



GRANTED

The moving party is hereby **ORDERED** to provide a copy of this Order to any pro se parties who have entered an appearance in this action within 10 days from the date of this order.

R. Brooke Jackson
Jefferson District Court Judge
DATE OF ORDER INDICATED ON ATTACHMENT

DISTRICT COURT, COUNTY OF JEFFERSON,
COLORADO

100 Jefferson County Parkway
Golden, Colorado 80401

STATE OF COLORADO, *ex rel.*
John W. Suthers, Attorney General,

Plaintiff,

v.

SHERRON L. LEWIS JR., an individual; AMERICA'S
FORECLOSURE DEFENSE, LLC, a Colorado limited
liability company; REAL FORECLOSURE SOLUTIONS
INC., a Colorado corporation; and LEWIS SILVER
ROSSMAN & LEVINE, LLP, a limited liability
partnership,

Defendants.

▲ **COURT USE ONLY** ▲

Case No.: 2010cv3537

Division: 6

Courtroom: 5B

**DEFAULT JUDGMENT AND PERMANENT INJUNCTION AGAINST ALL
DEFENDANTS**

This Court, having reviewed the entire record in this matter, including Plaintiff's Motion for Default Judgment and Permanent Injunction against All Defendants under C.R.C.P. 55(b), and the supporting affidavits, and being fully advised in the premises,

FINDS and CONCLUDES that an Order of Default Judgment and Permanent Injunction should be entered in favor of Plaintiff the State of Colorado, *ex rel.* John W. Suthers, Attorney General, against all defendants under C.R.C.P. 55(b), jointly and severally, including against Defendant Sherron L. Lewis Jr., individually, in the amount of \$181,266.42, for the following reasons:

1. This Court has subject matter jurisdiction in the matter presented herein by virtue of C.R.S. § 6-1-110(1). The Court has personal jurisdiction over all defendants through personal service under C.R.C.P. 4(e) on Sherron L. Lewis Jr. on July 28, 2010.

2. Venue is proper in Jefferson County District Court, because the deceptive trade practices were committed, in part, in Jefferson County, Colorado. Therefore, venue has been considered and is proper in Jefferson County, Colorado pursuant to C.R.S. § 6-1-103 and C.R.C.P. 98(c).

3. Under C.R.C.P. 121, § 1-14, the Court is satisfied that none of the defendants is a minor, an incapacitated person, an officer or agency of the state of Colorado, or in the military service.

4. On September 29, 2010, the Court entered default against all defendants under C.R.C.P. 55(a), because Defendants America's Foreclosure Defense, LLC, Real Foreclosure Solutions Inc., and Lewis Silver Rossman and Levine, LLP failed to respond to the Complaint within thirty days of service and because Defendant Sherron L. Lewis Jr. failed to respond to the complaint within ten days after notice of the Court's order denying his motion to dismiss. *See* C.R.C.P. 12(a).

5. The Court finds that defendants were served written notice of application for judgment in accordance with C.R.C.P. 55(b).

A. Permanent Injunctive Relief

6. This Court is expressly authorized to issue an injunction to enjoin ongoing violations of the Colorado Consumer Protection Act, as follows:

(1) Whenever the attorney general or a district attorney has cause to believe that a person has engaged in or is engaging in any deceptive trade practice listed in section 6-1-105 or part 7 of this article, the attorney general or district attorney may apply for and obtain, in an action in the appropriate district court of this state, a temporary restraining order or injunction, or both, pursuant to the Colorado rules of civil procedure, prohibiting such person from continuing such practices, or engaging therein, or doing any act in furtherance thereof. The court may make such orders or judgments as may be necessary to prevent the use or employment by such person of any such deceptive trade practice or which may be necessary to completely compensate or restore to the original position of any person injured by means of any such practice or to prevent any unjust enrichment

by any person through the use or employment of any deceptive trade practice.

C.R.S. § 6-1-110(1).

7. Plaintiff has demonstrated by Complaint and affidavit the following:

- Defendants, including Lewis individually, violated the Colorado Foreclosure Protection Act by collecting upfront fees from homeowners in foreclosure;
- Defendants, including Lewis individually, violated the Colorado Foreclosure Protection Act by failing to comply with the contractual requirements and other safeguards intended to protect consumers;
- Defendants, including Lewis individually, violated the Colorado Foreclosure Protection Act by acquiring an interest in real property from homeowners in foreclosure;
- Defendants, including Lewis individually, violated the Colorado Foreclosure Protection Act by committing unlawful equity purchases;
- Defendants, including Lewis individually, knowingly made a false representation as to the source, sponsorship, approval or certification of services in violation of § 6-1-105(1)(b) by falsely representing that they possess particular legal knowledge, expertise, and skill to challenge foreclosures in state and federal courts that could stop the foreclosure or eliminate the mortgage itself;
- Defendants, including Lewis individually, knowingly made a false representation as to the characteristics, uses, or benefits of services in violation of C.R.S. § 6-1-105(1)(e) by falsely representing that they can successfully challenge foreclosures in state and federal courts that could stop the foreclosure or eliminate the mortgage itself and by falsely representing that the homeowner must transfer an interest in the real property to achieve this result;
- Defendants, including Lewis individually, advertised services with intent not to sell them as advertised in violation of C.R.S. § 6-1-105(1)(i) by advertising that they could assist homeowners with successful legal challenges to foreclosures, including stopping the foreclosure or eliminating the mortgage itself, when Defendants knew they could not provide such results;
- Defendants, including Lewis individually, violated C.R.S. § 6-1-105(1)(u) by, in an effort to induce homeowners to provide upfront fees and an interest in real property, failing to disclose material information known at the time of advertisement or sale, including that Lewis has no license to practice law and no formal legal

