatest Sales Book in the World: A Compilation of The Greatest Sales Presentations, Sales Scripts, Telemarketing Scripts, Rebuttals, Mailers, Referral Scripts and Tracking and Projection Reports The World Has Ever Seen!"; and (3) "The 10 Sales Commandments."

23. Defendant Maldonado has no training or experience in loan modifications.

24. Defendant Maldonado has worked for several years in the residential mortgage industry, primarily in sales, marketing and lead generation. With the collapse of the housing market and the credit crisis, he discovered a new way to profit from mortgage loans. In 2008, he entered the business of selling loan modification services, which was a way for some mortgage loan originators to continue earning the income that they were accustomed to when credit and refinancing were abundant.

25. Defendant Maldonado has never been licensed by any state as a mortgage broker or mortgage loan originator.

26. While Defendant Maldonado initially attempted in 2008 to sell loan modification

leads and sales schemes to former mortgage brokers doing for-profit loan modifications, he soon discovered that he could collect the substantial and excessive upfront fees from homeowners directly by creating his own company and selling loan modification services himself.

27. Defendant Maldonado retained a third-party processing company, Diversified Real Estate Consultants, LLC (DREC), in Ohio to process the loan modification applications that Defendants obtained from Colorado homeowners. But Defendants did nothing to verify that this company actually negotiated a loan modification for Defendants' clients.

28. On December 3, 2008, Defendant Maldonado self-published an online press release for loan modification leads stating: "Most mortgage professionals have started working for themselves doing loan modifications and are again earning a great income doing it Loan modifications are a great way for mortgage professionals to get back to the income they were once accustomed to The mortgage professionals that are aware of it are experiencing income even higher than when the refi boom was going on and many are considering this the new mortgage boom! Who said the Boom is over in the mortgage industry." *See* <http://www.prlog.org/10150101-loan-modifications-are-the-new-boom-in-the-mortgage-industry.html> (last visited April 7, 2010).

29. On December 5, 2008, he wrote an online press release titled "Mortgage Originators Have Discovered New Mortgage Boom with Loan Modifications." *See* <http://www.prlog.org/10151161-mortgage-originators-have-discovered-new-mortgage-boom-with-loan-modifications.html> (last visited April 7, 2010).

30. Defendant Maldonado proclaimed that loan modification are "much better than the mortgage business because with loan modifications you get paid up-front and with much less work." *See* <http://www.mortgagedirectmailleads.com/> (last visited April 7, 2010).

31. On January 14, 2009, Defendant Maldonado wrote and self-published an online press release titled "4 Easy Steps on How to Create an Effective Loan Modification Direct Mail Piece." *See* <http://www.prlog.org/10167431-4-easy-steps-on-how-to-create-an-effective-loan-modification-direct-mail-piece.html> (last visited April 7, 2010). He wrote that he uses a "unique & aggressive" direct mail piece to induce the best response from homeowners by including an endorsement letter with a copy of the homeowner's deed of trust.

Direct Mail Advertisements

32. Beginning January 2009, Defendants Maldonado and American Mortgage Consultants began soliciting distressed Colorado homeowners through direct mail and telemarketing, reusing the materials, scripts and sales techniques he created for mortgage loans. Defendants Maldonado and American Mortgage Consultants also used an automated dialer for high-volume telephone solicitations of Colorado homeowners.

33. Defendant Maldonado created and drafted the direct mail advertisements, and the

direct mail advertisements contained Defendant Pineda's name and authorized signature.

34. One of the direct mail pieces delivered to Colorado homeowners was titled *CCMP Endorsement Notice* and provided, in relevant part:

Under the new FDIC Housing Recovery Act, the Colorado Community Modification Program (CCMP) homeowners located in the Denver/Metro area that are currently behind or upside down on their mortgage with an ARM (adjustable rate mortgage) may qualify for a loan modification regardless of the lender or home value. This is not a refinance, your outstanding mortgage can be reduced and terms of your payment modified. Your total principle [sic], interest and monthly payments could be reduced by 30-40% and all late fees and penalties can be forgiven.

Your home is located in an area that is underwater where you might not be able to refinance or sell. The FDIC has created this program for homeowners who are behind in their mortgages, have a higher balance than the property is worth, mortgage payments adjusted, negative amortization loans, credit issues, high debt to income ratios, hardship issues and or have variable rate loans.

. . . we can help you keep your home while modifying . . . your terms to a lower payment with a lower principal balance and waive your late fees and penalties.

City and County records indicate your residence as being located in a CCMP Qualifying area.

DUE TO THE LIMITED NUMBER OF APPROVALS ALLOWED UNDER THE CCMP, YOU MUST CALL WITHIN 24 HOURS OF RECEIVING THIS NOTICE, PLEASE CALL 303-337-4191.

See Exhibit 1, CCMP Endorsement Letter.

35. Defendants also delivered a similar direct mail "endorsement" to homeowners stating: "Due to the limited number of approvals allowed under the CCMP program, you must call to speak with one of our certified agents within 24 hours of receiving this notice."

36. The references to a limited number of approvals and certified agents were intentionally false and misleading.

37. The direct mail also contained a reproduction of the homeowner's deed of trust

with the lender name, debt amount and property address.

38. Defendants delivered these direct mail pieces to Colorado homeowners between January 2009 and July 2009.

39. Beginning January 2009 and in response to the direct mail and telemarketing, Defendant American Mortgage Consultants began entering into agreements with Colorado homeowners for loan modification and foreclosure consulting services.

Radio Advertisements

40. Beginning July 2009 and continuing through February 2010, Defendant American Mortgage Consultants aired radio advertisements on KRFX 103.5 The Fox radio station in the Denver market using recorded scripts prepared by Defendant Maldonado. These scripts were read on air by Defendant Maldonado and by radio host Kathy Lee. *See Exhibit 2, radio scripts.*

41. The advertisements aired on KRFX 103.5 The Fox radio station in the Denver market an average of more than 30 times per month and were also streamed on the Internet.

