

SUMPREME COURT OF THE CITY OF NEW YORK
COUNTY OF QUEENS

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ELVA BRARDO,

Index No.: 21154/13

Plaintiff,

-against-

**VERIFIED COMPLAINT
JURY TRIAL DEMANDED**

AMERICAN HOPE GROUP INC.; THE DONADO
LAW FIRM A PROFESSIONAL CORPORATION;
MAURICIO VILLAMARIN; VALMIRO L.
DONADO; ROBERTO L. PAGAN-LOPEZ;
EDUARDO RANGEL; MIRIAM DURAN; FAIRUZ
MANUN; AND LEONOR GONZALEZ,

Defendant(s).

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Plaintiff, Elva Brardo, by her attorney, MFY Legal Services, Inc., alleges upon
information and belief:

PRELIMINARY STATEMENT

1. Plaintiff Elva Brardo (“Ms. Brardo”) is a homeowner who lost thousands of
dollars as part of a foreclosure rescue scam perpetrated by American Hope Group, Inc.
(“American Hope”), The Donado Law Firm A Professional Corporation (“Donado Law”),
Mauricio Villamarin, Valmiro L. Donado, Roberto L. Pagan-Lopez, Eduardo Rangel, Miriam
Duran, Fairuz Manun, and Leonor Gonzalez (collectively, “Defendants”).

2. Defendants promised to provide Ms. Brardo with a team of experienced auditors
and attorneys who would work on her behalf to obtain a mortgage loan modification.
Defendants told Ms. Brardo that after performing an alleged “Securitization Mortgage Audit,”
they would identify errors in her mortgage loan documents and this so-called erroneous
information would be used to compel her lender to provide her with a more affordable monthly

mortgage payment. In addition to a loan modification, Ms. Brardo was promised legal representation for foreclosure.

3. Even though Ms. Brardo signed a purported “Retainer Agreement” with Donado Law at American Hope’s office and paid a large, illegal, upfront fee, Defendants never obtained a more affordable mortgage payment for Ms. Brardo after promising her that they would and never provided her with the promised legal representation. In fact, Ms. Brardo never met nor spoke to Defendants Valmiro L. Donado or Roberto L. Pagan-Lopez, who are or were attorneys allegedly working for American Hope and Donado Law (collectively, “Corporate Defendants”), or any other attorney.

4. Ms. Brardo seeks redress for Defendants’ violations of RPL § 265-b (“Distressed Property Consulting”), New York General Business Law § 349 (“GBL §349” or “Deceptive Practices Act”), and common law breach of contract. She also seeks to enjoin Defendants from engaging in the deceptive acts and practices alleged and to recover actual and consequential damages arising from these violations, including the trebling of the actual and consequential damages, and reasonable attorney’s fees and costs.

JURISDICTION AND VENUE

5. This Court has personal jurisdiction over Defendants pursuant to Civil Practice Law and Rules § 301 (“CPLR”) because Defendants reside and/or are doing business in the State of New York.

6. Venue is proper in Queens County pursuant to CPLR § 503(a) because Plaintiff resides in Queens County and pursuant to CPLR § 503(c) because one or more Defendants has their principal place of business in Queens County.

PARTIES

Plaintiff

7. Elva Brardo is a 60-year-old citizen of the State of New York, in which she owns and resides in a home located in Queens County at 89-27 91st Street, Woodhaven, NY 11421.

Defendants

8. Upon information and belief, Defendants operate among a network of two affiliated companies, each of which have the same or similar employees and are both registered to the same corporate address in Queens County, Elmhurst, NY.

Corporate Defendants

9. American Hope is a domestic business corporation incorporated in New York on April 25, 2012, with its principal place of business in Queens County. During relevant times, American Hope has conducted business at 41-34 75 Street, Elmhurst, NY 11373. At all relevant times, American Hope promoted and/or was affiliated with, if not identical to, Defendant Donado Law.

10. Donado Law is a domestic professional corporation incorporated in New York on April 26, 2012, with its principal place of business in Queens County. During relevant times, Donado Law has conducted business at 40-47 75 Street, Elmhurst, NY 11373. At all relevant times, Donado Law promoted and/or was affiliated with, if not identical to Defendant American Hope.