training; that his legal theories challenging foreclosure have been rejected by several courts and resulted in judgments against him or his victims; and that no homeowner could actually stop the foreclosure or eliminate the mortgage itself by paying Lewis for his purported legal assistance; and

- Lewis failed to obtain a license to practice law to sell services in violation of C.R.S. § 6-1-105(1)(z).

8. Accordingly, the Court enters a permanent injunction order pursuant to C.R.S. § 6-1-110(1) and C.R.C.P. 65 against all defendants, including Sherron L. Lewis Jr. individually, and any other persons under their control or in active concert or participation with defendants who receive actual notice of this Court's order, that permanently enjoins defendants from:

(1) Soliciting or accepting payment for services of any kind in connection with foreclosure or mortgage assistance, foreclosure or mortgage relief, foreclosure or mortgage consulting, mortgages, or real estate services;

(2) Providing any advice, consultation, direction, instructions, or recommendations to any person concerning any legal proceeding, legal event, including foreclosure notices or proceedings, or legal transaction, including the preparation of legal pleadings;

(3) Advertising, selling, marketing, displaying, including on Internet, and offering foreclosure or mortgage assistance, foreclosure or mortgage relief, foreclosure or mortgage consulting, mortgages, or real estate services; and

(4) Publishing, distributing or disseminating any information, including written, oral, or video, relating to foreclosure or mortgage assistance, foreclosure or mortgage relief, foreclosure or mortgage consulting, mortgages, or real estate services.

B. Monetary Relief: Fine, penalty, and forfeiture payable to and for the benefit of a governmental unit

9. The Colorado Consumer Protection Act's broad legislative purpose is to "provide prompt, economical, and readily available remedies against consumer fraud." *Western Food Plan, Inc. v. District Court in and for the City and County of Denver*, 598 P.2d 1038, 1041 (Colo. 1979). The act provides that this Court may make such judgments as may be necessary to "completely compensate or restore to the original position of any person injured by means" of a deceptive trade practice. C.R.S. § 6-1-110(1).

10. The Colorado Consumer Protection Act further provides for an award of civil penalties, as follows:

Any person who violates or causes another to violate any provision of this article shall forfeit and pay to the general fund of this state a civil penalty of not more than

two thousand dollars for each such violation. For purposes of this subsection (1), a violation of any provision shall constitute a separate violation with respect to each consumer or transaction involved; except that the maximum civil penalty shall not exceed five hundred thousand dollars for any related series of violations.

Any person who violates or causes another to violate any provision of this article, where such violation was committed against an elderly person, shall forfeit and pay to the general fund of the state a civil penalty of not more than ten thousand dollars for each such violation.

C.R.S. § 6-1-112(1)(a) and (c).

11. Accordingly, the Court enters judgment against all defendants, jointly and severally, including against Defendant Sherron L. Lewis Jr. individually, for \$181,266.42, as follows:

- \$42,000.00 in civil penalties pursuant to C.R.S. § 6-1-112(1), including \$10,000 for conduct toward an elderly person under C.R.S. § 6-1-112(1)(c);
- \$76,050.00 in disgorgement and restitution pursuant to C.R.S. § 6-1-110(1) based on unjust enrichment obtained by defendants and to restore consumer victims;
- \$58,387.69 in attorney fees pursuant to C.R.S. § 6-1-113(4) for successful enforcement of the Colorado Consumer Protection Act; and
- \$4,828.73 in costs pursuant to C.R.S. § 6-1-113(4) for successful enforcement of the Colorado Consumer Protection Act.

ENTERED this ____ day of ____ 20__.

BY THE COURT:

Honorable R. Brooke Jackson
District Court Judge

This document constitutes a ruling of the court and should be treated as such.

Court: CO Jefferson County District Court 1st JD

Judge: Brooke Jackson

Alternate Judge: Unassigned

File & Serve

Transaction ID: 34772082

Current Date: Jan 03, 2011

Case Number: 2010CV3537

Case Name: STATE OF COLORADO OFFICE OF THE ATTORNEY vs. LEWIS, SHERRON L JR et al

Court Authorizer: Brooke Jackson

/s/ Judge Brooke Jackson