42. The advertisements on KRFX 103.5 The Fox radio station stated: “Don’t listen to what some lenders are saying, the fact is you can save your home. Even if your lender turned you down, you’re behind on payments or foreclosure proceedings started, we can save your home and lower your monthly payments up to 40 percent. The FDIC created this modification program to keep Colorado homeowners in their homes.” *See Exhibit 2, radio scripts.*

43. The radio advertisements on KRFX 103.5 The Fox radio station also claimed that the FDIC not only created the loan modification program for Colorado homeowners but also that American Mortgage Consultants is the only company with the “Colorado Community Modification Program.” *See Exhibit 2, radio scripts.*

44. The radio advertisements on KRFX 103.5 The Fox radio station also stated, “Once we start the process, your home cannot be lost . . . but time is running out for you to take advantage of this program!” *See Exhibit 2, radio scripts.*

45. Beginning August 2009 and continuing through February 2010, Defendant American Mortgage Consultants also aired advertisements on KHOW 630 AM radio station in the Denver market using scripts prepared by Defendant Maldonado. *See Exhibit 2, radio scripts.*

46. The advertisements on KHOW 630 AM radio station stated, “The FDIC created this program to help homeowners stay in their home when they cannot refinance! Don’t lose your home! Once we start the process, your home cannot be foreclosed! Once they start the process, your home cannot be lost . . . but time is running out for you to take advantage of this program!” *See Exhibit 2, radio scripts.*

47. The advertisements aired on KHOW 630 AM radio station in the Denver market an average of more than 25 times per month and were also streamed on the Internet.

48. Beginning January 2010, the ads included on-air “endorsements” by host Craig Silverman that Defendant Maldonado paid Mr. Silverman to endorse. These “endorsements” aired more than 15 times between January 2010 and February 2010.

49. The advertisements on both KRFX 103.5 The Fox and KHOW 630 AM were false, misleading and deceptive. *See Exhibit 2, radio scripts.*

Web Site

50. Defendant Maldonado also created a Web site for Defendant American Mortgage Consultants. When a person accesses the site, a video of President Obama plays automatically, in which he discusses loan modifications. It also contains a reproduction of a letter from the Federal Deposit Insurance Corporation chair, Sheila Bair, that Defendant Maldonado copied from an FDIC publication entitled *FDIC Loan Modification Program*. The Web site states:

Now for the first time ever, the official complete FDIC Loan Modification Program is being offered by American Mortgage Consultants - AMC. AMC is ran [sic] by Oliver Maldonado who is the Author of "The Mortgage Book" and is a Consumer Advocate for Homeowners that face challenging times.

The Colorado Community Modification Program-CCMP is a Modification on your existing home loan. Even if your lender has turned you down, in most cases we can modify your loan.

See <http://www.americanmortgageconsultants.net/> (last visited on April 7, 2010). (Emphasis added). *See Exhibit 3, Web site visited on April 7, 2010.*

51. This Web site falsely states that Defendant American Mortgage Consultants has been seen on NBC, 9News, Fox31, and in *The Denver Post*. *See id.*

52. It also falsely states that Defendants were at 9News to speak about loan modifications: “Here we are at Chennel [sic] 9 News to speak about Loan Modifications and to make it Available to All Colorado Homeowners. We’re the ONLY Colorado Company that can Offer the Colorado Community Modification Program—CCMP!” *See id.*

53. And it falsely states that Defendants “work with a network of Attorneys to force Lenders into Compliance!” *See id.* Defendants worked with not a single attorney.

Federal Deposit Insurance Corporation and Colorado Community Modification Program

54. Defendant Maldonado falsely represented in advertisements that Defendant American Mortgage Consultants was connected, affiliated or associated with governmental programs by referencing the FDIC loan modification program and inventing the Colorado Community Modification Program (CCMP). The FDIC loan modification program was never offered by Defendants to any Colorado homeowners. The CCMP was a fictitious program that was not offered by Defendants to any Colorado homeowners.

55. In fact, the FDIC program that Defendants' direct mail, Web site and radio advertisements so prominently reference is only an FDIC publication that is readily accessible to any person on the FDIC's Web site. The FDIC loan modification program stemmed from the FDIC taking over IndyMac Bank in July 2008 and evaluating how to modify those delinquent loans. On August 20, 2008, the FDIC announced a loan modification program to modify certain residential loans for borrowers with mortgages from IndyMac.

56. The FDIC then published the *FDIC Loan Modification Program* based on its loan modification program for IndyMac borrowers. The FDIC Web site states: "This guide provides an overview of the FDIC's program to assist bankers, servicers, and investors in this process. It outlines FDIC program terms at IndyMac Federal Bank, offers insight into the specific portfolio characteristics that drive modification modeling at that bank, and provides a framework for developing and implementing a similar program at your institution." See <http://www.fdic.gov/consumers/loans/loanmod/loanmodguide.html>

57. Defendants were never associated with any FDIC program and never provided a loan modification based on the *FDIC Loan Modification Program*.

58. While Defendants Maldonado and American Mortgage Consultants aired numerous radio advertisements and delivered numerous direct mail that referenced the FDIC loan modification program and the CCMP to induce distressed homeowners to provide an upfront fee of \$2,500 to save their home, they never disclosed that there were no such programs.

59. While the direct mail and radio advertisements represented that there were limited approvals in, and limited time to sign up for, these programs, no such limitations existed.

60. In fact, such urgency was at odds with how Defendants actually operated once receiving the upfront fee. Defendants would induce homeowners to enter into an agreement immediately and pay a \$2,500 upfront fee during an in-person consultation at the consumer's home. Then, Defendants would not start work on the file, if at all, for several weeks.

