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BACKEND, INC., a California corporation, formerly known as Mortgage Modification Center, also dba MMC, Inc.;

EXPERT PROCESSING CENTER, INC., a Nevada corporation;

SMART FUNDING CORP., a Nevada corporation;

WILLIAM D. GOODRICH, ATTY, INC., a California corporation, also dba WDG, Attorney at Law;

RATAN BAID, individually and as an Officer, Director, or Manager of Defendants A to Z Marketing, Inc., Apex Members, LLC, and Smart Funding Corp.;

MADHULIKA BAID, aka Madhu Baid, individually and as an Officer, Director, or Manager of Defendants A to Z Marketing, Inc., Apex Members, LLC, and Smart Funding Corp.; and

WILLIAM D. GOODRICH, u2S,ng Corp TD:0rorpof D2bi5

1 mortgage assistance relief obtained by the MARS provider.

2 5. The FTC is authorized to initiate federal district court proceedings, by
3 its own attorneys, to enjoin violations of the FTC Act, the Omnibus Act as clarified
4 by the Credit Card Act and amended by the Dodd-Frank Act, the MARS Rule, and
5 Regulation O, and to secure such equitable relief as may be appropriate in each
6 case, including rescission or reformation of contracts, restitution, the refund of
7 monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b),
8 56(a)(2)(A)-(B), 57b, 6102(c) and 6105(b), § 626, 123 Stat. 678, as clarified by
9 § 511, 123 Stat. at 1763-64, and amended by § 1097, 124 Stat. at 2102-3, 12
10 U.S.C. § 5538.

11 **DEFENDANTS**

12 6. Defendant **A to Z Marketing, Inc.**, also doing business as Client
13 Services, is a Nevada Corporation that identifies its principal place of business as
14 1809 East Dyer Road, Santa Ana, California. As part of the common enterprise
15 described in paragraph 16, A to Z Marketing, Inc., markets, provides, offers to
16 provide, or arranges for others to provide MARS, as defined in 16 C.F.R § 322.2,
17 recodified as 12 C.F.R. § 1015.2. A to Z Marketing, Inc., transacts or has
18 transacted business in this District and throughout the United States.

19 7. Defendant **Apex Members, LLC**, also doing business as Apex
20 Solutions and the MacArthur Financial Group, is a Nevada limited liability
21 company that identifies its principal place of business as 2360 Corporate Circle,
22 Henderson, Nevada. As part of the common enterprise described in paragraph 16,
23 Apex Members, LLC, markets, provides, offers to provide, or arranges for others
24 to provide MARS, as defined in 16 C.F.R § 322.2, recodified as 12 C.F.R.
25 § 1015.2. Apex Members, LLC, transacts or has transacted business in this District
26 and throughout the United States.

27 8. Defendant **Apex Solutions, Inc.**, is a Nevada corporation that
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1 identifies its principal place of business as 2360 Corporate Circle, Henderson,
2 Nevada. As part of the common enterprise described in paragraph 16, Apex
3 Solutions, Inc., markets, provides, offers to provide, or arranges for others to
4 provide MARS, as defined in 16 C.F.R § 322.2, recodified as 12 C.F.R. § 1015.2.
5 Apex Solutions, Inc., transacts or has transacted business in this District and
6 throughout the United States.

7 9. Defendant **Backend, Inc.**, is a California corporation that identifies its
8 principal place of business as 2601 Main Street, Irvine, California. As part of the
9 common enterprise described in paragraph 16, Backend, Inc., markets, provides,
10 offers to provide, or arranges for others to provide MARS, as defined in 16 C.F.R
11 § 322.2, recodified as 12 C.F.R. § 1015.2. Backend, Inc., transacts or has
12 transacted business in this District and throughout the United States.

13 10. Defendant **Expert Processing Center, Inc.**, is a Nevada corporation
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1 Corp. In connection with the matters alleged herein, Madhulika Baid transacts or
2 has transacted business in this District and throughout the United States.

3 15. Defendant **William D. Goodrich** is an individual who, acting alone or
4 in concert with others, has operated and continues to operate businesses that
5 market, provide, offer to provide, or arrange for others to provide MARS, as
6 defined in 16 C.F.R. § 322.2, recodified as 12 C.F.R. § 1015.2. William D.
7 Goodrich, acting alone or in concert with others, and through interrelated entities
8 described in paragraphs 6 through 12, has formulated, directed, controlled, had the
9 authority to control, or participated in the acts and practices set forth in this
10 Complaint. At times material to this Complaint, William D. Goodrich is or was a
11 Director, Officer, or Manager of Defendant William D. Goodrich, Atty, Inc. In
12 connection with the matters alleged herein, William D. Goodrich transacts or has
13 transacted business in this District and throughout the United States.

