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Plaintiff, the Federal Trade Commission (“FT

relief as may be appropriate in each case, including restitution and disgorgement. 15 U.S.C. § 53(b).

**DEFENDANTS**

5. Defendant Hope Now Modifications LLC (“HNM”) is a New Jersey limited liability company with its principal place of business at 200 Lake Drive East, Suite 200, Cherry Hill, New Jersey. HNM transacts or has transacted business in the District of New Jersey. At all times material to this Complaint, HNM, acting alone or in concert with others, has advertised, marketed, and/or sold mortgage loan modification services to consumers throughout the United States.
6. Defendant Hope Now Financial Services Corp. (“HNFS”), doing business as Hope Now Modifications, is a New Jersey corporation with its principal place of business at 200 Lake Drive East, Suite 200, Cherry Hill, New Jersey. HNFS transacts or has transacted business in the District of New Jersey. At all times material to this Complaint, HNFS, acting alone or in concert with others, has advertised, marketed, and/or sold mortgage loan modification services to consumers throughout the United States.
7. Defendant Nick Puglia is a manager, officer and/or principal of HNM and HNFS. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to

control, or participated in the acts and practices of HNM and HNFS, including the acts and practices set forth in this Complaint. Defendant Nick Puglia resides in this District and transacts or has transacted business in this District and throughout the United States.

8. Defendant Salvatore Puglia, Sr. is a manager, officer and/or principal of HNM and HNFS. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of HNM and HNFS, including the acts and practices set forth in this Complaint. Defendant Salvatore Puglia resides in this District and transacts or has transacted business in this District and throughout the United States.
9. Defendants HNM and HNFS have operated as a common enterprise while engaging in the deceptive acts and practices alleged below. Because HNM and HNFS have operated as a common enterprise, each of them is jointly and severally liable for the acts and practices alleged below.

#### **COMMERCE**

10. At all times relevant to this complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.



Internet website, [www.hopenowmod.com](http://www.hopenowmod.com), through which they market their services.

13. Defendants' website states "STOP FORECLOSURE – GET HELP." At the top left is Defendants' logo: a graphic of a house interspersed with the words "HOPE NOW MODIFICATIONS." To the right is Defendants' toll-free number, "877-HOPE-364."
14. Defendants' website contains statements to induce consumers to purchase their mortgage loan modificati



- f. **Hope Now Modifications LLC** is an alliance between professional  
counselors



19. Defendants' telemarketers instruct consumers that they must pay Defendants' fee up-front. The fee is typically in the amount of consumers' monthly mortgage payment. Defendants typically refer to the fee as a mitigation escrow deposit. Consumers who express concern about paying the fee are often told that they can pay the fee instead of their regular mortgage payment, because foreclosure proceedings will be stayed while Defendants negotiate with the lender.
20. In numerous instances, consumers are told that if they are not satisfied with Defendants' service they are entitled to a full refund of the fees paid.
21. In numerous instances, Defendants' telemarketers create a false aura of legitimacy by misrepresenting that they are part of the Hope Now Alliance.
22. Defendants, however, are not members of, affiliated with, or part of the Hope Now Alliance.
23. In numerous instances, after consumers have paid Defendants' fee, Defendants fail to return consumers' telephone calls or provide updates about the status of Defendants' purported communications with the consumers' lenders. In other instances, Defendants misrepresent to consumers that negotiations are proceeding smoothly.
24. In numerous instances, Defendants fail to obtain mortgage loan modifications. In numerous instances, consumers learn from their lenders



consumers' withdrawing previously filed complaints with law enforcement agencies or consumer reporting entities.

**VIOLATIONS OF SECTION 5 OF THE FTC ACT**

27. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or deceptive acts and practices in or affecting commerce.”
28. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by S



Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

B. Enter a permanent injunction to prevent future violations of the FTC Act by Defendants;

C. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act, including but not limited to rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and

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D. Award Plaintiff the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Dated: March 17, 2009

Respectfully submitted,

DAVID C. SHONKA  
Acting General Counsel

s/ Gregory A. Ashe

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