61. These homeowners who were already behind on their mortgages or about to fall behind on their mortgages were unaware that the process for which they paid an upfront fee of \$2,500 would not even begin for several weeks. This period of absolute inaction could have been used to work directly with lenders or obtain free advice from nonprofit housing counselors

who, unlike any person associated with Defendant American Mortgage Consultants, have training and certifications for loan modification options and programs.

62. While Defendants relied on the false claim of their connection to, or offer of, the FDIC loan modification program, they failed to alert consumers to the FDIC's own warnings about loan modification scams, warning about companies that: demand a fee in advance; make unsolicited offers or "lofty" advertisements claiming they can help save your home, offer to negotiate a loan modification for a fee, recommend you break off contact with the lender and any counselor, advise you to stop making mortgage payments, and make verbal promises that aren't put in writing. See <http://www.fdic.gov/consumers/loans/prevention/rescue/signs.html>.

63. In the spring of 2009, the FDIC published an online article that warned against companies charging large upfront fees and informed consumers that they should work with their lender or get help from a trained, reputable housing counselor who can help for no charge or a small fee. See <http://www.fdic.gov/consumers/consumer/news/cnspr09/foreclosure.html>.

64. Defendants engaged in the very practices that the FDIC warned against.

65. In early 2009, the Obama administration created the Making Home Affordable program to offer incentives for loan modifications. The administration warned: "There is never a fee to get assistance or information about Making Home Affordable from your lender or a HUD-approved housing counselor. Beware of any person or organization that asks you to pay a fee in exchange for housing counseling services or modification of a delinquent loan. *Do not pay—walk away!*" See <http://www.makinghomeaffordable.gov/about.html>.

American Mortgage Consultants' Agreements

66. Defendant American Mortgage Consultants used three versions of a written agreement that it required clients to sign along with payment of the \$2,500 upfront fee.

67. The first version provides: "AMC is authorized to do business as a consultant using 3rd party companies and attorneys to process loan modifications on behalf of the client Consultant is attempting to modify existing mortgage loans on behalf of its mortgage borrowers (Borrowers), for up-front compensation and or attorney fees or retainers Consultant shall comply with all laws, rules and regulations, applicable [sic] Borrower and to mortgage brokers and loan modification companies. Consultant shall preserve in writing all evidence of such compliance consistent with applicable law."

68. According to the agreement, "AMC shall receive a fixed fee for processing each file. The Fee is due and payable upon receipt of file. *The fee paid to AMC is to be paid by Borrower from its own funds, and in the event the modification is not approved, a refund will be given to the Borrower minus 3rd party processing fee of \$395.*" (Emphasis in original).

69. It also stated, "Client agrees of [sic] a flat fee of \$2,500 for the total investment

of a completed loan modification. This flat fee is required up-front to cover 3rd party costs and attorney retainer and is guaranteed if the loan modification is denied, this is the last chance for Borrower to get a loan modification.”

70. Defendants never had an attorney processing loan modifications.

71. Defendants never preserved in writing evidence of compliance with all laws, rules, and regulations applicable to mortgage brokers and loan modification companies.

72. Defendants rarely issued the promised refunds, though a substantial number of homeowners were entitled to a refund.

73. It was never the last chance for a client to obtain a loan modification. Indeed, after Defendants proved ineffective at loan modifications, some homeowners began working directly with their lenders to obtain a loan modification.

74. The next version of the agreement was substantially similar to the previous agreement except the referenced third-party fee increased from \$395 to \$495.

75. The third and current version of the agreement used by Defendant American Mortgage Consultants has been in effect since in or around June 2009.

76. The referenced third-party processing fee in this latest agreement increased to \$995. Defendant American Mortgage Consultants charged this third-party fee even though the written agreement between Defendant American Mortgage Consultants and the third-party processing company had a processing fee of \$450 for the first mortgage and \$100 for the second mortgage. While this fee might have increased, it never exceeded \$650 per first mortgage. As noted above, despite the express reference in the contract, there was never an attorney working on the files or any other reason to warrant such a high upfront fee or “retainer.”

77. The first paragraph of this agreement states, “AMC is authorized to do business solely as a trainer/consultant based on our product & material that has been purchased by the client. Any/all involvement with AMC is solely based on coaching/consulting with client on filling out the enclosed documents which they’ll use to begin the modification process.”

78. No consumer who entered into the agreement and paid the upfront fee of \$2,500 received the “product & material” for which the fee was intended.

79. Like the first version of the agreement, this one also provides: “Client agrees of [sic] a flat fee of \$2,500 for the total investment of the product and that the 3rd party companies will bill AMC for their services. This flat fee is required up-front to cover product and up to certain amount is guaranteed if the loan modification is denied, this is the last chance for Borrower to get a loan modification and keep their home.”

80. Defendants knew that such a claim was false but included it to induce a desperate consumer faced with economic hardship and foreclosure to pay the excessive upfront fee.

81. The agreement also provided: “Time is of the essence because of some negative practices that has [sic] evolved as a result. A loan modification will typically take between 3-4 months although there have been shorter and others longer. Once the negotiations process has begun, it must be it must be [sic] followed all the way to completion regardless of denial or approval in order for AMC/Client to have honored all of their obligations.”

82. While the agreement stated that time is of the essence, most client files received no attention from Defendants for several weeks after the client signed the agreement and paid the upfront fee. Many client files received no attention whatsoever.

83. Since at least December 2009, none of the files for which Defendants obtained a signed agreement and upfront fee have been worked on. Most of the client applications originated since August 2009 by Defendants have received virtually no attention.

84. Defendants continued to solicit business and accept upfront fees from clients well after knowledge that the third-party processing company was not assisting their clients.

American Mortgage Consultants’ Business Practice

85. Defendants retained an Ohio company, DREC, as the third-party company to process the applications for loan modifications that were originated by Defendants. DREC negotiated loan modifications for companies like American Mortgage Consultants for a fee between \$450 and \$650 for the first mortgage.

