

ORIGINAL

IN THE COURT OF COMMON PLEAS
ERIE COUNTY, OHIO

FILED
COMMON PLEAS COURT
ERIE COUNTY, OHIO
2015 APR 17 PM 2:45
LUCYDA S. WILSON
CLERK OF COURTS

STATE OF OHIO, ex rel.
ATTORNEY GENERAL
MICHAEL DEWINE

Plaintiff,

v.

CREDENCE LAW GROUP, INC., et al.

Defendants.

CASE NO. 2014 CV 0489

JUDGE R.E. BINETTE

MAGISTRATE BECHTEL

FINAL ORDER AND ENTRY
AGAINST DEFENDANTS

RECEIVED
ATTORNEY GENERAL OF OHIO

MAY 27 2015

CONSUMER PROTECTION SECTION
PUBLIC INSPECTION FILE

This matter came to be heard upon the filing of Plaintiff's Motion for Default Judgment on September 10, 2014. On September 26, 2014, the Court issued an Order and Entry Granting Default Judgment Against Defendants ("Default Judgment Order"). In addition to granting the other relief Plaintiff requested, the Default Judgment Order established that the amounts of civil penalties and consumer damages owed by Defendants would be determined at a later damages hearing.

Plaintiff filed a Memorandum in Support of Damages and Civil Penalties ("Damages Memo") on November 19, 2014. As permitted by the Default Judgment Order, Plaintiff attached to its Damages Memo as evidence the sworn affidavits of seven consumers, all of whom suffered monetary damages due to the Defendants' unfair and deceptive acts and practices. The Plaintiff's Damages Memo set forth the basis for the damages amount requested for these seven consumers, as well as the basis for the Plaintiff's request for the imposition of a civil penalty in the amount of Fifty-Thousand Dollars (\$50,000.00).

Magistrate Bechtel conducted a damages hearing on November 21, 2014. Plaintiff's counsel appeared before the Magistrate and summarized the evidence and arguments in the

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Plaintiff's Damages Memo supporting the requested amounts of civil penalties and consumer damages. Neither the Defendants nor any counsel appeared at the hearing. Based on Plaintiff's oral motion during the hearing, on November 24, 2014 the Magistrate issued an order granting Plaintiff an extension until December 19, 2014 to file any supplemental evidence or affidavits in support of Plaintiff's request for damages. On 12/18/14 ^{REP}, Plaintiff filed a Supplemental Memorandum requesting damages for one additional consumer and attached as evidence an affidavit from that consumer.

In sum, Plaintiff has requested damages for the eight (8) consumers who submitted affidavits, in the total amount of Twenty-One Thousand, Six-Hundred and One Dollars and Forty Cents (\$21,601.40).

The Court hereby finds that each of the eight consumers that submitted affidavits sustained monetary damages resulting from Defendants' unfair and deceptive acts and practices in the amounts set forth in their affidavits, totaling Twenty-One Thousand, Six-Hundred and One Dollars and Forty Cents (\$21,601.40). Further, based on the argument set forth by Plaintiff in its Damages Memo, the Court finds that the imposition of a civil penalty in the amount of Fifty-Thousand Dollars is proper, appropriate, and permitted by R.C. 1345.07(D).

In summary, the Court finds Plaintiff's requests well-taken and hereby orders the Defendants to pay to the Attorney General Twenty-One Thousand Six-Hundred and One Dollars and Forty Cents (\$21,601.40) for consumer damages and a Fifty Thousand Dollar (\$50,000) civil penalty.

Based on the above, the Court completely re-states below the Findings of Facts, Conclusions of law, and Orders that were originally included in the Court's Default

Judgment Order, and also new orders specifying the consumer damages and civil penalties amounts that Defendants must pay.

FINDINGS OF FACT

1. Defendant Credence Law Group, Inc. ("Credence Law Group") was an Illinois corporation that dissolved in June 2014.
2. Defendant Credence Law Group represented to consumers that its principal place of business was located at 180 N. Stetson Street, Suite 3500, Chicago, Illinois 60601.
3. Defendant Byron Landau ("Landau") is a natural person who resides in Nevada.
4. Defendant Landau directed, supervised, approved, formulated, authorized, ratified, benefited from, and otherwise participated in the acts and practices of Credence Law Group, as described herein.
5. At all times relevant to this action, Defendants were engaged in the business of soliciting, offering for sale, and selling mortgage loan modification services to consumers.
6. Defendants misrepresented to consumers that Credence Law Group was a law firm that would provide professional services to consumers in order to help them avoid foreclosure.
7. Defendants misrepresented to consumers that they could help the consumers avoid foreclosure by negotiating a loan modification or other loan adjustment with the consumer's lender or mortgage servicer.
8. Defendants accepted money from consumers for the purpose of obtaining a loan modification for consumers.
9. Individual Ohio consumers paid Defendants Nine Hundred Dollars (\$900.00) or more in order to obtain a loan modification.

10. Defendants charged Ohio consumers over Seventy-Five Dollars (\$75.00) in order to initiate their loan modification services.
11. Defendants charged Ohio consumers additional fees in excess of One Hundred Dollars (\$100.00) per calendar year for their loan modification services.
12. Defendants failed to provide the services that were promised to consumers.
13. Defendants failed to obtain loan modifications for some consumers.
14. Consumers who did not receive the service of having their mortgage loans modified requested refunds of the monies they had paid to Defendants.
15. Defendants failed to provide refunds to consumers for whom they were unable to obtain loan modifications.
16. Defendants failed to make full refunds of monies paid for undelivered services, despite requests from consumers to either deliver the services or make full refunds.