14 **COMMON ENTERPRISE**

15 16. At times material to this Complaint, Defendants A to Z Marketing,
16 Inc., Apex Members, LLC, Apex Solutions, Inc., Backend, Inc., Expert Processing
17 Center, Inc., Smart Funding Corp., and William D. Goodrich, Atty, Inc., have
18 operated as a common enterprise while engaging in the unlawful acts and practices
19 set forth below. These Defendants have conducted those acts and practices
20 through an interrelated network of companies that have common ownership,
21 business functions, employees, and office locations; that have commingled funds;
22 and/or that have shared one another's marketing material. Because these
23 Defendants have operated as a common enterprise, each of them is jointly and
24 severally liable for the acts and practices alleged below. Defendants Ratan Baid,
25 Madhulika Baid, and William D. Goodrich have formulated, directed, controlled,
26 had the authority to control, or participated in the acts and practices of the
27 Defendants that constitute the common enterprise.

1 **COMMERCE**

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

5 **DEFENDANTS’ BUSINESS PRACTICES**

6 **Overview**

7 18. From at least mid-2010 to present, through operation of the common
8 enterprise, in a nationwide scheme, Defendants have engaged in a course of
9 conduct to advertise, market, sell, provide, offer to provide, or arrange for others to
10 provide MARS, including loan documentation and transaction services, and loan
11 modification services.

12 19. Defendants prey on financially distressed homeowners by luring them
13 into membership programs or loan modification services with promises that they
14 will receive legal representation from a real estate attorney who will negotiate with
15 their lenders to save their homes from foreclosure or make their mortgage
16 payments substantially more affordable. In addition to legal representation,
17 Defendants purport to provide consumers enrolled in certain of their programs with
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1 21. To support the provision of MARS by these trade names, Defendants
2 rely on a network of support companies, including but not limited to, Defendants A
3 to Z Marketing, Inc., Backend, Inc., Expert Processing Center, Inc., and Smart
4 Funding Corp. These companies, individually or in combination, perform critical
5 functions for the common enterprise, including but not limited to, compiling sales
6 leads of consumers who may be interested in obtaining a home-loan modification,
7 printing and mailing sales information, employing telemarketers to promote the
8 MARS, registering and maintaining websites, and processing consumers' financial
9 information purportedly to share with the consumer's lender.

10 22. Consumers who agree to pay Defendants' fee of \$2,000 to \$4,000 are
11 then typically asked to sign an agreement to allow Client Services, which is a trade
12 name registered and used by Defendant A to Z Marketing, Inc. (which is itself a
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1 loan modification, but which was available only to consumers who
2 become members by entering into the Membership Agreement;
3 c. a release, allowing Defendants William D. Goodrich and Expert
4 Processing Center access to the consumer's financial records in order
5 to conduct a forensic loan audit; and
6 d. an ACH Payment Authorization, allowing Client Services (*i.e.*,
7 Defendant A to Z Marketing, Inc.), to withdraw funds from the
8 consumer's bank account or charge the consumer's debit or credit
9 card for payment of an up-front fee.

10 **Attorney Front Organizations**

11 24. Starting sometime in 2011 and continuing into 2013, Defendants
12 changed slightly the way they did business. Instead of holding out Defendant
13 William D. Goodrich as an attorney who would represent the consumer,
14 Defendants have established relationships with several attorneys, helping them set
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1 consumers.

2 29. Defendants’ flyers, a typical example of which is attached to this
3 Complaint as Attachment A, are official-looking forms entitled “Loan
4 Modification Notification” and contain file numbers and other identifying numbers
5 preceded by the letters “MOD.” Further down on the form there is a box labeled
6 “Total Loan Amount” with an amount purporting to be the consumer’s outstanding
7 loan amount. The form continues with a notification in bold, all-caps type,
8 informing the consumer:

9 **NOTICE REGARDING MORTGAGE REDUCTION**
10 **YOUR IMMEDIATE PARTICIPATION IS RECOMMENDED**

11 The notice continues by saying, among other things:

12 Based on your mortgage lender information and your property profile
13 provided to us you may be qualified for a loan modification. This
14 includes the following:

- 14 1. Lower your monthly mortgage payments.
- 15 2. Lower your monthly interest rate to as low as 2% fixed rate, 30 or
16 40 year term.
- 17 3. Modify your ARM or Option ARM into a lower fixed rate.

18 The notice then advises that “**YOU MAY FORFEIT LEGAL RIGHTS IF YOU**
19 **DO NOT TAKE PROMPT ACTION[,]**” and **WE CAN HELP SAVE YOUR**
20 **HOME**

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1 their principal balance reduced.