86. DREC was not licensed to perform loan modifications for Colorado homeowners and DREC used no attorneys. Defendants made no inquiry regarding these facts.

87. The State of California issued an Order to Desist and Refrain to DREC and its owner, Daniel DePasquale, on July 8, 2009, for unlicensed practices in that state.

88. Though he never met with any DREC representative, Defendant Maldonado entrusted all of the client files to DREC. Defendant Maldonado never visited DREC’s offices or otherwise made any effort to ensure DREC was doing its job properly.

89. Once the homeowner responded to advertisements, Defendants would originate the application for a loan modification by meeting with the homeowner in person, obtaining financial information, discussing possible rates and terms, and completing the loan modification application.

90. While DREC maintained an Internet-based site for Defendants to check on the status of the client files, Defendant Maldonado rarely, if ever, used the system or monitored daily

updates provided by DREC. Defendant Pineda would occasionally check the system but only in response to a homeowner's repeated complaints about inaction.

91. Defendants therefore did nothing to ensure that DREC was negotiating a loan modification for American Mortgage Consultants' clients.

92. Defendant American Mortgage Consultants maintained no records regarding the status of the loan modifications for the clients from whom it accepted an upfront fee of \$2,500. Consequently, they would not know if a client received a loan modification, was rejected for a loan modification, or had been waiting more than a year for a loan modification.

93. While persuading the clients to pay the fee, Defendants would not disclose DREC's name or make them aware that DREC was the company handling the negotiations. In fact, the written documentation titled "How Does AMC's Process Work" that was provided to, and left with, the homeowners claimed that Defendant American Mortgage Consultants was doing all of the work itself. *See* Exhibit 4, "How Does AMC's Process Work."

94. It was not until after collecting and depositing the fee that the clients, whose files were actually forwarded, realized that DREC was involved.

95. To generate clients, Defendant American Mortgage Consultants hired employees for telemarketing using an automated dialer for a high volume of calls. These calls included cold calls and calls to follow up on the direct mail sent to Colorado homeowners. The employees completed intake forms over the telephone from interested homeowners. The employees would then schedule an appointment for the loan modification specialist or mortgage counselor to visit the homeowners in their homes to persuade them to sign up and pay the upfront fee.

96. Defendant American Mortgage Consultants' telephone solicitations failed to comply with the Colorado No-Call List Act, §§ 6-1-901 – 6-1-908, C.R.S. (2009). Defendant American Mortgage Consultants failed to register as required by section 6-1-904(1)(b) and section 6-1-905(3)(b)(II), C.R.S. (2009). Those telephone solicitations were made to residential subscribers in Colorado who were registered with the Colorado no-call list.

97. Although the upfront fee was always \$2,500, these employees were specifically instructed by Defendant Maldonado not to disclose the fee over the telephone and to instead set the appointment, despite potential clients inquiring whether there was a fee for the service.

98. The persons handling telephone inquiries for Defendant American Mortgage Consultants had no training in or knowledge of loan modifications and were instructed by Defendant Maldonado to complete the intake form and set an appointment for every person who called—without regard to eligibility for a loan modification.

99. For meetings with the homeowners, Defendant Maldonado hired Defendant Pineda as a loan modification specialist or mortgage counselor.

100. Having received no training from Defendant Maldonado on loan modifications and having no knowledge of or experience with loan modifications themselves, Defendant Pineda began meeting with numerous homeowners to convince them to sign up with Defendant American Mortgage Consultants for an upfront fee of \$2,500.

101. Defendant Pineda has since met with and collected an upfront fee from most of Defendant American Mortgage Consultants' clients.

102. Defendant Pineda represented to the homeowners that the fee was a retainer for attorneys who would negotiate with the lenders.

103. Defendant Pineda represented to the homeowners that they were candidates for a loan modification and that it could result in a 40-50 percent reduction in their monthly mortgage payment. He would make such representations even though he had no knowledge of or experience with loan modifications and had no basis for such reductions.

104. Defendant Pineda discouraged homeowners from working directly with their lenders.

105. Defendant Pineda advised homeowners to stop paying their mortgage payment in order to make their case for a loan modification more compelling. He would do so particularly when homeowners expressed an inability to pay the \$2,500 upfront fee in addition to making their monthly mortgage payments.

106. Defendant Pineda required the homeowners to sign up immediately and pay the upfront fee before leaving their home. If the homeowner had reservations about paying the upfront fee, he would reassure them with supposed loan modification success stories. He would allow certain customers to split the \$2,500 fee into two installments 30 days apart to allow for their next paycheck.

107. Defendant Pineda arrived at the homes with forms that he would complete himself based on discussions with the homeowners. He had the homeowners sign the forms, including the agreement, providing them little, if any, time to review the forms. He would collect financial information from the homeowners, including social security numbers, bank statements, income statements, and tax returns.

108. Defendant Pineda never left the forms and agreement at the home for the homeowner to review and consider before deciding to pay the upfront fee. Instead, he conveyed a false urgency to the homeowners and offered reassurances that Defendant American Mortgage Consultants would protect their home from foreclosure.

109. Defendant Pineda never disclosed DREC's identity until after the upfront fee was collected, fearing that the clients would work directly with DREC and not pay Defendants.

110. Although the written agreements state that Defendant American Mortgage Consultants would act only as consultants, and instead rely on a third-party processor and attorneys, the one document left with the homeowner stated the opposite. *See* Exhibit 4, “How Does AMC’s Process Work.”

111. Having collected the upfront fee, Defendant Pineda immediately provided the client’s payment directly to Defendant Maldonado.

112. Even though Defendants conveyed a false sense of urgency through direct mail, radio, oral representations, and the written agreement, once the clients paid, Defendants delayed the process by several weeks by refusing to notify DREC of a new file.