CONCLUSIONS OF LAW

17. The actions of Defendants have occurred in the State of Ohio and, as set forth below, are in violation of the Ohio Consumer Sales Practices Act ("CSPA"), R.C. 1345.01, its Substantive Rules, O.A.C. 109:4-3-01 et seq., and the Ohio Debt Adjuster's Act, R.C. 4701.01 et seq.
18. The Attorney General, acting on behalf of the State of Ohio and in the public interest, is the proper party to this action by virtue of the authority vested in him by R.C. 1345.07.
19. Jurisdiction over the subject matter of this action lies with this Court pursuant to R.C. 1345.04 of the CSPA.
20. This Court has venue to hear this case pursuant to Ohio Civ. R. 3(B)(3), as Defendants conducted activities in Erie County that gave rise to the claims for relief.

21. Defendants are “suppliers” as defined in R.C. 1345.01(C) as Defendants were, at all times relevant hereto, engaged in the business of effecting consumer transactions either directly or indirectly by soliciting and selling goods or services to consumers in Erie and other counties 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).
22. Defendants are, and were at all times relevant hereto, engaged in “debt adjusting” as defined in R.C. 4710.01(B) in that Defendants held themselves out as providing services to debtors in the management of debts by effecting the adjustment, compromise, or discharge of any account, note, or other indebtedness of the debtor.
23. Defendants have engaged in unfair and deceptive acts and practices in violation of R.C. 1345.02 of the CSPA and the Failure to Deliver Rule, O.A.C. 109:4-3-09, by accepting money from consumers for services, failing to make full delivery of the promised services, and failing to provide a full refund.
24. Defendants committed unfair and deceptive acts and practices in violation of R.C. 1345.02(A) of the CSPA by operation of R.C. 4710.04 by engaging in debt adjusting activities, including holding out that they could effect the adjustment, compromise, or discharge of any account, note, or other indebtedness of consumers who signed up for their services, while charging fees in excess of those permitted by R.C. 4710.02(B) of the Debt Adjuster’s Act.

THEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED THAT:

- A. Defendants Credence Law Group and Landau, their agents, servants, representatives, salespeople, employees, successors or assigns, and all persons acting in concert or participating with them, directly or indirectly, through any consumer transaction, are

PERMANENTLY ENJOINED from engaging in the acts and practices described in this order and from committing any unfair, deceptive, or unconscionable act or practice that violates the CSPA, R.C. 1345.01 et seq., and its Substantive Rules, O.A.C. 109:4-3-01 et seq., or the Debt Adjuster's Act, R.C. 4710.01 et seq., including, but not limited to, violations of the specific statutes and rules described in this order.

- B. It is **DECLARED** that the acts and practices committed by the Defendants, as set forth above, violate the CSPA, R.C. 1345.01 et seq., its Substantive Rules, O.A.C. 109:4-3-01 et seq., and the Debt Adjuster's Act, R.C. 4710.01 et seq.
- C. Pursuant to R.C. 1345.07(B), Defendants are **ORDERED**, jointly and severally, to pay consumer damages in the total amount of Twenty-One Thousand, Six-Hundred and One Dollars and Forty Cents (\$21,601.40). Such payment shall be made to the Attorney General via a certified check or money order payable to the "Ohio Attorney General" and delivered to:

Compliance Officer
Consumer Protection Section
Office of the Ohio Attorney General
30 East Broad Street, 14th Floor
Columbus, Ohio 43215

The consumer damages will be distributed by the Attorney General to the following eight consumers in the amounts set forth below:

Reva	Case	Akron	OH	\$900.00
Victor	Grant	Sandusky	OH	\$2,000.00
Rose	Kopecki	Zanesville	OH	\$2,393.48
Marjorie	McPeak	Ravenna	OH	\$8,324.07

Lynn	Miller	Amherst	OH	\$3,509.63
Donnia	Pearson	Sandusky	OH	\$900.00
Patricia	Scott	Oberlin	OH	\$1,826.00
Connie	Smith	Zanesville	OH	\$1,748.22

D. Based on the above findings that Defendants committed unfair and deceptive acts and practices in violation of the CSPA and the Debt Adjuster's Act, Defendants are **ORDERED**, jointly and severally, to pay a civil penalty of Fifty-Thousand Dollars (\$50,000.00), pursuant to R.C. 1345.07(D). Such payment shall be made to the Attorney General via a certified check or money order payable to the "Ohio Attorney General" and delivered to:

Compliance Officer
Consumer Protection Section
Office of the Ohio Attorney General
30 East Broad Street, 14th Floor
Columbus, Ohio 43215

E. Defendants are **ORDERED**, jointly and severally, to pay all court costs.

F. Defendants are **ENJOINED** from engaging in business as suppliers in any consumer transaction in the State of Ohio until such time as they have satisfied all monetary obligations due hereunder.

IT IS SO ORDERED.

4/16/15
DATE

REBA
JUDGE BENETTE

"The Erie County Clerk Of Courts is **ORDERED** to enter this Judgment Entry on its journals, and shall serve upon all parties not in default for failure to appear Notice of this Judgment Entry and its date of entry upon the journal. Within 3 days of journalizing this Judgment Entry, the Clerk shall serve the parties. Civ.⁷R. 58(B) & 5(B)"

Submitted by:

A handwritten signature in black ink, appearing to read 'T.M.D.', is written over a horizontal line.

TRACY MORRISON DICKENS (0082898)

Associate Assistant Attorney General

Consumer Protection Section

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Counsel for Plaintiff, State of Ohio

TO THE CLERK: Please serve copies of the filed order upon all parties.