2 37. In numerous instances, Defendants' representatives have told
3 consumers that they should stop paying on their mortgages.

4 38. In numerous instances, Defendants' representatives have told
5 consumers that they should not contact their lenders directly.

6 39. In numerous instances, Defendants' representatives have told
7 consumers that Defendants or their affiliated attorneys could get consumers a loan
8 modification in a brief period of time, such as a few months or within 60 to 90
9 days.

10 **Post Contract**

11 40. Consumers who desire Defendants' services then sign the contracts
12 provided and authorize Defendants to withdraw an advance fee from their accounts
13 ranging from about \$2,000 to \$4,000, or a down payment on that amount.
14 Defendants, through Client Services (*i.e.*, Defendant A to Z Marketing, Inc.), then
15 withdraw these fees either in a one-time transfer or in installments.

16 41. Typically, consumers who contract with Defendants are assigned to
17 one or more non-attorney customer-service representatives who act as their
18 primary points of contact. Often, consumers attempt to call the representative
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1 consumers to believe that an attorney from one of the law centers will represent
2 them, Defendants retain most of the fees paid, and in many cases, fail to inform the
3 law center that a client had been obtained, fail to turn over financial information
4 the client provided, or work on the consumer's file with little or no attorney
5 involvement, much less the skilled legal advocacy promised.

6 43. In numerous instances, consumers who contracted with Defendants
7 have suffered significant economic injury, including paying hundreds or thousands
8 of dollars to Defendants and receiving little or no service in return, going into
9 foreclosure, and even losing their homes.

10 44. In numerous instances, after consumers have contracted with
11 Defendants and paid the requested advance fees, Defendants have failed to obtain a
12 loan modification, principal reduction, or other relief to stop foreclosure or make
13 consumers' mortgage payments substantially more affordable.

14 **VIOLATIONS OF THE FTC ACT**

15 45. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits "unfair or
16 deceptive acts or practices in or affecting commerce."

17 46. Misrepresentations or omissions of material fact that are likely to
18 mislead consumers constitute deceptive acts or practices prohibited by Section 5(a)
19 of the FTC Act.

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1 service provider” as “any person that provides, offers to provide, or arranges for
2 others to provide, any mortgage assistance relief service” other than the dwelling
3 loan holder, the servicer of a dwelling loan, or any agent or contractor of such
4 individual or entity. 16 U.S.C. § 322.2, recodified as Regulation O, 12 C.F.R.
5 § 1015.2.

6 55. The MARS Rule and Regulation O prohibit any mortgage assistance
7 relief service provider from requesting or receiving payment of any fee or other
8 consideration until the consumer has executed a written agreement between the
9 consumer and the consumer’s loan holder or servicer that incorporates the offer
10 that the provider obtained from the loan holder or servicer. 16 C.F.R. § 322.5(a),
11 recodified as 12 C.F.R. § 1015.5(a).

12 56. The MARS Rule and Regulation O prohibit any mortgage assistance
13 relief service provider from misrepresenting, expressly or by implication, any
14 material aspect of any mortgage relief service, including but not limited to:

- 15 a. the likelihood of negotiating, obtaining, or arranging any represented
16 service or result. 16 C.F.R. § 322.3(b)(1), recodified as Regulation O,
17 12 C.F.R. § 1015.3(b)(1); and
- 18 b. the amount of time it will take the mortgage assistance relief service
19 provider to accomplish any represented service or result. 16 C.F.R.
20 § 322.3(b)(2), recodified as Regulation O, 12 C.F.R. § 1015.3(b)(2).

21 57. The MARS Rule and Regulation O prohibit any mortgage assistance
22 relief service provider from failing to place a statement in every general
23 commercial communication disclosing that (i) the provider is not associated with
24 the government and its service is not approved by the government or any lender,
25 and (ii) in certain cases, a statement disclosing that the lender may not agree to
26 modify a loan, even if the consumer uses the provider’s service. 16 C.F.R.
27 § 322.4(a)(1)-(2), recodified as 12 C.F.R. § 1015.4(a)(1)-(2).

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1 58. The MARS Rule and Regulation O prohibit any mortgage assistance
2 relief service provider from failing to place a statement in every consumer-specific
3 commercial communication (i) confirming that the consumer may stop doing
4 business with the provider or reject an offer of mortgage assistance without having
5 to pay for the services, (ii) disclosing that the provider is not associated with the
6 government and its service is not approved by the government or any lender, (iii)
7 in certain cases, a statement disclosing that the lender may not agree to modify a
8 loan, even if the consumer uses that provider's service, and (iv) in certain cases, a
9 statement disclosing that if they stop paying their mortgage, consumers may lose
10 their home or damage their credit. 16 C.F.R. § 322.4(b)(1)-(3) and (c), recodified
11 as 12 C.F.R. § 1015.4(b)(1)-(3) and (c).