113. Such a practice was not disclosed to the clients. Rather, Defendant Pineda informed homeowners that once they sign up with Defendant American Mortgage Consultants they are in the system and protected from foreclosure.

114. As a result of Defendants’ inattention and delay, clients, many of whom are already behind on their mortgages, believed that their loan modification was proceeding, but received no contact from anyone affiliated with Defendants for several weeks.

115. Eventually, the client might receive a phone call from DREC requesting certain additional information that at times was already provided to Defendant American Mortgage Consultants during that first and only meeting with the homeowner. Several clients were surprised to receive a phone call from DREC, because its identity was not disclosed.

116. After receiving no further contact from Defendant American Mortgage Consultants for several weeks after paying the upfront fee, clients called Defendant Pineda or Defendant American Mortgage Consultants to inquire about the status of their loan modification. Defendant Maldonado and Defendant American Mortgage Consultants would not return calls or keep clients informed regarding the status of the modification. Defendant Pineda occasionally and sporadically returned calls to make false promises about the modification or to request updated financial documents, because of the lengthy delay caused by Defendants.

117. Clients could not stop by the office of Defendant American Mortgage Consultants to speak to any person because either no one was present or the door was locked.

118. Clients demanded refunds after either being rejected for a loan modification or having received no response from Defendant American Mortgage Consultants.

119. Defendant American Mortgage Consultants ignored nearly all refund requests and provided only five refunds, all of which were partial refunds.

120. Because Defendants failed to monitor and were indifferent to their clients’ loan

modification requests after collecting the upfront fee, Defendants are unaware of the amount or type of loan modifications any of their clients might have received in the fourteen months that Defendant American Mortgage Consultants has been in business.

Conclusion

121. Accordingly, Defendants charged an upfront fee of \$2,500 to desperate Colorado consumers without providing the promised services. No consumer received the CCMP product or any materials that the agreement stated was the consideration for the \$2,500. No consumer had an attorney working on a file even though both written and oral representations were to the contrary.

122. Defendants deceptively convinced consumers who were desperate to save their homes and who could least afford an upfront fee that they were in good hands once they signed up with Defendants.

123. Instead, consumers paid an upfront fee of \$2,500 for Defendant American Mortgage Consultants to eventually fax to DREC the information provided by the clients. Once the documents were faxed to DREC, Defendants provided no additional service. In several cases, consumers' information was not even forwarded to DREC.

124. Consumers could have faxed this information directly to DREC or, preferably, to their lenders and avoided the \$2,500. Consumers could have also consulted with nonprofit housing counselors who are trained in and experienced with loan modifications. Yet Defendants deprived them of this opportunity through misleading and deceptive practices.

125. Defendants caused significant harm to consumers by wasting several months during which consumers could have obtained more effective assistance by working directly with their lenders or with nonprofit housing counselors.

126. In short, Defendants collected \$2,500 from a substantial number of Colorado homeowners for one in-person meeting that involved no training, advice, or education regarding loan modifications. It involved only a sales pitch.

127. Defendants were not equipped to provide consulting, recommendations or education to homeowners, but only to collect an upfront fee of \$2,500.

128. Defendants were unaware of any loan modification programs throughout 2009 or lender or servicer guidelines, and they made no effort to understand them.

129. As a result of Defendants' deceptive practices, many homeowners stopped paying their mortgage and contacting their lender, resulting in delinquency, impaired credit and foreclosure.

130. For many homeowners, it was not until they contacted their lenders directly after several months of inaction by Defendant American Mortgage Consultants that they obtained any modification or a postponement of foreclosure proceedings.

131. And despite knowing that DREC was not working on their files, Defendants accepted new clients and upfront fees. Defendants have also not disclosed to their existing clients that no one is working on their behalf for a loan modification.

Legal Violations

132. Defendants' practices violate the following provisions of the Colorado Consumer Protection Act: section 6-1-105(1)(b), section 6-1-105(1)(c), section 6-1-105(1) (e), section 6-1-105(1) (g), section 6-1-105(1) (i), section 6-1-105(1)(u), section 6-1-105(1) (z), section 6-1-105(1) (tt), section 6-1-105(1) (uu), section 6-1-105(1) (xx), section 6-1-105(1) (aaa), and section 6-1-105(1) (bbb) C.R.S. (2009).

FIRST CLAIM FOR RELIEF

(Knowingly makes a false representation as to the source, sponsorship, approval, or certification of services in violation of § 6-1-105(1)(b), C.R.S. (2009))
(All Defendants)

133. Plaintiff incorporates herein by reference all of the allegations contained in paragraphs 1 through 132 of this Complaint.

134. Defendants have knowingly made a false representation to numerous consumers through direct mail, Internet, and radio advertising that their loan modification program is from, sponsored or approved by the federal government, particularly the FDIC loan modification program. Defendant American Mortgage Consultants' Web site proclaims: "Now for the first time ever, the official complete FDIC Loan Modification Program is being offered by American Mortgage Consultants - AMC." This Web site also contains a video from President Obama and the unauthorized reproduction of the FDIC chair's message from the *FDIC Loan Modification Program* guide. Additionally, the radio advertisements state, "The FDIC created this modification program to keep Colorado homeowners in their homes!" The radio advertisements also state in connection with the FDIC program, "American Mortgage Consultants are the only company with the Colorado Community Modification Program!"

135. Through the conduct set forth in the Complaint and in the course of their business, vocation, or occupation, Defendants violated § 6-1-105(1)(b), C.R.S. (2009) by knowingly making a false representation as to the source, sponsorship, approval, or certification of services, and as a result deceived and misled Colorado consumers.

SECOND CLAIM FOR RELIEF

(Knowingly makes a false representation as to affiliation, connection, or association with or certification by another in violation of § 6-1-105(1)(c), C.R.S. (2009))
(All Defendants)

136. Plaintiff incorporates herein by reference all of the allegations contained in paragraphs 1 through 135 of this Complaint.