Individual Defendants

11. Mauricio Villamarin (“Villamarin”) is an owner, officer, principal, manager, and/or agent of Defendants American Hope and/or Donado Law. He is designated as the recipient for service of process in New York State Department of State incorporation records for

Defendant American Hope. During relevant times, Villamarin engaged in business activities in the State of New York, offering loan modification services to consumers. Upon information and belief, Villamarin is not an attorney licensed in New York.

12. Valmiro L. Donado (“Donado”) is an owner, officer, principal, manager, and/or agent of Defendants American Hope and/or Donado Law. He is designated as the recipient for service of process in New York State Department of State incorporation records for Defendant Donado Law with a street address of 41-34 75th Street, Elmhurst, NY 11373. During relevant times, Donado engaged in business activities in the State of New York, offering legal and loan modification services to consumers. During the time period relevant to this complaint, he was admitted to practice law in New York, Registration Number 3030434.

13. Roberto L. Pagan-Lopez (“Pagan”) is an owner, officer, principal, manager, employee and/or agent of Defendants American Hope and/or Donado Law. During relevant times, Pagan engaged in business activities in the State of New York, offering legal and loan modification services to consumers. During the time period relevant to this complaint, he was admitted to practice law in New York, Registration Number 4978391.

14. Eduardo Rangel (“Rangel”) was a salesperson, manager, employee, agent and/or independent contractor of Defendants American Hope and/or Donado Law. During relevant times, Rangel engaged in business activities in the State of New York, offering loan modification services to consumers. Upon information and belief, Rangel is not an attorney licensed in New York.

15. Miriam Duran (“Duran”) was a salesperson, manager, employee, agent and/or independent contractor of Defendants American Hope and/or Donado Law. During relevant times, Duran engaged in business activities in the State of New York, offering loan modification

services to consumers. Upon information and belief, Duran is not an attorney licensed in New York.

16. Fariuz Manun (“Manun”) was a salesperson, manager, employee, agent and/or independent contractor of Defendants American Hope and/or Donado Law. During relevant times, Manun engaged in business activities in the State of New York, offering loan modification services to consumers. Upon information and belief, Manun is not an attorney licensed in New York.

17. Leonor Gonzalez (“Gonzalez”) was a salesperson, manager, employee, agent and/or independent contractor of Defendants American Hope and/or Donado Law. During relevant times, Gonzalez engaged in business activities in the State of New York, offering loan modification services to consumers. Upon information and belief, Gonzalez is not an attorney licensed in New York.

FACTS

I. Background on Foreclosure Rescue Scams

18. Facing the possibility of losing a home in foreclosure is a terrifying and unsettling experience for homeowners. Some unscrupulous companies prey upon financially vulnerable homeowners with promises to negotiate with their lenders to save their homes from foreclosure, obtain loan modifications, or to reduce their monthly mortgage payments. Many of these companies require that the homeowner pay upfront fees of several thousand dollars before any services are furnished. Many of these companies never deliver on their promises and provide little or no mortgage assistance relief whatsoever, leaving homeowners in a worse financial position, or even worse, going into foreclosure and losing their homes.

19. New York law specifically addresses foreclosure rescue scams by establishing requirements for individuals and companies that directly or indirectly solicit or undertake employment to provide distressed property consulting services. New York Real Property Law § 265-b (“RPL § 265-b”) defines “distressed property consulting services” as services provided to a homeowner that the consultant represents will help to achieve a stay of a foreclosure filing, obtain a loan modification or forbearance, or save a property from foreclosure.

20. RPL § 265-b requires that distressed property consultants, must, among other things: not charge or accept any an up-front fee for consulting services before the full completion of such services; enter into a written, fully executed contract with homeowners that fully discloses the exact nature of the service to be provided and the fee to be collected; provide homeowners with contracts that are written in the language that is used by the homeowner and was used in discussions with the homeowner to describe consultant’s services or to negotiate the contract; date and personally sign the contract between the homeowner and the distressed property consultant and have it witnessed and acknowledged by a New York notary public; and contain the following notice printed in at least fourteen point boldface type and located in immediate proximity to the space reserved for the homeowner’s signature:

“NOTICE REQUIRED BY NEW YORK LAW

You may cancel this contract, without any penalty or obligation, at any time before midnight of (fifth business day after execution).