12 59. Pursuant to the Omnibus Act § 626, 123 Stat. at 678, as clarified by
13 the Credit Card Act § 511, 123 Stat. at 1763-64 and amended by the Dodd-Frank
14 Act § 1097, 124 Stat. at 2102-03, 12 U.S.C. § 5538, and pursuant to Section
15 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), a violation of the MARS Rule and
16 Regulation O constitutes an unfair or deceptive act or practice in or affecting
17 commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

18 **VIOLATIONS OF THE MARS RULE**

19 **COUNT III**

20 **Collection of Advance Payments**

21 60. In numerous instances, in the course of providing, offering to provide,
22 or arranging for others to provide mortgage assistance relief services, Defendants
23 ask for or receive payment before consumers have executed a written agreement
24 between the consumer and the loan holder or servicer that incorporates the offer
25 obtained by Defendants, in violation of the MARS Rule, 16 C.F.R. § 322.5(a) and
26 Regulation O, 12 C.F.R. § 1015.5(a).

COUNT IV

Material Misrepresentations

61. In numerous instances, in the course of providing, offering to provide,

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1 public interest.

2 **THIS COURT’S POWER TO GRANT RELIEF**

3 64. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court
4 to grant injunctive and such other relief as the Court may deem appropriate to halt
5 and redress violations of any provision of law enforced by the FTC. The Court, in
6 the exercise of its equitable jurisdiction, may award ancillary relief, including
7 rescission or reformation of contracts, restitution, the refund of monies paid, and
8 the disgorgement of ill-gotten monies, to prevent and remedy any violation of any
9 provision of law enforced by the FTC.

10 65. Section 19 of the FTC Act, 15 U.S.C. § 57b, and Section 626 of the
11 Omnibus Act authorize this Court to grant such relief as the Court finds necessary
12 to redress injury to consumers resulting from Defendants’ violations of the MARS
13 Rule, including the rescission or reformation of contracts, and the refund of money.

14 **PRAYER FOR RELIEF**

15 Wherefore, Plaintiff, FTC, pursuant to Sections 13(b) and 19 of the FTC
16 Act, 15 U.S.C. §§ 53(b) and 57b, the Omnibus Act, and the Court’s own equitable
17 powers, requests that the Court:

18 A. Award Plaintiff such preliminary injunctive and ancillary relief as
19 may be necessary to avert the likelihood of consumer injury during the pendency
20 of this action, and to preserve the possibility of effective final relief, including but
21 not limited to, temporary and preliminary injunctions, and an order freezing assets;

22 B. Enter a permanent injunction to prevent future violations of the FTC
23 Act and the MARS Rule/Regulation O by Defendants;

24 C. Award such relief as the Court finds necessary to redress injury to
25 consumers resulting from Defendants’ violations of the FTC Act and the MARS
26 Rule/Regulation O, including but not limited to, rescission or reformation of
27 contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten
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Property State

IL

Contact Phone Number

(800) 983-2606

Property Type

RESIDENTIAL

Mortgage Assistance

3108 State Route 59

Notice Type

010-M

St. 124-267

Naperville, IL 60564

Personal ID Number

MOD 1274800

Suggested Form Ref

Property Address and Zip Code

Brendan

Mortgage Reduction

Oak Park IL 60304-1610

Your Mortgage Loan

Total Loan Amount

\$180982

State: IL

Loan Modification

NOTICE REGARDING MORTGAGE DEDUCTION

Issued Date: February 18, 2013

YOUR IMMEDIATE PARTICIPATION IS RECOMMENDED

your mortgage lender information and your borrower's file provided to us may be qualified. Based on your mortgage information, we have identified several options for loan modification. This includes the following:

1. Lower your monthly mortgage payments.

2. Convert your ARM into a lower fixed rate.

3. Modify your ARM or Opti

4. Repair your credit score.

5. Eliminate or reduce delinquent

6. Reduce the principal of your second mortgage.

7. Discounted pay-off or forbearance and

NEED TO DO-

WHAT YOU

983-2606 to you free consultation.

Please call us at 1-800-983-2606

File Number

Property Address

Zip Code

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State

Loan Modification

Term Loan Amount

1.23

Start Date January 24, 2011

PROPERTY MANAGEMENT CAREER

PLEASE READ EN

Health, Medical &

Property Tax

3. Access to more affordable insurance program which can reduce your homeowner's

other policies by as much as 30%

4. Free reassessment of your property which may lead to reduced pr

5. Personal coaching from qualified

Thousands of homeowners have taken advantage of this opportunity and have re

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