137. Defendants have knowingly made a false representation to numerous consumers through direct mail, Internet, and radio advertising that their loan modification program is affiliated with, connected to, or associated with the federal government.

138. Defendants have also knowingly made a false representation of a certification by another in the direct mail by discussing the “New FDIC Housing Recovery Act” and the Colorado Community Modification Program, and alerting homeowners to contact a “certified agent” within 24 hours.

139. Through the conduct set forth in the Complaint and in the course of their business, vocation, or occupation, Defendants violated § 6-1-105(1)(c), C.R.S. (2009) by knowingly making a false representation as to affiliation, connection, or association with or certification by another, and as a result deceived and misled Colorado consumers.

THIRD CLAIM FOR RELIEF

(Knowingly makes a false representation as to the characteristics, uses, or benefits of services in violation of § 6-1-105(1)(e), C.R.S. (2009))
(All Defendants)

140. Plaintiff incorporates herein by reference all of the allegations contained in paragraphs 1 through 139 of this Complaint.

141. Defendants knowingly made a false representation regarding the characteristics of their services by claiming the following in the direct mail: “Under the new FDIC Housing Recovery Act, the Colorado Community Modification Program (CCMP) homeowners located in the Denver/Metro area that are currently behind or upside down on their mortgage with an ARM (adjustable rate mortgage) may qualify for a loan modification regardless of the lender or home value.” There was no such program for any Colorado consumer that offered a loan modification.

142. Defendants knowingly made a false representation regarding the benefits of their services by claiming in the direct mail: “We can help you keep your home while modifying your terms to a lower payment with a lower principal balance and waive your late fees and penalties.” There is no evidence of Defendants assisting any consumer with obtaining a lower principal balance.

143. Defendants knowingly made a false representation regarding the benefits of their services by claiming in the radio advertisements: “Once we start the process, your home cannot be lost . . . but time is running out for you to take advantage of this program!” There is no evidence that working with Defendants would preclude any foreclosure proceeding.

144. Defendants knowingly made a false representation regarding the uses or benefits of their services by claiming on their Web site that Defendants “work with a network of Attorneys to force Lenders into Compliance!” No attorneys worked on the Defendants’ files.

145. Defendants knowingly made a false representation regarding the uses or benefits of their services by claiming in their written agreement that the upfront fee was in part for attorney retainers. No attorneys worked on the Defendants’ files.

146. Defendants knowingly made a false representation regarding the uses or benefits of their services by claiming in their written agreement: “All up-front fees was for the sole purchase of the CCMP Product and not for loan modification services.” No consumer received any CCMP Product.

147. Through the conduct set forth in the Complaint and in the course of their business, vocation, or occupation, Defendants violated § 6-1-105(1)(e), C.R.S. (2009) by knowingly making a false representation as to the characteristics, uses, or benefits of services, and as a result deceived and misled Colorado consumers.

FOURTH CLAIM FOR RELIEF

(Represents that services are of a particular standard, quality, or grade, if he knows or should know that they are of another in violation of § 6-1-105(1)(g), C.R.S. (2009))
(All Defendants)

148. Plaintiff incorporates herein by reference all of the allegations contained in paragraphs 1 through 147 of this Complaint.

149. Defendants represented that their services were of a particular standard or quality when they knew they were of another by, among other things, associating their services with the FDIC, the “FDIC Housing Recovery Act,” the Colorado Community Modification Program, and by stating that attorneys were working on their behalf to force lenders into compliance and that a homeowner could not lose their home once Defendants start the process.

150. Defendants represented in the written agreement that they are serving as a trainer, consultant, and educator for loan modifications. Defendants, however, had no experience, training or education to offer these services and no such services were offered.

151. Through the conduct set forth in the Complaint and in the course of their business, vocation, or occupation, Defendants violated § 6-1-105(1)(g), C.R.S. (2009) by representing that services are of a particular standard, quality, or grade, when they know or should know that they

are of another, and as a result deceived and misled Colorado consumers.

FIFTH CLAIM FOR RELIEF

(Advertises goods and services with intent not to sell them as advertised in violation of § 6-1-105(1)(i), C.R.S. (2009))
(All Defendants)

152. Plaintiff incorporates herein by reference all of the allegations contained in paragraphs 1 through 151 of this Complaint.

153. Defendants advertised goods and services with the intent not to sell them as advertised by offering in the direct mail, on the Internet, and the radio an FDIC loan modification program that was not available.

154. Defendants advertised goods and services with the intent not to sell them as advertised by offering on their Web site that a network of attorneys will work on the homeowner's behalf.

155. Defendants advertised goods and services with the intent not to sell them as advertised by offering in direct mail and on radio the Colorado Community Modification Program that did not exist and was not provided to any consumer.

156. Through the conduct set forth in the Complaint and in the course of their business, vocation, or occupation, Defendants violated § 6-1-105(1)(i), C.R.S. (2009) by advertising goods, services, or property with intent not to sell them as advertised, and as a result deceived and misled Colorado consumers.

SIXTH CLAIM FOR RELIEF

(Fails to disclose material information concerning goods and services which information was known at the time of an advertisement or sale if such failure to disclose such information was intended to induce the consumer to enter into a transaction in violation of § 6-1-105(1)(u), C.R.S. (2009))
(All Defendants)

157. Plaintiff incorporates herein by reference all of the allegations contained in paragraphs 1 through 156 of this Complaint.

158. Defendants failed to disclose the following material information concerning the goods and services known at the time of advertisement or sale to induce the consumers to enter into a transaction: Defendants could not offer the FDIC loan modification program; the Colorado Community Modification Program was not available; there were no attorneys working on behalf of Defendants; a homeowner could still lose his home if he signed up with Defendant American Mortgage Consultants; and it was not the last chance for a borrower to obtain a loan modification.