.....(Name of Distressed Property Consultant) (the “Consultant”) or anyone working for the Consultant may not take any money from you or ask you for money until the Consultant has completely finished doing everything this Contract says the Consultant will do.

You should consider consulting an attorney or a government-approved housing counselor before signing any legal document concerning your home. It is advisable that you find your own attorney, and not consult with an attorney recommended or provided to you by the Consultant. A

list of housing counselors may be found on the website of the New York State Department of Financial Services, (enter web address) or by calling the Department of Financial Services toll free at (enter number). The law requires that this contract contain the entire agreement between you and the Consultant. You should not rely upon any other written or oral agreement or promise.”

21. Attorneys admitted to practice in New York are exempted from RPL § 265-b, but only when the attorney is directly providing consulting services to the distressed homeowner in the course of his or her regular legal practice. *See* RPL § 265-b(1)(e)(i).

22. In June 2010, the New York State Attorney General noted that its investigation of loan modification scam companies “revealed instances where companies have developed various arrangements with attorneys in an apparent attempt to circumvent the requirements of § 265-b.”¹ The Attorney General goes on to note that “merely having an attorney on staff does not exempt a company from the requirements under Section 265-b.”²

II. Defendants’ Business Practices

a. Defendants’ General Marketing Scheme

23. In published materials and in oral communications, American Hope represents to consumers throughout the New York metropolitan area that the business operates as a law firm or that it is affiliated with attorneys and law firms. These representations also convey to consumers that American Hope is able to assist homeowners in modifying their mortgages and avoiding foreclosure.

24. Upon information and belief, American Hope has several advertisements in LA TRIBUNA HISPANA USA, a Spanish-language newspaper targeted to the Hispanic community in

¹ Letter from Joy Feigenbaum, Bureau Chief, Bureau of Consumer Frauds and Protection, Office of New York Attorney General, available at http://www.ag.ny.gov/sites/default/files/pdfs/features/foreclosure_rescue_scams/Cease_and_Desist_Letter.pdf (last visited October 21, 2013).

² *Id.*

the New York metropolitan region that has a circulation of over 80,000 readers. In these advertisements, American Hope markets its services in the classified section of the newspaper under the heading of “Asesoría Legal/Legal Advice” (English translation is “Legal Services/Legal Advice”). Some editions of this newspaper include articles that describe American Hope as a company that provides services to save homes from foreclosure and reduce mortgage payments. Titles of these articles include:

- “¿Cómo lograr reducciones significativas de los préstamos hipotecarios?” (English translation is “How can you achieve significant reductions in your mortgage loan?”) LA TRIBUNA HISPANA USA, (New York City Edition) June 2013, available at <http://www.tribunahispanausa.com/como-lograr-reducciones-significativas-de-los-prestamos-hipotecarios/> (accessed October 21, 2013).
- “Qué es una Auditoría Forense de préstamo Hipotecaria y cómo le puede ayudar a Usted como dueño de casa?” (English translation is “What is a Forensic Mortgage Loan Audit and How can it Help you as a Homeowner?”) LA TRIBUNA HISPANA USA, (Suffolk Edition) July 2013, available at <http://www.scribd.com/doc/154233499/Suffolk-Ed-17-Ano-26> (accessed October 21, 2013).

25. An edition of ECUADOR NEWS features an American Hope advertisement entitled, “Más de 50 millones en reducciones de Mortgage” (English translation is “Over 50 million in Mortgage Reductions”) ECUADOR NEWS (New York City Edition 709), February 27-March 5, 2013, available at http://ecuadornews.com.ec/data/files/Portadas/2013/pdf13/Edicion_709.pdf (accessed October 22, 2013).

26. American Hope has operated at least two websites: <http://www.americanhopegroup.org> (this site includes Spanish and English language pages) and

www.ahlhernandez.wordpress.com (this site is written in Spanish). Representations on these websites include statements that convey that the company has been in existence since 2008 and has helped hundreds of Hispanics find a favorable solution to their financial problems and mortgage problems. As of October 22, 2013, American Hope's two website pages, http://www.americanhopegroup.org/en/quienes_somos.html, and <http://www.americanhopegroup.org/abogados.html> refer consumers to both "American Hope Group" and "The Donado Law Firm P.C."

