

IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO

STATE OF OHIO ex rel.
OHIO ATTORNEY GENERAL
MICHAEL DEWINE

Plaintiff,

v.

MICHAEL A. RABEL &
ASSOCIATES, LLC et al.

Defendants.

CASE NO. 16 CV 3046

JUDGE MCINTOSH

MAGISTRATE BROWNING

RECEIVED
ATTORNEY GENERAL OF OHIO

FEB 01 2017

Final Judgment Entry and Order Adopting the Magistrate's Decision on
Consumer Damages, Civil Penalties, and Other Requested Relief

McIntosh, J.

This matter came to be heard upon the filing of Plaintiff's Motion for Default Judgment on July 13, 2016, based on Defendants' failure to defend the lawsuit. On August 24, 2016, this Court issued a Default Judgment Order and Entry Granting Default Against Defendants Michael A. Rabel & Associates, LLC and Michael A. Rabel ("Default Judgment Order"). The Default Judgment Order granted Plaintiff's requests for declaratory and injunctive relief, ordered Defendants to pay civil penalties and consumer damages in amounts to be determined at a damages hearing, and granted Plaintiff's request to submit evidence of consumer damages via affidavits.

On September 30, 2016, Plaintiff filed a Memorandum in Support of Damages and Other Requested Relief ("Damages Memo") along with the sworn affidavits of three consumers, all of whom suffered monetary damages due to the Defendants' unfair and deceptive acts and practices. The Damages Memo also set forth the statutory basis for the imposition of a \$50,000 civil penalty.

On October 6, 2016, Magistrate Browning found all of Plaintiff's requests well-taken and issued a Magistrate's Decision on Consumer Damages, Civil Penalties, and Other Requested Relief ("Magistrate's Decision), which found the Defendants jointly and severally liable for consumer damages in the amount of \$6,500.00, to be paid to the Plaintiff and distributed to three specified consumers. The Magistrate's Decision further assessed a \$50,000.00 civil penalty against the Defendants.

Pursuant to Civ. R. 53(D)(3), the time for objecting to the Magistrate's Decision has passed, and the Defendants have failed to file objections to the Magistrate's Decision. Therefore, the Court hereby ADOPTS the Magistrate's Decision filed on October 6, 2016. The Court completely re-states below the Findings of Facts, Conclusions of Law, injunctive relief, and Orders that were included in the Magistrate's Decision.

FINDINGS OF FACT

1. Defendant Michael A. Rabel & Associates, LLC is a Pennsylvania limited liability corporation.
2. The principal place of business for Michael A. Rabel & Associates, LLC was originally 100 Ross Street, Suite 502, Pittsburgh, Pennsylvania, 15219, and then moved to 510 3rd Avenue, Pittsburgh, Pennsylvania 15219.
3. Defendant Michael A. Rabel ("Rabel") is a natural person who resides at 318 Olympia Street, Pittsburgh, Pennsylvania, 15211.
4. Defendant Rabel did business as Michael A. Rabel & Associates, LLC.
5. Defendant Rabel directed, supervised, approved, formulated, authorized, ratified, benefited from, and/or otherwise participated in the acts and practices of Michael A. Rabel & Associates, LLC.

6. At all times relevant to this action, Defendant Michael A. Rabel & Associates, LLC was not registered with the Ohio Secretary of State as a foreign corporation.
7. 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.
8. Defendants represented to Ohio consumers that Michael A. Rabel & Associates, LLC was a law firm that would provide professional legal services to consumers in order to help them avoid foreclosure.
9. Defendant Rabel was admitted to practice law in the state of a Pennsylvania in 2006. Though he was never licensed to practice law in Connecticut, on February 4, 2015, the Disciplinary Counsel of the State of Connecticut Judicial Branch issued a Notice of Disbarment against him due to unlicensed legal activity he engaged with Connecticut residents related to mortgage loan modification activities.
10. The Disciplinary Board of the Pennsylvania Supreme Court issued an Administrative Suspension against Defendant Rabel on March 3, 2015.
11. Defendant Rabel has never been licensed to practice law in Ohio.
12. Defendants represented that they could help consumers by providing loan modification services to help consumers save their homes.
13. Defendants utilized the telephone and the internet to solicit Ohio consumers to purchase their loan modification services to help consumers save their homes.
14. Defendants' paperwork that Ohio consumers were required to sign referred to Defendants' services as "legal representation" and the fees that Ohio consumers were required to pay as "attorney fees."

15. Defendants held Michael A. Rabel & Associates, LLC out as being a law firm that would provide legal services to Ohio consumers, despite Rabel never being licensed to practice law in Ohio and despite employing no lawyers who were licensed in Ohio.
16. Defendants induced consumers to trust them by creating the impression that consumers would get professional services associated with legal counsel who were legally permitted to represent them, when such was not the case.
17. Defendants accepted money from consumers for the purpose of obtaining mortgage loan modifications for the consumers.
18. Defendants charged Ohio consumers initial set-up fees in amounts ranging from \$1,000 to \$3,000 prior to the initiation of any services.
19. Defendants charged Ohio consumers fees or contributions in excess of \$100 per calendar year for their loan modification services.
20. Defendants failed to provide services that were promised to consumers.
21. Defendants failed to obtain loan modifications for consumers.
22. Consumers who did not receive the service of having their mortgage loans modified requested refunds of the money they had paid to Defendants.
23. Defendants failed to provide full refunds to consumers for whom they did not deliver the promised beneficial loan modifications.
24. Defendants failed to fully refund the money consumers had paid for undelivered services, despite requests from consumers to either deliver the services or make full refunds.
25. Consumers who did business with the Defendants and never received promised services or refunds were left in worse financial situations than the consumers were in before doing business with Defendants.

