

VIRGINIA:

IN THE CIRCUIT COURT OF THE CITY OF VIRGINIA BEACH

COMMONWEALTH OF VIRGINIA,  
EX REL. KENNETH T. CUCCINELLI, II,  
ATTORNEY GENERAL,

Plaintiff,

v.

NATIONAL FORECLOSURE  
SOLUTIONS, LLC,  
a Virginia limited liability company,

SERVE: Elizabeth R. Taylor  
Registered Agent  
4605 Pembroke Lake Circle  
Suite 301A  
Virginia Beach, VA 23455  
(City of Virginia Beach)

Defendant.

CIVIL ACTION NO. \_\_\_\_\_

COMPLAINT

The Plaintiff, Commonwealth of Virginia, by, through, and at the relation of its Attorney General, Kenneth T. Cuccinelli, II (the "Plaintiff" or the "Commonwealth"), petitions this Court to declare that the activities in which the Defendant, National Foreclosure Solutions, LLC ("NFS" or the "Defendant"), has engaged constitute violations of the Virginia Foreclosure Rescue Law, Virginia Code § 59.1-200.1. The Commonwealth prays that this Court grant the relief requested in this Complaint and states the following in support thereof:

JURISDICTION AND VENUE

1. The Circuit Court of the City of Virginia Beach has authority to entertain this action and to grant the relief requested herein pursuant to Virginia Code §§ 8.01-620, 17.1-513, 59.1-

203(A), 59.1-205, and 59.1-206.

2. Venue is preferred in this Court pursuant to Virginia Code § 8.01-261(15)(c) because some or all of the acts to be enjoined are, or were, being done in the City of Virginia Beach. Venue is permissible in this Court pursuant to Virginia Code § 8.01-262(2), (3), and (4) because the Defendant has a registered office in the City of Virginia Beach, the Defendant regularly conducts substantial business activity in the City of Virginia Beach, and portions of the cause of action arose in the City of Virginia Beach.

3. Prior to the commencement of this action, the Commonwealth, pursuant to Virginia Code § 59.1-203(B), gave the Defendant written notice that these proceedings were contemplated and a reasonable opportunity to appear before the Office of the Attorney General to demonstrate that no violations of the Virginia Foreclosure Rescue Law had occurred or, in the alternative, to execute an appropriate Assurance of Voluntary Compliance. The Defendant failed to demonstrate that no violations have occurred but expressed a willingness to consider resolving the matter through the execution of an Assurance of Voluntary Compliance. However, Defendant failed to advance negotiations by providing necessary information to the Commonwealth in a timely manner.

#### **PARTIES**

4. The Plaintiff is the Commonwealth, by, through, and at the relation of Kenneth T. Cuccinelli, II, Attorney General of Virginia.

5. The Defendant, NFS, is a Virginia limited liability company with its principal office located at 4605 Pembroke Lake Circle, Suite 301A, Virginia Beach, Virginia, 23455.

#### **FACTS**

6. NFS is a Virginia Beach-based entity that, in its contracts with consumers, purports to be a “licensed homeowner advocacy group that specializes in preventing foreclosures and

assisting homeowners with acquiring loan modifications.” A copy of one of its contracts is attached as Exhibit A.

7. The contracts set forth an outline of the services offered by the company to prevent foreclosure. The outline states that the first step is the completion and signing of the contract. Next, the consumer’s payment is “secured and verified.” Only then does the company open the consumer’s file and begin work on his or her behalf.

8. Upon information and belief, NFS has entered into around 200 contracts with consumers and has collected advance fees from each consumer.

### **CAUSE OF ACTION**

#### **COUNT 1 – VIRGINIA FORECLOSURE RESCUE LAW**

9. The Plaintiff re-alleges and incorporates by reference the matters set forth in paragraphs 1 through 8 of this Complaint.

10. The Defendant is now, and was at all relevant times mentioned herein, a “supplier” of “goods” or “services” in connection with “consumer transactions,” as those terms are defined in Virginia Code § 59.1-198.

11. By offering for sale loan modification assistance services to consumers, the Defendant has and does engage in “consumer transactions,” as defined in Virginia Code § 59.1-198.