27. Donado Law has operated at least two websites (neither was operational as of October 21, 2013): www.thedonadolawfirm.com and www.donadolawfirm.com. These website addresses are listed on multiple documents distributed to consumers including documents referred to as "Retainer Agreement."

b. Defendants' Use of Cross-marketing, Co-branding, and Alternate Locations

28. Donado Law is referenced on several pages of American Hope's website, <http://www.americanhopegroup.org>, including a page entitled, "Abogados de Confianza" (English translation is "Trusted Lawyers") which states that American Hope's attorneys are Defendants Donado and Pagan. See <http://www.americanhopegroup.org/abogados.html> (accessed October 22, 2013).

29. Moreover, documents for Donado Law can be downloaded on the American Hope website, <http://www.americanhopegroup.org>, including a document entitled, "Retainer Agreement" which is written on the Donado Law letterhead. Additional documents that cross-brand and cross-market the two companies can be downloaded from this website, including several documents written on letterhead that features both American Hope's name and logo and Donado Law's name and logo.

30. Additionally, American Hope and Donado Law operated a shared page on Facebook, advertising the services of “American Hope Group & The Donado Law Firm, Corp.” See <https://www.facebook.com/pages/American-Hope-Group-The-Donado-Law-Firm-Corp/36664066676765> (accessed October 23, 2013).

31. Upon information and belief, during all times relevant to this complaint, the business cards for Defendants Donado and Pagan were given to consumers by American Hope officers, managers, and employees and were displayed alongside the business cards of American Hope’s officers, managers, and employees on the reception desk at American Hope’s Elmhurst office.

32. The www.ahlhernandez.wordpress.com website lists four different office addresses for American Hope. The website states that the “Principal Office Queens, NY” is located at 41-34 75th Street, Suite 1, Elmhurst, NY 11373; “Office Newark, NJ” is located at 1 Gateway Center, Suite 2600, Newark, NJ 07102; “Office Long Island, NY” is located at 68 South Service Road, Suite 100, Melville, NY 11747; and “Office 2 Long Island, NY” is located at 236 Fulton Avenue, Suite 212, Hempstead, NY 11550.

III. Ms. Brardo’s Experience with Defendants

33. Elva Brardo has worked as a clerical associate at the Elmhurst Hospital in Queens, New York for 27 years. She currently lives in her home with her adult daughter and two grandchildren.

34. Ms. Brardo, her daughter, and son-in-law obtained a mortgage loan from Continental Loans to purchase the property in 2009. The loan was later sold to J.P. Morgan Chase Bank (“Chase”). The initial monthly mortgage payments were approximately \$2,300 per month. These payments increased to about \$2,700 per month in or about spring 2011. Ms.

Brardo, her daughter, and son-in law each contributed money to make the monthly mortgage payments.

35. In or about fall 2011, Ms. Brardo began having trouble making monthly mortgage payments because her daughter experienced financial difficulty and could no longer contribute her share of the mortgage payments. Around this time, her son-in-law moved out of the home and no longer paid his share of the mortgage payments. Shortly after missing a few mortgage payments, Ms. Brardo contacted Chase, hoping to make her mortgage payments more affordable.

36. In early 2012, Ms. Brardo completed Home Affordable Mortgage Program (“HAMP”) loan modification paperwork at Chase’s request. Upon information and belief, Ms. Brardo did not receive a response to her request for a HAMP loan modification.

37. In or about April 2012, Ms. Brardo received a repayment plan offer from Chase in the amount of \$5,060.57 to be paid in bi-monthly payments commencing June 1, 2012. This payment (approximately \$2,530 per month) was a reduction of \$170; however, it was still unaffordable for Ms. Brardo so she was unable to make these payments.

38. In or about June 2012, Ms. Brardo learned about American Hope from a friend who, at that time, was an American Hope employee. The friend learned during his employee training that American Hope claimed it could dispute mortgage notes and force banks to give loan modifications. The friend suggested that Ms. Brardo contact the company for mortgage assistance relief.