CONCLUSIONS OF LAW

26. The actions of Defendants have occurred in the State of Ohio, in Franklin County and other counties of Ohio, and are in violation of the Consumer Sales Practices Act (“CSPA”), R.C. 1345.01 et seq., its Substantive Rules, Ohio Administrative Code (“O.A.C.”) 109:4-3-01 et seq., and the Debt Adjuster’s Act (“DAA”), R.C. 4710.01 et seq.
27. The Attorney General, acting on behalf of the State of Ohio and in the public interest, is the proper party to bring this action by virtue of the authority vested in the Attorney General by R.C. 1345.07 of the CSPA.
28. Jurisdiction over the subject matter of this action lies with this Court pursuant to R.C. 1345.04 of the CSPA.
29. This Court has venue to hear this case pursuant to Ohio Civ. R. 3(B)(3), in that Franklin County is where Defendants conducted some of the transactions complained of herein.
30. Defendants are “suppliers” as that term is defined in R.C. 1345.01(C) because Defendants were, at all times relevant herein, engaged in the business of effecting consumer transactions, either directly or indirectly, by soliciting and selling services to consumers in Franklin County and other Ohio counties for purposes that were primarily personal, family, or household, within the meaning specified in R.C. 1345.01(A) and (D).
31. Defendants engaged in “debt adjusting,” as defined in R.C. 4710.01(B), in that Defendants, at all times relevant herein, 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.
32. Defendants 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 full refunds.

33. Defendants committed unfair and deceptive acts and practices in violation of R.C. 1345.02(A) of the CSPA by failing to register Michael A. Rabel & Associates, LLC as a foreign corporation with the Ohio Secretary of State as required by R.C. 1703.01 et seq.
34. Defendants committed unfair and deceptive acts and practices in violation of R.C. 1345.02(A) and 1345.02(B)(9) of the CSPA by representing that Defendants had an affiliation that they did not have.
35. Defendants committed unfair and deceptive acts and practices in violation of R.C. 1345.02(A), by operation of R.C. 4710.04, by engaging in debt adjusting activities, including holding out that they could affect 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 DAA.

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

- A. Defendants Michael A. Rabel and Michael A. Rabel & Associates, LLC, doing business under their own names or any other names, their agents, representatives, salespeople, employees, successors, or assigns, and all persons acting in concert or participating with them, directly or indirectly, are **PERMANENTLY ENJOINED** from engaging in the acts or practices described in this order and from committing any unfair, deceptive, or unconscionable acts or practices that violate the CSPA, R.C. 1345.01 et seq., its Substantive Rules, O.A.C. 109:4-3-01 et seq., or the DAA, R.C. 4710.01 et seq., including, but not limited to, violating 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 DAA, 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 \$6,500.00. 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 to the following three consumers in the amounts set forth below:

Last Name	First Name	City	State	Amount
Burns	Patrick	Galion	OH	\$ 2,500.00
Klever	Patrica	East Canton	OH	\$ 1,000.00
McCall	Billie	Blacklick	OH	\$ 3,000.00
			TOTAL	\$ 6,500.00

- A. Based on the above findings that Defendants committed unfair and deceptive acts and practices in violation of the CSPA and the DAA, Defendants are **ORDERED**, jointly and severally, pursuant to R.C. 1345.07(D), to pay a civil penalty of \$50,000. 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

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

E. 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 assessed at the damages hearing.

IT IS SO ORDERED.

DATE

JUDGE MCINTOSH

Submitted by:

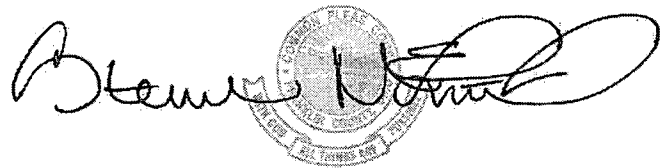
MICHAEL DEWINE
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Franklin County Court of Common Pleas

Date: 11-06-2016
Case Title: OHIO STATE ATTORNEY GENERAL MIKE DEWINE -VS-
MICHAEL A RABEL & ASSOCIATES LLC ET AL
Case Number: 16CV003046
Type: JUDGMENT ENTRY

It Is So Ordered.

A handwritten signature in black ink, appearing to read "Stephen L. McIntosh", is written over a circular official seal. The seal contains the text "JUDGE OF THE COURT OF COMMON PLEAS" and "FRANKLIN COUNTY, OHIO".

/s/ Judge Stephen L. McIntosh