12. The Defendant is now, and was at all relevant times mentioned herein, a supplier of services to avoid or prevent foreclosure and takes part in “consumer transactions[s] involving residential real property owned and occupied as the primary dwelling unit of the owner.” Virginia Code § 59.1-200.1.

13. Virginia Code § 59.1-200.1(A)(1) prohibits any supplier of a service to avoid or prevent foreclosure from charging or receiving a fee prior to the full and complete performance of

the services it has agreed to perform, if the transaction does not involve the sale or transfer of residential real property. Accordingly, before charging or receiving any fees for services rendered, the Defendant is required to fully perform the contracted-for services.

14. NFS continually collected a fee from each of its consumer clients in advance of performing its contracted-for services to avoid or prevent foreclosure, which did not involve the sale or transfer of the consumer's residential real property. Any advance fees collected have violated, and continue to violate, Virginia Code § 59.1-200.1.

15. Individual consumers have suffered losses as a result of the Defendant's violations of Virginia Code § 59.1-200.1.

16. The Defendant willfully did the acts described herein in violation of Virginia Code § 59.1-200.1.

#### **PRAYER FOR RELIEF**

WHEREFORE, the Plaintiff, Commonwealth of Virginia, prays that this Court:

A. Preliminarily and permanently enjoin NFS and its officers, members, managers, employees, agents, successors, and assigns from violating Virginia Code § 59.1-200.1, pursuant to Virginia Code § 59.1-203;

B. Grant judgment against NFS and award to the Commonwealth all sums necessary to restore to any consumers the money or property acquired from them by NFS in connection with its violations of Virginia Code § 59.1-200.1(A)(1), pursuant to Virginia Code § 59.1-203;

C. Enter any additional orders or decrees as may be necessary to restore to any consumers the money or property acquired from them by NFS in connection with its violations of Virginia Code § 59.1-200.1(A)(1), pursuant to Virginia Code § 59.1-205.

D. Grant judgment against NFS and award to the Commonwealth civil penalties of up to

\$2,500 per willful violation of Virginia Code § 59.1-200.1(A)(1), pursuant to Virginia Code § 59.1-206(A), with the exact number of violations to be proven at trial;

E. Grant judgment against NFS and award to the Commonwealth its costs, reasonable expenses incurred in investigating and preparing the case up to \$1,000 per violation, and its attorney's fees, pursuant to Virginia Code § 59.1-206(C); and

F. Order such other and further relief as may be deemed proper and just.

COMMONWEALTH OF VIRGINIA,  
*EX. REL.* KENNETH T. CUCCINELLI, II,  
ATTORNEY GENERAL

By: Matthew R. Hull  
Matthew R. Hull

Kenneth T. Cuccinelli, II  
Attorney General

Patricia L. West  
Chief Deputy Attorney General

Wesley G. Russell, Jr.  
Deputy Attorney General  
Civil Litigation Division

David B. Irvin (VSB No. 23927)  
Senior Assistant Attorney General

Mark S. Kubiak (VSB No. 73119)  
Matthew R. Hull (VSB No. 80500)  
Assistant Attorneys General

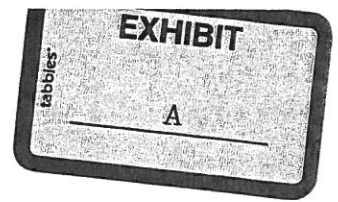
900 East Main Street  
Richmond, Virginia 23219  
Phone: (804) 371-2084  
Fax: (804) 786-0122

# National Foreclosure Solutions, LLC

4605 Pembroke Lake Circle, Suite 301A  
Virginia Beach, Virginia 23455  
(757) 490-4840 Office (757) 490-4842 Fax

## SERVICE AGREEMENT

### Loan Modification



National Foreclosure Solutions, LLC is a licensed homeowner advocacy group that specializes in preventing foreclosures and assisting homeowners with acquiring loan modifications. Our goal is to preserve home ownership through our relationships with mortgage companies and the homeowners they serve. We are committed to helping families continue their home ownership now and into the future.