39. After speaking with her friend about American Hope, Ms. Brardo visited the company’s website to learn more about their services.

40. In early June, 2012, Ms. Brardo went to American Hope’s office in Elmhurst, NY. During this visit, Ms. Brardo met with Defendant Rangel who explained in detail the various

services that American Hope provided to consumers. Rangel told Ms. Brardo that a securitization mortgage audit would be a more efficient way to get a loan modification because American Hope's auditors and attorneys would review her mortgage loan documents and identify errors that would compel Chase to lower her mortgage payments. Rangel requested that Ms. Brardo make an appointment to return to the office at a later date to meet with a "processing agent." Ms. Brardo was asked to bring to the appointment her closing documents, mortgage, note, various personal financial documents, and any information she had received from Chase. The conversation with Rangel during this visit was conducted in Spanish.

41. On approximately June 12, 2012, Ms. Brardo returned to American Hope with all of the documents that she was asked to bring. During this meeting she met with Defendant Duran, a "processing manager," who, upon information and belief, is not an attorney. Duran flipped through the pages of Ms. Brardo's mortgage and note and told Ms. Brardo that there were indeed errors in her papers. Duran told Ms. Brardo that she previously worked as a loan officer and knew that the majority of mortgages from the years 2006 to 2009 had errors in them. All conversations during this visit with Duran were conducted in Spanish.

42. Also during this visit, Duran told Ms. Brardo that American Hope had a team of experienced auditors and attorneys that would find errors in her note and force the bank to give Ms. Brardo a loan modification or reduce her monthly mortgage payments to a substantially more affordable amount. Duran then gave Ms. Brardo a tour of the office.

43. After the tour, Duran told Ms. Brardo that the fees to get her loan modification would be about \$10,000 depending on how long it took to negotiate with Chase. She told Ms. Brardo that she must pay a \$2,850 upfront fee as a down payment for the loan modification

services and that she would need to continue to make monthly payments of \$695 per month until such services were completed.

44. Based on the representations of Rangel and Duran, Ms. Brardo believed that the Defendants specialized in loan modifications and would be more successful at securing her a substantially more affordable monthly mortgage payment than the repayment plan she had obtained on her own.

45. During this June 12, 2013 meeting, Duran gave Ms. Brardo a document written in English entitled, "Retainer Agreement," which was written on Donado Law letterhead.

46. Among other things, the retainer agreement stated that Ms. Brardo was engaging the services of Donado Law for foreclosure representation. The agreement also stated that "back office work would be outsourced to American Hope Group Inc.," and that final responsibility for the case remained with Donado Law. In violation of RPL § 265-b, this agreement did not provide details about the securitization mortgage audit that Ms. Brardo orally agreed to, did not include the total cost for services, did not include required notice to cancel the contract within five days, did not contain the business address, email address or telephone number for American Hope, was not signed by anyone at American Hope or Donado Law nor was it witnessed and notarized by a New York notary public. Further, the agreement stated that, "any communication between Client and outside parties, including Client's bank or the bank's attorneys, is made at Client's own risk."

47. During this visit Ms. Brardo signed Defendants' retainer agreement. Based on this document, Ms. Brardo assumed that an attorney would be involved in handling her loan modification application.

48. Ms. Brardo then completed a “National Processing ACH Authorization Form” authorizing American Hope to immediately debit a \$2,850 “Downpayment” [sic], from Ms. Brardo’s checking account effective June 12, 2012 and \$695 per month in recurring payments effective July 12, 2012.

49. Upon information and belief, at the time Ms. Brardo signed the Defendants’ agreement and paid the upfront fee, no foreclosure action had been filed against her in any court.

50. In or about mid-June 2012, Ms. Brardo received a telephone call from Defendant Manun, an American Hope processing agent, who, upon information and belief, is not an attorney. Manun told Ms. Brardo that she would be her new point of contact. Manun told Ms. Brardo that she would need to provide American Hope with copies of pay stubs, bank statements, utility bills, and tax returns.