159. Through the conduct set forth in the Complaint and in the course of their business, vocation, or occupation, Defendants violated § 6-1-105(1)(u), C.R.S. (2009) by failing to disclose material information concerning goods, services, or property which information was known at the time of an advertisement or sale and the failure to disclose such information was intended to induce the consumer to enter into a transaction, and as a result deceived and misled Colorado consumers.

SEVENTH CLAIM FOR RELIEF

(Refuses or fails to obtain all governmental licenses or permits required to perform the services or to sell the services as agreed to or contracted for with a consumer in violation of § 6-1-105(1)(z), C.R.S. (2009))
(All Defendants)

160. Plaintiff incorporates herein by reference all of the allegations contained in paragraphs 1 through 159 of this Complaint.

161. On November 19, 2008, the Division of Real Estate confirmed that loan modifiers and their supervisors are acting as mortgage loan originators and must be licensed under § 12-61-903(1)(a), C.R.S. (2009). *See* Division of Real Estate: Position Statement MB 1.5—Loan Modifications, available at http://www.dora.state.co.us/real-estate/mortgage/documents/1_5_Loan_Modifications.pdf.

162. Defendant American Mortgage Consultants' employee and mortgage counselor/loan modification specialist Defendant Pineda had a mortgage loan originator's license with the State of Colorado until August 31, 2009 when it was inactivated for his failure to comply with the requirements. Since August 31, 2009, Defendant Pineda thus has been working for Defendant American Mortgage Consultants as a loan modifier without being licensed as a mortgage loan originator.

163. Defendant Maldonado has never been licensed as a mortgage loan originator even though he was aware in April 2009 of the licensing requirement for his business. In April 2009, Defendant Maldonado began the licensing process but failed one of the exams. Since failing the exam, he has taken no other steps to become licensed.

164. Through the conduct set forth in the Complaint and in the course of their business, vocation, or occupation, Defendants violated § 6-1-105(1)(z), C.R.S. (2009) by refusing or failing to obtain all governmental licenses or permits required to perform the services or to sell the services as agreed to or contracted for with a consumer, and as a result deceived and misled Colorado consumers.

EIGHTH CLAIM FOR RELIEF

(Violates any provision of the Colorado No-Call List Act in violation of § 6-1-105(1)(tt),
C.R.S. (2009))
(All Defendants)

165. Plaintiff incorporates herein by reference all of the allegations contained in paragraphs 1 through 164 of this Complaint.

166. Beginning in or around January 2009 and continuing through June 2009, Defendant American Mortgage Consultants operated a telemarketing operation using an automated dialer that was for purposes of telephone solicitations of Colorado homeowners without ensuring compliance with the Colorado no-call list in violation of section 6-1-904.

167. Through the conduct set forth in the Complaint and in the course of their business, vocation, or occupation, Defendants failed to comply with provisions of the Colorado No-Call List Act in violation of § 6-1-105(1)(tt), C.R.S. (2009), and as a result deceived and misled Colorado consumers.

NINTH CLAIM FOR RELIEF

(Violates section 38-40-105, C.R.S. (2009)—Prohibited acts by participants in certain mortgage loan transactions--unconscionable acts and practices—in violation of § 6-1-105(1)(uu), C.R.S. (2009))
(All Defendants)

168. Plaintiff incorporates herein by reference all of the allegations contained in paragraphs 1 through 167 of this Complaint.

169. Defendants knowingly advertised, displayed, distributed, and broadcasted false, misleading, or deceptive statements with regard to rates, terms, or conditions for a mortgage loan modification in violation of section 38-40-105(1)(a).

170. Defendants made a false promise or misrepresentation to entice a borrower to enter into a mortgage modification agreement when, under the terms and circumstances of the transaction, they knew or reasonably should have known of such falsity or misrepresentation.

171. Through the conduct set forth in the Complaint and in the course of their business, vocation, or occupation, Defendants violated § 38-40-105 in violation of § 6-1-105(1)(uu), C.R.S. (2009), and as a result deceived and misled Colorado consumers.

TENTH CLAIM FOR RELIEF

(Violates the Colorado Foreclosure Protection Act in violation of § 6-1-105(1)(xx), C.R.S. (2009))
(All Defendants)

172. Plaintiff incorporates herein by reference all of the allegations contained in paragraphs 1 through 171 of this Complaint.

173. In 2006, the General Assembly enacted the Colorado Foreclosure Protection Act (the “Act”), effective May 30, 2006, to protect homeowners in foreclosure from various conduct by foreclosure consultants. In 2009, the Colorado General Assembly amended the Act to protect homeowners with mortgage loans that are at least thirty days delinquent or in default on or after July 1, 2009. *See* § 6-1-1103(8), C.R.S. (2009).

174. Defendants are “foreclosure consultants” subject to the Act.

175. The Act mandates certain requirements for and prohibits certain practices by foreclosure consultants dealing with protected homeowners.

176. Under section 6-1-1107(1)(a) of the Act, a foreclosure consultant may not “[c]laim, demand, charge, collect, or receive any compensation until after the foreclosure consultant has fully performed each and every service the foreclosure consultant contracted to perform or represented that the foreclosure consultant would perform.”

177. Defendants violated section 6-1-1107(1)(a) by collecting an upfront fee of \$2,500 from homeowners in foreclosure and from homeowners with mortgage loans that are delinquent or in default on or after July 1, 2009, before Defendants fully performed each and every service Defendants contracted to perform or represented that they would perform.

178. Defendants’ written contract also violates the Act. Under section 6-1-1104(1), “A foreclosure consulting contract shall be in writing and provided to and retained by the home owner, without changes, alterations, or modifications, for review at least twenty-four hours before it is signed by the home owner.”

