

IN THE COURT OF COMMON PLEAS  
FRANKLIN COUNTY, OHIO

STATE OF OHIO, ex rel. )  
ATTORNEY GENERAL )  
R. MICHAEL DEWINE )  
30 East Broad Street, 14<sup>th</sup> Floor )  
Columbus, Ohio 43215 )

PLAINTIFF, )

v. )

AMERICAN RESIDENTIAL )  
LAW GROUP, INC. )  
c/o statutory agent )  
Joel Jacobi )  
12555 Biscayne Blvd, Suite 844 )  
Miami, FL 33181 )

and )

Oscar Estevez )  
2529 SW 8 Street )  
Miami, FL 33135 )

and )

Joel Jacobi )  
12555 Biscayne Blvd, Suite 844 )  
Miami, FL 33181 )

DEFENDANTS. )

Case No:

11CVH08-10169

Judge:

COMPLAINT, REQUEST FOR  
DECLARATORY AND  
INJUNCTIVE RELIEF,  
CONSUMER DAMAGES, CIVIL  
PENALTIES, AND OTHER  
APPROPRIATE RELIEF

FILED  
COMMON PLEAS COURT  
FRANKLIN CO. OHIO  
2011 AUG 16 AM 9:25  
CLERK OF COURTS

JURISDICTION AND VENUE

1. Plaintiff, State of Ohio, by and through counsel, the Attorney General of Ohio, R. Michael DeWine, having reasonable cause to believe that violations of Ohio's consumer protection laws have occurred, brings this action in the public interest and on behalf of the State of Ohio under the authority vested in him by R.C. 1345.07.

2. The actions of Defendants, American Law Residential Group, Inc., Oscar Estevez, and Joel Jacobi (“Defendants”), hereinafter described, have occurred in the State of Ohio, and as set forth below are in violation of the Consumer Sales Practices Act, R.C. 1345.01 and The Debt Adjuster’s Act, R.C. 4710.01 et seq.
3. Jurisdiction over the subject matter lies with this Court pursuant to the Consumer Sales Practices Act, R.C. 1345.01 et seq. and the Debt Adjuster’s Act, R.C. 4710.01 et seq.
4. This Court has venue to hear this case pursuant to Ohio Civ. R. 3(B)(3), in that some of the transactions complained of herein, and out of which this action arose, occurred in Franklin County, Ohio.

**DEFENDANTS**

5. Defendant American Residential Law Group, Inc. (“ARLG”) is a Florida corporation with its principal place of business at 8245 N. Federal Hwy, Suite 401, Fort Lauderdale, Florida, 33308.
6. Defendant Oscar Estevez (“Estevez”) is an adult Florida resident who was and is an officer, director, manager, or owner of Defendant American Residential Law Group.
7. Defendant Joel Jacobi (“Jacobi”) is an adult Florida resident who was and is an officer, director, manager, or owner of Defendant American Residential Law Group.
8. Upon information and belief, Defendants Estevez and Jacobi directed, supervised, approved, formulated, authorized, ratified, benefited from, and/or otherwise participated in the acts and practices hereinafter alleged.

9. Defendants are “suppliers” as defined in R.C. 1345.01(C) since Defendants at all times relevant hereto were engaged in the business of effecting consumer transactions either directly or indirectly by soliciting and selling goods or services to consumers in the State of Ohio for purposes that were primarily for personal, family or household use, within the meaning specified in R.C. 1345.01(A).
10. Defendants were, at all times relevant hereto, engaged in “debt adjusting” as defined in R.C. 4710.10(B) in that Defendants held themselves out as providing services in the management of debts by effecting the adjustment, compromise, or discharge of any account, note or other indebtedness of the debtor.

#### **STATEMENT OF FACTS**

11. Defendants purport to offer help to consumers attempting to avoid foreclosure by working with the consumer’s lender to modify the consumer’s mortgage or adjust what the consumer owes.
12. Defendant ARLG usually requires consumers to sign a contract, sometimes referred to as the “services agreement,” before Defendant ARLG will provide services. (Example attached as **Exhibit A**.)
13. The contract states that “[ARLG] employs professional negotiators with expertise in dealing with lending institutions regarding mortgages on residential/commercial real estate.”
14. In the contract, Defendant ARLG agrees to “requests [sic] original RESPA/TILA documentation including the original note and all call transcripts between the client and bank for [ARLG’s] review.”