51. In or about July 2012, Ms. Brardo went to American Hope’s office to provide Manun with all of the requested personal and financial documents. During this visit, Manun asked Ms. Brardo to complete documents that looked similar to the HAMP loan modification application that Ms. Brardo had previously completed on her own with Chase. All conversations with Manun during this visit were conducted in Spanish.

52. Ms. Brardo told Manun that she had already received a Chase repayment plan that was not affordable and that she had already applied for a HAMP loan modification. Manun told Ms. Brardo that she should complete this paperwork again because American Hope “knows people inside the bank.” Manun further said that Ms. Brardo should not contact Chase on her own because it was better that American Hope manage communications regarding Ms. Brardo’s mortgage.

53. From July 2012 through May 2013, Manun requested additional information periodically, which Ms. Brardo always provided. Throughout this time period, Ms. Brardo would call or stop by American Hope's Elmhurst office requesting status updates on her file. She was told on several occasions by various employees that her paperwork "was being processed." Other times, when she would call to check on the status of her file, she often had to leave voicemail messages that were unreturned. Various American Hope employees would get upset with Ms. Brardo for showing up at the company's office without an appointment. Manun told Ms. Brardo that the company's policy was to have the processing agents call the clients every fifteen days with updates and that Ms. Brardo did not need to call the company or come to the office without an appointment.

54. On approximately October 15, 2012, Ms. Brardo received a three-month trial loan modification offer from Chase with no guarantee that the modification would continue on those terms after the trial period. The terms of the offer were about \$140 less than the repayment plan terms proposed by Chase when Ms. Brardo applied for a loan modification previously. Ms. Brardo decided not to accept the modification offer because the terms were not substantially more affordable.

55. In or about October 2012, Ms. Brardo met with Duran at American Hope's office to tell her that she could not afford the trial modification offer she just received. Duran told Ms. Brardo that Chase added the arrears she owed to her total mortgage loan amount and that is how Chase arrived at the trial payment amount. Ms. Brardo asked Duran if American Hope could get her a better, more affordable loan modification offer. Duran reassured Ms. Brardo that American Hope would continue "to fight" for a more affordable loan modification. Duran also told Ms.

Brardo that she would have to pay \$695 per month through automatic debit for this continued work and that she needed to wait at least 30 days before reapplying for a loan modification.

56. On approximately November 14, 2012, Ms. Brardo went to American Hope's office and Duran provided her with an ACH form that noted, "Agreement rejected by client/continuo into process until done" [sic]. This form authorized recurring payments of \$695 per month to be debited from Ms. Brardo's checking account effective December 16, 2012.

57. In or about June 2013, Ms. Brardo received a call from Defendant Gonzalez, an American Hope processing agent, stating that she would be the new point of contact for Ms. Brardo's file.

58. On approximately June 5, 2013, Ms. Brardo received a letter from Chase informing her that her request for mortgage assistance was declined and that the bank was unable to offer help through HAMP or any additional options by the investors or insurers of her loan.

59. At this time, Ms. Brardo believed that Defendants were not able or willing to help her get a loan modification or any other type of mortgage assistance relief.

60. In or about June 2013, Ms. Brardo took the letter she received from Chase declining her mortgage assistance to American Hope's Elmhurst, NY office. Ms. Brardo told Gonzalez that she was unsatisfied and no longer wanted Defendants' services. Gonzalez told Ms. Brardo that American Hope would "get the lawyers involved now."

61. In or about June 2013, Ms. Brardo went to the New York City Commission of Human Rights ("Commission") to file a complaint. There she met with a housing counselor who agreed to draft and send a letter to American Hope on Ms. Brardo's behalf requesting a status update of Ms. Brardo's loan modification request and a breakdown of the activities undertaken on Ms. Brardo's behalf. Upon information and belief, this letter was dated June 26, 2012 and

mailed on this same day to “Ms. Leonor Gonzalez, Processing Agent, 41-34 75th Street, Elmhurst, NY 11373.”

62. In or about July 2013, Ms. Brardo received a call from Gonzalez acknowledging receipt of the letter sent by the Commission. During the call, Gonzalez referred to Ms. Brardo as a “liar” and said that the company was “angry” with Ms. Brardo for filing such a complaint and that the letter was not truthful, that indeed the company had been working for Ms. Brardo. Startled and angered by the tone of the conversation, Ms. Brardo again told Gonzalez that she no longer wanted the Defendants’ services and she asked that the company provide her with a formal response to the Commission’s letter.