179. Defendants did not allow the homeowners twenty-four hours to review the contract, but instead required that the homeowners sign the contract during the first and only meeting with Defendants, when the contract was first presented.

180. Defendants also failed to include the required notice of cancellation in accordance with the Act.

181. Defendants also failed to provide a written translation of their written agreement to certain homeowners’ principal language in violation of the Act.

182. Through the conduct set forth in the Complaint and in the course of their business, vocation, or occupation, Defendants violated the Colorado Foreclosure Protection Act, §§ 6-1-1101 – 6-1-1120, C.R.S. (2009), and as a result deceived and misled Colorado consumers.

ELEVENTH CLAIM FOR RELIEF

(Violates section 12-61-904.5—Originator's relationship to borrower—rules—in violation of § 6-1-105(1)(aaa), C.R.S. (2009))
(All Defendants)

183. Plaintiff incorporates herein by reference all of the allegations contained in paragraphs 1 through 182 of this Complaint.

184. Under section 12-61-904.5(1), “A mortgage loan originator shall have a duty of good faith and fair dealing in all communications and transactions with a borrower.” This duty includes the duty not to induce a borrower to enter into a mortgage modification that does not have a tangible net benefit to the homeowner and the duty to make a reasonable inquiry regarding the homeowner’s qualifications for a mortgage modification.

185. Through the conduct set forth in the Complaint and in the course of their business, vocation, or occupation, Defendants violated provisions of section 12-61-904.5 in violation of § 6-1-105(1)(aaa), C.R.S. (2009), and as a result deceived and mislead consumers.

TWELFTH CLAIM FOR RELIEF

(Violates any provision of section 12-61-911 regarding prohibited conduct and fraud by mortgage loan originators in violation of § 6-1-105(1)(bbb), C.R.S. (2009))
(All Defendants)

186. Plaintiff incorporates herein by reference all of the allegations contained in paragraphs 1 through 185 of this Complaint.

187. Defendants violated section 12-61-911 by employing a scheme to mislead borrowers; by engaging in an unfair or deceptive practice; by obtaining property by misrepresentation; by entering into a contract with a borrower that provides in substance that Defendants may earn a fee through their “best efforts” to obtain a loan modification even though no modification is actually obtained for the borrower; and by making a false or deceptive statement or representation with regard to the financing terms of a loan modification.

188. Defendants also violated section 12-61-911 by collecting an upfront fee prohibited by section 12-61-915. Under section 12-61-915, the only permissible fee that can be collected in advance from a homeowner, who is not subject to the Colorado Foreclosure Protection Act, is a fee for third-party provider goods or services. And Defendants may not charge more for the goods and services than the actual costs of the goods or services charged by the third-party provider.

189. Through the conduct set forth in the Complaint and in the course of their business, vocation, or occupation, Defendants violated provisions of section 12-61-911 in violation of § 6-1-105(1)(bbb), C.R.S. (2009), and as a result deceived and mislead consumers.

RELIEF REQUESTED

WHEREFORE, Plaintiff respectfully requests that Defendant American Mortgage Consultants-AMC, its owners, affiliates, employees, agents, independent contractors, related entities, predecessors, successors and assigns, and any and all other persons who act under, by, through, or on behalf of American Mortgage Consultants-AMC, that Defendant Oliver Paul Maldonado, and that Defendant Santiago Fabian Pineda be permanently restrained and enjoined from doing any of the wrongful acts referenced in this Complaint or any other act in violation of the Colorado Consumer Protection Act, §§ 6-1-101 – 6-1-1120, relating to originating or modifying mortgage loans, marketing or advertising mortgage loans or modifications, consulting or advising regarding mortgage loans or modifications, or any other mortgage relief and foreclosure consulting services in Colorado.

In addition, Plaintiff prays for judgment against the Defendants, including against Defendant Oliver Maldonado, personally, jointly and severally, and against Defendant Santiago Fabian Pineda, personally, jointly and severally, for the following relief:

- A. An order that Defendants' conduct violates the Colorado Consumer Protection Act, including section 6-1-105(1)(b); section 6-1-105(1)(c); section 6-1-105(1)(e); section 6-1-105(1)(g); section 6-1-105(1)(i); section 6-1-105(1)(u); section 6-1-105(1)(z); section 6-1-105(1)(tt); section 6-1-105(1)(uu); section 6-1-105(1)(xx); section 6-1-105(1)(aaa); and section 6-1-105(1)(bbb), C.R.S. (2009);
- B. A judgment pursuant to § 6-1-110(1), C.R.S. (2009) against Defendants for restitution to consumers injured as a result of Defendants' violations of the Colorado Consumer Protection Act;
- C. An order pursuant to § 6-1-110(1), C.R.S. (2009) requiring Defendants to disgorge all unjust proceeds derived from their misleading and deceptive trade practices;
- D. An order pursuant to § 6-1-110(1), C.R.S. (2009) for an injunction or other orders or judgments relating to any misleading and deceptive trade practice;
- E. An order pursuant to § 6-1-112(1)(a), C.R.S. (2009) for civil penalties payable to the general fund of this state of not more than two thousand dollars for each such violation of any provision of the Colorado Consumer Protection Act with respect to each consumer or transaction involved not to exceed five hundred thousand dollars for any related series of violations;

- F. An order pursuant to § 6-1-112(1)(c), C.R.S. (2009) for civil penalties payable to the general fund of this state of not more than ten thousand dollars for violations of any provision of the Colorado Consumer Protection Act with respect to each elderly person;
- G. An order pursuant to § 6-1-113(4), C.R.S. (2009) requiring Defendants to pay the costs and attorney fees incurred by the Attorney General; and
- H. Any such further relief as this Court may deem just and proper to effectuate the purposes of the Colorado Consumer Protection Act.

Respectfully submitted this 28th day of April, 2010.

JOHN W. SUTHERS
Attorney General

/s/

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