1. This agreement and all attachments must be completed, initialed, signed and dated. [REDACTED]
2. Payment must be secured and verified. [REDACTED]
3. Your file is then opened and assigned to a file manager who will secure all of your required documentation. [REDACTED]
4. Your file manager will communicate with you and keep you informed of all pertinent information regarding your file's status. [REDACTED]
5. It is important that you respond promptly to your file manager's request for any extra documentation being required by your lender. [REDACTED]
6. Your cooperation is needed in order to facilitate a solution to your current mortgage difficulties. The lender must see that you are engaged and committed to saving your home.
7. Once a plan has been put into place, you must make your payments in accordance with the new terms your lender has provided. Failure to do so may result in adverse action that can include denial of assistance, denial of modification and/or foreclosure. [REDACTED]

Page 2 of Service Agreement

The following terms must be initialed indicating that you have read, understand and agree to the terms. All policies and procedures that are governed by this agreement, when signed and dated, becomes the official agreement between the homeowner(s) and National Foreclosure Solutions, LLC. No verbal agreements or representations will be valid.

1. [REDACTED] (Initial) I understand and agree I must provide full and accurate disclosure to NFS, LLC regarding my situation and any communications and/or agreements I have previously entered into with my Lender.
2. [REDACTED] (Initial) I understand that once NFS, LLC begins acting on my behalf, it is in my best interest not to interfere with the Lender until I am told to do so by. No one at NFS, LLC has instructed me that I cannot communicate with my lender, I am free to talk to my lender at any time I choose. I understand that trying to resolve my foreclosure problem while NFS, LLC is doing so has the potential to prevent a successful outcome.
3. [REDACTED] (Initial) I understand that in the event I file bankruptcy while NFS, LLC is actively working on my behalf, this agreement will remain in effect until bankruptcy is dismissed or discharged.
4. [REDACTED] (Initial) I understand I must immediately forward any and all correspondence in any form from my lender or their foreclosure attorney's office to my file manager.
5. [REDACTED] (Initial) I understand I must respond to phone calls and provide all information and/or documentation requested by NFS, LLC, within 24hrs. Failure to do so may result in this agreement and all conditions becoming null and void.
6. [REDACTED] (Initial) I understand I may inform NFS, LLC to stop working on my behalf for any reason. This will result in this agreement and all its terms and conditions becoming null and void.
7. [REDACTED] (Initial) I understand that NFS, LLC is committed to its core mission of homeowner advocacy. I understand that this process may take anywhere between 30 to 120 days (or longer) to complete based on the overwhelming requests for assistance with mortgage lenders. It is therefore incumbent upon me/us to be patient as we work together towards a plan that is mutually beneficial for us and our mortgage lender.

Ex-  
Military  
discount

Homeowner  (sign)  
 (print)

Date 16/mar/2012

Homeowner \_\_\_\_\_ (sign)  
\_\_\_\_\_ (print)

Date \_\_\_\_\_

National Foreclosure Solutions, LLC

Elizabeth Taylor (sign)  
ELIZABETH TAYLOR (print)

Date 3/16/2012

\*\*\* Our fee(s) is/are as follows:

<sup>1800.00 ERT</sup>  
\$2400.00 is for administrative fees associated with preparing your file for submission to your lender and the processing of your paperwork during the entire review process until your loan modification is approved or denied by your lender. Loan modifications are not guaranteed by the Federal Government or your lenders as some homeowners may be found ineligible due to certain investor guidelines.

The fee will be considered earned as NFS, LLC makes contact with the lender and provides them with all relevant documentation for the review process and monitors your file until the process is completed.

\*\*\* There will be an additional charge of ~~500.00~~ <sup>500.00 NC EAT</sup> to continue the processing of more documentation if a trial modification is given, which usually lasts for 3 months and is given by your lender before the loan modification is made permanent. \*\*\*

\*\*\*Note\*\*\*

Split Payment Option is available for a fee of ~~100.00~~ <sup>100.00 NC EAT</sup>. Payment will only be split in half. If Split Payment option is chosen, a postdated check must be given for the remaining balance that is due.

**MY/OUR SIGNATURE MEANS I/WE UNDERSTAND AND AGREE TO ALL TERMS AND CONDITIONS.**

paid \$130.00 cash