63. In or about July 2013, Ms. Brardo contacted Gonzalez via telephone and requested the return of her personal and financial documents that she had provided to American Hope.

64. On approximately July 30, 2013, Ms. Brardo went to a foreclosure clinic at Queens Legal Services, and an advocate assisted her with writing a letter to formally terminate the relationship with the Defendants. Upon information and belief, the letter was faxed to Donado Law on that same day.

65. On approximately August 14, 2013, Ms. Brardo went to American Hope’s office, spoke to Gonzalez, and once again requested the return of her personal and financial documents that she had provided to American Hope. Gonzalez told Ms. Brardo that she could only obtain the documents if she signed a release. This conversation was conducted in Spanish.

66. Gonzalez gave Ms. Brardo a purported release. The document was written in English on Donado Law’s letterhead and lists the names of Defendants Donado and Pagan in the masthead. The release contained the following relevant provision:

- “ I hereby discharge and forever release L & S Knatte, L& S Knatte d/b/a American Hope, L & S Knatte d/b/a American Hope Group, Mauricio Villamarin (in his personal capacity and as president of such companies), American Hope Group, Inc., The Donado Law Firm, A Professional Corporation and the heirs, distributees, executors and administrators of said company, and its subsidiaries and agents from any and all actions and proceedings, claims or demands whatsoever, whether in law or in equity ... regarding any matter or transaction against said companies, entities and persons from the beginning of our business relationship to the date of the execution of this release.”

67. Frustrated with the Defendants’ poor service and concerned that her sensitive personal and financial information remained in the company’s hands, on or about August 14, 2013, Ms. Brardo reluctantly signed the release. After signing the release, Gonzalez gave Ms. Brardo her personal and financial documents.

68. Between June 2012 and July 2013, Ms. Brardo paid a total of \$11,885 to American Hope. She is currently facing foreclosure.

FIRST CAUSE OF ACTION

Violation of New York Real Property Law § 265-b (“Distressed Property Consulting”)

(Against All Defendants)

69. Plaintiff repeats and re-alleges each and every allegation contained above.

70. Under RPL § 265-b, a distressed property consultant means an individual, company, partnership, or other business entity that directly or indirectly solicits or undertakes employment to provide consulting to a homeowner for compensation or promise of compensation with respect to a distressed home loan.

71. Defendants are “distressed property consultants” within the meaning of RPL § 265-b(1)(e).

72. Ms. Brardo owns a property in New York State, therefore, she is a “homeowner” within the meaning of RPL § 265-b(1)(a).

73. Ms. Brardo is or has been at times relevant to this case in danger of having her home foreclosed upon because she had one or more defaults under her mortgage that entitled the mortgagee to accelerate full payment and repossess the property, therefore, Ms. Brardo is a mortgagor with a “distressed home loan” within the meaning of RPL § 265-b(1)(d).

74. Defendants intentionally or recklessly engaged in conduct that violated RPL § 265-b.

75. Defendants through an operation of interconnected companies have engaged in a course of conduct to advertise, market, sell, provide, offer to provide, or arrange to provide distressed property consulting services, including loan modification services to consumers in the state of New York.

76. Defendants required Ms. Brardo to pay a \$2,850 upfront fee prior to completing any distressed property consulting services. In fact, at the time Defendants accepted Ms. Brardo’s fee, they did not know with any certainty whether they would be able to obtain a loan modification or any other foreclosure relief.

77. Defendants inadequately disclosed the types of services to be performed in her written agreement, particularly the agreement failed to disclose the exact nature of the “Securitization Mortgage Audit” to be performed.

78. Further, Defendants conducted conversations and negotiated agreements with Ms. Brardo in the Spanish language. In these conversations, Defendants would describe the

consulting services to be provided. The Defendants would then require Ms. Brardo to sign documents written only in the English language and failed to provide her with copies of the documents in Spanish.

79. Defendants have not provided any “direct” legal consulting services as part of a “regular legal practice.” Defendants attempted to circumvent RPL § 265-b by having either an arrangement with an attorney or by merely having an attorney on staff. Accordingly, the statute’s full range of prohibitions applies to Defendants.