15. In the contract, Defendant ARLG agrees to “perform a detailed market analysis of the subject property and the surrounding areas.”
16. In the contract, Defendant ARLG agrees to “perform a loss liquidation analysis on the subject property.”
17. In the contract, Defendant ARLG agrees to “attempt to successfully negotiate and obtain for the client a modification of the rate and/or term of the existing mortgage(s) currently held by clients [sic] Lender(s), which modification will result in a lower interest rate, a change from and [sic] adjustable rate to a fixed rate, or for a longer term, and/or principal reduction...”
18. In the contract, Defendant ARLG agrees to “perform a detailed analysis of the Clients’ finances, both assets, liabilities, and expenses, and to evaluate and make recommendations to client if needed.”
19. Defendants require consumers to pay a fee for their services. The consumer must pay all or some of the fee up-front before ARLG will provide its services. The fee is usually between \$1,395 and \$3,350.
20. The contract states that “Client further agrees not to interfere, in any way, with negotiations between Company and Client’s lenders.”
21. Defendants solicited Ohio residents for its services, and Ohio residents paid Defendants for their services.
22. Defendants often failed to perform the services listed in the contract.
23. Defendants often failed to communicate with consumers, and did not return consumers’ phone calls or e-mails.

24. When Defendants failed to perform the services listed in the contract, they did not provide refunds to the consumer.
25. When Defendants did provide their services, the services were often of little to no value to the consumer, and the consumer often remained in foreclosure.
26. Defendants have not filed an audit, of the type described in R.C. 4710.02(D), with the Office of the Ohio Attorney General.

### **FIRST CAUSE OF ACTION**

#### **Violations of the Consumer Sales Practices Act**

27. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Twenty-Seven (1-27) of this Complaint.
28. Defendants have engaged in unfair, deceptive and/or unconscionable acts and practices in violation of R.C. §§ 1345.02, 1345.03 and 1345.031 and the Substantive Rules in connection with its solicitation and provision of loan modification or foreclosure avoidance services by: a) failing to perform services, b) failing to provide promised or required refunds, c) entering into transactions or providing services that Defendants knew did not provide a substantial benefit to the consumer, d) requiring consumers to enter into contracts that were substantially one-sided in favor of the Defendants, and e) prohibiting consumers from contacting their lenders.
29. Such acts and practices have been previously determined by Ohio courts to violate the Consumer Sales Practices Act, R.C. 1345.01 et seq. Defendants committed

said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

## **SECOND CAUSE OF ACTION**

### **Violations of the Debt Adjusters Act**

30. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Thirty (1-30) of this Complaint.
31. Defendants committed unfair and deceptive acts and practices by engaging in debt adjusting activities, including holding out that they can effect the adjustment, compromise, or discharge of any account, note, or other indebtedness of debtors who sign up for their services, without complying with the regulations set forth under the Debt Adjuster's Act, R.C. 4710.01 et seq., in violation of R.C. 4710.02(F) and R.C. 1345.02(A) of the Consumer Sales Practices Act.
32. Such acts and practices have been previously determined by Ohio courts to violate the Consumer Sales Practices Act, R.C. 1345.01 et seq. Defendants committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

## **PRAYER FOR RELIEF**

**Wherefore**, Plaintiff respectfully requests that this Court:

1. **ISSUE A PERMANENT INJUNCTION** enjoining Defendants American Residential Law Group, Inc., Oscar Estevez and Joel Jacobi, their agents, servants, representatives, salespeople, employees, successors or assigns and all persons acting in concert or participating with them, directly or indirectly, from engaging in the acts or practices of which Plaintiff complains and from further

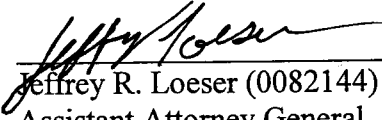
violation of the Consumer Sales Practices Act, R.C. 1345.01 et seq., and the Debt Adjusters Act, R.C. 4710.01 et seq.

2. **ISSUE A DECLARATORY JUDGMENT** declaring that each act or practice described in Causes of Action One through Two of which Plaintiff complains violate the Ohio Consumer Sales Practices Act, R.C. 1345.01 et seq., and the Debt Adjuster's Act, R.C. 4701.01 et seq.
3. **ORDER** Defendants American Residential Law Group, Inc., Oscar Estevez and Joel Jacobi, pursuant to R.C. 1345.07(B), to reimburse all consumers damaged by their unfair, deceptive, and/or unconscionable acts or practices, including non-economic damages.
4. **ASSESS, FINE, AND IMPOSE** upon Defendants American Residential Law Group, Inc., Oscar Estevez and Joel Jacobi a civil penalty of Twenty Five Thousand Dollars (\$25,000) for each appropriate violation described herein pursuant to R.C. 1345.07(D).
5. **ORDER**, as a means of insuring compliance with this Court's Order and with the consumer protection laws of Ohio, that Defendants American Residential Law Group, Inc., Oscar Estevez and Joel Jacobi maintain in their possession and control for a period of five (5) years all business records relating to The Modification Group, LLC, and to permit the Ohio Attorney General or his representative, upon reasonable twenty-four (24) notice to inspect and/or copy any and all such records.
6. **GRANT** the Ohio Attorney General its costs in bringing this action.

7. **ORDER** Defendants American Residential Law Group, Inc., Oscar Estevez and Joel Jacobi to pay all court costs.
8. **GRANT** such other relief as the Court deems to be just, equitable, and appropriate.

Respectfully submitted,

R. MICHAEL DEWINE  
Ohio Attorney General

  
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