80. Ms. Brardo is entitled to a trebling of actual and consequential damages arising from these violations, attorneys’ fees and costs, and all equitable relief to which she may be justly entitled; and such other relief as this Court deems appropriate.

SECOND CAUSE OF ACTION

Violation of New York General Business Law § 349 (“Deceptive Practices Act”)

(Against Corporate Defendants and Defendants Rangel, Duran, Manun, and Gonzalez)

81. Plaintiff repeats and re-alleges each and every allegation contained above.

82. Corporate Defendants and their Processing Agents (*i.e.*, Defendants Rangel, Duran, Manun, and Gonzalez) “conducted a business” or “furnished a service” as those terms are used in GBL § 349 (“Deceptive Practices Act”).

83. GBL § 349 prohibits deceptive acts and practices in the conduct of any business, trade, or commerce in the state of New York.

84. Corporate Defendants and their Processing Agents knowingly and willingly violated the Deceptive Practices Act by engaging in acts and practices that were misleading in a material way, unfair, deceptive, and contrary to public policy and standard business practices.

85. Corporate Defendants' acts and practices have had and may continue to have a broad impact on consumers at large. Specifically, Corporate Defendants appear to target Hispanic communities in New York as demonstrated on the American Hope websites and multiple advertisements in Spanish-language newspapers widely circulated in the New York metropolitan region.

86. Ms. Brardo suffered damages as a direct and proximate result of these violations. She accrued various costs, fees, penalties and consequential damages during the time in which Corporate Defendants' and their Processing Agents' deceptive acts and practices delayed her efforts to commence negotiation with her lender for further mortgage assistance relief.

87. Corporate Defendants' and their Processing Agents' statements and actions as complained entitle Ms. Brardo to actual or increased damages, attorney's fees, and injunctive relief under GBL § 349(h).

THIRD CAUSE OF ACTION

Breach of Contract

(Against Corporate Defendants and Defendant Donado)

88. Plaintiff repeats and re-alleges each and every allegation contained above.

89. In exchange for valuable consideration, Ms. Brardo entered into a contract with the Corporate Defendants and Defendant Donado for a securitization mortgage audit, loan modification, foreclosure representation, and other legal services. She performed as obligated under the contract by providing requested documentation and paying thousands of dollars in fees as instructed. The Corporate Defendants and Defendant Donado failed to perform their obligations under the contract in that they did not provide the services of an attorney as promised, never gave her copies of the securitization mortgage audit that was allegedly performed, and did not obtain any other relief from foreclosure.

90. The Corporate Defendants and Defendant Donado breached their implied covenant of good faith and fair dealing.

91. Accordingly, Ms. Brardo is entitled to recover the amount paid to the Corporate Defendants and Defendant Donado for their purported services, consequential damages arising from the breach, including but not limited to, costs related to Ms. Brardo's missed mortgage payments, such as late fees and penalties and decreased credit ratings.

PRAYER FOR RELIEF

WHEREFORE, Ms. Brardo respectfully requests that this Court provide the following relief:

- a) enter judgment declaring the acts and practices of all Defendants complained of to constitute a violation of the RPL § 265-b;
- b) enter judgment declaring the acts and practices of Corporate Defendants and their Processing Agents complained of to constitute a violation of GBL § 349;
- c) enjoin Corporate Defendants and its officers, managers, employees, agents, and independent contractors from engaging in deceptive acts and practices that affect consumers in New York State under GBL § 349(h);
- d) award actual and/or minimum damages, whichever are greater, plus a trebling of other actual and consequential damages, pursuant to RPL § 265-b;
- e) award actual and/or minimum damages, whichever are greater, plus other actual and consequential damages, pursuant to GBL § 349(h);
- f) award the costs and disbursements of this action;
- g) award reasonable attorneys' fees to the extent permitted by law; and
- h) grant such other and further relief as the Court may deem equitable, just, necessary and proper.

JURY TRIAL DEMANDED

Plaintiff demands trial by jury on all issues so triable.

Dated: November 14, 2013
New York, New York

Respectfully Submitted,

By:

_____/s/_____
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